



OBAYASHI CORPORATION
ANNUAL REPORT 2009

Year Ended March 31, 2009

**GROW BY LEVERAGING
OUR TECHNOLOGY**

**OBAYASHI:
ADDS NEW VALUE TO THE EARTH**





CONTENTS

- 2 A MESSAGE TO OUR STAKEHOLDERS**
- 4 HISTORY OF THE OBAYASHI GROUP**
- 6 FINANCIAL SUMMARY**
- 8 FEATURES**
 - REVOLUTIONARY TUNNELING TECHNOLOGY
 - OBAYASHI TECHNOLOGY LETS NEW TOWER SOAR
- 10 REVIEW OF OPERATIONS**
 - BUILDING CONSTRUCTION BUSINESS
 - CIVIL ENGINEERING BUSINESS
 - REAL ESTATE BUSINESS
 - PRIVATE FINANCE INITIATIVE (PFI) BUSINESS
 - RENOVATION
 - ENGINEERING
 - TECHNOLOGICAL DEVELOPMENT
- 32 CORPORATE GOVERNANCE**
- 34 WORKING TO ACHIEVE HARMONY WITH LOCAL COMMUNITIES AND SOCIETY AND DEVELOP A CONSTRUCTION CULTURE**
- 35 FINANCIAL SECTION**
- 64 CORPORATE PROFILE/STOCK INFORMATION**
- 65 NETWORK OF COMPANIES**

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains predictions and forecasts regarding the future plans, strategies, and performance of Obayashi Corporation and the Obayashi Group. These statements are forward-looking statements based on assumptions and opinions made in light of information available to the Company at the time of writing, and are subject to risks and uncertainties related to economic trends, market demand, currency exchange rates, taxation and various other systems. Actual results may therefore differ materially from forecasts.

A MESSAGE TO OUR STAKEHOLDERS



Obayashi will work to improve profitability and expand our business domain around our core competence of “technology.”

In recent years, society has been undergoing transformations of unprecedented speed and scale. This volatile environment has led to rapid transformation and diversification of the requirements for construction and facilities. By further enhancing our construction technologies, we at Obayashi will not only contribute to our customers’ business, but also respond to social needs by providing high-function construction services that offer the high added-value of safety, peace of mind, and environment-consciousness.

Progress and Results

The Japanese economy entered a recession during fiscal 2008, the year ended March 31, 2009. This was the result of the global financial and economic crises, which led to deterioration in corporate profitability and subsequent reductions in private capital expenditures, as well as a poor employment situation and uncertainty about the future, resulting in lower corporate consumption.

The domestic construction market saw continued lower orders for public facilities, and private-sector orders were also on a downward trend as a result of the economic slowdown, making the environment for winning orders even more challenging.

Amid this environment, during fiscal 2008 the Obayashi Group saw net sales decline by 0.5% to ¥1,682.4 billion. On the earnings front, operating income fell 4.5% year on year to ¥27.3 billion, while ordinary income fell 1.5% to ¥31.8 billion. Net income decreased by 41.0% to ¥10.9 billion, due in part

	(Billions of yen)	
(Years ended March 31)	2008	2009
Net sales	¥1,691.6	¥1,682.4
Operating income	28.6	27.3
Ordinary income	32.3	31.8
Net income	18.5	10.9

to an extraordinary gain of over ¥10.0 billion in the previous fiscal year on the sale of land and buildings and structures.

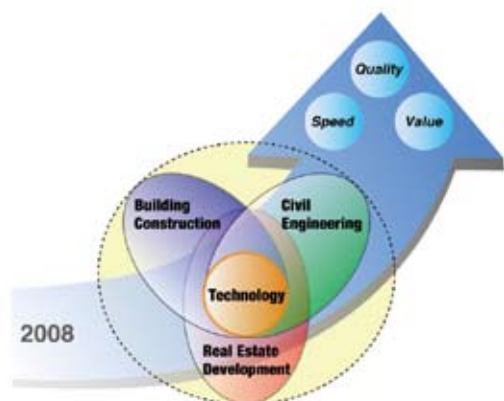
Improving Net Sales and Income

Increasing the profitability of the business is an urgent issue for the Obayashi Group. Based on this recognition, the entire Group is working to further promote the measures of the Medium Term Business Plan 2008—"Grow by Leveraging Our Technology"—a 5-year program that began in 2008.

The medium term business plan aims at improving the profitability of construction and real estate development, the Obayashi Group's key businesses, by enhancing our core competence of "technology," as well as expanding business areas of Obayashi Group. Specifically, we will accurately gauge changes in the market, create detailed strategies for each construction type and method, and emphasize development of "market-oriented technologies" that meet the needs of our clients. Through these actions, we will leverage our core technological competence to maintain our competitive advantage. This will enable us to further improve the quality of our proposals to enhance customer satisfaction, as well as acquire more design/build projects and expand our business base, thereby increasing our earnings in the construction business. We will also seek to generate new sources of profit and expand business areas by developing new businesses where we anticipate synergy effects with our key businesses—civil engineering, building construction and real estate development. To this end, we will consider M&As as well as independent business development.

Technology: Obayashi's Core Competence

In order to further strengthen our technological capabilities, we are conducting renovations and improvements to our



Technical Research Institute, a crucial base for our technological development.

The Obayashi Technical Research Institute was established in 1965 on a plot of land approximately 70,000 m² in Kiyose City, Tokyo. Since that time, the Institute has conducted technical development aimed at practical application to meet the needs of customers and society. In our plans for renovation this fall, we will build a new main building as a "Technostation" based around the concept of safety and security and environmental consciousness.

The Technostation itself will incorporate over 100 proprietary Obayashi technologies, including the world's first active vibration control technology system.

When an earthquake occurs, sensors installed in the building and in the ground detect and analyze the seismic motion to determine the optimal compensatory force. An actuator then rocks the building in a manner that negates the seismic tremors. Buildings using this technology are barely affected at all by earthquakes of up to magnitude 5.0. This technology is expected to have useful applications at facilities such as medical institutions and manufacturing plants that use precision machinery.

We will strengthen our key businesses by leveraging the advanced technologies developed at our Technical Research Institute.

Even in these challenging economic times, the Obayashi Group seeks to earn society's trust as a corporate group, while also improving corporate value by ensuring sufficient profit, and we intend to live up to the expectations of all of our stakeholders. We thank you for your continued support and understanding in this endeavor.

President
Toru Shiraishi

OBAYASHI: DEDICATED TO CREATING VALUE

HISTORY OF THE OBAYASHI GROUP

Centered around Obayashi Corporation, one of Japan's largest general contractors, the Obayashi Group comprises 81 subsidiaries and 25 affiliated companies with a total of 15,000 employees and combined annual net sales of approximately ¥1,600 billion. The Group's activities are primarily in the construction and real estate businesses, and Group companies engage in a wide range of activities related to these two main fields.

Obayashi Corporation was founded in 1892 in Osaka by Yoshigoro Obayashi. After completing construction projects for the Osaka Port and the Fifth National Industrial Exhibition, in 1914 Obayashi Corporation went on to build Tokyo Central Station (present-day Tokyo Station), which enabled the Company to demonstrate its technological capabilities on the national stage. When the Great Kanto Earthquake struck Tokyo in 1923, Tokyo Station remained unharmed, winning the Company the great confidence of customers.

In later years, Obayashi grew dramatically through work on projects ranging from the Tokyo Imperial Museum (the present-day Tokyo National Museum) to the reconstruction of Osaka Castle and the construction of Osaka's first subway, running from Yodoyabashi to Kitakyutaro-machi.

Since celebrating its 100th anniversary in 1991, Obayashi has continued to participate in major projects. The Company played a part in infrastructure projects such as construction of Kansai International Airport and the Tokyo Bay Aqua-Line and major building construction projects such as Tokyo International Forum, Shinagawa InterCity, the Marunouchi Building, the Dentsu Headquarters Building, and the Roppongi Hills Mori Tower. As of the publication of this report, Obayashi is working on the construction of the new "Tokyo Sky Tree[®]" tower.

Obayashi also has an established record outside of Japan, dating back to 1962 when the Company became the first Japanese general contractor to take on an overseas construction project. The Company later moved into the United States, and in 1979 became the first Japanese construction company to win an order from the San Francisco City Government to build a sewer system. In the 30 years since that project, Obayashi has continued its business activities in the United States, playing a role in many high-profile large-scale projects, from the seismic retrofit of the Golden Gate Bridge to the bypass bridge over the Colorado River, downstream from the Hoover Dam, icon of the New Deal.

In addition to the United States, Obayashi has been involved in a number of global projects around the world, from the main stadium for the Sydney Olympics to Taiwan's high-speed railway and the subway in Bangkok—a truly global business.

JAPAN



The Fifth National Industrial Exposition



Tokaido Shinkansen

OVERSEAS



San Francisco Sewer
U.S.A.



The Beverly Hills Hotel
U.S.A.



Kansai International Airport



Tokyo Bay Aqua-Line



Tokyo Sky Tree
Perspective drawing of completed tower
Provided by Tobu Railway Co., Ltd. &
Tobu Tower Sky Tree Co., Ltd.



Tokyo International Forum



**Shinagawa Intercity/
Shinagawa Grand
Commons**



**Roppongi Hills
Mori Tower**



Stadium Australia
Australia



Bracken House
United Kingdom



MSP LRT Tunnel and Station
U.S.A



Esplanade Bridge
Singapore



SIAM PARAGON
Thailand

OVER THE YEAR: BUILDING A SOLID RECORD OF ACHIEVEMENT

Obayashi Group: Consolidated Financial Results

Fiscal years ended March 31	1999	2000	2001	2002	2003
Net sales	1,379,840	1,132,027	1,313,347	1,403,671	1,341,003
Cost of sales	1,246,493	1,013,773	1,189,235	1,303,801	1,232,114
Gross profit	133,346	118,254	124,112	99,869	108,889
Gross margin ratio (%)	9.7	10.4	9.5	7.1	8.1
Selling, general and administrative expenses	97,625	89,452	88,799	82,247	80,397
Operating income	35,720	28,802	35,313	17,622	28,491
Operating income ratio (%)	2.6	2.5	2.7	1.3	2.1
Ordinary income	22,112	27,368	33,448	25,676	29,908
Net income (loss)	8,893	5,711	(6,466)	(74,078)	3,124
Net income (loss) per share (yen/US\$)	11.93	7.66	(8.78)	(102.43)	4.27
Total assets	2,070,468	2,060,935	2,197,080	2,044,654	1,948,578
Net assets	309,670	329,430	405,321	290,360	260,359
Net assets per share (yen/US\$)	415.57	442.09	556.91	403.44	361.47
Cash flow from operating activities*1	–	76,873	69,484	33,677	17,072
Cash flow from investing activities*1	–	4,100	21,364	19,212	32,151
Cash flow from financing activities*1	–	(81,338)	(97,460)	(58,008)	(29,917)
Cash and cash equivalents at end of the year	–	96,744	90,853	86,884	107,423
Return on equity (%)*2	2.9	1.8	–	–	1.1
Dividends per share (yen/US\$)*3	8	8	8	8	6

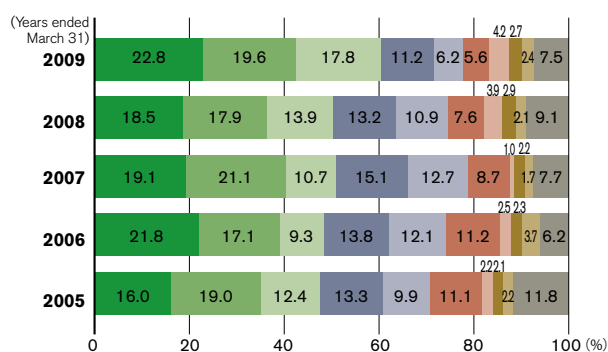
*1 In statements of cash flows, figures in () represent the corresponding decrease in cash and cash equivalents.

*2 Return on equity for the years ended March 31, 2001 and 2002 is not included due to net losses posted during those years.

*3 Dividends of ¥12 for the years ended March 31, 2006 and 2007 include special dividends of ¥4 per share.

