



Obayashi Corporation

2025 CDP Corporate Questionnaire 2025

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

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Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

Japanese

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

JPY

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

Publicly traded organization

(1.3.3) Description of organization

The Obayashi Group is a corporate group centered on Obayashi Corporation, Japan's largest construction company, and is comprised of 123 subsidiaries and 29 affiliated companies. The Group's total revenue amounts to approximately ¥2.62 trillion, and it employs about 17,000 people.

Since its founding in Osaka in 1892 by its founder, Yoshigorō Obayashi, the Company has been engaged in numerous major projects both in Japan and overseas, guided by its DNA of "integrity in craftsmanship" and "technical excellence." Leveraging the technologies and expertise cultivated since its establishment, the Company now develops a wide range of businesses, including its core domestic construction business, overseas construction, engineering, real estate development, green energy, and new domain businesses.

Across all of its business activities, the Company is addressing global environmental issues and contributing to the realization of a sustainable society.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	03/30/2025	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

2620101000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

JP319000AN47

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

JP3190000004

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

No

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

Japan

Singapore

Thailand

United States of America

(1.8) Are you able to provide geolocation data for your facilities?

(1.8.1) Are you able to provide geolocation data for your facilities?

Select from:

Yes, for some facilities

(1.8.2) Comment

The principal business of the Obayashi Group is construction. In the construction industry, buildings and structures are constructed on a project basis at different construction sites for limited periods. As a result, the geographic location data of Obayashi Group facilities, including construction sites, changes frequently, and the total number of such locations reaches several hundred.

For this reason, the Group categorizes countries and regions where it conducts business within a certain scope and monitors factors such as water stress. Taking into account these business characteristics, the Obayashi Group provides geographic location data for each facility based on the business scope of each Group company.

[Fixed row]

(1.8.1) Please provide all available geolocation data for your facilities.

Row 1

(1.8.1.1) Identifier

Japan Headquarters

(1.8.1.2) Latitude

35.626811

(1.8.1.3) Longitude

139.741927

(1.8.1.4) Comment

Obayashi Corporation Headquarters

Row 2

(1.8.1.1) Identifier

Asia Branch: Singapore

(1.8.1.2) Latitude

1.317798

(1.8.1.3) Longitude

103.89433

(1.8.1.4) Comment

Asia Branch

Row 3

(1.8.1.1) Identifier

North America Branch: San Francisco

(1.8.1.2) Latitude

37.558306

(1.8.1.3) Longitude

-122.276369

(1.8.1.4) Comment

North America Branch

[Add row]

(1.15) Which real estate and/or construction activities does your organization engage in?

Select all that apply

- New construction or major renovation of buildings
- Other real estate or construction activities, please specify: *Civil engineering, development projects, renewable energy, and other new business areas*

(1.22) Provide details on the commodities that you produce and/or source.

Timber products

(1.22.1) Produced and/or sourced

Select from:

- Sourced

(1.22.2) Commodity value chain stage

Select all that apply

- Trading
- Manufacturing

(1.22.4) Indicate if you are providing the total commodity volume that is produced and/or sourced

Select from:

- Yes, we are providing the total volume

(1.22.5) Total commodity volume (metric tons)

3684

(1.22.8) Did you convert the total commodity volume from another unit to metric tons?

Select from:

No

(1.22.11) Form of commodity

Select all that apply

Boards, plywood, engineered wood

(1.22.12) % of procurement spend

Select from:

Less than 1%

(1.22.13) % of revenue dependent on commodity

Select from:

Less than 1%

(1.22.14) In the questionnaire setup did you indicate that you are disclosing on this commodity?

Select from:

Yes, disclosing

(1.22.15) Is this commodity considered significant to your business in terms of revenue?

Select from:

No

(1.22.19) Please explain

Since the primary structural materials used in the buildings we construct are concrete and steel, the relative importance of timber in our sales is considered to be low.

[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

- Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

- Upstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

- Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

- Tier 4+ suppliers

(1.24.6) Smallholder inclusion in mapping

Select from:

- Smallholders not relevant, and not included

(1.24.7) Description of mapping process and coverage

Obayashi Corporation first focused on its domestic construction businesses—building construction and civil engineering—which together account for approximately 70% of the Obayashi Group’s consolidated net sales. We then reviewed the stages within the value chain of these two businesses (planning → design → procurement → construction → post-handover maintenance → demolition) that are considered to have significant interactions with nature, and selected “design,” “construction,” and, within “procurement,” the highly impactful category of “raw material extraction” for analysis. In the “construction” stage, activities such as land alteration, drainage, noise, and vibration are considered to create substantial dependencies on and impacts to the

surrounding natural environment. “Design” was also included because the specifications set at the design stage determine nature-related dependencies and impacts both during construction and after completion. Accordingly, “design” and “construction” were treated together as an integrated focus area. Within “procurement,” “raw material extraction” was included because activities such as soil and sand extraction, mineral mining, and forest harvesting inherently depend on and affect nature.

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

	Plastics mapping	Value chain stages covered in mapping
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have mapped or are currently in the process of mapping plastics in our value chain	<i>Select all that apply</i> <input checked="" type="checkbox"/> Direct operations

[Fixed row]

(1.24.2) Which commodities has your organization mapped in your upstream value chain (i.e., supply chain)?

Timber products

(1.24.2.1) Value chain mapped for this sourced commodity

Select from:

Yes

(1.24.2.2) Highest supplier tier mapped for this sourced commodity

Select from:

Tier 1 suppliers

(1.24.2.3) % of tier 1 suppliers mapped

Select from:

100%

(1.24.2.7) Highest supplier tier known but not mapped for this sourced commodity

Select from:

Tier 4+ suppliers

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

At the Environmental Management Committee, held semiannually, we review priority initiatives related to environmental conservation and revise target levels as needed.

Medium-term

(2.1.1) From (years)

4

(2.1.3) To (years)

6

(2.1.4) How this time horizon is linked to strategic and/or financial planning

That is related to the Medium-Term Management Plan.

Long-term

(2.1.1) From (years)

7

(2.1.2) Is your long-term time horizon open ended?

Select from:

No

(2.1.3) To (years)

26

(2.1.4) How this time horizon is linked to strategic and/or financial planning

That is related to Obayashi Sustainability Vision 2050.

[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(2.2.2) Provide details of your organization’s process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

- Climate change
- Forests
- Water
- Plastics
- Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- Dependencies

- Impacts
- Risks
- Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain

(2.2.2.4) Coverage

Select from:

- Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

- Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

(2.2.2.10) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- Site-specific
- Local
- Sub-national
- National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD
- TNFD – Taskforce on Nature-related Financial Disclosures

Other

- Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- Tornado
- Landslide
- Heat waves
- Flood (coastal, fluvial, pluvial, ground water)

- ☑ Cyclones, hurricanes, typhoons
- ☑ Heavy precipitation (rain, hail, snow/ice)

Chronic physical

- ☑ Heat stress
- ☑ Soil erosion
- ☑ Water stress
- ☑ Sea level rise
- ☑ Coastal erosion
- ☑ Land loss to desertification
- ☑ Declining ecosystem services
- ☑ Increased ecosystem vulnerability
- ☑ Water quality at a basin/catchment level
- ☑ Precipitation or hydrological variability
- ☑ Saline intrusion
- ☑ Soil degradation
- ☑ Change in land-use
- ☑ Temperature variability
- ☑ Scarcity of land resources
- ☑ Increased severity of extreme weather events
- ☑ Water availability at a basin/catchment level
- ☑ Seasonal supply variability/interannual variability
- ☑ Changing temperature (air, freshwater, marine water)
- ☑ Changing precipitation patterns and types (rain, hail, snow/ice)

Policy

- ☑ Changes to international law and bilateral agreements
- ☑ Changes to national legislation
- ☑ Increased difficulty in obtaining operations permits
- ☑ Introduction of regulatory standards for previously unregulated contaminants
- ☑ Uncertainty and/or conflicts involving land tenure rights and water rights

Market

- ☑ Changing customer behavior

Reputation

- ☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback

Technology

- ☑ Transition to lower emissions technology and products

Liability

- Exposure to litigation
- Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- NGOs
- Customers
- Employees
- Investors
- Suppliers
- Regulators
- Local communities
- Indigenous peoples
- Other commodity users/producers at a local level

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- No

(2.2.2.16) Further details of process

The Obayashi Group has adopted an approach to identify, assess, and manage complex, company-wide risks and opportunities—including environmental issues such as climate, forests, and water—and integrates this approach into the organization’s processes as part of its overall risk and opportunity management framework. To identify, assess, and manage these complex, company-wide risks and opportunities, the Group has established the Management Planning Committee, commissioned by the President and CEO under the Management Meeting, along with specialized committees in each sustainability field under this Committee. These committees are responsible for formulating specific initiatives, promoting their implementation, and monitoring progress, and report to the Board of Directors. Each specialized committee examines the impacts on the entire Group and its value chain—including suppliers and customers—from short-term (0–3 years), medium-term (4–6 years), and long-term (7–26 years) perspectives. They also identify material issues that the company should address, assess related risks and opportunities, and manage them from a comprehensive viewpoint. Environmental risks and opportunities, including those related to climate, forests, and water, are managed by the Environmental Management Committee, one of the specialized committees. Regarding short- to long-term risks and opportunities across the Group and value chain, the ESG department extracted 22 ESG issues from an initial set of 300 ESG-related topics. These issues were evaluated along two axes: stakeholder interest, and their strategic or financial significance and impact for the Obayashi Group, in order to prioritize them. Based on the prioritization results and in consideration of alignment with Obayashi’s Fundamental Principles and business strategy, six key issues were ultimately identified.

One of the Obayashi Group’s ESG materialities is “Building an Environmentally Conscious Society.” Each fiscal year, the Management Planning Committee develops ESG issue (materiality) action plans and KPIs—including those addressing climate, forest, and water-related risks and opportunities—and incorporates them into the

Medium-Term Management Plan, as well as reflecting them in the priority initiatives of each division.

The ESG department conducts biannual performance reviews and an annual detailed analysis based on the progress of each division toward its numerical targets. The Management Planning Committee, using the results of these analyses, formulates execution policies and monitors progress for sustainability issues, including those related to climate, forests, and water.

The process for identifying and assessing climate, forest, and water-related risks and opportunities follows the same methodology applied to risks and opportunities across the entire value chain. Material risks and opportunities are determined based on their potential impact, with corresponding mitigation measures and prioritization established and implemented. Evaluation criteria include quantitative and qualitative factors such as the potential impact if an event occurs, the likelihood of occurrence in the short, medium, and long term, the effect on consolidated operating profit as defined for significant financial impacts, and alignment with Obayashi's Fundamental Principles, business activities, and business strategy.

Long-term risks and opportunities extending seven years or more, up to 2050, are managed through the Obayashi Sustainability Vision 2050, revised and announced on June 24, 2019. This vision reflects societal trends and changes in the Group's business environment, with periodic review by executive management and external experts. The need to revise the Vision and set targets for 2040–2050 is assessed during the intermediate target years of 2030 and 2040.

In accordance with the TCFD recommendations, the Obayashi Group conducted scenario analysis for 2030 to understand the medium- to long-term impacts of climate-related issues on its business, and identified and assessed related risks and opportunities. Similarly, in line with the TNFD recommendations, the Group conducted an analysis of dependencies and impacts on nature throughout the value chain using the LEAP approach recommended by TNFD, and identified and assessed nature-related risks and opportunities, including those associated with forests and water.

For climate- and nature-related risks and opportunities, the Group sets priorities and implements countermeasures based on the results of the above identification and assessment processes. These risks and opportunities are also incorporated into the Medium-Term Management Plan, prepared every three to five years, taking financial impacts into consideration. Each responsible division develops detailed priority action plans based on the decided measures. Progress is reported alongside the action plans and KPIs at the Management Planning Committee, which meets at least once annually as needed.

The Group applies differentiated responses based on the level of importance, impact, and progress, as well as stakeholder interest and peer practices:

For risks with high importance, impact, and progress, and high stakeholder interest or peer activity, controls are implemented to mitigate the risk, and opportunities are addressed proactively to strengthen competitive advantage;

For risks with high importance, impact, and progress but low stakeholder interest or peer activity, risks are addressed through reduction measures, and opportunities are leveraged to realize their potential and communicate their significance;

For risks with low importance, impact, and progress but high stakeholder interest or peer activity, risks are managed through transfer measures, and opportunities are addressed by developing and implementing appropriate measures and initiatives;

For risks with low importance, impact, and progress and low stakeholder interest or peer activity, risks are accepted, and opportunities are monitored to assess potential future value.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

Yes

(2.2.7.2) Description of how interconnections are assessed

Nature-related risks and opportunities have been identified and assessed in accordance with the LEAP approach recommended by the TNFD, analyzing dependencies and impacts on nature throughout the value chain as follows:

Locate: Identify the value chain, extract construction sites by type of project and sourcing locations for raw materials, and discover points of interaction with nature.

Evaluate: Diagnose dependencies and impacts using ENCORE, and confirm adjacency to protected areas and key species using IBAT.

Assess: Based on the dependencies and impacts identified by ENCORE, identify risks and opportunities and develop corresponding countermeasures.

Prepare: Implement disclosure and take measures to address identified risks and opportunities.

Using ENCORE, approximately 80 nature-related risks and opportunities have been identified. Among them, the key risks were extracted for their particularly high potential impact, including ecosystem use, greenhouse gas (GHG) emissions, and water resources. Key opportunities were identified in areas such as green infrastructure and timber.

Regarding GHG emissions, the extraction of natural resources such as iron ore, coal, sand, and limestone—used as raw materials in procurement—generates emissions, which may lead to increased procurement costs if a carbon tax is introduced, representing a transition risk. Additionally, the harvesting of timber carries a transition risk, as stricter forest conservation policies aimed at enhancing GHG absorption could reduce the supply of timber and increase procurement costs.

[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

Direct operations

Upstream value chain

(2.3.3) Types of priority locations identified

Sensitive locations

- ☑ Areas important for biodiversity
- ☑ Areas of high ecosystem integrity
- ☑ Areas of rapid decline in ecosystem integrity
- ☑ Areas of limited water availability, flooding, and/or poor quality of water
- ☑ Areas of importance for ecosystem service provision

Locations with substantive dependencies, impacts, risks, and/or opportunities

- ☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to forests
- ☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water
- ☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to biodiversity

(2.3.4) Description of process to identify priority locations

Nature-related risks and opportunities were identified and assessed in accordance with the LEAP approach recommended by the TNFD, analyzing dependencies and impacts on nature across the value chain as follows.

First, in selecting the target businesses and value chains, the focus was placed on the domestic construction business (building) and domestic construction business (civil engineering), which together account for approximately 70% of consolidated revenue. Within the value chains of these businesses (planning → design → procurement → construction → post-handover management → demolition), stages considered to have significant interactions with nature were examined. As a result, raw material extraction, which has a major impact within procurement, and design and construction were selected as the subjects of this analysis.

In raw material extraction, activities such as soil removal, mineral mining, and deforestation are expected to have impacts on nature. During construction, land modification, drainage, noise, and vibration are considered to exert significant impacts on surrounding natural environments. Design itself does not directly interact with nature; however, since the content of the design determines the impacts on nature during construction, design and construction were treated as an integrated unit.

For raw material extraction, five materials were analyzed: iron ore, coal, sand, and limestone (used in steel, ready-mixed concrete, and cement) as key construction materials, and timber as a strategically important construction material. For design and construction, the top projects by five-year average revenue were selected: from the building business—office/government buildings, factories/power plants, residential, educational/research/cultural facilities, and warehouses/distribution facilities; from the civil engineering business—railways, roads, and erosion control/water management projects.

Next, ENCORE, a tool for assessing dependencies and impacts on nature, was used to analyze the relationships between the selected raw material extraction and design/construction stages and nature. The analysis revealed that for both raw material extraction and design/construction, the impacts on nature are greater than the dependencies. In addition, in both stages, the use of terrestrial ecosystems was identified as having particularly high impacts.

Further analysis by sub-category showed that the extraction of iron ore and coal has a significant impact through water usage, while timber extraction has a high dependency on groundwater, surface water, and water flow maintenance. In design and construction, certain types of projects also showed substantial impacts on freshwater and marine ecosystems.

Based on these results of dependency and impact analysis across the value chain, the use of terrestrial ecosystems in design and construction (construction sites and raw

material extraction sites) was further analyzed using IBAT (Integrated Biodiversity Assessment Tool). This assessment considered location-specific indicators such as the number of endangered species, protected areas, and Key Biodiversity Areas (KBAs) to evaluate impacts on nature.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

- No, we have a list/geospatial map of priority locations, but we will not be disclosing it
[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

- Qualitative
 Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- Other, please specify: *Consolidated operating profit*

(2.4.3) Change to indicator

Select from:

- Absolute decrease

(2.4.5) Absolute increase/ decrease figure

10000000000

(2.4.6) Metrics considered in definition

Select all that apply

- Frequency of effect occurring
- Time horizon over which the effect occurs
- Likelihood of effect occurring

(2.4.7) Application of definition

The definition of substantive financial or strategic impact is based on the following evaluation criteria. These criteria include: the magnitude of impact if the event occurs, the likelihood of occurrence over the short, medium, and long term, the impact on consolidated operating profit as a financial indicator, and qualitative assessments such as consistency with Obayashi Corporation's Fundamental Philosophy, the company's business activities, and business strategies. These factors serve as the basis for determining the significance and impact of identified risks and opportunities.

Impact is evaluated on a three-tier scale: high (over ¥10 billion), medium (¥1–10 billion), and low (under ¥1 billion). In the construction business, which is the core business of the Obayashi Group and accounts for over 90% of revenue, increases in construction costs correspond directly to increases in cost of sales, thereby reducing consolidated operating profit. Changes in consolidated operating profit are therefore a financially material factor in the identification and assessment of risks and opportunities.

For reference, consolidated operating profit for the fiscal year ending March 2025 is approximately ¥143.4 billion. Construction demand in Japan may affect the building business in the short term and the civil engineering business in the medium to long term.

Opportunities

(2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- Other, please specify: Consolidated operating profit

(2.4.3) Change to indicator

Select from:

- Absolute increase

(2.4.5) Absolute increase/ decrease figure

(2.4.6) Metrics considered in definition

Select all that apply

- Frequency of effect occurring
- Time horizon over which the effect occurs
- Likelihood of effect occurring

(2.4.7) Application of definition

The definition of substantive financial or strategic impact is based on the following evaluation criteria. These criteria include: the magnitude of impact if the event occurs, the likelihood of occurrence over the short, medium, and long term, the impact on consolidated operating profit as a financial indicator, and qualitative assessments such as consistency with Obayashi Corporation's Fundamental Philosophy, the company's business activities, and business strategies. These factors serve as the basis for determining the significance and impact of identified risks and opportunities.

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For reference, consolidated operating profit for the fiscal year ending March 2025 is approximately ¥143.4 billion. Construction demand in Japan may affect the building business in the short term and the civil engineering business in the medium to long term.

[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

- Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

The Obayashi Group, under the Obayashi Group Environmental Policy, has established commitments such as compliance with laws and regulations and efforts to

reduce environmental impacts across all business activities. As part of these efforts, the Group works on preventing pollution through proper management of hazardous substances and other materials. Specifically, substances regulated under national laws, such as the Water Pollution Control Act, as well as local ordinances including pollution prevention ordinances and sewerage regulations, are identified and classified as potential water pollutants. Particularly for construction sites, where conditions and locations vary from project to project, applicable national laws, local ordinances, and, in cases where construction is carried out on a client's premises, client-specified regulated substances are also identified and classified as potential water pollutants. By ensuring that the water discharged from construction sites and other facilities meets the regulatory standards set forth in these laws and ordinances, the Obayashi Group prevents the contamination or pollution of public water bodies, groundwater, and soil caused by potential water pollutants originating from construction and related activities.

[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

- Other physical pollutants

(2.5.1.2) Description of water pollutant and potential impacts

There is a risk that wastewater with high pH (hydrogen ion concentration) or high turbidity, caused by cement, concrete, and other materials used or stored at the Obayashi Group's business sites and construction sites, may be discharged into public water bodies or sewer systems. Such discharges could result in violations of laws and ordinances and water pollution, potentially causing adverse impacts on ecosystems and the surrounding environment.

(2.5.1.3) Value chain stage

Select all that apply

- Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Industrial and chemical accidents prevention, preparedness, and response

- Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

For wastewater generated from work and construction activities using cement, concrete, and other materials at Obayashi Group business sites and construction sites, management procedures are established in individually prepared control manuals and construction plans to ensure proper handling. The procedures include monitoring and measuring the pH and turbidity of wastewater, as well as neutralization treatment using wastewater neutralization facilities and turbidity control (e.g., sedimentation in notch tanks). Compliance with these procedures has been evaluated as successful, as no violations of laws or ordinances or water pollution incidents have occurred.

Row 2

(2.5.1.1) Water pollutant category

Select from:

- Inorganic pollutants

(2.5.1.2) Description of water pollutant and potential impacts

If wastewater containing hexavalent chromium, generated from the use or storage of cement and concrete at Obayashi Group business sites or construction sites, fails to meet wastewater standards and is discharged into public water bodies, sewer systems, or infiltrates into the ground, there is a risk of violating laws or ordinances, polluting public water bodies (including adverse impacts on ecosystems), or contaminating soil and groundwater. In addition, if construction is carried out on land containing soil contaminants such as arsenic or lead, and wastewater that does not meet the wastewater standards is discharged into public water bodies, sewer systems, or infiltrates into the ground as part of the construction activities, there is a risk of violating laws or ordinances, polluting public water bodies (including adverse impacts on ecosystems), or contaminating soil and groundwater.

(2.5.1.3) Value chain stage

Select all that apply

- Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Industrial and chemical accidents prevention, preparedness, and response
- Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

For cement and concrete used at Obayashi Group business sites and construction sites, as well as soil contaminants present on land where construction is carried out, management procedures are defined in individually prepared management manuals and construction plans in accordance with applicable laws and regulations, and are implemented accordingly. As a result, these procedures are evaluated as successful because no violations of laws or ordinances, or incidents of water pollution, have occurred.

Row 3

(2.5.1.1) Water pollutant category

Select from:

Oil

(2.5.1.2) Description of water pollutant and potential impacts

If oils such as fuels used or stored at Obayashi Group business sites or construction sites are released due to leakage or other accidents and discharged into public water bodies, sewer systems, or infiltrate into the ground, there is a risk of violations of laws or ordinances, water pollution in public water bodies (including adverse impacts on ecosystems), or contamination of soil and groundwater.

(2.5.1.3) Value chain stage

Select all that apply

Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

Industrial and chemical accidents prevention, preparedness, and response

Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

Oils used or stored at Obayashi Group business sites or construction sites are handled and stored properly in accordance with laws and regulations. Measures such as the installation of oil–water separation facilities are implemented to prevent oil from entering discharges into public water bodies or sewer systems, and it is appropriately

disposed of as waste. Management procedures are established in individually prepared management manuals and construction plans, and operations are conducted in accordance with these procedures. As a result, since no violations of laws or ordinances, water pollution incidents, or soil contamination have occurred, these procedures are evaluated as successful.

Row 4

(2.5.1.1) Water pollutant category

Select from:

- Other synthetic organic compounds

(2.5.1.2) Description of water pollutant and potential impacts

Paints, organic solvents, and other similar substances used or stored at Obayashi Group business sites or construction sites pose a risk of violating laws or ordinances, polluting public water bodies (including adverse impacts on ecosystems), or contaminating soil and groundwater if they are accidentally discharged or leaked into public water bodies, sewer systems, or the ground.

(2.5.1.3) Value chain stage

Select all that apply

- Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Industrial and chemical accidents prevention, preparedness, and response
- Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

Paints, solvents, and similar substances used or stored at Obayashi Group business sites or construction sites are properly handled and stored in accordance with applicable laws and regulations. Procedures are established in individually prepared management manuals and construction plans to ensure that these substances do not enter public water bodies or sewer systems, nor infiltrate the ground, and are properly disposed of as waste. As a result, these procedures are evaluated as successful, as no violations of laws or ordinances, water pollution incidents, or soil contamination have occurred.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

Yes, both in direct operations and upstream/downstream value chain

Forests

(3.1.1) Environmental risks identified

Select from:

Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

In its business activities, the Obayashi Group withdraws and consumes water and discharges wastewater at all business sites, including construction sites. While environmental risks related to water issues exist, in the reporting year, there were no risks that had a material impact on the Obayashi Group, nor any that are expected to have a material impact in the future.

Plastics

(3.1.1) Environmental risks identified

Select from:

No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

In its business activities, the Obayashi Group uses plastic products and generates plastic waste at all business sites, including construction sites. While environmental risks related to plastic issues exist, in the reporting year, there were no risks that had a material impact on the Obayashi Group, nor any that are expected to have a material impact in the future.

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

Heat stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Japan

(3.1.1.9) Organization-specific description of risk

In the construction industry, work environments are often exposed to high temperatures due to factors such as outdoor direct sunlight, lack of air conditioning, poorly ventilated enclosed spaces, and heat generated from materials and machinery. Deterioration of the work environment caused by rising temperatures can lead to an increase in heatstroke cases at construction sites, resulting in decreased work efficiency, increased absenteeism, and a higher risk of accidents, thereby posing a risk of reduced productivity at sites west of the Kanto region.

Within the Obayashi Group, Obayashi Corporation recorded 185 cases of heatstroke in fiscal year 2024 (216 cases in FY2023), with 15 cases resulting in one or more days of work absence (24 cases in FY2023). If rising temperatures cause Wet Bulb Globe Temperature (WBGT) values at construction sites to exceed the standard threshold, making the risk of heatstroke high, work must be temporarily suspended for a certain period, leading to a financial impact of ¥15.95 million due to reduced site productivity. This constitutes a strategically significant risk factor when identifying and assessing risks under the definition of material financial impact.

(3.1.1.11) Primary financial effect of the risk

Select from:

Decreased revenues due to reduced production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Very likely

(3.1.1.14) Magnitude

Select from:

High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

If rising temperatures cause Wet Bulb Globe Temperature (WBGT) values at construction sites to exceed the standard threshold, making the risk of heatstroke high, work must be temporarily suspended for a certain period, leading to a financial impact due to reduced site productivity.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

63820800

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

95731200

(3.1.1.25) Explanation of financial effect figure

In 2013, the year with the highest number of heatstroke cases in recent years, Obayashi Corporation recorded 277 cases. Assuming 2 days of work absence per case and a

daily wage equivalent of ¥24,000, the total estimated cost is ¥13,296,000 (¥13.296 million) (based on the Obayashi Corporation FY2024 Heatstroke Incident Report). The daily wage equivalent is derived from the 2023 public construction labor unit price. Assuming a 20% increase in cases due to temperature rise caused by global warming (estimated from the "Integrated Report on Climate Change Observation, Prediction, and Impact Assessment 2018: Climate Change and Its Impacts in Japan" by the Ministry of the Environment, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure, Transport and Tourism, and the Japan Meteorological Agency), the additional cost amounts to ¥2,659,200 (¥2.6592 million).

Thus, the total additional cost due to worker absenteeism from heatstroke is $¥13,296,000 + ¥2,659,200 = ¥15,955,200$ (¥15.9552 million).

Considering a medium-term time horizon of 4–6 years:

Minimum estimate: total impact up to 4 years after the reporting year = $¥15,955,200 \times 4 = ¥63,820,800$

Maximum estimate: total impact up to 6 years after the reporting year = $¥15,955,200 \times 6 = ¥95,731,200$

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

Increase investment in R&D

(3.1.1.27) Cost of response to risk

1515000000

(3.1.1.28) Explanation of cost calculation

In the FY2024 environmental accounting, the management costs are included as follows:

Indirect costs related to research and development: approximately ¥1,236 million;

Monitoring and measurement costs: ¥233 million;

Provisions for environmental damage and insurance costs: ¥46 million; and

Total: ¥1,515,000,000 (¥1,515 million)

(3.1.1.29) Description of response

(Situation)

Under its "Occupational Health and Safety Policy," the Obayashi Group has established the following three principles based on the fundamental philosophy of "valuing all people involved in our business":

1. Compliance with the Industrial Safety and Health Act and other relevant laws, regulations, and internal company rules.
2. Proper implementation and operation of the occupational health and safety management system.
3. Promotion of voluntary health and safety management among partner companies.

Based on this policy, the President, as the overall responsible officer, prepares the Central Safety and Health Action Guidelines each year, setting priority measures.

Each branch then creates its own branch-specific "Safety and Health Action Guidelines" based on these central guidelines and implements concrete measures. In the Central Safety and Health Action Guidelines, "Measures to Prevent Heatstroke" include thorough measurement of the WBGT (Wet-Bulb Globe Temperature) at each construction site. The measured values are communicated to workers to raise awareness of heatstroke risks, and if values exceed or are expected to exceed the standard, preventive measures such as ensuring ventilation and modifying work content or location are implemented. These measures comply with the Ministry of Health, Labour and Welfare's "Basic Guidelines for the Prevention of Heatstroke in the Workplace."

(Challenges)

Conventional heatstroke prevention measures have mainly involved monitoring WBGT values, issuing warnings, and encouraging water and salt intake as well as regular breaks. However, the onset of heatstroke varies among individuals and also depends on the type of work and the location of the work site. It has been challenging to comprehensively assess these factors and communicate individual risk to each worker. Additionally, monitoring personal conditions such as individual heart rates has been anticipated as a potential solution.

(Actions)

In February 2015, the Obayashi Group collaborated with NTT Communications to develop workwear using the functional material "hitoe." By wearing this workwear, it became possible to acquire real-time vital data, such as workers' heart rates, on actual construction sites.

In June 2015, the Group also developed the "Heat Index Watcher" system, which continuously measures WBGT (Wet-Bulb Globe Temperature) values at multiple points on a construction site and centrally manages this information at the site office. By monitoring the measured WBGT values alongside workers' heart rates, the system was used to verify the effectiveness of early warning for heatstroke risk and to implement operational measures for risk reduction.

Since fiscal year 2019, full-scale operation of the "Heat Index Watcher" has begun. By fiscal year 2022, it had been introduced at nearly 200 construction sites across Japan, including both building and civil engineering sites. This initiative is considered part of the actions outlined in the Medium-Term Management Plan 2022 through fiscal year 2026.

(Results)

In July 2019, the "Envital" system, which centrally manages construction workers' health conditions and environmental conditions at work sites for safety management, was upgraded. The vital sensors in the system were changed from shirt-type to wristband-type heart rate sensors, and management functions were enhanced with location tracking and emergency alert capabilities, significantly improving usability and effectiveness.

In fiscal year 2021, the system was further improved so that alerts from the Heat Index Watcher could be directly delivered to partner companies and external stakeholders via the messenger app "direct." As a result, in fiscal year 2022, despite an increase of 85 mild heatstroke cases due to summer temperatures averaging 0.91°C higher than usual, the number of severe heatstroke cases requiring at least one day off was limited to only one additional case.

From fiscal year 2022, Oak Information Systems, a Group company, added optional functions to the Heat Index Watcher to measure environmental data such as CO₂ concentration and wind speed. This enhanced system, named "SISMIL," allows monitoring beyond construction sites and across seasons, and has already been implemented at approximately 1,000 locations.

Forests

(3.1.1.1) Risk identifier

Select from:

- Risk2

(3.1.1.2) Commodity

Select all that apply

- Timber products

(3.1.1.3) Risk types and primary environmental risk driver

Market

- Lack of availability and/or increased cost of certified sustainable material

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- China
- Japan
- Canada
- Finland
- Malaysia
- Indonesia
- United States of America

(3.1.1.9) Organization-specific description of risk

Stricter forest protection policies reduce the amount of timber that can be harvested, decreasing supply and potentially destabilizing procurement.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- More likely than not

(3.1.1.14) Magnitude

Select from:

- Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Rising production costs may lead to a decrease in operating profit.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- No

(3.1.1.26) Primary response to risk

Engagement

- Engage with suppliers

(3.1.1.27) Cost of response to risk

159600000

(3.1.1.28) Explanation of cost calculation

14 persons (wood procurement personnel) × ¥11.4 million (average annual salary)

(3.1.1.29) Description of response

After confirming the sustainability of timber procurement, we select and contract suppliers within the supply chain.

[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

Less than 1%

(3.1.2.7) Explanation of financial figures

Risks related to climate change have been addressed, and no vulnerabilities remain.

Forests

(3.1.2.1) Financial metric

Select from:

Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

Less than 1%

(3.1.2.7) Explanation of financial figures

As a risk related to forests, the strengthening of forest protection policies at procurement sources could reduce the allowable logging volume, leading to a decrease in timber supply and potential procurement instability. In FY2024, the materials purchased totaled 2,784 tons; if costs were to increase by ¥10,000 per ton, the additional expense would amount to ¥27.84 million.

In practice, procurement sites are carefully selected to prevent such supply instability, and this risk has been addressed, leaving no vulnerabilities.

[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
	Select from: <input checked="" type="checkbox"/> No	In the reporting year, the Obayashi Group was not subject to any fines, enforcement orders, or other penalties for violations of water-related regulations.

[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

No, and we do not anticipate being regulated in the next three years

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized
Forests	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized
Water	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Japan

(3.6.1.8) Organization specific description

On March 11, 2022, the Obayashi Group formulated a new medium-term management plan, “Medium-Term Management Plan 2022: Strengthening the Business Base and Implementing Transformation.” One of the management issues identified in the plan is “innovation in technology and business to turn social challenges into new business opportunities.”

The Group aims to leverage its strengths to create new customer value, provide solutions, and acquire technologies in response to social issues such as carbon neutrality, thereby generating business opportunities. Specifically, to reduce CO₂ emissions, the Group is actively promoting initiatives such as the construction of ZEBs (Net Zero Energy Buildings, achieving carbon neutrality without relying on emission trading, etc.), energy-efficient buildings, and energy-saving retrofits including improvements in equipment efficiency and enhanced building insulation performance.

The simulation software “Eco Navi”, developed in 1998, helps determine the most effective combination of energy-saving measures according to the customer’s budget and building information. The software has evolved alongside advances in building facilities and is now available in versions for hospitals, schools, and renovation projects, allowing it to meet a wide range of needs.

The Group also supports Life Cycle Management (LCM) solutions, which aim to optimize the use of facility assets over the building’s lifecycle, maintain and enhance asset value, and reduce lifecycle costs. The “Thermal Shade Construction Method”, which uses high solar reflectance coatings, reflects infrared radiation from sunlight on roofs and other surfaces, reducing air conditioning loads and contributing to energy savings.

Port Plus, a high-rise all-wood fire-resistant building, significantly reduces environmental impact compared to steel or reinforced concrete structures by stabilizing CO₂ storage over the long term and reducing CO₂ emissions across the lifecycle from material production, construction, to demolition and disposal. The Group is also working on wooden temporary site offices with net ZEB certification and power supply using hydrogen fuel cells with green hydrogen.

With the accumulated know-how and solution capabilities from various energy-saving technologies, design techniques, and new technology development, the Obayashi Group recognizes increased order opportunities for ZEBs and energy-saving retrofits. By developing and deploying low-CO₂-emission buildings and services, the Group expects to expand order opportunities through design and construction methods that leverage its technological and management capabilities, thereby increasing revenue from products and services.

The increase in construction volume and services through design–build delivery of 334.6 billion yen is taken as the financial impact figure for the “opportunity,” which constitutes a financially significant opportunity factor based on the Group’s definition of material financial impact.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term
- The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

- Medium

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

With the accumulated know-how and solution capabilities from various energy-saving technologies, design techniques, and new technology development, the Obayashi Group recognizes increased order opportunities for ZEBs and energy-saving retrofits. By developing and deploying low-CO₂-emission buildings and services, the Group expects to expand order opportunities through design and construction methods that leverage its technological and management capabilities, thereby increasing revenue from products and services.

The increase in construction volume and services through design–build delivery of 334.6 billion yen is taken as the financial impact figure for the “opportunity,” which constitutes a financially significant opportunity factor based on the Group’s definition of material financial impact.

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The increase in construction volume and services through design–build delivery of 334.6 billion yen is taken as the financial impact figure for the “opportunity,” which constitutes a financially significant opportunity factor based on the Group’s definition of material financial impact.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

334600000000

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

1338400000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

2007600000000

(3.6.1.23) Explanation of financial effect figures

By developing and deploying low-emission buildings and services, the Obayashi Group can expect to expand order opportunities through design–build delivery methods that leverage its technological and management capabilities for contributing to CO₂ emission reductions (thereby increasing revenue through higher demand for products and services).

The increase in construction volume and services through design–build delivery is taken as the financial impact figure for the “opportunity,” estimated at JPY 334.6 billion annually. This consists of:

Increase in construction volume through design–build delivery: JPY 318.67 billion [Calculated as 50% (assumed contribution ratio) of the FY2024 building construction orders derived from design–build projects, which represented 41% of the total JPY 1,554.5 billion]; and

Increase in design-related service revenue: JPY 15.93 billion [Calculated as 5% (assumed design fee rate) of the JPY 318.67 billion increase in design–build construction volume.]

