

Obayashi Corporation

UK Tax Strategy

For the Fiscal Year ending 31 March 2027

Business Overview

Obayashi Corporation (“the Group”), is a general construction contractor that was founded in 1892 in Japan. We operate construction business, real estate development business, and businesses in new areas such as renewable energy, PPP, etc. around the world, mainly in Japan, North America, and Asia, and we have a global network of 155 group companies (as of 24 March 2026). We strive for continued improvement of our enterprise value by contributing to the realisation of a sustainable society, and maintaining the trust of all of our stakeholders such as investors, customers and regional society.

This tax strategy applies to all the group companies (“the Companies”) located in the UK under Obayashi Corporation. It has been published in accordance with paragraph 19(2) of Schedule 19 of the Finance Act 2016 in respect of the companies for the financial year ending 31 March 2026.

The tax strategy was approved for publication on 24 March 2026.

Approach to risk management and governance arrangements

We have built a strong system of corporate governance to ensure that the Group upholds the trust of our society and stakeholders at large. Our Code of Conduct within the Obayashi Basic Principles stipulate strict adherence to corporate ethics, and this effort is led by our top management throughout the group. Our risk management system encompasses all our group companies and ensures that all corporate activities are implemented with strict adherence to our corporate ethics.

We seek external professional advice to reduce potential tax exposures and manage a two-way communication to ensure that their recommendations are aligned with our corporate principles. Our UK directors are responsible for the day to day management of tax issues or risks of the UK companies, and matters are reported to our Japanese headquarters on a timely basis, as appropriate. Professional advisors have also been appointed to manage all UK tax compliance obligations on behalf of the companies, subject to the oversight of our UK directors.

Attitude towards Tax Planning

The Group makes strategic growth-oriented investment to build a diverse and high-quality business portfolio, and will consider tax efficient strategies in doing so but will not enter into any aggressive tax planning arrangements.

The Companies follow the group’s principles and guidelines insofar as they affect UK taxation to comply with laws and regulations while taking a sensible course of action. We seek tax advice in areas of complexity.

Tolerance of UK Tax Risks

The Group takes on a conservative approach with regards to regulatory compliance and ensures that the same principles apply its UK branch and company. We consistently evaluate our tolerance for tax risk while complying with UK tax obligations for the company and global tax obligations generally. The Group is focused on aligning the UK tax strategy with underlying business operations.

Approach to dealing with HMRC

The companies are committed to maintaining an open and transparent relationship with HMRC. This is achieved with assistance from our external advisors to provide timely responses to any questions and inquiries that HMRC may raise, to ensure that we remain compliant with UK tax rules and regulations.

¹ For the purposes of the UK Finance Act 2016 Sch 19 the UK entities of the Obayashi Corporation who have adopted this Tax Strategy are as follows: -

- Obayashi Corporation (UK Branch)
- Obayashi Properties UK Limited
- 60 Gracechurch (General Partner) Limited