

Summary of 3rd Quarter (cumulative) Financial Results FY2008 ending March 2009 OBAYASHI CORPORATION

Disclaimer: This financial information, a digest of Obayashi Corporation's news release "Summary of 3rd Quarter Financial Results FY2008 ending March 2009" ("Kessan Tanshin") announced at the Tokyo Stock Exchange on February 10, 2009, was translated into English and presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between Japanese "Kessan Tanshin" and this document, Japanese "Kessan Tanshin" will prevail. The numbers shown as "Forecast", "Plan" or any other words and phrases relating to any future events provided in this document are based on the information available at the time of the release of this document. Due to various factors, the actual result may vary from the forecast data.

(Rounded down to the nearest million yen)

1. Summary of the 3rd Quarter Results for FY2008 ending March 2009 (April 1, 2008 - December 31, 2008)

(1) Consolidated Business Results (Cumulative)

(% shows the change from the result of the same quarter of the previous FY.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
3rd Quarter of FY2008	1,180,620	-	14,270	-	16,921	-	6,031	-
3rd Quarter of FY2007	1,057,890	10.7	12,116	(32.4)	16,176	(28.1)	7,878	(68.9)

	Net Earnings per Share	Net Earnings per Share Adjusted for Latent Shares
	(Unit: yen)	(Unit: yen)
3rd Quarter of FY2008	8.38	-
3rd Quarter of FY2007	10.94	-

(2) Changes in Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	(Unit: million yen)	(Unit: million yen)	(Unit: %)	(Unit: yen)
3rd Quarter of FY2008	1,792,672	409,798	21.5	535.13
FY2007 ended Mar. 2008	1,854,071	477,504	24.3	625.06

2. Dividends

	Dividend per share (Unit: yen)				
(Record date)	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Full-year
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2007 ended Mar.2008	-	4.00	-	4.00	8.00
FY2008 ending Mar.2009	-	4.00	-	-	-
FY2008 ending Mar.2009 (Forecast)	-	-	-	4.00	8.00

* The dividend payout forecast was not revised in this 3rd quarter.

* The forecasts above was prepared on the basis of information available at the time of the release of this document.

Due to various factors, the actual result may vary from the forecast data.

3. Consolidated Forecast for FY2008 ending March 2009 (April 1, 2008 - March 31, 2009)

(% shows the change from the previous FY results)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Earnings per Share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full-year	1,700,000	0.5	21,000	(26.7)	24,500	(24.2)	8,000	(57.0)	11.13

* The consolidated forecast was revised in this 3rd quarter.

* The forecasts above was prepared on the basis of information available at the time of the release of this document.

Due to various factors, the actual result may vary from the forecast data.

Reference: Summary of Non-consolidated Financial Results

Reference 1: Summary of Non-consolidated 3rd Quarter Results (April 1, 2008 - December 31, 2008)

(1) Non-consolidated Business Results (Cumulative) (% shows the change from the result of the same quarter of the previous FY.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
3rd Quarter of FY2008	907,658	-	5,603	-	8,462	-	3,880	-
3rd Quarter of FY2007	860,934	10.0	6,378	(50.4)	10,437	(39.4)	6,238	(63.5)

	Net Earnings per Share	Net Earnings per Share Adjusted for Latent Shares
	(Unit: yen)	(Unit: yen)
3rd Quarter of FY2008	5.39	-
3rd Quarter of FY2007	8.67	-

(2) Changes in Non-consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	(Unit: million yen)	(Unit: million yen)	(Unit: %)	(Unit: yen)
3rd Quarter of FY2008	1,432,303	353,860	24.7	492.10
FY2007 ended Mar.2008	1,491,691	418,135	28.0	580.96

Reference 2: Non-consolidated Forecast for FY2008 ending March 2009 (April 1, 2008 - March 31, 2009)

(% shows the change from the previous FY results)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Earnings per Share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full-year	1,330,000	(4.2)	8,500	(53.7)	12,000	(44.6)	5,000	(66.9)	6.95

* The non-consolidated forecast was revised in this 3rd quarter.

* The forecast above was prepared on the basis of information available at the time of the release of this document.

Due to various factors, the actual result may vary from the forecast data.

Note: This quarterly non-consolidated summary was prepared in accordance with the Japanese accounting standard for quarterly financial statements, although it is not subject to the disclosure legally required by the related authorities.