Total increase in construction volume and services through design–build delivery (“the opportunity”): JPY 334.6 billion (JPY 318.67 billion + JPY 15.93 billion = JPY 334.6 billion)

Using a medium-term time horizon of 4–6 years, the total financial impact is:

Minimum: JPY 334.6 billion × 4 years = JPY 1,338.4 billion

Maximum: JPY 334.6 billion × 6 years = JPY 2,007.6 billion

(3.6.1.24) Cost to realize opportunity

(3.6.1.25) Explanation of cost calculation

In the FY2024 environmental accounting, the implementation costs are included as follows:

Research and development costs related to the design phase: JPY 4,267 million

Costs of environmental-related departments: JPY 371 million

Environmentally conscious design costs: JPY 1,854 million

Total: JPY 6,492,000,000 (JPY 6,492 million)

(3.6.1.26) Strategy to realize opportunity

(Situation)

The Obayashi Group secures orders by ensuring that customers understand the advantages of its proprietary ZEB technologies and energy-saving solutions, and by responding to demand for ZEBs, energy-efficient buildings, and energy-saving retrofits.

(Challenge)

To achieve this, the Group must continuously develop technologies that meet evolving ZEB and energy-efficiency needs, uncover new sources of demand, and work to expand order opportunities and improve the likelihood of winning orders. Additionally, the Group must provide customers with high-performance, environmentally conscious facilities that meet growing demand for new ZEB and energy-efficient buildings, as well as for energy-saving renovation work such as improving equipment efficiency and enhancing building insulation performance.

(Actions)

To expand these opportunities, the Group has decided to implement the initiatives outlined in items (1) through (4), promoting technology development and solution provision. These actions are positioned as measures to be undertaken through FY2026 in line with the Medium-Term Business Plan 2022.

(1) Competitive product planning as a general contractor

At the Obayashi Technical Research Institute (Kiyose, Tokyo), the Group developed the main building “Techno-Station” as a ZEB (Net Zero Energy Building) whose energy consumption is fully offset by on-site renewable energy generation, completing the facility in 2011. In addition, the Group completed “Port Plus” in FY2022 as its next-generation training facility—a high-rise (44 m, 11 stories), pure wooden fire-resistant structure using timber for all aboveground structural components (columns, beams, floors, and walls). By using 1,990 m³ of timber, the building achieves long-term stable sequestration of approximately 1,652 tons of CO₂ and delivers a CO₂ reduction of approximately 1,700 tons (about 40%) over its entire life cycle—from material production to construction, demolition, and disposal—compared with steel-frame construction, significantly lowering environmental impact.

In FY2024, the Group completed Yokohama Symphostage, a new landmark in the Minato Mirai 21 Central District, which incorporates environmentally conscious technologies such as high-performance building envelopes that reduce thermal loads.

(2) Strengthening the sales promotion structure to expand order opportunities and improve win rates

Traditionally, the Obayashi Group has supported customers by managing building history databases, maintenance, real estate asset management, and facility operation, thereby “identifying” and “capturing” demand for new energy-efficient buildings and retrofit projects through communication with clients based on past project performance.

In April 2020, the Group established the Sales Headquarters at Obayashi Corporation. In March 2022, it launched the Carbon Neutral Solutions Department

(renamed the Carbon Neutral & Wood Solutions Department in 2024) to promptly provide comprehensive and effective solutions in response to diverse customer needs related to carbon neutrality.

(3) Introducing consulting services for customer energy efficiency and accumulating performance data

Since the 1990s, the Group has developed the “Eco-Navi” simulation tool, which analyzes energy-use performance and building conditions of existing facilities to identify effective energy-saving measures. The Group continued to utilize Eco-Navi in FY2023 to provide consulting services that address customer energy-efficiency demands and cost-effectiveness.

(4) Enhancing design proposal capabilities and technological strength

Alongside proposals developed using Eco-Navi, the Group also incorporates environmentally conscious design methods in its design projects, including recommending CO2 reduction measures based on CASBEE environmental assessment standards.

(Results)

(1) At the Obayashi Technical Research Institute (Kiyose, Tokyo), the main building “Techno-Station” achieved a net-zero energy balance (ZEB: Net Zero Energy Building) in FY2014, with energy consumption fully offset by on-site renewable energy generation. This performance has continued for a total of 11 years through FY2024.

The Group’s next-generation training facility, Port Plus—Japan’s first high-rise pure timber fire-resistant building, completed in March 2021—has also obtained ZEB Ready certification.

In FY2024, the newly completed landmark in the Minato Mirai 21 Central District, Yokohama Symphostage®, achieved ZEB Ready certification for its office area.

(2) Since the establishment of the Carbon Neutral Solutions Department in March 2022, the Group has received approximately one consultation per day, from both internal and external stakeholders. The Obayashi Corporation’s FY2024 order volume decreased by approximately 25% compared to FY2023.

(3) In FY2023, consulting projects using the “Eco-Navi” simulation tool were expanded, contributing to the acquisition of renovation project orders.

(4) For the Group’s design projects in FY2024, operational-phase CO2 emissions were reduced by 41% compared with standard buildings, as measured by CASBEE evaluation.

Forests

(3.6.1.1) Opportunity identifier

Select from:

Opp2

(3.6.1.2) Commodity

Select all that apply

Timber products

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

- Expansion into new markets

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Japan

(3.6.1.8) Organization specific description

Obayashi Corporation regards social challenges such as carbon neutrality and the circular economy as business opportunities and is actively promoting the adoption of timber and wood-based construction. The company has launched and is advancing a new circular model, Circular Timber Construction, which optimizes the entire supply chain. Leveraging the Group's expertise and track record in forest resource conservation and utilization, this model aims to revitalize the circulation of domestic timber—from upstream (planting and forest cultivation), through midstream (processing and procurement), to downstream (construction), and beyond (power generation, reuse, and urban recycling)—thereby promoting sustainable use of forest resources and realizing a nature-coexisting society.

Since February 2023, Obayashi Corporation has entered a capital partnership with Cypress Sunadaya, the largest domestic manufacturer of raw Japanese cypress timber products. Cypress Sunadaya, which is among the top domestic producers in terms of both CLT (cross-laminated timber) production capacity and price competitiveness, is expected to play a key role in addressing cost challenges in non-residential timber and wood-based construction. The partnership strengthens collaboration with other Group companies through joint product development and the expansion of CLT sales channels.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

Medium

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Since February 2023, Obayashi Corporation has entered into a capital partnership with Cypress Sunadaya, the largest domestic manufacturer of raw Japanese cypress timber products. Obayashi considers Cypress Sunadaya, which ranks among the top domestic producers in terms of both CLT (cross-laminated timber) production capacity and price competitiveness, to play a key role in addressing cost-related challenges in non-residential timber and wood-based construction. The partnership strengthens collaboration with other Group companies through joint product development and the expansion of CLT sales channels. This initiative ensures cost advantages for timber materials in direct operations and supports business growth through the provision of materials to other companies, in line with the expansion of the timber and wood-based construction market.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

11700000000

(3.6.1.23) Explanation of financial effect figures

Cypress Sunadaya's net sales in the reporting fiscal year

(3.6.1.24) Cost to realize opportunity

100000000

(3.6.1.25) Explanation of cost calculation

(3.6.1.26) Strategy to realize opportunity

Since February 2023, Obayashi Corporation has entered into a capital partnership with Cypress Sunadaya, the largest domestic manufacturer of raw Japanese cypress timber products. Obayashi considers Cypress Sunadaya, which ranks among the top domestic producers in terms of both CLT (cross-laminated timber) production capacity and price competitiveness, to play a key role in addressing cost-related challenges in non-residential timber and wood-based construction. The partnership strengthens collaboration with other Group companies through joint product development and the expansion of CLT sales channels. This initiative ensures cost advantages for timber materials in direct operations and supports business growth through the provision of materials to other companies, in line with the expansion of the timber and wood-based construction market.

Water

(3.6.1.1) Opportunity identifier

Select from:

Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

Expansion into new markets

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

United States of America

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

Other, please specify: *Colorado, California, Utah, Arizona, Washington, Oregon, Nevada, Texas, Ohio, Maine, New Hampshire, Massachusetts*

(3.6.1.8) Organization specific description

Obayashi Corporation acquired shares of MWH US Acquisitions, Inc. (hereinafter "MWH"), which engages in the construction of water treatment-related facilities in the United States, and in December 2023, made it a specified subsidiary. The U.S. water infrastructure construction market is one of the stable markets, largely unaffected by economic fluctuations, and public investment is expected to increase due to urban population growth and aging infrastructure.

MWH is one of the leading construction companies in the U.S. water treatment facility construction market, particularly possessing extensive experience and a competitive advantage in large-scale water treatment facility projects.

By making MWH a subsidiary, the Obayashi Group can leverage its technologies and resources, provide tax support, and collaborate with existing North American subsidiaries to further drive MWH's growth. Through this subsidiary acquisition, the Obayashi Group aims to establish a full-scale business presence in the U.S. water infrastructure construction sector and further enhance corporate value.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

Medium

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Obayashi Corporation's acquisition of shares in MWH and the establishment of the company as a specified subsidiary led to an increase in net sales.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

126109000000

(3.6.1.23) Explanation of financial effect figures

MWH's net sales in the reporting fiscal year

(3.6.1.24) Cost to realize opportunity

19400000000

(3.6.1.25) Explanation of cost calculation

Acquisition cost of MWH

(3.6.1.26) Strategy to realize opportunity

The Obayashi Group, through the acquisition of MWH, which undertakes the construction of water treatment facilities in the United States, is realizing a full-scale business expansion in the U.S. water infrastructure construction sector and contributing to the resolution of water-related environmental challenges.

[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

334600000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

21-30%

(3.6.2.4) Explanation of financial figures

By developing and deploying low-emission buildings and services, the Obayashi Group can expect to expand order opportunities through design–build delivery methods that leverage its technological and management capabilities for contributing to CO₂ emission reductions (thereby increasing revenue through higher demand for products and services).

The increase in construction volume and services through design–build delivery is taken as the financial impact figure for the “opportunity,” estimated at JPY 334.6 billion annually. This consists of:

Increase in construction volume through design–build delivery: JPY 318.67 billion [Calculated as 50% (assumed contribution ratio) of the FY2024 building construction orders derived from design–build projects, which represented 41% of the total JPY 1,554.5 billion]; and

Increase in design-related service revenue: JPY 15.93 billion [Calculated as 5% (assumed design fee rate) of the JPY 318.67 billion increase in design–build construction volume.]

Total increase in construction volume and services through design–build delivery (“the opportunity”): JPY 334.6 billion (JPY 318.67 billion + JPY 15.93 billion = JPY 334.6 billion)

Forests

(3.6.2.1) Financial metric

Select from:

Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

54200000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

1-10%

(3.6.2.4) Explanation of financial figures

The share of revenue from timber and wood-based construction in the FY2024 total sales of the Obayashi Group

Water

(3.6.2.1) Financial metric

Select from:

Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

126109000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

1-10%

(3.6.2.4) Explanation of financial figures

The share of revenue from MWH in the FY2024 total sales of the Obayashi Group

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

Executive directors or equivalent

Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

The Board of Directors of Obayashi Corporation for FY2024 is composed of nine members, including five outside directors. The gender composition consists of two women and seven men. To enhance corporate value, the Board identifies the skills necessary to exercise decision-making, supervisory, and executive functions, and selects members who collectively cover these skills.

In addition, the term of office for directors is set at one year, enabling the company to build a flexible management structure in response to changes in the business environment while clarifying management accountability for each fiscal year.

(4.1.6) Attach the policy (optional)

20250917_obayashi_governance.pdf

[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Forests	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

Chief Executive Officer (CEO)

President

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

Board mandate

Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

Reviewing and guiding annual budgets

Overseeing and guiding scenario analysis

Overseeing the setting of corporate targets

Monitoring progress towards corporate targets

Approving corporate policies and/or commitments

Overseeing reporting, audit, and verification processes

Monitoring the implementation of a climate transition plan

Overseeing and guiding the development of a business strategy

Overseeing and guiding acquisitions, mergers, and divestitures

Monitoring supplier compliance with organizational requirements

Monitoring compliance with corporate policies and/or commitments

Overseeing and guiding public policy engagement

Reviewing and guiding innovation/R&D priorities

Approving and/or overseeing employee incentives

Overseeing and guiding major capital expenditures

Monitoring the implementation of the business strategy

- Overseeing and guiding the development of a climate transition plan
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

At Obayashi Group, environmental issues—including those related to climate change—are recognized as management-critical issues. Oversight of environmental risks and opportunities is conducted by the Board of Directors and the Sustainability Committee, which is established under the Board. The President & CEO of Obayashi Corporation, who serves both as a member of the Board and as Chair of the Sustainability Committee, holds ultimate responsibility for environmental issues across the Group.

The Board of Directors for FY2024 is composed of all nine directors, including the President & CEO as a member, and meets approximately 15 times a year to oversee risks and opportunities related to environmental issues, including climate change. The Sustainability Committee functions as an advisory body to the Board, examining and discussing environmental and social sustainability issues. The results of these discussions are brought to the Board, enabling effective and efficient oversight, supervision, and engagement on sustainability matters, while ensuring that management policies reflect an accurate understanding of the business environment.

The Sustainability Committee is chaired by the President & CEO and consists of five directors with experience and skills in sustainability, including two outside directors. The Committee meets at least twice a year. Key deliberation topics for FY2024 include Achievement status of KPIs (including environmental KPIs), Monitoring initiatives for greenhouse gas emissions reduction, Monitoring of human rights due diligence and CSR procurement initiatives, Review of the CO2 emission reduction roadmap toward carbon neutrality, and Consideration of disclosures in line with the TNFD framework.

Forests

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Chief Executive Officer (CEO)
- President

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board mandate

- Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Reviewing and guiding annual budgets
- Overseeing and guiding scenario analysis
- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Overseeing and guiding value chain engagement
- Monitoring the implementation of the business strategy
- Overseeing reporting, audit, and verification processes
- Overseeing and guiding the development of a business strategy
- Overseeing and guiding acquisitions, mergers, and divestitures
- Monitoring supplier compliance with organizational requirements
- Monitoring compliance with corporate policies and/or commitments
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Approving corporate policies and/or commitments
- Overseeing and guiding public policy engagement
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures

(4.1.2.7) Please explain

At Obayashi Group, environmental issues—including those related to forests—are recognized as management-critical issues. Oversight of environmental risks and opportunities is conducted by the Board of Directors and the Sustainability Committee, which is established under the Board. The President & CEO of Obayashi Corporation, who serves both as a member of the Board and as Chair of the Sustainability Committee, holds ultimate responsibility for environmental issues across the Group.

The Board of Directors for FY2024 is composed of all nine directors, including the President & CEO as a member, and meets approximately 15 times a year to oversee risks and opportunities related to environmental issues, including climate change. The Sustainability Committee functions as an advisory body to the Board, examining and discussing environmental and social sustainability issues. The results of these discussions are brought to the Board, enabling effective and efficient oversight, supervision, and engagement on sustainability matters, while ensuring that management policies reflect an accurate understanding of the business environment.

The Sustainability Committee is chaired by the President & CEO and consists of five directors with experience and skills in sustainability, including two outside directors. The Committee meets at least twice a year. Key deliberation topics for FY2024 include Achievement status of KPIs (including environmental KPIs), Monitoring initiatives for greenhouse gas emissions reduction, Monitoring of human rights due diligence and CSR procurement initiatives, Review of the CO2 emission reduction roadmap toward carbon neutrality, and Consideration of disclosures in line with the TNFD framework.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Chief Executive Officer (CEO)
- President

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board mandate
- Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Reviewing and guiding annual budgets
- Overseeing and guiding scenario analysis
- Overseeing the setting of corporate targets
- Overseeing and guiding public policy engagement
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives

- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Overseeing reporting, audit, and verification processes
- Overseeing and guiding the development of a business strategy
- Overseeing and guiding acquisitions, mergers, and divestitures
- Monitoring supplier compliance with organizational requirements
- Monitoring compliance with corporate policies and/or commitments
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing and guiding major capital expenditures
- Monitoring the implementation of the business strategy

(4.1.2.7) Please explain

At Obayashi Group, environmental issues—including those related to water—are recognized as management-critical issues. Oversight of environmental risks and opportunities is conducted by the Board of Directors and the Sustainability Committee, which is established under the Board. The President & CEO of Obayashi Corporation, who serves both as a member of the Board and as Chair of the Sustainability Committee, holds ultimate responsibility for environmental issues across the Group.

The Board of Directors for FY2024 is composed of all nine directors, including the President & CEO as a member, and meets approximately 15 times a year to oversee risks and opportunities related to environmental issues, including climate change. The Sustainability Committee functions as an advisory body to the Board, examining and discussing environmental and social sustainability issues. The results of these discussions are brought to the Board, enabling effective and efficient oversight, supervision, and engagement on sustainability matters, while ensuring that management policies reflect an accurate understanding of the business environment.

The Sustainability Committee is chaired by the President & CEO and consists of five directors with experience and skills in sustainability, including two outside directors. The Committee meets at least twice a year. Key deliberation topics for FY2024 include Achievement status of KPIs (including environmental KPIs), Monitoring initiatives for greenhouse gas emissions reduction, Monitoring of human rights due diligence and CSR procurement initiatives, Review of the CO2 emission reduction roadmap toward carbon neutrality, and Consideration of disclosures in line with the TNFD framework.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Chief Executive Officer (CEO)
- President

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board mandate
- Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Reviewing and guiding annual budgets
- Overseeing and guiding scenario analysis
- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Overseeing reporting, audit, and verification processes
- Overseeing and guiding the development of a business strategy
- Overseeing and guiding acquisitions, mergers, and divestitures
- Monitoring supplier compliance with organizational requirements
- Monitoring compliance with corporate policies and/or commitments
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing and guiding public policy engagement
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures
- Monitoring the implementation of the business strategy

(4.1.2.7) Please explain

At Obayashi Group, environmental issues—including those related to biodiversity—are recognized as management-critical issues. Oversight of environmental risks and opportunities is conducted by the Board of Directors and the Sustainability Committee, which is established under the Board. The President & CEO of Obayashi

Corporation, who serves both as a member of the Board and as Chair of the Sustainability Committee, holds ultimate responsibility for environmental issues across the Group.

The Board of Directors for FY2024 is composed of all nine directors, including the President & CEO as a member, and meets approximately 15 times a year to oversee risks and opportunities related to environmental issues, including climate change. The Sustainability Committee functions as an advisory body to the Board, examining and discussing environmental and social sustainability issues. The results of these discussions are brought to the Board, enabling effective and efficient oversight, supervision, and engagement on sustainability matters, while ensuring that management policies reflect an accurate understanding of the business environment.

The Sustainability Committee is chaired by the President & CEO and consists of five directors with experience and skills in sustainability, including two outside directors. The Committee meets at least twice a year. Key deliberation topics for FY2024 include Achievement status of KPIs (including environmental KPIs), Monitoring initiatives for greenhouse gas emissions reduction, Monitoring of human rights due diligence and CSR procurement initiatives, Review of the CO2 emission reduction roadmap toward carbon neutrality, and Consideration of disclosures in line with the TNFD framework.

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues
- Integrating knowledge of environmental issues into board nominating process
- Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- Executive-level experience in a role focused on environmental issues

Forests

(4.2.1) Board-level competency on this environmental issue

Select from:

- Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues
- Integrating knowledge of environmental issues into board nominating process
- Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- Executive-level experience in a role focused on environmental issues

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

- Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues
- Integrating knowledge of environmental issues into board nominating process
- Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- Executive-level experience in a role focused on environmental issues

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Forests	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing engagement in landscapes and/or jurisdictions
- Managing public policy engagement related to environmental issues
- Managing supplier compliance with environmental requirements
- Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Developing a climate transition plan

- Implementing a climate transition plan
- Conducting environmental scenario analysis
- Managing annual budgets related to environmental issues
- Implementing the business strategy related to environmental issues
- Developing a business strategy which considers environmental issues
- Managing environmental reporting, audit, and verification processes
- Managing acquisitions, mergers, and divestitures related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues
- Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

At Obayashi Group, environmental issues—including those related to climate change—are recognized as management-critical issues. Oversight of environmental risks and opportunities is conducted by the Board of Directors and the Sustainability Committee, which is established under the Board. The President & CEO of Obayashi Corporation, who serves both as a member of the Board and as Chair of the Sustainability Committee, holds ultimate responsibility for environmental issues across the Group.

The Board of Directors for FY2024 is composed of all nine directors, including the President & CEO as a member, and meets approximately 15 times a year to oversee risks and opportunities related to environmental issues, including climate change. The Sustainability Committee functions as an advisory body to the Board, examining and discussing environmental and social sustainability issues. The results of these discussions are brought to the Board, enabling effective and efficient oversight, supervision, and engagement on sustainability matters, while ensuring that management policies reflect an accurate understanding of the business environment.

The Sustainability Committee is chaired by the President & CEO and consists of five directors with experience and skills in sustainability, including two outside directors. The Committee meets at least twice a year. Key deliberation topics for FY2024 include Achievement status of KPIs (including environmental KPIs), Monitoring initiatives for greenhouse gas emissions reduction, Monitoring of human rights due diligence and CSR procurement initiatives, Review of the CO2 emission reduction roadmap toward carbon neutrality, and Consideration of disclosures in line with the TNFD framework.

For business execution, Obayashi Corporation has established a Management Meeting, composed of seven members selected from directors and executive officers, chaired by the President & CEO, to ensure detailed and swift decision-making. The Management Meeting is held approximately 30 times a year and reports, deliberates, issues instructions, and resolves important matters, including sustainability issues related to climate change.

Under the Management Meeting, the Management Planning Committee has been established, and further under this committee, multiple specialized committees—such as the Environmental Management Committee—have been set up to advance concrete initiatives on sustainability issues. The Management Planning Committee, chaired by the officer in charge of management planning, meets at least 12 times a year to formulate execution policies and manage and review progress on sustainability issues, including those related to climate change.

The Environmental Management Committee, chaired by the officer responsible for environmental matters, meets at least twice a year and undertakes activities such as formulating strategies and policies for environmental management, reviewing and promoting measures and implementation plans based on environmental data collected under the Obayashi Environmental Management System, and setting targets as well as monitoring and reviewing their implementation and results.

Monitoring results of CO2 emissions and other environmental metrics, based on reports from the Environmental Management Committee, are subsequently reported to the Management Planning Committee and the Management Meeting.

Forests

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing engagement in landscapes and/or jurisdictions
- Managing public policy engagement related to environmental issues

- Managing supplier compliance with environmental requirements
- Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Conducting environmental scenario analysis
- Managing annual budgets related to environmental issues
- Implementing the business strategy related to environmental issues
- Developing a business strategy which considers environmental issues
- Managing environmental reporting, audit, and verification processes
- Managing acquisitions, mergers, and divestitures related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues
- Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

At Obayashi Group, environmental issues—including those related to forests—are recognized as management-critical issues. Oversight of environmental risks and opportunities is conducted by the Board of Directors and the Sustainability Committee, which is established under the Board. The President & CEO of Obayashi Corporation, who serves both as a member of the Board and as Chair of the Sustainability Committee, holds ultimate responsibility for environmental issues across the Group.

The Board of Directors for FY2024 is composed of all nine directors, including the President & CEO as a member, and meets approximately 15 times a year to oversee risks and opportunities related to environmental issues, including climate change. The Sustainability Committee functions as an advisory body to the Board, examining and discussing environmental and social sustainability issues. The results of these discussions are brought to the Board, enabling effective and efficient oversight, supervision, and engagement on sustainability matters, while ensuring that management policies reflect an accurate understanding of the business environment.

The Sustainability Committee is chaired by the President & CEO and consists of five directors with experience and skills in sustainability, including two outside directors. The Committee meets at least twice a year. Key deliberation topics for FY2024 include Achievement status of KPIs (including environmental KPIs), Monitoring initiatives for greenhouse gas emissions reduction, Monitoring of human rights due diligence and CSR procurement initiatives, Review of the CO2 emission reduction roadmap toward carbon neutrality, and Consideration of disclosures in line with the TNFD framework.

For business execution, Obayashi Corporation has established a Management Meeting, composed of seven members selected from directors and executive officers, chaired by the President & CEO, to ensure detailed and swift decision-making. The Management Meeting is held approximately 30 times a year and reports, deliberates, issues instructions, and resolves important matters, including sustainability issues related to forests.

Under the Management Meeting, the Management Planning Committee has been established, and further under this committee, multiple specialized committees—such as the Environmental Management Committee—have been set up to advance concrete initiatives on sustainability issues. The Management Planning Committee, chaired by the officer in charge of management planning, meets at least 12 times a year to formulate execution policies and manage and review progress on sustainability issues, including those related to forests.

The Environmental Management Committee, chaired by the officer responsible for environmental matters, meets at least twice a year and undertakes activities such as formulating strategies and policies for environmental management, reviewing and promoting measures and implementation plans based on environmental data collected under the Obayashi Environmental Management System, and setting targets as well as monitoring and reviewing their implementation and results. Monitoring results of CO2 emissions and other environmental metrics, based on reports from the Environmental Management Committee, are subsequently reported to the Management Planning Committee and the Management Meeting.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ✓ Assessing environmental dependencies, impacts, risks, and opportunities
- ✓ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ✓ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- ✓ Managing engagement in landscapes and/or jurisdictions
- ✓ Managing public policy engagement related to environmental issues
- ✓ Managing supplier compliance with environmental requirements
- ✓ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ✓ Monitoring compliance with corporate environmental policies and/or commitments
- ✓ Measuring progress towards environmental corporate targets
- ✓ Measuring progress towards environmental science-based targets
- ✓ Setting corporate environmental policies and/or commitments
- ✓ Setting corporate environmental targets

Strategy and financial planning

- ✓ Conducting environmental scenario analysis
- ✓ Managing annual budgets related to environmental issues
- ✓ Implementing the business strategy related to environmental issues
- ✓ Developing a business strategy which considers environmental issues
- ✓ Managing environmental reporting, audit, and verification processes
- ✓ Managing acquisitions, mergers, and divestitures related to environmental issues
- ✓ Managing major capital and/or operational expenditures relating to environmental issues
- ✓ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- ✓ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

At Obayashi Group, environmental issues—including those related to water—are recognized as management-critical issues. Oversight of environmental risks and opportunities is conducted by the Board of Directors and the Sustainability Committee, which is established under the Board. The President & CEO of Obayashi Corporation, who serves both as a member of the Board and as Chair of the Sustainability Committee, holds ultimate responsibility for environmental issues across the Group.

The Board of Directors for FY2024 is composed of all nine directors, including the President & CEO as a member, and meets approximately 15 times a year to oversee risks and opportunities related to environmental issues, including climate change. The Sustainability Committee functions as an advisory body to the Board, examining and discussing environmental and social sustainability issues. The results of these discussions are brought to the Board, enabling effective and efficient oversight, supervision, and engagement on sustainability matters, while ensuring that management policies reflect an accurate understanding of the business environment.

The Sustainability Committee is chaired by the President & CEO and consists of five directors with experience and skills in sustainability, including two outside directors. The Committee meets at least twice a year. Key deliberation topics for FY2024 include Achievement status of KPIs (including environmental KPIs), Monitoring initiatives for greenhouse gas emissions reduction, Monitoring of human rights due diligence and CSR procurement initiatives, Review of the CO2 emission reduction roadmap toward carbon neutrality, and Consideration of disclosures in line with the TNFD framework.

For business execution, Obayashi Corporation has established a Management Meeting, composed of seven members selected from directors and executive officers, chaired by the President & CEO, to ensure detailed and swift decision-making. The Management Meeting is held approximately 30 times a year and reports, deliberates, issues instructions, and resolves important matters, including sustainability issues related to water.

Under the Management Meeting, the Management Planning Committee has been established, and further under this committee, multiple specialized committees—such as the Environmental Management Committee—have been set up to advance concrete initiatives on sustainability issues. The Management Planning Committee, chaired by the officer in charge of management planning, meets at least 12 times a year to formulate execution policies and manage and review progress on sustainability issues, including those related to water.

The Environmental Management Committee, chaired by the officer responsible for environmental matters, meets at least twice a year and undertakes activities such as formulating strategies and policies for environmental management, reviewing and promoting measures and implementation plans based on environmental data collected under the Obayashi Environmental Management System, and setting targets as well as monitoring and reviewing their implementation and results.

Monitoring results of CO2 emissions and other environmental metrics, based on reports from the Environmental Management Committee, are subsequently reported to the Management Planning Committee and the Management Meeting.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing engagement in landscapes and/or jurisdictions
- Managing public policy engagement related to environmental issues
- Managing supplier compliance with environmental requirements
- Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Conducting environmental scenario analysis

- Managing annual budgets related to environmental issues
- Implementing the business strategy related to environmental issues
- Developing a business strategy which considers environmental issues
- Managing environmental reporting, audit, and verification processes
- Managing acquisitions, mergers, and divestitures related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues
- Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

At Obayashi Group, environmental issues—including those related to biodiversity—are recognized as management-critical issues. Oversight of environmental risks and opportunities is conducted by the Board of Directors and the Sustainability Committee, which is established under the Board. The President & CEO of Obayashi Corporation, who serves both as a member of the Board and as Chair of the Sustainability Committee, holds ultimate responsibility for environmental issues across the Group.

The Board of Directors for FY2024 is composed of all nine directors, including the President & CEO as a member, and meets approximately 15 times a year to oversee risks and opportunities related to environmental issues, including climate change. The Sustainability Committee functions as an advisory body to the Board, examining and discussing environmental and social sustainability issues. The results of these discussions are brought to the Board, enabling effective and efficient oversight, supervision, and engagement on sustainability matters, while ensuring that management policies reflect an accurate understanding of the business environment.

The Sustainability Committee is chaired by the President & CEO and consists of five directors with experience and skills in sustainability, including two outside directors. The Committee meets at least twice a year. Key deliberation topics for FY2024 include Achievement status of KPIs (including environmental KPIs),

Monitoring initiatives for greenhouse gas emissions reduction, Monitoring of human rights due diligence and CSR procurement initiatives, Review of the CO2 emission reduction roadmap toward carbon neutrality, and Consideration of disclosures in line with the TNFD framework.

For business execution, Obayashi Corporation has established a Management Meeting, composed of seven members selected from directors and executive officers, chaired by the President & CEO, to ensure detailed and swift decision-making. The Management Meeting is held approximately 30 times a year and reports, deliberates, issues instructions, and resolves important matters, including sustainability issues related to biodiversity.

Under the Management Meeting, the Management Planning Committee has been established, and further under this committee, multiple specialized committees—such as the Environmental Management Committee—have been set up to advance concrete initiatives on sustainability issues. The Management Planning Committee, chaired by the officer in charge of management planning, meets at least 12 times a year to formulate execution policies and manage and review progress on sustainability issues, including those related to biodiversity.

The Environmental Management Committee, chaired by the officer responsible for environmental matters, meets at least twice a year and undertakes activities such as formulating strategies and policies for environmental management, reviewing and promoting measures and implementation plans based on environmental data collected under the Obayashi Environmental Management System, and setting targets as well as monitoring and reviewing their implementation and results.

Monitoring results of CO2 emissions and other environmental metrics, based on reports from the Environmental Management Committee, are subsequently reported to the Management Planning Committee and the Management Meeting.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

1

(4.5.3) Please explain

At Obayashi Corporation, incentives are granted to internal directors—including the President & CEO—and executive officers, including those responsible for environmental matters, based on the achievement of ESG indicators.

Specifically, these internal directors (including the President & CEO) and executive officers (including environmental officers) receive performance-linked stock

compensation designed to enhance awareness of their contribution to medium- to long-term business performance as well as corporate and shareholder value. This compensation varies according to the responsibilities associated with each position and the achievement of pre-determined performance indicators. Among this compensation, the medium- to long-term performance-linked stock compensation, which is paid based on the achievement of medium- to long-term performance targets, is also linked to the CO2 emission reduction rate, which is part of the ESG indicators.

Forests

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

1

(4.5.3) Please explain

At Obayashi Corporation, incentives are granted to internal directors—including the President & CEO—and executive officers, including those responsible for environmental matters, based on the achievement of ESG indicators.

Specifically, these internal directors (including the President & CEO) and executive officers (including environmental officers) receive performance-linked stock compensation designed to enhance awareness of their contribution to medium- to long-term business performance as well as corporate and shareholder value. This compensation varies according to the responsibilities associated with each position and the achievement of pre-determined performance indicators.

Among this compensation, the medium- to long-term performance-linked stock compensation, which is paid based on the achievement of medium- to long-term performance targets, is also linked to the CO2 emission reduction rate, which is part of the ESG indicators.

The reason for using CO2 emissions as an indicator for the above-mentioned compensation is as follows.

In its TCFD and TNFD disclosures, the Company assumes that CO2 emission reduction is necessary. While an increase in CO2 emissions entails various risks, it is essential to curb emissions. The setting of CO2 emission targets is premised on the maintenance of a certain amount of forest as a CO2 absorption source. For this reason, Obayashi Corporation has established compensation linked to the CO2 emission reduction rate as an indicator.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

1

(4.5.3) Please explain

At Obayashi Corporation, incentives are granted to internal directors—including the President & CEO—and executive officers, including those responsible for environmental matters, based on the achievement of ESG indicators.

Specifically, these internal directors (including the President & CEO) and executive officers (including environmental officers) receive performance-linked stock compensation designed to enhance awareness of their contribution to medium- to long-term business performance as well as corporate and shareholder value. This compensation varies according to the responsibilities associated with each position and the achievement of pre-determined performance indicators.

Among this compensation, the medium- to long-term performance-linked stock compensation, which is paid based on the achievement of medium- to long-term performance targets, is also linked to the CO2 emission reduction rate, which is part of the ESG indicators.

The reason for using CO2 emissions as an indicator for the above-mentioned compensation is as follows.

In its TCFD and TNFD disclosures, the Company assumes that CO2 emission reduction is necessary. The use of tap water and discharge of wastewater by Obayashi Corporation are related to CO2 emissions under Scope 3, Category 1. Therefore, reducing CO2 emissions in this category contributes to limiting both the consumption of tap water and the discharge of wastewater. Against this background, Obayashi Corporation has established compensation linked to the CO2 emission reduction rate as an indicator.

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

Board/Executive board

(4.5.1.2) Incentives

Select all that apply

Shares

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets
- Achievement of environmental targets

Strategy and financial planning

- Achievement of climate transition plan

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

(4.5.1.5) Further details of incentives

At Obayashi Corporation, internal directors, including the President & CEO, receive performance-linked stock compensation designed to enhance awareness of their contribution to medium- to long-term business performance as well as corporate and shareholder value. This compensation varies according to the responsibilities associated with each position and the achievement of pre-determined performance indicators.

Among this compensation, the medium- to long-term performance-linked stock compensation, which is paid based on the achievement of medium- to long-term performance targets, is also linked to the CO2 emission reduction rate, which is part of the ESG indicators.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By adopting performance-linked stock compensation for the medium to long term, which is linked to the CO2 emission reduction rate (part of the ESG indicators), Obayashi Corporation enhances the awareness of contributing to medium- to long-term business performance improvement and the increase of corporate and shareholder value among internal directors, including the President & CEO.

Forests

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Board/Executive board

(4.5.1.2) Incentives

Select all that apply

- Shares

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets
- Achievement of environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

(4.5.1.5) Further details of incentives

At Obayashi Corporation, internal directors, including the President & CEO, receive performance-linked stock compensation designed to enhance awareness of their contribution to medium- to long-term business performance as well as corporate and shareholder value. This compensation varies according to the responsibilities associated with each position and the achievement of pre-determined performance indicators.

Among this compensation, the medium- to long-term performance-linked stock compensation, which is paid based on the achievement of medium- to long-term performance targets, is also linked to the CO2 emission reduction rate, which is part of the ESG indicators.

The reason for using CO2 emissions as an indicator for the above-mentioned compensation is as follows.

In its TCFD and TNFD disclosures, the Company assumes that CO2 emission reduction is necessary. Since an increase in CO2 emissions entails various risks, it is necessary to curb emissions. However, when setting CO2 reduction targets, it is assumed that a certain amount of CO2-absorbing forests is maintained. For this reason, Obayashi Corporation has established compensation linked to the CO2 emission reduction rate.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By adopting performance-linked stock compensation for the medium to long term, which is linked to the CO2 emission reduction rate (part of the ESG indicators), Obayashi Corporation enhances the awareness of contributing to medium- to long-term business performance improvement and the increase of corporate and shareholder value among internal directors, including the President & CEO.

The reason for using CO2 emissions as an indicator for the above-mentioned compensation is as follows.

In its TCFD and TNFD disclosures, the Company assumes that CO2 emission reduction is necessary. Since an increase in CO2 emissions entails various risks, it is necessary to curb emissions. However, when setting CO2 reduction targets, it is assumed that a certain amount of CO2-absorbing forests is maintained. For this reason, Obayashi Corporation has established compensation linked to the CO2 emission reduction rate.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

Board/Executive board

(4.5.1.2) Incentives

Select all that apply

Shares

(4.5.1.3) Performance metrics

Targets

Progress towards environmental targets

Achievement of environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

(4.5.1.5) Further details of incentives

At Obayashi Corporation, internal directors, including the President & CEO, receive performance-linked stock compensation designed to enhance awareness of their

contribution to medium- to long-term business performance as well as corporate and shareholder value. This compensation varies according to the responsibilities associated with each position and the achievement of pre-determined performance indicators.

