

Investor Presentation



**Financial Results for FY2012
and
Forecasts for FY2013**

May 15, 2013

OBAYASHI CORPORATION

Disclaimer

This investor presentation, an English translation of the presentation made at the investor meeting at Obayashi Corporation (Tokyo, Japan) on May 15, 2013 as a digest of Obayashi Corporation's "Summary of the Financial Results for FY2012 ended March 2013" ("Kessan Tanshin") disclosed at the Tokyo Stock Exchange on May 14, 2013, is presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between Japanese "Kessan Tanshin" and this presentation, Japanese "Kessan Tanshin" will prevail. This investor presentation is not to solicit any individuals or entities to buy or sell stocks of Obayashi Corporation . This investor presentation contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. The unit used is 100 million yen or Japanese "oku-yen" unless otherwise specified.

Financial Results for FY2012 and Forecasts for FY2013



【Consolidated】 Overview of Financial Results

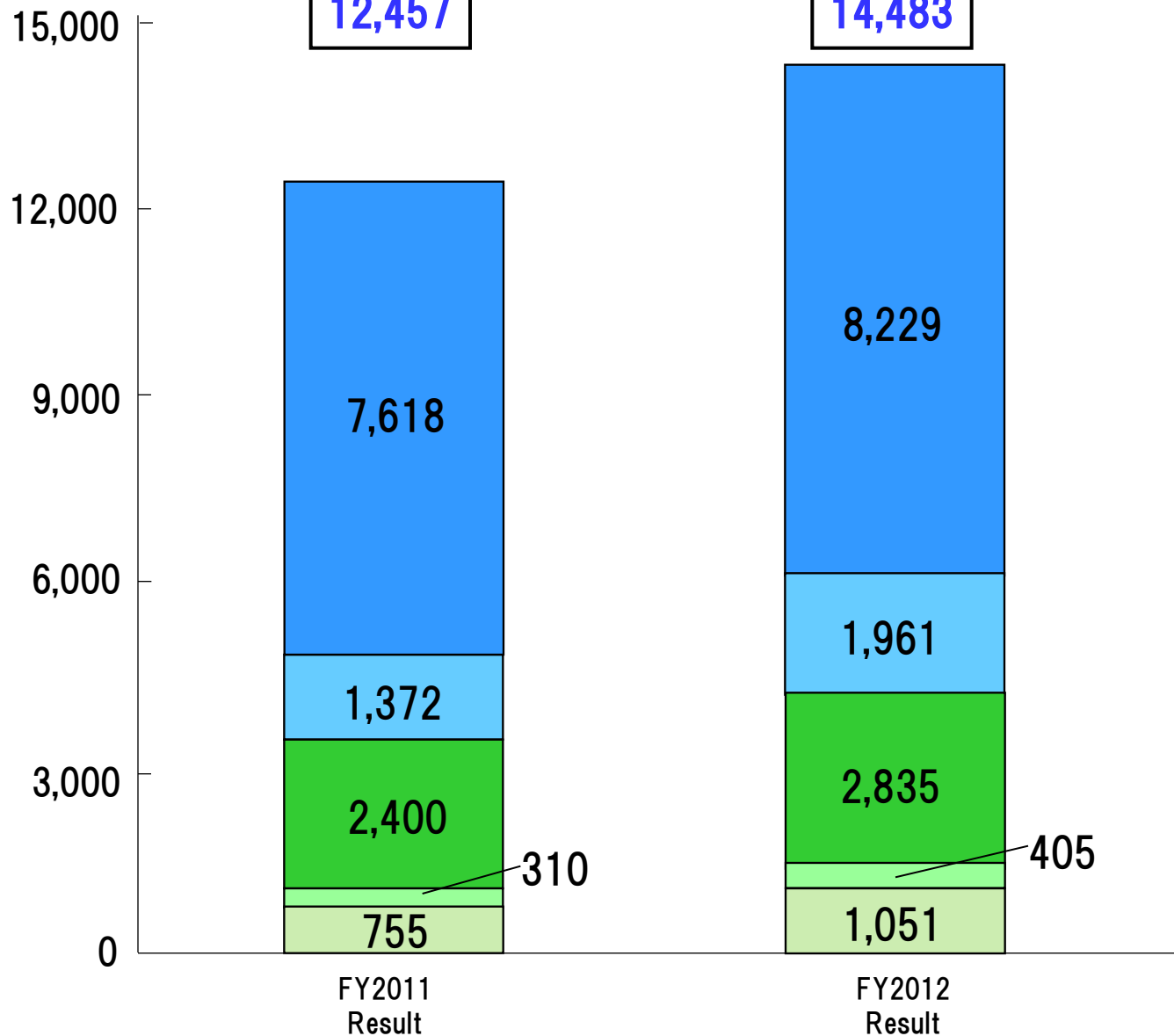
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(100 million yen)

	FY2011	FY2012	Increase (Decrease)	Increase Rate (%)
Net Sales	12,457	14,483	2,025	16.3%
Gross Profit	1,106	1,146	40	3.6%
Operating Income	311	351	40	12.9%
Ordinary Income	352	446	94	26.8%
Net Income	51	131	80	156.6%

【Consolidated】 Net Sales by Business Segment

(100 million yen)



Year on Year
+2,025

Domestic building const.
+611 (+8.0%)

Overseas building const.
+588 (+42.9%)

Domestic civil eng.
+435 (+18.1%)

Overseas civil eng.
+94 (+30.5%)

Real estate business
and other
+295 (+39.1%)