Consolidated quarterly balance sheets

(Unit : million yen)

	December 31, 2008	March 31, 2008
Assets		
Current assets		
Cash and deposits	105,984	129,680
Notes receivable, accounts receivable from completed construction contracts and other	460,627	434,411
Short-term investment securities	1,986	1,835
Real estate for sale	62,984	41,850
Costs on uncompleted construction contracts	304,376	276,982
Inventories for PFI and other project	71,098	61,994
Other inventories	12,834	8,886
Deferred tax assets	36,743	40,341
Accounts receivable-other	66,080	86,762
Other	25,301	15,751
Allowance for doubtful accounts	(733)	(775)
Total current assets	1,147,283	1,097,722
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	167,006	175,356
Machinery, vehicles, tools, furniture and fixtures	72,222	73,094
Land	242,476	249,756
Lease assets	2,187	-
Construction in progress	128	1,112
Accumulated depreciation	(156,410)	(158,275)
Total property, plant and equipment	327,611	341,044
Intangible assets	7,066	8,183
Investments and other assets		
Investment securities	263,721	374,454
Long-term loans receivable	8,551	8,762
Deferred tax assets	19,022	3,522
Other	22,429	23,305
Allowance for doubtful accounts	(3,104)	(3,056)
Total investments and other assets	310,619	406,988
Total noncurrent assets	645,297	756,216
Deferred assets	91	132
Total assets	1,792,672	1,854,071

(Unit : million yen)

	December 31, 2008	March 31, 2008
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	504,473	524,008
Short-term loans payable	142,033	81,515
Current portion of PFI and other project finance loan	8,658	10,640
Commercial papers	18,000	31,000
Current portion of bonds	20,000	10,000
Lease obligations	764	-
Income taxes payable	1,261	13,022
Advances received on uncompleted construction contracts	213,438	209,117
Deposits received	62,347	71,145
Provision for warranties for completed construction	1,546	1,590
Provision for loss on construction contracts	12,314	14,573
Other	51,949	63,538
Total current liabilities	1,036,787	1,030,154
Noncurrent liabilities		
Bonds payable	30,000	50,000
Long-term loans payable	100,760	69,932
PFI and other project finance loan	88,049	74,732
Lease obligations	869	-
Deferred tax liabilities	-	27,869
Deferred tax liabilities for land revaluation	28,468	28,469
Provision for retirement benefits	70,893	68,255
Provision for environmental measures	518	535
Other	26,524	26,616
Total noncurrent liabilities	346,086	346,412
Total liabilities	1,382,874	1,376,566
Net assets		
Shareholders' equity		
Capital stock	57,752	57,752
Capital surplus	41,750	41,750
Retained earnings	198,776	198,507
Treasury stock	(1,231)	(919)
Total shareholders' equity	297,048	297,091
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	63,351	125,499
Deferred gains or losses on hedges	(102)	(90)
Revaluation reserve for land	25,946	25,946
Foreign currency translation adjustment	(1,443)	1,428
Total valuation and translation adjustments	87,751	152,784
Minority interests	24,998	27,628
Total net assets	409,798	477,504
Total liabilities and net assets	1,792,672	1,854,071

Consolidated quarterly statements of income

(Unit : million yen)

	3Q / FY 2008	3Q / FY 2007 *
	From April 1, 2008 to December 31, 2008	From April 1, 2007 to December 31, 2007
Net sales		
Net sales of completed construction contracts	1,138,822	975,445
Net sales of real estate business and other businesses	41,798	82,445
Total net sales	<u>1,180,620</u>	<u>1,057,890</u>
Cost of sales		
Cost of sales of completed construction contracts	1,076,220	930,904
Cost of sales on real estate business and other businesses	30,341	58,255
Total cost of sales	<u>1,106,562</u>	<u>989,159</u>
Gross profit		
Gross profit on completed construction contracts	62,601	44,540
Gross profit on real estate business and other businesses	11,456	24,190
Total gross profit	<u>74,058</u>	<u>68,731</u>
Selling, general and administrative expenses	<u>59,787</u>	<u>56,614</u>
Operating income	<u>14,270</u>	<u>12,116</u>
Non-operating income		
Interest income	1,401	
Dividends income	5,854	
Other	844	
Total non-operating income	<u>8,100</u>	<u>8,078</u>
Non-operating expenses		
Interest expenses	2,720	
Foreign exchange losses	2,039	
Other	689	
Total non-operating expenses	<u>5,449</u>	<u>4,018</u>
Ordinary income	<u>16,921</u>	<u>16,176</u>
Extraordinary income		
Gain on sales of investment securities	4,804	
Other	596	
Total extraordinary income	<u>5,400</u>	<u>2,577</u>
Extraordinary loss		
Loss on valuation of investment securities	3,659	
Loss on valuation of real estate for sale	3,139	
Compensation for tenants' removal and relocation costs	1,214	
Other	902	
Total extraordinary losses	<u>8,916</u>	<u>3,123</u>
Income before income taxes and minority interests	<u>13,405</u>	<u>15,630</u>
Income taxes-current	2,450	
Income taxes-deferred	2,497	
Total income taxes	<u>4,947</u>	<u>6,480</u>
Minority interests in income	<u>2,426</u>	<u>1,271</u>
Net income	<u>6,031</u>	<u>7,878</u>

