Financial Results for 2Q/ FY2012 (cumulative) and Forecasts for Full FY2012

November 13, 2012

OBAYASHI CORPORATION
Disclaimer

This investor presentation, an English translation of the presentation made at the investor meeting at Obayashi Corporation (Tokyo, Japan) on November 13, 2012 as a digest of Obayashi Corporation's "Summary of the 2nd Quarter (cumulative) Financial Results for FY2012 ending March 2013" ("Kessan Tanshin") disclosed at the Tokyo Stock Exchange on November 12, 2012, is presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between Japanese "Kessan Tanshin" and this presentation, Japanese "Kessan Tanshin" will prevail. This investor presentation is not to solicit any individuals or entities to buy or sell stocks of Obayashi Corporation (OC). This investor presentation contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. The unit used is 100 million yen or Japanese "oku-yen" unless otherwise specified.
Financial Results for 2Q/FY2012 (Cumulative) and Forecasts for Full FY2012
### Consolidated Overview of Financial Results

<table>
<thead>
<tr>
<th></th>
<th>2Q FY2011</th>
<th>2Q FY2012</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>5,448</td>
<td>6,533</td>
<td>1,084</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>453</td>
<td>504</td>
<td>51</td>
</tr>
<tr>
<td>Operating Income</td>
<td>63</td>
<td>119</td>
<td>56</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>61</td>
<td>122</td>
<td>60</td>
</tr>
<tr>
<td>Net Income</td>
<td>115</td>
<td>56</td>
<td>(58)</td>
</tr>
</tbody>
</table>
【Consolidated】Net Sales by Business Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2Q FY2011 Result</th>
<th>2Q FY2012 Result</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas building const.</td>
<td>653</td>
<td>863</td>
<td>+209 (+32.1%)</td>
</tr>
<tr>
<td>Real estate business and other</td>
<td>331</td>
<td>473</td>
<td>+142 (+42.8%)</td>
</tr>
<tr>
<td>Domestic building const.</td>
<td>3,389</td>
<td>3,824</td>
<td>+434 (+12.8%)</td>
</tr>
<tr>
<td>Overseas civil eng.</td>
<td>137</td>
<td>166</td>
<td>+29 (+21.2%)</td>
</tr>
<tr>
<td>Domestic civil eng.</td>
<td>936</td>
<td>1,205</td>
<td>+269 (+28.8%)</td>
</tr>
</tbody>
</table>

YoY +1,084
## Consolidated Operating Income by Business Segment

<table>
<thead>
<tr>
<th></th>
<th>2Q 2011</th>
<th>2Q 2012</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating margin</td>
<td>Operating margin</td>
<td>(100 million yen)</td>
</tr>
<tr>
<td>Domestic civil engineering</td>
<td>(2.4%)</td>
<td>2.0%</td>
<td>46</td>
</tr>
<tr>
<td>Overseas civil engineering</td>
<td>5.0%</td>
<td>(6.7%)</td>
<td>(18)</td>
</tr>
<tr>
<td>Domestic building construction</td>
<td>1.2%</td>
<td>1.1%</td>
<td>2</td>
</tr>
<tr>
<td>Overseas building construction</td>
<td>2.4%</td>
<td>2.0%</td>
<td>1</td>
</tr>
<tr>
<td>Construction total</td>
<td>0.8%</td>
<td>1.2%</td>
<td>32</td>
</tr>
<tr>
<td>Real estate business and other</td>
<td>6.9%</td>
<td>9.9%</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>1.2%</td>
<td>1.8%</td>
<td>56</td>
</tr>
</tbody>
</table>
【Consolidated】Breakdown of Increase/Decrease in Net Income

Changes in operating income: 56
Changes in non-operating balance: 4

Changes in other extraordinary losses: △4
Changes in income taxes: 38
Changes in minority interest: △11
Previous fiscal year gain on sales of investment securities: △141

(100 million yen)

2Q FY2011: 115
2Q FY2012: 56
△58
【Consolidated】Transition of Interest-bearing Debt

(100 million yen)

- Short-term loans payable inc. CP: 1,325
- Long-term loans payable: 1,267
- Bonds: 600
- PFI, etc.: 843

- March 31, 2012: 4,051
- September 30, 2012: 3,990
- March 31, 2013 Forecast: 3,900

