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## **Notice of Convocation of the 106th Ordinary General Meeting of Shareholders**

Security Code: 1802  
June 3, 2010

Dear Shareholders,

You are cordially invited to attend the 106th Ordinary General Meeting of Shareholders of OBAYASHI CORPORATION (hereinafter referred to as the "Corporation"). The meeting will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal voting or Internet voting as below. Prior to voting, please examine the attached Reference Documents for General Meeting of Shareholders and vote in one of the following ways: (1) filling in the enclosed "Form for Exercising Voting Rights" and posting it to us by mail, or (2) via the Internet at the designated website below so that your vote is received by 5:15 p.m. on Thursday, June 24, 2010 in Japan Standard Time.

### Postal voting

Please carefully read and examine "Reference Documents for General Meeting of Shareholders" on pages 3 to 8 and return the enclosed "Form for Exercising Voting Rights" indicating your vote for or against each proposal by the time and date stated above.

### Internet voting

Prior to voting, please review "Guide to Exercising Voting Rights via the Internet" on pages 9 to 10, access the website to exercise your voting rights (<http://www.evotep.jp/>) and exercise your voting right by indicating your vote for or against each proposal by the time and date stated above.

Sincerely yours,

Toru Shiraishi  
President  
OBAYASHI CORPORATION  
Head Office:  
2-15-2, Konan, Minato-ku, Tokyo  
Osaka Main Office:  
4-33, Kitahamahigashi, Chuo-ku, Osaka

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### Notes:

- \* You are kindly requested to present the enclosed "Form for Exercising Voting Rights" to the receptionist when you attend the meeting.
- \* If you intend to exercise your voting rights by proxy, one other shareholder who possesses voting rights may attend the General Meeting of Shareholders as proxy. If this is the case, please note that such shareholder is requested to submit the letter of proxy.
- \* If any changes have been made to items in the Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements or the Reference Documents for General Meeting of Shareholders, such changes will be posted on our website (<http://www.obayashi.co.jp/>).

## Details of the General Meeting of Shareholders

**1. Date and Time:**

Friday, June 25, 2010, at 10:00 a.m. (Japan Standard Time)

**2. Place:**

Head Office of the Corporation (3F Auditorium), Shinagawa Intercity Tower B,  
2-15-2, Konan, Minato-ku, Tokyo, Japan

**3. Agenda**

**Matters to be reported:**

Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 106th Fiscal Year (from April 1, 2009 to March 31, 2010; hereinafter referred to as the “fiscal year under review”), as well as the audit reports of the Accounting Auditors and the Board of Corporate Auditors for Consolidated Financial Statements

**Matters to be resolved:**

**Proposal 1:** Appropriation of Surplus

**Proposal 2:** Partial Amendment to the Articles of Incorporation

**Proposal 3:** Election of Twelve (12) Directors

**Proposal 4:** Election of Two (2) Corporate Auditors

## Reference Documents for General Meeting of Shareholders

### Proposals and Reference Issues

#### **Proposal 1: Appropriation of Surplus**

The basic policy of the Corporation is to return profits to shareholders in accordance with its business performance, while placing its priorities on maintaining long-term stable dividends, as well as increasing internal reserves for further strengthening financial standing, technological development and capital investments for the future.

Under the policy, with respect to the appropriation of the retained earnings for the fiscal year under review, the Corporation proposes a year-end dividend of 4 yen per share. We also propose to withdraw 30 billion yen out of “General reserve” and transfer it to “Retained earnings brought forward” because “Retained earnings brought forward” for the fiscal year under review were negative due to a significant loss.

In addition to the interim dividend of 4 yen, the annual dividend would amount to 8 yen per share.

#### **1. Matters concerning year-end dividends**

- (1) Type of dividend property: Cash
- (2) Appropriation of dividends to shareholders and total amount of dividends  
Dividend per share: 4 yen  
Total amount of dividends: 2,875,146,456 yen
- (3) Date of effectiveness: June 28, 2010

#### **2. Other matters concerning appropriation of retained earnings**

- (1) Item and amount of retained earnings to be increased  
Retained earnings brought forward: 30 billion yen
- (2) Item and amount of retained earnings to be decreased  
General reserve: 30 billion yen

#### **Proposal 2: Partial Amendment to the Articles of Incorporation**

##### **1. Reasons for amendment**

The registered location of the principal office will be changed to Minato-ku, Tokyo as of July 1, 2010. In response, we propose to make necessary amendments to Articles 4 and 6 of the current Articles of Incorporation and newly establish a necessary supplementary provision.