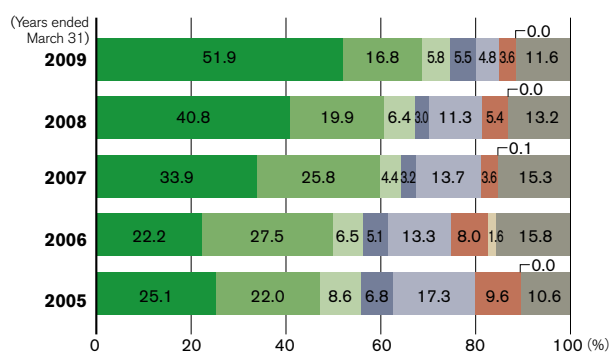
Non-Consolidated Net Sales of Completed Construction Contracts by Type (Building Construction, Civil Engineering)

BUILDING CONSTRUCTION



Factories and power plants Offices and government buildings
Stores Homes Education, research and cultural facilities
Medical and welfare facilities Warehouses and logistics facilities
Amusement facilities Hotels Others

CIVIL ENGINEERING

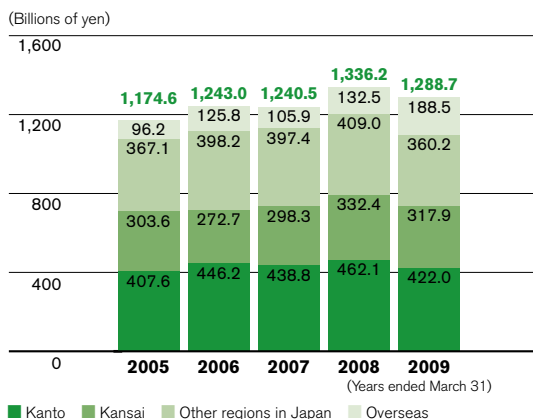


Railroads Roads Soil and water conservation Ports and airports
Water supply and sewerage systems Land reclamation
Electrical lines Others

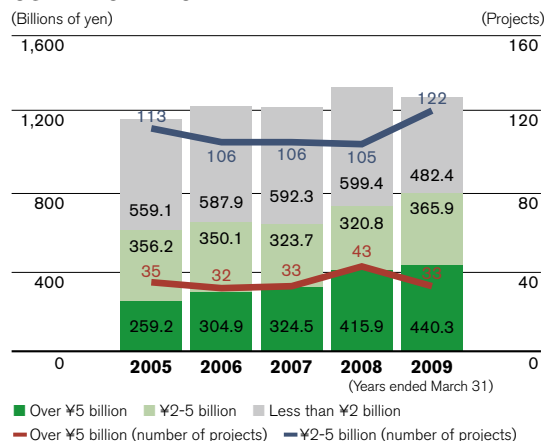
						(Millions of yen)	(Thousands of U.S. dollars)
2004	2005	2006	2007	2008	2009	2009	
1,346,297	1,404,640	1,476,424	1,567,960	1,691,635	1,682,462	17,127,784	
1,227,666	1,285,376	1,354,715	1,446,523	1,584,679	1,575,580	16,039,706	
118,631	119,263	121,708	121,436	106,956	106,881	1,088,078	
8.8	8.5	8.2	7.7	6.3	6.4	-	
80,657	75,907	75,050	73,897	78,289	79,518	809,509	
37,974	43,356	46,658	47,538	28,667	27,363	278,569	
2.8	3.1	3.1	3.0	1.7	1.6	-	
41,940	52,576	50,859	53,320	32,312	31,829	324,030	
21,193	25,076	34,489	40,652	18,595	10,966	111,643	
29.42	34.81	47.89	56.46	25.83	15.24	0.15	
1,821,883	1,842,262	1,977,295	2,066,984	1,854,071	1,725,645	17,567,395	
344,273	364,301	486,017	565,456	477,504	395,809	4,029,410	
477.80	505.81	674.94	753.78	625.06	516.06	5.25	
38,591	52,049	17,793	20,565	(47,631)	(39,610)	(403,238)	
21,746	11,172	25,437	53,036	(18,924)	1,699	17,300	
(67,854)	(56,171)	(53,996)	(38,325)	54,804	62,427	635,524	
103,543	110,781	101,527	139,942	128,537	143,821	1,464,130	
7.0	7.1	8.1	7.9	3.7	2.7	-	
8	8	12	12	8	8	-	

Non-Consolidated Net Sales of Completed Construction Contracts by Region/ Contract Price

NET SALES BY REGION



BREAKDOWN OF NET SALES BY CONTRACT PRICE



FEATURES

STRENGTH OF OUR TECHNOLOGIES

Obayashi Corporation has developed many proprietary construction and civil engineering technologies which it utilizes in a wide range of construction projects, notably including the Tokyo Bay Aqua-Line, Kansai International Airport, the Marunouchi Building, and the Roppongi Hills Mori Tower. Obayashi will continue to contribute to building social infrastructure by further developing its technological capabilities and fully capitalizing on its wealth of experience and know-how.

1. Revolutionary Tunneling Technology

Obayashi was awarded a contract to construct a tunnel on the Metropolitan Expressway Central Circular Shinagawa Route using the URUP (Ultra Rapid Under Pass) construction method. The construction site is located at the southernmost point of the Central Circular Route now being built in Greater Tokyo. Obayashi will build an underground on-ramp that merges into the on-grade roadway. The URUP method obviates the need for the extensive open-cut excavation required by conventional tunneling methods. The URUP method can be used to tunnel underground through soft soil to a depth of 30 m without open-cut excavation. It is consequently a major improvement in terms of construction safety also.



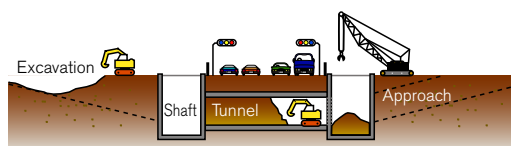
Perspective drawing of completed tunnel

URUP (Ultra Rapid Under Pass) Method

The URUP method developed by Obayashi is the world's first tunneling technology whereby a shield machine tunnels underground through the entire length of the tunnel from entry to exit. It enables rapid construction of road and railway underpasses. In comparison with conventional construction methods, the URUP method shortens the construction period by roughly two-thirds by eliminating the need for open-cut excavation and vertical shafts. It also substantially alleviates traffic congestion and noise associated with the construction work. It should contribute to reducing CO₂ emissions as well.

Comparison with conventional construction method

Conventional construction method



URUP Method



2. Obayashi Technology Lets New Tower Soar

“Tokyo Sky Tree[®]” is a new tower currently under construction in Tokyo’s Sumida Ward. At approximately 610 m in height, nearly twice as tall as Tokyo Tower, it is slated to be the world’s tallest self-supporting steel tower. The construction poses a substantial technical challenge, and Obayashi is utilizing a number of proprietary technologies in the construction of this new global landmark.

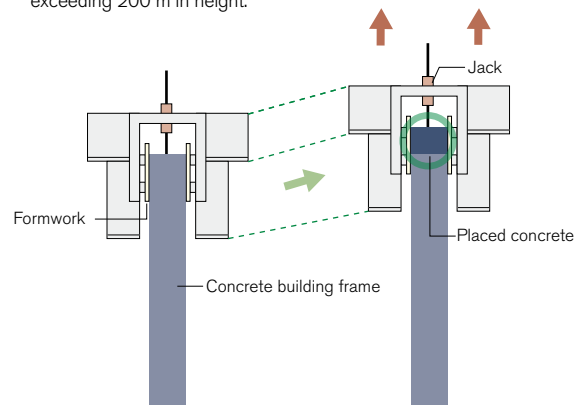


Perspective drawing of completed tower
Provided by Tobu Railway Co., Ltd. & Tobu Tower Sky Tree Co., Ltd.

Slip Form Construction

The new tower will have a central-pillar structure, similar to that of a five-story pagoda. Obayashi will build a group of 400 m steel-reinforced concrete central pillars at the core of the tower’s steel frame.

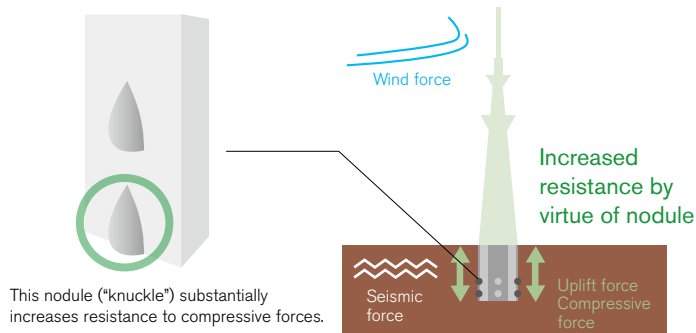
Slip form construction is a method of efficiently constructing towering structures safely and with high precision in a short period of time by continuously placing concrete into formwork that is raised progressively upward with jacks. Special expertise is required for managing the speed and accuracy of formwork elevation, concrete mixing and pouring, and other specifications. Obayashi is continuously improving the method and has an extensive track record constructing smokestacks and other structures exceeding 200 m in height.



Knuckle Walls

The new tower’s foundation will be subjected to strong uplift and compressive forces from winds, earthquakes, and other factors. The “knuckle walls” developed by Obayashi are wall-shaped piles with nodular protuberances. These nodules solidly anchor the piles in the ground and substantially increase their load-bearing capacity. Additionally, knuckle walls are highly rigid by virtue of their shape, making them highly resistant to horizontal seismic forces. Knuckle walls robustly fortify the foundations of ultra-tall structures such as Tokyo Sky Tree.

Knuckle Walls



TOKYO SKY TREE

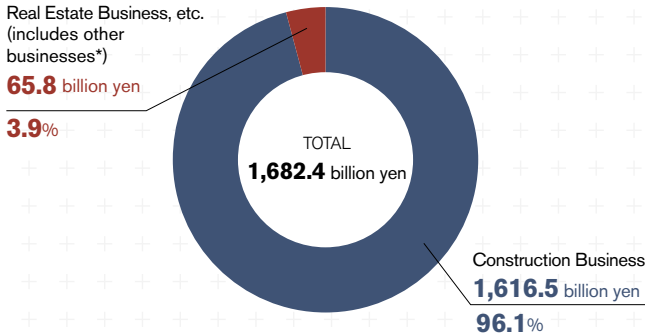
Slip Form Construction

Knuckle Walls

REVIEW OF OPERATIONS

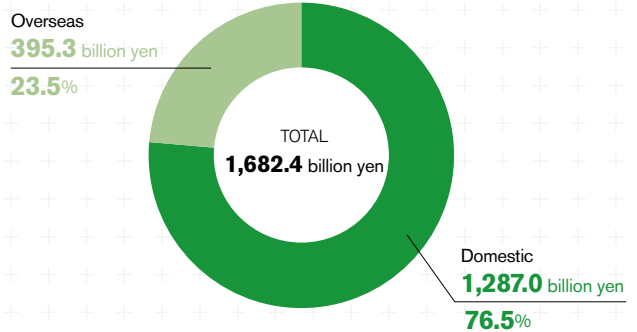
OBAYASHI GROUP (CONSOLIDATED)

CONSOLIDATED NET SALES BY BUSINESS



* Other Businesses: PFI business, financial business, etc.

CONSOLIDATED NET SALES BY REGION

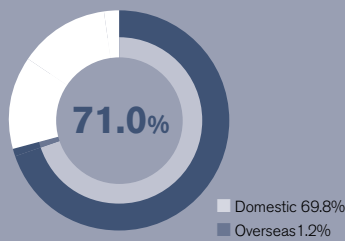


OBAYASHI (NON-CONSOLIDATED)

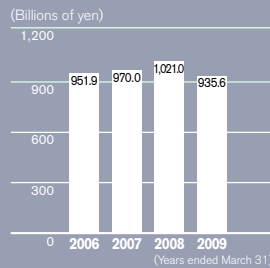
CONSTRUCTION BUSINESS

BREAKDOWN OF NET SALES

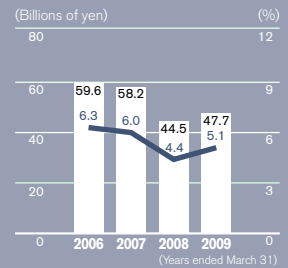
BUILDING CONSTRUCTION BUSINESS



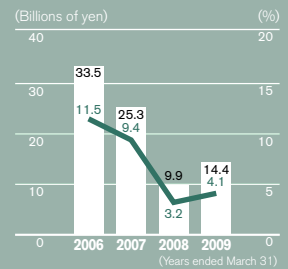
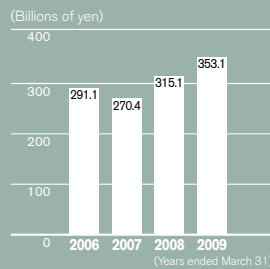
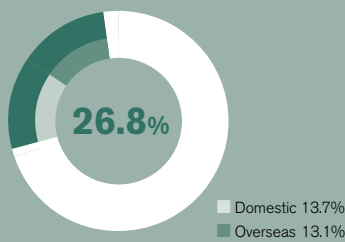
NET SALES



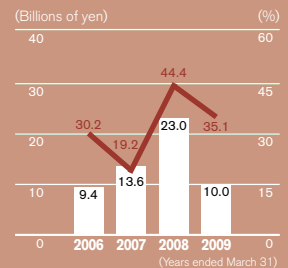
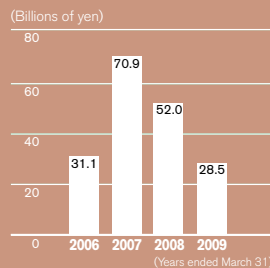
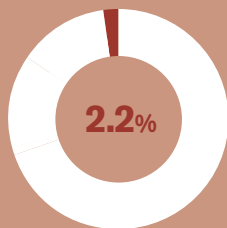
GROSS PROFIT AND GROSS PROFIT MARGIN



CIVIL ENGINEERING BUSINESS



REAL ESTATE BUSINESS, ETC. (includes other businesses)



PRIVATE FINANCE INITIATIVE (PFI) BUSINESS

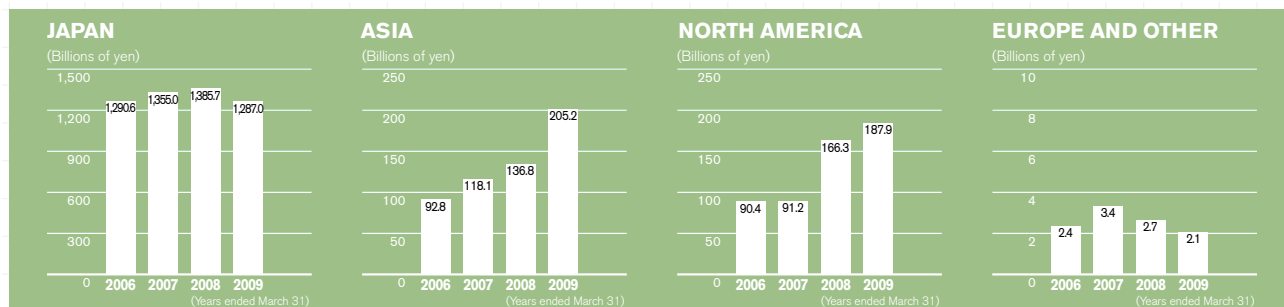
→ P28

RENOVATION

→ P29

The construction business provided 96.1% of the Obayashi Group's net sales in fiscal 2008, with the remaining 3.9% provided by the real estate and other businesses. In geographic terms, domestic sales activities account for 76.5% of total net sales, while 23.5% are generated overseas. The overseas building construction business, which requires dynamic activities with deep local roots, is conducted primarily through the Obayashi Group's local subsidiaries that have been jointly established with local firms, added to the Group through M&As, or newly established by Obayashi Corporation. The Group's overseas civil engineering business, meanwhile, is directly managed by Obayashi Corporation, in order to make maximum use of the technologies the company has accumulated in Japan over the years.

