



## OBAYASHI CORPORATION

## Announcement of Revisions for the Financial Forecasts

Tokyo, October 18, 2012 — In light of its recent business performance, Obayashi Corporation hereby announces that it has revised its consolidated and non-consolidated financial forecasts for the first half (cumulative first and second quarters) of the fiscal year ending March 31, 2013 which were announced on May 11, 2012. The revisions are as follows:

**Revised forecasts**

**Consolidated** forecasts for the first half of the fiscal year ending March 31, 2013 (from April 1, 2012 to September 30, 2012)

(Unit: million yen, %)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Forecast to be revised (A) (Announced on May 11, 2012)	670,000	9,000	11,000	7,000	9.75 yen
Revised Forecast (B)	655,000	11,800	12,000	5,500	7.66 yen
Variance (B) - (A)	(15,000)	2,800	1,000	(1,500)	
Variance Rate (%)	(2.2)	31.1	9.1	(21.4)	
(For reference) Results for the first half of the fiscal year ended March 2012	544,860	6,321	6,149	11,505	16.01 yen

**Non-consolidated** forecasts for the first half of the fiscal year ending March 31, 2013 (from April 1, 2012 to September 30, 2012)

(Unit: million yen, %)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Forecast to be revised (A) (Announced on May 11, 2012)	505,000	4,500	7,500	4,500	6.27 yen
Revised Forecast (B)	490,000	3,800	4,500	1,700	2.37 yen
Variance (B) - (A)	(15,000)	(700)	(3,000)	(2,800)	
Variance Rate (%)	(3.0)	(15.6)	(40.0)	(62.2)	
(For reference) Results for the first half of the fiscal year ended March 2012	422,944	3,552	3,906	9,320	12.97 yen

## 1. Reasons for the revisions

## (1) Reasons for the revisions for the non-consolidated forecast

## a. Net sales

Net sales will decrease by 15.0 billion yen from the previous forecast mainly due to the fact that progress in some construction projects was less than initially expected.

## b. Operating income

Operating income will decrease by 0.7 billion yen from the previous forecast mainly due to decrease in gross profit from construction contracts in consequence of decrease in net sales from construction contracts. Gross margin for construction contracts is expected to be 6.3% (9.0% for civil engineering

and 5.6% for building construction), which is same as previous forecasts of 6.3% (8.9% for civil engineering and 5.6% for building construction).

c. Ordinary income

Ordinary income will decrease by 3.0 billion yen from the previous forecast mainly due to decrease in operating income and foreign exchange loss of 2.3 billion yen. Foreign exchange rate applied at the end of September 2012 was stronger than what was applied for the previous forecast on May 11, 2012.

d. Net income

Net income will decrease by 2.8 billion yen from the previous forecast mainly due to losses on valuation of investment securities reflecting decline in the market value.

(2) Reasons for the revisions for the consolidated forecast

Consolidated operating income will increase by 2.8 billion yen from the previous forecast mainly due to increase in operating income of some domestic and overseas subsidiaries.

The increase in consolidated ordinary income will be limited to by 1.0 billion yen.

Consolidated Net Income will decrease by 1.5 billion yen mainly due to above foreign exchange losses and losses on valuation of investment securities.

2. The interim dividends will be 4 yen per share as scheduled.

3. The consolidated and non-consolidated forecasts for the fiscal year ending March 2013 will be announced when the financial results for the first half of the fiscal year are disclosed, which is scheduled to be in November, 2012.

Disclaimer

This revision of forecasts, announced in the Japanese language at the Tokyo Stock Exchange on October 18, 2012, 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 or phrases relating to any future events as, among other expressions, "forecast", "expected" or "projected" provided in this document are forward-looking statements based on the information available at the time of the release of the Japanese original. Due to various factors, the actual result may vary from the forecast data.

If you have any questions, please contact Obayashi investor relations at [irk@ml.obayashi.co.jp](mailto:irk@ml.obayashi.co.jp).

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