Further, because the Corporation changed the system from April 1, 2010 to one in which Directors can concurrently hold the position of Executive Officer, the Corporation proposes to delete the provision regarding Directors with specific titles (Executive Vice Presidents, Senior Managing Directors, and Managing Directors), which is no longer required, and make a necessary amendment to the current Article 24.

## 2. Details of proposed amendment

Details of the proposed amendment are as follow:

(Underlined portions indicate the parts that are to be amended.)

Current Article	Proposed Amendment
<p>Article 4 (Seat of principal office )</p> <p>The principal office of the Corporation shall be located in <u>Osaka City</u>.</p> <p>Article 6 (Method of public notice)</p> <p>Notice to the public by the Corporation shall be given electronically. However, if electronic public notice does not work due to any accident or other unavoidable reasons, such notice shall be given in the Mainichi Shinbun, <u>published in Osaka City</u>.</p> <p>Article 24 (Directors with specific titles and Representative Directors )</p> <p>By a resolution of the Board of Directors, the Corporation may appoint one Chairman, one President <u>and one or more Executive Vice-Presidents, Senior Managing Directors and Managing Directors</u>.</p> <p>Representative Directors shall be appointed by resolution of the Board of Directors.</p> <p style="text-align: center;">(Newly established)</p>	<p>Article 4 (Seat of principal office)</p> <p>The principal office of the Corporation shall be located in <u>Minato-ku, Tokyo</u>.</p> <p>Article 6 (Method of public notice)</p> <p>Notice to the public by the Corporation shall be given electronically. However, if electronic public notice does not work due to any accident or other unavoidable reasons, such notice shall be given in the Mainichi Shinbun.</p> <p>Article 24 (Directors with specific titles and Representative Directors )</p> <p>By a resolution of the Board of Directors, the Corporation may appoint one Chairman <u>and</u> one President.</p> <p>Representative Directors shall be appointed by resolution of the Board of Directors.</p> <p><u>Supplementary Provision</u></p> <p><u>The amendments to Article 4 (Seat of principal office) and Article 6 (Method of public notice) of the Articles of Incorporation shall be effective as of July 1, 2010.</u></p> <p><u>After the effective date stated in the preceding paragraph, this Supplementary Provision shall be deleted.</u></p>

### Proposal 3: Election of Twelve (12) Directors

The terms of office of all fourteen (14) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose to elect twelve (12) Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summaries, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation	Number of the Corporation's shares held
1	Takeo Obayashi (Jun. 9, 1954)	Apr. 1977    Joined the Corporation Jun. 1983    Director of the Corporation Jun. 1985    Managing Director of the Corporation Jun. 1987    Senior Managing Director of the Corporation Jun. 1989    Executive Vice President of the Corporation Jun. 1997    Vice Chairman of the Corporation Jun. 2003    Chairman of the Corporation Jun. 2007    Director of the Corporation Jun. 2009    Chairman Representative Director of the Corporation (incumbent)	27,764,095
2	Toru Shiraishi (Jun. 29, 1947)	Jul. 1971    Joined the Corporation Jun. 2001    Director of the Corporation Jun. 2003    Managing Director of the Corporation Jun. 2005    Managing Officer of the Corporation Apr. 2007    Senior Managing Officer of the Corporation Jun. 2007    President Representative Director of the Corporation (incumbent)	30,000
3	Masashi Honjo (Jul. 29, 1944)	Apr. 1969    Joined the Corporation Jun. 2001    Director of the Corporation Jun. 2003    Managing Director of the Corporation Jun. 2005    Senior Managing Officer of the Corporation Jun. 2007    Executive Vice President of the Corporation Apr. 2010    Representative Director Executive Vice President of the Corporation (incumbent) (In charge: overall civil engineering construction)	14,000
4	Tadahiko Noguchi (May 11, 1947)	Apr. 1970    Joined the Corporation Jun. 2003    Director of the Corporation Jun. 2005    Managing Officer of the Corporation Jun. 2007    Senior Managing Officer of the Corporation Jun. 2008    Senior Managing Director of the Corporation Apr. 2009    General Manager, Building Construction Division of the Corporation (incumbent) Apr. 2010    Representative Director Executive Vice President of the Corporation (incumbent) (In charge: overall building construction, General Manager, Building Construction Division)	12,000
5	Yuji Nakamura (Jun. 25, 1944)	Apr. 1969    Joined the Corporation Jun. 2001    Director of the Corporation Jun. 2003    Managing Director of the Corporation Jun. 2005    Senior Managing Officer of the Corporation Apr. 2007    General Manager, Nagoya Branch of the Corporation (incumbent) Jun. 2008    Senior Managing Director of the Corporation Apr. 2010    Director Senior Managing Executive Officer of the Corporation (incumbent) (In charge: General Manager, Nagoya Branch)	10,000