NET SALES BY REGION



PERFORMANCE

Net sales in fiscal 2008 were down 8.4% year on year to ¥935.6 billion, due in part to restraint in private-sector capital investment associated with the drastic deterioration of the economic environment. Gross profit increased by 7.2% to ¥47.7 billion as a result of continuous improvement of the profit margin, particularly in large domestic projects where it had been weak.

Net sales in fiscal 2008 were up 12.0% to ¥353.1 billion, due to an unprecedented number of large overseas projects, among other factors. Gross profit was up by 45.1% to ¥14.4 billion as a result of reduced impact from low-profitability overseas projects and improvement in the profit margin, which had declined significantly in the previous fiscal year.

Net sales in fiscal 2008 were down 45.1% to ¥28.5 billion, with gross profit down 56.5% year on year to ¥10.0 billion. Major contributing factors included the sale of a major property in the previous fiscal year.

STRATEGY

As the economy began to contract in the fall of 2008, capital investment by domestic corporations declined significantly, creating an extremely harsh orders environment. Nevertheless, customers are increasingly seeking to place their orders with large construction companies that are reliable and have solid finances. To hone its competitive edge, Obayashi will strengthen price competitiveness, propose and acquire more design/build contracts, and focus on its specialties. The Company will also improve its understanding of and respond with unique suggestions to customers' needs and leverage its technological prowess to differentiate its services from competitors.

Although public investment has been declining in recent years, the government's economic stimulus package is likely to increase orders in the future. Furthermore, the use of the comprehensive evaluation bidding method for high-technology proposals, and an increase in design/build projects, are contributing to orders growth, since they allow Obayashi to leverage its comprehensive contracting skills and technology even more effectively than in the past. Obayashi will improve profitability by concentrating management resources on its specialties such as shielded tunnels, railways and environment related projects.

Impacted by the deterioration in the global economy, the Japanese real estate market has been facing a difficult situation. Under these circumstances, it is essential to place greater emphasis on stability, as well as profitability, in making investment decisions. Obayashi will maintain a firm understanding of market trends and tenant needs to leverage its credibility and expertise as a general contractor to generate stable profits in the real estate business.

PROJECTS



P12



P20



P26

ENGINEERING

→ P29

TECHNOLOGICAL DEVELOPMENT

→ P30

BUILDING CONSTRUCTION BUSINESS

Obayashi responds to the diverse needs of its customers in sales, construction, and technological development, from building energy-saving and environment-friendly offices, high-productivity plants, and hospitals and schools incorporating earthquake-resistant and disaster-prevention technologies, to the preservation and restoration of cultural properties.

All departments—sales, design, mechanical and electrical, purchasing, construction, and technology development—work as a single unit to execute projects. With its experience, know-how, technological expertise and management resources, Obayashi delivers high value-added proposals to clients in a speedy and efficient manner.

TOPIC



TOKYO SKY TREE CONSTRUCTION PROJECT

"Tokyo Sky Tree[®]" is a new tower currently under construction in the Narihira-bashi-Oshiage district of Tokyo's Sumida Ward. At roughly 610 meters in height, the completed structure will be nearly twice as tall as Tokyo Tower, and is expected to surpass Canada's CN Tower (553 m) as the tallest freestanding steel tower in the world. With foundation construction on the project, which launched in July 2008, now complete, Obayashi has begun construction of the aboveground steel substructure. The use of steel pipes was selected for the steel substructure that will form the framework of the new tower. The largest of these pipes is 2.3 meters in diameter with a thickness of 10 centimeters, requiring the separation and transport of these pipes in a ring configuration composed of segments 3 to 4 meters in length. A large crane will then be used to place and join these segments.



Perspective drawing of completed tower
Provided by Tobu Railway Co., Ltd. & Tobu Tower Sky Tree Co., Ltd.



+

akasaka Sacas ('08)

Location: Minato-ku, Tokyo

A new landmark has emerged in Akasaka, Tokyo, a consistent source of the latest trends, yet a place that continues to comfortably coexist with history and tradition. The landmark's centerpiece is "Akasaka Biz Tower," a majestic 179-meter structure containing offices and commercial facilities. Surrounding buildings include "Akasaka BLITZ," a venue for live musical performances that features an innovative roof with a maximum 45-degree slope, as well as "Akasaka ACT Theatre," a 1,300-seat theater that offers a dynamic entertainment space. In Japanese, "sacas" means "allow to blossom," and hopes are high that akasaka Sacas will write a new chapter in the history of Akasaka as a spot where new culture can bloom.

+

+



+



+

AEON LakeTown ('08)

Location: Koshigaya-City, Saitama

AEON LakeTown, opened on the outskirts of Tokyo in Koshigaya, a city in Saitama Prefecture, is one of the largest commercial complexes in Japan. The facility has a floor area of 360,000 square meters, roughly equivalent to 8 Tokyo Domes, and is home to more than 500 stores. Following the eco-conscious concept requested by the company ordering the project, Obayashi, responsible for design and construction work, incorporated a host of environmental technologies. This effort culminated in the formation of an environmental space that is equally gentle on the customers who shop there.

+

+

+



+

**Kumamoto Castle
Hommaru-Goten Palace ('08)**

Location: Kumamoto-City, Kumamoto

The famous Kumamoto Castle was built by Lord Kato Kiyomasa. After 400 years, Hommaru-Goten Palace (lord's residence and guest house) has been restored to its previous grandeur. Traditional building techniques were used to faithfully reconstruct 25 rooms (covering an area of 580 tatami mats) including grand halls, kitchen and the sukiya-style tea house. The inside is decorated with numerous *urushi* (Japanese lacquer) pieces, golden ornaments and tatami mats made of local rush to create a uniquely luxurious space.

+

+

+



Canon Inc. Takeshi Mitarai Memorial Hall ('08)
Location: Ota-ku, Tokyo



**Nippon Life Insurance Company
New South Tower ('09)**
Location: Chuo-ku, Osaka-City



Disco Corporation R&D Center ('08)
Location: Ota-ku, Tokyo



Mitsubishi Electric Corporation Innovation and Synergy Center ('08)
Location: Amagasaki-City, Hyogo



Photo: Kawasumi Architectural Photograph Office

SENDAI MARK ONE ('08)
Location: Aoba-ku, Sendai-City



Amagasaki Front Building ('08)
Location: Amagasaki-City, Hyogo



Bando Chemical Industries, Ltd. Head Office ('07)
Location: Chuo-ku, Kobe-City



MODE GAKUEN Spiral Towers ('08)
Location: Nakamura-ku, Nagoya-City



**Urawa Station East Exit Area
Redevelopment Project** ('07)
Location: Urawa-ku, Saitama-City

The commercial complex at the East Gate of Urawa Station contains a cinema complex and a library. The large scale redevelopment has invigorated the East Gate and its vicinity. It is expected that in future both the East and West Gates of the station will form an attractive gateway to the capital city of Saitama Prefecture.

+

+

+

+



Waseda University Nishi-Waseda Campus Building 63 ('08)
Location: Shinjuku-ku, Tokyo



Omotesando Hills ('06)
Location: Shibuya-ku, Tokyo



Shima Kanko Hotel Bay Suites ('08)
Location: Shima-City, Mie



Sumitomo Fudosan Mita Twin Building West ('06)
Location: Minato-ku, Tokyo



TOKYU Harvest Club VIALA Hakone-Hisui ('08)
Location: Ashigarashimo-gun, Kanagawa



Uwajima City Hospital ('08)
Location: Uwajima-City, Ehime



**Hokkaido Electric Power
Tomari Power Plant No. 3** ('08)
Location: Furuu-gun, Hokkaido



Kawasaki-Mizue Distribution Center ('08)
Location: Kawasaki-ku, Kawasaki-City



IKEA Distribution Center ('08)
Location: Yatomi-City, Aichi



Uminakamichi Nata Sea Water Desalination Center ('05)
Location: Higashi-ku, Fukuoka-City



DAIEI PROBIS Phoenix Pool ('08)
Location: Nagaoka-City, Niigata



InterContinental San Francisco ('08)
Location: San Francisco, California, U.S.A.
Contractor: Webcor Builders (Obayashi Group)

©Brilliance Photography



**Brookhaven National Laboratory
Center for Functional Nanomaterials ('07)**
Location: Upton, New York, U.S.A.
Contractor: E.W. Howell (Obayashi Group)



California Academy of Sciences ('07)
Location: San Francisco, California, U.S.A.
Contractor: Webcor Builders (Obayashi Group)



**PT. Yamaha Indonesia Motor Manufacturing
Karawan Factory ('08)**
Location: West Jawa, Republic of Indonesia
Contractor: PT. Jaya Obayashi (Obayashi Group)



One Raffles Quay ('06)
Location: Singapore

This is the first building at the entrance to Singapore's Marina area, where a large scale development is taking place. The building complex has a 50-story aboveground North Tower and 29-story South Tower, forming a landmark bridging the present business district and the Marina area.



Toyota Motor Thailand Co., Ltd. Ban Pho Plant ('06)
Location: Chachoengsao, Thailand
Contractor: Thai Obayashi Corporation Limited (Obayashi Group)



CIVIL ENGINEERING BUSINESS

Obayashi applies its technological prowess to a wide variety of civil engineering projects including tunnels, bridges, dams, river works, urban infrastructure and railroads. The Group is also aggressively involved in environment-related fields and has proven track records in construction of environment-friendly closed-type waste disposal facilities and soil remediation projects, among other project types. Obayashi satisfies customers' exact needs through solution-based technical marketing in which sales, technology, construction, and research and development departments work together to achieve maximum efficiency.

TOPIC
01



HOOVER DAM BYPASS BRIDGE CONSTRUCTION

Colorado River Bridge at Hoover Dam designated by the United States Congress as the Mike O'Callaghan-Pat Tillman Memorial Bridge

In the United States, Obayashi is building a bypass bridge on the downstream side of the historical Hoover Dam, located in the states of Arizona and Nevada. Upon completion, the bridge will have the longest span in concrete arch bridges in North America.

The construction of the bridge over the Colorado River Canyon involves a number of innovative technologies. This is particularly the case for the arch construction, which entails the technologically daunting construction challenge of extending the arch sections on each side of the canyon, while suspending constructed sections by cables. Obayashi is precisely controlling the arch alignment toward the closure via sophisticated 3-D analysis.



TOPIC
02



METROPOLITAN EXPRESSWAY NO. 5 IKEBUKURO LINE RESTORATION CONSTRUCTION

In August 2008, the Metropolitan Expressway No. 5 Ikebukuro Line in Tokyo's Itabashi Ward was the site of an accident involving a tanker truck which overturned and caught fire in the out-bound lane of the expressway. The load of gasoline on board the truck ignited and burned for more than 3 hours. The heat from the flames warped the girders beneath the inbound lane that passes overhead, forcing its long-term closure to thru traffic. To help return Tokyo's transportation network to its former state, Obayashi collaborated in restoration work on the expressway with the company ordering the project. Taking advantage of experience and technology amassed in metropolitan highway construction work over the years, Obayashi had teams work day and night to move this project forward. This effort culminated in the full reopening of the expressway on October 14, 2008, ahead of the target completion date.



Nakanoshima Line Naniwabashi Station ('09)
Location: Kita-ku, Osaka-City



**Fukutoshin Line (Tokyo Metro Subway Line No. 13)
Minami-Ikebukuro Shield Tunnel (A Line) ('07)**
Location: Toshima-ku, Tokyo



The New Tomei Expressway Kakegawa Tunnel No. 3 ('09)
Location: Kakegawa-City, Shizuoka



Tohoku Shinkansen Ichikawa Tunnel ('08)
Location: Hachinohe-City, Aomori

The Metropolitan Expressway Central Circular Yamate Tunnel Naka-Ochiai Shield Tunnel (out-bound) ('07)

Location: Toshima-ku and Shinjuku-ku, Tokyo

The Metropolitan Expressway Central Circular Route Project is now in progress. It is expected to ease chronic traffic congestion in the center of Tokyo when completed. Obayashi constructed an approximately 2 km-long extension of the Shinjuku Route using one of the world's largest diameter Earth Pressure Balanced shield machines. The Company has thus contributed to the construction of Tokyo's underground transportation network with its reliable technology and project management.



Chuo Expressway Hachioji Junction ('05)
Location: Hachioji-City, Tokyo



Tokuyama Dam ('08)
Location: Ibi-gun, Gifu



Nakakoba Dam ('07)
Location: Kashima-City, Saga



Minase Headwork* ('09)
Location: Yokote-City, Akita
* Headwork: A facility for taking in water from a river for agricultural use.



Golden Gate Bridge Seismic Retrofit ('08)
Location: San Francisco, California, USA

The Golden Gate Bridge is a major tourist attraction in San Francisco, as well as a vital transportation infrastructure, boasting traffic volume of some 40 million vehicles per year. Obayashi, together with another firm, is part of a joint venture responsible for seismic retrofit construction on the south anchorage and its approach sections of the bridge. The joint venture has added and replaced steel members and concrete structures, added extra concrete piles, and installed seismic isolator bearings and Energy Dissipation Devices, all without stopping the flow of traffic. With these changes, the bridge can now withstand even the largest-scale earthquakes ever recorded in the region.

+
+

+
+



+ +

60/91/215 Corridor Improvement Project ('08)
 Location: Riverside, California, USA

Los Angeles is the second largest city in the United States. An Obayashi joint venture was tapped to create an interchange with flyover ramps connecting Interstate Highway 215, a major traffic route on the outskirts of the city, with California state freeway routes 60 and 91, as well as for construction to expand surrounding road surfaces. Along with expanding a 16 km stretch of the project from three lanes to six lanes (a portion of which is four or five lanes), the joint venture has constructed flyovers in 15 locations. This project has reduced commuting times and lessened air pollution caused by traffic jams.

