

March 27, 2026

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

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## **Notice Concerning the Introduction of a “Stock-Granting ESOP Trust”**

OBAYASHI CORPORATION (hereinafter referred to as the “Company”) hereby announces that, at a meeting of the Board of Directors held on March 27, 2026, it resolved to introduce a Stock-Granting Employee Stock Ownership Plan Trust (the “ESOP Trust”) as a stock-based incentive plan (the “Plan”) for employees in managerial positions who meet certain requirements (the “Eligible Managers”).

Details of the acquisition of the Company’s shares by the ESOP Trust and other related matters will be announced once they are determined.

### **1. Purpose of Introducing the ESOP Trust**

The Obayashi Group has defined the direction of its sustainable growth strategy as “establishing a Group-wide business structure centered on the domestic construction business and in which other businesses generate performance equal to or greater than that of the domestic construction business,” and has been accelerating Company-wide transformation based on the Obayashi Group Medium-Term Business Plan 2022.

In order to address the various challenges accompanying this transformation, the Company has decided to fundamentally restructure its conventional seniority-based personnel system. Specifically, the Company will give top priority to strengthening its managerial talent pool by tightening promotion requirements and transitioning to a work-duty based remuneration and position system. In addition, to enhance the attractiveness of the construction industry, the Company will introduce incentives for on-site assignments, overseas assignments and transfers, revise the remuneration system to allow for flexible work styles to ensure that senior employees can continue to play an active role in the future. Through these measures, the Company aims to enhance employee engagement and establish an organizational structure in which diverse talent can fully demonstrate their capabilities both domestically and internationally.

Against this backdrop, the Company will introduce the Plan for the Eligible Managers who are expected to lead these transformation initiatives, with the objective of enhancing their awareness of mid- to long-term performance and share price, and encouraging business execution aimed at increasing corporate value.

### **2. Overview of the ESOP Trust**

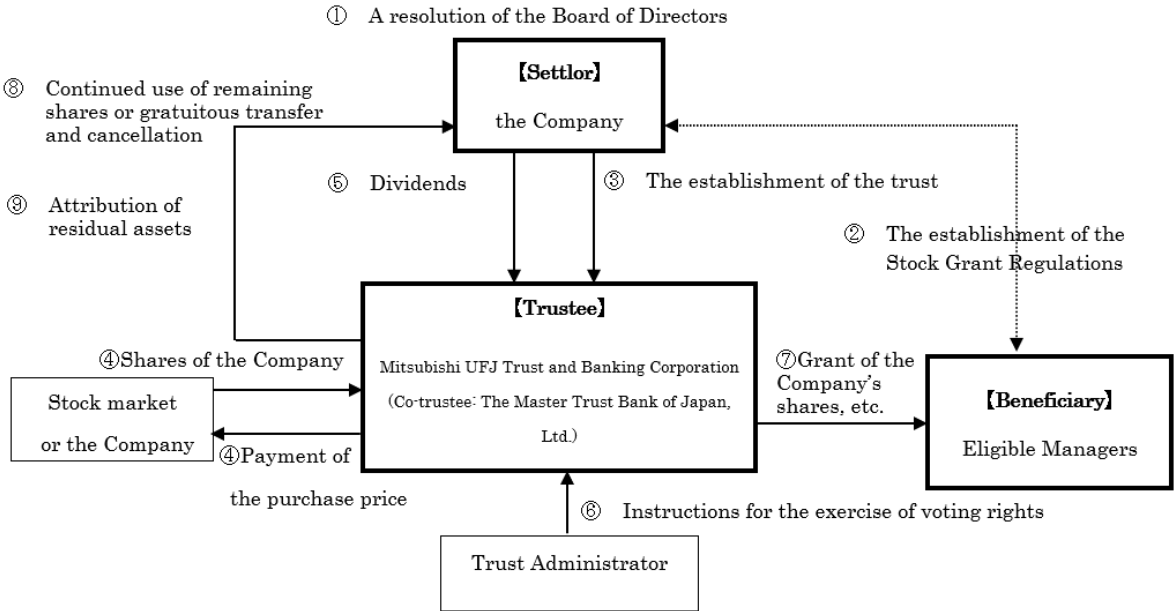
#### **(1) Overview of the Plan**

The ESOP Trust is a trust-based employee incentive plan designed to expand the remuneration system for employees that utilizes the Company’s shares.