No.	Name (Date of birth)	Career summaries, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation	Number of the Corporation's shares held
6	Ryuichi Irahara (Sep. 25, 1945)	<p>Apr. 1969      Joined the Corporation</p> <p>Jun. 2001      Director of the Corporation</p> <p>Jun. 2003      Managing Director of the Corporation</p> <p>Jun. 2005      Managing Officer of the Corporation</p> <p>Apr. 2007      Senior Managing Officer of the Corporation</p> <p>Apr. 2008      General Manager, Overseas Business Division of the Corporation (incumbent)</p> <p>Jun. 2008      Senior Managing Director of the Corporation</p> <p>Apr. 2010      Director Senior Managing Executive Officer of the Corporation (incumbent)</p> <p>(In charge: General Manager, Overseas Business Division) (Significant concurrent position: Director, Thai Obayashi Corporation Limited)</p>	7,240
7	Makoto Kanai (Feb. 2, 1948)	<p>Apr. 1973      Joined the Corporation</p> <p>Jun. 2005      Executive Officer of the Corporation</p> <p>Apr. 2007      Managing Officer of the Corporation</p> <p>Jun. 2007      Managing Director, General Manager, Civil Engineering Construction Division of the Corporation (incumbent)</p> <p>Jun. 2009      Senior Managing Director of the Corporation</p> <p>Apr. 2010      Director Senior Managing Executive Officer of the Corporation (incumbent)</p> <p>(In charge: General Manager, Civil Engineering Construction Division )</p>	8,000
8	Shozo Harada (Sep. 27, 1949)	<p>Apr. 1973      Joined the Corporation</p> <p>Jun. 2005      Executive Officer of the Corporation</p> <p>Apr. 2007      Managing Officer of the Corporation</p> <p>Jun. 2007      Managing Director of the Corporation</p> <p>Jun. 2007      President of OC Finance Corporation (incumbent)</p> <p>Jun. 2009      Senior Managing Director of the Corporation</p> <p>Apr. 2010      Director Senior Managing Executive Officer of the Corporation (incumbent)</p> <p>(In charge: Corporate Planning, General Administration, Personnel, Finance, Accounting, Group Business) (Significant concurrent positions: President, OC Finance Corporation)</p>	12,000
9	Makoto Kishida (Nov. 14, 1951)	<p>Apr. 1974      Joined the Corporation</p> <p>Jun. 2005      Executive Officer of the Corporation</p> <p>Apr. 2007      Managing Officer of the Corporation</p> <p>Jun. 2007      Managing Director , General Manager, Building Construction Division of the Corporation</p> <p>Apr. 2009      General Manager, Tokyo Building Construction Division of the Corporation</p> <p>Jun. 2009      Senior Managing Director of the Corporation</p> <p>Apr. 2010      Director Senior Managing Executive Officer of the Corporation (incumbent) General Manager, Tokyo Main Office (incumbent)</p> <p>(In charge: General Manager, Tokyo Main Office)</p>	10,000