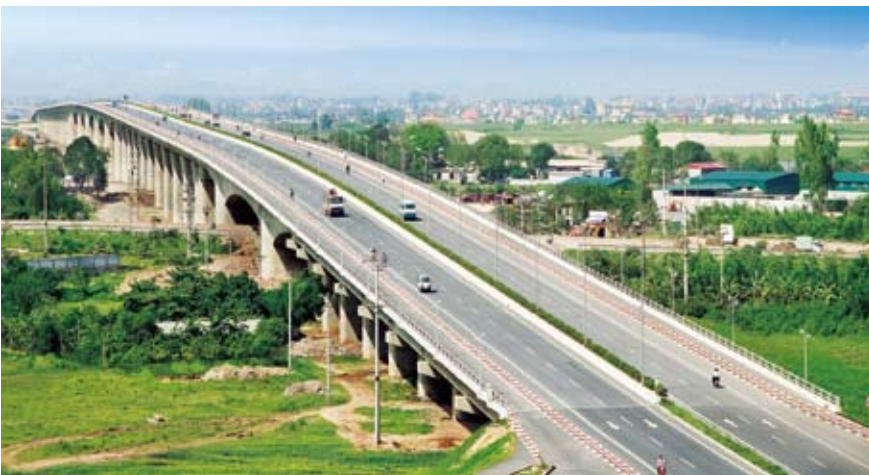
+ +



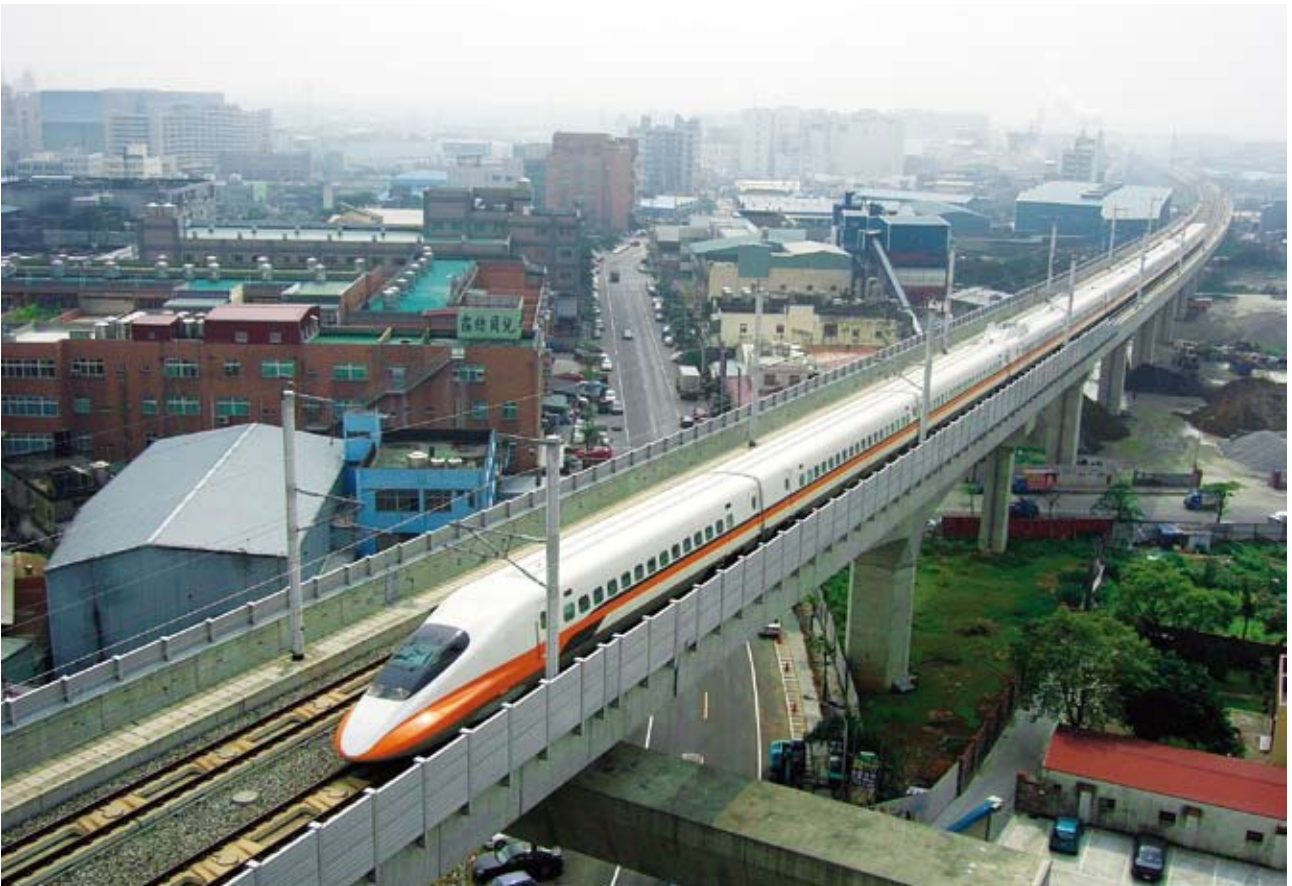
Central Artery/Tunnel Project I-93 Tunnel Finishes (C17AA) ('06)
 Location: Boston, Massachusetts, U.S.A.



Ciputat Flyover ('08)
 Location: Tangerang, Indonesia



Thanh Tri Bridge ('06)
 Location: Hanoi, Vietnam



+

Taiwan High Speed Rail ('06)

Location: Taipei City and Taoyuan County, Taiwan

The Taiwan High Speed Rail project is a national project linking Taipei and Kaohsiung, the two main cities of Taiwan, via a 345 km railway system. Obayashi Corporation constructed approximately 52 km of the Taipei end of the line, as well as Taoyuan Station in the outskirts of Taipei. For the construction of the approximately 32 km-long elevated rail bridge section, the mammoth bridge girders were fabricated in advance in the local construction yard and transported and installed by the self-propelled gantry, achieving speedy, highly efficient and high-quality construction.

+

+

+



+ REAL ESTATE BUSINESS +

Obayashi has been involved in numerous large-scale development projects in the Tokyo metropolitan area, including in the vicinity of Tokyo Station, the Shiodome district, Shinagawa Station East Area, Shinjuku Station South Area, Osaki Station East Area, and Urawa Station East Area. The Company has worked proactively on redevelopment projects nationwide, building an extensive track record both as a business partner and as a private agent commissioned by the contractor. In addition, Obayashi is striving to ensure stable profits by securing prime rental properties in central urban areas.

New Development Business

Securing excellent key tenants is crucial to the successful promotion of a development project, and Obayashi makes maximum use of its network to this end. The Company works actively on projects that enable it to mitigate risk by securing an

early exit strategy, allow it to leverage its outstanding high-performance construction and environmental technologies, and its development project expertise including dealing with public authorities and landowners.

Hachioji Station South Area Redevelopment Project

For this project, Obayashi was designated as the specified agent* to undertake tasks on behalf of the Urban Renewal Association, ranging from design and construction to administrative support. In constructing the development, which includes public halls, residential housing, and retail and office facilities, Obayashi made use of its strong technological capabilities, employing techniques such as the proprietary LRV method (see page 31) to ensure short completion time for high-quality construction.

Obayashi leveraged its redevelopment expertise to both collaborate with public authorities and local developers and elevate the resulting negotiations with the goal to develop a project which is harmonious both internally as to its integration of the various different project spaces and externally as to its relationship within the community.



Location : Hachioji-City, Tokyo
 Site area : Approx. 10,200 m²
 Floor area : Approx. 99,700 m²
 Purpose : Shops, offices, public facilities, housing, parking, etc.
 Structure/Scale : Reinforced concrete (partly steel/steel-reinforced concrete); 41 stories above ground, 2 stories below ground
 Construction to be completed : September 2010

* Specified agent system: A system that lessens the burden on owners of land to be redeveloped by utilizing the rich technological capabilities, expertise, experience, know-how, reserve-lot sales capabilities and financing procurement capabilities of private enterprise to expedite and facilitate urban redevelopment projects from the preparatory stage to completion.

Shibukawa 1-2 Area Redevelopment Project

Planning for this well-located redevelopment project immediately in front of Kusatsu Station on the JR Tokaido Main Line took into account the history of the area along the famed Nakasendo Road. In April 2006 a group led by Obayashi was selected as the specified agent for the project, and took on the tasks of construction and administrative support. Obayashi drew on its experience in development and its extensive industry networks to pursue the project. For example, the residential portion of the project employed a participant association system* to attract residential developers, while the commercial and office building portions involved soliciting tenants and then selling components to financial institutions and overseas investors.



Location : Kusatsu-City, Shiga
 Site area : Approx. 5,100 m²
 Floor area : Approx. 41,700 m²
 Purpose : Apartment housing; shops, offices, parking
 Structure/Scale : Reinforced concrete/steel; 29 stories above ground, 1 story below ground
 Construction to be completed : August 2009

* Participant association system: A system occurring in urban redevelopment projects run by associations, whereby individual or corporate parties without pre-existing rights in the project area are specified in advance in the association's articles of incorporation as purchasers of reserved lots and can thus work together with the association members on the project.

Leasing Business

The leasing business provides a stable, long-term source of revenue, and Obayashi seeks to expand this business through purchases of new lease properties, construction of lease properties on owned land, and renovations to enhance the value of existing lease properties. When making new investments, the

Company focuses on prime properties in urban areas, taking investment efficiency and timing into careful consideration. Obayashi sees the current buyer's market as an opportunity to grow and is leveraging its credit capabilities in this business.

Oak Kanda Building

This rental office building in Tokyo's Chiyoda-ku was completed in 2008. Standard leasing floor space is over 660 m², and the facilities include environmentally friendly natural ventilation devices and energy-conserving lighting. Located at a major intersection, it offers excellent transportation access, including four rail and subway lines serving three nearby stations. Thanks to the excellent location and the Obayashi Group's credit capabilities, the building opened for business at 100% tenant occupancy.



Location : Chiyoda-ku, Tokyo
 Site area : 1,056 m²
 Floor area : 7,931 m²
 Structure/Scale : Steel construction (partial steel reinforced concrete); 9 stories above ground

Kawasaki-Mizue Distribution Center

A distribution warehouse in the Rinkai area of Kawasaki City. Large trailers can pass in both directions up and down a loop rampway with a diameter of 50 m, and all five stories of the structure are accessible to trucks. The center has access to multiple main roads and is close to the ports of Tokyo and Yokohama and Haneda Airport, providing an ideal location for a distribution facility. The center has thus attracted excellent logistics-sector tenants.



Location : Kawasaki-ku, Kawasaki-City
 Site area : 52,370 m²
 Floor area : 126,488 m²
 Structure/Scale : PCa/PC construction; 5 stories above ground



Oak Ikebukuro Building
 (Toshima-ku, Tokyo)



Riverside Sumida (Sumida-ku, Tokyo)



Bracken House (London, United Kingdom)

PRIVATE FINANCE INITIATIVE (PFI) BUSINESS

Pursuing VFM (Value For Money) as one of Japan's leading PFI project implementers

A Private Finance Initiative (PFI) is a method for building, managing and maintaining public facilities using the capital, technology and expertise of the private sector to achieve higher efficiency and improved quality in public services. This market has been expanding every year amid a growing need to reduce public works spending. Obayashi was among the first to participate in overseas PFI projects, such as the Sydney Olympics Main Stadium, even before PFI was introduced into Japan. This experience afforded the Company a broad range of expertise in the business, and Obayashi has already won 32 orders for PFI projects in Japan. Obayashi and its subsidiaries are playing a leading role in 30 out of the 32 projects, and are taking initiatives in maximizing Value For Money* (VFM).

As an early PFI participant, Obayashi built up an extensive

network to maximize VFM, spanning diverse industrial sectors and enabling the Company to organize optimum consortia for specific project objectives. The Company has also been recognized for its knowledge and techniques in project financing and risk-hedging, which are entrusted to a Special Purpose Company (SPC) as the main functional entity for a project. Obayashi fully applies its comprehensive expertise and skills, as well as its solid financial foundation, to advance the PFI business. Looking ahead, Obayashi will continue to enhance its management expertise with the goal of establishing the premier position in the PFI market.

* Value for Money: The concept of improving the utility (value) of tax funds (money) spent. Describes the monetary difference in cost to the public between purely public projects and PFI projects and the associated improvement in quality of services due to private-sector participation.



Shimane Asahi Rehabilitation Program Center Operation Project

BOT (Build-Operate-Transfer) Scheme

This project fuses regional capabilities, national experience, and the know-how of private enterprise with the aim of building a community that will facilitate the smooth return of inmates to society after their prison sentence is complete. The facility can accommodate 2,000 male inmates who were non-violent offenders, enrolling them in new rehabilitation programs such as work outside the facility or seeing-eye dog training programs. The facility began operations in October 2008.



Chubu Driver Licensing Center PFI Project

BTO (Build-Transfer-Operate) Scheme

The Chubu Center is Japan's first driver licensing center developed as a PFI (private finance initiative) project. Obayashi designed and constructed the center's new building, refurbished its test driving course, and will maintain and operate the facility for 21 years from its completion. The center opened in September 2008.



Nagaoka Prefectural Indoor Pool Construction and Operation Project

BTO (Build-Transfer-Operate) Scheme

The Nagaoka Prefectural Indoor Pool is Niigata Prefecture's first large-scale PFI project and the main venue for the 2009 Japan National Athletic Meet's swimming events. It opened in August 2008 as the DAIEI PROBIS Phoenix Pool.

RENOVATION

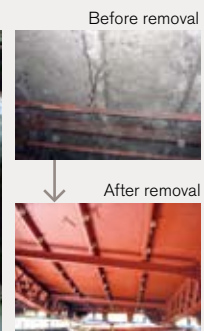
Creating new property value from the perspective of life cycle management

Real estate is valued on the basis of net sales generated by the buildings. This requires that the property's functions evolve with changing needs and meet rising expectations for safety and durability. Moreover, a building must be considered as a long-term quality investment from both economic and environmental standpoints.

Obayashi analyzes functions and conditions of buildings throughout their entire lifespan from the perspectives of Life Cycle Management and a Business Continuity Plan (BCP). Based on the diagnosis, Obayashi presents proposals for extending the operational life of a building and enhancing its asset value by adopting energy-efficient systems and antiseismic retrofitting, meeting environmental requirements, countering degradation, conversion, installing information technology infrastructure and improving physical image.