* For reference purpose only

Consolidated quarterly statements of cash flows

(Unit : million yen)

3Q / FY 2008
From April 1, 2008
to December 31, 2008

Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	13,405
Depreciation and amortization	8,121
Increase (decrease) in allowance for doubtful accounts	14
Increase (decrease) in provision for loss on construction contracts	(2,258)
Increase (decrease) in provision for retirement benefits	2,640
Loss (gain) on valuation of short-term and long term investment securities	3,659
Loss on valuation of real estate for sale	3,139
Interest and dividends income	(7,256)
Interest expenses	2,720
Loss (gain) on sales of short-term and long term investment securities	(4,783)
Decrease (increase) in notes and accounts receivable-trade	(30,626)
Decrease (increase) in costs on uncompleted construction contracts	(30,553)
Decrease (increase) in inventories	(12,338)
Decrease(Increase) in inventories for PFI and other project	(9,104)
Decrease (increase) in other assets	11,350
Increase (decrease) in notes and accounts payable-trade	(15,162)
Increase (decrease) in advances received on uncompleted construction contracts	5,496
Increase (decrease) in other liabilities	(19,677)
Other, net	1,652
Subtotal	<u>(79,560)</u>
Interest and dividends income received	7,296
Interest expenses paid	(2,548)
Income taxes (paid) refund	(14,176)
Net cash provided by (used in) operating activities	<u>(88,989)</u>
Net cash provided by (used in) investment activities	
Purchase of property, plant and equipment and intangible assets	(6,402)
Proceeds from sales of property, plant and equipment and intangible assets	389
Purchase of short-term and long term investment securities	(1,461)
Proceeds from sales and redemption of short-term and long term investment securities	8,057
Payments of loans receivable	(20)
Collection of loans receivable	237
Other, net	(2,707)
Net cash provided by (used in) investment activities	<u>(1,906)</u>

(Unit : million yen)

3Q / FY 2008
From April 1, 2008
to December 31, 2008

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Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	62,570
Increase (decrease) in commercial papers	(13,000)
Repayments of lease obligations	(691)
Proceeds from long-term loans payable	37,450
Repayment of long-term loans payable	(8,528)
Proceeds from PFI and other project finance loan payable	37,866
Payment of PFI and other project finance loan payable	(26,532)
Redemption of bonds	(10,000)
Cash dividends paid	(5,757)
Cash dividends paid to minority shareholders	(2,497)
Other, net	(312)
Net cash provided by (used in) financing activities	<u>70,567</u>
Effect of exchange rate change on cash and cash equivalents	<u>(5,857)</u>
Net increase (decrease) in cash and cash equivalents	<u>(26,185)</u>
Cash and cash equivalents at beginning of period	128,537
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(13)
Cash and cash equivalents at end of period	<u>102,338</u>

Segment Information

(1) Segment information by type of business
3rd Quarter Results (April 1, 2008 - December 31, 2008)

(Unit: million yen)

	Construction Business	Real Estate Business	Other Businesses	Total	Eliminations or Corporate	Consolidated
Sales						
(1) External sales	1,138,822	19,557	22,240	1,180,620	-	1,180,620
(2) Intersegment	14,988	807	6,059	21,855	(21,855)	-
Total	1,153,811	20,365	28,299	1,202,476	(21,855)	1,180,620
Operating Income	7,602	5,307	1,082	13,992	278	14,270

Note: Each segment includes the following businesses:

Construction Business: Civil Engineering, Building Construction, and all other construction related businesses
Real Estate Business: Purchase and sale, rent, and brokerage of real estate
Other Businesses: PFI (Private Finance Initiative), finance, operation of golf courses, and other businesses

(2) Segment information by regions
3rd Quarter Results (April 1, 2008 - December 31, 2008)

(Unit: million yen)

	Japan	North America	Asia	Other Regions	Total	Eliminations or Corporate	Consolidated
Sales							
(1) External sales	1,002,920	140,601	37,076	22	1,180,620	-	1,180,620
(2) Intersegment	63	5	342	0	412	(412)	-
Total	1,002,984	140,607	37,418	22	1,181,033	(412)	1,180,620
Operating Income	9,169	2,621	2,467	10	14,268	1	14,270