Among this compensation, the medium- to long-term performance-linked stock compensation, which is paid based on the achievement of medium- to long-term performance targets, is also linked to the CO2 emission reduction rate, which is part of the ESG indicators.

The reason for using CO2 emissions as an indicator for the above-mentioned compensation is as follows.

In its TCFD and TNFD disclosures, the Company assumes that CO2 emission reduction is necessary. Obayashi Corporation's use of tap water and discharge of wastewater are associated with CO2 emissions under Scope 3, Category 1. Therefore, reducing CO2 emissions in this category contributes to lowering the consumption of tap water and the volume of wastewater discharged. Against this background, Obayashi Corporation has established compensation linked to the CO2 emission reduction rate.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By adopting performance-linked stock compensation for the medium to long term, which is linked to the CO2 emission reduction rate (part of the ESG indicators), Obayashi Corporation enhances the awareness of contributing to medium- to long-term business performance improvement and the increase of corporate and shareholder value among internal directors, including the President & CEO.

The reason for using CO2 emissions as an indicator for the above-mentioned compensation is as follows.

In its TCFD and TNFD disclosures, the Company assumes that CO2 emission reduction is necessary. Obayashi Corporation's use of tap water and discharge of wastewater are associated with CO2 emissions under Scope 3, Category 1. Therefore, reducing CO2 emissions in this category contributes to lowering the consumption of tap water and the volume of wastewater discharged. Against this background, Obayashi Corporation has established compensation linked to the CO2 emission reduction rate.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

Other C-Suite Officer, please specify: *Executive officers, including those responsible for environmental matters*

(4.5.1.2) Incentives

Select all that apply

Shares

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets
- Achievement of environmental targets

Strategy and financial planning

- Achievement of climate transition plan

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

(4.5.1.5) Further details of incentives

At Obayashi Corporation, executive officers, including those responsible for environmental matters, receive performance-linked stock compensation designed to enhance awareness of their contribution to medium- to long-term business performance as well as corporate and shareholder value. This compensation varies according to the responsibilities associated with each position and the achievement of pre-determined performance indicators.

Among this compensation, the medium- to long-term performance-linked stock compensation, which is paid based on the achievement of medium- to long-term performance targets, is also linked to the CO2 emission reduction rate, which is part of the ESG indicators.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By adopting performance-linked stock compensation for the medium to long term, which is linked to the CO2 emission reduction rate (part of the ESG indicators), Obayashi Corporation enhances the awareness of contributing to medium- to long-term business performance improvement and the increase of corporate and shareholder value among executive officers, including those responsible for environmental matters.

Forests

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Other C-Suite Officer, please specify: *Executive officers, including those responsible for environmental matters*

(4.5.1.2) Incentives

Select all that apply

Shares

(4.5.1.3) Performance metrics

Targets

Progress towards environmental targets

Achievement of environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

(4.5.1.5) Further details of incentives

At Obayashi Corporation, executive officers, including those responsible for environmental matters, receive performance-linked stock compensation designed to enhance awareness of their contribution to medium- to long-term business performance as well as corporate and shareholder value. This compensation varies according to the responsibilities associated with each position and the achievement of pre-determined performance indicators.

Among this compensation, the medium- to long-term performance-linked stock compensation, which is paid based on the achievement of medium- to long-term performance targets, is also linked to the CO2 emission reduction rate, which is part of the ESG indicators.

The reason for using CO2 emissions as an indicator for the above-mentioned compensation is as follows.

In its TCFD and TNFD disclosures, the Company assumes that CO2 emission reduction is necessary. Since an increase in CO2 emissions entails various risks, it is necessary to curb emissions. However, when setting CO2 reduction targets, it is assumed that a certain amount of CO2-absorbing forests is maintained. For this reason, Obayashi Corporation has established compensation linked to the CO2 emission reduction rate.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By adopting performance-linked stock compensation for the medium to long term, which is linked to the CO2 emission reduction rate (part of the ESG indicators), Obayashi Corporation enhances the awareness of contributing to medium- to long-term business performance improvement and the increase of corporate and shareholder value among executive officers, including those responsible for environmental matters.

The reason for using CO2 emissions as an indicator for the above-mentioned compensation is as follows.

In its TCFD and TNFD disclosures, the Company assumes that CO2 emission reduction is necessary. Since an increase in CO2 emissions entails various risks, it is necessary to curb emissions. However, when setting CO2 reduction targets, it is assumed that a certain amount of CO2-absorbing forests is maintained. For this reason, Obayashi Corporation has established compensation linked to the CO2 emission reduction rate.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

Other C-Suite Officer, please specify: *Executive officers, including those responsible for environmental matters*

(4.5.1.2) Incentives

Select all that apply

Shares

(4.5.1.3) Performance metrics

Targets

Progress towards environmental targets

Achievement of environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

(4.5.1.5) Further details of incentives

At Obayashi Corporation, executive officers, including those responsible for environmental matters, receive performance-linked stock compensation designed to enhance awareness of their contribution to medium- to long-term business performance as well as corporate and shareholder value. This compensation varies according to the responsibilities associated with each position and the achievement of pre-determined performance indicators.

Among this compensation, the medium- to long-term performance-linked stock compensation, which is paid based on the achievement of medium- to long-term performance targets, is also linked to the CO2 emission reduction rate, which is part of the ESG indicators.

The reason for using CO2 emissions as an indicator for the above-mentioned compensation is as follows.

In its TCFD and TNFD disclosures, the Company assumes that CO2 emission reduction is necessary. Obayashi Corporation's use of tap water and discharge of wastewater are associated with CO2 emissions under Scope 3, Category 1. Therefore, reducing CO2 emissions in this category contributes to lowering the consumption of tap water and the volume of wastewater discharged. Against this background, Obayashi Corporation has established compensation linked to the CO2 emission reduction rate.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By adopting performance-linked stock compensation for the medium to long term, which is linked to the CO2 emission reduction rate (part of the ESG indicators), Obayashi Corporation enhances the awareness of contributing to medium- to long-term business performance improvement and the increase of corporate and shareholder value among executive officers, including those responsible for environmental matters.

The reason for using CO2 emissions as an indicator for the above-mentioned compensation is as follows.

In its TCFD and TNFD disclosures, the Company assumes that CO2 emission reduction is necessary. Obayashi Corporation's use of tap water and discharge of wastewater are associated with CO2 emissions under Scope 3, Category 1. Therefore, reducing CO2 emissions in this category contributes to lowering the consumption of tap water and the volume of wastewater discharged. Against this background, Obayashi Corporation has established compensation linked to the CO2 emission reduction rate.

[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

- Climate change
- Forests
- Water
- Biodiversity

(4.6.1.2) Level of coverage

Select from:

- Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain

(4.6.1.4) Explain the coverage

Obayashi Corporation revised its "Obayashi Corporation Environmental Policy," established on November 1, 1997, to the "Obayashi Group Environmental Policy" on April 1, 2023. Under the "Obayashi Group Environmental Policy," the President and CEO declares that:

"Obayashi Group positions voluntary initiatives to address environmental issues and their continuous improvement as one of the key management priorities, as a 'good corporate citizen' that is 'earth-friendly.' Through all business activities, we contribute to realizing the 'sustainability of the Earth, society, and people' as set forth in the Obayashi Sustainability Vision 2050."

The scope of this policy applies to all personnel of the Obayashi Group, including executives, employees, seconded and dispatched staff. In addition, It stipulates that business partners and suppliers are expected to support this policy and adopt similar policies.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to a circular economy strategy

- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to stakeholder engagement and capacity building on environmental issues
- Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems
- Commitment to engage in integrated, multi-stakeholder landscape (including river basin) initiatives to promote shared sustainability goals

Climate-specific commitments

- Commitment to net-zero emissions

Water-specific commitments

- Commitment to reduce or phase out hazardous substances
- Commitment to control/reduce/eliminate water pollution
- Commitment to reduce water consumption volumes
- Commitment to reduce water withdrawal volumes

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Paris Agreement
- Yes, in line with the Kunming-Montreal Global Biodiversity Framework
- Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

20250917_obayashi_environment_policy_SDGs.pdf
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

- UN Global Compact
- Japan Climate Initiative (JCI)
- Japan Climate Leaders' Partnership (JCLP)
- Science-Based Targets Initiative (SBTi)
- Task Force on Nature-related Financial Disclosures (TNFD)
- Task Force on Climate-related Financial Disclosures (TCFD)

(4.10.3) Describe your organization's role within each framework or initiative

JCI: In July 2018, the Japan Climate Initiative (JCI) was established as a loose network of companies, local governments, NGOs, and other organizations actively engaged in climate change measures, aiming to strengthen information sharing and dialogue. The initiative began with the participation of 105 organizations and, as of August 1, 2025, 837 organizations are participating. Obayashi Corporation has endorsed the declaration, "Participating from Japan at the forefront of global decarbonization," and encourages many companies, local governments, organizations, and NGOs that are committed to serious efforts toward realizing a decarbonized society to join the initiative.

JCLP: The Japan Climate Leaders' Partnership (JCLP) is a uniquely Japanese corporate group established in 2009 under the recognition that the industrial sector must act with a healthy sense of urgency and take proactive measures to achieve a sustainable, decarbonized society. As a member, Obayashi Corporation aims to become a company that leads the transition to a decarbonized society and fulfills societal expectations.

SBTi: Science Based Targets (SBTs) are greenhouse gas (GHG) reduction targets set by companies with target years 5–15 years in the future, aligned with the level required under the Paris Agreement—keeping global temperature rise "well below 2°C" above pre-industrial levels and aiming for 1.5°C. Obayashi Corporation has set GHG reduction targets (compared to FY2019) of a 46.2% reduction for Scope 1+2 and a 27.5% reduction for Scope 3 (Categories 1 and 11) by FY2030, and received SBT certification in 2022.

TCFD: In response to a request from the G20, the Task Force on Climate-related Financial Disclosures (TCFD) was established under the Financial Stability Board (FSB) with Michael Bloomberg as chair, to examine how climate-related information should be disclosed and how financial institutions should respond. Obayashi Corporation supports the recommendations published in the TCFD final report in June 2017 and discloses information on governance, strategy, risk management,

and metrics and targets regarding climate-related risks and opportunities.

TNFD: The Taskforce on Nature-related Financial Disclosures (TNFD) is an international organization that develops a framework for companies and financial institutions to assess and disclose risks and opportunities related to the natural environment and biodiversity. Obayashi Corporation expressed its support for the TNFD recommendations in June 2023. In January 2024, it registered as a TNFD Early Adopter, proceeded with preparations for TNFD disclosure, and on February 12, 2025, disclosed information based on the TNFD recommendations.

UNGC: The United Nations Global Compact (UNGC) is the world's largest sustainability initiative, established through collaboration between the United Nations and private sector organizations to build a healthy global society. It is a voluntary initiative whereby companies act as responsible, creative leaders to achieve sustainable growth. Companies, including Obayashi Corporation, that have signed the UNGC commit at the top management level to uphold and advance its 10 principles concerning human rights, elimination of unfair labor, environmental responsibility, and anti-corruption, and continuously strive to achieve these principles.

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

Paris Agreement

Kunming-Montreal Global Biodiversity Framework

Sustainable Development Goal 6 on Clean Water and Sanitation

(4.11.4) Attach commitment or position statement

JFCC_indep_plan_7_web.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

Unknown

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

At Obayashi Corporation, the President and CEO, who serves as a member of the Board of Directors overseeing risks and opportunities related to climate change, also chairs the Sustainability Committee, which examines sustainability policies including climate-related issues, makes recommendations to the Board, and evaluates the implementation status of such policies. Additionally, the President and CEO chairs the Executive Management Meeting, which reports, deliberates, instructs, and decides on important matters related to sustainability including climate change. The President and CEO concurrently serves as the Vice Chairman and Representative Director of the Japan Federation of Construction Contractors (JFCC, or Nikkenren). Furthermore, Obayashi's executive officers serve as members of Nikkenren's Environmental Committee, and staff from the Environmental Management Office, which supports the Environmental Management Subcommittee under the Executive Management Meeting, participate as members in Nikkenren subcommittees such as the Environmental Management Subcommittee and the Global Warming Countermeasures Subcommittee. Matters related to climate change discussed in these Nikkenren committees are reported and shared within Obayashi through the Board of Directors, Executive Management Meeting, Management Planning Committee, and Environmental Management Committee to ensure alignment with the company's climate change strategy. In cases where discrepancies with Obayashi's climate strategy are identified, our members may express opinions in Nikkenren's Environmental Committee and subcommittees to indirectly influence public policy and ensure consistency with Obayashi's climate strategy. Obayashi also supports the proposals of the Japan Climate Leaders' Partnership (JCLP) with the approval of the Board of Directors.

[Fixed row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

- Indirect engagement via a trade association

(4.11.2.4) Trade association

Asia and Pacific

- Other trade association in Asia and Pacific, please specify: *The Japan Federation of Construction Contractors (JFCC)*

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- Climate change
- Forests
- Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The Japan Federation of Construction Contractors (JFCC, or Nikkenren) is a nationwide organization comprised of general construction companies and construction industry associations, aiming to address fundamental domestic and international issues in the construction industry, including systems and regulations, while promoting technological advancement and management improvement. Through these efforts, JFCC seeks the sound development of Japan's construction industry

and contributes to the enhancement of the nation's industrial and societal foundations.

JFCC's activities related to climate change aim to conduct research, make proposals, and promote measures concerning environmental issues in the construction sector. Organizationally, this includes the Environmental Committee and its subordinate bodies, such as the Environmental Management Subcommittee, the Global Warming Countermeasures Subcommittee, multiple specialized subcommittees, and the Carbon Neutral Measures Working Group. Similar to Obayashi Corporation, JFCC supports Japan's 2050 Carbon Neutral Strategy.

Specifically, JFCC organizes environmental activities in the construction sector into three frameworks—carbon-neutral society, circular society, and nature-positive society—based on the concept of environmental management, and established the first Voluntary Action Plan for Environmental Preservation in the Construction Industry in 1996. To facilitate the transition to a decarbonized and circular economy, JFCC revised its targets and published the 7th edition of the plan in April 2021.

The 7th edition sets the following targets:

Construction phase CO2 emission reduction: Reduce CO2 emissions per unit by 40% in the early 2030s–2040s (compared to FY2013) and promote efforts to achieve net-zero CO2 emissions by 2050.

Design phase operational CO2 reduction: Measure and disclose CO2 reduction volumes, reduction rates, and energy efficiency indices to demonstrate contributions to climate change mitigation through design and construction.

In July 2023, JFCC released the Roadmap for Promoting Carbon Neutrality by 2050, aiming to reduce construction phase CO2 emissions by 40% by FY2030, assuming the adoption of alternative diesel fuels or innovative construction machinery. Accordingly, the 7th edition of the Voluntary Action Plan was updated in December 2023. In FY2024, JFCC updated the Guidelines for the Use of Alternative Diesel Fuels in Construction (August 2024), published the FY2023 Survey Report on Construction Phase CO2 Emissions and Reduction Efforts (December 2024), and revised the Environmental Information Disclosure Guidelines (March 2025).

In FY2024, Obayashi Corporation's President and CEO serves as Vice Chairman and Representative Director of JFCC. Members of Obayashi's Environmental Management Office, supporting the Environmental Management Committee, also participate in JFCC's Environmental Management Subcommittee and Global Warming Countermeasures Subcommittee, collaboratively implementing and promoting the Voluntary Action Plan.

Additionally, Obayashi participates in the Keidanren Carbon Neutral Action Plan discussion panels (Global Warming Countermeasures Subcommittee), contributing to the formulation and implementation of this plan. JFCC's 7th edition Voluntary Action Plan also emphasizes the promotion of existing technologies and technological innovation that contribute to building a sustainable, nature-positive society in line with the SDGs.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or

regulation

Select all that apply

- Paris Agreement
- Kunming-Montreal Global Biodiversity Framework
- Sustainable Development Goal 6 on Clean Water and Sanitation

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

- Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

- Publicly-listed company

(4.11.2.3) State the organization or position of individual

The Japan Climate Leaders' Partnership (JCLP) is a uniquely Japanese corporate initiative established in 2009 under the recognition that the industrial sector must maintain a healthy sense of urgency and take proactive action to achieve a sustainable, decarbonized society. By leading the transition to a decarbonized society, JCLP aims to cultivate companies that are actively sought by society for their contributions.

The purpose of its activities is "to avoid the climate crisis, achieve a swift transition to a decarbonized society, and aim to meet the 1.5°C target." Its operational approach is structured around five pillars: Policy engagement, Promotion of corporate decarbonization, Providing solutions for societal decarbonization, Communication with society, and Collaboration with global networks. Through these pillars, JCLP seeks to lead Japan and drive policy change in support of achieving a decarbonized society.

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The Japan Climate Leaders' Partnership (JCLP) is a uniquely Japanese corporate initiative established in 2009 under the recognition that the industrial sector must maintain a healthy sense of urgency and take proactive action to achieve a sustainable, decarbonized society. Obayashi Corporation, as a member of JCLP, aims to become a company sought by society by taking a leading role in the transition to a decarbonized society.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

200000

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

By joining and providing funding to the Japan Climate Leaders' Partnership (JCLP), which has the objective of "avoiding the climate crisis, accelerating the transition to a decarbonized society, and achieving the 1.5°C target," it becomes possible to engage with the government and participate in policies that may influence climate change.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

Paris Agreement

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

TCFD

TNFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

Climate change

- Forests
- Water
- Biodiversity

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- Governance
- Risks & Opportunities
- Strategy

(4.12.1.6) Page/section reference

- P21-28: Approach to Sustainability and Initiatives (Governance, Strategy, Risk Management, Metrics and Targets)
- P29-31: Business Risks (Climate Change Risks)
- P38-40: Research and Development Activities
- P51-58: Overview of Corporate Governance
- P59-70: Status of Officers
- P75-84: Compensation of Officers

(4.12.1.7) Attach the relevant publication

Obayashi Corporation Securities Report.pdf

(4.12.1.8) Comment

It is published on the website.

Row 2

(4.12.1.1) Publication

Select from:

- In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change
- Forests
- Water
- Biodiversity

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- Governance
- Risks & Opportunities
- Strategy
- Value chain engagement

(4.12.1.6) Page/section reference

- P3-13: Obayashi Corporation's Future and Foundations (P4: Our Spirit, P6: Our Business, P7: Our Future, P8-9: Our Story, P10-13: Top Message)
- P14-18: Group Overview
- P19-24: Social Challenges and Value Creation (P20-21: Value Creation Process, P22: The Construction Value Chain as the Driving Force for Value Creation, P23:

Strengths Accumulated by the Obayashi Group, P24: Carbon Neutrality and Well-being as Business Opportunities)

· P25-44: Toward Transformation (P26-27: Mid-Term Management Plan, P28-30: Financial and Capital Strategy, P31-44: Business Strategy)

· P45-63: Foundations Supporting Value Creation (P46: Sustainability Management, P54-55: Technology, P56-57: Supply Chain Management, Environment: P60-63)

· P64-91: Governance

· P92-: Data Section (P99: Participation in External Initiatives)

(4.12.1.7) Attach the relevant publication

OBAYASHI CORPORATE REPORT 2025.pdf

(4.12.1.8) Comment

It is published on the website.

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

Yes

(5.1.2) Frequency of analysis

Select from:

Every three years or less frequently

Forests

(5.1.1) Use of scenario analysis

Select from:

Yes

(5.1.2) Frequency of analysis

Select from:

Every three years or less frequently

Water

(5.1.1) Use of scenario analysis

Select from:

Yes

(5.1.2) Frequency of analysis

Select from:

Every three years or less frequently

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

Acute physical

Chronic physical

- Policy
- Market

(5.1.1.6) Temperature alignment of scenario

Select from:

- 1.5°C or lower

(5.1.1.7) Reference year

2019

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes to the state of nature
- Climate change (one of five drivers of nature change)

Finance and insurance

- Cost of capital
- Sensitivity of capital (to nature impacts and dependencies)
- Other finance and insurance driving forces, please specify: *Insurance for natural disasters*

Regulators, legal and policy regimes

- Global regulation

Direct interaction with climate

- On asset values, on the corporate

Macro and microeconomy

Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Based on available public data, scenario analysis has been conducted toward 2030. For periods where data are unavailable, a linear change is assumed. Changes in labor hours due to temperature increases and changes in the impacts of natural disasters by 2030 are also assumed. Regarding market and customer trends, it is assumed that the need for infrastructure capable of responding to increasing impacts of natural disasters will create changes in construction demand and other related areas.

(5.1.1.11) Rationale for choice of scenario

In the analysis, a 1.5°C scenario is adopted, assuming that the global average temperature will rise by approximately 1.5°C by 2100 compared with pre-industrial levels.

Forests

(5.1.1.1) Scenario used

Physical climate scenarios

RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

SSP5

(5.1.1.3) Approach to scenario

Select from:

Quantitative

(5.1.1.4) Scenario coverage

Select from:

- Product-level

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Reputation

(5.1.1.6) Temperature alignment of scenario

Select from:

- 4.0°C and above

(5.1.1.7) Reference year

2019

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes in ecosystem services provision

Finance and insurance

- Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

- Consumer attention to impact

Regulators, legal and policy regimes

- Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Based on available public data, scenario analysis has been conducted toward 2030 and 2050. For periods where data are unavailable, a linear change is assumed. Changes in labor hours due to temperature increases and changes in the impacts of natural disasters for 2030 and 2050 are also assumed. Regarding market and customer trends, it is assumed that the need for infrastructure capable of responding to increasing impacts of natural disasters will create changes in construction demand and other related areas.

(5.1.1.11) Rationale for choice of scenario

In the analysis, a 4°C scenario is adopted, assuming that the global average temperature will rise by approximately 4°C by 2100 compared with pre-industrial levels.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

- RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

- SSP5

(5.1.1.3) Approach to scenario

Select from:

- Quantitative

(5.1.1.4) Scenario coverage

Select from:

- Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical
- Chronic physical
- Policy
- Market

(5.1.1.6) Temperature alignment of scenario

Select from:

- 4.0°C and above

(5.1.1.7) Reference year

2019

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes to the state of nature
- Climate change (one of five drivers of nature change)

Finance and insurance

- Cost of capital
- Sensitivity of capital (to nature impacts and dependencies)

Other finance and insurance driving forces, please specify: *Insurance for natural disasters*

Regulators, legal and policy regimes

Global regulation

Direct interaction with climate

On asset values, on the corporate

Macro and microeconomy

Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Based on available public data, scenario analysis has been conducted toward 2030 and 2050. For periods where data are unavailable, a linear change is assumed. Changes in labor hours due to temperature increases and changes in the impacts of natural disasters for 2030 and 2050 are also assumed. Regarding market and customer trends, it is assumed that the need for infrastructure capable of responding to increasing impacts of natural disasters will create changes in construction demand and other related areas.

(5.1.1.11) Rationale for choice of scenario

In the analysis, a 4°C scenario is adopted, assuming that the global average temperature will rise by approximately 4°C by 2100 compared with pre-industrial levels.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

SSP5

(5.1.1.3) Approach to scenario

Select from:

- Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

- Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical
- Chronic physical
- Policy
- Market

(5.1.1.6) Temperature alignment of scenario

Select from:

- 4.0°C and above

(5.1.1.7) Reference year

2019

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

Changes to the state of nature

Finance and insurance

Cost of capital

Regulators, legal and policy regimes

Global regulation

Direct interaction with climate

On asset values, on the corporate

Macro and microeconomy

Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Based on available public data, scenario analysis has been conducted toward 2030 and 2050. For periods where data are unavailable, a linear change is assumed. Changes in labor hours due to temperature increases and changes in the impacts of natural disasters for 2030 and 2050 are also assumed. Regarding market and customer trends, it is assumed that the need for infrastructure capable of responding to increasing impacts of natural disasters will create changes in construction demand and other related areas.

(5.1.1.11) Rationale for choice of scenario

In the analysis, a 4°C scenario is adopted, assuming that the global average temperature will rise by approximately 4°C by 2100 compared with pre-industrial levels.

Forests

(5.1.1.1) Scenario used

Forests scenarios

Bespoke forests scenario

(5.1.1.3) Approach to scenario

Select from:

- Qualitative

(5.1.1.4) Scenario coverage

Select from:

- Product-level

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Reputation

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes in ecosystem services provision

Finance and insurance

- Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

- Consumer attention to impact

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

To analyze nature-related dependencies, impacts, risks, and opportunities, Obayashi Corporation first focused on its domestic construction businesses—building construction and civil engineering—which together account for approximately 70% of the Obayashi Group’s consolidated net sales. We then reviewed the stages within the value chain of these two businesses (planning → design → procurement → construction → post-handover maintenance → demolition) that are considered to have significant interactions with nature, and selected “design,” “construction,” and, within “procurement,” the highly impactful category of “raw material extraction” for analysis.

In the “construction” stage, activities such as land alteration, drainage, noise, and vibration are considered to create substantial dependencies on and impacts to the surrounding natural environment. “Design” was also included because the specifications set at the design stage determine nature-related dependencies and impacts both during construction and after completion. Accordingly, “design” and “construction” were treated together as an integrated focus area.

Within “procurement,” “raw material extraction” was included because activities such as soil and sand extraction, mineral mining, and forest harvesting inherently depend on and affect nature. For raw material extraction, we selected five key items for analysis: iron ore, coal, sand, and limestone—each a primary raw material for major construction materials such as steel frames, ready-mixed concrete, and cement—and timber, which is a strategically important construction material.

For each analytical target, we conducted an assessment using ENCORE, a tool for evaluating nature-related dependencies and impacts, and developed heatmaps. The results showed that “raw material extraction” and “design & construction” exhibit greater impacts on nature than dependencies, with particularly pronounced impacts related to the use of terrestrial ecosystems. At a more granular level, the analysis also found that timber harvesting shows high dependency on groundwater, surface water, and water flow regulation.

Based on the dependencies and impacts identified through ENCORE, we identified approximately 80 nature-related risks and opportunities. Among them, we extracted risk items particularly associated with high levels of impact—namely ecosystem use, greenhouse gas emissions, and water resources. Opportunity areas extracted included green infrastructure and timber. We also conducted an analysis of likelihood and time horizons; however, because sufficient supporting data was not available for disclosure, further analysis is planned.

In addition, while we recognize the need for scenario analysis that incorporates financial impacts on our own business, we will continue to monitor developments in nature-related disclosure practices as we advance this work.

(5.1.1.11) Rationale for choice of scenario

We adopt the LEAP analysis recommended by the TNFD.

Forests

(5.1.1.1) Scenario used

Climate transition scenarios

IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

Qualitative

(5.1.1.4) Scenario coverage

Select from:

Product-level

(5.1.1.5) Risk types considered in scenario

Select all that apply

Policy

Reputation

(5.1.1.6) Temperature alignment of scenario

Select from:

1.5°C or lower

(5.1.1.7) Reference year

2019

(5.1.1.8) Timeframes covered

Select all that apply

2030

2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes in ecosystem services provision

Finance and insurance

- Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

- Consumer attention to impact

Regulators, legal and policy regimes

- Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Based on available public data, scenario analysis has been conducted toward 2030 and 2050. For periods where data are unavailable, a linear change is assumed. Changes in labor hours due to temperature increases and changes in the impacts of natural disasters for 2030 and 2050 are also assumed. Regarding market and customer trends, it is assumed that the need for infrastructure capable of responding to increasing impacts of natural disasters will create changes in construction demand and other related areas.

(5.1.1.11) Rationale for choice of scenario

In the analysis, a 1.5°C scenario is adopted, assuming that the global average temperature will rise by approximately 1.5°C by 2100 compared with pre-industrial levels.

Water

(5.1.1.1) Scenario used

Climate transition scenarios

- IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

- Quantitative

(5.1.1.4) Scenario coverage

Select from:

- Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical
- Chronic physical
- Policy
- Market

(5.1.1.6) Temperature alignment of scenario

Select from:

- 1.5°C or lower

(5.1.1.7) Reference year

2019

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes to the state of nature
- Climate change (one of five drivers of nature change)

Finance and insurance

- Cost of capital
- Sensitivity of capital (to nature impacts and dependencies)
- Other finance and insurance driving forces, please specify: *Insurance for natural disasters*

Regulators, legal and policy regimes

- Global regulation

Direct interaction with climate

- On asset values, on the corporate

Macro and microeconomy

- Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Based on available public data, scenario analysis has been conducted toward 2030 and 2050. For periods where data are unavailable, a linear change is assumed. Changes in labor hours due to temperature increases and changes in the impacts of natural disasters for 2030 and 2050 are also assumed. Regarding market and customer trends, it is assumed that the need for infrastructure capable of responding to increasing impacts of natural disasters will create changes in construction demand and other related areas.

(5.1.1.11) Rationale for choice of scenario

In the analysis, a 1.5°C scenario is adopted, assuming that the global average temperature will rise by approximately 1.5°C by 2100 compared with pre-industrial levels.

Water

(5.1.1.1) Scenario used

Water scenarios

- Bespoke water scenario

(5.1.1.3) Approach to scenario

Select from:

- Qualitative

(5.1.1.4) Scenario coverage

Select from:

- Product-level

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Reputation

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes in ecosystem services provision

Finance and insurance

☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

☑ Consumer attention to impact

Regulators, legal and policy regimes

☑ Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

To analyze nature-related dependencies, impacts, risks, and opportunities, Obayashi Corporation first focused on its domestic construction businesses—building construction and civil engineering—which together account for approximately 70% of the Obayashi Group’s consolidated net sales. We then reviewed the stages within the value chain of these two businesses (planning → design → procurement → construction → post-handover maintenance → demolition) that are considered to have significant interactions with nature, and selected “design,” “construction,” and, within “procurement,” the highly impactful category of “raw material extraction” for analysis.

In the “construction” stage, activities such as land alteration, drainage, noise, and vibration are considered to create substantial dependencies on and impacts to the surrounding natural environment. “Design” was also included because the specifications set at the design stage determine nature-related dependencies and impacts both during construction and after completion. Accordingly, “design” and “construction” were treated together as an integrated focus area.

Within “procurement,” “raw material extraction” was included because activities such as soil and sand extraction, mineral mining, and forest harvesting inherently depend on and affect nature. For raw material extraction, we selected five key items for analysis: iron ore, coal, sand, and limestone—each a primary raw material for major construction materials such as steel frames, ready-mixed concrete, and cement—and timber, which is a strategically important construction material.

For each analytical target, we conducted an assessment using ENCORE, a tool for evaluating nature-related dependencies and impacts, and developed heatmaps. The results showed that “raw material extraction” and “design & construction” exhibit greater impacts on nature than dependencies, with particularly pronounced impacts related to the use of terrestrial ecosystems. At a more granular level, the analysis also found that timber harvesting shows high dependency on groundwater, surface water, and water flow regulation.

Based on the dependencies and impacts identified through ENCORE, we identified approximately 80 nature-related risks and opportunities. Among them, we extracted risk items particularly associated with high levels of impact—namely ecosystem use, greenhouse gas emissions, and water resources. Opportunity areas extracted included green infrastructure and timber. We also conducted an analysis of likelihood and time horizons; however, because sufficient supporting data was not available for disclosure, further analysis is planned.

In addition, while we recognize the need for scenario analysis that incorporates financial impacts on our own business, we will continue to monitor developments in nature-related disclosure practices as we advance this work.

(5.1.1.11) Rationale for choice of scenario

We adopt the LEAP analysis recommended by the TNFD.

[Add row]

(5.1.2) Provide details of the outcomes of your organization’s scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Resilience of business model and strategy
- Capacity building
- Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

- Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

The Obayashi Group considers the impacts of climate change as part of a series of processes used to assess short-term (within three years), medium-term (2030), and long-term (2031–2050) climate-related risks and opportunities when examining its business, strategy, and financial plans. The level of impact is evaluated on a three-tier scale: large (10 billion yen or more), medium (between 1 and 10 billion yen), and small (less than 1 billion yen).

Short-term risks and opportunities:

For emerging risks and opportunities, the Environmental Management Committee, which convenes semiannually, reviews priority environmental initiatives and revises target levels as necessary.

Medium-term risks and opportunities:

Detailed analysis is conducted as needed through the medium-term management plan and rolling plan. Risks and opportunities assumed for 2030 are also identified as part of the scenario analysis process. Details are provided in the “Scenario Analysis” section.

Long-term risks and opportunities:

Revisions to the long-term vision, Obayashi Sustainability Vision 2050, are made as necessary.

Based on the recommendations of the TCFD, we conducted a scenario analysis to identify and assess climate-related risks and opportunities, and to understand their

medium- to long-term impacts on our business.

For this analysis, we adopted two scenarios: a 4°C scenario, in which the global average temperature rises by around 4°C by 2100 compared with pre-industrial levels, and a 1.5°C scenario, in which the temperature rises by around 1.5°C. Under each scenario, we analyzed transition-related factors—such as policies and market trends (transition risks and opportunities)—as well as physical changes associated with climate events (physical risks and opportunities). The main scenarios used in the analysis are as follows:

[Key scenarios used for analyzing transition risks and opportunities]

4°C scenario: IEA Stated Policy Scenario (STEPS)

1.5°C scenario: IEA Net Zero Emissions by 2050 Scenario (NZE)

[Key scenarios used for analyzing physical risks and opportunities]

4°C scenario: IPCC RCP8.5

1.5°C scenario: IPCC RCP1.9

During the analysis, we identified climate-related impact factors for each scenario and assessed around 30 items both quantitatively and qualitatively to determine their potential effects on our business. Among these, the major risks identified were “tightening decarbonization policies and regulations,” “rising summer temperatures,” and “increasing severity of natural disasters.”

The major opportunities identified were “growing demand for energy-saving and renewable energy technologies” and “advancement of national resilience initiatives.” The expected timing of impacts was determined based on governmental and international trends, assuming when each risk or opportunity would likely become most pronounced.

The results of the analysis indicate that, under both the 1.5°C and 4°C scenarios, the identified climate-related risks are manageable, and our strategy is resilient. Going forward, we will incorporate measures addressing these identified risks and opportunities into our medium-term management plan. We will also strengthen our capabilities to identify, assess, and manage medium- to long-term risks and opportunities—including those related to climate change—to expand business opportunities for the Obayashi Group and further enhance organizational resilience.

[Implementation details]

We reduced 88,000 t-CO₂ through the purchase of renewable energy and non-fossil fuel certificates, 4,000 t-CO₂ by using low-carbon concrete, and 231,000 t-CO₂ through environmentally conscious design.

Forests

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Resilience of business model and strategy
- Capacity building
- Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

- Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Due to the anticipated rise in prices and procurement costs of energy-intensive construction materials resulting from strengthened policies and regulations, such as the introduction of a carbon tax, we are promoting the utilization of circular materials such as wood, establishing design and construction technologies for mid- to high-rise wooden buildings, and strengthening the domestic wood supply chain. In the current fiscal year, ¥50 billion of our revenue comes from wooden and wood-based buildings, contributing to a nature-positive outcome.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Resilience of business model and strategy
- Capacity building
- Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

- Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Due to concerns that restrictions on water use caused by water resource depletion may disrupt construction operations and increase costs, we are establishing construction methods and technologies that use less water, such as water recycling, and managing water-related risks on construction sites by proactively identifying areas with limited or depleted water resources using tools like water stress maps. In the current fiscal year, the Group has reduced water intake by 900,000 m³ compared to the previous year.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

No, and we do not plan to add an explicit commitment within the next two years

(5.2.6) Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion

Obayashi Corporation has formulated its long-term vision, "Obayashi Sustainability Vision 2050", which sets "decarbonization" as one of the targets for 2040–2050. Under this vision, the Obayashi Group is advancing initiatives across the entire supply chain to achieve a sustainable society. In the near term, the Company is pursuing business activities aimed at preventing global warming, including reducing CO2 emissions and designating the creation of an environmentally conscious society as a material ESG issue. By leveraging the knowledge and expertise gained through these efforts and proposing solutions tailored to various customer needs, the Group aims to realize a decarbonized society together with its supply chain.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

Our climate transition plan is voted on at Annual General Meetings (AGMs)

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

In 2019, the Obayashi Group formulated its long-term vision, “Obayashi Sustainability Vision 2050”, which sets “decarbonization” as one of the targets for 2040–2050. To realize this vision, the Group incorporates carbon neutrality as a business opportunity into its management plans and promotes concrete initiatives. The Obayashi Group has set the following greenhouse gas (GHG) reduction targets for fiscal year 2030. These targets have been recognized in 2022 by SBT (Science Based Targets) as being consistent with the Paris Agreement.

2030 GHG reduction targets:

Scope 1+2: 46.2% reduction

Scope 3 (Categories 1+11): 27.5% reduction

Most of the GHG emissions from the Obayashi Group’s business activities are carbon dioxide (CO₂). By reducing CO₂ emissions through the following initiatives, the Group aims to achieve its GHG reduction targets and pursue “decarbonization” as outlined in the Obayashi Sustainability Vision 2050.

Regarding Scope 1 and Scope 2, reduction efforts will initially focus on Scope 2 through fiscal year 2025. In parallel, operational methods for alternative diesel fuels and electric construction machinery will be established. From fiscal year 2026, the Group will implement full-scale measures with necessary investments and costs. For Scope 1 reductions, alternative diesel fuels such as GTL fuel, biodiesel, and renewable diesel will be maximized, taking into account maintenance performance, costs, and supply. Although electric construction machinery faces cost and supply challenges, pilot experiments will be conducted to verify effectiveness and facilitate adoption.