Complete removal of 30,000 m² of asbestos at the National Yoyogi Stadium **Asbestos Removal ('07)**

Obayashi completely removed the asbestos used as insulation under the roof of the first and second gymnasiums at the National Yoyogi Stadium. This, the largest-scale asbestos removal project in Japan, was successfully conducted utilizing Obayashi's expertise and innovative technology using dry ice to strip off the asbestos while using a specially installed system to monitor asbestos leaks around the clock and ensure the safety of the vicinity.



ENGINEERING

Meeting increasingly sophisticated and complex customer needs

In line with current social and economic changes, customer needs are becoming increasingly sophisticated and complex. Obayashi utilizes its leading edge construction and engineering technologies to meet customers' diverse needs by providing total capabilities from the early stages of project planning to design, construction and after-services. For example, for manufacturing and logistics facility projects, Obayashi develops a plan that considers the building and operating components as a

single unit to create the most efficient system possible. In environmental fields, the Group works toward the building of a safe and secure recycling-oriented economy and society, while in the field of information and communications offers technology and security services. For medical and welfare facilities, Obayashi works with customers to think through their operating plans and support them in bringing their vision to life.

DHC Saitama Iwatsuki Plant ('08)

The Saitama Iwatsuki Plant is DHC Corporation's first cosmetic plant. It was a turnkey project where Obayashi not only constructed the factory building but also installed the production equipment. The facility's equipment meets the requirements of the Pharmaceutical Affairs Law and Cosmetics GMP (Good Manufacturing Practice). An automated transportation system is contributing to reduction of manpower.



Pandemic Emergency Centers

Obayashi has developed Pandemic Emergency Centers capable of swiftly responding to hospital bed shortages likely to occur in the event of a new influenza pandemic. The centers are temporary hospital wards that can be quickly constructed in hospital parking lots or on adjacent vacant land to accommodate influenza patients. The buildings are designed to prevent contagion by lowering the air pressure in patients' rooms to keep the flu virus contained within the room. Pandemic emergency centers enable hospital capacity to increase in response to growth in influenza incidence.

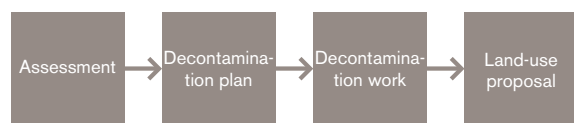


TECHNOLOGICAL DEVELOPMENT

Obayashi develops various construction-related technologies to meet the needs of society. In the civil engineering field, Obayashi has developed long-distance tunneling technologies, soil remediation technologies, and technologies that shorten construction duration. Obayashi has developed time-saving technologies in the building construction field also, in addition to technologies that reduce costs, dampen vibration, and protect against earthquake damage. In the environmental realm, Obayashi is developing heat-island mitigation technologies.

Providing optimal solutions for soil and groundwater decontamination

Obayashi has remediation technologies applicable to a wide range of contaminants and soil conditions. Obayashi offers comprehensive support tailored to customers' specific needs, from contamination assessments to decontamination work and land-use proposals for post-decontamination.



“RCUBIC* Mini” Soil Remediation System

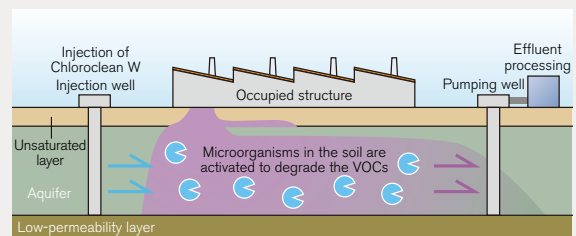
The RCUBIC Mini Soil Remediation System is an in-situ soil decontamination technology used mainly for heavy metal contamination. Because the system obviates the need to move soil from the site, it reduces truck noise, vibration, and production of CO₂. It also recycles water used in the decontamination process. The system is optimally suited for small-scale soil remediation jobs and small urban plots. It can reduce remediation costs by some 20% in the case of a 5,000 m³ site.

* RCUBIC: Recycle, Reuse, Reduce



“Chloroclean W” Microbial Nutrient Agent for VOC Decontamination

Obayashi developed and commercialized a nutrient agent that vitalizes bacteria that decompose volatile organic compounds (VOCs) in soil. Because the bacteria decompose the VOCs in situ, the soil can be decontaminated without being excavated. Chloroclean W can decontaminate soil directly beneath an industrial plant in operation and reduce remediation costs by roughly 30%. It is also biodegradable, as its main ingredients are food additives.



Heat Island Dissipation Initiatives

Obayashi is committed to preserving the Earth's environment and reducing greenhouse gases through development of numerous environmental technologies, including technologies to convert buildings' rooftops and walls to green spaces, technologies to lower road and parking lot surface temperatures through moisture retention and air-cooling technologies that dissipate heat through micro-fog evaporation.

Roof greenery system



Moisture cooling system for pavement



Wall greenery system



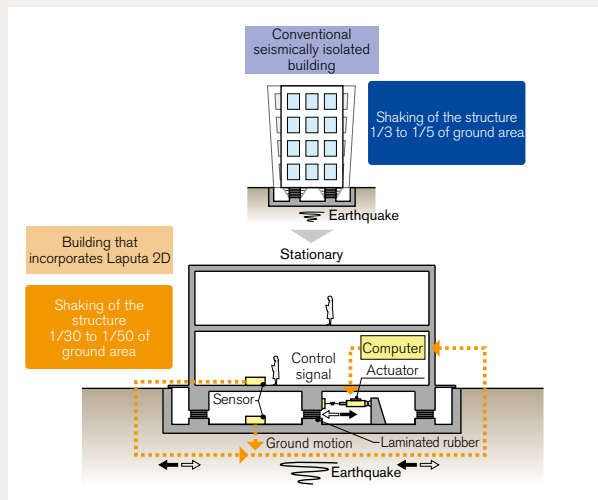
Outdoor moisture droplet cooling system



Developing technologies to meet construction needs

World's First Earthquake-Proof Building "Laputa 2D" Super-Active Vibration Control Technology

Obayashi has developed Laputa 2D, the world's first super-active vibration control technology that can buffer seismic forces to reduce building tremors to one-fiftieth the magnitude of ground tremors. A rubber base and actuator are installed beneath the building. When an earthquake occurs, sensors installed in the building and in the ground detect and analyze the seismic motion to determine the optimal compensatory force, whereupon the actuator rocks the building in a manner that negates the seismic tremors. The first building in which the technology will be installed is the Obayashi Technical Research Institute's new main building, construction of which begins in 2009.

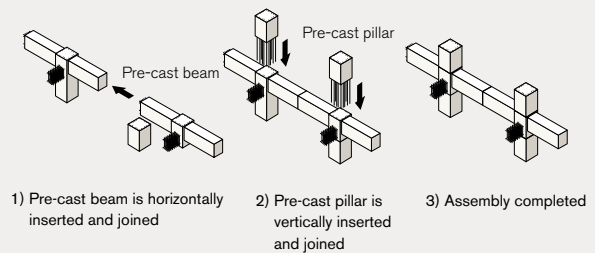


"LRV" Pre-Cast Method Responding to Low Cost, Short Period and High-Quality Requirements

Obayashi developed and put into practical use the LRV (Left Right Vertical Installation Pre-Cast) Method for building reinforced concrete high-rise buildings. The method aims for 100% use of pre-casting parts, thereby significantly reducing the need for complex steel reinforcement and concrete pouring works conventionally done on-site.



* Pre-casting (PCA):
Fabricating all structural frames in the factory.



Technical Research Institute

Since its establishment in 1965, Obayashi's Technical Research Institute has carried out high-level R&D and pursued technical development aimed at practical application. The Technical Research Institute is home to some of Japan's most advanced experimental facilities, such as one of Japan's largest tri-axial shaking tables for developing anti-seismic technologies in buildings and civil engineering structures, a world-class geo-technical centrifuge system, and a high-performance fire protection laboratory that rivals any other in Japan.

In order to promote development of technologies that can better meet the needs of customers and society, Obayashi has decided to renovate its technological research facilities, including the main building and experimental facilities. Going forward, the Company will press onward with R&D at these facilities to contribute to society.



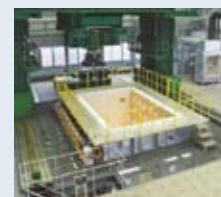
New main building of the Obayashi Technical Research Institute: Technostation



Tri-axial shaking table for developing anti-seismic technologies



Wind tunnel facility



Multipurpose fire resistance test furnace



Fire protection engineering laboratory

CORPORATE GOVERNANCE

Corporate Governance

Principles of Corporate Governance

Obayashi believes that sound management and transparency are critical aspects in winning public respect and trust. Obayashi is always working to enhance corporate governance with that in mind.

Management Structure

Obayashi takes every measure to ensure that the General Meeting of Shareholders, as well as all the activities of the Board of Directors, the Audit Committee and the accounting firm fully comply with legal and moral requirements. Management Meetings are held on an ad hoc basis to make prompt and detailed decisions as required.

Directors and Executive Officers

The term of office for directors is one year. This arrangement enables the Company to respond dynamically to changes in the business environment, while also clarifying management responsibilities for each business term.

Obayashi has also instituted a corporate officers' system. Appointing officers in charge of specific business execution has both created a structure capable of generating quick and highly strategic management decisions and enhanced the speed and efficiency of business execution itself.

In order to clarify the selection process for directors, auditors and corporate officers, Obayashi has established a Recommendation Committee and a Remuneration Committee.

Strengthened Auditing Function

The independence of the Audit Committee is enhanced by appointing three of the five auditors from outside the Company, and the committee's strict auditing of all corporate functions ensures the effectiveness of corporate governance.



Corporate Ethics

Basic Philosophy

Over the years, Obayashi has striven to earn and maintain the trust of its customers and the communities it serves by upholding its corporate philosophy. For this reason, the Group not only observes complete compliance with laws and regulations, but also initiates activities to inspire employees to raise their sensitivity to ethical issues and perform their corporate duties in good faith.

With this series of measures, awareness of Corporate Ethics is taking root. The Group will continue to act on each initiative to ensure thorough implementation of compliance and create a sound corporate culture.

Measures to Promote Corporate Ethics

Specifically, Obayashi has established the Antimonopoly Act Compliance Program and implements each part of the program strictly by enforcing the Corporate Ethics Promotion System, which is headed by the president as the Corporate Ethics Supervisor.

Declaration of Commitment to Compliance in Articles of Incorporation

Obayashi's basic policy on legal compliance is included in the Articles of Incorporation, as follows: "The Corporation will comply with all laws and regulations, will act in good faith and will not engage in bid-rigging."

Conduct Workplace Corporate Ethics Training

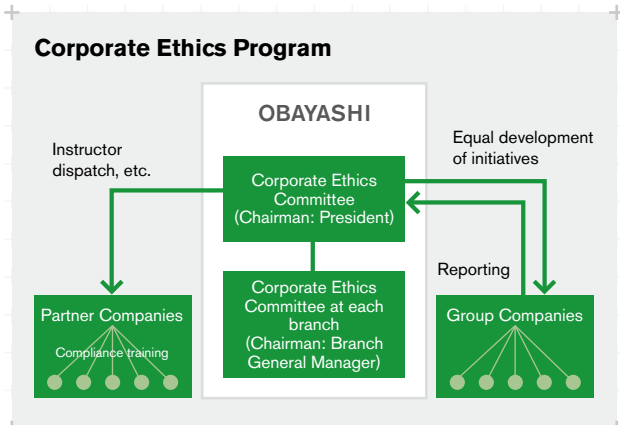
In April each year, compliance training is conducted in all Obayashi workplaces around the world, with 12,000 officers and employees engaging in concrete case studies of compliance problems. In this way Obayashi is raising awareness of Corporate Ethics.

Strengthening the Internal Control System

Obayashi has created an internal control system to ensure that information is conveyed in a timely and accurate manner within the Company and to help ensure legal compliance. In August 2008, Obayashi added an external legal counsel to its compliance helpdesk, creating an easily accessible environment and enhancing the effectiveness of the internal control system.

Monitoring by the Audit Committee

The Audit Committees conduct monitoring of compliance with laws and regulations based on the Bid-rigging Monitoring Program from a third party perspective, independent of the corporate executive system.



Directors



Chairman
Takeo Obayashi



President
Toru Shiraiishi



Executive Vice President
Shigeyoshi Cho



Executive Vice President
Masashi Honjo



Senior Managing Director
Yuji Nakamura



Senior Managing Director
Ryuichi Irahara



Senior Managing Director
Takehiko Totsuka



Senior Managing Director
Tadahiko Noguchi



Senior Managing Director
Makoto Kanai



Senior Managing Director
Shozo Harada



Senior Managing Director
Makoto Kishida



Managing Director
Akihisa Miwa



Managing Director
Kenichi Shibata



Managing Director
Nao Sugiyama

Auditors



Corporate Auditor
Shunroku Yasui



Corporate Auditor
Tamio Akiyama



Outside Auditor
Masakazu Matsuo



Outside Auditor
Masayuki Matsushita



Outside Auditor
Naohiro Tsuda

Executive Officers

Senior Managing Officer

Hiroshi Hasegawa

Managing Officers

Ryuhei Funano
Hiroshi Sakamoto
Hitoshi Tobuchi
Kazuyoshi Uehara
Kunihiro Kagami
Yasuji Tomohiro
Mitsuyasu Kaihara
Shigehisa Kage

Masahito Hayashi
Kazuo Yagi
Ikuo Koyanagi
Teruo Kobayashi
Munenori Nakamura
Shuji Nakamoto

Executive Officers

Yuji Inoue
Hiroki Umehara
Takashi Nishiyama
Yukihiro Aizawa
Tatsuro Ishimaru
Kunio Isozaki
Hideo Kawamura
Takashi Shiokawa

Yoichi Noda
Hitoshi Hasegawa
Takafumi Hanai
Takashi Matsuda
Hirotohi Yamamoto
Mitsuo Ikeuchi
Shingo Ura
Yuichi Kashima

Nobuo Tsuruta
Katsuji Fukumoto
Masaru Mizuno
Isamu Kakeno
Haruki Kasuga
Mikio Takatsuki
Kozaburo Tsuchiya
Shigeru Torii

Shuji Yamane
Nobuyuki Asada
Yoshio Ishizuka
Shoji Oi
Koichi Tajitsu

WORKING TO ACHIEVE HARMONY WITH LOCAL COMMUNITIES AND SOCIETY AND DEVELOP A CONSTRUCTION CULTURE

Living Together with Local Communities

Organizing tours to the Obayashi Technical Research Institute

Obayashi conducts tours of the Technical Research Institute for local primary school pupils to encourage them to learn about the construction technology that supports safety in their everyday lives.