- Short-term loans payable inc. CP: 1,325
- Long-term loans payable: 1,282
- Bonds: 600
- PFI, etc.: 843

- March 31, 2012: 4,051
- September 30, 2012: 3,990
- March 31, 2013 Forecast: 3,900
## 【Consolidated】Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>2Q FY2011</th>
<th>2Q FY2012</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td>(41)</td>
<td>36</td>
<td>78</td>
</tr>
<tr>
<td>Investing activities</td>
<td>103</td>
<td>(268)</td>
<td>(371)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>(218)</td>
<td>(73)</td>
<td>144</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>(174)</td>
<td>(307)</td>
<td>(132)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of period</td>
<td>915</td>
<td>909</td>
<td>(5)</td>
</tr>
</tbody>
</table>
## Consolidated Forecast for FY2012

(100 million yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2011 Result</th>
<th>FY2012 Forecast</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>12,457</td>
<td>14,000</td>
<td>1,542</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>1,106</td>
<td>1,130</td>
<td>23</td>
</tr>
<tr>
<td>Operating Income</td>
<td>311</td>
<td>340</td>
<td>28</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>352</td>
<td>370</td>
<td>17</td>
</tr>
<tr>
<td>Net Income</td>
<td>51</td>
<td>110</td>
<td>58</td>
</tr>
</tbody>
</table>
【Non-consolidated】Forecast for Net Sales

(100 million yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Result</th>
<th>Forecast (announced in May)</th>
<th>New forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2009</td>
<td>7,735</td>
<td>1,994</td>
<td>2,000</td>
</tr>
<tr>
<td>FY2010</td>
<td>6,128</td>
<td>1,786</td>
<td>2,000</td>
</tr>
<tr>
<td>FY2011</td>
<td>7,352</td>
<td>1,724</td>
<td>7,600</td>
</tr>
<tr>
<td>FY2012</td>
<td>7,600</td>
<td>2,000</td>
<td>2,000</td>
</tr>
</tbody>
</table>

YoY:
- Domestic civil eng. +275 (+16.0%)
- Overseas civil eng. +77 (+54.9%)
- Domestic building const. +247 (+3.4%)
- Overseas building const. +287 (+135.6%)
- Real estate business and other +124 (+60.7%)
【Consolidated】Forecast for Net Sales

(100 million yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Result</th>
<th>Forecast (announced in May)</th>
<th>New forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2009</td>
<td>13,414</td>
<td></td>
<td>14,000</td>
</tr>
<tr>
<td>FY2010</td>
<td>11,318</td>
<td></td>
<td>14,000</td>
</tr>
<tr>
<td>FY2011</td>
<td>12,457</td>
<td></td>
<td>14,000</td>
</tr>
<tr>
<td>FY2012</td>
<td></td>
<td>14,000</td>
<td></td>
</tr>
</tbody>
</table>

**Domestic civil eng.**
- FY2009: 2,777
- FY2010: 2,523
- FY2011: 2,400
- Forecast: 2,685
- New forecast: 2,685

**Domestic building const.**
- FY2009: 8,106
- FY2010: 6,437
- FY2011: 7,618
- Forecast: 7,885
- New forecast: 7,885

**Overseas civil eng.**
- FY2009: 469
- FY2010: 473
- FY2011: 310
- Forecast: 455
- New forecast: 455

**Overseas building const.**
- FY2009: 1,535
- FY2010: 1,114
- FY2011: 1,372
- Forecast: 1,925
- New forecast: 1,925

**Real estate business and other**
- FY2009: 525
- FY2010: 769
- FY2011: 755
- Forecast: 1,050
- New forecast: 1,050

**YoY**
- Domestic civil eng.: +284 (+11.8%)
- Domestic building const.: +266 (+3.5%)
- Overseas civil eng.: +144 (+46.5%)
- Overseas building const.: +552 (+40.3%)
- Real estate business and other: +294 (+38.9%)
### Consolidated Forecast for Operating Income by Business Segment

