

OBUYASHI CORPORATION
Announcement on the Changes in Forecasts

Tokyo, February 10, 2009 — In consideration of its recent business activities, Obayashi Corporation (hereinafter called “Obayashi”) hereby informs you that it revised its consolidated and non-consolidated forecasts for the fiscal year ending March 31, 2009 which had been announced on November 12, 2008 when Obayashi released its financial results for the cumulative second quarter of the fiscal year. The revisions are as follow:

1. The revised forecasts

(1) Consolidated forecasts for the fiscal year ending March 31, 2009 (from April 1, 2008 to March 31, 2009)

(Unit: million yen, %)

	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast to be revised (A) (Announced on November 12, 2008)	1,770,000	30,000	35,000	17,000
New Forecast (B)	1,700,000	21,000	24,500	8,000
Variance (B) - (A)	(70,000)	(9,000)	(10,500)	(9,000)
Variance Rate (%)	(4.0)	(30.0)	(30.0)	(52.9)
(For reference) Results for the FYE March 2008	1,691,635	28,667	32,312	18,595

(For reference) Expected net income per share for the fiscal year ending March 31, 2009: 11.13 yen

(2) Non-consolidated forecasts for the fiscal year ending March 31, 2009 (from April 1, 2008 to March 31, 2009)

(Unit: million yen, %)

	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast to be revised (A) (Announced on November 12, 2008)	1,380,000	17,000	21,500	12,000
New Forecast (B)	1,330,000	8,500	12,000	5,000
Variance (B) - (A)	(50,000)	(8,500)	(9,500)	(7,000)
Variance Rate (%)	(3.6)	(50.0)	(44.2)	(58.3)
(For reference) Results for the FYE March 2008	1,388,276	18,349	21,645	15,088

(For reference) Expected net income per share for the fiscal year ending March 31, 2009: 6.95 yen

(3) Reasons for the changes

a. Reasons for the changes in the non-consolidated forecast

Operating income will decrease by 8.5 billion yen from the previous forecast. The major reason is that the decrease in the gross profit on most of the overseas construction contracts is anticipated, as the profit would be devalued in Japanese yen term due to the recent surge in the value of yen. Another reason is that a portion of accounts receivables for some of the domestic construction contracts may fail to be collected at the consequence of the bankruptcy of their project owners, who are real estate developers.

Gross margin of completed construction contracts for the fiscal year ending March 2009 is expected to be 4.5%, down from 5.0% that was previously announced.

In addition to the above, the valuation loss on the assets held in foreign currencies is expected to be recognized on account of the appreciation of Japanese yen, which will cause ordinary income to decrease by 9.5 billion yen.

Net income will decrease by 7.0 billion yen from the previous forecast, resulted from the valuation loss on the investment in securities under the sluggish stock market.

b. Reasons for the changes in the consolidated forecast

The consolidated forecast was revised in accordance with the changes made in the non-consolidated forecast.

2. The ordinary fiscal year-end dividends will be 4 yen per share (8 yen per year including the interim dividends), which is as scheduled.

Disclaimer

This revision of forecasts, announced in the Japanese language at the Tokyo Stock Exchange on February 10, 2009, 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. The numbers shown in any such words and phrases relating to any future events as “forecast”, “expected” or “projected” provided in this document are based on the information available at the time of the release of this document. Due to various factors, the actual result may vary from the forecast data.

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

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