Primary school students experience wind speeds of 15 m/sec in Obayashi's multipurpose wind tunnel

"Open houses" offer the public a window into how social infrastructure is built

To foster public interest in and understanding of construction business, Obayashi offers members of the public an opportunity to tour dam and tunnel construction sites, and rail tracks before transportation services begin.



Members of the general public tour a construction site of a rail overpass



Promoting Sports Activities

Sponsoring table tennis tournaments organized by the Japan Table Tennis Association

Obayashi supports the mission of the Japan Table Tennis Association, which seeks to help young men and women grow up healthy and to popularize table tennis. The Company therefore sponsors the "Obayashi Cup, Japan's Top 12 Table Tennis Tournament," in which the 12 top male and female players in Japan compete for the title of champion.



Obayashi sponsors the Obayashi Cup, Japan's Top 12 Table Tennis Tournament

Supporting Academic Research

Supporting academic research on cities

Obayashi supports academic research on urban development through the Obayashi Foundation, which provides funding for research related to cities. The foundation encourages such research by awarding the Obayashi Prize for outstanding contributions to resolving urban problems.



Recipient of the Fifth Obayashi Prize (2008), Mark Levine



The Obayashi Prize symposium was attended by 450 people

Educating and Nurturing the Next Generation

Lectures at universities by Obayashi executives and employees

Obayashi dispatches executives and employees to lecture at universities in order to provide leaders of tomorrow with information construction industry initiatives and the latest construction technologies.



A lecture on social infrastructure management at the Division of Global Architecture, School of Engineering, Osaka University

Obayashi Pavilion at KidZania Koshien

Obayashi is an official sponsor of the "construction site" pavilion at the KidZania Koshien role-play theme park. At the Obayashi pavilion, children don helmets and uniforms and use construction materials and equipment, including a crane, to experience what construction work is like. The pavilion lets children experience the fun of building things by providing them with an opportunity to experience construction jobs.



The "construction site" pavilion at KidZania Koshien

FINANCIAL SECTION

CONTENTS

- 36 SUMMARY OF FINANCIAL POSITION AND BUSINESS PERFORMANCE**
- 38 CONSOLIDATED BALANCE SHEETS**
- 40 CONSOLIDATED STATEMENTS OF INCOME**
- 41 CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**
- 42 CONSOLIDATED STATEMENTS OF CASH FLOWS**
- 43 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
- 63 REPORT OF INDEPENDENT AUDITORS**

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains predictions and forecasts regarding the future plans, strategies, and performance of Obayashi Corporation and the Obayashi Group. These statements are forward-looking statements based on assumptions and opinions made in light of information available to the Company at the time of writing, and are subject to risks and uncertainties related to economic trends, market demand, currency exchange rates, taxation and various other systems. Actual results may therefore differ materially from forecasts.

SUMMARY OF FINANCIAL POSITION AND BUSINESS PERFORMANCE

Overview of the Year Ended March 2009

During the year under review, corporate profitability dropped sharply under the impact of the global financial and economic crisis, leading to lower private-sector capital expenditures. Meanwhile, the severe employment situation and uncertainty about the future led to a decline in individual consumption, throwing the Japanese economy into recession. The domestic construction market saw continued lower orders for public facilities, and private-sector orders were also on a downward trend as a result of the economic slowdown, making the environment for winning orders even more challenging.

(1) Financial Position

As of the end of the year under review, total assets were down by approximately ¥128.4 billion (6.9%) year on year to approximately ¥1,725.6 billion compared to the end of the previous year. This decline was due mainly to a decrease in "Costs on uncompleted construction contracts" as well as a decrease in market value of "Investment securities," which outweighed an increase in "Notes receivable, accounts receivable from completed construction contracts and other" due to an increase in projects on a percentage-of-completion basis.

Total liabilities as of the end of the year under review were down by approximately ¥46.7 billion (3.4%) to approximately ¥1,329.8 billion. The principal reason for this was a decrease in "Advances received on uncompleted construction contracts" due to an increase in projects on a percentage-of-completion basis, as well as a decrease in "Deferred tax liabilities" accompanying the decrease in value of investment securities. The balance of interest-bearing liabilities at the end of the year under review was up by approximately ¥70.9 billion (21.7%), to approximately ¥398.8 billion.

Meanwhile, total net assets at the end of the fiscal year under review decreased by approximately ¥81.6 billion (17.1%) from the previous year-end to approximately ¥395.8 billion. This was

due to a decrease in "Valuation difference on available-for-sale securities," unrealized holding gains on investment securities, resulting from a downward valuation adjustment taken during the year, which outweighed an increase in "Retained earnings" resulting from the posting of net income. As a result, the equity ratio at the end of the fiscal year under review fell 2.8 percentage points from the end of March 2008 to 21.5%.

For the fiscal year under review, consolidated cash flow from operating activities was approximately negative ¥39.6 billion, reflecting insufficient improvements in the net cash flow coming from the construction business. Cash flow from investing activities was approximately positive ¥1.6 billion. Cash flow from financial activities rose to approximately ¥62.4 billion due to, among other factors, an increase in borrowing. As a result, the balance of cash and cash equivalents at the end of the fiscal year under review was up by approximately ¥15.2 billion to approximately ¥143.8 billion.

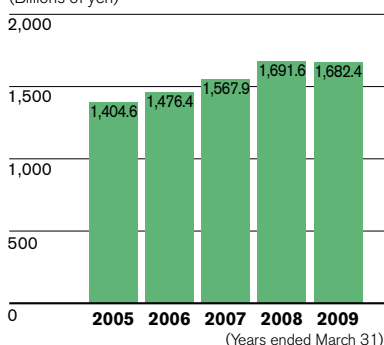
(2) Business Performance

Compared to the previous fiscal year, net sales from construction business for the fiscal year under review rose by approximately ¥25.9 billion (1.6%) year on year to approximately ¥1,616.5 billion, while net sales from real estate business declined by approximately ¥52.6 billion (66.1%) to approximately ¥26.9 billion. Net sales from other businesses increased by approximately ¥17.5 billion (82.0%) to approximately ¥38.9 billion. All in all, total net sales declined by approximately ¥9.1 billion (0.5%) year on year to approximately ¥1,682.4 billion.

On the earnings front, operating income for the fiscal year under review decreased by 4.5% to approximately ¥27.3 billion. Ordinary income decreased by 1.5% to approximately ¥31.8 billion. Net income decreased by 41.0% to approximately ¥10.9 billion, due in part to an extraordinary gain of over ¥10.0 billion in the previous fiscal year on sales of noncurrent assets, namely land and buildings and structures.

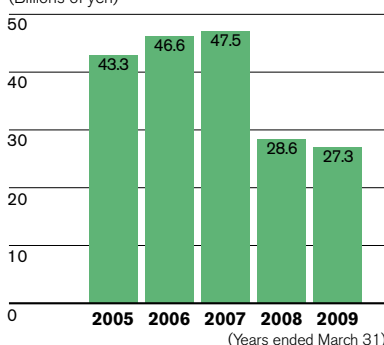
NET SALES (CONSOLIDATED)

(Billions of yen)



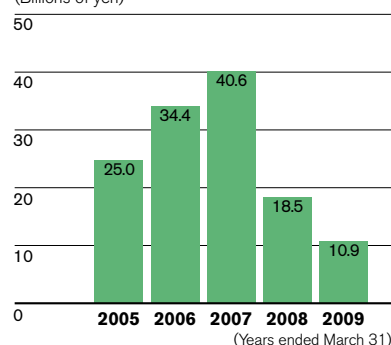
OPERATING INCOME (CONSOLIDATED)

(Billions of yen)



NET INCOME (CONSOLIDATED)

(Billions of yen)



Outlook for the Fiscal Year Ending March 2010

Regarding consolidated performance for the year ending March 2010, management expects orders received to be ¥1,550 billion (of which real estate business and other will contribute ¥40 billion) and to achieve net sales of ¥1,640 billion (of which real estate business and other will contribute ¥50 billion), operating income of ¥25.5 billion, ordinary income of ¥26.5 billion and net income of ¥10 billion.

Regarding non-consolidated performance for the year ending March 2010, management expects orders received to be ¥1,300 billion (of which real estate business and other will contribute ¥20 billion); net sales, ¥1,330 billion (of which real estate business and other will contribute ¥25 billion); operating income, ¥18 billion; ordinary income, ¥21 billion; and net income of ¥11 billion.

Note: The forecasts listed above are based on information available as of March 31, 2009. Actual results may differ materially from forecasts due to various factors.

Basic Policy Regarding the Allocation of Profits and Dividend Payout Plan for the Fiscal Year Ending March 2010

Obayashi's profit allocation policy is, first, to sustain stable dividend payouts to its shareholders over the long term and provide shareholders with returns commensurate with the Company's performance, taking into account the need to enhance internal reserves so as to further strengthen its financial base, develop technologies and make capital investments for the future.

In line with its commitment to stable dividend payouts to shareholders, Obayashi will endeavor to maintain a dividend payout ratio of 20% to 30% at the time of improved consolidated performance. For the fiscal year ending March 2010, Obayashi expects to provide a year-end dividend of ¥4 per share, as well as a midterm dividend of the same amount, for an annual dividend of ¥8 per share, which shall be the same as the Company did for the fiscal year ended March 2009.

Note: The plans for dividends listed above are based on information available as of March 31, 2009. Actual results may differ materially due to various factors.

Business Risks

Among the matters covered in this annual report, items that may have a material impact on the decisions of investors include those listed below.

The information related to future events as described herein is based on judgments made by the Obayashi Group at the end of the fiscal year under review.

(1) Trends in the Construction Market

The Obayashi Group leverages its comprehensive business capabilities, including credibility, and technological and financial capabilities to secure a certain volume of orders. Should the construction market contract significantly, the Group's performance could be affected.

(2) Construction Defects

The Obayashi Group conducts ongoing construction education and thoroughly implements quality management processes, including ISO standards, in order to ensure quality. In the unlikely event, however, that a major defect should occur in design, construction, or materials, the Group's performance and reputation could be affected.

(3) Accidents in the Course of Construction Activities

When embarking upon a construction project, the Obayashi Group establishes a detailed construction plan and prepares a safe working environment. The Group also conducts a variety of activities to eliminate accidents, including thorough safety education, danger awareness activities and spot inspection controls. However, in the unlikely event that a major accident should occur and inflict damage on people or structures, the Group's performance and reputation could be affected.

(4) Business Partners Credit Risk

The Obayashi Group takes measures to avoid credit risk as much as possible by conducting rigorous credit checks of its business partners and collecting information on credit uncertainty at an early stage. In the unlikely event that a client, subcontractor, or company jointly operating the same project should experience credit uncertainty, it could become impossible to collect funds or cause delays in construction. Such events could have an effect on the Group's performance.

(5) Surge in Prices of Raw Materials

In procuring construction materials, the Obayashi Group seeks to secure materials from its suppliers in appropriate volumes at a fair price, and reflects the appropriate procurement costs in the price contracted with the end customer. Should the raw materials increase sharply in price or become more difficult to obtain, the cost of construction could rise, leading to lower profit margins, or the Group could be required to pay damages due to delays in construction. Such events could have an effect on the Group's performance.

(6) Risk Related to Overseas Operations

The Obayashi Group conducts business activities in countries around the world, including various Asian countries and the United States. Should the countries where the Group does business experience drastic changes to the operating environment, including political destabilization due to terrorism or conflict, changes in the economic situation, significant currency exchange rate fluctuations, or changes to the legal system, the Group's performance could be affected.