<table>
<thead>
<tr>
<th></th>
<th>FY2011</th>
<th>FY2012</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating margin</td>
<td></td>
<td>Operating margin</td>
</tr>
<tr>
<td>Domestic civil engineering</td>
<td>1.2%</td>
<td>29</td>
<td>3.2%</td>
</tr>
<tr>
<td>Overseas civil engineering</td>
<td>29.5%</td>
<td>91</td>
<td>(2.6%)</td>
</tr>
<tr>
<td>Domestic building construction</td>
<td>1.9%</td>
<td>142</td>
<td>1.7%</td>
</tr>
<tr>
<td>Overseas building construction</td>
<td>0.8%</td>
<td>11</td>
<td>1.8%</td>
</tr>
<tr>
<td>Construction Total</td>
<td>2.4%</td>
<td>275</td>
<td>1.8%</td>
</tr>
<tr>
<td>Real estate business and other</td>
<td>4.8%</td>
<td>36</td>
<td>9.7%</td>
</tr>
<tr>
<td>Total</td>
<td>2.5%</td>
<td>311</td>
<td>2.4%</td>
</tr>
</tbody>
</table>
【Non-consolidated】Forecast for Orders Received

(100 million yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic civil eng.</th>
<th>Overseas civil eng.</th>
<th>Domestic building const.</th>
<th>Overseas building const.</th>
<th>Real estate business and other</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2009</td>
<td>1,782 (Δ369 Δ17.1%)</td>
<td>7,450</td>
<td>303</td>
<td>1,489</td>
<td>470</td>
</tr>
<tr>
<td>FY2010</td>
<td>1,489</td>
<td>6,978</td>
<td>119</td>
<td>1,800</td>
<td>174</td>
</tr>
<tr>
<td>FY2011</td>
<td>2,169</td>
<td>7,518</td>
<td>279</td>
<td>500</td>
<td>299</td>
</tr>
<tr>
<td>FY2012</td>
<td>1,800</td>
<td>7,700</td>
<td>500</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Forecast (announced in May)</td>
<td>1,800</td>
<td>7,700</td>
<td>500</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>New forecast</td>
<td>1,800</td>
<td>7,700</td>
<td>500</td>
<td>300</td>
<td>300</td>
</tr>
</tbody>
</table>

YoY: +302

△369 (Δ17.1%)

+220 (+78.7%)

+181 (+2.4%)

+200 (+66.8%)

+70 (+30.9%)
【Consolidated】Forecast for Orders Received

(100 million yen)

- **FY2009 Result**
  - Domestic civil eng.: 1,721, 675
  - Domestic building const.: 1,507, 722
  - Overseas civil eng.: 1,517, 729
  - Overseas building const.: 1,700, 700
  - Real estate business and other: △29, (△4.0%)

- **FY2010 Result**
  - Domestic civil eng.: 2,534, 303
  - Domestic building const.: 2,117, 119
  - Overseas civil eng.: 2,864, 607
  - Overseas building const.: 8,100, 800
  - Real estate business and other: △364, (△12.7%)

- **FY2011 Result**
  - Domestic civil eng.: 2,117, 119
  - Domestic building const.: 8,100, 800
  - Overseas civil eng.: 13,627, 12,500
  - Overseas building const.: 12,823, 11,806
  - Real estate business and other: △1,721, (△12.7%)

- **FY2012 Forecast (announced in May)**
  - Domestic civil eng.: △364, (△12.7%)
  - Domestic building const.: +191, (+2.4%)
  - Overseas civil eng.: +192, (+31.7%)
  - Overseas building const.: +182, (+12.1%)
  - Real estate business and other: △29, (△4.0%)

- **New forecast**
  - Domestic civil eng.: 13,800
  - Domestic building const.: 13,800
  - Overseas civil eng.: 13,800
  - Overseas building const.: 13,800
  - Real estate business and other: △1,721, (△12.7%)

- **YoY** +172
【Non-consolidated】Transition of Gross Profit on Completed Construction Contracts

- **FY2011 Result**
  - Civil engineering: 429
  - Building construction: 418
  - Total: 847
- **Forecast (announced in May)**
  - Civil engineering: 277
  - Building construction: 520
  - Total: 797
- **FY2012 New forecast**
  - Civil engineering: 210
  - Building construction: 520
  - Total: 730

**Gross profit on completed construction contracts**

- **FY2009 Result**: 210
- **FY2010 Result**: 520
- **FY2011 Result**: 730

**Gross margin**

- **FY2009 Result**: 5.4%
- **FY2010 Result**: 6.5%
- **FY2011 Result**: 6.8%
- **Forecast (announced in May)**
  - Civil engineering: 7.1%
  - Building construction: 6.4%
  - Total: 6.4%
- **New forecast**: 6.4%

