



## OBAYASHI CORPORATION

## Announcement of Revisions for the Financial Forecasts

Tokyo, October 11, 2016 — In the 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, 2017 which were announced on August 5, 2016. The revisions are as follows:

**Revised forecasts**

**Consolidated** forecasts for the first half of the fiscal year ending March 31, 2017 (from April 1, 2016 to September 30, 2016)

(Unit: million yen, %)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Profit attributable to owners of parent per share
Forecasts to be revised (A) (Announced on August 5, 2016)	923,000	40,000	42,000	27,000	37.62 yen
<b>Revised Forecasts (B)</b>	<b>860,000</b>	<b>59,000</b>	<b>60,000</b>	<b>41,000</b>	<b>57.12 yen</b>
Variance (B) - (A)	(63,000)	19,000	18,000	14,000	
Variance Rate (%)	(6.8)	47.5	42.9	51.9	

(For reference) Comparison with the results of the first half of the fiscal year ended March 2016

Results for the first half of the fiscal year ended March 2016 (C)	834,626	42,538	45,537	27,886	38.84 yen
Variance (B) - (C)	25,373	16,461	14,462	13,113	
Variance Rate (%)	3.0	38.7	31.8	47.0	

**Non-consolidated** forecasts for the first half of the fiscal year ending March 31, 2017 (from April 1, 2016 to September 30, 2016)

(Unit: million yen, %)

	Net Sales	Operating Income	Ordinary Income	Profit	Profit per share
Forecasts to be revised (A) (Announced on August 5, 2016)	634,000	29,000	32,000	26,000	36.22 yen
<b>Revised Forecasts (B)</b>	<b>615,000</b>	<b>46,900</b>	<b>49,500</b>	<b>38,400</b>	<b>53.50 yen</b>
Variance (B) - (A)	(19,000)	17,900	17,500	12,400	
Variance Rate (%)	(3.0)	61.7	54.7	47.7	

(For reference) Comparison with the results of the first half of the fiscal year ended March 2016

Results for the first half of the fiscal year ended March 2016 (C)	577,107	29,532	33,569	23,044	32.09 yen
Variance (B) - (C)	37,892	17,367	15,930	15,355	
Variance Rate (%)	6.6	58.8	47.5	66.6	

## Reasons for the revisions

### 1 Non-consolidated forecasts

Operating Income will increase by 17.9 billion yen, ordinary Income will increase by 17.5 billion yen and profit will increase by 12.4 billion yen from the previous forecast mainly due to an increase in gross profit on completed construction contracts with the result that profit on domestic construction project is improved.

Gross margin on completed construction contracts is expected to be 12.4% (11.5% for building construction and 15.3% for civil engineering). (Gross margin of the previous forecast was 9.2% (8.6% for building construction and 11.0% for civil engineering)).

### 2 Consolidated forecasts

Consolidated forecasts have been revised according to the revisions for the non-consolidated forecasts. Net sales will decrease by 63.0 billion yen mainly due to a decrease in net sales on completed construction contracts of the overseas subsidiaries.

## Other issues for investors to properly understand and evaluate company information

1 The interim dividends will be 9 yen per share as scheduled.

2 The consolidated and non-consolidated forecasts for the fiscal year ending March 2017 will be announced in coming November, when the financial results for the first half of the fiscal year are disclosed.

### Disclaimer

This "Revision for the Financial Forecasts" announced in the Japanese language at the Tokyo Stock Exchange on October 11, 2016 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).