Regarding Scope 3, the Group targets annual use of 50,000 m³ of its low-carbon concrete “Clean Concrete®” and 100,000 t of electric furnace steel. By introducing internal carbon pricing for these low-carbon materials, the Group will expand their application at construction sites, while continuing to promote environmentally conscious construction such as ZEB (Zero Energy Buildings).

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

Regarding Scope 1 and Scope 2, effective CO₂ reduction measures for fuel use at construction sites have not yet reached a practical implementation stage, so reductions in Scope 1 have been limited. Consequently, the Group has prioritized reductions in Scope 2 through the use of renewable energy (hereinafter, “renewables”) and non-fossil fuel certificates.

Regarding Scope 3, while the Group has steadily accumulated achievements in environmentally conscious construction, including ZEB (Zero Energy Buildings), certain factors—such as the volume of design-and-build projects received and the environmental performance of buildings—cannot be fully controlled in-house. As a result, fiscal years with a high number of completed projects tend to see higher emissions.

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

No other environmental issue considered

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

- Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- Products and services
- Upstream/downstream value chain
- Investment in R&D
- Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change
- Forests
- Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The main products and services provided by Obayashi Corporation are the design and construction of buildings. In the construction industry, design and construction constitute the core business activities; however, GHG emissions are significant during the operational phase of the buildings (i.e., after handover, during building use), making it important to implement measures to reduce emissions, similarly to the construction phase.

Regarding impacts on nature and ecosystems, it is important to take actions to minimize the environmental load caused by the extraction of raw materials for construction and by forest destruction or impacts on water systems during construction.

Looking ahead, GHG emissions reductions are expected to be further required due to strengthened regulations under national policies such as the Paris Agreement commitments (“Japan’s Intended Nationally Determined Contribution”) in 2015 and the Japanese government’s 2050 Carbon Neutral Declaration in September 2020. Similar measures are expected to be necessary within the construction market. According to the national Basic Energy Plan, for buildings, it is targeted that new public buildings achieve ZEB (Zero Energy Building) standards by 2020, and on average, all new buildings by 2030. Specifically, measures to suppress GHG emissions during the operational phase of buildings will be required to mitigate climate change, leading to an anticipated increase in orders for ZEB construction aiming for net-zero GHG emissions.

Regarding reductions in impacts on nature and ecosystems, actions are expected in response to the Kunming-Montreal Global Biodiversity Framework, adopted in 2022 as a global biodiversity goal. This will likely require measures at both construction material procurement and construction sites, including addressing the shortage of virgin materials due to logging restrictions by utilizing recycled materials and regulating water intake to protect water systems, while promoting water saving and reuse.

If the company lacks the technical expertise and know-how to design and construct buildings that meet client requirements, there is a high risk of losing construction opportunities, which may lead to a decline in revenue.

On the other hand, if Obayashi Corporation secures an advantage in such technologies and know-how, it is expected that an increase in orders will lead to higher revenue, which is anticipated to have an impact on the construction and development businesses.

In the TCFD scenario analysis, Obayashi identifies an opportunity in the transition to a low-carbon society: the growing demand for energy-saving and renewable energy technologies. This is expected to enhance the competitive advantage of ZEB (Zero Energy Buildings) and energy-efficient technologies that meet societal needs. As a countermeasure, Obayashi has set forth the initiative “Promotion of development and practical implementation of ZEB technologies that achieve both business value and occupant comfort.”

Based on the above, it is increasingly necessary to supply buildings with lower GHG emissions to the market. The key challenges to address this are:

- (1) Development and ownership of technologies for buildings that meet regulations and market needs.*
- (2) Strengthening technical proposal capabilities and competitiveness.*

Regarding (1), it is assumed that regulations and market needs are shaped based on Japan’s Intended Nationally Determined Contribution (INDC). By comparing the INDC with Obayashi’s business scale and scope, the upper limit of operational-phase emissions for buildings in 2030 is calculated. The total emission reduction rate within this limit is then derived and incorporated, allowing the company to set emission reduction targets in line with national regulations. Sharing these targets with the technology development division connects regulatory compliance to the development and ownership of technologies capable of supplying compliant buildings to the market.

Regarding (2), to strengthen technical proposal capabilities and competitiveness, Obayashi sets numerical targets for CO2 reduction per floor area during building operation by comparing designed buildings (“target buildings”) with reference buildings (“reference buildings”) as calculated using CASBEE (Comprehensive Assessment System for Built Environment Efficiency). This approach promotes the adoption of energy-saving technologies and enhances competitiveness through technical proposals.

For (1), Obayashi Corporation has set its medium- to long-term Scope 3 emission reduction target at 27.5% by FY2030 compared to FY2019 and continues its reduction activities. The FY2024 preliminary result shows a reduction of 12% compared to FY2019.

For (2), the operational-phase emission intensity per floor area compared with the CASBEE reference building was 40% in FY2024. Since CASBEE is revised periodically, the company uses the ratio to the reference building in the respective fiscal year as a benchmark, aiming to ensure that its buildings consistently demonstrate advanced environmental performance compared to standard buildings. The operational-phase emission intensity reduction rate described above continues to be applied in its activities.

The calculation for (1) is based on operational emissions of buildings supplied to the market, corresponding to Scope 3 Category 11. Since this is derived from the aggregation of the annual operational emissions of Obayashi's designed and constructed projects, which is calculated based on the results of (2), it can be said that supplying high-performance (low-emission) buildings to the market contributes to reducing GHG emissions from the company's products and services.

Obayashi Corporation has identified "Formation of an Environmentally Considerate Society" as an ESG materiality and set action plans such as "Promotion of Environmentally Considerate Businesses" and "Promotion of Decarbonization", with corresponding KPIs. These ESG KPIs are non-financial quantitative indicators included in the FY2022 Medium-Term Management Plan, which is based on the long-term vision, Obayashi Sustainability Vision 2050, and reflects strategically important management decisions. These activities impact the business strategies of the construction and development sectors. The FY2022 Medium-Term Management Plan covers the five-year period from 2022 to 2026, while the long-term vision, Obayashi Sustainability Vision 2050, is planned through 2050. In addition, in the TNFD LEAP analysis, Obayashi Corporation has identified items related to "ecosystem use," "greenhouse gases," and "water resources." For forests, risks and opportunities are evaluated based on strengthened forest protection associated with raw material sourcing, and for water, risks and opportunities are identified based on water scarcity impacts related to water use at construction sites.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change
- Forests
- Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Obayashi Corporation's supply chain and value chain can be broadly divided into the production and procurement of construction materials (raw materials, secondary products, equipment, etc.) and labor for on-site construction (construction workers).

The impact of GHG emissions from material production and on-site construction as well as the impact on natural ecosystems must be considered in the same manner as products and services, because national regulations stemming from the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework affect the market. Regarding GHG emissions, the Japan's Intended Nationally Determined Contributions (INDC) under the Paris Agreement set sector-specific emission targets for FY2030, where material production and on-site construction fall under the industrial sector, and material transportation falls under the transportation sector.

Accordingly, significant reductions are expected.

Specifically, GHG mitigation measures during material production and on-site construction, along with potential regulatory tightening, may lead to carbon taxes and additional capital expenditures, increasing construction costs. Differences in the ability to respond to these cost increases may lead to reduced competitiveness, loss of projects, and deterioration of profitability, impacting revenue and profit.

Conversely, by developing materials with reduced GHG emissions during production, Obayashi can enhance competitiveness, potentially expanding project opportunities and increasing revenue.

Regarding natural and ecosystem impact mitigation, following the adoption of the Kunming-Montreal Global Biodiversity Framework as a global target for biodiversity in 2022, appropriate measures are needed in material procurement and on-site construction. Specific risks include shortages of virgin raw materials due to forest protection regulations, leading to higher costs, and increased costs from water usage restrictions and the need for water-saving and recycling measures. On the opportunity side, the procurement of recycled materials and possession of water-saving/reuse technologies can increase project opportunities in relevant regions. In Obayashi's TCFD scenario analysis, one transition risk identified is that the introduction of a carbon tax may raise the price of energy-intensive construction materials and increase procurement costs. As a countermeasure, the company has established "development of design and construction technology for mid- to high-rise wooden buildings and the establishment of a related supply chain."

For on-site construction, even with successful climate mitigation, some temperature increases are unavoidable, potentially reducing work efficiency due to restrictions on outdoor work in high temperatures (e.g., longer breaks, shifting work to cooler hours), which may extend construction schedules and increase costs, thereby reducing profit.

As a physical risk, higher summer temperatures may increase health risks such as heatstroke among construction workers, deteriorate the on-site working environment, and exacerbate labor shortages. In response, Obayashi has established countermeasures such as:

"Further improvement of productivity and construction safety using labor-saving technologies and ICT," and "Innovative technology development to improve the working environment at construction sites."

These impacts are considered to affect both construction and development businesses.

In addition, in Obayashi Corporation's TNFD LEAP analysis, items related to "ecosystem use," "greenhouse gases," and "water resources" were extracted. For forests, risks and opportunities were identified, including increased construction material prices and procurement costs due to enhanced forest protection related to raw material sourcing, and higher costs associated with preventing the loss of natural regulatory functions due to construction activities. For water, the costs associated with preventing water depletion during construction were noted as risks and opportunities.

Regarding material production, it is necessary to select low-carbon materials, develop low-carbon materials, and collaborate with partner companies. For material transportation, measures such as improving vehicle fuel efficiency are required. For on-site labor, improvements in work efficiency through mechanization, enhancement of equipment, and technology development are needed, which also require collaboration with partner companies as in material production.

Implementing these measures effectively addresses the identified challenges.

Obayashi has established the "Obayashi Group CSR Procurement Policy" and "Obayashi Group CSR Procurement Guidelines", requiring suppliers to comply with these guidelines. The guidelines stipulate that suppliers should promote business activities that consider environmental conservation and reduction of environmental

impact, including measures for climate change and nature/biodiversity conservation, and comply with all applicable laws, international treaties, and social norms in the countries and regions where business activities are conducted. All items in the guidelines are included in contract terms with suppliers, and compliance is confirmed at the time of contract signing.

Additionally, annual surveys are conducted to confirm suppliers' adherence to the guidelines. Obayashi plans to continue these surveys, enhance their content, and expand the number of target companies, thereby strengthening supply chain management.

Regarding GHG emissions, the Company calculates CO2 emissions from material production under Scope 3 Category 1 ("Purchased Goods and Services") and CO2 emissions from material transportation under Scope 3 Category 4 ("Upstream Transportation and Distribution"), and evaluates performance based on reduction rates. For labor, which involves on-site construction activities, energy-saving initiatives are evaluated under Scope 1 and 2 in terms of CO2 reduction rates. Furthermore, the selection of construction materials that consider environmental impacts is promoted to help suppress emissions.

As for Scope 3 emission reduction rates, the medium- to long-term target is set at 27.5% reduction by FY2030 compared with FY2019, and activities are ongoing; the FY2024 preliminary figure is 12% reduction compared with FY2019. For Scope 1 and 2 emission reduction rates, the target is set at 46.2% reduction by FY2030 compared with FY2019, and activities are ongoing; the FY2024 preliminary figure is 23% reduction compared with FY2019.

Regarding supplier compliance with guidelines, in FY2024, surveys were conducted for approximately 1,400 suppliers, achieving a response rate of 83% (1,120 suppliers, representing 79% of procurement value).

These initiatives are linked to ESG materiality, associated action plans, and KPIs. The KPIs for ESG initiatives are included as non-financial quantitative indicators in the Medium-Term Management Plan 2022, which is based on the long-term vision "Obayashi Sustainability Vision 2050", reflecting strategically important decisions. The ESG materiality "Promotion of Responsible Supply Chain Management" and the action plan "Promotion of CSR Procurement" influence business strategies in both the construction and development businesses. The Medium-Term Management Plan 2022 covers a five-year period from 2022 to 2026, while the long-term vision "Obayashi Sustainability Vision 2050" targets realization by 2050.

Regarding nature co-existence and biodiversity, risks and opportunities are identified and addressed, including impacts from strengthened forest protection related to raw material sourcing in material production and impacts from water depletion associated with construction site water use.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

☑ Forests

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The core business of Obayashi Corporation is construction, and technologies related to construction processes and buildings have a significant impact on its business. In the ongoing Medium-Term Management Plan 2022, the company has set forth the technology strategy “Building a Technology Portfolio and Ecosystem to Achieve Competitive Advantage”, and the success of technological development—particularly technologies that address social issues, including climate change—has a major influence on business outcomes.

Regarding GHG emissions, national policies and regulations under the 2015 Paris Agreement require reductions, and the development and possession of technologies that meet social demand for such reductions are necessary. Specifically, technology development related to energy-efficient construction and the supply of Zero Energy Buildings (ZEBs) is a key challenge.

Under the 2015 Paris Agreement (Japan’s “Intended Contribution”), sector-specific targets for 2030 have been established: building operations fall under the service sector, material production and on-site construction under the industrial sector, and material transportation under the transport sector. Accordingly, reductions in each sector must align with these targets. Furthermore, the national Basic Energy Plan stipulates that by 2030, new buildings should, on average, achieve ZEB standards, indicating that GHG emission reductions in buildings will be required.

Regarding nature and ecosystem impact reduction, initiatives such as the Kunming-Montreal Global Biodiversity Framework adopted in 2022 highlight the need for technology development and possession that aligns with corresponding social demands. Specifically, measures to expand protected areas under 30by30 require technologies for pre-assessment, construction, and operational management of greening at construction sites. Additionally, technologies related to water control and green infrastructure are also necessary.

In its TCFD scenario analysis, Obayashi Corporation has identified a transition opportunity in the growing demand for energy-efficient and renewable energy technologies, which enhances the competitive advantage of ZEBs and other energy-saving technologies that meet social needs. As a response, the company promotes the development and practical application of ZEB technologies that balance business performance and occupant comfort.

Specifically, with social demand for GHG emission reduction, the issuance of orders for ZEBs, which aim for zero operational GHG emissions, is expected to increase. In this context, if the company lacks the technology and know-how to meet client needs, the risk of lost order opportunities increases, potentially leading to a decline in revenue.

On the other hand, securing a competitive advantage in technology and know-how is expected to expand order opportunities, potentially leading to increased revenue.

Regarding material production, the cost competitiveness of materials with suppressed GHG emissions during manufacturing plays a critical role, while for on-site construction, costs associated with additional equipment to cope with rising temperatures affect competitiveness. If the added value from cost increases is not accepted by clients, or if the company falls behind competitors in terms of price competitiveness, there is a risk of losing orders. Conversely, if the company successfully suppresses costs while maintaining added value, it can secure a competitive edge, which is expected to translate into expanded order opportunities. These factors show that technology and know-how development and ownership directly impact the construction and development businesses.

The selection of research and development (R&D) themes is conducted annually, reflecting national policies, regulations, and market needs to ensure appropriate investment in technology development. Environmental R&D expenditures are calculated and disclosed annually in accordance with environmental accounting standards. Since many R&D projects span multiple years, evaluating outcomes on a yearly basis can be challenging. The company is currently considering analytical methods to measure the effect of developed technologies through their adoption in construction projects and implementation in buildings, as reflected in direct and

indirect GHG emissions reductions. For reference, environmental R&D expenditure was JPY 4,987 million in FY2020.

Regarding GHG reduction progress, the Scope 3 emission reduction rate has been set as a medium- to long-term target of 27.5% by FY2030 compared to FY2019, with activities ongoing; the FY2024 preliminary result is 12% reduction compared to FY2019. For Scope 1 and 2, the target is 46.2% reduction by FY2030 compared to FY2019, with the FY2024 preliminary result at 23% reduction. These targets are Science Based Targets (SBTs) certified in 2022 and are based on strategic decisions under the group's long-term vision, Obayashi Sustainability Vision 2050. The Medium-Term Management Plan 2022, which is aligned with this long-term vision, also incorporates investments in R&D, demonstrating its impact on both the construction and development businesses. The plan covers 2022–2026, while the long-term vision targets 2050.

Additionally, in its TNFD LEAP analysis, Obayashi Corporation has identified items related to ecosystem utilization, GHG emissions, and water resources. For forests, restrictions on the use of virgin raw materials due to enhanced forest conservation in raw material sourcing mean that technologies for recycled materials are essential. For water, the development and possession of water-saving and reuse technologies to mitigate water scarcity are expected to influence order opportunities.

Operations

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change
- Forests
- Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Obayashi Corporation's core business is construction, and the effective management of climate change–related measures in construction directly affects business performance. To carefully assess the impact of climate-related risks and opportunities within business activities and reflect countermeasures, it is necessary to establish an organizational and standardized system and manage it systematically.

The company treats environmental management, alongside safety and quality, as a primary element in its business operations. If operational procedures and target setting are insufficient, activities to reduce GHG emissions on construction sites or to promote coexistence with nature and biodiversity may be less effective, resulting in suboptimal outcomes. In such cases, the risks previously noted in “Products and Services,” “Supply Chain and Value Chain,” and “Investment in R&D” may

materialize.

Conversely, by ensuring proper management and operational oversight, it is possible to achieve objectives and realize benefits across these areas. While these initiatives primarily impact the construction business, it is important to recognize that, as they form the foundation of business operations, they influence all business segments and divisions.

Obayashi Corporation, in accordance with the governance disclosure framework of TCFD and TNFD, has established a Sustainability Committee as an advisory body to the Board of Directors to ensure effective oversight, supervision, and engagement regarding sustainability issues. The Committee is responsible for examining and deliberating on sustainability matters, including climate-related and nature-related issues. The Sustainability Committee is chaired by the President & CEO and is composed of outside directors with expertise and experience in sustainability. Its responsibilities include the identification of sustainability issues, deliberation and recommendation of policies for addressing identified issues, and reviewing the implementation status of actions, including the management of climate and nature-related targets. Based on the discussions of the Sustainability Committee, the Board of Directors determines management policies to promote ESG management and achieve the SDGs.

On the executive side, under the Management Council, the Management Planning Committee, appointed by the President & CEO, along with the Environmental Management Expert Committee established within it, is responsible for planning, promoting, and monitoring the implementation of group-wide measures in accordance with the management policies decided by the Board. The Board of Auditors monitors the execution of directors' duties. Obayashi discloses the governance structure for climate change, nature conservation, and biodiversity, as well as the organizational structure and activities of each relevant body.

Under the TCFD disclosure framework for "Identification of Risks and Opportunities", Obayashi Corporation considers the impacts of climate change as part of its series of processes for evaluating the effects of short-, medium-, and long-term climate-related risks and opportunities when reviewing its business, strategy, and financial plans.

Short-term risks and opportunities: For risks and opportunities that are currently emerging, the company reviews priority environmental initiatives and adjusts target levels at the Environmental Management Expert Committee, which is held semiannually.

Medium-term risks and opportunities: Detailed analyses are conducted as appropriate in the medium-term management plan and rolling plans.

Long-term risks and opportunities: The company revises its long-term vision, "Obayashi Sustainability Vision 2050," as needed.

Through this process, Obayashi discloses its approach to the identification of climate-related risks and opportunities.

Under TNFD, Obayashi Group also conducts analyses based on likelihood and time horizon, and discloses the results. The group continuously improves its environmental management by formulating strategies and policies, reviewing targets and activities based on performance evaluations under the Environmental Management System (EMS), and implementing improvements.

EMS targets are set in line with the ESG materiality action plans and KPIs linked to the medium-term management plan. For example, under the action plan "Promotion of Decarbonization," the KPI is the CO₂ emission reduction rate, with targets to reduce Scope 1 and 2 emissions by 46.2% and Scope 3 emissions by 27.5% by FY2030 compared to FY2019. Business activities are being carried out to achieve these targets. For FY2024, the results were 23% for Scope 1 and 2 against a target of 21.0%, and 12% for Scope 3 (preliminary figure; no annual target set). These reduction targets are aligned with the Science Based Targets (SBT) certification obtained in 2022. The EMS incorporates these targets and ensures the effectiveness of GHG emissions reduction by managing them at each business division.

KPIs for ESG initiatives are set as non-financial quantitative indicators in the Medium-Term Management Plan 2022, which is based on the long-term vision "Obayashi Sustainability Vision 2050" and reflects strategically important management decisions. Accordingly, the EMS is aligned with the business strategy under the medium-term plan, and its achievement affects each business. The Medium-Term Management Plan 2022 covers five years from 2022 to 2026, while the long-term vision aims for realization by 2050.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Revenues
- Direct costs

(5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change
- Forests
- Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

[Direct Costs]

Direct costs in construction projects consist of material costs, labor costs, and direct expenses, with material costs including the procurement of construction materials and equipment. Construction materials and equipment generate CO₂ emissions during factory production and transportation to construction sites, contributing to climate change.

Under the 2015 Paris Agreement, the Japanese government's policy ("Japan's Draft Contribution") specifies sector-specific emission benchmarks for FY2030,

requiring appropriate reductions in the production of materials and on-site construction (classified under the industrial sector) as well as in material transportation (classified under the transport sector). Emissions from construction activities are part of the supply chain emissions from the perspective of project clients, and similar reduction expectations are anticipated.

If applying environmentally low-impact materials and equipment increases costs beyond the client's expectations, there is a higher risk of losing orders due to reduced competitiveness. Conversely, if costs can be maintained within the client's budget, a competitive advantage in construction costs can be secured, potentially increasing order opportunities.

Obayashi Corporation promotes its business in line with ESG initiatives and KPIs under the Medium-Term Management Plan 2022 (FY2022–2026). Within this, for the ESG materiality item “Promotion of Responsible Supply Chain Management,” the action plan “Promotion of CSR Procurement” is implemented to advance the application of low environmental-impact materials and equipment.

As part of these measures, Obayashi Group has established the “Obayashi Group CSR Procurement Policy” and “Obayashi Group CSR Procurement Guidelines”, which require suppliers to comply with the guidelines. This includes measures to address climate change, the promotion of environmentally responsible and low-impact business activities, and compliance with all relevant laws, international treaties, and social norms applicable in the countries and regions where business is conducted. All items in these guidelines are incorporated into supplier contracts and confirmed at the time of contract execution. Expanding adherence to these guidelines, which promote environmentally responsible and low-impact business activities, contributes to the reduction of environmental impact.

By promoting the action plans aligned with strategic objectives, Obayashi aims to increase the proportion of construction projects that meet clients' environmental impact reduction needs, thereby contributing to achieving the sales and profit targets outlined in the Medium-Term Management Plan 2022.

Additionally, Obayashi has established the “Green Procurement Guidelines for Office Supplies and Construction Materials”, which promote the procurement of low environmental-impact materials and equipment across all business activities. Procurement decisions consider the following aspects of environmental impact reduction and conservation: 1. Promotion of energy and resource efficiency, 2. Reduction of CO₂ emissions, 3. Minimization of waste generation, 4. Promotion of recycling, 5. Restriction of the use of hazardous chemicals, and 6. Conservation of surrounding environment and ecosystems.

[Revenue]

Obayashi Corporation's core business is the construction business. In response to the 2015 Paris Agreement and the Japanese government's “Carbon Neutral Declaration 2050” announced in September 2020, there is an increasing demand for GHG emission reductions. In the construction industry, this includes reducing CO₂ emissions during the operational phase of buildings that indicate building performance, as well as reducing CO₂ emissions associated with construction work. Possessing the necessary construction technologies and know-how to meet these requirements is essential for conducting construction business.

As a risk, if Obayashi does not have the technology and know-how to design and construct buildings that meet client requirements, there is a heightened risk of losing contracts, which could lead to decreases in revenue and profit. As an opportunity, securing a competitive advantage through such technologies and know-how can expand project orders, potentially resulting in increased revenue and profit.

The success of research and technology development, as well as the possession of know-how that aligns with societal and market needs for climate change measures, significantly influences business performance. In the Medium-Term Management Plan 2022, covering the period from FY2022 to FY2026, Obayashi has set management targets including revenue and operating profit. Achieving these targets is supported by a management foundation strategy that incorporates ESG initiatives. One of the ESG materialities is “Creating an Environmentally Conscious Society”, with the action plan “Promotion of Decarbonization”. Key performance indicators (KPIs) are set for CO₂ emission reduction rates in Scope 1, Scope 2, and Scope 3, promoting the acquisition of technologies that contribute both to solving social challenges and expanding business domains.

Obayashi is promoting wooden and timber-based construction, which produces lower CO₂ emissions in material manufacturing. Water supply usage and wastewater discharge are related to Scope 3 Category 1 CO₂ emissions, and reducing CO₂ emissions in this category leads to suppression of water use and wastewater discharge, thereby encouraging the development of technologies for efficient water resource utilization. As acquiring new technologies affects revenue and profit, as

mentioned above, Obayashi aims to achieve management targets by enhancing its technological capabilities.

[CO₂ Emission Reduction and Financial Plan Indicators, Targets, and FY2024 Results]

Indicators – CO₂ Emissions:

Scope 1 & 2:

Target: 46.2% reduction by FY2030 (compared to FY2019)

FY2024 Result: 23.0% reduction

Scope 3:

Target: 27.5% reduction by FY2030 (compared to FY2019)

FY2024 Result: 12.0% reduction

Revenue:

Indicator / Target (Medium-Term Management Plan 2022): Approximately ¥2 trillion in FY2023

FY2024 Result: ¥2,620.1 billion (including ¥54.2 billion from wooden and timber-based construction)

Operating Profit:

Indicator / Target (Medium-Term Management Plan 2022): Approximately ¥100 billion or more in FY2024

FY2024 Result: ¥143.4 billion

[Investments and Initiatives in the Construction Business]

Investment: Research and development of construction technologies

FY2022–FY2026 Plan: Total ¥80 billion

FY2024 Actual: ¥16.4 billion

Initiatives:

Provision of highly energy-efficient buildings (e.g., ZEB)

Promotion of energy-saving construction methods

Introduction of low-carbon construction materials

Deployment of energy-efficient construction machinery

Development of autonomous and automated construction technologies, as well as technologies necessary for wooden construction and water circulation utilization

In FY2024, Obayashi generally achieved the targets set in the Medium-Term Management Plan 2022, demonstrating steady progress in both climate change measures and the securing of revenue and profit.

[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
	Select from: <input checked="" type="checkbox"/> No, but we plan to in the next two years

[Fixed row]

(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
	Select from: <input checked="" type="checkbox"/> Yes	<i>Obayashi Corporation operates in the construction industry and invests in the development of technologies aimed at delivering low-carbon products, such as energy-efficient buildings, including: development of technologies related to environmental performance, development of construction-related technologies, and development of technologies for building operation as a service. Among environmental conservation costs, the "environment-related development cost" for FY2024 was ¥5,503 million.</i>

[Fixed row]

(5.5.6) Provide details of your organization's investments in low-carbon R&D for real estate and construction activities over the last three years.

Row 1

(5.5.6.1) Technology area

Select from:

- Biofuel appliances

(5.5.6.2) Stage of development in the reporting year

Select from:

- Full/commercial-scale demonstration

(5.5.6.3) Average % of total R&D investment over the last 3 years

5

(5.5.6.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

1000000000

(5.5.6.5) Average % of total R&D investment planned over the next 5 years

6

(5.5.6.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

In building construction, it is necessary to consider the reduction of both direct and indirect greenhouse gas (GHG) emissions associated with material production, construction work, and post-completion building operation. From this perspective, research and development efforts focus on: developing manufacturing methods and products that reduce emissions during material production, developing energy-efficient construction methods, developing energy-efficient construction machinery, and developing technologies for designing low-emission buildings through improvements in building envelope performance and equipment efficiency. Each year, the Technical Headquarters reviews and determines the R&D projects based on these priorities and promotes them accordingly.

Row 2

(5.5.6.1) Technology area

Select from:

- Building integrated solar thermal collector (BIST)

(5.5.6.2) Stage of development in the reporting year

Select from:

Basic academic/theoretical research

(5.5.6.3) Average % of total R&D investment over the last 3 years

2

(5.5.6.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

500000000

(5.5.6.5) Average % of total R&D investment planned over the next 5 years

3

(5.5.6.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

In building construction, it is necessary to consider the reduction of both direct and indirect greenhouse gas (GHG) emissions associated with material production, construction work, and post-completion building operation. From this perspective, research and development efforts focus on: developing manufacturing methods and products that reduce emissions during material production, developing energy-efficient construction methods, developing energy-efficient construction machinery, and developing technologies for designing low-emission buildings through improvements in building envelope performance and equipment efficiency.

Each year, the Technical Headquarters reviews and determines the R&D projects based on these priorities and promotes them accordingly.

Row 3

(5.5.6.1) Technology area

Select from:

Design tools

(5.5.6.2) Stage of development in the reporting year

Select from:

Full/commercial-scale demonstration

(5.5.6.3) Average % of total R&D investment over the last 3 years

1

(5.5.6.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

100000000

(5.5.6.5) Average % of total R&D investment planned over the next 5 years

1

(5.5.6.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

In building construction, it is necessary to consider the reduction of both direct and indirect greenhouse gas (GHG) emissions associated with material production, construction work, and post-completion building operation. From this perspective, research and development efforts focus on: developing manufacturing methods and products that reduce emissions during material production, developing energy-efficient construction methods, developing energy-efficient construction machinery, and developing technologies for designing low-emission buildings through improvements in building envelope performance and equipment efficiency.

Each year, the Technical Headquarters reviews and determines the R&D projects based on these priorities and promotes them accordingly.

[Add row]

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

0

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

0

(5.9.3) Water-related OPEX (+/- % change)

0

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

0

(5.9.5) Please explain

Obayashi Corporation conducts technology development related to water resources, including rainwater utilization systems, seawater purification methods using stone-packed purification banks, seawater infiltration and intake technologies, greening block pavement systems, and pavement technologies that mitigate rainwater runoff and the heat island effect. However, the R&D expenditure for water-related technologies remains almost constant every year, and therefore, there is no change reported for the year under review.

In addition, construction sites are equipped with facilities such as automatic drainage neutralization devices. Since the type and quantity of equipment required vary depending on the construction site, the volume of work, and the content of the work, year-to-year comparisons are not meaningful.

[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Carbon

[Fixed row]

(5.10.1) Provide details of your organization’s internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

- Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

- Drive low-carbon investment
- Identify and seize low-carbon opportunities
- Influence strategy and/or financial planning

(5.10.1.3) Factors considered when determining the price

Select all that apply

- Scenario analysis
- Benchmarking against peers
- Alignment to scientific guidance
- Price/cost of renewable energy procurement
- Price/cost of voluntary carbon offset credits
- Alignment with the price of allowances under an Emissions Trading Scheme

(5.10.1.4) Calculation methodology and assumptions made in determining the price

Obayashi Corporation has introduced an internal carbon pricing (ICP) system to promote the use of low-carbon materials, such as low-carbon concrete, electric furnace steel frames, and wooden/wood-based construction. The ICP is also utilized to encourage R&D investment in low-carbon materials. The ICP unit price is set with reference to external market price forecasts and the CO2 reduction cost associated with low-carbon materials, ensuring that the monetary value obtained by multiplying the CO2 reduction effect by the ICP unit price exceeds the cost difference between conventional materials and low-carbon materials.

(5.10.1.5) Scopes covered

Select all that apply

- Scope 3, Category 1 - Purchased goods and services

(5.10.1.6) Pricing approach used – spatial variance

Select from:

- Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

- Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

In Japan, which is Obayashi Corporation's primary area of operation, the introduction of a carbon tax and an emissions trading system is expected to become more prominent in the future. While closely monitoring international carbon prices and low-carbon material costs, the company plans to review the ICP system as appropriate.

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

10000

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

10000

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

- Procurement
- Product and R&D

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

No

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

43

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

The ICP unit price is set with reference to external market price forecasts and the CO2 reduction unit price of low-carbon materials, in such a way that the monetary value obtained by multiplying the CO2 reduction effect by the ICP unit price exceeds the price difference between conventional materials and low-carbon materials.

The ICP unit price is planned to be reviewed as appropriate in response to fluctuations in market prices.

As an example of the evaluation method, Obayashi Corporation's low-carbon concrete "Clean Concrete," developed in 2010, can reduce CO2 emissions by up to approximately 80% compared with ordinary concrete. For instance, using 100,000 m³ of this concrete in a construction project can reduce about 20,000 t of CO2.

Considering the cumulative placement volume of 440,000 m³ as of the end of FY2024, approximately 88,000 t of CO2 have been reduced. Multiplying this by the ICP unit price, the estimated reduction effect amounts to 880 million yen.

Such estimates using the ICP are intended to visualize the CO2 reduction effects of low-carbon materials, evaluate performance at implemented sites, and promote the use of low-carbon materials at the planning stage.

[Add row]

(5.11) Do you engage with your value chain on environmental issues?

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

Yes

(5.11.2) Environmental issues covered

Select all that apply

- Climate change
- Forests
- Water
- Plastics

Smallholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

- No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

- Not an immediate strategic priority

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

Engagement with small-scale farmers on environmental issues is not currently a strategic priority for the Obayashi Group.

Customers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

- Yes

(5.11.2) Environmental issues covered

Select all that apply

- Climate change
- Forests

- Water

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

- No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

- Not an immediate strategic priority

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

Engagement with investors and shareholders on environmental issues is not currently a strategic priority for the Obayashi Group.

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

- No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

- Not an immediate strategic priority

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

Engagement with other value chain stakeholders on environmental issues is not currently a strategic priority for the Obayashi Group.

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

	Assessment of supplier dependencies and/or impacts on the environment
Climate change	Select from: <input checked="" type="checkbox"/> No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years
Forests	Select from: <input checked="" type="checkbox"/> No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years
Water	Select from: <input checked="" type="checkbox"/> No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years
Plastics	Select from: <input checked="" type="checkbox"/> No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

No, we do not prioritize which suppliers to engage with on this environmental issue

(5.11.2.3) Primary reason for no supplier prioritization on this environmental issue

Select from:

We engage with all suppliers

(5.11.2.4) Please explain

Obayashi Corporation believes that fulfilling corporate social responsibility requires initiatives across the entire supply chain. The company aims for both domestic and overseas business partners to understand the “Obayashi Corporate Philosophy” and the concept of CSR, and to work together on themes such as human rights, occupational health and safety, the environment, quality, and social contribution.

To achieve a sustainable society as set forth in the “Obayashi Corporate Philosophy,” the Obayashi Group has established the “Obayashi Group CSR Procurement Policy.” The policy specifies the obligations that Obayashi Group employees must observe in promoting CSR procurement, while the “CSR Procurement Guidelines” set forth the practices that suppliers are expected to implement. By promoting understanding and awareness among suppliers throughout the supply chain, the Group advances CSR initiatives across its supply chain.

The guidelines include measures related to climate change, and they require the promotion of business activities that consider environmental conservation and the reduction of environmental impacts. They also mandate compliance with all applicable laws, international treaties, and social norms in the countries and regions where business activities are conducted. All items in the guidelines are included in the contractual provisions with suppliers and are confirmed at the time of contract conclusion. The “Obayashi Group CSR Procurement Policy,” including the guidelines, applies to all suppliers.

Forests

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

No, we do not prioritize which suppliers to engage with on this environmental issue

(5.11.2.3) Primary reason for no supplier prioritization on this environmental issue

Select from:

We engage with all suppliers

(5.11.2.4) Please explain

Obayashi Corporation believes that fulfilling corporate social responsibility requires initiatives across the entire supply chain. The company aims for both domestic and

overseas business partners to understand the “Obayashi Corporate Philosophy” and the concept of CSR, and to work together on themes such as human rights, occupational health and safety, the environment, quality, and social contribution.

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The guidelines include measures related to forests, and they require the promotion of business activities that consider environmental conservation and the reduction of environmental impacts. They also mandate compliance with all applicable laws, international treaties, and social norms in the countries and regions where business activities are conducted. All items in the guidelines are included in the contractual provisions with suppliers and are confirmed at the time of contract conclusion. The “Obayashi Group CSR Procurement Policy,” including the guidelines, applies to all suppliers.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

No, we do not prioritize which suppliers to engage with on this environmental issue

(5.11.2.3) Primary reason for no supplier prioritization on this environmental issue

Select from:

We engage with all suppliers

(5.11.2.4) Please explain

Obayashi Corporation believes that fulfilling corporate social responsibility requires initiatives across the entire supply chain. The company aims for both domestic and overseas business partners to understand the “Obayashi Corporate Philosophy” and the concept of CSR, and to work together on themes such as human rights, occupational health and safety, the environment, quality, and social contribution.

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The guidelines include measures related to water, and they require the promotion of business activities that consider environmental conservation and the reduction of environmental impacts. They also mandate compliance with all applicable laws, international treaties, and social norms in the countries and regions where business activities are conducted. All items in the guidelines are included in the contractual provisions with suppliers and are confirmed at the time of contract conclusion. The “Obayashi Group CSR Procurement Policy,” including the guidelines, applies to all suppliers.