- **FY2012 New forecast**
  - Civil engineering: 9.5%
  - Building construction: 6.4%
  - Total: 9.5%

**Changes**

- FY2009 Result to FY2010 Result: △521
- FY2010 Result to FY2011 Result: △600
- FY2011 Result to Forecast: △91
- Forecast to New forecast: △21.1

*OBAYASHI CORPORATION*
Progress of Obayashi Group
Medium-Term Business Plan 2012
In addition to further growth in its core businesses, Obayashi Group pursues diversification of revenue structure.
### Overview of Consolidated Business Plan

<table>
<thead>
<tr>
<th></th>
<th>FY2011 Result</th>
<th>FY2012 Forecast</th>
<th>FY2014 Plan</th>
<th>Beyond FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>12,457</td>
<td>14,000</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td>11,701</td>
<td>12,950</td>
<td>14,000</td>
<td></td>
</tr>
<tr>
<td><strong>Domestic</strong></td>
<td>86%</td>
<td>82%</td>
<td>80%</td>
<td>30% Overseas</td>
</tr>
<tr>
<td><strong>Overseas</strong></td>
<td>14%</td>
<td>18%</td>
<td>20%</td>
<td>70% Domestic</td>
</tr>
<tr>
<td><strong>Real estate, etc.</strong></td>
<td>756</td>
<td>1,050</td>
<td>900</td>
<td></td>
</tr>
<tr>
<td><strong>New businesses</strong></td>
<td>—</td>
<td>0</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>311</td>
<td>340</td>
<td>450</td>
<td></td>
</tr>
<tr>
<td>(Operating Margin)</td>
<td>2.5%</td>
<td>2.4%</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Domestic construction</strong></td>
<td>66%</td>
<td>64%</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td><strong>Other than the above</strong> (Overseas construction, real estate, new businesses etc.)</td>
<td>34%</td>
<td>36%</td>
<td>40%</td>
<td></td>
</tr>
</tbody>
</table>

※Average between FY2006 and FY2011 except for FY2009
Enhance business system and organization to expand share of orders in Tokyo Metropolitan Area

- Non-consolidated 2Q FY2012 orders received
  [Tokyo Metropolitan Area] Increased by 660 from same period previous year (70% increase)
  [Total in Japan] Increased by 800 (30% increase)
  ⇒ Good performance in Tokyo Metropolitan Area

- Target to achieve the FY2012 forecasted orders, net sales and gross profit through strategies below:
  - Increase sales force in Tokyo Metropolitan Area
  - Promote overseas and central procurement
  - Deal with the problem of increase in labor costs

![Performance transition/Non-consolidated/Domestic construction building](chart)
**Medium-Term Business Plan 2012 | Principal Strategies by Business Unit - Civil Engineering |**

- Actively participate in public infrastructure projects for disaster prevention and mitigation which provide for a safe and secure environment

**Vertical Telescopic Breakwater**

Moving steel piles breakwater the first in the world that rises to the surface swiftly during the time of tsunami and protects harbors and communities from damage, contributing disaster prevention and mitigation.

**Developed radioactive shielding technology, applying seawater concrete**

**Materials**
Mixer Water: Sea water
Binder: Slag cement
Aggregate: Heavy weight aggregate
Admixture: Special admixture

**Performance**
Coefficient of permeability: 1/70 of ordinary concrete
Gamma radiation shielding rate (50cm thickness): 99.6%

**Technological Development**

(100 million yen)

<table>
<thead>
<tr>
<th>Orders</th>
<th>Net sales</th>
<th>Gross Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,169 (Result FY2011)</td>
<td>1,800 (Forecast FY2012)</td>
<td>195 (Forecast FY2012)</td>
</tr>
<tr>
<td>2,000 (Forecast FY2012)</td>
<td>1,724 (Result FY2011)</td>
<td>156 (Result FY2011)</td>
</tr>
<tr>
<td>1,848 (Result 2Q FY2012)</td>
<td>915 (Result 2Q FY2012)</td>
<td>85 (Result 2Q FY2012)</td>
</tr>
<tr>
<td>797 (Result 2Q FY2011)</td>
<td>689 (Result 2Q FY2012)</td>
<td>55 (Result 2Q FY2012)</td>
</tr>
</tbody>
</table>
Bolster real estate leasing business and make it a stable & solid source of revenue