The Company will establish the ESOP Trust by contributing funds for the acquisition of the Company’s shares, designating Eligible Managers who meet prescribed requirements as beneficiaries. The Trust will purchase the number of Company shares expected to be granted to the Eligible Managers from the stock market in advance, in accordance with the pre-determined stock grant regulations. Thereafter, in accordance with the stock grant regulations, the ESOP Trust will deliver the Company’s shares and/or pay cash equivalent to the proceeds from the sale of such shares, depending on factors such as the Company’s performance and the work status of the Eligible Managers during the trust period. As the Company contributes all funds for the acquisition of Company’s shares to be conducted by the ESOP Trust, Eligible Managers do not bear any such costs.

The Company has already introduced a performance-linked stock remuneration system for its Directors (excluding Independent Directors) and executive officers called a “Board Incentive Plan (BIP) Trust.” Through the introduction of the ESOP Trust, the Company encourages management and Eligible Managers to work together as one toward the enhancement of sustainable corporate value.

**(2) Structure of the ESOP Trust**



- ① The Company obtains a resolution of the Board of Directors regarding the introduction of the Plan.
- ② The Company establishes stock grant regulations related to the Plan through a resolution of the Board of Directors.
- ③ The Company entrusts a specified amount of money to the trustee and establishes the ESOP Trust, designating Eligible Managers who meet beneficiary requirements as beneficiaries.
- ④ In accordance with instructions from the trust administrator, the ESOP Trust acquires the Company’s shares from the stock market using the funds contributed in ③.
- ⑤ Dividends are paid on the Company’s shares held in the ESOP Trust in the same manner as other outstanding shares of the Company.
- ⑥ Voting rights attached to the Company’s shares held in the ESOP Trust are exercised throughout the trust period in accordance with instructions from the trust administrator.
- ⑦ During the trust period, Eligible Managers are granted a certain number of points based on performance target achievement and other criteria, and such points accumulate. Upon satisfying prescribed beneficiary requirements, Eligible Managers receive, at retirement, the Company’s shares corresponding to a specified percentage of their accumulated points, while the remaining shares corresponding to the remaining points are sold within the ESOP Trust and cash equivalent to the proceeds is paid in accordance with the trust agreement.
- ⑧ Upon expiration of the trust period, any residual shares will either be continuously utilized under the Plan or a similar stock grant plan, or be transferred to the Company free of charge and cancelled pursuant to a resolution of the Board of Directors.

- ⑨ Upon termination of the ESOP Trust, residual trust assets remaining after distribution to beneficiaries will belong to the Company within the scope of the trust expense reserve after deducting share acquisition funds. Any excess amount will be distributed to Eligible Managers who meet prescribed requirements, and the remaining amount shall be donated to organizations with no affiliation to the Company.

(Note) If all of the Company's shares held in the trust are delivered to Eligible Managers who meet the beneficiary requirements, the ESOP Trust may terminate prior to the expiration of the trust period. In addition, the Company may make additional monetary contributions to the ESOP Trust for the acquisition of additional Company shares.

(Reference) Outline of the Trust Agreement (Planned)

(1)	Types of Trusts	Monetary trusts other than specified single trusts
(2)	Purpose of the Trust	Granting incentives to Eligible Managers
(3)	Settlor	The Company
(4)	Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(5)	Beneficiaries	Eligible Managers who satisfy the beneficiary requirements
(6)	Trust Administrator	A professional third party with no conflict of interest with the Company
(7)	Trust Agreement Date	July 27, 2026 (planned)
(8)	Trust Period	July 27, 2026 to July 27, 2029 (planned) If the trust is continued through amendments to the trust agreement and additional contributions at the end of the initial trust period, each subsequent trust period is planned to be three years.
(9)	Plan Commencement Date	April 2026 (planned)
(10)	Exercise of Voting Rights	The trustee shall exercise voting rights attached to the Company's shares in accordance with instructions from the trust administrator, reflecting the voting intentions of potential beneficiaries.
(11)	Type of Shares to be Acquired	Common shares of the Company
(12)	Total Amount of Shares to be Acquired	¥5,634 million (planned)
(13)	Method of Share Acquisition	Acquisition from the stock market
(14)	Timing of Share Acquisition	August, 2026 (planned)
(15)	Residual Rights Holder	The Company
(16)	Residual Assets	Residual assets receivable by the Company shall be limited to the trust expense reserve after deducting share acquisition funds.

Disclaimer:

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