No.	Name (Date of birth)	Career summaries, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation	Number of the Corporation's shares held
10	Akihisa Miwa (Mar. 23, 1952)	<p>Apr. 1974      Joined the Corporation</p> <p>Jun. 2005      Executive Officer of the Corporation</p> <p>Apr. 2007      Managing Officer of the Corporation</p> <p>Jun. 2007      Managing Director, General Manager, Nuclear Facilities Division of the Corporation (incumbent)</p> <p>Nov. 2007      General Manager, Technical Division of the Corporation (incumbent)</p> <p>Apr. 2010      Director Senior Managing Executive Officer of the Corporation (incumbent)</p> <p>(In charge: General Manager, Technical Division and General Manager, Nuclear Facilities Division, Information System)</p>	8,000
11	Kenichi Shibata (Oct. 10, 1949)	<p>Apr. 1972      Joined the Corporation</p> <p>Jun. 2005      Executive Officer of the Corporation</p> <p>Apr. 2007      Managing Officer of the Corporation</p> <p>Aug. 2007      General Manager, Real Estate Development Division of the Corporation</p> <p>Jun. 2008      Managing Director of the Corporation</p> <p>Apr. 2010      Director Senior Managing Executive Officer of the Corporation (incumbent)</p> <p>General Manager, Real Estate Development Division of the Corporation (incumbent)</p> <p>(In charge: General Manager, Real Estate Development Division)</p>	8,000
12	Nao Sugiyama (Nov. 6, 1949)	<p>Apr. 1975      Joined the Corporation</p> <p>Apr. 2007      Executive Officer, General Manager, Yokohama Branch of the Corporation</p> <p>Apr. 2009      Managing Officer of the Corporation</p> <p>Jun. 2009      Managing Director of the Corporation</p> <p>Apr. 2010      Director Senior Managing Executive Officer of the Corporation (incumbent)</p> <p>Deputy General Manager, Tokyo Main Office and General Manager, Building Construction Division, Tokyo Main Office (incumbent)</p> <p>(In charge: Deputy General Manager, Tokyo Main Office and General Manager, Building Construction Division, Tokyo Main Office)</p>	7,000

Note: No special conflicts of interest exist between the Corporation and the proposed candidates.

#### Proposal 4: Election of Two (2) Corporate Auditors

Corporate Auditors Masakazu Matsuo and Masayuki Matsushita will resign at the conclusion of this General Meeting of Shareholders. Accordingly, we propose to elect two (2) Corporate Auditors. We obtained the prior consent of the Board of Corporate Auditors with respect to submission of this proposal.

The candidates for Corporate Auditors are as follows:

No.	Name (Date of birth)	Career summaries, position in the Corporation, and significant concurrent positions outside the Corporation	Number of the Corporation's shares held
1	Tatsunosuke Kagaya (Jan. 28, 1947)	<p>Mar. 1976 Registered as certified public accountant</p> <p>May 1994 Representative Partner of Showa Ota &amp; Co. (currently Ernst &amp; Young ShinNihon LLC)</p> <p>Aug. 2008 Retired from Ernst &amp; Young ShinNihon LLC</p> <p>Jun. 2009 Outside Corporate Auditor of Sanyei Corporation (incumbent)</p> <p>(Significant concurrent position: Outside Corporate Auditor of Sanyei Corporation)</p>	0
2	Yasutaka Kakiuchi (Dec. 31, 1947)	<p>Jul. 1971 Joined the Ministry of Construction</p> <p>Nov. 1997 Deputy Director-General for Urban Living Environment, Minister's Secretariat, the Ministry of Construction</p> <p>Nov. 1998 Retired from the Ministry of Construction</p> <p>Nov. 1998 Director of Fund for Construction Industry Promotion</p> <p>Jun. 2002 Senior Managing Director of the Mutual Fire Insurance System for Public Housing</p> <p>Jun. 2006 Outside Corporate Auditor of Sompo Japan Himawari Life Insurance Co., Ltd. (incumbent)</p> <p>(Significant concurrent position: Outside Corporate Auditor of Sompo Japan Himawari Life Insurance Co., Ltd.)</p>	0

- Notes:
1. No special conflicts of interest exist between the Corporation and the proposed candidates.
  2. Both Messrs. Tatsunosuke Kagaya and Yasutaka Kakiuchi are candidates for Outside Corporate Auditors.
  3. Special matters concerning candidates for Outside Corporate Auditors are as follows.
    - (1) Reasons for appointing them to be candidates for Outside Corporate Auditors
      - (i) Although Mr. Tatsunosuke Kagaya has not been involved in company management other than as Outside Director or Outside Corporate Auditor, we propose to elect him as Outside Corporate Auditor for him to use his expertise as a certified public accountant and considerable experience of corporate accounting in conducting the audit of the Corporation.
      - (ii) Although Mr. Yasutaka Kakiuchi has not been involved in company management other than as Outside Director or Outside Corporate Auditor, we propose to elect him as Outside Corporate Auditor for him to use his considerable experience gained through many years in the land, transport and infrastructure administration in conducting the audit of the Corporation.
    - (2) Outline of terms and conditions of liability limitation agreement
 