Plastics

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

No, we do not prioritize which suppliers to engage with on this environmental issue

(5.11.2.3) Primary reason for no supplier prioritization on this environmental issue

Select from:

We engage with all suppliers

(5.11.2.4) Please explain

Obayashi Corporation believes that fulfilling corporate social responsibility requires initiatives across the entire supply chain. The company aims for both domestic and overseas business partners to understand the “Obayashi Corporate Philosophy” and the concept of CSR, and to work together on themes such as human rights, occupational health and safety, the environment, quality, and social contribution.

To achieve a sustainable society as set forth in the “Obayashi Corporate Philosophy,” the Obayashi Group has established the “Obayashi Group CSR Procurement Policy.” The policy specifies the obligations that Obayashi Group employees must observe in promoting CSR procurement, while the “CSR Procurement Guidelines” set forth the practices that suppliers are expected to implement. By promoting understanding and awareness among suppliers throughout the supply chain, the Group advances CSR initiatives across its supply chain.

The guidelines include measures related to plastics, and they require the promotion of business activities that consider environmental conservation and the reduction of environmental impacts. They also mandate compliance with all applicable laws, international treaties, and social norms in the countries and regions where business activities are conducted. All items in the guidelines are included in the contractual provisions with suppliers and are confirmed at the time of contract conclusion. The “Obayashi Group CSR Procurement Policy,” including the guidelines, applies to all suppliers.

[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization’s purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

The Obayashi Group has established the “Obayashi Group CSR Procurement Policy” to achieve a sustainable society as set forth in the “Obayashi Corporate Philosophy.” The Policy defines the obligations that Obayashi Group employees must observe when promoting CSR procurement, while the “CSR Procurement Guidelines” (hereinafter referred to as the Guidelines) set forth the practices that suppliers are expected to implement. By promoting understanding and awareness of these Guidelines throughout the supply chain, the Group advances CSR initiatives across its supply chain.

The “Obayashi Group CSR Procurement Policy,” including the Guidelines, applies to all suppliers. The Guidelines stipulate that suppliers should promote business activities that consider environmental conservation and the reduction of environmental impacts, including measures addressing climate change. They also require compliance with all applicable laws, international treaties, and social norms in the countries and regions where business activities are conducted. All items in the Guidelines are included in contractual provisions with suppliers and are confirmed at the time of contract conclusion.

Furthermore, the Group annually conducts surveys to raise awareness throughout the supply chain and to verify compliance with the Guidelines. In fiscal 2024, the survey targeted approximately 1,400 suppliers, including members of the Obayashi Rinyūkai association and suppliers with ongoing business relationships. The KPI for the procurement ratio from suppliers who responded to the CSR procurement survey was 83% in fiscal 2024, exceeding the target of 70%. Individual feedback documents were provided to each responding company to encourage further improvement in their initiatives.

Forests

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

The Obayashi Group has established the “Obayashi Group CSR Procurement Policy” to achieve a sustainable society as set forth in the “Obayashi Corporate Philosophy.” The Policy defines the obligations that Obayashi Group employees must observe when promoting CSR procurement, while the “CSR Procurement Guidelines” (hereinafter referred to as the Guidelines) set forth the practices that suppliers are expected to implement. By promoting understanding and awareness of these Guidelines throughout the supply chain, the Group advances CSR initiatives across its supply chain.

The “Obayashi Group CSR Procurement Policy,” including the Guidelines, applies to all suppliers. The Guidelines stipulate that suppliers should promote business activities that consider environmental conservation and the reduction of environmental impacts, including measures addressing climate change. They also require compliance with all applicable laws, international treaties, and social norms in the countries and regions where business activities are conducted. All items in the Guidelines are included in contractual provisions with suppliers and are confirmed at the time of contract conclusion.

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Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

The Obayashi Group has established the “Obayashi Group CSR Procurement Policy” to achieve a sustainable society as set forth in the “Obayashi Corporate Philosophy.” The Policy defines the obligations that Obayashi Group employees must observe when promoting CSR procurement, while the “CSR Procurement Guidelines” (hereinafter referred to as the Guidelines) set forth the practices that suppliers are expected to implement. By promoting understanding and awareness of these Guidelines throughout the supply chain, the Group advances CSR initiatives across its supply chain.

The “Obayashi Group CSR Procurement Policy,” including the Guidelines, applies to all suppliers. The Guidelines stipulate that suppliers should promote business activities that consider environmental conservation and the reduction of environmental impacts, including measures addressing climate change. They also require

compliance with all applicable laws, international treaties, and social norms in the countries and regions where business activities are conducted. All items in the Guidelines are included in contractual provisions with suppliers and are confirmed at the time of contract conclusion. Furthermore, the Group annually conducts surveys to raise awareness throughout the supply chain and to verify compliance with the Guidelines. In fiscal 2024, the survey targeted approximately 1,400 suppliers, including members of the Obayashi Rinyūkai association and suppliers with ongoing business relationships. The KPI for the procurement ratio from suppliers who responded to the CSR procurement survey was 83% in fiscal 2024, exceeding the target of 70%. Individual feedback documents were provided to each responding company to encourage further improvement in their initiatives.

[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

Other, please specify: *Compliance with laws and regulations, consideration for the environment*

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

100%

(5.11.6.12) Comment

The Obayashi Group has established the “Obayashi Group CSR Procurement Policy” to achieve a sustainable society as set forth in the “Obayashi Corporate Philosophy.” The Policy defines the obligations that Obayashi Group employees must observe when promoting CSR procurement, while the “CSR Procurement Guidelines” (hereinafter referred to as the Guidelines) set forth the practices that suppliers are expected to implement. By promoting understanding and awareness of these Guidelines throughout the supply chain, the Group advances CSR initiatives across its supply chain.

The “Obayashi Group CSR Procurement Policy” applies to all suppliers. The Guidelines stipulate that suppliers should promote business activities that consider environmental conservation and the reduction of environmental impacts, including measures addressing climate change. They also require compliance with all applicable laws, international treaties, and social norms in the countries and regions where business activities are conducted. All items in the Guidelines are included in contractual provisions with suppliers and are confirmed at the time of contract conclusion.

Furthermore, the Group annually conducts surveys to raise awareness throughout the supply chain and to verify compliance with the Guidelines. In fiscal 2024, the survey targeted approximately 1,400 suppliers, including members of the Obayashi Rinyūkai association and suppliers with ongoing business relationships. The KPI for the procurement ratio from suppliers who responded to the CSR procurement survey was 83% in fiscal 2024, exceeding the target of 70%. Individual feedback documents were provided to each responding company to encourage further improvement in their initiatives.

Forests

(5.11.6.1) Environmental requirement

Select from:

Other, please specify: Compliance with laws and regulations, consideration for the environment

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- 100%

(5.11.6.12) Comment

The Obayashi Group has established the “Obayashi Group CSR Procurement Policy” to achieve a sustainable society as set forth in the “Obayashi Corporate Philosophy.” The Policy defines the obligations that Obayashi Group employees must observe when promoting CSR procurement, while the “CSR Procurement Guidelines” (hereinafter referred to as the Guidelines) set forth the practices that suppliers are expected to implement. By promoting understanding and awareness of these Guidelines throughout the supply chain, the Group advances CSR initiatives across its supply chain.

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Furthermore, the Group annually conducts surveys to raise awareness throughout the supply chain and to verify compliance with the Guidelines. In fiscal 2024, the survey targeted approximately 1,400 suppliers, including members of the Obayashi Rinyūkai association and suppliers with ongoing business relationships. The KPI for the procurement ratio from suppliers who responded to the CSR procurement survey was 83% in fiscal 2024, exceeding the target of 70%. Individual feedback documents were provided to each responding company to encourage further improvement in their initiatives.

Water

(5.11.6.1) Environmental requirement

Select from:

- Other, please specify: Compliance with laws and regulations, consideration for the environment

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- 100%

(5.11.6.12) Comment

The Obayashi Group has established the “Obayashi Group CSR Procurement Policy” to achieve a sustainable society as set forth in the “Obayashi Corporate Philosophy.” The Policy defines the obligations that Obayashi Group employees must observe when promoting CSR procurement, while the “CSR Procurement Guidelines” (hereinafter referred to as the Guidelines) set forth the practices that suppliers are expected to implement. By promoting understanding and awareness of these Guidelines throughout the supply chain, the Group advances CSR initiatives across its supply chain.

The “Obayashi Group CSR Procurement Policy” applies to all suppliers. The Guidelines stipulate that suppliers should promote business activities that consider environmental conservation and the reduction of environmental impacts, including measures addressing climate change. They also require compliance with all applicable laws, international treaties, and social norms in the countries and regions where business activities are conducted. All items in the Guidelines are included in contractual provisions with suppliers and are confirmed at the time of contract conclusion.

Furthermore, the Group annually conducts surveys to raise awareness throughout the supply chain and to verify compliance with the Guidelines. In fiscal 2024, the survey targeted approximately 1,400 suppliers, including members of the Obayashi Rinyūkai association and suppliers with ongoing business relationships. The KPI for the procurement ratio from suppliers who responded to the CSR procurement survey was 83% in fiscal 2024, exceeding the target of 70%. Individual feedback documents were provided to each responding company to encourage further improvement in their initiatives.

[Add row]

(5.11.7) Provide further details of your organization’s supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

- Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

- Provide training, support and best practices on how to mitigate environmental impact

Financial incentives

- Feature environmental performance in supplier awards scheme

(5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- 100%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

- 26-50%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

In Obayashi's core business of construction, subcontractors participating at construction sites are important suppliers, and collaboration with them is essential. At construction sites, training programs such as eco-driving workshops are provided to subcontractor workers. Obayashi and its subcontractors collaborate to reduce CO2 emissions during construction by using low-carbon construction machinery, practicing fuel-efficient driving and idling-stop for vehicles and machinery, and using alternative fuels to diesel. It should be noted that subcontractor cooperation is also indispensable for surveying fuel consumption at construction sites, which serves

as the basis for calculating over 99% of Obayashi's Scope 1 CO2 emissions from the construction phase.

Regarding the action plan "Promotion of CSR Procurement," which is set based on ESG materiality, the Obayashi Group has included "Promotion of understanding of CSR procurement throughout the Group's supply chain" as part of the management foundation measures in the Medium-Term Management Plan 2022. In addition to the KPI "Procurement ratio from suppliers responding to the CSR procurement survey," the number of subcontractor engagement activities is also established as a KPI.

As part of "subcontractor engagement," every year, Obayashi exchanges opinions with companies that are members of the Obayashi Rinyūkai association on a wide range of topics, including quality, safety, environment, work-style reform, productivity improvement, and securing human resources. Opinions and best practices gathered during these exchanges are shared company-wide and utilized in subsequent initiatives.

The KPI "Number of Subcontractor Engagements Conducted" for FY2024 had a target of maintaining or exceeding the previous year (201 companies or more), while the actual number achieved was 190 companies.

Additionally, every six months, subcontractors are evaluated on seven criteria, including "quality," "safety," and "environment," using a five-point scale. Evaluation results are communicated individually to each company, followed by improvement guidance through interviews, and outstanding subcontractors are recognized with awards.

Effect of Engagements:

All suppliers (subcontractors), including members of the Obayashi Rinyūkai association, are required to follow Obayashi's construction management when participating in construction sites under construction contracts. This includes environmental preservation activities such as CO2 emission reduction under Obayashi's Environmental Management System (EMS). Therefore, it can be said that all suppliers (subcontractors) are collaborating.

For example, as part of Obayashi's EMS environmental goals for FY2024, targets such as "CO2 Emission Reduction Rate (compared to FY2019) (Scope 1 + 2)" were set. Environmental goals and preservation activities at construction sites—including fuel-efficient driving, idling-stop, use of alternative diesel fuels, and energy-saving construction practices—are communicated and taught to suppliers (subcontractors).

Every half-year, the status of environmental activities at each construction site is monitored and evaluated, and this evaluation contributes to assessing the effectiveness and success of subcontractor engagement. As an example, one of the ESG materiality KPIs and EMS environmental goals for FY2024, the "CO2 Emission Reduction Rate (compared to FY2019) (Scope 1 + 2)," is calculated based on monthly reports from subcontractors at construction sites on diesel and other energy usage.

At construction sites, in accordance with EMS, environmental training is mandatory not only for Obayashi employees but also for subcontractor workers. Furthermore, eco-driving training at construction sites is included as a tracked performance item under EMS and is actively implemented.

The effect of collaboration with subcontractors on climate-related issues is measured by the KPI based on ESG materiality and the EMS environmental goal item, "CO2 Emission Reduction Rate (compared to FY2019) (Scope 1 + 2)." In FY2024, the target was 21.0%, while the actual achievement was 23%, indicating that engagement with subcontractors has been successful.

Moreover, subcontractors' efforts at Obayashi construction sites, such as fuel-efficient driving, contribute to reductions in their own Scope 1 and 2 emissions, which in turn reduces their fuel and other operational costs, serving as an incentive.

Additionally, engagement with subcontractors and the award system influence their behavior. For example, construction machinery brought to Obayashi construction sites by subcontractors has, in some cases, been replaced with low-emission machinery owned by the subcontractors, demonstrating the effect of these initiatives.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

- Yes, please specify the environmental requirement: *Compliance with laws and regulations, consideration for the environment*

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

- Yes

Forests

(5.11.7.1) Commodity

Select from:

- Timber products

(5.11.7.2) Action driven by supplier engagement

Select from:

- No deforestation and/or conversion of other natural ecosystems

(5.11.7.3) Type and details of engagement

Capacity building

- Provide training, support and best practices on how to mitigate environmental impact

Financial incentives

- Feature environmental performance in supplier awards scheme

(5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

100%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

In Obayashi Corporation's core business of construction, subcontractors participating at construction sites are important suppliers, and collaboration with them is essential.

At Obayashi construction sites, based on the Environmental Management System (EMS), environmental conservation training is mandatory not only for Obayashi employees but also for subcontractor workers. Through this framework, Obayashi and its subcontractors work together to reduce the use of tropical timber plywood for formwork.

Within the Obayashi Group, regarding the action plan "Promotion of CSR Procurement," which is based on ESG materiality, the promotion of understanding of CSR procurement across the entire supply chain is positioned as a management infrastructure measure in the Medium-Term Management Plan 2022. KPIs for this include the "procurement ratio from companies responding to the CSR procurement survey" and the "number of subcontractor engagements conducted."

As part of "subcontractor engagement," Obayashi conducts annual dialogues with member companies of the Obayashi Rinyūkai on a wide range of topics—including quality, safety, and the environment, as well as workstyle reform, productivity improvement, and securing future talent. Opinions and best practices shared during these discussions are disseminated across the entire company and used to enhance subsequent initiatives.

For the KPI "Number of Subcontractor Engagements Conducted," the target for FY2024 was to exceed the previous year's level (201 companies or more), while the actual number achieved was 190 companies.

In addition, twice a year Obayashi evaluates its subcontractors on seven criteria—including "quality," "safety," and "environment"—using a five-grade scale. The evaluation results are provided individually to each company, and Obayashi offers guidance for improvement through meetings and other means, while also recognizing and awarding outstanding subcontractors.

Effectiveness of Engagement:

When all suppliers (subcontractors), including members of the Obayashi Rinyūkai, participate in Obayashi's construction projects, they are required under construction contracts to follow Obayashi's construction management practices. This includes environmental conservation activities under Obayashi's Environmental Management System (EMS), such as efforts to reduce the use of tropical hardwood plywood for formwork. Therefore, it can be said that all suppliers (subcontractors) are collaborating with Obayashi.

Furthermore, the activity status at each construction site is monitored and evaluated semiannually, and these evaluations contribute to assessing the effectiveness and success of engagement with subcontractors. The engagement program and award system also influence subcontractor behavior.

Since 2021, Obayashi has conducted traceability surveys for certain materials used in construction—particularly imported timber considered to carry higher risks related to environmental degradation. In FY2024, Obayashi surveyed 102 major suppliers of timber regarding their supply chains and whether they use certified timber. The results showed that while the proportion of supply chains sourcing timber from forests with FM certification is increasing, the proportion of supply chains fully certified from forest to distributor remains limited. With respect to legally verified timber, around 80% of supply chains were confirmed as compliant, although about 20% still could not be verified.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental

issue

Select from:

- Yes, please specify the environmental requirement: *Compliance with laws and regulations, consideration for the environment*

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

- Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

- Waste and resource reduction and improved end-of-life management

(5.11.7.3) Type and details of engagement

Capacity building

- Provide training, support and best practices on how to mitigate environmental impact

Financial incentives

- Feature environmental performance in supplier awards scheme

(5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- 100%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

In Obayashi Corporation's core business of construction, subcontractors participating at construction sites are important suppliers, and collaboration with them is essential.

At Obayashi construction sites, based on the Environmental Management System (EMS), environmental conservation training is mandatory not only for Obayashi employees but also for subcontractor workers. Through this framework, Obayashi and its subcontractors work together to prevent water pollution.

Specifically, before commencing construction work, the sales division prepares an environmental risk checklist. During pre-construction meetings, this checklist is used to share information with supply-chain partners and other relevant parties regarding water management and related risks (such as restrictions on water intake, discharge volumes, and water quality in the area).

At construction sites, appropriate water-use plans are developed using the checklist, and efforts are made to promote water recycling, reduce water consumption and discharge volumes. In addition, a person responsible for water quality management is appointed to ensure thorough oversight of water quality.

Within the Obayashi Group, regarding the action plan "Promotion of CSR Procurement," which is based on ESG materiality, the promotion of understanding of CSR procurement across the entire supply chain is positioned as a management infrastructure measure in the Medium-Term Management Plan 2022. KPIs for this include the "procurement ratio from companies responding to the CSR procurement survey" and the "number of subcontractor engagements conducted."

As part of "subcontractor engagement," Obayashi conducts annual dialogues with member companies of the Obayashi Rinyūkai on a wide range of topics—including quality, safety, and the environment, as well as workstyle reform, productivity improvement, and securing future talent. Opinions and best practices shared during these discussions are disseminated across the entire company and used to enhance subsequent initiatives.

For the KPI "Number of Subcontractor Engagements Conducted," the target for FY2024 was to exceed the previous year's level (201 companies or more), while the actual number achieved was 190 companies.

In addition, twice a year Obayashi evaluates its subcontractors on seven criteria—including "quality," "safety," and "environment"—using a five-grade scale. The evaluation results are provided individually to each company, and Obayashi offers guidance for improvement through meetings and other means, while also recognizing and awarding outstanding subcontractors.

Effectiveness of Engagement:

When all suppliers (subcontractors), including members of the Obayashi Rinyūkai, participate in Obayashi's construction projects, they are required under construction contracts to follow Obayashi's construction management practices. This includes environmental conservation activities under Obayashi's Environmental Management System (EMS), such as efforts to prevent water pollution. Therefore, it can be said that all suppliers (subcontractors) are collaborating with Obayashi. Furthermore, the activity status at each construction site is monitored and evaluated semiannually, and these evaluations contribute to assessing the effectiveness and success of engagement with subcontractors. The engagement program and award system also influence subcontractor behavior.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

Yes, please specify the environmental requirement: *Compliance with laws and regulations, consideration for the environment*

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

- Yes

Plastics

(5.11.7.2) Action driven by supplier engagement

Select from:

- Waste and resource reduction and improved end-of-life management

(5.11.7.3) Type and details of engagement

Capacity building

- Provide training, support and best practices on how to mitigate environmental impact

Financial incentives

- Feature environmental performance in supplier awards scheme

(5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- 100%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

In Obayashi Corporation's core business of construction, subcontractors participating at construction sites are important suppliers, and collaboration with them is essential.

At Obayashi construction sites, based on the Environmental Management System (EMS), environmental conservation training is mandatory not only for Obayashi employees but also for subcontractor workers. Through this framework, Obayashi and its subcontractors work together to rationalize the use of plastic-containing products and to reduce and recycle plastic waste generated from such products.

Within the Obayashi Group, regarding the action plan “Promotion of CSR Procurement,” which is based on ESG materiality, the promotion of understanding of CSR procurement across the entire supply chain is positioned as a management infrastructure measure in the Medium-Term Management Plan 2022. KPIs for this include the “procurement ratio from companies responding to the CSR procurement survey” and the “number of subcontractor engagements conducted.”

As part of “subcontractor engagement,” Obayashi conducts annual dialogues with member companies of the Obayashi Rinyūkai on a wide range of topics—including quality, safety, and the environment, as well as workstyle reform, productivity improvement, and securing future talent. Opinions and best practices shared during these discussions are disseminated across the entire company and used to enhance subsequent initiatives.

For the KPI “Number of Subcontractor Engagements Conducted,” the target for FY2024 was to exceed the previous year’s level (201 companies or more), while the actual number achieved was 190 companies.

In addition, twice a year Obayashi evaluates its subcontractors on seven criteria—including “quality,” “safety,” and “environment”—using a five-grade scale. The evaluation results are provided individually to each company, and Obayashi offers guidance for improvement through meetings and other means, while also recognizing and awarding outstanding subcontractors.

Effectiveness of Engagement:

When all suppliers (subcontractors), including members of the Obayashi Rinyūkai, participate in Obayashi’s construction projects, they are required under construction contracts to follow Obayashi’s construction management practices. This includes environmental conservation activities under Obayashi’s Environmental Management System (EMS), such as efforts to rationalize the use of plastic-containing products and to reduce and recycle plastic waste generated from such products. Therefore, it can be said that all suppliers (subcontractors) are collaborating with Obayashi.

Furthermore, the activity status at each construction site is monitored and evaluated semiannually, and these evaluations contribute to assessing the effectiveness and success of engagement with subcontractors. The engagement program and award system also influence subcontractor behavior.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

- 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- 51-75%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

At Obayashi Corporation, the “Corporate Code of Conduct,” based on the “Obayashi Group Basic Philosophy,” sets forth principles such as “creating an environmentally conscious society” and “providing high-quality buildings and services,” which serve as guidelines “to remain a company trusted by all stakeholders.” Accordingly, all customers are considered engagement targets, and proposals for environmentally conscious technologies, including those addressing climate change, are provided.

In addition, under the Quality Management System, Obayashi delivers high-quality buildings and services that satisfy customers through consistent quality management. The company also engages in the development of advanced technologies to meet diverse customer needs, provides solutions, and supports customers from BCP (business continuity plan) preparation to restoration work in the event of disasters.

Since CO2 emissions during building operation are significant, for buildings designed and constructed by Obayashi, the company actively proposes technologies that help customers reduce CO2 emissions during operation. This includes ZEB (Net Zero Energy Building) proposals and specifications that achieve an A rank or higher under CASBEE (Comprehensive Assessment System for Built Environment Efficiency), leveraging Obayashi’s proprietary technologies and know-how.

Specifically, as part of the ESG materiality-based action plan “Promotion of Environmentally Conscious Business,” the company has established KPIs such as “ZEB proposal rate in design and construction projects” (target: 100%) and “Number of ZEB-certified design and construction projects.” These initiatives significantly impact Obayashi’s Scope 3 CO2 emissions (Category 11: use of sold products) and the operational energy efficiency and costs of customers’ buildings. Therefore, collaboration is conducted with all customers from the planning, sales, and design stages. Additionally, the company monitors KPIs such as the “introduction rate of renewable energy electricity in domestic rental properties owned by the group.”

(5.11.9.6) Effect of engagement and measures of success

As part of its engagement with customers (clients), Obayashi Corporation conducts Customer Satisfaction Surveys.

The 2024 survey results show a high level of satisfaction at 96.5% (compared to 97.1% in 2023).

Regarding collaboration with customers on climate-related issues, the KPI is the “ZEB proposal rate in design and construction projects” (target: 100%), and the 2024 result achieved 100%. Additionally, the KPI “Number of ZEB-certified design and construction projects” recorded 9 projects in 2024.

The success of collaboration with customers is also measured by Obayashi’s Scope 3 CO2 emissions (Category 11: use of sold products), which amounted to 3,374,000 t-CO2 in 2024. From the customer’s perspective, the use of these buildings allows for a reduction in energy costs and CO2 emissions during operation, contributing to climate change mitigation.

Moreover, engagement with all customers has promoted CO2 emissions reduction and advanced technologies such as ZEB. Therefore, engagement with all customers can be considered successful.

Forests

(5.11.9.1) Type of stakeholder

Select from:

- Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

At Obayashi Corporation, the “Corporate Code of Conduct,” based on the “Obayashi Group Basic Philosophy,” sets forth principles such as “creating an environmentally conscious society” and “providing high-quality buildings and services,” which serve as guidelines “to remain a company trusted by all stakeholders.” Accordingly, all customers are considered engagement targets, and proposals for environmentally conscious technologies, including those related to forests, are provided.

In particular, regarding forests, Obayashi Corporation has established a new circular business model for optimizing the entire supply chain of wooden and timber-based construction, called “Circular Timber Construction.” Leveraging the Group’s achievements, know-how, and expertise in forest resource conservation and utilization, this model promotes a circular flow of domestic timber—from upstream activities (planting and forest cultivation), through midstream (processing and procurement), downstream (construction), and beyond (power generation, reuse, and recycling)—thereby contributing to the sustainable use of forest resources.

(5.11.9.6) Effect of engagement and measures of success

As part of its engagement with customers (clients), Obayashi Corporation conducts Customer Satisfaction Surveys.

Regarding the utilization of forest resources in collaboration with customers, in fiscal year 2024, Obayashi Corporation constructed the timber structure of the Great Roof Ring of the PW Northeast Zone at the Osaka-Kansai Expo site. To promote the use of domestic timber in the PW Northeast Zone, approximately 50% of the columns were made from Hinoki cypress from Shikoku, and all beams were made from Sugi cedar from Fukushima.

These timbers were processed into laminated timber at Fujiju Sangyo Co., Ltd.—a cooperating company that operates the largest domestic laminated timber production plant in Namie Town, Futaba District, Fukushima Prefecture—and then further processed into the required column and beam components. For the flooring, cross-laminated timber (CLT) made from Shikoku Hinoki and Sugi was used, and the components were manufactured at Cypress Sunadaya Co., Ltd., the Obayashi Group company that operates Japan’s largest CLT production facility in Saijo City, Ehime Prefecture.

Through the utilization of domestic timber, Obayashi Corporation has engaged with its customer, the Osaka-Kansai Expo Association, by contributing to initiatives that support the Expo’s vision of a “Future Where Life Shines.” This engagement can be considered successful.

Water

(5.11.9.1) Type of stakeholder

Select from:

- Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

- 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

At Obayashi Corporation, the “Corporate Code of Conduct,” based on the “Obayashi Group Basic Philosophy,” sets forth principles such as “creating an environmentally conscious society” and “providing high-quality buildings and services,” which serve as guidelines “to remain a company trusted by all stakeholders.” Accordingly, all customers are considered engagement targets, and proposals for environmentally conscious technologies, including those related to water, are provided.

In particular, regarding water, in Obayashi Corporation’s core business of construction, production sites, i.e., construction sites, are located throughout Japan, and each site draws and discharges water. Additionally, the amount of water used varies depending on the scale and purpose of the construction, as well as the construction methods employed.

Before the start of construction, the sales department prepares a checklist regarding environmental risks and, at start-of-construction meetings, shares information with relevant stakeholders, together with the supply chain, regarding water management and risks (such as restrictions on water intake, discharge volumes, and water quality in the respective region). At the construction sites, the checklist is used to formulate an appropriate water usage plan, promote the circulation and reuse of water, reduce water usage and discharge, and appoint a person responsible for water quality to ensure thorough water quality management.

(5.11.9.6) Effect of engagement and measures of success

As part of its engagement with customers (clients), Obayashi Corporation conducts Customer Satisfaction Surveys.

The 2024 survey results show a high level of satisfaction at 96.5% (compared to 97.1% in 2023).

As part of its water-saving initiatives, Obayashi Corporation has developed and proposed systems for the effective use of rainwater. In urban areas, surfaces are paved with concrete and asphalt, causing rainwater to flow directly into the sewer system without infiltrating the ground. However, rainwater is a valuable water resource naturally purified through the water cycle. By making effective use of rainwater, it is possible to reduce the consumption of tap water, alleviate the burden of rainwater on sewage facilities, and mitigate damage from urban flooding.

Obayashi Corporation builds comprehensive water utilization systems that include selecting optimal rainwater treatment methods, using rainwater utilization simulation programs, combining with wastewater reuse, employing low-pollution equipment drains, and utilizing water-saving devices. Through these initiatives, the company achieves circulation and reuse of water, reduces water usage and wastewater discharge, and engages effectively with customers, demonstrating successful outcomes.

[Add row]

(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.

Row 1

(5.12.1) Requesting member

Select from:

Salesforce, Inc.

(5.12.2) Environmental issues the initiative relates to

Select all that apply

Climate change

Forests

Water

(5.12.3) Commodities the initiative relates to

Select all that apply

Timber products

(5.12.4) Initiative category and type

Change to provision of goods and services

Other change to provision of goods and services, please specify: *Proposal and provision of buildings with reduced environmental impact*

(5.12.5) Details of initiative

Obayashi Corporation proposes and provides a variety of initiatives, such as ZEB (Net Zero Energy Buildings) for climate change; responsible sourcing of raw materials for timber and wood-based construction for forests; and designs that reduce water use for water resources.

(5.12.6) Expected benefits

Select all that apply

- | | |
|---|--|
| <input checked="" type="checkbox"/> Improved resource use and efficiency | <input checked="" type="checkbox"/> Price premiums for deforestation and conversion-free materials |
| <input checked="" type="checkbox"/> Increase in use of certified materials | <input checked="" type="checkbox"/> Reduction of own operational water withdrawals and/or consumption |
| <input checked="" type="checkbox"/> Reduction of own operational emissions (own scope 1 & 2) | <input checked="" type="checkbox"/> Reduction of customers' operational emissions (customer scope 1 & 2) |
| <input checked="" type="checkbox"/> Increased transparency of upstream/downstream value chain | <input checked="" type="checkbox"/> Reduction of customers' operational water withdrawals and/or consumption |
| <input checked="" type="checkbox"/> Reduction of downstream value chain emissions (own scope 3) | <input checked="" type="checkbox"/> Reduction of downstream value chain water withdrawals and/or consumption |

(5.12.7) Estimated timeframe for realization of benefits

Select from:

- 0-1 year

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

- Yes, both lifetime CO2e and lifetime water savings

(5.12.9) Estimated lifetime CO2e savings

0

(5.12.10) Estimated lifetime water savings (megaliters)

(5.12.11) Please explain

The estimated CO2 reduction and estimated water savings depend on the content of the proposals and whether they are adopted, and therefore will be calculated after the adoption is finalized.

Row 2

(5.12.1) Requesting member

Select from:

- COLT TECHNOLOGY SERVICES GROUP LIMITED

(5.12.2) Environmental issues the initiative relates to

Select all that apply

- Climate change
- Forests
- Water

(5.12.3) Commodities the initiative relates to

Select all that apply

- Timber products

(5.12.4) Initiative category and type

Change to provision of goods and services

- Other change to provision of goods and services, please specify: *Proposal and provision of buildings with reduced environmental impact*

(5.12.5) Details of initiative

Obayashi Corporation proposes and provides a variety of initiatives, such as ZEB (Net Zero Energy Buildings) for climate change; responsible sourcing of raw materials for timber and wood-based construction for forests; and designs that reduce water use for water resources.

(5.12.6) Expected benefits

Select all that apply

- Improved resource use and efficiency
- Increase in use of certified materials
- Reduction of own operational emissions (own scope 1 & 2)
- Increased transparency of upstream/downstream value chain
- Reduction of downstream value chain emissions (own scope 3)
- Price premiums for deforestation and conversion-free materials
- Reduction of own operational water withdrawals and/or consumption
- Reduction of customers' operational emissions (customer scope 1 & 2)
- Reduction of customers' operational water withdrawals and/or consumption
- Reduction of downstream value chain water withdrawals and/or consumption

(5.12.7) Estimated timeframe for realization of benefits

Select from:

- 0-1 year

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

- Yes, both lifetime CO2e and lifetime water savings

(5.12.9) Estimated lifetime CO2e savings

0

(5.12.10) Estimated lifetime water savings (megaliters)

0

(5.12.11) Please explain

The estimated CO2 reduction and estimated water savings depend on the content of the proposals and whether they are adopted, and therefore will be calculated after the adoption is finalized.

Row 3

(5.12.1) Requesting member

Select from:

- EQUINIX, INC.

(5.12.2) Environmental issues the initiative relates to

Select all that apply

- Climate change
- Forests
- Water

(5.12.3) Commodities the initiative relates to

Select all that apply

- Timber products

(5.12.4) Initiative category and type

Change to provision of goods and services

- Other change to provision of goods and services, please specify: *Proposal and provision of buildings with reduced environmental impact*

(5.12.5) Details of initiative

Obayashi Corporation proposes and provides a variety of initiatives, such as ZEB (Net Zero Energy Buildings) for climate change; responsible sourcing of raw materials for timber and wood-based construction for forests; and designs that reduce water use for water resources.

(5.12.6) Expected benefits

Select all that apply

- Improved resource use and efficiency
- Increase in use of certified materials
- Reduction of own operational emissions (own scope 1 & 2)
- Increased transparency of upstream/downstream value chain
- Reduction of downstream value chain emissions (own scope 3)

- Price premiums for deforestation and conversion-free materials
- Reduction of own operational water withdrawals and/or consumption
- Reduction of customers' operational emissions (customer scope 1 & 2)
- Reduction of customers' operational water withdrawals and/or consumption
- Reduction of downstream value chain water withdrawals and/or consumption

(5.12.7) Estimated timeframe for realization of benefits

Select from:

- 0-1 year

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

- Yes, both lifetime CO2e and lifetime water savings

(5.12.9) Estimated lifetime CO2e savings

0

(5.12.10) Estimated lifetime water savings (megaliters)

0

(5.12.11) Please explain

The estimated CO2 reduction and estimated water savings depend on the content of the proposals and whether they are adopted, and therefore will be calculated after the adoption is finalized.

Row 4

(5.12.1) Requesting member

Select from:

- Microsoft Corporation

(5.12.2) Environmental issues the initiative relates to

Select all that apply

- Climate change
- Forests
- Water

(5.12.3) Commodities the initiative relates to

Select all that apply

- Timber products

(5.12.4) Initiative category and type

Change to provision of goods and services

- Other change to provision of goods and services, please specify: *Proposal and provision of buildings with reduced environmental impact*

(5.12.5) Details of initiative

Obayashi Corporation proposes and provides a variety of initiatives, such as ZEB (Net Zero Energy Buildings) for climate change; responsible sourcing of raw materials for timber and wood-based construction for forests; and designs that reduce water use for water resources.

(5.12.6) Expected benefits

Select all that apply

- Improved resource use and efficiency
- Increase in use of certified materials
- Reduction of own operational emissions (own scope 1 & 2)
- Increased transparency of upstream/downstream value chain
- Reduction of downstream value chain emissions (own scope 3)
- Price premiums for deforestation and conversion-free materials
- Reduction of own operational water withdrawals and/or consumption
- Reduction of customers' operational emissions (customer scope 1 & 2)
- Reduction of customers' operational water withdrawals and/or consumption
- Reduction of downstream value chain water withdrawals and/or consumption

(5.12.7) Estimated timeframe for realization of benefits

Select from:

0-1 year

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

Yes, both lifetime CO2e and lifetime water savings

(5.12.9) Estimated lifetime CO2e savings

0

(5.12.10) Estimated lifetime water savings (megaliters)

0

(5.12.11) Please explain

The estimated CO2 reduction and estimated water savings depend on the content of the proposals and whether they are adopted, and therefore will be calculated after the adoption is finalized.

Row 5

(5.12.1) Requesting member

Select from:

Takeda Pharmaceutical Company Limited

(5.12.2) Environmental issues the initiative relates to

Select all that apply

Climate change

Forests

Water

(5.12.3) Commodities the initiative relates to

Select all that apply

Timber products

(5.12.4) Initiative category and type

Change to provision of goods and services

Other change to provision of goods and services, please specify: *Proposal and provision of buildings with reduced environmental impact*

(5.12.5) Details of initiative

Obayashi Corporation proposes and provides a variety of initiatives, such as ZEB (Net Zero Energy Buildings) for climate change; responsible sourcing of raw materials for timber and wood-based construction for forests; and designs that reduce water use for water resources.

(5.12.6) Expected benefits

Select all that apply

Improved resource use and efficiency

Increase in use of certified materials

Reduction of own operational emissions (own scope 1 & 2)

Increased transparency of upstream/downstream value chain

Reduction of downstream value chain emissions (own scope 3)

Price premiums for deforestation and conversion-free materials

Reduction of own operational water withdrawals and/or consumption

Reduction of customers' operational emissions (customer scope 1 & 2)

Reduction of customers' operational water withdrawals and/or consumption

Reduction of downstream value chain water withdrawals and/or consumption

(5.12.7) Estimated timeframe for realization of benefits

Select from:

0-1 year

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

- Yes, both lifetime CO2e and lifetime water savings

(5.12.9) Estimated lifetime CO2e savings

0

(5.12.10) Estimated lifetime water savings (megaliters)

0

(5.12.11) Please explain

The estimated CO2 reduction and estimated water savings depend on the content of the proposals and whether they are adopted, and therefore will be calculated after the adoption is finalized.

Row 6

(5.12.1) Requesting member

Select from:

- Daiichi Sankyo Co., Ltd.