CONSOLIDATED BALANCE SHEETS

OBAYASHI CORPORATION
At March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 2)	
	2009	2008	2009	2008
Assets				
Current assets				
Cash and deposits (Note 5)	¥ 144,640	¥ 129,680	\$ 1,472,468	\$ 1,320,168
Notes receivable, accounts receivable from completed construction contracts and other (Note 5)	496,934	434,411	5,058,885	4,422,392
Short-term investment securities (Note 10)	1,941	1,835	19,764	18,683
Real estate for sale (Notes 4-(2) and 5)	61,416	41,850	625,236	426,048
Costs on uncompleted construction contracts (Note 4-(2))	207,617	276,982	2,113,585	2,819,739
Inventories for PFI and other projects (Notes 4-(2) and 5)	62,296	61,994	634,187	631,116
Other inventories (Note 4-(2))	12,049	8,886	122,665	90,465
Deferred tax assets (Note 13)	38,509	40,341	392,029	410,685
Accounts receivable—other	66,583	86,762	677,829	883,261
Other	16,043	15,751	163,327	160,354
Allowance for doubtful accounts	(563)	(775)	(5,733)	(7,896)
Total current assets	1,107,469	1,097,722	11,274,247	11,175,019
Noncurrent assets				
Property, plant and equipment (Note 4-(5))				
Buildings and structures (Note 5)	166,541	175,356	1,695,423	1,785,162
Machinery, vehicles, tools, furniture and fixtures (Note 5)	72,134	73,094	734,344	744,114
Land (Note 5)	245,182	249,756	2,496,003	2,542,569
Leased assets (Note 4-(3))	2,250	—	22,912	—
Construction in progress	403	1,112	4,105	11,329
Accumulated depreciation	(157,097)	(158,275)	(1,599,282)	(1,611,274)
Total property, plant and equipment	329,415	341,044	3,353,507	3,471,901
Intangible assets (Note 5)	6,827	8,183	69,503	83,308
Investments and other assets				
Investment securities (Notes 5 and 10)	238,245	374,454	2,425,386	3,812,012
Long-term loans receivable	1,478	8,762	15,052	89,202
Deferred tax assets (Note 13)	23,195	3,522	236,132	35,864
Other	22,024	23,305	224,211	237,256
Allowance for doubtful accounts	(3,066)	(3,056)	(31,215)	(31,120)
Total investments and other assets	281,877	406,988	2,869,567	4,143,216
Total noncurrent assets	618,119	756,216	6,292,578	7,698,426
Deferred assets	56	132	570	1,347
Total assets	¥1,725,645	¥1,854,071	\$17,567,395	\$18,874,794

	Millions of yen		Thousands of U.S. dollars (Note 2)	
	2009	2008	2009	2008
Liabilities				
Current liabilities				
Notes payable, accounts payable for construction contracts and other	¥493,760	¥524,008	\$5,026,570	\$5,334,510
Short-term loans payable (Notes 5 and 18)	106,064	81,515	1,079,761	829,846
Current portion of PFI and other project finance loans (Notes 5 and 18)	6,787	10,640	69,101	108,326
Commercial papers (Note 18)	66,000	31,000	671,892	315,585
Current portion of bonds (Note 17)	20,000	10,000	203,603	101,801
Lease obligations (Notes 4-(3) and 18)	755	–	7,692	–
Income taxes payable	2,810	13,022	28,611	132,575
Advances received on uncompleted construction contracts	162,872	209,117	1,658,071	2,128,850
Deposits received	70,214	71,145	714,801	724,271
Provision for warranties for completed construction	1,409	1,590	14,350	16,195
Provision for loss on construction contracts	18,614	14,573	189,496	148,360
Other	56,765	63,538	577,881	646,838
Total current liabilities	1,006,055	1,030,154	10,241,835	10,487,163
Noncurrent liabilities				
Bonds payable (Note 17)	30,000	50,000	305,405	509,009
Long-term loans payable (Notes 5 and 18)	92,100	69,932	937,596	711,926
PFI and other project finance loans (Notes 5 and 18) ..	77,861	74,732	792,648	760,795
Lease obligations (Notes 4-(3) and 18)	808	–	8,235	–
Deferred tax liabilities (Note 13)	–	27,869	–	283,718
Deferred tax liabilities for land revaluation (Note 13)	29,095	28,469	296,193	289,819
Provision for retirement benefits (Note 12)	66,918	68,255	681,246	694,854
Provision for environmental measures	493	535	5,023	5,455
Other	26,502	26,616	269,799	270,961
Total noncurrent liabilities	323,780	346,412	3,296,149	3,526,541
Total liabilities	1,329,836	1,376,566	13,537,984	14,013,705
Net assets				
Shareholders' equity				
Capital stock	57,752	57,752	587,933	587,933
Capital surplus	41,750	41,750	425,029	425,029
Retained earnings	202,941	198,507	2,065,986	2,020,842
Treasury stock	(1,246)	(919)	(12,687)	(9,356)
Total shareholders' equity	301,198	297,091	3,066,262	3,024,449
Valuation and translation adjustments				
Valuation difference on available-for-sale securities	46,901	125,499	477,469	1,277,610
Deferred gains or losses on hedges	(65)	(90)	(662)	(918)
Revaluation reserve for land (Note 5)	26,481	25,946	269,590	264,139
Foreign currency translation adjustments	(3,448)	1,428	(35,101)	14,545
Total valuation and translation adjustments	69,870	152,784	711,295	1,555,376
Minority interests	24,739	27,628	251,852	281,263
Total net assets	395,809	477,504	4,029,410	4,861,088
Total liabilities and net assets	¥1,725,645	¥1,854,071	\$17,567,395	\$18,874,794

The accompanying notes to the consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF INCOME

OBUYASHI CORPORATION

For the years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 2)	
	2009	2008	2009	2008
Net sales				
Net sales of completed construction contracts (Note 4-(4))	¥1,616,591	¥1,590,657	\$16,457,210	\$16,193,199
Net sales of real estate business and other	65,870	100,977	670,574	1,027,973
Total net sales	1,682,462	1,691,635	17,127,784	17,221,173
Cost of sales				
Cost of sales of completed construction contracts	1,525,257	1,513,867	15,527,406	15,411,459
Cost of sales on real estate business and other	50,323	70,811	512,299	720,874
Total cost of sales	1,575,580	1,584,679	16,039,706	16,132,334
Gross profit				
Gross profit on completed construction contracts	91,334	76,790	929,803	781,739
Gross profit on real estate business and other	15,547	30,166	158,275	307,098
Total gross profit	106,881	106,956	1,088,078	1,088,838
Selling, general and administrative expenses (Note 6) . . .	79,518	78,289	809,509	797,001
Operating income	27,363	28,667	278,569	291,837
Other income/(expenses):				
Interest and dividend income	8,619	9,212	87,750	93,787
Foreign exchange losses	(1,333)	(1,825)	(13,574)	(18,586)
Interest expenses	(3,772)	(3,147)	(38,409)	(32,041)
Gain on sales of investment securities	6,275	5,178	63,886	52,720
Gain on sales of noncurrent assets (Note 6)	218	10,966	2,229	111,639
Loss on sales and disposal of noncurrent assets (Note 6) . . .	(992)	(2,174)	(10,107)	(22,131)
Impairment loss (Note 6)	(1,475)	(1,090)	(15,021)	(11,105)
Loss on valuation of real estate for sale	(3,139)	(5,262)	(31,964)	(53,568)
Loss on valuation of investment securities	(3,992)	(156)	(40,648)	(1,595)
Compensation for tenants' removal and relocation costs	(1,505)	–	(15,325)	–
Other, net	873	(1,071)	8,887	(10,905)
Total other income/(expenses)	(225)	10,629	(2,298)	108,212
Income before income taxes and minority interests	27,138	39,296	276,271	400,049
Income taxes (Note 13)				
Income taxes-current	4,526	18,691	46,077	190,285
Income taxes-deferred	8,169	(1,026)	83,163	(10,454)
Total income taxes	12,695	17,664	129,240	179,831
Minority interests in income	3,476	3,036	35,386	30,911
Net income	¥ 10,966	¥ 18,595	\$ 111,643	\$ 189,306

The accompanying notes to the consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

OBAYASHI CORPORATION
For the years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 2)	
	2009	2008	2009	2008
Shareholders' equity				
Capital stock				
Balance at the end of previous period	¥57,752	¥57,752	\$587,933	\$587,933
Balance at the end of current period	57,752	57,752	587,933	587,933
Capital surplus				
Balance at the end of previous period	41,750	41,750	425,029	425,029
Balance at the end of current period	41,750	41,750	425,029	425,029
Retained earnings				
Balance at the end of previous period	198,507	183,599	2,020,842	1,869,078
Dividends from surplus	(5,757)	(7,198)	(58,611)	(73,283)
Net income	10,966	18,595	111,643	189,306
Reversal of revaluation reserve for land	(769)	3,510	(7,834)	35,740
Change of scope of consolidation	(5)	—	(52)	—
Balance at the end of current period	202,941	198,507	2,065,986	2,020,842
Treasury stock				
Balance at the end of previous period	(919)	(810)	(9,356)	(8,248)
Purchase of treasury stock	(327)	(108)	(3,331)	(1,107)
Balance at the end of current period	(1,246)	(919)	(12,687)	(9,356)
Total shareholders' equity	301,198	297,091	3,066,262	3,024,449
Valuation and translation adjustments				
Valuation difference on available-for-sale securities				
Balance at the end of previous period	125,499	227,990	1,277,610	2,320,988
Changes of items during the period	(78,597)	(102,491)	(800,141)	(1,043,378)
Balance at the end of current period	46,901	125,499	477,469	1,277,610
Deferred gains or losses on hedges				
Balance at the end of previous period	(90)	(67)	(918)	(682)
Changes of items during the period	25	(23)	256	(236)
Balance at the end of current period	(65)	(90)	(662)	(918)
Revaluation reserve for land				
Balance at the end of previous period	25,946	32,000	264,139	325,773
Changes of items during the period	535	(6,054)	5,450	(61,634)
Balance at the end of current period	26,481	25,946	269,590	264,139
Foreign currency translation adjustments				
Balance at the end of previous period	1,428	435	14,545	4,431
Changes of items during the period	(4,876)	993	(49,647)	10,113
Balance at the end of current period	(3,448)	1,428	(35,101)	14,545
Total valuation and translation adjustments	69,870	152,784	711,295	1,555,376
Minority interests				
Balance at the end of previous period	27,628	22,804	281,263	232,151
Changes of items during the period	(2,888)	4,824	(29,410)	49,111
Balance at the end of current period	24,739	27,628	251,852	281,263
Total net assets	¥395,809	¥477,504	\$4,029,410	\$4,861,088

The accompanying notes to the consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

OBAYASHI CORPORATION

For the years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 2)	
	2009	2008	2009	2008
Net cash provided by (used in) operating activities				
Income before income taxes and minority interests	¥ 27,138	¥ 39,296	\$ 276,271	\$ 400,049
Depreciation and amortization	10,956	10,462	111,535	106,514
Impairment loss	1,475	1,090	15,021	11,105
Increase (decrease) in allowance for doubtful accounts	(181)	(792)	(1,848)	(8,067)
Increase (decrease) in provision for loss on construction contracts	4,040	6,909	41,136	70,337
Increase (decrease) in provision for retirement benefits	(1,329)	(2,091)	(13,536)	(21,291)
Loss (gain) on valuation of short-term and long-term investment securities	3,992	156	40,648	1,595
Loss on valuation of real estate for sale	3,139	5,262	31,964	53,568
Interest and dividend income	(8,619)	(9,212)	(87,750)	(93,787)
Interest expenses	3,772	3,147	38,409	32,041
Loss (gain) on sales of noncurrent assets	338	(10,763)	3,446	(109,573)
Loss (gain) on sales of short-term and long-term investment securities	(6,245)	(5,150)	(63,580)	(52,435)
Decrease (increase) in notes and accounts receivable-trade	(72,377)	(15,051)	(736,816)	(153,223)
Decrease (increase) in costs on uncompleted construction contracts	65,821	90,986	670,077	926,264
Decrease (increase) in inventories	(10,230)	11,929	(104,144)	121,447
Decrease (increase) in inventories for PFI and other projects	(301)	(6,898)	(3,071)	(70,233)
Decrease (increase) in other assets	19,779	16,293	201,356	165,867
Increase (decrease) in notes and accounts payable-trade	(20,772)	(72,640)	(211,468)	(739,496)
Increase (decrease) in advances received on uncompleted construction contracts	(43,698)	(97,703)	(444,857)	(994,635)
Increase (decrease) in other liabilities	(8,292)	(8,326)	(84,419)	(84,760)
Other, net	1,709	1,532	17,404	15,603
Subtotal	(29,883)	(41,561)	(304,219)	(423,108)
Interest and dividend income received	8,631	9,149	87,874	93,144
Interest expenses paid	(3,698)	(3,357)	(37,650)	(34,180)
Income taxes (paid) refunded	(14,660)	(11,861)	(149,242)	(120,755)
Net cash provided by (used in) operating activities	(39,610)	(47,631)	(403,238)	(484,900)
Net cash provided by (used in) investing activities				
Purchase of property, plant and equipment and intangible assets	(11,349)	(39,155)	(115,536)	(398,609)
Proceeds from sales of property, plant and equipment and intangible assets	677	20,308	6,899	206,749
Purchase of short-term and long-term investment securities	(9,659)	(9,489)	(98,336)	(96,600)
Proceeds from sales and redemption of short-term and long-term investment securities	14,883	10,552	151,520	107,425
Payments of loans receivable	(115)	(7,361)	(1,171)	(74,941)
Collection of loans receivable	7,272	2,336	74,033	23,783
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	4,984	-	50,742
Other, net	(10)	(1,100)	(106)	(11,204)
Net cash provided by (used in) investing activities	1,699	(18,924)	17,300	(192,655)
Net cash provided by (used in) financing activities				
Net increase (decrease) in short-term loans payable	21,548	2,640	219,372	26,885
Net increase (decrease) in commercial papers	35,000	31,000	356,306	315,585
Repayments of lease obligations	(938)	-	(9,551)	-
Proceeds from long-term loans payable	44,727	54,333	455,331	553,125
Repayment of long-term loans payable	(18,880)	(21,711)	(192,209)	(221,027)
Proceeds from PFI and other project finance loans payable	39,104	33,099	398,091	336,960
Payment of PFI and other project finance loans payable	(39,828)	(22,021)	(405,464)	(224,184)
Redemption of bonds	(10,000)	(10,000)	(101,801)	(101,801)
Cash dividends paid	(5,757)	(7,198)	(58,611)	(73,283)
Dividends and other payments for former shareholders of newly consolidated subsidiaries	-	(4,829)	-	(49,162)
Cash dividends paid to minority shareholders	(2,224)	(417)	(22,646)	(4,248)
Other, net	(323)	(91)	(3,292)	(928)
Net cash provided by (used in) financing activities	62,427	54,804	635,524	557,919
Effect of exchange rate changes on cash and cash equivalents	(9,218)	346	(93,849)	3,527
Net increase (decrease) in cash and cash equivalents	15,298	(11,405)	155,736	(116,108)
Cash and cash equivalents at beginning of period	128,537	139,942	1,308,536	1,424,644
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(13)	-	(142)	-
Cash and cash equivalents at end of period (Note 8)	¥143,821	¥128,537	\$1,464,130	\$1,308,536

The accompanying notes to the consolidated financial statements are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

OBAYASHI CORPORATION for the years ended March 31, 2009 and 2008

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements were prepared based on the accounts maintained by OBAYASHI CORPORATION (the "Company") and its subsidiaries in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain amounts in the prior year's financial statements were reclassified to conform to the changes made for the latest fiscal year.