The Corporation plans to enter into liability limitation agreements regarding the liabilities described in Clause 1, Article 423 of the Company Law with Messrs. Tatsunosuke Kagaya and Yasutaka Kakiuchi, under which they shall be liable to compensate for damages up to 5 million yen or the minimum liability limit set forth in Clause 1, Article 425 of the Company Law, whichever is higher, if they were acting in good faith and did not commit gross negligence in performing their duties.

## Guide to Exercising Voting Rights via the Internet

If you exercise your voting rights via the Internet, please read and understand carefully the following matters, and exercise your voting rights.

If you intend to attend the Ordinary General Meeting of Shareholders, voting by mail (the Form for Exercising Voting Rights) or via the Internet is not necessary.

1. Voting rights website and exercising your voting rights
  - (1) To exercise your voting rights via the Internet, please access the website designated by the Company (<http://www.evotep.jp/>) either via a PC or mobile phone (i-mode, EZweb or Yahoo! Keitai)\*. Only by accessing this website you can exercise your voting rights via the Internet. (However, please be advised that the website is not operational from 2:00 a.m. to 5:00 a.m. every day.)  
\* i-mode, EZweb and Yahoo! are trademarks or registered trademarks of NTT DoCoMo, Inc., KDDI Corporation and Yahoo, Inc. U.S., respectively.
  - (2) Please be aware that, depending on your Internet connection and PC environment, you may not be able to use your PC to exercise your voting rights via the voting rights website (e.g. if you connect to the Internet via a firewall, have anti-virus software installed or use a proxy server, etc.).
  - (3) To exercise your voting rights via a mobile phone, please use one of the following services: i-mode, EZweb or Yahoo! Keitai. For security reasons, the website is only compatible with mobile phones capable of SSL (encrypted) communication and transmission of mobile phone information.
  - (4) Voting via Internet is accepted until 5:15 p.m. on Thursday, June 24, 2010. However, we respectfully request that you exercise your voting rights at your earliest convenience. If you have any questions, please contact the help desk described in the next page.
2. Exercising your voting rights via Internet
  - (1) On the aforementioned voting rights website, you will be required to input the “Code for Exercise of Voting Rights” and the temporary password assigned to you. These are shown on the enclosed Form for Exercising Voting Rights. Please follow the instructions on the screen and enter your approval or disapproval for the proposals.
  - (2) Please be aware that, in order to prevent illegal online access (spoofing) and alteration of voting by non-shareholders, you will be requested to change your temporary password on the aforementioned voting rights website.
  - (3) You will be notified of a new “Code for Exercise of Voting Rights” and the temporary password every time a General Meeting of Shareholders is convened.
3. Handling of voting rights when they are exercised more than once
  - (1) Please note that your voting via the Internet shall prevail, if you exercise your voting rights both in writing and via the Internet.
  - (2) If you exercise your voting rights more than once via the Internet, only the last vote shall be deemed effective. In addition, if you exercise your voting rights more than once using a PC and a mobile phone, only the last vote shall be deemed effective.
4. Fees incurred when accessing the voting rights website

Any fees (connection fees to Internet providers, etc.) incurred when accessing the voting rights website shall be borne by shareholders. Similarly, if voting via mobile phone, any connection charges or other fees arising from the use of mobile phone shall be borne by shareholders.

<To Institutional Investors>

You may use the Electronic Platform to Exercise Voting Rights for Institutional Investors operated by ICJ, Inc. as an electronic method for the exercise of voting rights at the General Meeting of Shareholders.

<p>For inquiries about the system for exercising voting rights via the Internet and other matters, please contact: Stock Transfer Agency (Help Desk), Mitsubishi UFJ Trust and Banking Corporation Phone: 0120-173-027 (9:00 to 21:00; toll free)</p>
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