October 11, 2016

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)

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

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

<table>
<thead>
<tr>
<th></th>
<th>Net Sales</th>
<th>Operating Income</th>
<th>Ordinary Income</th>
<th>Profit</th>
<th>Profit per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results for the first half of the fiscal year ended March 2016 (C)</td>
<td>834,626</td>
<td>42,538</td>
<td>45,537</td>
<td>27,886</td>
<td>38.84 yen</td>
</tr>
<tr>
<td>Variance (B) - (C)</td>
<td>25,373</td>
<td>16,461</td>
<td>14,462</td>
<td>13,113</td>
<td></td>
</tr>
<tr>
<td>Variance Rate (%)</td>
<td>3.0</td>
<td>38.7</td>
<td>31.8</td>
<td>47.0</td>
<td></td>
</tr>
</tbody>
</table>

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>Net Sales</th>
<th>Operating Income</th>
<th>Ordinary Income</th>
<th>Profit</th>
<th>Profit per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results for the first half of the fiscal year ended March 2016 (C)</td>
<td>577,107</td>
<td>29,532</td>
<td>33,569</td>
<td>23,044</td>
<td>32.09 yen</td>
</tr>
<tr>
<td>Variance (B) - (C)</td>
<td>37,892</td>
<td>17,367</td>
<td>15,930</td>
<td>15,355</td>
<td></td>
</tr>
<tr>
<td>Variance Rate (%)</td>
<td>6.6</td>
<td>58.8</td>
<td>47.5</td>
<td>66.6</td>
<td></td>
</tr>
</tbody>
</table>
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.