



OBAYASHI CORPORATION

Announcement of Revisions for the Financial and Dividends Forecasts
as well as the Formulation of the Medium-Term Business Plan

Tokyo, March 24, 2017 — In the light of its recent business performance, Obayashi Corporation (hereinafter referred to as the “Company”) hereby announces that it has revised its consolidated and non-consolidated financial forecasts and dividends forecasts for the fiscal year ending March 31, 2017 which were announced on February 14, 2017. The revisions are as follows:

Additionally, the Company announces that it has formulated the Medium-Term Business Plan for launch in the fiscal year ending March 31, 2018.

Revised forecasts

Consolidated forecasts for the fiscal year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

(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 February 14, 2017)	1,865,000	114,000	118,000	80,000	111.45 yen
Revised Forecasts (B)	1,870,000	132,000	138,000	93,000	129.56 yen
Variance (B) - (A)	5,000	18,000	20,000	13,000	
Variance Rate (%)	0.3	15.8	16.9	16.3	

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

Results for the fiscal year ended March 2016 (C)	1,777,834	106,380	111,208	63,437	88.36 yen
Variance (B) - (C)	92,165	25,619	26,791	29,562	
Variance Rate (%)	5.2	24.1	24.1	46.6	

Non-consolidated forecasts for the fiscal year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Unit: million yen, %)

	Net Sales	Operating Income	Ordinary Income	Profit	Profit per share
Forecasts to be revised (A) (Announced on February 14, 2017)	1,335,000	89,000	96,000	72,000	100.31 yen
Revised Forecasts (B)	1,317,000	107,000	116,000	84,000	117.03 yen
Variance (B) - (A)	(18,000)	18,000	20,000	12,000	
Variance Rate (%)	(1.3)	20.2	20.8	16.7	

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

Results for the fiscal year ended March 2016 (C)	1,235,098	76,351	82,816	50,729	70.66 yen
Variance (B) - (C)	81,901	30,648	33,183	33,270	
Variance Rate (%)	6.6	40.1	40.1	65.6	

Reasons for the revisions

1 Non-consolidated forecasts

Operating income will increase by 18.0 billion yen, ordinary income will increase by 20.0 billion yen and profit will increase by 12.0 billion yen from the previous forecast 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 12.8% (12.0% for building construction and 15.7% for civil engineering). (Gross margin of the previous forecast was 11.1% (10.7% for building construction and 12.6% for civil engineering)).

2 Consolidated forecasts

Consolidated forecasts have been revised due to the revision of non-consolidated forecasts.

Revised dividends forecasts

	Dividend per share (Unit: yen)				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total
Forecasts to be revised (Announced on February 14, 2017)				9.00	18.00
Revised Forecasts				19.00	28.00
Results for the fiscal year ending March 2017	—	9.00	—		
Results for the previous fiscal year ended March 2016	—	5.00	—	13.00	18.00

Reasons for the revisions

The Company's profit allocation policy is to sustain stable dividend payouts to its shareholders over the long term and provide shareholders with returns commensurate with the performance, taking into account the need to enhance internal reserves. In line with the policy, based on the revisions of financial forecasts for the fiscal year ending March 31, 2017, the Company will increase the annual dividend from 18 yen to 28 yen per share (a dividend payout ratio of 21.6%). Accordingly, the forecast of the year-end dividend has been revised to be 19 yen per share from 9 yen per share.

This matter is formally decided and executed upon resolution of the 113st ordinary general meeting of shareholders scheduled in coming June.

Other issues for investors to properly understand and evaluate company information

At the board of directors meeting held today, the Company resolved to adopt five-year business plan "The Obayashi Group Medium-Term Business Plan 2017 ~ Realizing Our Vision for the Future ~" which was formulated for launch in the fiscal year ending March 2018.

Further details have been posted on the Company's website.

URL	http://www.obayashi.co.jp/english/ir/medium_term_plan/
Posting date	March 24, 2017

The consolidated and non-consolidated forecasts for the fiscal year ending March 2018 will be announced in coming May, when the financial results for the fiscal year ending March 2017 are disclosed.

Disclaimer

This “Revisions for the Financial and Dividends Forecasts as well as the Formulation of the Medium-Term Business Plan” announced in the Japanese language at the Tokyo Stock Exchange on March 24, 2017 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.