Note: Regions shown above (except Japan) include, but are not limited to, the following countries and areas:

North America: United States of America
Asia: Thailand, Indonesia, Vietnam
Other Regions: The Netherlands

(3) Overseas sales
3rd Quarter Results (April 1, 2008 - December 31, 2008)

(Unit: million yen)

	North America	Asia	Other Regions	Total
Overseas sales	159,447	151,122	1,766	312,336
Consolidated sales	_____	_____	_____	1,180,620
Overseas sales/Consolidated sales (%)	13.5	12.8	0.2	26.5

Note: Regions shown above include, but are not limited to, the following countries and areas:

North America: United States of America
Asia: United Arab Emirates, Thailand, Vietnam, Taiwan
Other Regions: United Kingdom

Non-consolidated Quarterly Balance Sheets

(For reference purpose only)

(Unit: million yen)

	December 31, 2008	March 31, 2008
Assets		
Current assets		
Cash and deposits	54,773	73,294
Notes receivable	21,264	19,087
Accounts receivable from completed construction contracts	334,960	299,077
Accounts receivable from real estate business and other businesses	1,627	3,331
Short-term investment securities	30	11
Real estate for sale	60,387	38,522
Costs on uncompleted construction contracts	279,134	260,383
Costs paid on real estate business and other businesses	8,224	6,938
Raw materials and supplies	1,306	1,000
Deferred tax assets	31,898	34,908
Accounts receivable-other	62,493	78,954
Other	19,034	11,592
Allowance for doubtful accounts	(342)	(577)
Total current assets	<u>874,793</u>	<u>826,526</u>
Noncurrent assets		
Property, plant and equipment		
Land	154,647	161,833
Other	47,026	54,918
Total property, plant and equipment	<u>201,673</u>	<u>216,752</u>
Intangible assets	3,891	4,443
Investments and other assets		
Investment securities	259,926	370,091
Deferred tax assets	18,887	-
Other	75,620	76,373
Allowance for doubtful accounts	(2,489)	(2,495)
Total investments and other assets	<u>351,944</u>	<u>443,969</u>
Total noncurrent assets	<u>557,509</u>	<u>665,165</u>
Total assets	<u>1,432,303</u>	<u>1,491,691</u>

Note: This quarterly non-consolidated balance sheet was prepared in accordance with the Japanese accounting standard for quarterly financial statements, although it is not subject to the disclosure legally required by the related authorities.

(Unit: million yen)

	December 31, 2008	March 31, 2008
Liabilities		
Current liabilities		
Notes payable	49,072	54,068
Accounts payable for construction contracts	362,711	370,456
Accounts payable for real estate business and other businesses	880	1,092
Short-term loans payable	107,104	46,921
Commercial papers	18,000	31,000
Current portion of bonds	20,000	10,000
Income taxes payable	112	10,789
Advances received on uncompleted construction contracts	193,617	193,975
Advances received on real estate and other businesses	2,949	2,880
Deposits received	58,955	68,301
Provision for warranties for completed construction	1,461	1,505
Provision for loss on construction contracts	11,890	14,044
Other	39,518	48,405
Total current liabilities	<u>866,274</u>	<u>853,440</u>
Noncurrent liabilities		
Bonds payable	30,000	50,000
Long-term loans payable	74,522	40,954
Deferred tax liabilities	-	24,168
Deferred tax liabilities for land revaluation	21,348	21,348
Provision for retirement benefits	63,967	61,359
Provision for loss on real estate business and other businesses	12,046	12,004
Provision for environmental measures	416	418
Other	9,866	9,860
Total noncurrent liabilities	<u>212,168</u>	<u>220,115</u>
Total liabilities	<u>1,078,443</u>	<u>1,073,555</u>
Net assets		
Shareholders' equity		
Capital stock	57,752	57,752
Capital surplus		
Legal capital surplus	41,694	41,694
Total capital surplus	<u>41,694</u>	<u>41,694</u>
Retained earnings		
Legal retained earnings	14,438	14,438
Other retained earnings	156,990	158,867
Reserve for advanced depreciation of non-current assets	1,326	1,358
General reserve	100,000	100,000
Retained earnings brought forward	55,663	57,509
Total retained earnings	<u>171,428</u>	<u>173,305</u>
Treasury stock	(1,231)	(919)
Total shareholders' equity	<u>269,644</u>	<u>271,833</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	63,316	125,397
Deferred gains or losses on hedges	(18)	(14)
Revaluation reserve for land	20,918	20,918
Total valuation and translation adjustments	<u>84,216</u>	<u>146,301</u>
Total net assets	<u>353,860</u>	<u>418,135</u>
Total liabilities and net assets	<u>1,432,303</u>	<u>1,491,691</u>

Note: This quarterly non-consolidated balance sheet was prepared in accordance with the Japanese accounting standard for quarterly financial statements, although it is not subject to the disclosure legally required by the related authorities.