(5.12.2) Environmental issues the initiative relates to

Select all that apply

- Climate change
 Forests
 Water

(5.12.3) Commodities the initiative relates to

Select all that apply

- Timber products

(5.12.4) Initiative category and type

Change to provision of goods and services

- Other change to provision of goods and services, please specify: *Proposal and provision of buildings with reduced environmental impact*

(5.12.5) Details of initiative

Obayashi Corporation proposes and provides a variety of initiatives, such as ZEB (Net Zero Energy Buildings) for climate change; responsible sourcing of raw materials for timber and wood-based construction for forests; and designs that reduce water use for water resources.

(5.12.6) Expected benefits

Select all that apply

- Improved resource use and efficiency
- Increase in use of certified materials
- Reduction of own operational emissions (own scope 1 & 2)
- Increased transparency of upstream/downstream value chain
- Reduction of downstream value chain emissions (own scope 3)
- Price premiums for deforestation and conversion-free materials
- Reduction of own operational water withdrawals and/or consumption
- Reduction of customers' operational emissions (customer scope 1 & 2)
- Reduction of customers' operational water withdrawals and/or consumption
- Reduction of downstream value chain water withdrawals and/or consumption

(5.12.7) Estimated timeframe for realization of benefits

Select from:

- 0-1 year

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

- Yes, both lifetime CO2e and lifetime water savings

(5.12.9) Estimated lifetime CO2e savings

0

(5.12.10) Estimated lifetime water savings (megaliters)

0

(5.12.11) Please explain

The estimated CO2 reduction and estimated water savings depend on the content of the proposals and whether they are adopted, and therefore will be calculated after the adoption is finalized.

Row 7

(5.12.1) Requesting member

Select from:

Micron Technology, Inc.

(5.12.2) Environmental issues the initiative relates to

Select all that apply

Climate change

Forests

Water

(5.12.3) Commodities the initiative relates to

Select all that apply

Timber products

(5.12.4) Initiative category and type

Change to provision of goods and services

Other change to provision of goods and services, please specify: *Proposal and provision of buildings with reduced environmental impact*

(5.12.5) Details of initiative

Obayashi Corporation proposes and provides a variety of initiatives, such as ZEB (Net Zero Energy Buildings) for climate change; responsible sourcing of raw materials for timber and wood-based construction for forests; and designs that reduce water use for water resources.

(5.12.6) Expected benefits

Select all that apply

- Improved resource use and efficiency
- Increase in use of certified materials
- Reduction of own operational emissions (own scope 1 & 2)
- Increased transparency of upstream/downstream value chain
- Reduction of downstream value chain emissions (own scope 3)
- Price premiums for deforestation and conversion-free materials
- Reduction of own operational water withdrawals and/or consumption
- Reduction of customers' operational emissions (customer scope 1 & 2)
- Reduction of customers' operational water withdrawals and/or consumption
- Reduction of downstream value chain water withdrawals and/or consumption

(5.12.7) Estimated timeframe for realization of benefits

Select from:

- 0-1 year

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

- Yes, both lifetime CO2e and lifetime water savings

(5.12.9) Estimated lifetime CO2e savings

0

(5.12.10) Estimated lifetime water savings (megaliters)

0

(5.12.11) Please explain

The estimated CO2 reduction and estimated water savings depend on the content of the proposals and whether they are adopted, and therefore will be calculated after the adoption is finalized.

[Add row]

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

	Environmental initiatives implemented due to CDP Supply Chain member engagement
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(5.13.1) Specify the CDP Supply Chain members that have prompted your implementation of mutually beneficial environmental initiatives and provide information on the initiatives.

Row 1

(5.13.1.1) Requesting member

Select from:

Salesforce, Inc.

(5.13.1.2) Environmental issues the initiative relates to

Select all that apply

Climate change

Forests

Water

(5.13.1.3) Commodities the initiative relates to

Select all that apply

- Timber products

(5.13.1.4) Initiative ID

Select from:

- Ini1

(5.13.1.5) Initiative category and type

Change to provision of goods and services

- Other change to provision of goods and services, please specify: *Proposal and provision of buildings with reduced environmental impact*

(5.13.1.6) Details of initiative

Obayashi Corporation proposes and provides a variety of initiatives, such as ZEB (Net Zero Energy Buildings) for climate change; responsible sourcing of raw materials for timber and wood-based construction for forests; and designs that reduce water use for water resources.

(5.13.1.7) Benefits achieved

Select all that apply

- Improved resource use and efficiency
- Increase in use of certified materials
- Reduction of own operational emissions (own scope 1 & 2)
- Increased transparency of upstream/downstream value chain
- Reduction of downstream value chain emissions (own scope 3)
- Price premiums for deforestation and conversion-free materials
- Reduction of own operational water withdrawals and/or consumption
- Reduction of customers' operational emissions (customer scope 1 & 2)
- Reduction of customers' operational water withdrawals and/or consumption
- Reduction of downstream value chain water withdrawals and/or consumption

(5.13.1.8) Are you able to provide figures for emissions savings or water savings in the reporting year?

Select from:

- Yes, emissions savings and water savings

(5.13.1.9) Estimated savings in the reporting year in metric tons of CO2e

0.04

(5.13.1.10) Estimated water savings in the reporting year in megaliters

0

(5.13.1.11) Please explain how success for this initiative is measured

Comparison with a project of the same scale received in the previous fiscal year.

(5.13.1.12) Would you be happy for CDP Supply Chain members to highlight this work in their external communication?

Select from:

No

Row 3

(5.13.1.1) Requesting member

Select from:

EQUINIX, INC.

(5.13.1.2) Environmental issues the initiative relates to

Select all that apply

Climate change

Forests

Water

(5.13.1.3) Commodities the initiative relates to

Select all that apply

Timber products

(5.13.1.4) Initiative ID

Select from:

- Ini2

(5.13.1.5) Initiative category and type

Change to provision of goods and services

- Other change to provision of goods and services, please specify: *Proposal and provision of buildings with reduced environmental impact*

(5.13.1.6) Details of initiative

Obayashi Corporation proposes and provides a variety of initiatives, such as ZEB (Net Zero Energy Buildings) for climate change; responsible sourcing of raw materials for timber and wood-based construction for forests; and designs that reduce water use for water resources.

(5.13.1.7) Benefits achieved

Select all that apply

- Improved resource use and efficiency
- Increase in use of certified materials
- Reduction of own operational emissions (own scope 1 & 2)
- Increased transparency of upstream/downstream value chain
- Reduction of downstream value chain emissions (own scope 3)
- Price premiums for deforestation and conversion-free materials
- Reduction of own operational water withdrawals and/or consumption
- Reduction of customers' operational emissions (customer scope 1 & 2)
- Reduction of customers' operational water withdrawals and/or consumption
- Reduction of downstream value chain water withdrawals and/or consumption

(5.13.1.8) Are you able to provide figures for emissions savings or water savings in the reporting year?

Select from:

- Yes, emissions savings and water savings

(5.13.1.9) Estimated savings in the reporting year in metric tons of CO2e

11.15

(5.13.1.10) Estimated water savings in the reporting year in megaliters

(5.13.1.11) Please explain how success for this initiative is measured

Comparison with a project of the same scale received in the previous fiscal year.

(5.13.1.12) Would you be happy for CDP Supply Chain members to highlight this work in their external communication?

Select from:

No

Row 5**(5.13.1.1) Requesting member**

Select from:

Takeda Pharmaceutical Company Limited

(5.13.1.2) Environmental issues the initiative relates to

Select all that apply

Climate change

Forests

Water

(5.13.1.3) Commodities the initiative relates to

Select all that apply

Timber products

(5.13.1.4) Initiative ID

Select from:

Ini3

(5.13.1.5) Initiative category and type

Change to provision of goods and services

- Other change to provision of goods and services, please specify: *Proposal and provision of buildings with reduced environmental impact*

(5.13.1.6) Details of initiative

Obayashi Corporation proposes and provides a variety of initiatives, such as ZEB (Net Zero Energy Buildings) for climate change; responsible sourcing of raw materials for timber and wood-based construction for forests; and designs that reduce water use for water resources.

(5.13.1.7) Benefits achieved

Select all that apply

- Improved resource use and efficiency
- Increase in use of certified materials
- Reduction of own operational emissions (own scope 1 & 2)
- Increased transparency of upstream/downstream value chain
- Reduction of downstream value chain emissions (own scope 3)
- Price premiums for deforestation and conversion-free materials
- Reduction of own operational water withdrawals and/or consumption
- Reduction of customers' operational emissions (customer scope 1 & 2)
- Reduction of customers' operational water withdrawals and/or consumption
- Reduction of downstream value chain water withdrawals and/or consumption

(5.13.1.8) Are you able to provide figures for emissions savings or water savings in the reporting year?

Select from:

- Yes, emissions savings and water savings

(5.13.1.9) Estimated savings in the reporting year in metric tons of CO₂e

0.76

(5.13.1.10) Estimated water savings in the reporting year in megaliters

0

(5.13.1.11) Please explain how success for this initiative is measured

Comparison with a project of the same scale received in the previous fiscal year.

(5.13.1.12) Would you be happy for CDP Supply Chain members to highlight this work in their external communication?

Select from:

No

Row 6

(5.13.1.1) Requesting member

Select from:

Daiichi Sankyo Co., Ltd.

(5.13.1.2) Environmental issues the initiative relates to

Select all that apply

Climate change

Forests

Water

(5.13.1.3) Commodities the initiative relates to

Select all that apply

Timber products

(5.13.1.4) Initiative ID

Select from:

Ini4

(5.13.1.5) Initiative category and type

Change to provision of goods and services

- Other change to provision of goods and services, please specify: *Proposal and provision of buildings with reduced environmental impact*

(5.13.1.6) Details of initiative

Obayashi Corporation proposes and provides a variety of initiatives, such as ZEB (Net Zero Energy Buildings) for climate change; responsible sourcing of raw materials for timber and wood-based construction for forests; and designs that reduce water use for water resources.

(5.13.1.7) Benefits achieved

Select all that apply

- Improved resource use and efficiency
- Increase in use of certified materials
- Reduction of own operational emissions (own scope 1 & 2)
- Increased transparency of upstream/downstream value chain
- Reduction of downstream value chain emissions (own scope 3)
- Price premiums for deforestation and conversion-free materials
- Reduction of own operational water withdrawals and/or consumption
- Reduction of customers' operational emissions (customer scope 1 & 2)
- Reduction of customers' operational water withdrawals and/or consumption
- Reduction of downstream value chain water withdrawals and/or consumption

(5.13.1.8) Are you able to provide figures for emissions savings or water savings in the reporting year?

Select from:

- Yes, emissions savings and water savings

(5.13.1.9) Estimated savings in the reporting year in metric tons of CO₂e

0.28

(5.13.1.10) Estimated water savings in the reporting year in megaliters

0

(5.13.1.11) Please explain how success for this initiative is measured

Comparison with a project of the same scale received in the previous fiscal year.

(5.13.1.12) Would you be happy for CDP Supply Chain members to highlight this work in their external communication?

Select from:

No

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

	Consolidation approach used	Provide the rationale for the choice of consolidation approach
Climate change	Select from: <input checked="" type="checkbox"/> Financial control	<i>Obayashi Corporation is a private company, and its production activities are linked to financial management. Environmental performance, quantitatively evaluated using primary data derived from production activities, is similarly linked. Since the production activities of group companies are influenced by Obayashi Corporation's operations, the consolidated scope is used for evaluation.</i>
Forests	Select from: <input checked="" type="checkbox"/> Financial control	<i>Obayashi Corporation is a private company, and its production activities are linked to financial management. Environmental performance, quantitatively evaluated using primary data derived from production activities, is similarly linked. Since the production activities of group companies are influenced by Obayashi Corporation's operations, the consolidated scope is used for evaluation.</i>
Water	Select from: <input checked="" type="checkbox"/> Financial control	<i>Obayashi Corporation is a private company, and its production activities are linked to financial management. Environmental performance, quantitatively evaluated using primary data derived from production activities, is similarly linked. Since the production activities of group companies are influenced by Obayashi Corporation's operations, the consolidated scope is used for evaluation.</i>
Plastics	Select from: <input checked="" type="checkbox"/> Financial control	<i>Obayashi Corporation is a private company, and its production activities are linked to financial management. Environmental performance, quantitatively evaluated using primary data derived from production activities, is similarly linked. Since the production activities of group companies are influenced by Obayashi Corporation's operations, the consolidated scope is used for evaluation.</i>
Biodiversity	Select from: <input checked="" type="checkbox"/> Financial control	<i>Obayashi Corporation is a private company, and its production activities are linked to financial management. Environmental performance, quantitatively evaluated using primary data derived from production activities, is similarly linked. Since the production activities of group companies are influenced by Obayashi Corporation's operations, the consolidated scope is used for evaluation.</i>

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based	Comment
	Select from: <input checked="" type="checkbox"/> We are reporting a Scope 2, location-based figure	Select from: <input checked="" type="checkbox"/> We are reporting a Scope 2, market-based figure	<i>Obayashi Corporation calculates and reports values based on both the location-based and market-based approaches.</i>

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

- No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

258800.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 2 (location-based)

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

123900.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 2 (market-based)

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

118700.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

1741300.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

9300.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

16700

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO₂e)

12300.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO₂e)

129900.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 3 category 6: Business travel

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

2200.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

25900.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

200.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

50100.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

03/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not relevant

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

2847100.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

45200.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

03/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

29800.0

(7.5.3) Methodological details

Calculations are based on the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.

Scope 3 category 14: Franchises

(7.5.1) Base year end

03/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not relevant

Scope 3 category 15: Investments

(7.5.1) Base year end

03/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not relevant

Scope 3: Other (upstream)

(7.5.1) Base year end

03/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not relevant

Scope 3: Other (downstream)

(7.5.1) Base year end

03/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not relevant

[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

	Gross global Scope 1 emissions (metric tons CO2e)	Methodological details
Reporting year	271001	<i>Obayashi Corporation calculates the emissions in accordance with the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.</i>

[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

	Gross global Scope 2, location-based emissions (metric tons CO2e)	Gross global Scope 2, market-based emissions (metric tons CO2e)	Methodological details
Reporting year	19958	21115	<i>Obayashi Corporation calculates the emissions in accordance with the GHG Protocol and the guidelines provided by the Ministry of the Environment, Japan.</i>

[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1144335

(7.8.3) Emissions calculation methodology

Select all that apply

Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

2.3

(7.8.5) Please explain

Obayashi Corporation continuously tracks purchase and procurement data from material manufacturers for construction projects using its internal systems. Based on this, the usage of major construction materials in FY2024—steel frames, rebar, cement products, ready-mixed concrete, and water—was calculated. The CO2 emission factors for material production are based on life cycle assessment (LCA) considerations, utilizing the LCI database IDEA v3.

Capital goods

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

82059

(7.8.3) Emissions calculation methodology

Select all that apply

Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculations are based on the emission intensity per unit price of capital goods.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

46013

(7.8.3) Emissions calculation methodology

Select all that apply

Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

4.1

(7.8.5) Please explain

Calculations are based on the total electricity consumption of the Company on a standalone basis under the ISO 14001 EMS (Environmental Management System) and on the average emission factor across all power sources derived from electricity GHG composition analysis.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

10758

(7.8.3) Emissions calculation methodology

Select all that apply

Spend-based method

Fuel-based method

Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Purchasing and procurement records from material manufacturers for construction are continuously tracked through the Company's internal management system. Based on the Company's construction and procurement results for FY2024, the weight of each major material was calculated. The average transportation distance for each material was estimated with reference to survey results from the former Environmental Impact Subcommittee of the BCS (currently the Japan Federation of Construction Contractors), and emission factors based on fuel consumption per ton-kilometer were applied.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

110251

(7.8.3) Emissions calculation methodology

Select all that apply

Waste-type-specific method

Other, please specify: *The amount of waste generated from new construction × Emissions from CO2 associated with the treatment and disposal of waste*

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

According to the Ministry of the Environment and the Ministry of Economy, Trade and Industry's "Basic Guidelines for Calculating Greenhouse Gas Emissions through the Supply Chain," "emissions associated with the transportation of waste may optionally be included in Category 5 (waste generated from the business)." Accordingly, the Company separately accounts for emissions from waste transportation under the emission source category Downstream Transportation and Distribution.

Business travel

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3167

(7.8.3) Emissions calculation methodology

Select all that apply

Other, please specify:

Calculations are based on the "emission factor per employee" from the Ministry of the Environment and the Ministry of Economy, Trade and Industry's "Basic Guidelines for Calculating Greenhouse Gas Emissions Across the Supply Chain."

Formula: Number of employees × CO2 emission factor per employee

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Formula: Number of employees × CO2 emission factor per employee

Employee commuting

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

31007

(7.8.3) Emissions calculation methodology

Select all that apply

Other, please specify:

Calculations are based on the "Basic Guidelines for Calculating Greenhouse Gas Emissions Across the Supply Chain" issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

Commuting by construction workers: calculated using [travel distance ÷ fuel × CO2 emission factor for diesel].

Employee commuting: calculated using [commuting expenses paid per transportation category × CO2 emission factor per commuting expense for each category].

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculations are based on the "Basic Guidelines for Calculating Greenhouse Gas Emissions Across the Supply Chain" issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry:

- 1. Emissions from construction worker commuting are calculated by referencing the total number of workers from labor safety management records, converting average commuting distance, number of passengers per vehicle, and fuel efficiency into diesel fuel consumption, and multiplying by the CO2 emission factor for diesel.*
- 2. Emissions from employee commuting are calculated by multiplying commuting expenses paid for each transportation mode (rail, bus, ferry, taxi, private car) by the CO2 emission factor per commuting expense for that mode.*

Upstream leased assets

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1631

(7.8.3) Emissions calculation methodology

Select all that apply

Other, please specify:

CO2 emissions = Number of company-owned and leased vehicles × Average transport distance × CO2 emission factor per unit.

Calculations are based on the "Basic Guidelines for Calculating Greenhouse Gas Emissions Across the Supply Chain" issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, using a ton-kilometer method:

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

CO2 emissions from the transportation of construction machinery and temporary materials at construction sites, which correspond to leased assets (upstream), are accounted for in Scope 1 in each year's environmental report. For this category, calculations are based on gasoline consumption surveyed and aggregated from the supply chain through the ISO 14001 EMS (Environmental Management System) at the Tokyo Head Office, Osaka Head Office, and 13 branch offices.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

58064

(7.8.3) Emissions calculation methodology

Select all that apply

Other, please specify:

CO2 emissions are calculated as: Waste generated from new construction and demolition × Average transportation distance × CO2 emission factor.

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Refer to the emission source category: [Waste generated in operations].

Processing of sold products

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

As a construction company, Obayashi Corporation treats constructed buildings as the final products. Therefore, it does not sell intermediate products, and this is not applicable.

Use of sold products

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3374351

(7.8.3) Emissions calculation methodology

Select all that apply

Other, please specify:

CO2 emissions are calculated as: Waste generated from new construction and demolition × Average transportation distance × CO2 emission factor.

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

86.7

(7.8.5) Please explain

For fiscal year 2024, Obayashi Corporation has calculated the operational CO2 emissions per floor area for its own design-and-construction projects using CASBEE, assuming a building service life of 35 years.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

81070

(7.8.3) Emissions calculation methodology

Select all that apply

Waste-type-specific method

Other, please specify:

CO2 emissions from demolition waste are calculated as: Demolition waste generated × CO2 emission factor for treatment and disposal.

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

CO2 emissions associated with the demolition of buildings and structures are calculated on a case-by-case basis depending on the structure type and usage. For buildings designed in-house, the CO2 emissions at demolition are included when calculating LCCO2 using CASBEE (Comprehensive Assessment System for Built Environment Efficiency). However, there is no guarantee that Obayashi Corporation will carry out the demolition of the buildings it constructs in the future. Moreover, building lifespans and demolition timing can vary greatly over decades depending on operation and maintenance methods, making it impossible to predict when or how demolitions of Obayashi's projects will occur. Therefore, annual CO2 emissions from such demolitions cannot be forecasted.

Consequently, for "waste from sold products," instead of using the demolition of Obayashi-constructed buildings, the company extracts construction waste generated from demolition projects commissioned in FY2024 (including demolition of existing structures at the time of new construction) and calculates CO2 emissions from its treatment and disposal. CO2 emissions from the transportation of this demolition-related construction waste are accounted for separately under the emission category Downstream transportation and distribution (transportation and delivery – downstream).

Downstream leased assets

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

14389

(7.8.3) Emissions calculation methodology

Select all that apply

Lessor-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculations are based on the “Survey Report on Energy Consumption of Leased Buildings [No. 47].”

Franchises

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

As a leading comprehensive construction company in Japan, our main business is large-scale construction projects, which differs from the franchise-based operations of housing manufacturers. Therefore, we do not engage in any franchise-related business, and this question is not applicable.

Investments

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

According to the “Basic Guidelines for Calculating Greenhouse Gas Emissions through the Supply Chain” by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, this category applies to investment operators (businesses that invest to generate profits) and providers of financial services, and is primarily intended for private financial institutions (such as commercial banks). As a construction company, this category is not applicable to our business.

Other (upstream)

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

CO2 emissions associated with the “manufacturing” of leased assets (upstream), such as construction machinery and temporary materials used at construction sites, as well as office fixtures and equipment used at business sites, have not been calculated because the lessors are diverse and obtaining the necessary information is difficult.

Other (downstream)

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

CO2 emissions associated with the “demolition and disposal” of leased assets (downstream), such as construction machinery and temporary materials used at construction sites, as well as office fixtures and equipment used at business sites, have not been calculated because the lessees are diverse and obtaining the necessary information is difficult.

[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place

	Verification/assurance status
Scope 3	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

Annual process

(7.9.1.2) Status in the current reporting year

Select from:

Underway but not complete for reporting year – previous statement of process attached

(7.9.1.3) Type of verification or assurance

Select from:

Limited assurance

(7.9.1.4) Attach the statement

Obayashi_Greenhouse Gas Emissions Verification.pdf

(7.9.1.5) Page/section reference

1/1

(7.9.1.6) Relevant standard

Select from:

ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

Annual process

(7.9.2.3) Status in the current reporting year

Select from:

Underway but not complete for reporting year – previous statement of process attached

(7.9.2.4) Type of verification or assurance

Select from:

Limited assurance

(7.9.2.5) Attach the statement

Obayashi_Greenhouse Gas Emissions Verification.pdf

(7.9.2.6) Page/ section reference

1/1

(7.9.2.7) Relevant standard

Select from:

ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

Scope 3: Franchises

Scope 3: Investments

Scope 3: Capital goods

Scope 3: Use of sold products

Scope 3: Upstream leased assets

Scope 3: Downstream leased assets

- Scope 3: Business travel
- Scope 3: Employee commuting
- Scope 3: Waste generated in operations
- Scope 3: End-of-life treatment of sold products
- Scope 3: Upstream transportation and distribution
- Scope 3: Downstream transportation and distribution
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- Scope 3: Processing of sold products
- Scope 3: Purchased goods and services

(7.9.3.2) Verification or assurance cycle in place

Select from:

- Annual process

(7.9.3.3) Status in the current reporting year

Select from:

- Underway but not complete for reporting year – previous statement of process attached

(7.9.3.4) Type of verification or assurance

Select from:

- Limited assurance

(7.9.3.5) Attach the statement

Obayashi_Greenhouse Gas Emissions Verification.pdf

(7.9.3.6) Page/section reference

1/1

(7.9.3.7) Relevant standard

Select from:

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

Increased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO₂e)

1055

(7.10.1.2) Direction of change in emissions

Select from:

Decreased

(7.10.1.3) Emissions value (percentage)

0.39

(7.10.1.4) Please explain calculation

For fiscal year 2024, total CO₂ emissions (Scope 2) decreased by 1,055 t-CO₂ due to the switch to renewable electricity and the procurement of renewable energy–

derived power using non-fossil certificates. The proportion of this reduction relative to total CO2 emissions (Scope 1 + 2) for FY2023 (actual: 271,197 t-CO2*) was $1,055 \div 271,197 \approx 0.39\%$.

*The FY2023 actual value was revised from the previous CDP submission based on third-party verification.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

2290

(7.10.1.2) Direction of change in emissions

Select from:

Decreased

(7.10.1.3) Emissions value (percentage)

0.84

(7.10.1.4) Please explain calculation

For fiscal year 2024, total CO2 emissions (Scope 2) decreased by an estimated 2,290 t-CO2 due to the promotion of LED lighting for temporary construction site lighting at Obayashi Corporation's construction sites. The proportion of this reduction relative to total CO2 emissions (Scope 1 + 2) for FY2023 (actual: 271,197 t-CO2*) was $2,290 \div 271,197 \approx 0.84\%$.

*The FY2023 actual value was revised from the previous CDP submission based on third-party verification.

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No changes

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No changes

Mergers

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No changes

Change in output

(7.10.1.1) Change in emissions (metric tons CO₂e)

24264

(7.10.1.2) Direction of change in emissions

Select from:

Increased

(7.10.1.3) Emissions value (percentage)

9.8

(7.10.1.4) Please explain calculation

For fiscal year 2024, total CO₂ emissions (Scope 1) decreased by 24,264 t-CO₂ due to an increase in construction activities. The proportion of this change relative to total Scope 1 CO₂ emissions for FY2023 (actual: 246,737 t-CO₂*) was $24,264 \div 246,737 \approx 9.8\%$.

It should be noted that the emission intensity per construction revenue for domestic construction projects has improved.

*The FY2023 actual value was revised from the previous CDP submission based on third-party verification.

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No changes

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No changes

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No changes

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No changes

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No changes

[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

Market-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:

No

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Japan	191492	839	888
Singapore	22679	5487	5805
Thailand	489	0	0
United States of America	56342	13632	14422

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

By business division

By activity

(7.17.1) Break down your total gross global Scope 1 emissions by business division.

	Business division	Scope 1 emissions (metric ton CO2e)
Row 1	<i>Civil engineering construction sites</i>	137192
Row 2	<i>Building construction sites</i>	94224
Row 3	<i>Other (Offices)</i>	31063
Row 4	<i>Other (Factories)</i>	8522

[Add row]

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	<i>Construction activities</i>	231416
Row 2	<i>Factory operations</i>	8522
Row 3	<i>Office activities</i>	31063

[Add row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

By business division

By activity

(7.20.1) Break down your total gross global Scope 2 emissions by business division.

	Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	<i>Civil engineering construction sites</i>	12620	13351
Row 2	<i>Building construction sites</i>	6499	6876
Row 3	<i>Other (Factories)</i>	0	0
Row 4	<i>Other (Offices)</i>	839	888

[Add row]

(7.20.3) Break down your total gross global Scope 2 emissions by business activity.

	Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	<i>Construction activities</i>	19119	20227
Row 2	<i>Factory operations</i>	0	0
Row 3	<i>Office activities</i>	839	888

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

271001

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

19958

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

21115

(7.22.4) Please explain

Our consolidated accounting group does not include any affiliated companies, jointly controlled entities, or unconsolidated subsidiaries.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

Our consolidated accounting group does not include any affiliated companies, jointly controlled entities, or unconsolidated subsidiaries.

[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

Yes

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

Obayashi Road Co., Ltd.

(7.23.1.2) Primary activity

Select from:

Non-residential building construction

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

0

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comment

2024 fiscal year results
[Add row]

(7.26) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Row 1

(7.26.1) Requesting member

Select from:

EQUINIX, INC.

(7.26.2) Scope of emissions

Select from:

Scope 1

(7.26.4) Allocation level

Select from:

Company wide

(7.26.6) Allocation method

Select from:

Other allocation method, please specify:

It is calculated by multiplying the completed construction revenue from projects received from customers in FY2024 by Obayashi Corporation's CO2 emissions intensity per construction revenue (building) for FY2024.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

Square meters

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

43250

(7.26.9) Emissions in metric tonnes of CO₂e

1007.93

(7.26.10) Uncertainty (±%)

10

(7.26.11) Major sources of emissions

This is the total CO₂ emissions of Scope 1 and Scope 2. Scope 1 and Scope 2 emissions are calculated based on the consumption of electricity, diesel, kerosene, gas, and other energy sources at construction sites.

(7.26.12) Allocation verified by a third party?

Select from:

Yes

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Scope 1 and Scope 2 emissions are calculated based on the “Environmental Accounting Guidelines for the Construction Industry (Japan Federation of Construction Contractors)” by tracking electricity, diesel, kerosene, and gas consumption at construction sites. Specifically, energy usage is aggregated using the company’s internal CO₂ emissions tracking system, from which total emissions and emissions intensity per construction revenue are calculated.

(7.26.14) Where published information has been used, please provide a reference

ESG Data Book

Row 2

(7.26.1) Requesting member

Select from:

- Takeda Pharmaceutical Company Limited

(7.26.2) Scope of emissions

Select from:

- Scope 1

(7.26.4) Allocation level

Select from:

- Company wide

(7.26.6) Allocation method

Select from:

- Other allocation method, please specify:

It is calculated by multiplying the completed construction revenue from projects received from customers in FY2024 by Obayashi Corporation's CO2 emissions intensity per construction revenue (building) for FY2024.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

- Square meters

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

700

(7.26.9) Emissions in metric tonnes of CO2e

(7.26.10) Uncertainty (±%)

10

(7.26.11) Major sources of emissions

This is the total CO2 emissions of Scope 1 and Scope 2. Scope 1 and Scope 2 emissions are calculated based on the consumption of electricity, diesel, kerosene, gas, and other energy sources at construction sites.

(7.26.12) Allocation verified by a third party?

Select from:

Yes

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Scope 1 and Scope 2 emissions are calculated based on the “Environmental Accounting Guidelines for the Construction Industry (Japan Federation of Construction Contractors)” by tracking electricity, diesel, kerosene, and gas consumption at construction sites. Specifically, energy usage is aggregated using the company’s internal CO2 emissions tracking system, from which total emissions and emissions intensity per construction revenue are calculated.

(7.26.14) Where published information has been used, please provide a reference

ESG Data Book

Row 3**(7.26.1) Requesting member**

Select from:

Daiichi Sankyo Co., Ltd.

(7.26.2) Scope of emissions

Select from:

Scope 1

(7.26.4) Allocation level

Select from:

Company wide

(7.26.6) Allocation method

Select from:

Other allocation method, please specify:

It is calculated by multiplying the completed construction revenue from projects received from customers in FY2024 by Obayashi Corporation's CO2 emissions intensity per construction revenue (building) for FY2024.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

Square meters

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

0

(7.26.9) Emissions in metric tonnes of CO2e

25

(7.26.10) Uncertainty ($\pm\%$)

10

(7.26.11) Major sources of emissions

This is the total CO2 emissions of Scope 1 and Scope 2. Scope 1 and Scope 2 emissions are calculated based on the consumption of electricity, diesel, kerosene,

gas, and other energy sources at construction sites.

(7.26.12) Allocation verified by a third party?

Select from:

Yes

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Scope 1 and Scope 2 emissions are calculated based on the “Environmental Accounting Guidelines for the Construction Industry (Japan Federation of Construction Contractors)” by tracking electricity, diesel, kerosene, and gas consumption at construction sites. Specifically, energy usage is aggregated using the company’s internal CO2 emissions tracking system, from which total emissions and emissions intensity per construction revenue are calculated.

(7.26.14) Where published information has been used, please provide a reference

ESG Data Book

Row 4

(7.26.1) Requesting member

Select from:

Salesforce, Inc.

(7.26.2) Scope of emissions

Select from:

Scope 1

(7.26.4) Allocation level

Select from:

Company wide

(7.26.6) Allocation method

Select from:

Other allocation method, please specify:

It is calculated by multiplying the completed construction revenue from projects received from customers in FY2024 by Obayashi Corporation's CO2 emissions intensity per construction revenue (building) for FY2024.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

Square meters

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

0

(7.26.9) Emissions in metric tonnes of CO2e

3.89

(7.26.10) Uncertainty ($\pm\%$)

10

(7.26.11) Major sources of emissions

This is the total CO2 emissions of Scope 1 and Scope 2. Scope 1 and Scope 2 emissions are calculated based on the consumption of electricity, diesel, kerosene, gas, and other energy sources at construction sites.

(7.26.12) Allocation verified by a third party?

Select from:

Yes

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and

assumptions made

Scope 1 and Scope 2 emissions are calculated based on the “Environmental Accounting Guidelines for the Construction Industry (Japan Federation of Construction Contractors)” by tracking electricity, diesel, kerosene, and gas consumption at construction sites. Specifically, energy usage is aggregated using the company’s internal CO2 emissions tracking system, from which total emissions and emissions intensity per construction revenue are calculated.

(7.26.14) Where published information has been used, please provide a reference

ESG Data Book

Row 5

(7.26.1) Requesting member

Select from:

COLT TECHNOLOGY SERVICES GROUP LIMITED

(7.26.2) Scope of emissions

Select from:

Scope 1

(7.26.4) Allocation level

Select from:

Company wide

(7.26.6) Allocation method

Select from:

Other allocation method, please specify:

It is calculated by multiplying the completed construction revenue from projects received from customers in FY2024 by Obayashi Corporation’s CO2 emissions intensity per construction revenue (building) for FY2024.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

Square meters

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

0

(7.26.9) Emissions in metric tonnes of CO₂e

0

(7.26.10) Uncertainty (±%)

10

(7.26.11) Major sources of emissions

This is the total CO₂ emissions of Scope 1 and Scope 2. Scope 1 and Scope 2 emissions are calculated based on the consumption of electricity, diesel, kerosene, gas, and other energy sources at construction sites.

(7.26.12) Allocation verified by a third party?

Select from:

Yes

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Scope 1 and Scope 2 emissions are calculated based on the “Environmental Accounting Guidelines for the Construction Industry (Japan Federation of Construction Contractors)” by tracking electricity, diesel, kerosene, and gas consumption at construction sites. Specifically, energy usage is aggregated using the company’s internal CO₂ emissions tracking system, from which total emissions and emissions intensity per construction revenue are calculated.

(7.26.14) Where published information has been used, please provide a reference

Row 6

(7.26.1) Requesting member

Select from:

- Microsoft Corporation

(7.26.2) Scope of emissions

Select from:

- Scope 1

(7.26.4) Allocation level

Select from:

- Company wide

(7.26.6) Allocation method

Select from:

- Other allocation method, please specify:

It is calculated by multiplying the completed construction revenue from projects received from customers in FY2024 by Obayashi Corporation's CO2 emissions intensity per construction revenue (building) for FY2024.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

- Square meters

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

0

(7.26.9) Emissions in metric tonnes of CO2e

0

(7.26.10) Uncertainty (±%)

10

(7.26.11) Major sources of emissions

This is the total CO2 emissions of Scope 1 and Scope 2. Scope 1 and Scope 2 emissions are calculated based on the consumption of electricity, diesel, kerosene, gas, and other energy sources at construction sites.

(7.26.12) Allocation verified by a third party?

Select from:

Yes

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Scope 1 and Scope 2 emissions are calculated based on the “Environmental Accounting Guidelines for the Construction Industry (Japan Federation of Construction Contractors)” by tracking electricity, diesel, kerosene, and gas consumption at construction sites. Specifically, energy usage is aggregated using the company’s internal CO2 emissions tracking system, from which total emissions and emissions intensity per construction revenue are calculated.

(7.26.14) Where published information has been used, please provide a reference

ESG Data Book

Row 7

(7.26.1) Requesting member

Select from:

Micron Technology, Inc.

(7.26.2) Scope of emissions

Select from:

Scope 1

(7.26.4) Allocation level

Select from:

Company wide

(7.26.6) Allocation method

Select from:

Other allocation method, please specify:

It is calculated by multiplying the completed construction revenue from projects received from customers in FY2024 by Obayashi Corporation's CO2 emissions intensity per construction revenue (building) for FY2024.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

Square meters

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

0

(7.26.9) Emissions in metric tonnes of CO2e

0

(7.26.10) Uncertainty ($\pm\%$)

10

(7.26.11) Major sources of emissions

This is the total CO2 emissions of Scope 1 and Scope 2. Scope 1 and Scope 2 emissions are calculated based on the consumption of electricity, diesel, kerosene, gas, and other energy sources at construction sites.

(7.26.12) Allocation verified by a third party?

Select from:

Yes

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Scope 1 and Scope 2 emissions are calculated based on the “Environmental Accounting Guidelines for the Construction Industry (Japan Federation of Construction Contractors)” by tracking electricity, diesel, kerosene, and gas consumption at construction sites. Specifically, energy usage is aggregated using the company’s internal CO2 emissions tracking system, from which total emissions and emissions intensity per construction revenue are calculated.

(7.26.14) Where published information has been used, please provide a reference

ESG Data Book
[Add row]

(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Row 1

(7.27.1) Allocation challenges

Select from:

Managing the different emission factors of diverse and numerous geographies makes calculating total footprint difficult

(7.27.2) Please explain what would help you overcome these challenges

In the construction industry, temporary offices and sites are set up for each project. Obayashi Corporation calculates total company-wide emissions based on construction intensity units derived from sampling surveys. It is possible to estimate emissions for individual customers based on their share of annual construction revenue, and emissions are reported to customers who request them. However, emissions for individual customers without specific requests are not calculated.

[Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

(7.28.1) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Select from:

No

(7.28.3) Primary reason for no plans to develop your capabilities to allocate emissions to your customers

Select from:

No standardized procedure

(7.28.4) Explain why you do not plan to develop capabilities to allocate emissions to your customers

In the construction industry, offices and construction sites are set up temporarily, so Obayashi Corporation estimates overall emissions based on sampling surveys. Therefore, it is not possible to calculate the precise emissions for individual customers.

[Fixed row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

1116326

(7.30.1.4) Total (renewable + non-renewable) MWh

1116326.00

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

488008

(7.30.1.3) MWh from non-renewable sources

96112

(7.30.1.4) Total (renewable + non-renewable) MWh

584120.00

Consumption of purchased or acquired steam

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

5

(7.30.1.4) Total (renewable + non-renewable) MWh

5.00

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

2100

(7.30.1.4) Total (renewable + non-renewable) MWh

2100.00

Total energy consumption

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

(7.30.1.3) MWh from non-renewable sources

1212443

(7.30.1.4) Total (renewable + non-renewable) MWh

1702551.00

*[Fixed row]***(7.30.6) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of heat	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of steam	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of cooling	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for co-generation or tri-generation	Select from: <input checked="" type="checkbox"/> Yes

*[Fixed row]***(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

Sustainable biomass

(7.30.7.1) Heating value

Select from:

HHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

(7.30.7.8) Comment

Not applicable

Other biomass

(7.30.7.1) Heating value

Select from:

HHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

(7.30.7.8) Comment

Not applicable

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

HHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

(7.30.7.8) Comment

Not applicable

Coal

(7.30.7.1) Heating value

Select from:

HHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

(7.30.7.8) Comment

Not applicable

Oil

(7.30.7.1) Heating value

Select from:

HHV

(7.30.7.2) Total fuel MWh consumed by the organization

1015910

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

(7.30.7.8) Comment

The total amount of diesel, kerosene, gasoline, and heavy oil used at Obayashi Group's construction sites, offices, and factories.

Gas

(7.30.7.1) Heating value

Select from:

HHV

(7.30.7.2) Total fuel MWh consumed by the organization

100416

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

31

(7.30.7.8) Comment

The total amount of gas (LPG) and city gas used at Obayashi Group's construction sites, offices, and factories.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:

HHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

(7.30.7.8) Comment

Not applicable

Total fuel

(7.30.7.1) Heating value

Select from:

HHV

(7.30.7.2) Total fuel MWh consumed by the organization

1116326

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

(7.30.7.8) Comment

The total amount of fuel used at Obayashi Group's construction sites, offices, and factories.

[Fixed row]

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

2293

(7.30.9.2) Generation that is consumed by the organization (MWh)

2293

(7.30.9.3) Gross generation from renewable sources (MWh)

2100

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

2100

Heat

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:

Japan

(7.30.14.2) Sourcing method

Select from:

Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:

Electricity

(7.30.14.4) Low-carbon technology type

Select from:

Renewable energy mix, please specify: *Solar, wind, biomass, etc.*

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

(7.30.14.6) Tracking instrument used

Select from:

NFC – Renewable

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

Japan

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

No

(7.30.14.10) Comment

Purchase of non-fossil fuel certificates

Row 2**(7.30.14.1) Country/area**

Select from:

Japan

(7.30.14.2) Sourcing method

Select from:

Default delivered electricity from the grid (e.g. standard product offering by an energy supplier), supported by energy attribute certificates

(7.30.14.3) Energy carrier

Select from:

Electricity

(7.30.14.4) Low-carbon technology type

Select from:

Renewable energy mix, please specify: *Solar, wind, biomass, etc.*

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

119929

(7.30.14.6) Tracking instrument used

Select from:

NFC – Renewable

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

Japan

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

No

(7.30.14.10) Comment

Procurement of electricity derived from renewable energy

Row 3

(7.30.14.1) Country/area

Select from:

Japan

(7.30.14.2) Sourcing method

Select from:

Purchase from an on-site installation owned by a third party (on-site PPA)

(7.30.14.3) Energy carrier

Select from:

Electricity

(7.30.14.4) Low-carbon technology type

Select from:

Solar

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

226

(7.30.14.6) Tracking instrument used

Select from:

NFC – Renewable

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

Japan

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2023

(7.30.14.10) Comment

Solar power generation

[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Japan

(7.30.16.1) Consumption of purchased electricity (MWh)

408041

(7.30.16.2) Consumption of self-generated electricity (MWh)

2100

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

5

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

410146.00

Singapore

(7.30.16.1) Consumption of purchased electricity (MWh)

47364

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

47364.00

Thailand

(7.30.16.1) Consumption of purchased electricity (MWh)

11049

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

11049.00

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

117666

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

117666.00
[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

11.15

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

292116

(7.45.3) Metric denominator

Select from:

unit total revenue

(7.45.4) Metric denominator: Unit total

2620101000000

(7.45.5) Scope 2 figure used

Select from:

Market-based

(7.45.6) % change from previous year

4.41

(7.45.7) Direction of change

Select from:

Decreased

(7.45.8) Reasons for change

Select all that apply

Change in renewable energy consumption

Other emissions reduction activities

(7.45.9) Please explain

Obayashi Group total revenue (sales) intensity. Sales increased by 12.7% compared to the previous fiscal year. Through CO2 reduction initiatives such as switching to renewable energy, the Group's Scope 2 CO2 emissions in FY2024 decreased by 13.7%, resulting in a revenue-based emissions intensity in FY2024 that was 4.41% lower than in FY2023.

Row 2

(7.45.1) Intensity figure

59.15

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

66728

(7.45.3) Metric denominator

Select from:

square meter

(7.45.4) Metric denominator: Unit total

1128110

(7.45.5) Scope 2 figure used

Select from:

Market-based

(7.45.6) % change from previous year

15.1

(7.45.7) Direction of change

Select from:

Increased

(7.45.8) Reasons for change

Select all that apply

Change in renewable energy consumption

Other emissions reduction activities

(7.45.9) Please explain

Obayashi Corporation CO2 intensity per unit of building construction area. Through CO2 reduction initiatives such as the introduction of alternative fuels for diesel, promotion of labor-saving ICT construction methods to reduce fuel consumption, and transition to renewable energy, Scope 1 and 2 CO2 emissions in FY2024 decreased by 0.6%. However, the total construction area decreased by 13.6% compared to the previous fiscal year.

[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:

Waste

(7.52.2) Metric value

11.1

(7.52.3) Metric numerator

Construction waste generated from new construction works (excluding sludge) [t]

(7.52.4) Metric denominator (intensity metric only)

Civil engineering and construction work volume for the fiscal year [¥ billion]

(7.52.5) % change from previous year

25.5

(7.52.6) Direction of change

Select from:

Decreased

(7.52.7) Please explain

*In the reporting year, construction waste decreased due to efforts at each site to reduce waste.
[Add row]*

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

- Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Obayashi_Aproved science-based target.pdf

(7.53.1.4) Target ambition

Select from:

- 1.5°C aligned

(7.53.1.5) Date target was set

03/31/2024

(7.53.1.6) Target coverage

Select from:

- Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

- Scope 1
- Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

Market-based

(7.53.1.11) End date of base year

03/30/2020

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

258800

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

118700

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

377500.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

03/30/2025

(7.53.1.55) Targeted reduction from base year (%)

21

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

298225.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

271001

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

21115

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

292116.000

(7.53.1.78) Land-related emissions covered by target

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

107.71

(7.53.1.80) Target status in reporting year

Select from:

Achieved

(7.53.1.82) Explain target coverage and identify any exclusions

Short-term target: "Reduce by 21.0% in FY2024 (April 1, 2024 – March 31, 2025) compared to FY2019," established by the Board of Directors.

(7.53.1.83) Target objective

To curb global warming, it is necessary to limit the temperature rise to within 1.5°C above pre-industrial levels by 2100, and we recognize that our company is also expected to take actions toward this goal. In order to evaluate the progress of these efforts, it is essential to set targets. By establishing and implementing targets approved as SBTs (Science Based Targets) in line with the Paris Agreement, we can use them as indicators to achieve the suppression of global warming.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

No

(7.53.1.86) List the emissions reduction initiatives which contributed most to achieving this target

Introduction of alternative fuels for diesel, reduction of fuel use through promotion of ICT-based labor-saving construction, and transition to renewable energy.

Row 2

(7.53.1.1) Target reference number

Select from:

Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Obayashi_Approved science-based target.pdf

(7.53.1.4) Target ambition

Select from:

1.5°C aligned

(7.53.1.5) Date target was set

03/31/2024

(7.53.1.6) Target coverage

Select from:

Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO₂)

(7.53.1.8) Scopes

Select all that apply

Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

Scope 3, Category 1 – Purchased goods and services

Scope 3, Category 11 – Use of sold products

(7.53.1.11) End date of base year

03/30/2020

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

1741300

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

2847100.0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

4588400.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

4588400.000

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100.0

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100.0

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

(7.53.1.54) End date of target

03/30/2025

(7.53.1.55) Targeted reduction from base year (%)

12.5

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

4014850.000

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

1144335

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

3374351

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

4518686.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

4518686.000

(7.53.1.78) Land-related emissions covered by target*Select from:* No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

12.15

(7.53.1.80) Target status in reporting year

Select from:

Expired

(7.53.1.82) Explain target coverage and identify any exclusions

Short-term target: "Reduce by 21.0% in FY2024 (April 1, 2024 – March 31, 2025) compared to FY2019," established by the Board of Directors.

(7.53.1.83) Target objective

To curb global warming, it is necessary to limit the temperature rise to within 1.5°C above pre-industrial levels by 2100, and we recognize that our company is also expected to take actions toward this goal. In order to evaluate the progress of these efforts, it is essential to set targets. By establishing and implementing targets approved as SBTs (Science Based Targets) in line with the Paris Agreement, we can use them as indicators to achieve the suppression of global warming.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

No

Row 3

(7.53.1.1) Target reference number

Select from:

Abs 3

(7.53.1.2) Is this a science-based target?

Select from:

- Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Obayashi_Aproved science-based target.pdf

(7.53.1.4) Target ambition

Select from:

- 1.5°C aligned

(7.53.1.5) Date target was set

09/30/2022

(7.53.1.6) Target coverage

Select from:

- Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

- Scope 1
- Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

- Market-based

(7.53.1.11) End date of base year

03/30/2020

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

258800.0

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

118700.0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

377500.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100.0

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100.0

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

03/30/2031

(7.53.1.55) Targeted reduction from base year (%)

46.2

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

203095.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

271001

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

21115

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

292116.000

(7.53.1.78) Land-related emissions covered by target

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

48.96

(7.53.1.80) Target status in reporting year

Select from:

Underway

(7.53.1.82) Explain target coverage and identify any exclusions

Medium-term target: In line with the medium-term management plan, “reduce by 46.2% in FY2030 (April 1, 2030 – March 31, 2031)” established by the Board of Directors.

(7.53.1.83) Target objective

To curb global warming, it is necessary to limit the temperature rise to within 1.5°C above pre-industrial levels by 2100, and we recognize that our company is also expected to take actions toward this goal. In order to evaluate the progress of these efforts, it is essential to set targets. By establishing and implementing targets approved as SBTs (Science Based Targets) in line with the Paris Agreement, we can use them as indicators to achieve the suppression of global warming.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Introduction of alternative fuels for diesel, reduction of fuel use through promotion of ICT-based labor-saving construction, development and practical implementation of energy-saving construction methods and fuel-efficient or electric construction machinery, as well as the transition to renewable energy.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

No

Row 4

(7.53.1.1) Target reference number

Select from:

Abs 4

(7.53.1.2) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

(7.53.1.4) Target ambition

Select from:

- 1.5°C aligned

(7.53.1.5) Date target was set

09/30/2022

(7.53.1.6) Target coverage

Select from:

- Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

- Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

- Scope 3, Category 1 – Purchased goods and services
- Scope 3, Category 11 – Use of sold products

(7.53.1.11) End date of base year

03/30/2020

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

1741300.0

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

2847100.0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

4588400.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

4588400.000

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100.0

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100.0

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

03/30/2031

(7.53.1.55) Targeted reduction from base year (%)

27.5

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

3326590.000

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

1144336

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

3374351

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

4518687.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

4518687.000

(7.53.1.78) Land-related emissions covered by target

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

(7.53.1.80) Target status in reporting year

Select from:

Underway

(7.53.1.82) Explain target coverage and identify any exclusions

Medium-term target: In line with the medium-term management plan, “reduce by 46.2% in FY2030 (April 1, 2030 – March 31, 2031)” established by the Board of Directors.

(7.53.1.83) Target objective

To curb global warming, it is necessary to limit the temperature rise to within 1.5°C above pre-industrial levels by 2100, and we recognize that our company is also expected to take actions toward this goal. In order to evaluate the progress of these efforts, it is essential to set targets. By establishing and implementing targets approved as SBTs (Science Based Targets) in line with the Paris Agreement, we can use them as indicators to achieve the suppression of global warming.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Expansion of ZEB and ZEH-M initiatives, use of low-carbon materials, and promotion of wooden and wood-based construction.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

No

Row 5**(7.53.1.1) Target reference number**

Select from:

Abs 5

(7.53.1.2) Is this a science-based target?

Select from:

- No, but we are reporting another target that is science-based

(7.53.1.5) Date target was set

09/30/2022

(7.53.1.6) Target coverage

Select from:

- Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

- Scope 1
- Scope 2
- Scope 3

(7.53.1.9) Scope 2 accounting method

Select from:

- Market-based

(7.53.1.10) Scope 3 categories

Select all that apply

- Scope 3, Category 2 – Capital goods
- Scope 3, Category 13 – Downstream leased assets

- Scope 3, Category 6 – Business travel
- Scope 3, Category 7 – Employee commuting
- Scope 3, Category 11 – Use of sold products
- Scope 3, Category 8 - Upstream leased assets
- Scope 3, Category 9 – Downstream transportation and distribution
- Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)
- Scope 3, Category 1 – Purchased goods and services
- Scope 3, Category 5 – Waste generated in operations
- Scope 3, Category 12 – End-of-life treatment of sold products
- Scope 3, Category 4 – Upstream transportation and distribution

(7.53.1.11) End date of base year

03/30/2020

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

258800

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

118700.0

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

1741300.0

(7.53.1.15) Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

9300.0

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

16700.0

(7.53.1.17) Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

12300.0

(7.53.1.18) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

129900.0

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

2200.0

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

25900.0

(7.53.1.21) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

200.0

(7.53.1.22) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

50100.0

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

2847100.0

(7.53.1.25) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

45200.0

(7.53.1.26) Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

29800.0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

4910000.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

5287500.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100.0

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100.0

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100.0

(7.53.1.36) Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100.0

(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100.0

(7.53.1.38) Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100.0

(7.53.1.39) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100.0

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100.0

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100.0

(7.53.1.42) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

100.0

(7.53.1.43) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100.0

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100.0

(7.53.1.46) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

100.0

(7.53.1.47) Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

100.0

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2050

(7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

0.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

271001

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

21115

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

1144336

(7.53.1.60) Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

82059

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

46013

(7.53.1.62) Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

10758

(7.53.1.63) Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

110251

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

3167

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

31007

(7.53.1.66) Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

1631

(7.53.1.67) Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

58064

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

3374351

(7.53.1.70) Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

81070

(7.53.1.71) Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

14389

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

4957096.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

5249212.000

(7.53.1.78) Land-related emissions covered by target

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

(7.53.1.80) Target status in reporting year

Select from:

 Underway**(7.53.1.82) Explain target coverage and identify any exclusions***Long-term target: We have declared the achievement of carbon neutrality in FY2050 (April 1, 2050–March 31, 2051).***(7.53.1.83) Target objective***To curb global warming, it is necessary to limit the temperature rise to within 1.5°C above pre-industrial levels by 2100, and we recognize that our company is also expected to take actions toward this goal. In order to evaluate the progress of these efforts, it is essential to set targets. By establishing and implementing targets approved as SBTs (Science Based Targets) in line with the Paris Agreement, we can use them as indicators to achieve the suppression of global warming.***(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year***Introduction of alternative fuels for diesel, reduction of fuel use through promotion of ICT-based labor-saving construction, the transition to renewable energy, expansion of ZEB and ZEH-M initiatives, use of low-carbon materials, promotion of wooden and wood-based construction, and other technological development that contributes to decarbonization***(7.53.1.85) Target derived using a sectoral decarbonization approach**

Select from:

 No[\[Add row\]](#)**(7.54) Did you have any other climate-related targets that were active in the reporting year?**

Select all that apply

 Net-zero targets

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

NZ1

(7.54.3.2) Date target was set

09/30/2022

(7.54.3.3) Target Coverage

Select from:

Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

Abs5

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Select from:

No, but we anticipate setting one in the next two years

(7.54.3.8) Scopes

Select all that apply

- Scope 1
- Scope 2
- Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

- Methane (CH₄)
- Nitrous oxide (N₂O)
- Carbon dioxide (CO₂)
- Perfluorocarbons (PFCs)
- Hydrofluorocarbons (HFCs)
- Sulphur hexafluoride (SF₆)
- Nitrogen trifluoride (NF₃)

(7.54.3.10) Explain target coverage and identify any exclusions

There are no exclusions for Scope 1, Scope 2, or Scope 3 within the consolidated group.

(7.54.3.11) Target objective

To curb global warming, it is necessary to limit the temperature rise to within 1.5°C above pre-industrial levels by 2100, and we recognize that our company is also expected to take actions toward this goal. In order to evaluate the progress of these efforts, it is essential to set targets. By establishing and implementing targets approved as SBTs (Science Based Targets) in line with the Paris Agreement, we can use them as indicators to achieve the suppression of global warming.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

- Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

- No, but we plan to within the next two years

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

- Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

*The FY2030 targets are set as interim targets:
Scope 1 + 2: 46.2% reduction (compared to FY2019)
Scope 3: 27.5% reduction (compared to FY2019)*

(7.54.3.17) Target status in reporting year

Select from:

- Underway

(7.54.3.19) Process for reviewing target

While the interim targets up to FY2030 will be steadily implemented, the targets will be reviewed if the required reduction amounts change due to the state of global temperature rise at that time.

[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

- Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e
Under investigation	0	`Numeric input
To be implemented	0	0
Implementation commenced	0	0
Implemented	4	105385
Not to be implemented	0	`Numeric input

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

Machine/equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

2290

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

168237000

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

6000000

(7.55.2.7) Payback period

Select from:

4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

21-30 years

(7.55.2.9) Comment

LED

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

Process optimization

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

14571

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

734144400

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

0

(7.55.2.7) Payback period

Select from:

No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

16-20 years

(7.55.2.9) Comment

省燃費運轉

Row 3

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

Other, please specify: *Alternative diesel fuel*

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

228

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

0

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

43376000

(7.55.2.7) Payback period

Select from:

1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

16-20 years

(7.55.2.9) Comment

Use of KS-1 and GTL

Row 4

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

Process optimization

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

88296

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

0

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

(7.55.2.7) Payback period

Select from:

- <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

- 21-30 years

(7.55.2.9) Comment

Renewable energy / Non-fossil fuel certificate

[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

- Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

Budget for promoting renewable energy projects by Obayashi Corporation and its group companies, including funds for project studies such as solar power, biomass power generation, and hydrogen utilization, as well as for technology development.

Row 2

(7.55.3.1) Method

Select from:

- Dedicated budget for energy efficiency

(7.55.3.2) Comment

Budget for technology development to comply with strengthened energy-efficiency standards for buildings.

Row 3

(7.55.3.1) Method

Select from:

- Internal incentives/recognition programs

(7.55.3.2) Comment

There is an “Environmental Award” system that recognizes activities with outstanding achievements or exemplary performance in environmental initiatives, such as reducing greenhouse gas emissions or improving energy efficiency and conservation. In addition, employees’ performance evaluations include items related to environmental initiatives, which are reflected in their compensation.

[Add row]

(7.72) Does your organization assess the life cycle emissions of new construction or major renovation projects?

(7.72.1) Assessment of life cycle emissions

Select from:

- Yes, quantitative assessment

(7.72.2) Comment

When receiving orders for new construction or major renovation projects, in the construction industry, projects are broadly divided into those for which both design and construction are contracted and those for which only construction is contracted. The projects for which both design and construction are contracted allow for more proactive consideration and implementation of GHG emissions across the lifecycle.

Within the Obayashi Group, almost all new design-and-build projects are evaluated for environmental performance using CASBEE. CASBEE assesses both environmental efficiency and lifecycle CO2 emissions (LCCO2). For lifecycle CO2 emissions, the results are presented as a global warming impact chart comparing the reference value and the LCCO2 of the evaluated project as follows:

- (1) Reference value: LCCO2 of a standard building assuming energy-saving performance equivalent to the Building Energy Efficiency Act standards used by building owners as a reference.*
- (2) LCCO2 of the evaluated project: Emissions considering eco-materials, building longevity, energy-saving measures, and other building-specific initiatives.*
- (3) Result using on-site measures: The above plus on-site initiatives, such as solar power generation within the site.*
- (4) Result using off-site measures: The above plus off-site measures, such as green power certificates or carbon credits.*

For “(2) LCCO2 of the evaluated project”, the total lifecycle emissions are calculated by summing the emissions from each stage—construction, repair/renewal/demolition, and operation—on an annual per-floor-area basis. Therefore, it can be said that a quantitative evaluation is performed for each target project during the relevant fiscal year based on these figures.

[Fixed row]

(7.72.1) Provide details of how your organization assesses the life cycle emissions of new construction or major renovation projects.

(7.72.1.1) Projects assessed

Select from:

- All new construction and major renovation projects

(7.72.1.2) Earliest project phase that most commonly includes an assessment

Select from:

- Design phase

(7.72.1.3) Life cycle stage(s) most commonly covered

Select from:

Cradle-to-grave

(7.72.1.4) Methodologies/standards/tools applied

Select all that apply

GHG Protocol - Product Life Cycle Accounting and Reporting Standard

(7.72.1.5) Comment

CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a system that comprehensively evaluates the quality of buildings, not only in terms of environmental considerations such as energy efficiency and the use of low-impact materials, but also including indoor comfort and visual/environmental aesthetics. CASBEE was established in April 2001 as a joint industry-government-academia project with the support of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). The project set up the Committee for Comprehensive Environmental Assessment of Buildings, and since then, development and maintenance have been continuously carried out by the former Institute for Building Environment and Energy Conservation (IBEC, now IBECs: Institute for Building SDGs Promotion) and JSBC (Japan Sustainable Building Consortium).

Within the Obayashi Group, buildings are expected to be used over several decades. Therefore, the annual per-floor-area emissions during operation, as calculated by CASBEE, are used to evaluate the building by comparing it against reference buildings. Since CASBEE is periodically updated, the Group sets annual targets based on this ratio to ensure that buildings supplied to the market remain more advanced than the average building as indicated by CASBEE.

CASBEE evaluates both environmental efficiency and lifecycle CO₂ emissions (LCCO₂). Lifecycle CO₂ emissions are represented in a global warming impact chart, comparing the reference value and the LCCO₂ of the evaluated project using the following categories:

- (1) Reference value: LCCO₂ of a standard building, assuming energy-saving performance equivalent to the Building Energy Efficiency Act's standard for building owners.*
- (2) LCCO₂ of the evaluated project: Emissions considering eco-materials, building longevity, energy-saving measures, and other building-specific initiatives.*
- (3) On-site measures: The above plus on-site initiatives, such as solar power generation within the site.*
- (4) Off-site measures: The above plus off-site measures, such as green power certificates or carbon credits.*

For LCCO₂ calculation in CASBEE, embodied CO₂ is calculated using the 2005 input-output table analysis by the Architectural Institute of Japan. The environmental load unit data derived from the input-output table (3EID) is listed as one of the Third Party Databases for Scope 3 emissions under the GHG Protocol standards.

[Fixed row]

(7.72.2) Can you provide embodied carbon emissions data for any of your organization's new construction or major renovation projects completed in the last three years?

(7.72.2.1) Ability to disclose embodied carbon emissions

Select from:

Yes

(7.72.2.2) Comment

The Obayashi Group evaluates its design-and-construction projects for the relevant fiscal year using CASBEE. Each year, the Group aggregates the difference in operational CO2 emissions between the “reference building”, representing an average building as indicated by CASBEE, and the “subject building”, reflecting the design performance. This difference is disclosed as the annual reduction.

The actual reduction values are as follows:

FY2022: 14.9 thousand t-CO2

FY2023: 12.5 thousand t-CO2

FY2024: 6.6 thousand t-CO2

[Fixed row]

(7.72.3) Provide details of the embodied carbon emissions of new construction or major renovation projects completed in the last three years.

Row 1

(7.72.3.1) Year of completion

2024

(7.72.3.2) Property sector

Select from:

Other, please specify: *Newly constructed design-and-construction projects*

(7.72.3.3) Type of project

Select from:

New construction

(7.72.3.4) Project name/ID (optional)

Newly constructed design-and-construction projects in FY2024

(7.72.3.5) Life cycle stage(s) covered

Select from:

Cradle-to-grave

(7.72.3.6) Normalization factor (denominator)

Select from:

Other, please specify: *In accordance with the calculation method under the Building Standards Act*

(7.72.3.7) Denominator unit

Select from:

square meter

(7.72.3.8) Embodied carbon (kg/CO₂e per the denominator unit)

6660000

(7.72.3.9) % of new construction/major renovation projects in the last three years covered by this metric (by floor area)

19.56

(7.72.3.10) Methodologies/standards/tools applied

Select all that apply

GHG Protocol - Product Life Cycle Accounting and Reporting Standard

(7.72.3.11) Comment

For newly constructed design-build projects in FY2024, the total annual operational CO2 emissions of the “reference building” and the “subject building” were calculated based on CASBEE, and the difference was determined as the reduction amount. The coverage rate is calculated as a ratio of the constructed floor area over the past three years.

In CASBEE’s LCCO2 calculation condition sheet, the method for calculating embodied CO2 and the source of CO2 emission factors are based on the 2005 input-output table analysis by the Architectural Institute of Japan. The Environmental Load Emission Factor Data Book (3EID) based on the input-output table is listed as one of the third-party databases for Scope 3 in the GHG Protocol for greenhouse gas emissions calculation.

Row 2

(7.72.3.1) Year of completion

2023

(7.72.3.2) Property sector

Select from:

Other, please specify: *Newly constructed design-and-construction projects*

(7.72.3.3) Type of project

Select from:

New construction

(7.72.3.4) Project name/ID (optional)

Newly constructed design-and-construction projects in FY2023

(7.72.3.5) Life cycle stage(s) covered

Select from:

Cradle-to-grave

(7.72.3.6) Normalization factor (denominator)

Select from:

Other, please specify: *In accordance with the calculation method under the Building Standards Act*

(7.72.3.7) Denominator unit

Select from:

square meter

(7.72.3.8) Embodied carbon (kg/CO2e per the denominator unit)

12451000

(7.72.3.9) % of new construction/major renovation projects in the last three years covered by this metric (by floor area)

36.57

(7.72.3.10) Methodologies/standards/tools applied

Select all that apply

GHG Protocol - Product Life Cycle Accounting and Reporting Standard

(7.72.3.11) Comment

For newly constructed design-build projects in FY2023, the total annual operational CO2 emissions of the “reference building” and the “subject building” were calculated based on CASBEE, and the difference was determined as the reduction amount. The coverage rate is calculated as a ratio of the constructed floor area over the past three years.

In CASBEE’s LCCO2 calculation condition sheet, the method for calculating embodied CO2 and the source of CO2 emission factors are based on the 2005 input-output table analysis by the Architectural Institute of Japan. The Environmental Load Emission Factor Data Book (3EID) based on the input-output table is listed as one of the third-party databases for Scope 3 in the GHG Protocol for greenhouse gas emissions calculation.

Row 3

(7.72.3.1) Year of completion

2022

(7.72.3.2) Property sector

Select from:

- Other, please specify: *Newly constructed design-and-construction projects*

(7.72.3.3) Type of project

Select from:

- New construction

(7.72.3.4) Project name/ID (optional)

Newly constructed design-and-construction projects in FY2022

(7.72.3.5) Life cycle stage(s) covered

Select from:

- Cradle-to-grave

(7.72.3.6) Normalization factor (denominator)

Select from:

- Other, please specify: *In accordance with the calculation method under the Building Standards Act*

(7.72.3.7) Denominator unit

Select from:

- square meter

(7.72.3.8) Embodied carbon (kg/CO2e per the denominator unit)

14940000

(7.72.3.9) % of new construction/major renovation projects in the last three years covered by this metric (by floor area)

(7.72.3.10) Methodologies/standards/tools applied

Select all that apply

GHG Protocol - Product Life Cycle Accounting and Reporting Standard

(7.72.3.11) Comment

For newly constructed design-build projects in FY2022, the total annual operational CO2 emissions of the “reference building” and the “subject building” were calculated based on CASBEE, and the difference was determined as the reduction amount. The coverage rate is calculated as a ratio of the constructed floor area over the past three years.

In CASBEE’s LCCO2 calculation condition sheet, the method for calculating embodied CO2 and the source of CO2 emission factors are based on the 2005 input-output table analysis by the Architectural Institute of Japan. The Environmental Load Emission Factor Data Book (3EID) based on the input-output table is listed as one of the third-party databases for Scope 3 in the GHG Protocol for greenhouse gas emissions calculation.

[Add row]

(7.73) Are you providing product level data for your organization’s goods or services?

Select from:

No, I am not providing data

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

- Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

- Other, please specify: JIS

(7.74.1.3) Type of product(s) or service(s)

Cement and concrete

- Other, please specify: Low-carbon concrete

(7.74.1.4) Description of product(s) or service(s)

Concrete in which by-products from steel mills, such as ground granulated blast-furnace slag (GGBFS), are reused, significantly reducing CO₂ emissions from the materials used (up to 80% reduction).

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

- Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

- The Avoided Emissions Framework (AEF)

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

- Cradle-to-gate

(7.74.1.8) Functional unit used

(7.74.1.9) Reference product/service or baseline scenario used

Ordinary concrete

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

Cradle-to-gate

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

3872

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Obayashi Corporation's low-carbon concrete, "Clean Concrete," replaces a portion of the cement with by-products from steel production, such as ground granulated blast-furnace slag, and by-products from coal-fired power generation, such as fly ash. This reduces CO₂ emissions by up to approximately 80% compared to ordinary concrete.

In the production of conventional concrete, about 260 kg of CO₂ is emitted per cubic meter. By contrast, Clean Concrete can reduce emissions to as low as approximately 50 kg per cubic meter, achieving a maximum reduction of about 80%.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

1

Row 2

(7.74.1.1) Level of aggregation

Select from:

Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

- Other, please specify: CASBEE

(7.74.1.3) Type of product(s) or service(s)

Power

- Other, please specify: *Construction of buildings in compliance with CASBEE standards*

(7.74.1.4) Description of product(s) or service(s)

CASBEE is a system that evaluates a building's environmental performance by calculating, at the design stage, metrics such as CO₂ emissions during building operation. Because it allows the operational emissions of the designed building to be compared with those of a typical reference building, it enables the calculation and assessment of CO₂ reduction amounts resulting from the design.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

- Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

- Estimating and Reporting the Comparative Emissions Impacts of Products (WRI)

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

- Use stage

(7.74.1.8) Functional unit used

t -CO₂

(7.74.1.9) Reference product/service or baseline scenario used

Reference buildings in CASBEE calculations

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario

6660

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

When a building's environmental performance is evaluated using CASBEE, the operational CO₂ emissions per unit floor area can be calculated. In this calculation, the emissions of a typical building are used as the "reference building", and the emissions of the designed building are used as the "target building". The difference between the two is used to calculate the CO₂ reduction rate and total reduction.

For example:

If the reference building emits 100 kg-CO₂/m² per year, and the target building emits 80 kg-CO₂/m² per year, the reduction rate is: $1 - 80/100 = 0.2 = 20\%$.

If the total floor area is 10,000 m², the reference building emissions: $100 \text{ kg-CO}_2/\text{m}^2 \text{ per year} \times 10,000 \text{ m}^2 = 1,000 \text{ t-CO}_2 \text{ per year}$, and the target building emissions: $80 \text{ kg-CO}_2/\text{m}^2 \text{ per year} \times 10,000 \text{ m}^2 = 800 \text{ t-CO}_2 \text{ per year}$.

Thus, the annual CO₂ reduction is: $1,000 - 800 = 200 \text{ t-CO}_2 \text{ per year}$.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

44

[Add row]

(7.77) Did your organization complete new construction or major renovations projects designed as net zero carbon in the last three years?

Select from:

Yes

(7.77.1) Provide details of new construction or major renovations projects completed in the last 3 years that were designed as net zero carbon.

Row 1

(7.77.1.1) Property sector

Select from:

Office

(7.77.1.2) Definition(s) of net zero carbon applied

Select all that apply

National/local government standard, please specify:

The ZEB (Net Zero Energy Building) standards established by the Ministry of the Environment, Japan

(7.77.1.3) % of net zero carbon buildings in the total number of buildings completed in the last 3 years

28

(7.77.1.4) Have any of the buildings been certified as net zero carbon?

Select from:

Yes

(7.77.1.5) % of buildings certified as net zero carbon in the total number of buildings completed in the last 3 years

28

(7.77.1.6) Certification scheme(s)

Select all that apply

Other, please specify: BELS (Building-Housing Energy-efficiency Labelling System / Building energy efficiency labeling system)

(7.77.1.7) Comment

In Japan, the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry (METI) defines four levels of ZEB (Net Zero Energy Buildings) based on the annual balance of primary energy consumption:

ZEB – Reduction to 0% or less (achieving net-zero primary energy through energy savings and on-site generation).

Nearly ZEB – Reduction to 25% or less.

ZEB Ready – Reduction to 50% or less.

ZEB Oriented – For buildings with a total floor area of 10,000 m² or more; office buildings must achieve 60% or less, hotels 70% or less.

Over the past three years, Obayashi Corporation has undertaken a total of 13 projects meeting these definitions, ranging from ZEB to ZEB Ready.

[Add row]

(7.79) Has your organization retired any project-based carbon credits within the reporting year?

Select from:

No

C8. Environmental performance - Forests

(8.1) Are there any exclusions from your disclosure of forests-related data?

	Exclusion from disclosure
Timber products	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Fixed row]

(8.1.1) Provide details on these exclusions.

Timber products

(8.1.1.1) Exclusion

Select from:

Business activities

(8.1.1.2) Description of exclusion

Regarding timber procurement, Obayashi Corporation conducts traceability surveys, but the scope is limited to Obayashi Corporation itself and does not include group companies.

(8.1.1.3) Value chain stage

Select from:

Direct operations

(8.1.1.4) Reason for exclusion

Select from:

- Data is not available

(8.1.1.5) Primary reason why data is not available for your disclosed commodity

Select from:

- Not an immediate strategic priority

(8.1.1.8) Indicate if you are providing the commodity volume that is being excluded from your disclosure of forests-related data

Select from:

- No, the volume excluded is unknown

(8.1.1.10) Please explain

Within the Obayashi Group, timber is primarily used in the construction business, with the majority concentrated in Obayashi Corporation, which is therefore the main subject of the traceability survey. Other group companies that handle timber mainly supply materials to Obayashi Corporation, so their handling volumes are often included in Obayashi Corporation's survey. For the time being, priority is given to the Obayashi Corporation survey.

[Add row]

(8.2) Provide a breakdown of your disclosure volume per commodity.

	Disclosure volume (metric tons)	Volume type	Sourced volume (metric tons)
Timber products	3684	Select all that apply	3684

	Disclosure volume (metric tons)	Volume type	Sourced volume (metric tons)
		<input checked="" type="checkbox"/> Sourced	

[Fixed row]

(8.5) Provide details on the origins of your sourced volumes.

Timber products

(8.5.1) Country/area of origin

Select from:

Japan

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Tohoku Area, Shikoku Area

(8.5.4) Volume sourced from country/area of origin (metric tons)

3684

(8.5.5) Source

Select all that apply

- Contracted suppliers (processors)

(8.5.7) Please explain

For fireproofing of beams, larch sourced from Hokkaido and Fukushima is used.

[Add row]

(8.7) Did your organization have a no-deforestation or no-conversion target, or any other targets for sustainable production/ sourcing of your disclosed commodities, active in the reporting year?

Timber products

(8.7.1) Active no-deforestation or no-conversion target

Select from:

- No, but we plan to have a no-deforestation or no-conversion target in the next two years

(8.7.3) Primary reason for not having an active no-deforestation or no-conversion target in the reporting year

Select from:

- No standardized procedure

(8.7.4) Explain why you did not have an active no-deforestation or no-conversion target in the reporting year

In the construction industry, the main materials are steel and concrete/cement products. At Obayashi Corporation, however, the use of timber—recently gaining attention as a sustainable material—is being actively promoted, with the number of wooden construction projects increasing year by year. At the same time, timber products are considered high-risk in terms of deforestation and ecosystem conversion at the raw material procurement stage. To mitigate these risks, Obayashi encourages compliance with CSR procurement through engagement with partner companies and conducts traceability surveys to monitor procurement status. Going forward, the Company aims to develop quantitative evaluation methods based on these surveys and standardize them, thereby establishing indicators to curb deforestation and ecosystem conversion.