Expand group’s overall real estate earnings
- Obayashi Corporation
- Obayashi Real Estate
- Seiwa Real Estate

Leasing Business | Target for FY2014
---|---
Gross Profit | JPY12 Billion (FY2011: JPY7.5 Billion)
Increase by 60% from FY2011

Effective Use
- Kumiyma Distribution Center
  - Leasing business utilizing company-owned property (Osaka Material/Equipment Center)
  - Equipped with solar power generation on the roof
    (Started operation in July 2012)

Scrap & Build
- oak omotesando
  - The complex building comprising offices and commercial facilities
  - Applied environmentally cutting-edge technologies
    (Scheduled to complete in March 2013)

New Acquisition
- Grand Front Osaka
  - Large scale redevelopment project directly linked to JR Osaka Station
  - 4 super high-rise buildings comprising offices commercial facilities, hotel and condominiums
    (Scheduled to complete in March 2013)
Further Strategic Global Expansion

**Business expansion centered in 3 regions**

- **Middle East**
  - ◇ Obayashi Qatar (Qatar)

- **Oceania**
  - ◇ Australia Office (Australia)

**Establishment of Network**

**Awarded infrastructure project (Singapore)**

- Construction Place: West Singapore
- Contract Sum: Around 14.3 billion yen
- Outline of Project: Construction of two cross-island transmission cable tunnel; North–South Tunnels is 18.5km and East–West Tunnels is 16.5km.

**Design & build project for Pan American Games Athletics Stadium**

- Construction Place: Ontario, Canada
- Joint Venture: Bouygues Building Canada & Kenaidan Contracting (Obayashi’s subsidiary)
- Outline of Project: Design and construction of 3 stadium

**Consolidated overseas orders**

<table>
<thead>
<tr>
<th></th>
<th>FY2011 Result</th>
<th>FY2012 Forecast</th>
<th>FY2014 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,124 (16%)</td>
<td>2,500 (19%)</td>
<td>Over 20%</td>
</tr>
<tr>
<td></td>
<td>1,682 (14%)</td>
<td>2,380 (18%)</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Consolidated overseas net sales**

- (100 million yen)

**Design & build project for Pan American Games Athletics Stadium**

- Construction Place: Ontario, Canada
- Joint Venture: Bouygues Building Canada & Kenaidan Contracting (Obayashi’s subsidiary)
- Outline of Project: Design and construction of 3 stadium
Business Innovation  Development of technology into direct source of profit

Establish Obayashi Clean Energy  Enter the renewable energy business

Mega solar power generation projects decided commercialization

- Number of projects: 8
- Total generation volume: 34.3 MW
- Utilization of company-owned properties, Tender by local governments and utilization of public and private properties

【Principal mega solar power generation projects】

Place: Akune City in Kagoshima Prefecture
Volume: About 2.8 MW

Place: Ashikita Town in Kumamoto Prefecture
Volume: About 21.5 MW

Target of FY2014

- Number of projects: About 20
- Total generation volume: 100 MW
- Net sales: About 4 billion yen
  (Premise: 100MW operation in full year)

In the future,

- Enter the power generation business utilizing other renewable energies such as wind, geothermal and biomass.
Emission ZEB in Techno-Station, the Main Building of Obayashi Technical Research Institute

In FY2011, the facility achieved “ZEB” status, zero annual CO2 emissions, through cutting-edge environmental and energy-saving technologies the first in Japan.

OC shall apply these accomplishments for BCP, business continuity plan, at time of disasters and electricity saving.

Clean-Crete (Low-carbon concrete)

A low-carbon concrete that produces up to 80% less CO2 emission compared to normal concrete by replacing part of cement with industrial by-products from steel manufacturing and coal thermal power generation. The Clean-Crete has same or better quality and more economical than normal concrete.

Ranked No.1 in Patent Asset Ranking in 2 consecutive years

Obayashi has “strength” in the fields of foundation works and tunnels.

Technologies of reinforcing methods and structural reinforcements for existent properties are evaluated as the patents drawing particular attention.

※“Patent Asset Ranking for the Construction Industry in 2012” was published by Patent Result, a patent analysis company.

<table>
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<th>Rank</th>
<th>Previous year</th>
<th>Company</th>
<th>Patent Asset (pt)</th>
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