

August 24, 2016



## OBAYASHI CORPORATION

### Media coverage of a condominium Webcor (Obayashi's subsidiary in the US) built

Since the beginning of August, some media in the US have reported that the high-rise condominium noted below has experienced subsidence and other related issues. Webcor (Obayashi's subsidiary in the US) was the builder of the project. It was reported that the unit owners of the condominium filed a lawsuit against the condominium's developer for the damages suffered. In addition, the lawsuit also named the Owner of the adjacent large-scale transportation terminal project which is under construction by Webcor/Obayashi Joint Venture.

With regard to the high-rise condominium, Webcor ascertained with the Owner that the condominium was properly built and was delivered to the Owner in accordance with the contract. Webcor constructed the condominium under the oversight, approval and inspection performed by the Owner, its designers and regulatory authorities, including third party inspectors retained by the Owner, as routinely practiced in the San Francisco area. Furthermore, adjacent construction activities of the transportation terminal project have been properly conducted by Webcor/Obayashi JV in the same manner as the high-rise condominium project in accordance with the contract requirements. Webcor's and Webcor/Obayashi JV's scope of work does not include the design for either project.

Any further updates on this matter will be promptly disclosed.

(reference information)

#### Overview of the high-rise condominium project

- Name of project: Millennium Tower construction project
- Location : San Francisco, California
- Developer : Millennium Partners
- Owner : Mission Street Development, LLC (affiliate of Millennium Partners)
- Designer : Handel Architects and others
- Completion: 2009
- Detail of building: Reinforced Concrete, 58F/B1F (Tower) and 11F/B5F (Mid-rise), High-end residential condominium, total square footage around 1.2million, 419 total units

### Overview of large-scale transportation terminal project

- Name of project: Transbay Transit Center construction project
- Location : San Francisco, California
- Owner : Transbay Joint Powers Authority
- Designer : Pelli Clarke Pelli Architects and others
- Expected completion: 2017
- Detail of building: 3F/B2F, Large-scale transportation terminal project, total square footage over 1.0 million

### Overview of Webcor

- Name: Webcor, LP
- Representative: Jes Pedersen, President and CEO
- Location: San Francisco, California
- Nature of business: Building construction and related businesses
- Company Overview: Founded in 1971. Its business is active in California, especially centered in San Francisco area. Scope of business includes high-rise condominium, office buildings, commercial facilities, hotels, hospitals, etc.

#### Disclaimer

This "Media coverage of a condominium Webcor (Obayashi's subsidiary in the US) built" announced in the Japanese language at the Tokyo Stock Exchange on August 24, 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.

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