【Consolidated】 Operating Income by Business Segment

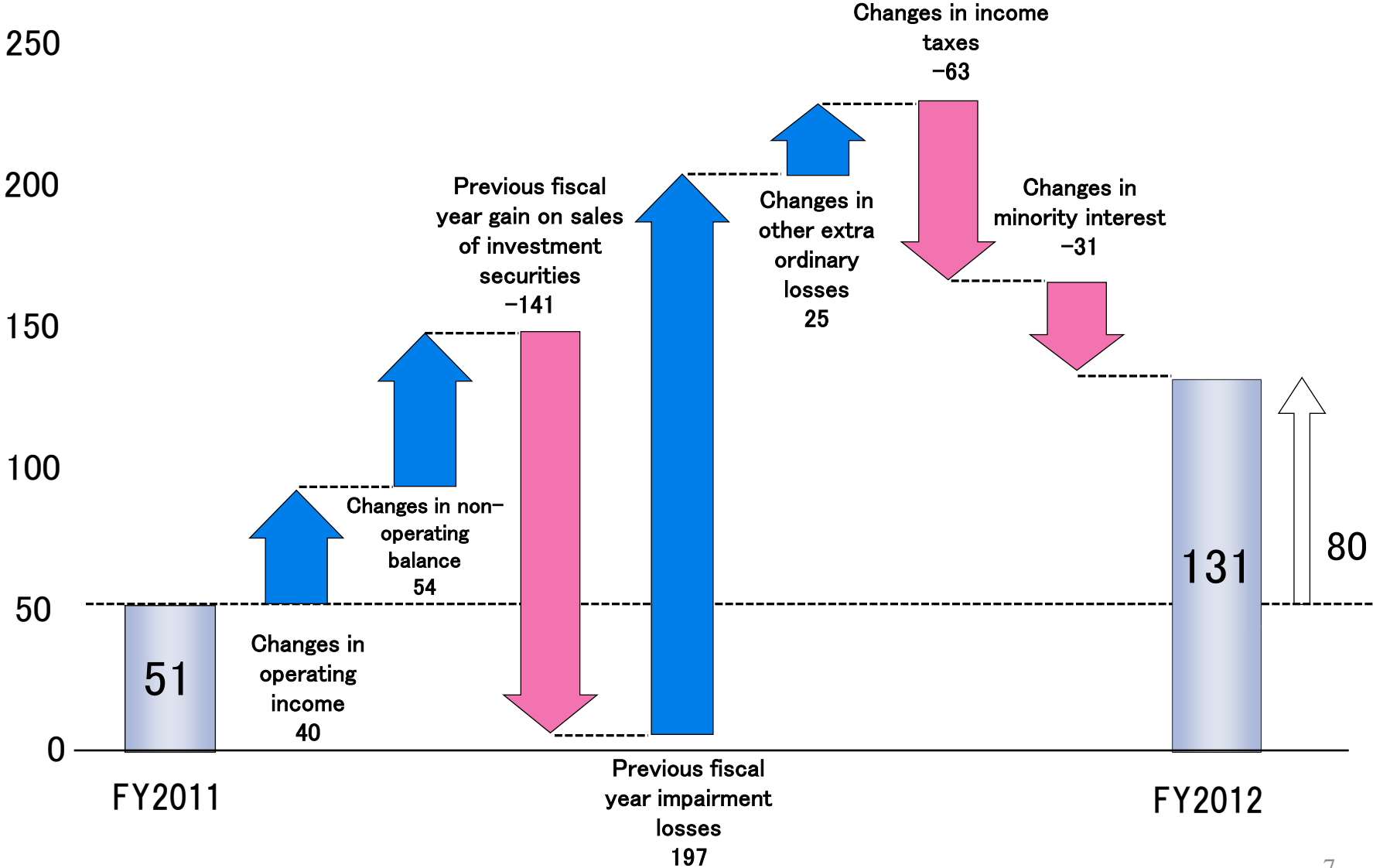
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(100 million yen)

		FY2011		FY2012		Increase (Decrease)
		Operating margin		Operating margin		
Construction	Domestic building construction	1.9%	142	1.3%	110	(32)
	Overseas building construction	0.8%	11	3.3%	64	53
	Domestic civil engineering	1.2%	29	3.0%	84	54
	Overseas civil engineering	29.5%	91	(4.3%)	(17)	(109)
Construction Total		2.4%	275	1.8%	241	(33)
Real estate business and other		4.8%	36	10.5%	109	73
Total		2.5%	311	2.4%	351	40

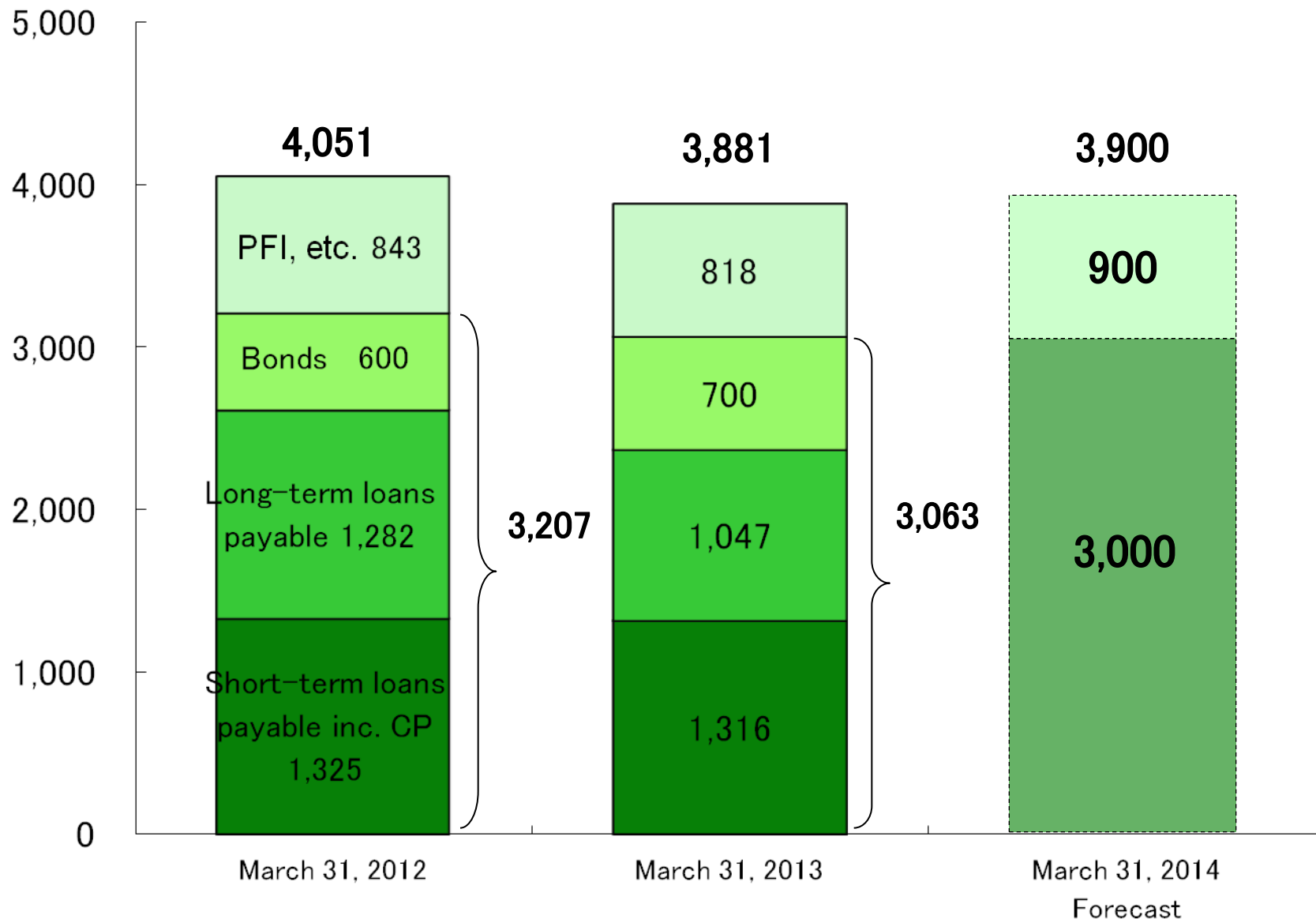
【Consolidated】 Breakdown of Increase/ Decrease in Net Income

(100 million yen)



【Consolidated】 Transition of Interest-bearing Debt

(100 million yen)



(100 million yen)

	FY2011 Result	FY2012 Result	Increase (Decrease)
Operating activities	657	314	(342)
Investing activities	(19)	(291)	(272)
Financing activities	(489)	(289)	199
Net increase (decrease) in cash and cash equivalents	126	(219)	(346)
Cash and cash equivalents at the end of period	1,216	996	(219)

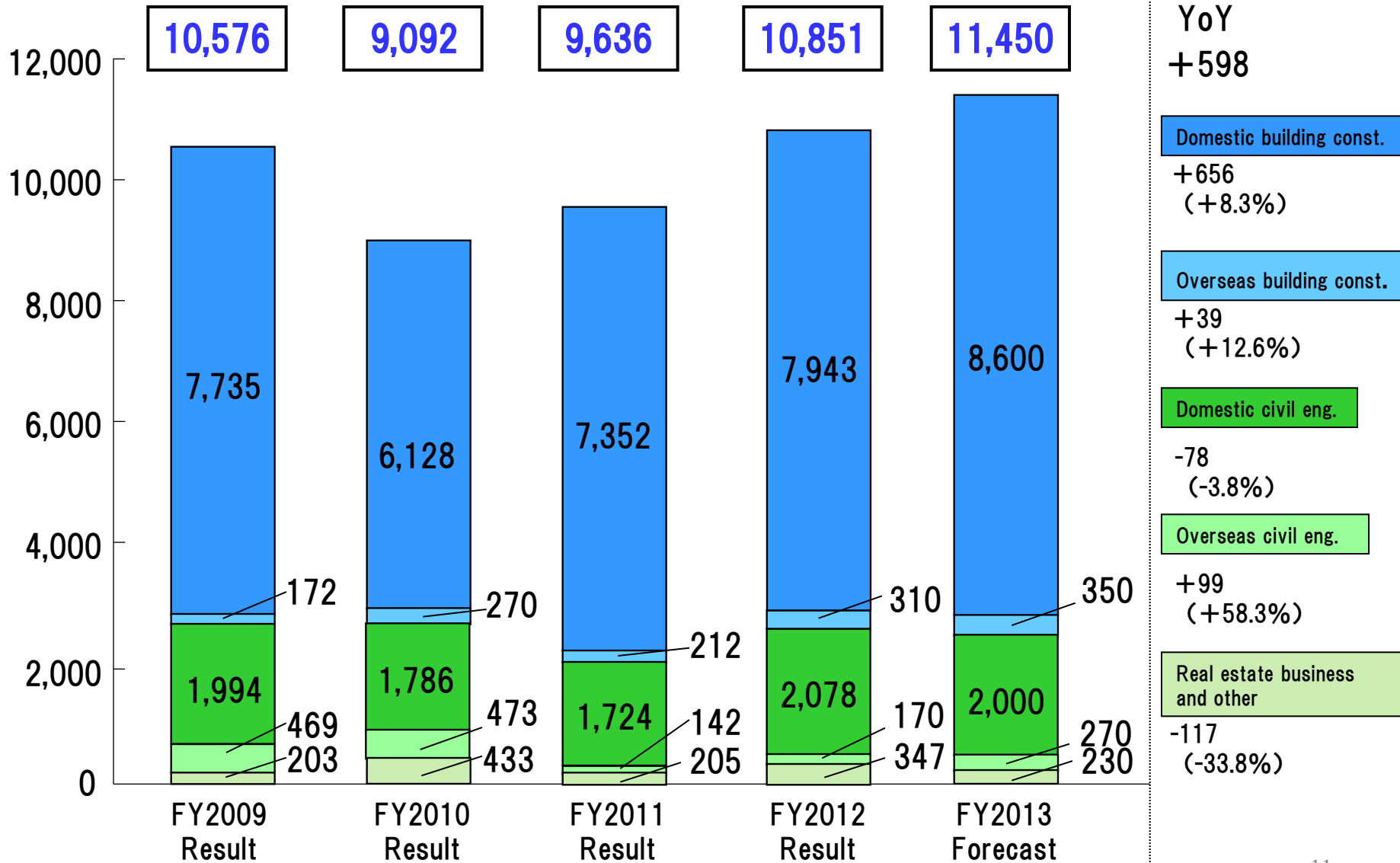
【Consolidated】 Forecast for FY2013

(100 million yen)

	FY2012 Result	FY2013 Forecast	Increase (Decrease)	Increase Rate (%)
Net Sales	14,483	15,000	516	3.6%
Gross Profit	1,146	1,040	(106)	(9.3%)
Operating Income	351	260	(91)	(26.0%)
Ordinary Income	446	300	(146)	(32.9%)
Net Income	131	140	8	6.1%

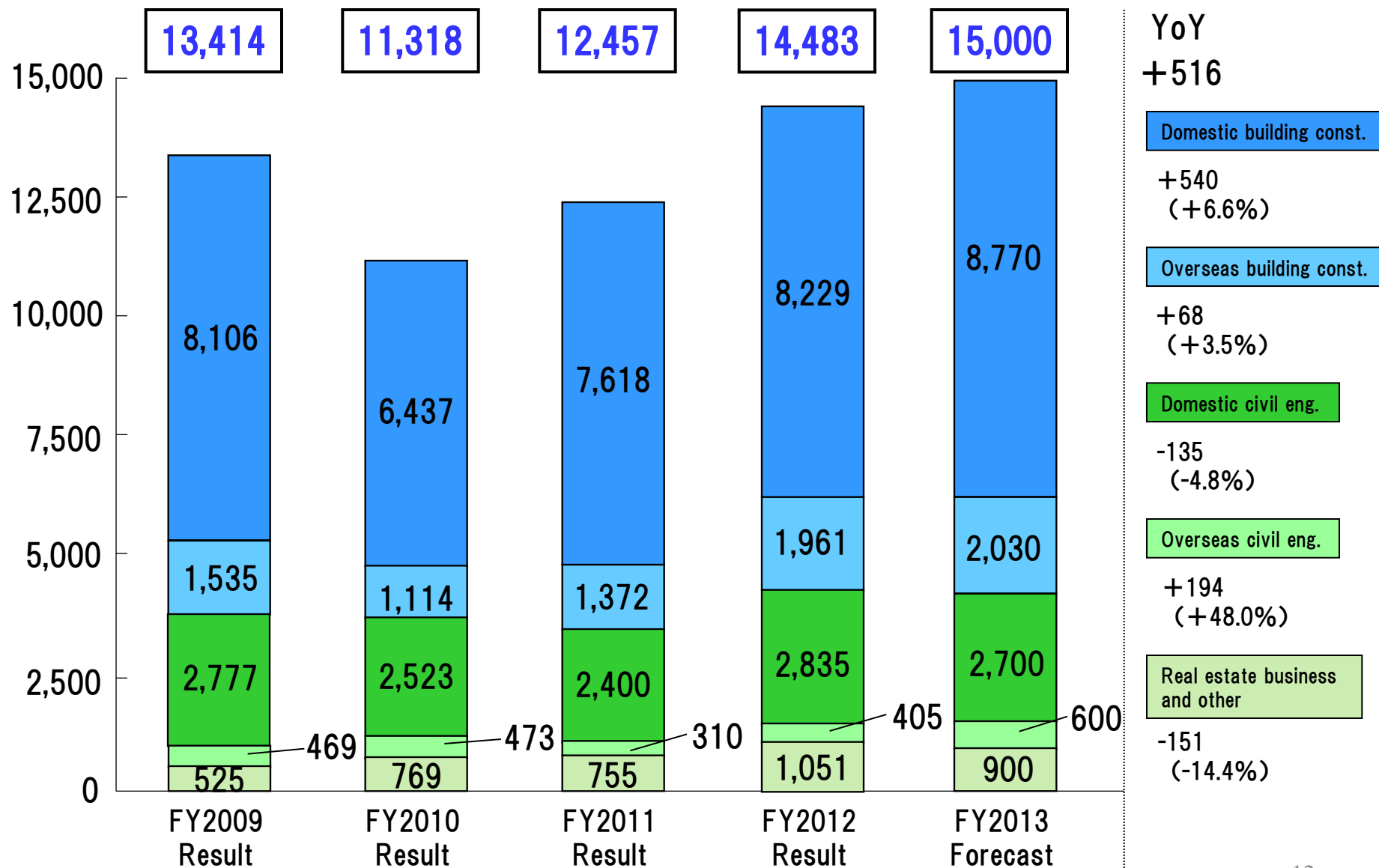
【Non-consolidated】 Forecast for Net Sales

(100 million yen)



【Consolidated】 Forecast for Net Sales

(100 million yen)



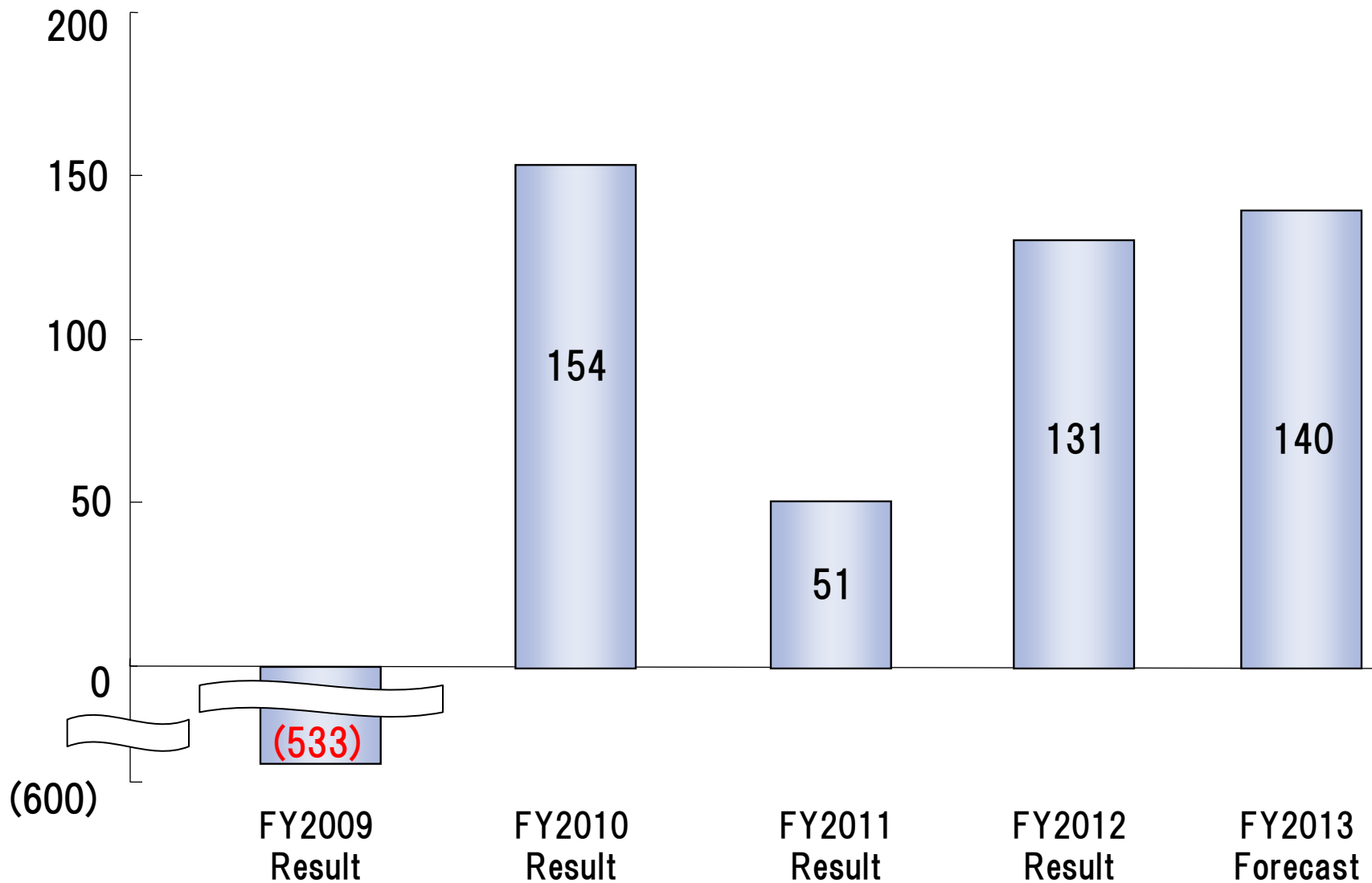
【Consolidated】 Forecast for Operating Income by Business Segment

(100 million yen)

		FY2012		FY2013		Increase (Decrease)
		Operating margin		Operating margin		
	Domestic building construction	1.3%	110	0.9%	80	(30)
	Overseas building construction	3.3%	64	1.0%	20	(44)
	Domestic civil engineering	3.0%	84	2.6%	70	(14)
	Overseas civil engineering	(4.3%)	(17)	0.0%	0	17
Construction Total		1.8%	241	1.2%	170	(71)
Real estate business and other		10.5%	109	10.0%	90	(19)
Total		2.4%	351	1.7%	260	(91)

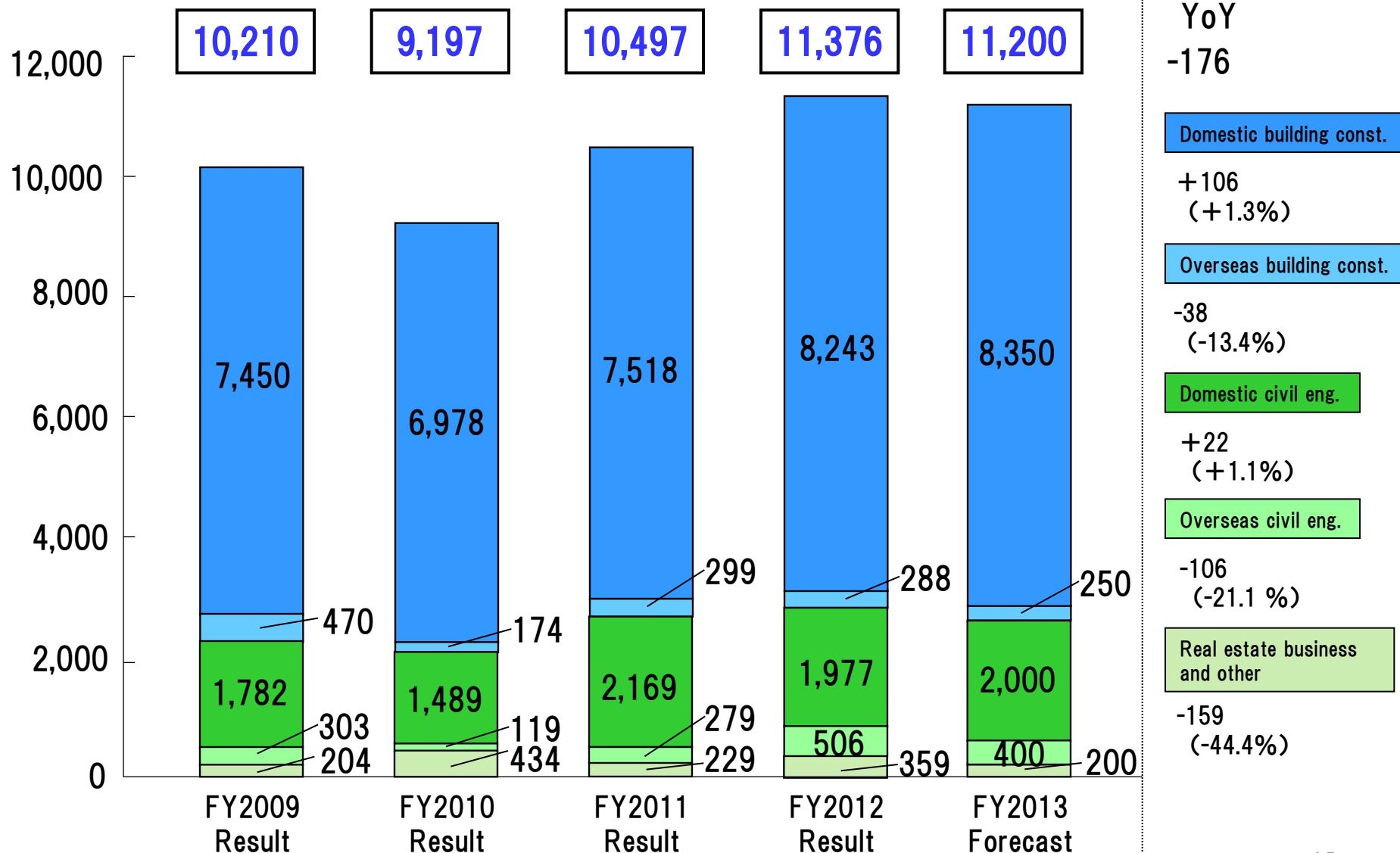
【Consolidated】 Forecast for Net Income

(100 million yen)



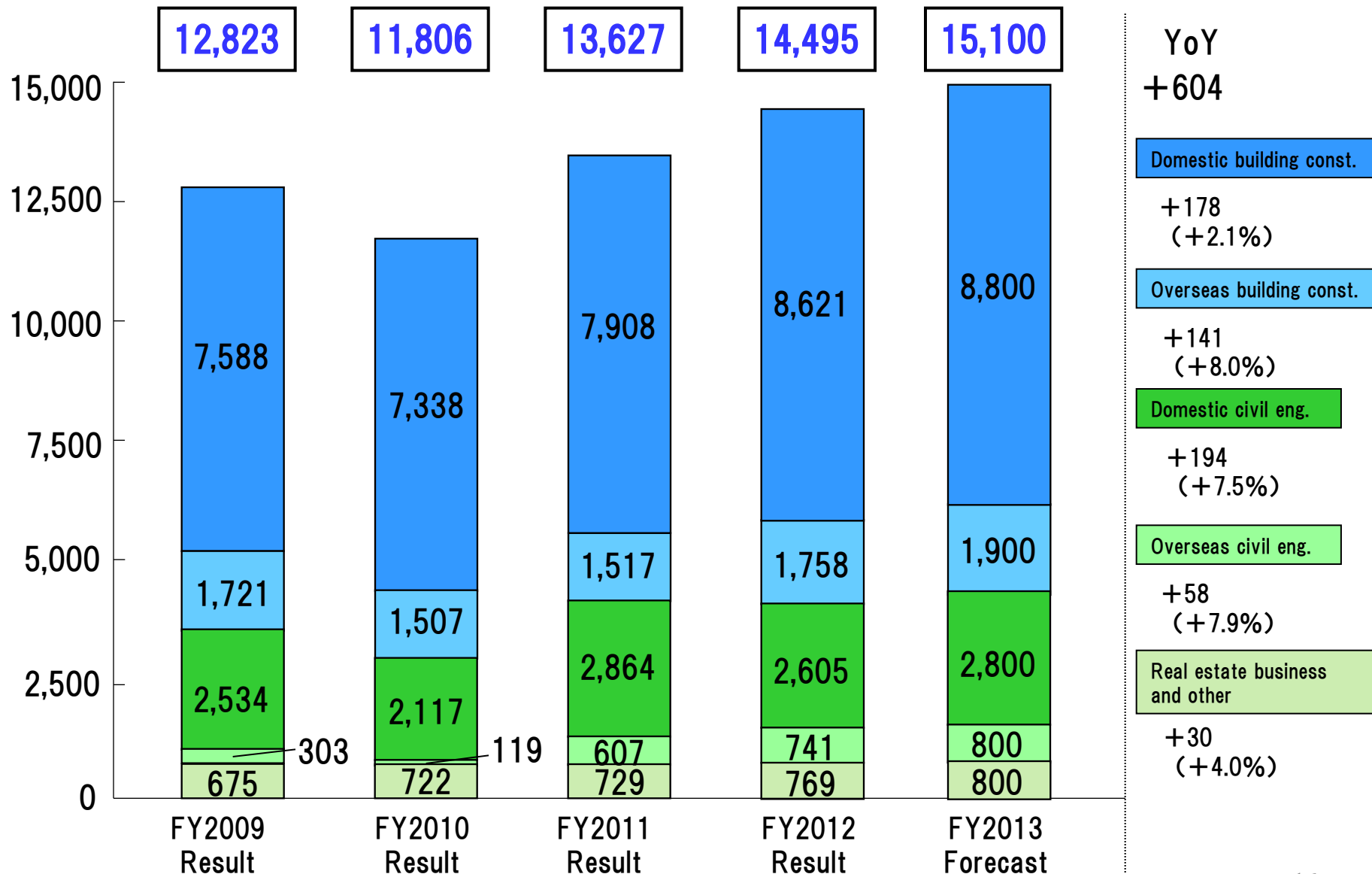
【Non-consolidated】 Forecast for Orders Received

(100 million yen)



【Consolidated】 Forecast for Orders Received

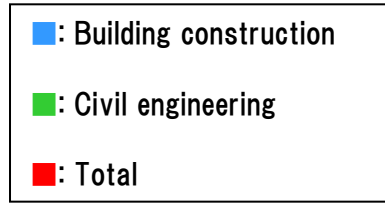
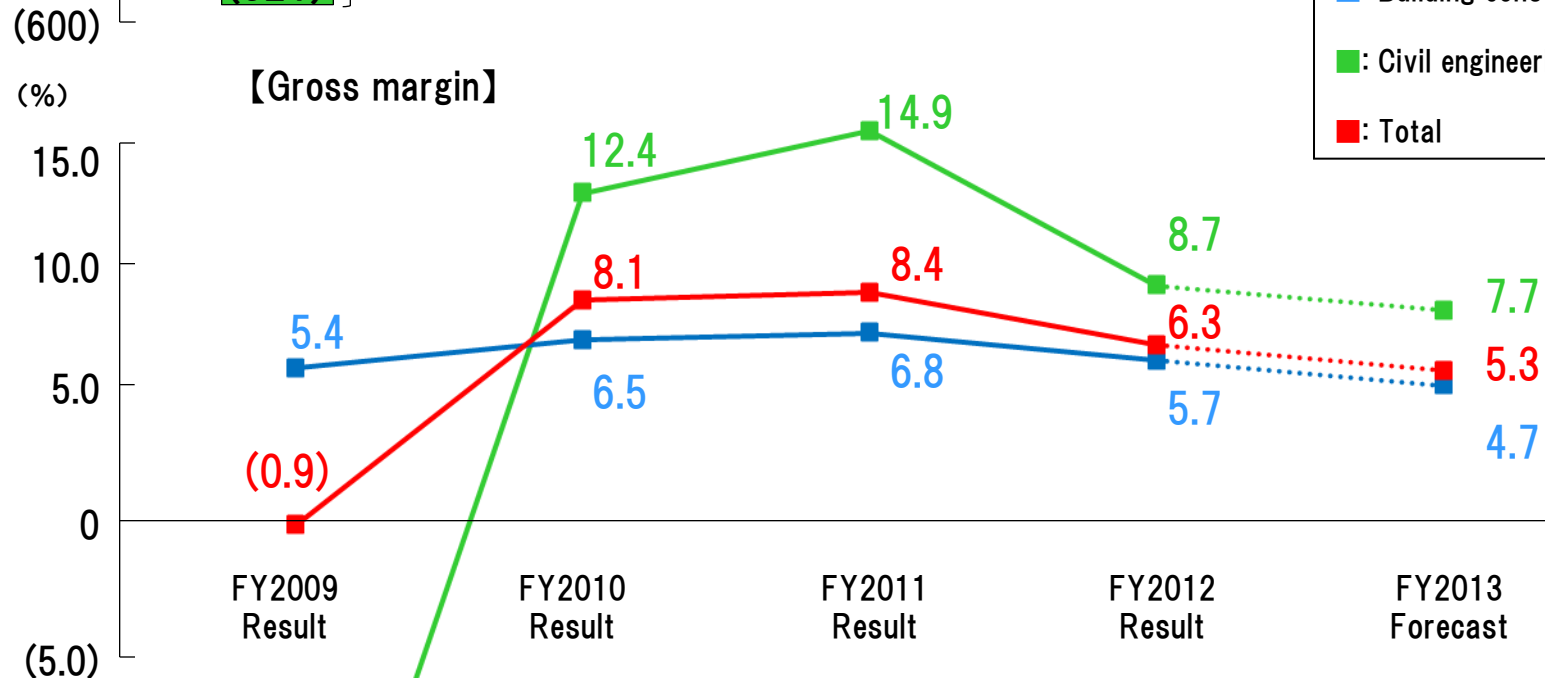
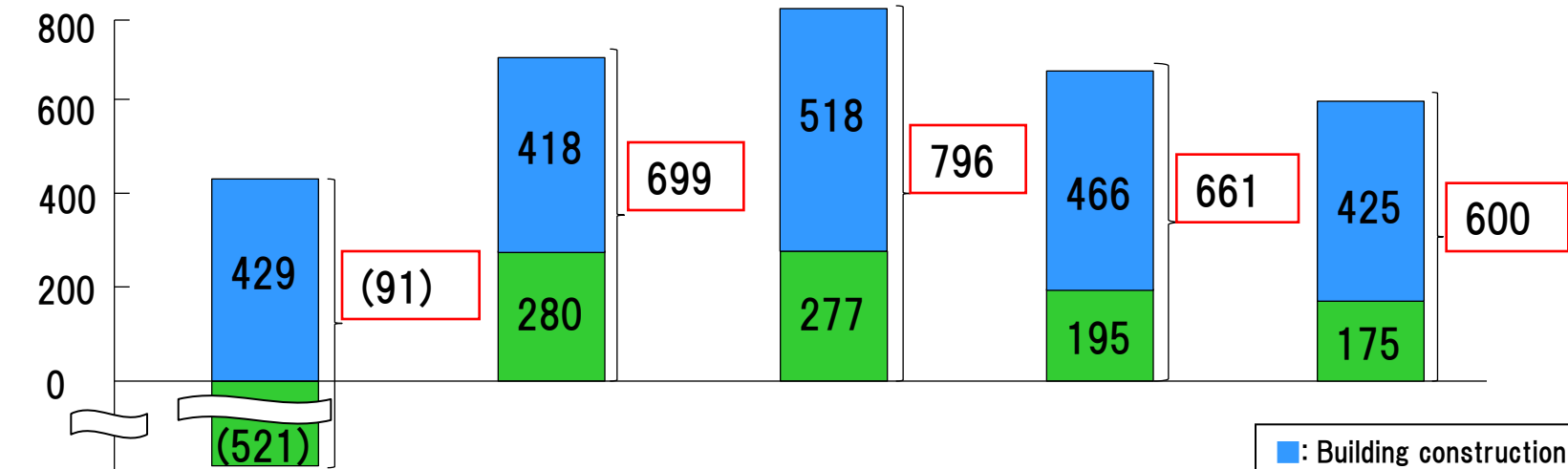
(100 million yen)



【Non-consolidated】 Transition of Gross Profit on Completed Construction Contracts

(100 million yen)

【Gross profit on completed construction contracts】



Progress of Obayashi Group Medium-Term Business Plan 2012



OBAYASHI

Overview of Financial Result for FY2012

(100 million yen)

【 Consolidated 】	FY2011 Result		FY2012 Forecast		FY2012 Result	
	Operating income	311	2.5%	340	2.4%	351
Operating margin						
(Non-consolidated)	220	2.3%	220	2.1%	142	1.3%
Net sales of completed construction contracts	11,701		12,950		13,431	
Domestic	10,018	86%	10,570	82%	11,065	82%
Overseas	1,682	14%	2,380	18%	2,366	18%
Operating income	311		340		351	
Domestic construction	66%	Average between FY2007 and FY2011 except for FY2009	216	64%	194	55%
Other than the above (Overseas construction, real estate, new businesses etc.)	34%		124	36%	156	45%

Operating Margin

Consolidated basis :
Achieved forecasted figure
Non-consolidated basis:
Decreased by 1.0% points
from FY2011

Overseas sales ratio in the net sales of completed construction contracts

Reached to forecasted figure primarily due to expansion of overseas construction projects of subsidiaries

The ratio of operating income from other than domestic construction in total operating income

Exceeded forecasted figure due to decrease in non-consolidated domestic construction and increase in real estate as well as overseas

Business Environment

- ◇ Gradual recovery in domestic construction investment
- ◇ Prospective construction costs per square meter in private non-residential building marginally increasing

(Trillion yen)