Non-consolidated Statements of Income

(For reference purpose only)

(Unit: million yen)

	3Q / FY 2008 From April 1, 2008 to December 31, 2008	3Q / FY 2007 From April 1, 2007 to December 31, 2007
Net sales		
Net sales of completed construction contracts	888,416	821,953
Net sales of real estate business and other businesses	19,241	38,981
Total net sales	<u>907,658</u>	<u>860,934</u>
Cost of sales		
Cost of sales of completed construction contracts	845,760	790,670
Cost of sales on real estate business and other businesses	12,059	20,013
Total cost of sales	<u>857,820</u>	<u>810,684</u>
Gross profit		
Gross profit on completed construction contracts	42,656	31,283
Gross profit on real estate business and other businesses	7,182	18,967
Total gross profit	<u>49,838</u>	<u>50,250</u>
Selling, general and administrative expenses	<u>44,235</u>	<u>43,872</u>
Operating income	<u>5,603</u>	<u>6,378</u>
Non-operating income		
Interest income	932	
Dividends income	6,388	
Other	443	
Total non-operating income	<u>7,764</u>	<u>7,590</u>
Non-operating expenses		
Interest expenses	2,005	
Foreign exchange losses	1,789	
Other	1,111	
Total non-operating expenses	<u>4,905</u>	<u>3,531</u>
Ordinary income	<u>8,462</u>	<u>10,437</u>
Extraordinary income		
Gain on sales of investment securities	4,788	
Other	455	
Total extraordinary income	<u>5,243</u>	<u>2,328</u>
Extraordinary loss		
Loss on valuation of investment securities	3,655	
Loss on valuation of real estate for sale	3,193	
Other	523	
Total extraordinary losses	<u>7,371</u>	<u>1,299</u>
Income before income taxes	<u>6,334</u>	<u>11,466</u>
Income taxes-current	240	
Income taxes-deferred	2,213	
Total income taxes	<u>2,453</u>	<u>5,228</u>
Net income	<u>3,880</u>	<u>6,238</u>

Note: This quarterly non-consolidated statement of income was prepared in accordance with the Japanese accounting standard for quarterly financial statements, although it is not subject to the disclosure legally required by the related authorities.

Non-Consolidated Orders Received

(For reference purpose only)

Orders Received (Non-Consolidated)

(Unit: million yen)

	Amount	% variance*
Cumulative 3Q of FY2008	924,531	31.4
Cumulative 3Q of FY2007	703,603	(17.6)

*shows the changes from the previous FY

Breakdown of Non-Consolidated Orders Received

(Unit: million yen)

	3Q / FY2007 (From April 1, 2007 to December 31, 2007)		3Q / FY2008 (From April 1, 2008 to December 31, 2008)		Variance	
	Amount	%	Amount	%	Amount	% variance
<u>Civil Engineering</u>						
Domestic Public	15,032	2.2	84,866	9.2	69,833	464.5
Domestic Private	59,909	8.5	55,312	6.0	(4,596)	(7.7)
Overseas	27,724	3.9	115,212	12.4	87,487	315.6
Sub-total	102,667	14.6	255,391	27.6	152,723	148.8
<u>Building Construction</u>						
Domestic Public	25,598	3.6	32,695	3.5	7,097	27.7
Domestic Private	510,692	72.6	627,629	67.9	116,937	22.9
Overseas	16,083	2.3	(2,076)	(0.2)	(18,160)	-
Sub-total	552,374	78.5	658,248	71.2	105,873	19.2
<u>Construction Total</u>						
Domestic Public	40,631	5.8	117,561	12.7	76,930	189.3
Domestic Private	570,601	81.1	682,941	73.9	112,340	19.7
Overseas	43,808	6.2	113,135	12.2	69,326	158.3
Sub-total	655,041	93.1	913,639	98.8	258,597	39.5
Real Estate and Other Businesses	48,561	6.9	10,892	1.2	(37,669)	(77.6)
Total	703,603	100.0	924,531	100.0	220,928	31.4

Forecast of Orders Received

(Unit: million yen)

	Full-year	
	Amount	% variance**
FY2008 (Forecast)	1,255,000	4.7
FY2007 (Actual)	1,198,504	(4.4)

* The forecast above was prepared on the basis of information available at the time of the release of this document.

Due to various factors, the actual result may vary from the forecast data.

**shows the changes from the previous FY