On March 23, 2018, Oabayashi Corporation (hereinafter referred to as the “Corporation”) was accused by the Japan Fair Trade Commission of committing criminal acts regarding the incident involving a violation of the Antimonopoly Act in relation to bids for the Chuo Shinkansen construction project. In response, the prosecutors of the Tokyo District Public Prosecutors Office have prosecuted the Corporation (however, no specific individuals related to the Corporation were prosecuted).

This is a truly regrettable situation and we deeply apologize to our shareholders and other stakeholders for the concern that this matter has caused.

In light of the investigations performed in December of last year by the Tokyo District Public Prosecutors Office and the Japan Fair Trade Commission regarding the violation of the Antimonopoly Act described above, on March 1, 2018, the Corporation reformed its management structure, which included changing the President, and is working to get to the root of the matter and enhance the compliance structure.

The Corporation takes this matter very seriously and hereby announces that, while all officers and employees strive for more thorough adherence to compliance, the Directors are volunteering to return a portion of their remuneration as proof of their resolve. The details are as follows.

1 Details of the return of remuneration
- All Representative Directors: 30% of their monthly remuneration
- All Directors (excluding Outside Directors): 20% of their monthly remuneration

2 Timeframe for the return of remuneration
- From April 2018 to June 2018 (three months)

Disclaimer
This document announced in the Japanese language at the Tokyo Stock Exchange on March 23, 2018 was translated into English and presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between the Japanese announcement and this English translation, the former will prevail.

If you have any questions, please contact Obayashi investor relations at irk@ml.obayashi.co.jp.