Reserch Institute of Construction and Economy (Released on April 22, 2013)	FY2011		FY2012		FY2013	
	(Tentative)	Rate of change	(Forecast)	Rate of change	(Forecast)	Rate of change
Construction Investment	41.70	2.0%	44.35	6.4%	47.72	7.6%
Private non-residential building	7.38	6.6%	7.44	0.8%	8.04	8.1%
Private civil engineering	4.53	11.6%	4.84	6.8%	5.03	3.9%
Public civil engineering	14.09	(4.1%)	15.30	8.6%	17.10	11.8%

- ◇ Overseas: Stable investment by Japanese and global enterprises in Asia

Trend in Construction Price

- ◇ Continuing increase in construction price including labor cost
<Action Plan>

- ⇒ Fulfill **cost control** at receipt of order and during construction
- ⇒ **Secure labors** cooperating with all branches
- ⇒ Strengthen **procurement structure**

- 【Ministry of Land, Infrastructure, Transport and Tourism (FY2013): Increase in design labor unit price for public works】
- ⇒ Receive orders at **reasonable price** reflecting market price

Medium-Term Business Plan 2012 | Consolidated Target Indices |

Forecast for FY2013 and Plan for FY2014

(100 million yen)

(Consolidated)	FY2012 Real		FY2013 Forecast		FY2014 Plan		Beyond FY2014	
Net sales	1 4 4 8 3		1 5 0 0 0		1 5 0 0 0		Construction	
Construction	1 3 4 3 1		1 4 1 0 0		1 4 0 0 0			
Domestic	8 2 %		8 1 %		8 0 %			
Overseas	1 8 %		1 9 %		2 0 %			
Real estate, etc.	1,0 5 0		8 9 0		9 0 0			
New businesses	0		1 0		1 0 0			
Operating income (Operating Margin)	(Conso.) 351 24%	(Non-conso.) 142 13%	(Conso.) 260 1.7%	(Non-conso.) 80 0.7%	4 5 0 3.0%		Operating income	
Domestic construction	5 5 %		5 8 %		6 0 %			
Other than the above (Overseas construction, real estate, new businesses etc.)	4 5 %		4 2 %		4 0 %			

- ◇ On the earnings front, operating income is forecasted to decrease due to remaining effect of soaring construction price
 - ◇ Recent profitability at receipt of order is gradually rising
- Retrieve non-consolidated earnings, and aim to achieve “Medium-Term Business Plan 2012” in FY2014

Medium-Term Business Plan 2012 | Further Growth in Core Business |

■ Building Construction — Enhance business system and organization to expand share of orders in Tokyo Metropolitan Area

◇ In Tokyo Main Office, orders received in FY2012 increased by 25% from the previous fiscal year

◇ Prioritize to **secure profit at receipt of orders**

(100 million yen)

FY2013
Forecast for
Orders Received

	Consolidated			Non-consolidated		
	FY2012 Result	FY2013 Forecast	Increase (Decrease)	FY2012 Result	FY2013 Forecast	Increase (Decrease)
Domestic	8,621	8,800	178	8,243	8,350	106
Overseas	1,758	1,900	141	288	250	(38)
Building Total	10,379	10,700	320	8,532	8,600	67

■ Civil Engineering — Actively participate in public infrastructure projects for disaster prevention and mitigation which provide for a safe and secure environment

◇ Continue to strengthen **technological development**

(100 million yen)

FY2013
Forecast for
Orders Received

	Consolidated			Non-consolidated		
	FY2012 Result	FY2013 Forecast	Increase (Decrease)	FY2012 Result	FY2013 Forecast	Increase (Decrease)
Domestic	2,605	2,800	194	1,977	2,000	22
Overseas	741	800	58	506	400	(106)
Civil Total	3,346	3,600	253	2,484	2,400	(84)

■ Real Estate Development Business — Bolster real estate leasing business and make it a stable & solid source of revenue

◇ **Invested based on capital expenditure plan**, and utilize company-owned properties

Leasing
Business

Target of Gross Profit
FY2014

12 billion yen

Capital Expenditure Plan
Total FY2012-FY2014

60 billion yen

Medium-Term Business Plan 2012 | Diversification of Earnings Base |

Further Strategic Global Expansion

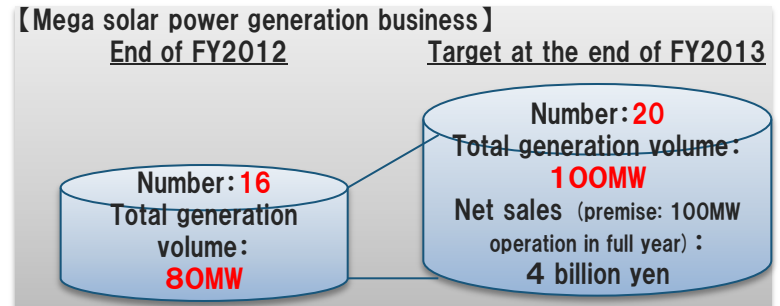
- ◇ **Asia & North America**
 - Asia: Thai Obayashi & Jaya Obayashi in firm tone
 - North America: Webcor under recovery, Kenaidan in firm tone
 - Consider new businesses (PPP, real estate development etc.) relating to construction business
- ◇ **Middle East & Oceania etc.**
 - Forming partnerships with leading local general contractors and secure orders received

Consolidated overseas orders	Consolidated overseas net sales
FY2012 Result (100 million yen)	
2,500 (18%)	2,366 (18%)
FY2013 Forecast	
2,700 (19%)	2,630 (19%)
FY2014 Plan	
Over 20%	20%

(%: Overseas sales ratio in the construction business)

Creation of New Enterprises through Business Innovation

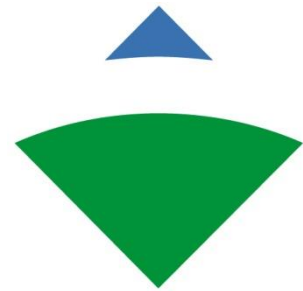
- ◇ **Renewable energy business**
 - Mega solar power generation business expanding steadily
 - Consider entering the power generation business such as wind, geothermal, water and biomass



Development of Technology into Direct Source of Profit

- ◇ In FY2012, the Main Building of Obayashi Technical Institute achieved annual CO2 emissions reduction ratio of 64.7%, the highest level in Japan
 - Obayashi shall apply this result for creating and saving energy





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