(8.7.5) Other active targets related to this commodity, including any which contribute to your no-deforestation or no-

conversion target

Select from:

- No, but we plan to have other targets related to this commodity in the next two years

(8.7.6) Primary reason for not having other active targets in the reporting year

Select from:

- No standardized procedure

(8.7.7) Explain why you did not have other active targets in the reporting year

As noted in the explanation for the absence of targets regarding deforestation and ecosystem conversion, surveys are being conducted with our subcontractors. Going forward, we intend to explore methods to quantitatively evaluate the results of these surveys and standardize them, thereby establishing indicators to help curb deforestation and ecosystem conversion.

[Fixed row]

(8.8) Indicate if your organization has a traceability system to determine the origins of your sourced volumes and provide details of the methods and tools used.

Timber products

(8.8.1) Traceability system

Select from:

- Yes

(8.8.2) Methods/tools used in traceability system

Select all that apply

- Supplier engagement/communication

(8.8.3) Description of methods/tools used in traceability system

In response to growing social concern over human rights violations and environmental damage in the supply chain, Obayashi Corporation has been conducting traceability surveys since 2021 for materials used in construction work that are considered high-risk in terms of human rights, specifically overseas-sourced timber and solar panel components. In fiscal 2024, the survey was conducted for 102 companies (an increase of 26 companies from the previous year) regarding timber. Specifically, each business headquarters sent an Excel-based survey form on the current status of timber procurement and associated risks to the selected target companies and compiled the responses.

[Fixed row]

(8.8.1) Provide details of the point to which your organization can trace its sourced volumes.

Timber products

(8.8.1.1) % of sourced volume traceable to production unit

0

(8.8.1.2) % of sourced volume traceable to sourcing area and not to production unit

84

(8.8.1.3) % sourced volume traceable to country/area of origin and not to sourcing area or production unit

0

(8.8.1.4) % of sourced volume traceable to other point (i.e., processing facility/first importer) not in the country/area of origin

0

(8.8.1.5) % of sourced volume from unknown origin

16

(8.8.1.6) % of sourced volume reported

100.00
[Fixed row]

(8.9) Provide details of your organization's assessment of the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of its disclosed commodities.

Timber products

(8.9.1) DF/DCF status assessed for this commodity

Select from:

No, but we plan to do so within the next two years

(8.9.6) Is a proportion of your disclosure volume certified through a scheme not providing full DF/DCF assurance?

Select from:

No

(8.9.7) Primary reason for not assessing DF/DCF status

Select from:

No standardized procedure

(8.9.8) Explain why you have not assessed DF/DCF status

In the construction industry, the main materials are steel and concrete/cement products. At Obayashi Corporation, however, the use of timber—recently gaining attention as a sustainable material—is being actively promoted, with the number of wooden construction projects increasing year by year. At the same time, timber products are considered high-risk in terms of deforestation and ecosystem conversion at the raw material procurement stage. To mitigate these risks, Obayashi encourages compliance with CSR procurement through engagement with partner companies and conducts traceability surveys to monitor procurement status. Going forward, the company intends to monitor third-party certifications related to DF (Design for Forestry) and DCF (Design for Circular Forestry) through these surveys and consider methods for evaluating them.

[Fixed row]

(8.10) Indicate whether you have monitored or estimated the deforestation and conversion of other natural ecosystems footprint for your disclosed commodities.

Timber products

(8.10.1) Monitoring or estimating your deforestation and conversion footprint

Select from:

No, but we plan to monitor or estimate our deforestation and conversion footprint in the next two years

(8.10.2) Primary reason for not monitoring or estimating deforestation and conversion footprint

Select from:

No standardized procedure

(8.10.3) Explain why you do not monitor or estimate your deforestation and conversion footprint

In the construction industry, the primary materials are steel and concrete, and we consider it a priority to mitigate and reduce the impacts on forests caused by the procurement of these materials. On the other hand, unlike these fossil-based resources, timber products are renewable materials and have recently attracted attention; we expect their impact on business activities to increase in the future.

Obayashi Corporation recognizes the expansion of timber use as a business strategy, and since maintaining a renewable cycle requires sufficient traceability, verifying the conversion footprint and related certifications is crucial. We aim to establish such a system in the near future.

[Fixed row]

(8.11) For volumes not assessed and determined as deforestation- and conversion-free (DCF), indicate if you have taken actions in the reporting year to increase production or sourcing of DCF volumes.

	Actions taken to increase production or sourcing of DCF volumes
Timber products	<i>Select from:</i> <input checked="" type="checkbox"/> No, but we plan to within the next two years

[Fixed row]

(8.12) Indicate if certification details are available for the commodity volumes sold to requesting CDP Supply Chain members.

Timber products

(8.12.1) Third-party certification scheme adopted

Select from:

No, but we plan to adopt third-party certification within the next two years

(8.12.5) Primary reason that third-party certification has not been adopted

Select from:

No standardized procedure

(8.12.6) Explain why third-party certification has not been adopted

Obayashi Corporation considers it important to further promote the use of timber, which has recently attracted attention as a sustainable material, and has been increasing the construction of wooden buildings year by year. Customers of Obayashi Corporation are included as members of the CDP Supply Chain, and we recognize that it is the company's responsibility to ensure that timber products used in procured construction projects do not involve risks such as deforestation or ecosystem conversion.

In this context, confirming certification through traceability surveys is considered crucial, and in the future, we are considering providing such data to CDP Supply Chain members as well.

[Fixed row]

(8.13) Does your organization calculate the GHG emission reductions and/or removals from land use management and land use change that have occurred in your direct operations and/or upstream value chain?

	GHG emissions reductions and removals from land use management and land use change calculated	Primary reason your organization does not calculate GHG emissions reductions and removals from land	Explain why your organization does not calculate GHG emissions reductions and removals from land use management and land use change
Timber products	<i>Select from:</i> <input checked="" type="checkbox"/> No, but plan to do so in the next two years	<i>Select from:</i> <input checked="" type="checkbox"/> Not an immediate strategic priority	<i>Since most of the CO2 emissions from Obayashi Corporation's business activities are generated from the combustion of diesel and other fuels used in construction machinery at construction sites, the company prioritizes the quantitative monitoring of these emissions and the promotion of measures to reduce them.</i>

[Fixed row]

(8.14) Indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards, and provide details.

(8.14.1) Assess legal compliance with forest regulations

Select from:

- Yes, from suppliers

(8.14.2) Aspects of legislation considered

Select all that apply

- Labor rights
- Land use rights
- Third parties' rights
- Environmental protection
- Human rights protected under international law

- Tax, anti-corruption, trade and customs regulations
- Forest-related rules, including forest management and biodiversity conservation, where directly related to wood harvesting
- The principle of free, prior and informed consent (FPIC), including as set out in the UN Declaration on the Rights of Indigenous Peoples

(8.14.3) Procedure to ensure legal compliance

Select all that apply

- Supplier self-declaration
- Other, please specify: *Questionnaires*

(8.14.5) Please explain

Although the primary construction materials in the construction industry are steel and concrete/cement, Obayashi Corporation recognizes that wood, which has recently been attracting attention as a sustainable material, should also be promoted, and has been steadily increasing the construction of wooden buildings. On the other hand, wood products carry high risks of forest depletion and ecosystem conversion at the raw material procurement stage, making compliance with relevant laws essential. Certification systems are regarded as evidence of legal compliance, and the company believes that compliance should be promoted through proper understanding of actual conditions.

Evaluation is conducted through a two-way confirmation process combining traceability surveys and raising supplier awareness.

[Fixed row]

(8.15) Do you engage in landscape (including jurisdictional) initiatives to progress shared sustainable land use goals?

	Engagement in landscape/jurisdictional initiatives
	<p>Select from:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Yes, we engage in landscape/jurisdictional initiatives

[Fixed row]

(8.15.1) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

(8.15.1.1) Criteria for prioritizing landscapes/jurisdictions for engagement

Select all that apply

- Ability to contribute to/ build on existing landscape/jurisdictional initiatives
- Local government's commitment to sustainable land use
- Opportunity for increased human well-being in area
- Opportunity to protect and restore natural ecosystems

(8.15.1.2) Explain your process for prioritizing landscapes/jurisdictions for engagement

• Regulations such as environmental assessments under laws and ordinances are based on regional characteristics and their conservation, and Obayashi Corporation believes these are reflected in initiatives to ensure sustainability, and thus complies with and responds to them.

• Prior to the commencement of construction, as needed, preliminary surveys are conducted at the planned site to confirm the growth and habitat status of species requiring protection, and conservation plans are formulated and implemented, including the development of alternative sites and the transplantation or relocation of protected species.

[Fixed row]

(8.15.2) Provide details of your engagement with landscape/jurisdictional initiatives to sustainable land use during the reporting year.

Row 1

(8.15.2.1) Landscape/jurisdiction ID

Select from:

- LJ1

(8.15.2.2) Name of initiative

"Nature Symbiotic Site" by the Ministry of the Environment

(8.15.2.3) Country/area

Select from:

Japan

(8.15.2.4) Name of landscape or jurisdiction area

Wooded area at Obayashi Corporation Technical Research Institute

(8.15.2.6) Indicate if you can provide the size of the area covered by the initiative

Select from:

Yes

(8.15.2.7) Area covered by the initiative (ha)

1.6

(8.15.2.8) Type of engagement

Select all that apply

Implementer: Executes actions based on the collective goals

(8.15.2.9) Engagement start year

2023

(8.15.2.10) Engagement end year

Select from:

Not defined

(8.15.2.11) Estimated investment over the project period

(8.15.2.12) Landscape goals supported by engagement

Environmental

- Biodiversity protected and/or restored
- Decreased ecosystem degradation rate
- Ecosystem services maintained and/or enhanced
- Increased and/or maintained protected areas
- Natural ecosystems conserved and/or restored

(8.15.2.13) Organization actions supporting initiative

Participate in planning and multi-stakeholder alignment

- Collaborate on establishing and managing monitoring system for deforestation, natural ecosystem conversion and/or degradation
- Collaborate on establishing and managing monitoring system for biodiversity, habitat fragmentation and/or threats to IUCN Red List species in priority areas

Enhance government and capacity

- Support enforcement of land-use and/or zoning plans

(8.15.2.14) Type of partners engaged in the initiative design and implementation

Select all that apply

- National government
- Sub-national government
- Local communities
- NGO and/or civil society

(8.15.2.15) Description of engagement

Nature Symbiotic Sites are part of initiatives to realize a nature-positive society. Under this program, the Ministry of the Environment of Japan recognizes areas where

biodiversity is conserved through private initiatives—such as corporate forests, rural satoyama landscapes, and urban green spaces—as “Nature Symbiotic Sites.” Recognized sites, excluding overlaps with protected areas, are registered in the international OECM (Other Effective area-based Conservation Measures) database, contributing to the achievement of the 30by30 target.

The Obayashi Corporation Technology Research Institute Coppice Forest is a remaining broad-leaved forest located within the Obayashi Technology Research Institute in Kiyose City, Tokyo. The forest preserves the natural landscape of the region as it has existed historically. Within the forest, surveys and conservation activities for rare plant species are conducted. Since 2009, observation events for rare plants have been held annually, inviting local community groups. Management continues with the objective of conserving biodiversity in urban areas, including the preservation of the coppice forest and green spaces to protect native species. The forest hosts naturally occurring endangered species classified as Category II under the Japanese Red List, such as Kinran (*Calanthe discolor*), Ginran (*Cephalanthera erecta* var. *oblanceolata*), Sasabagiran (*Cephalanthera longibracteata*), and Saihairan (*Cephalanthera falcata*). The research forest is also used for experimental purposes, such as investigating optimal forest floor management techniques.

The estimated investment during the project period is unknown and therefore recorded as zero.

(8.15.2.16) Collective monitoring framework used to measure progress towards landscape goals and actions

Select from:

Yes, progress is collectively monitored using a shared external framework, please specify : 【何か入力】

(8.15.2.17) State the achievements of your engagement so far and how progress is monitored

Obayashi Corporation has established experimental plots within a part of its Technology Research Institute and conducts regular undergrowth mowing of the forest floor one to two times per year. The forest edges are mowed several times annually, primarily for inspection and maintenance purposes. As a result, favorable conditions for grassland species are incidentally created. Hazardous trees are removed as needed. Other areas generally receive minimal management, but populations of Kinran (*Calanthe discolor*) have increased, and other forest floor species have been maintained; therefore, active management is not pursued in these areas. Forest management is carried out by employees in charge of biodiversity and a contracted management company. Animal monitoring is conducted opportunistically, with employees recording sightings with photographs and other documentation.

Currently, research has begun on managing the coppice forest using high-resolution LiDAR point cloud data. Advances in software now allow automatic identification and assignment of IDs to individual trees, enabling precise mapping of their distribution. The point cloud data for each tree can be selectively removed to simulate the effect of felling specific trees on forest floor light conditions.

(8.15.2.18) Claims made

Select from:

No, we are not making any claims, and we do not plan to within the next two years

[Add row]

(8.15.3) For each of your disclosed commodities, provide details on the disclosure volume from each of the landscapes/jurisdictions you engage in.

Row 1

(8.15.3.1) Landscape/jurisdiction ID

Select from:

LJ1

(8.15.3.2) Does any of your produced and/or sourced commodity volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?

Select from:

No, we do not produce/source from this landscape/jurisdiction

[Add row]

(8.16) Do you participate in any other external activities to support the implementation of policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains?

Select from:

Yes

(8.16.1) Provide details of the external activities to support the implementation of your policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains

Row 1

(8.16.1.1) Commodity

Select all that apply

Timber products

(8.16.1.2) Activities

Select all that apply

- Engaging with communities

(8.16.1.3) Country/area

Select from:

- Japan

(8.16.1.4) Subnational area

Select from:

- Please specify :飯能市

(8.16.1.5) Provide further details of the activity

In June 2021, Hanno City in Saitama Prefecture and Obayashi Corporation concluded a Basic Agreement on Circular Forest Utilization with the aim of jointly developing the “Hanno Model,” a circular forest-use business model that serves as a solution for revitalizing local forests and forestry. Through this partnership, the two parties are working to promote the forestry industry, enhance the multifunctional roles of forests, and contribute to regional revitalization and community development.

The areas of collaboration under the agreement are as follows:

- 1. Matters related to circular forest utilization in collaboration with the local community.*
- 2. Matters related to expanding demand for Nishikawa timber in cooperation with the region.*
- 3. Matters related to a wood industrial complex that effectively utilizes forest resources.*
- 4. Matters related to the multifaceted use of forests to create new regional attractiveness.*
- 5. Matters related to regional revitalization through the development of a forest-symbiotic city.*
- 6. Other matters necessary to achieve the purpose of this agreement.*

[Add row]

(8.17) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Select from:

Yes

(8.17.1) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Row 1

(8.17.1.1) Project reference

Select from:

Project 1

(8.17.1.2) Project type

Select from:

Mangrove protection and restoration

(8.17.1.3) Expected benefits of project

Select all that apply

- Improvement of water availability and quality
- Improvement to soil health
- Net gain in biodiversity and ecosystem integrity
- Reduction of GHG emissions
- Restoration of natural ecosystem(s)

(8.17.1.4) Is this project originating any carbon credits?

Select from:

No

(8.17.1.5) Description of project

Since 2022, Obayashi Corporation has planted mangrove seedlings annually in a mangrove park in North Jakarta, aiming to contribute to Indonesian society.

(8.17.1.6) Where is the project taking place in relation to your value chain?

Select all that apply

Project based in area with direct operations

(8.17.1.7) Start year

2022

(8.17.1.8) Target year

Select from:

Indefinitely

(8.17.1.9) Project area to date (Hectares)

0.5

(8.17.1.10) Project area in the target year (Hectares)

0.1

(8.17.1.11) Country/Area

Select from:

Indonesia

(8.17.1.12) Latitude

-6.106506

(8.17.1.13) Longitude

106.736971

(8.17.1.14) Monitoring frequency

Select from:

Annually

(8.17.1.15) Total investment over the project period (currency)

0

(8.17.1.16) For which of your expected benefits are you monitoring progress?

Select all that apply

- Improvement of water availability and quality
- Net gain in biodiversity and ecosystem integrity
- Restoration of natural ecosystem(s)

(8.17.1.17) Please explain

Mangroves help maintain ecological balance, protect coastlines from erosion, and provide habitats for a wide variety of marine organisms. They are also known for absorbing and sequestering large amounts of CO₂, playing a crucial role in mitigating global warming. This project is not undertaken solely by Obayashi Corporation, and the total investment amount is not disclosed.

[Add row]

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

No

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

76-99

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

The total water withdrawal volume is calculated based on measurements using water meters and information from invoices for municipal water usage.

(9.2.4) Please explain

For construction sites, the water withdrawal volume is calculated by developing an intensity factor (per unit of construction volume) based on water withdrawal data from approximately 150 sample sites.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

76-99

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Water withdrawal by source is classified into tap water, well water, industrial water, and other withdrawals (such as agricultural water, recycled water, or river water), and is calculated based on water bills and measurements using flow meters or similar devices.

(9.2.4) Please explain

For construction sites, the water withdrawal volume is calculated by developing an intensity factor (per unit of construction volume) based on water withdrawal data from approximately 150 sample sites.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

Not relevant

(9.2.4) Please explain

The Obayashi Group's business activities are not related to the quality of the water withdrawn.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

76-99

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

The total water discharge volume is calculated based on sewerage usage bills and measurements using metering devices.

(9.2.4) Please explain

For construction sites, the water discharge volume is calculated by developing an intensity factor (per unit of construction volume) based on water discharge data from approximately 150 sample sites.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

76-99

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Water discharge volume by destination is classified into sewage, on-site recycled water, river discharge, etc., and is calculated based on sewerage usage bills and measurements using metering devices.

(9.2.4) Please explain

For construction sites, the water discharge volume is calculated by developing an intensity factor (per unit of construction volume) based on water discharge data from approximately 150 sample sites.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

Not relevant

(9.2.4) Please explain

The Obayashi Group's business activities are not related to water discharge volumes by treatment method.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

The Obayashi Group discharges wastewater from all of its business sites, including construction sites, in a manner that ensures compliance with the water quality standards of the receiving bodies.

(9.2.4) Please explain

For example, wastewater from construction activities is monitored and measured for parameters such as pH and turbidity to ensure compliance with the standards of sewer systems and public water bodies (rivers, etc.) before discharge.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

Not relevant

(9.2.4) Please explain

The Obayashi Group's business activities are not related to nitrates, phosphates, pesticides, or other priority hazardous substances.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

Not relevant

(9.2.4) Please explain

The Obayashi Group's business activities are not related to the quality of discharged water in terms of temperature.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

76-99

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

The total water consumption is calculated as the difference between total water intake and total wastewater discharge.

(9.2.4) Please explain

At construction sites, water is consumed for various purposes, such as dust control through sprinkling and curing of placed concrete.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

Not relevant

(9.2.4) Please explain

The Obayashi Group's business activities are not related to the use of recycled or reclaimed water.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

At all Obayashi Group business sites, including construction sites, fully functional and safely managed WASH services are provided to all employees and workers.

(9.2.4) Please explain

In areas where municipal water or sewage systems are unavailable, for construction projects, plans and measures such as water supply trucks and installation of septic tanks are implemented to ensure that all employees and workers have access to fully functional and safely managed WASH services.

[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

4491.89

(9.2.2.2) Comparison with previous reporting year

Select from:

Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

- About the same

(9.2.2.5) Primary reason for forecast

Select from:

- Increase/decrease in business activity

(9.2.2.6) Please explain

Regarding the total water intake at construction sites, it is influenced by the type, location, and volume of construction work carried out during the reporting year. In addition, total water intake may have been reduced due to more efficient water usage.

Total discharges

(9.2.2.1) Volume (megaliters/year)

3222.08

(9.2.2.2) Comparison with previous reporting year

Select from:

- Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

About the same

(9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in business activity

(9.2.2.6) Please explain

Regarding the total wastewater discharge at construction sites, it is influenced by the type, location, and volume of construction work carried out during the reporting year. In addition, total wastewater discharge may have decreased along with total water intake due to more efficient water usage.

Total consumption

(9.2.2.1) Volume (megaliters/year)

1269.81

(9.2.2.2) Comparison with previous reporting year

Select from:

Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

About the same

(9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in business activity

(9.2.2.6) Please explain

Regarding water consumption (total) at construction sites, it is influenced by the type, location, and volume of construction work carried out during the reporting year. In addition, total water consumption may have been reduced through more efficient water usage.

[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

382.17

(9.2.4.3) Comparison with previous reporting year

Select from:

Lower

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in business activity

(9.2.4.5) Five-year forecast

Select from:

- About the same

(9.2.4.6) Primary reason for forecast

Select from:

- Increase/decrease in business activity

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

8.51

(9.2.4.8) Identification tool

Select all that apply

- WRI Aqueduct

(9.2.4.9) Please explain

The Obayashi Group identifies and appropriately manages water-related risks in its overseas construction projects using the World Resources Institute's "Aqueduct Water Risk Atlas." As of November 2024, approximately 28% of the Group's overseas business sites (including construction sites) are located in areas classified as having "extremely high" or "high" water stress.

Even in these regions, information on water risks is shared among relevant stakeholders before construction begins, and water use plans appropriate for the local conditions are developed and implemented during the projects.

[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

2323.73

(9.2.7.3) Comparison with previous reporting year

Select from:

Lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.7.5) Please explain

Intake from rivers and other surface water sources is aggregated. Compared with the results for fiscal year 2024, the intake from rivers and other surface water has decreased. The decrease is considered to be related to the type, location, and scale of construction projects carried out during the reporting year, as well as to more efficient water usage.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

The Obayashi Group's business activities do not involve the withdrawal of brackish or seawater, and thus are not relevant in this context.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

35.83

(9.2.7.3) Comparison with previous reporting year

Select from:

Higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.7.5) Please explain

Groundwater intake is aggregated. Compared with fiscal year 2024, groundwater intake has increased. The increase is mainly considered to be related to the type, location, and scale of construction projects carried out during the reporting year.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

The Obayashi Group's business activities do not involve the withdrawal of non-renewable groundwater, and thus are not relevant.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

The Obayashi Group's business activities do not involve the withdrawal of produced or entrained water, and thus are not relevant.

Third party sources

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

2132.33

(9.2.7.3) Comparison with previous reporting year

Select from:

Lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in business activity

(9.2.7.5) Please explain

Intake from public water supply and industrial water is aggregated. Compared with fiscal year 2024, the use of public water supply has increased, while industrial water use has decreased. The decrease in intake from these sources is considered to be related to the type, location, and scale of construction projects carried out during the reporting year, as well as to more efficient water usage.

[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

- Relevant

(9.2.8.2) Volume (megaliters/year)

9.87

(9.2.8.3) Comparison with previous reporting year

Select from:

- Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.8.5) Please explain

Discharges into rivers and other surface water sources are aggregated. Compared with the results for fiscal year 2024, the volume of discharges into rivers and other surface water has decreased. The decrease is considered to be related to the type, location, and scale of construction projects carried out during the reporting year, as well as to more efficient water usage, which reduced both intake and discharge volumes.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

Not relevant

(9.2.8.5) Please explain

The Obayashi Group's business activities do not involve discharges into brackish or seawater, and thus are not relevant in this context.

Groundwater

(9.2.8.1) Relevance

Select from:

Relevant

(9.2.8.2) Volume (megaliters/year)

1546.13

(9.2.8.3) Comparison with previous reporting year

Select from:

Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in business activity

(9.2.8.5) Please explain

Groundwater that emerges on construction sites during works is returned to the ground via recharge wells to prevent land subsidence and other issues. Compared with fiscal year 2024, the volume of groundwater returned has slightly decreased. This decrease is considered to be related to the type, location, and scale of construction projects carried out during the reporting year.

Third-party destinations

(9.2.8.1) Relevance

Select from:

- Relevant

(9.2.8.2) Volume (megaliters/year)

1666.08

(9.2.8.3) Comparison with previous reporting year

Select from:

- Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in business activity

(9.2.8.5) Please explain

Discharges to the sewer system are aggregated based on usage. Compared with fiscal year 2024, discharges to the sewer system have decreased. The decrease is

considered to be related to the type, location, and scale of construction projects carried out during the reporting year, as well as to more efficient water usage, which reduced both intake and discharge volumes.

[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, but we are planning to do so in the next 2 years

(9.3.4) Please explain

The core business of the Obayashi Group is construction. In the construction industry, projects are carried out at different sites with different buildings and structures on a time-limited basis, and the number of facilities (construction sites) varies each year.

At the stage of direct operations, it is important to manage water intake, wastewater discharge, water consumption, and water quality at each construction site when identifying dependencies, impacts, risks, and opportunities related to water. However, methods for quantitatively evaluating these aspects are currently under consideration.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, but we are planning to do so in the next 2 years

(9.3.4) Please explain

The core business of the Obayashi Group is construction. In the construction industry, projects are carried out at different sites with different buildings and structures on a time-limited basis, and the number of facilities (construction sites) varies each year.

Furthermore, the types of construction materials are diverse, and since different buildings and structures are constructed for each project, materials produced at factories selected near the construction sites are used, resulting in a considerable number of entities within the value chain. At the upstream stage of the value chain, when identifying dependencies, impacts, risks, and opportunities related to water, it is important to manage water intake, wastewater discharge, water consumption, and water quality during the production stage of each construction material. However, methods for quantitatively evaluating these aspects are currently under consideration.

[Fixed row]

(9.4) Could any of your facilities reported in 9.3.1 have an impact on a requesting CDP supply chain member?

Select from:

We do not have this data but we intend to collect it within two years

(9.5) Provide a figure for your organization’s total water withdrawal efficiency.

	Revenue (currency)	Total water withdrawal efficiency	Anticipated forward trend
	2620101000000	583295895.49	Over the past three years, while revenue has shown an increasing trend, total water withdrawal has been decreasing. As a result, the water use efficiency of the Obayashi Group’s business activities has improved. Going forward, we will continue initiatives to maintain this trend and further enhance the efficiency of total water withdrawal.

[Fixed row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
	Select from: <input checked="" type="checkbox"/> No	<i>The Obayashi Group's main products are the buildings and structures it constructs. All materials used in these buildings and structures are selected and applied in accordance with national laws and regulations. Therefore, they do not contain hazardous substances regulated by such laws and regulations.</i>

[Fixed row]

(9.14) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Please explain
	Select from: <input checked="" type="checkbox"/> Yes	<i>We propose and provide buildings with water consumption per use below the average values.</i>	<i>We refer to the average values reported in the "Survey Report on Energy Consumption of Buildings."</i>

[Fixed row]

(9.15) Do you have any water-related targets?

Select from:

No, but we plan to within the next two years

(9.15.3) Why do you not have water-related target(s) and what are your plans to develop these in the future?

(9.15.3.1) Primary reason

Select from:

We are planning to introduce a target within the next two years

(9.15.3.2) Please explain

The total water intake, total wastewater discharge, and total water consumption associated with Obayashi Group's business activities largely depend on the annual volume and nature of construction projects, as construction is the Group's primary business. Therefore, we consider that setting quantitative targets at this stage would not be meaningful. However, the possibility of establishing quantitative targets is under consideration.

Regarding wastewater quality, all business sites, including construction sites, manage water appropriately in accordance with national laws and local regulations.

[Fixed row]

C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

(10.1.1) Targets in place

Select from:

Yes

(10.1.2) Target type and metric

End-of-life management

Increase the proportion of recyclable plastic waste that is collected, sorted, and recycled

Reduce the proportion of plastic waste which is sent to landfill and/or incinerated

(10.1.3) Please explain

Obayashi Group is working to achieve the KPI related to contributing to a circular society: "Proportion of mixed waste in construction waste" (target: 3.0% or less). Specifically, plastic waste from construction is not treated as mixed waste but is separated and recycled whenever possible. In addition, at all business sites, including offices and construction sites, Obayashi Corporation has established the environmental objective under its EMS of "Rationalizing the use of plastic products and reducing and recycling the resulting waste," and actively engages in environmental conservation activities.

[Fixed row]

(10.2) Indicate whether your organization engages in the following activities.

Production/commercialization of plastic polymers (including plastic converters)

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

In its business activities, the Obayashi Group is not engaged in the manufacturing or commercialization of plastic polymers.

Production/commercialization of durable plastic goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

In its business activities, the Obayashi Group is not engaged in the manufacturing or commercialization of durable plastic products or components.

Usage of durable plastics goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

In its business activities, the Obayashi Group is not involved in the use of durable plastic products or components.

Production/commercialization of plastic packaging

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

In its business activities, the Obayashi Group is not engaged in the manufacturing or commercialization of plastic packaging.

Production/commercialization of goods/products packaged in plastics

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

In its business activities, the Obayashi Group is not engaged in the production or commercialization of products packaged in plastic.

Provision/commercialization of services that use plastic packaging (e.g., food services)

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

In its business activities, the Obayashi Group is not engaged in providing or commercialization of services that use plastic packaging (e.g., food services).

Provision of waste management and/or water management services

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

In its business activities, the Obayashi Group is not engaged in providing waste management or water management services.

Provision of financial products and/or services for plastics-related activities

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

In its business activities, the Obayashi Group is not engaged in providing financial products or services related to plastics.

Other activities not specified

(10.2.1) Activity applies

Select from:

Yes

(10.2.2) Comment

In the course of its business activities, the Obayashi Group uses plastic products and generates waste from plastic products. The Group is working to rationalize the use of plastic products associated with its business activities, and to reduce, recycle, and properly manage the disposal of plastic product waste.

[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

- Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

- Land/water protection
 Land/water management
 Species management
 Education & awareness
 Law & policy

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?
	Select from: <input checked="" type="checkbox"/> No, we do not use indicators, but plan to within the next two years

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

No

(11.4.2) Comment

Regarding the use of terrestrial ecosystems at design and construction sites (including both construction sites and raw material extraction sites), an analysis of the impact on nature was conducted using the Integrated Biodiversity Assessment Tool (IBAT). The analysis examined indicators such as the number of endangered species, protected areas, and Key Biodiversity Areas (KBAs) within a 1 km radius of each location.

When the results were classified according to the business activities based on the geographic context of each site, no locations fell within legally protected areas.

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

No

(11.4.2) Comment

Regarding the use of terrestrial ecosystems at design and construction sites (including both construction sites and raw material extraction sites), an analysis of the impact on nature was conducted using the Integrated Biodiversity Assessment Tool (IBAT). The analysis examined indicators such as the number of endangered species, protected areas, and Key Biodiversity Areas (KBAs) within a 1 km radius of each location.

When the analysis results were classified according to business activities based on the geographic context of each site, no locations were found to fall within UNESCO World Heritage sites.

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Yes

(11.4.2) Comment

Regarding the use of terrestrial ecosystems at design and construction sites (including both construction sites and raw material extraction sites), an analysis of the impact on nature was conducted using the Integrated Biodiversity Assessment Tool (IBAT). The analysis examined indicators such as the number of endangered species, protected areas, and Key Biodiversity Areas (KBAs) within a 1 km radius of each location.

When the analysis results were classified according to business activities based on the geographic context of each site, it was revealed that all business activities were found to host a substantial number of species recognized as threatened on the IUCN Red List, and were adjacent to protected areas and KBAs, including UNESCO Man and the Biosphere Reserves and Ramsar sites. However, no trends were observed in the number of these species or areas by construction category.

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Yes

(11.4.2) Comment

Regarding the use of terrestrial ecosystems at design and construction sites (including both construction sites and raw material extraction sites), an analysis of the impact on nature was conducted using the Integrated Biodiversity Assessment Tool (IBAT). The analysis examined indicators such as the number of endangered species, protected areas, and Key Biodiversity Areas (KBAs) within a 1 km radius of each location.

When the analysis results were classified according to business activities based on the geographic context of each site, it was revealed that all business activities were found to host a substantial number of species recognized as threatened on the IUCN Red List, and were adjacent to protected areas and KBAs, including UNESCO Man and the Biosphere Reserves and Ramsar sites. However, no trends were observed in the number of these species or areas by construction category.

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Yes

(11.4.2) Comment

Regarding the use of terrestrial ecosystems at design and construction sites (including both construction sites and raw material extraction sites), an analysis of the impact on nature was conducted using the Integrated Biodiversity Assessment Tool (IBAT). The analysis examined indicators such as the number of endangered species, protected areas, and Key Biodiversity Areas (KBAs) within a 1 km radius of each location.

When the analysis results were classified according to business activities based on the geographic context of each site, it was revealed that all business activities were found to host a substantial number of species recognized as threatened on the IUCN Red List, and were adjacent to protected areas and KBAs, including UNESCO Man and the Biosphere Reserves and Ramsar sites. However, no trends were observed in the number of these species or areas by construction category.

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

No

(11.4.2) Comment

Regarding the use of terrestrial ecosystems at design and construction sites (including both construction sites and raw material extraction sites), an analysis of the impact on nature was conducted using the Integrated Biodiversity Assessment Tool (IBAT). The analysis examined indicators such as the number of endangered species, protected areas, and Key Biodiversity Areas (KBAs) within a 1 km radius of each location.

When the analysis results were classified according to business activities based on the geographical environment of each site, there were no locations corresponding to areas identified as critical for biodiversity.

[Fixed row]

(11.4.1) Provide details of your organization's activities in the reporting year located in or near to areas important for biodiversity.

Row 1

(11.4.1.2) Types of area important for biodiversity

Select all that apply

UNESCO Man and the Biosphere Reserves

(11.4.1.4) Country/area

Select from:

Japan

(11.4.1.5) Name of the area important for biodiversity

Minami Alps Eco UNESCO Park

(11.4.1.6) Proximity

Select from:

Adjacent

(11.4.1.8) Briefly describe your organization's activities in the reporting year located in or near to the selected area

Civil engineering works were carried out within a UNESCO Man and the Biosphere (MAB) Reserve.

(11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

Other, please specify

(11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

An analysis of the impact on nature was conducted using the Integrated Biodiversity Assessment Tool (IBAT). The analysis examined indicators such as the number of endangered species, protected areas, and Key Biodiversity Areas (KBAs) within a 1 km radius of each location, and the relevant areas were identified. Since environmental measures are implemented for all construction activities, even when construction occurs adjacent to protected areas, the likelihood of significantly damaging ecosystem services within those areas is considered low. Nevertheless, management will continue through environmental impact assessments and other measures, while promoting the use of construction techniques that are considerate of nature.

Row 2

(11.4.1.2) Types of area important for biodiversity

Select all that apply

Ramsar sites

(11.4.1.4) Country/area

Select from:

Japan

(11.4.1.5) Name of the area important for biodiversity

Yatsu Tidal Flat

(11.4.1.6) Proximity

Select from:

Adjacent

(11.4.1.8) Briefly describe your organization's activities in the reporting year located in or near to the selected area

Construction work for a warehouse and distribution facility was carried out in an area adjacent to a Ramsar Convention-designated site.

(11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

Other, please specify

(11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

An analysis of the impact on nature was conducted using the Integrated Biodiversity Assessment Tool (IBAT). The analysis examined indicators such as the number of endangered species, protected areas, and Key Biodiversity Areas (KBAs) within a 1 km radius of each location, and the relevant areas were identified. Since environmental measures are implemented for all construction activities, even when construction occurs adjacent to protected areas, the likelihood of significantly damaging ecosystem services within those areas is considered low. Nevertheless, management will continue through environmental impact assessments and other measures, while promoting the use of construction techniques that are considerate of nature.

Row 3

(11.4.1.2) Types of area important for biodiversity

Select all that apply

Key Biodiversity Areas

(11.4.1.4) Country/area

Select from:

Japan

(11.4.1.5) Name of the area important for biodiversity

Chichibu-Tama-Kai National Park

(11.4.1.6) Proximity

Select from:

Adjacent

(11.4.1.8) Briefly describe your organization's activities in the reporting year located in or near to the selected area

Tunnel construction work was carried out in an area designated as a Key Biodiversity Area (KBA).

(11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

Other, please specify

(11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

An analysis of the impact on nature was conducted using the Integrated Biodiversity Assessment Tool (IBAT). The analysis examined indicators such as the number of endangered species, protected areas, and Key Biodiversity Areas (KBAs) within a 1 km radius of each location, and the relevant areas were identified. Since environmental measures are implemented for all construction activities, even when construction occurs adjacent to protected areas, the likelihood of significantly damaging ecosystem services within those areas is considered low. Nevertheless, management will continue through environmental impact assessments and other measures, while promoting the use of construction techniques that are considerate of nature.

[Add row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

Waste data

Fuel consumption

Renewable fuel consumption

Emissions breakdown by business division

Electricity/Steam/Heat/Cooling generation

Electricity/Steam/Heat/Cooling consumption

- Emissions breakdown by country/area
- Energy attribute certificates (EACs)

- Renewable Electricity/Steam/Heat/Cooling generation
- Renewable Electricity/Steam/Heat/Cooling consumption

(13.1.1.3) Verification/assurance standard

Climate change-related standards

- ISO 14064-3

(13.1.1.4) Further details of the third-party verification/assurance process

Once a year, the previous fiscal year's results are verified and certified. The calculations are based on primary data collected from relevant departments, and the verification includes an assessment of the accuracy of this data.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Obayashi_Greenhouse Gas Emissions Verification.pdf
[Add row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Representative Director, President and CEO

(13.3.2) Corresponding job category

Select from:

- Director on board

[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:

Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute