



OBAYASHI CORPORATION

announces recognition of extraordinary loss and changes in forecast

Tokyo, April 13, 2012 —Obayashi Corporation (hereinafter referred to as the “Company”) hereby announces that it has recognized extraordinary loss for the fiscal year ended March 31, 2012.

Accordingly, and also in light of its recent business performance, the Company has revised its consolidated and non-consolidated forecasts for the fiscal year ended March 31, 2012 which were announced on February 7, 2012.

The revisions are as follows:

Recognition of extraordinary loss

In light of the current and future business environment, the Company has recognized impairment loss of approximately 20 billion yen in, among other factors, noncurrent assets relating to a large-scale real estate project.

Revised forecasts

Consolidated forecasts for the fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Unit: million yen, %)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Forecast to be revised (A) (Announced on February 7, 2012)	1,280,000	28,000	28,500	6,000	8.35 yen
New Forecast (B)	1,245,000	31,000	35,000	5,000	6.96 yen
Variance (B) - (A)	(35,000)	3,000	6,500	(1,000)	
Variance Rate (%)	(2.7)	10.7	22.8	(16.7)	
(For reference) Results for the previous fiscal year ended March 2011	1,131,864	23,174	22,207	15,423	21.46 yen

Non-consolidated forecasts for the fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Unit: million yen, %)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Forecast to be revised (A) (Announced on February 7, 2012)	985,000	20,000	21,500	4,000	5.57 yen
New Forecast (B)	963,500	22,000	26,700	1,700	2.37 yen
Variance (B) - (A)	(21,500)	2,000	5,200	(2,300)	
Variance Rate (%)	(2.2)	10.0	24.2	(57.5)	
(For reference) Results for the previous fiscal year ended March 2011	909,201	19,847	20,722	12,156	16.91 yen

1. Reasons for the changes

(1) Reasons for the changes in the non-consolidated forecast

a. Operating income

Operating income will increase by 2 billion yen from the previous forecast mainly due to an increase in gross profit on completed construction contracts in consequence of a decrease in cost on some overseas civil engineering projects. Gross margin on completed construction contracts is expected to be 8.4%, as against the previous forecast of 7.7%.

b. Ordinary income

In addition to an increase in operating income, a foreign exchange loss of 2 billion yen has been cancelled and a foreign exchange gain of 0.5 billion yen has been recognized as a result of a weaker yen at the end of March 2012 than the expected yen value applied to the previous forecast announced on February 7, 2012. Consequently, ordinary income will increase by 5.2 billion yen from the previous forecast.

c. Net income

While a loss of 20 billion yen has been incurred following "**Recognition of extraordinary loss**" mentioned above, net income will decrease by 2.3 billion yen from the previous forecast, with an increase in ordinary income and revision of possible reversals of deferred tax assets cancelling the negative effects.

(2) Reasons for the changes in the consolidated forecasts

Consolidated net sales, operating income, ordinary income and net income are revised following the changes in the non-consolidated forecasts.

2. The year-end dividends will be 4 yen per share as scheduled. (Including the interim dividends, 8 yen per share on an annual basis)

3. The consolidated and non-consolidated forecasts for the fiscal year ending March 2013 will be announced when the financial results for the FY2011 are disclosed, which is scheduled to be in coming May.

Non-consolidated orders received for FY2011 (For reference purpose only)

(Unit: billion yen)

	Forecast announced on February 7	Result FY2011	Variance
Civil Engineering (of which overseas)	230.0 (50.0)	244.9 (27.9)	14.9 (-22.0)
Building Construction (of which overseas)	770.0 (30.0)	781.8 (29.9)	11.8 (-0.0)
Construction Total (of which overseas)	1,000.0 (80.0)	1,026.8 (57.9)	26.8 (-22.0)

Disclaimer

This revision of forecasts, announced in the Japanese language at the Tokyo Stock Exchange on April 13, 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.

###