2. U.S. Dollar Amounts

The accounts of the consolidated financial statements presented herein are expressed in Japanese yen by rounding down to the nearest million. The U.S. dollar amounts shown in the accompanying consolidated financial statements and notes thereto were translated from the original Japanese yen into U.S. dollars on the basis of ¥98.23 to U.S.\$1, the rate of exchange prevailing at March 31, 2009, and were then rounded down to the nearest thousand. These U.S. dollar amounts are not intended to imply that the Japanese yen amounts have been or could be converted, realized or settled in U.S. dollars at this or any other rate.

3. Summary of Significant Accounting Policies

(1) Scope of consolidation and application of the equity method

The Company had 81 subsidiaries at March 31, 2009 (79 at March 31, 2008). The consolidated financial statements as of and for the years ended March 31, 2009 and 2008 included the accounts of the Company and all subsidiaries (together, the "Companies").

All significant intercompany accounts and transactions are eliminated. Investments in all affiliates (25 companies for 2009 and 2008) are accounted for by the equity method.

(2) Business year for consolidated subsidiaries

All foreign consolidated subsidiaries (30 companies) and certain domestic consolidated subsidiaries (2 companies) have a fiscal year that ends on December 31. The consolidated financial statements were prepared based on the financial statements as of the same date. Necessary adjustments for consolidation were made on significant transactions that took place during the period between the fiscal year-end of the subsidiaries and the fiscal year-end of the Company. Consolidated subsidiaries other than those referred to above have the same business year as the Company, which ends on March 31.

(3) Valuation of assets and liabilities of consolidated subsidiaries

The assets and liabilities of consolidated subsidiaries are recorded at fair value upon acquisition.

(4) Goodwill and negative goodwill

Goodwill and negative goodwill are amortized by the straight-line method over a period of 5 years. However, goodwill and negative goodwill that are not material are charged or credited to income in the year of acquisition. Differences between the cost and underlying net equity of investments in affiliates accounted for by the equity method are charged or credited to income as they occur.

(5) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the rate of exchange in effect at the balance sheet date.

The resulting exchange gains and losses from translation are recognized in the consolidated statements of income. The balance sheet accounts of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date, except for the components of net assets excluding minority interests which are translated at their historical exchange rates. Revenue and expense accounts are translated at the rates of exchange in effect at the balance sheet date. Differences arising from the translation are presented as foreign currency translation adjustments and minority interests in the consolidated financial statements.

(6) Cash equivalents

All highly liquid investments, generally with a maturity of three months or less when purchased, which are readily convertible into known amounts of cash and are so near maturity that they represent only an insignificant risk of any change in value attributable to changes in interest rates, are considered cash equivalents.

(7) Short-term investment securities and investment securities

Securities are classified into two categories: held-to-maturity and other securities. Held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

(8) Inventories

Real estate held for sale, costs on uncompleted construction contracts, inventories for PFI and other projects and costs on real estate business and other are all stated at cost determined by the specific identification method. Raw materials and supplies are stated at cost determined by the first-in first-out method. The net book value of inventories in the balance sheet is written down if the net realizable value declines. See Note 4-(2)

(9) Property, plant and equipment

The Company and its domestic consolidated subsidiaries mainly calculate depreciation by the declining-balance method, while straight-line method is applied to the buildings, excluding building fixtures, acquired on or after April 1, 1998. Foreign consolidated subsidiaries mainly apply the straight-line method. The useful lives and residual values of depreciable assets are estimated mainly in accordance with the Corporate Tax Law. See Note 4-(5)

(10) Intangible assets

Intangible fixed assets are amortized by the straight-line method. Computer software for internal use is amortized by the straight-line method over the estimated useful life of 5 years.

(11) Leased assets

Depreciation of leased assets under finance leases that do not transfer ownership of the leased assets to the lessee is calculated by the straight-line method over the lease period with a residual value of zero. See Note 4-(3)

(12) Allowance for doubtful accounts

The allowance for doubtful accounts is provided based on the historical experience with respect to write-offs for the Company and its domestic subsidiaries and based on an estimate of the amount for specific uncollectible accounts for the Companies.

(13) Provision for warranties for completed construction

The provision for warranties for completed construction is provided to cover expenses for defects claimed concerning completed work, based on the estimated amount of compensation to be paid in the future for the work completed during the fiscal year.

(14) Provision for loss on construction contracts

The provision for loss on construction contracts is provided at the estimated amount for the future losses on contract backlog at the balance sheet date which will be probably incurred and which can be reasonably estimated.

(15) Provision for retirement benefits

The provision for retirement benefits is provided mainly at an amount calculated based on the projected benefit obligation and the fair value of the pension plan assets, as adjusted for unrecognized actuarial differences and unrecognized prior service cost. Prior service cost ("PSC") is amortized by the straight-line method over a period of 10 years which is shorter than the average remaining years of service of the employees, while PSC of certain subsidiaries is expensed as incurred. Actuarial differences are amortized commencing in the year or in the following year after the difference is recognized primarily by the straight-line method over periods (5 years to 10 years) which are shorter than the average remaining years of service of the employees.

(16) Provision for environmental measures

The provision for environmental measures is provided based on an estimate of costs for disposal of Polychlorinated Biphenyl ("PCB") waste, which the Company and its domestic subsidiaries are obliged to dispose by the Act on Special Measures Concerning Promotion of Proper Treatment of PCB Waste.

(17) Derivatives and hedge accounting

a) Method of hedge accounting

Hedging instruments are valued at fair value and accounted for using the deferral method of accounting. The monetary assets and liabilities denominated in foreign currencies, for which foreign exchange forward contracts or currency options are used to hedge the foreign currency fluctuations, are translated at the contracted rate if the foreign exchange forward contracts or currency options qualify for hedge accounting. The interest rate swaps, which qualify for hedge accounting and meet specific matching criteria, are not remeasured at market value, but the differential paid or received under the swap agreements is charged to income.

b) Hedging instruments and hedged items

To hedge foreign exchange risks related to foreign currency loans and projected future foreign currency transactions, foreign exchange forward contracts and currency options are employed as hedging instruments. To hedge the interest-rate risks and foreign exchange risks related to loans payable, bonds payable, bonds receivable and transactions of affiliates, interest rate swaps or interest rate/currency swaps are employed as hedging instruments.

c) Hedging policy

The Companies utilize derivative financial instruments only for the purpose of hedging future risks of fluctuation of foreign currency exchange rates or interest rates in accordance with internal rules.

d) Assessment of hedge effectiveness

Hedge effectiveness is not assessed when substantial terms and conditions of the hedging instruments and the hedged transactions are the same.

The evaluation of hedge effectiveness is omitted for interest rate swaps as they meet certain criteria under the exceptional treatment.

(18) Recognition of revenues from construction contracts and related costs

Revenues from construction contracts and the related costs of the Company and its domestic subsidiaries are recorded under the completed-contract method, except for those related to the contracts with a construction period exceeding 1 year which are mainly recognized by the percentage-of-completion method. Revenues from construction contracts and the related costs of the overseas subsidiaries are mainly recorded on the percentage-of-completion method.

Revenues from construction contracts recorded on the percentage-of-completion method for the fiscal year ended March 31, 2009 were ¥922,446 million (US\$9,390,681 thousand). See Note 4-(4)

(19) Revenues and expenses associated with finance lease transactions

Sales and cost of sales are recognized upon receipt of lease payment.

(20) Consumption taxes

Consumption taxes and local consumption taxes are accounted for under the tax-exclusive method.

(21) Income taxes

The Companies apply deferred tax accounting for income taxes which requires recognition of income taxes by the asset/liability method.

Under the asset/liability method, deferred tax assets and liabilities are determined based on the difference between financial reporting basis and the tax basis of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

4. Changes in Significant Accounting Policies

(1) Application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

Effective the fiscal year ended March 31, 2009, the Company has adopted the "Practical Solution on Unification of

Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18 issued on May 17, 2006) and made necessary adjustments for the purpose of consolidated financial statement preparation.

The effect of this change on operating income and income before income taxes and minority interests was immaterial for the year ended March 31, 2009.

(2) Change in method of measurement of inventories

Effective the fiscal year ended March 31, 2009, the Company and its domestic consolidated subsidiaries have adopted, the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 issued on July 5, 2006). As a result of this change, operating income decreased by ¥64 million (US\$658 thousand), and income before income taxes and minority interests decreased by ¥3,211 million (US\$32,689 thousand), for the year ended March 31, 2009, compared with the corresponding amounts that would have been recorded under the previous method.

(3) Application of lease accounting

Effective the fiscal year ended March 31, 2009, the Companies have adopted the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, issued on June 17, 1993 by the First Committee for Business Accounting Standards; revised on March 30, 2007) and the Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, issued on January 18, 1994 by the Accounting Practice Committee of the Japanese Institute of Certified Public Accountants; revised on March 30, 2007). As a result, the accounting treatment for finance leases that do not transfer ownership of the leased assets to the lessee has been changed from the method applicable to operating lease transactions to the method applicable to the ordinary buying and selling transactions. The effect of this change on operating income and income before income taxes and minority interests was immaterial for the year ended March 31, 2009.

(4) Change the scope of the construction contracts to apply the percentage-of-completion method

Effective the construction started on or after April 1, 2007, the Company and its domestic subsidiaries changed the scope of the construction contracts to apply the percentage-of-completion method from those with construction period of 2 years or more and contracted amounts of ¥5 billion or more to those with the construction period exceeding 1 year.

This change was due to reinforce business management all the more by reflecting progress of contract work into results of operations in a timely manner considering the trend of accounting standard concerning the constructor accounting.

As a result of this change, net sales increased by ¥71,430 million (US\$727,178 thousand), operating income and income before income taxes and minority interests increased by ¥2,422 million (US\$24,665 thousand), for the year ended March 31, 2008, compared with the corresponding amounts that would have been recorded under the previous method.

(5) Change in method of depreciation of tangible fixed assets

Due to the amendment of the Corporation Tax Law of Japan in 2007, the Company and its domestic consolidated subsidiaries changed their method of depreciation of buildings purchased on or after April 1, 2007 to the straight-line method at rates prescribed in the amended Corporation Tax Law and its method of depreciation of other tangible fixed assets purchased on or after April 1, 2007 to the declining-balance method at rates prescribed in the amended Corporation Tax Law.

As a result of this change, operating income and income before income taxes and minority interests decreased by ¥263 million (US\$2,678 thousand), for the year ended March 31, 2008, compared with the corresponding amounts that would have been recorded under the previous method.

(Additional information)

Pursuant to the amendment to the Corporation Tax Law, the Company and its domestic consolidated subsidiaries now depreciate the difference between 5% of the acquisition cost and the memorandum price of tangible fixed assets acquired on or before March 31, 2007. From the year following the year in which a tangible fixed asset is depreciated to the previous allowable 5% limit using a method based on the preamended Corporation Tax Law, this difference is depreciated evenly over a period of 5 years and included in depreciation and amortization.

As a result of this change, operating income decreased by ¥541 million (US\$5,509 thousand), and income before income taxes and minority interests decreased by ¥542 million (US\$5,520 thousand), for the year ended March 31, 2008, compared with the corresponding amounts that would have been recorded under the previous method.

5. Notes to Consolidated Balance Sheets

(1) Investments in affiliates

At March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Investments in affiliates	¥2,890	¥3,073	\$29,430	\$31,290

(2) Revaluation reserve for land

Pursuant to the "Law Concerning the Revaluation of Land," land used for business operations was revalued on March 31, 2000. The excess of the revalued carrying amount over the book value before revaluation is included in net assets as reserve for land revaluation, net of applicable income taxes.

The revaluation of the land was determined based on the official standard notice prices in accordance with Article 2, Paragraph 1 of the "Enforcement Ordinance Concerning Land Revaluation" and the appraisal value made by the certified real estate appraisers in accordance with Article 2, Paragraph 5 of the same ordinance with certain necessary adjustments.

(3) Pledged assets

Assets pledged as collateral for long-term loans payable were as follows:

At March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Assets pledged as collateral:				
Buildings and structures	¥ 618	¥ 757	\$ 6,296	\$ 7,710
Land	306	383	3,116	3,908
Investment securities	1,890	3,443	19,244	35,054
Total	¥2,815	¥4,584	\$28,657	\$46,672
Liabilities secured thereby:				
Current portion of long-term loans payable	¥ 554	¥ 556	\$ 5,646	\$ 5,662
Long-term loans payable	2,563	3,295	26,098	33,545
Total	¥3,118	¥3,851	\$31,744	\$39,207

(4) Contingent liabilities

The Companies were contingently liable for the following:

At March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Guarantees of long-term debt of customers, affiliates and employees	¥2,314	¥2,985	\$23,560	\$30,390
Repurchase obligation for notes receivable sold	3,081	3,222	31,368	32,800

(5) Noncurrent assets reclassified as real estate held for sale

The following noncurrent assets were reclassified as real estate held for sale due to change in holding purpose.

	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Buildings and structures	¥ 5,595	¥-	\$ 56,960	\$-
Machinery, vehicles, tools, furniture and fixtures	49	-	506	-
Land	7,112	-	72,407	-
Intangible assets	442	-	4,504	-
Total	¥13,200	¥-	\$134,378	\$-

(6) Directly-deducted advanced depreciation

	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Directly-deducted advanced depreciation	¥1	¥3	\$11	\$35

(7) PFI and other project finance loans

PFI and other project finance loans are non-recourse loans payable to financial institutions, which are issued to the Company's consolidated special purpose company backed by the related PFI business or the real estate business as collateral.

Assets as collateral for the PFI and other project finance loans were as follows:

At March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Cash and deposits	¥ 5,679	¥ 6,737	\$ 57,822	\$ 68,588
Notes receivable, accounts receivable from completed construction contracts and other	12,244	12,139	124,656	123,577
Inventories for PFI and other projects	62,296	61,994	634,187	631,116
Buildings and structures	6,053	5,889	61,630	59,959
Machinery, vehicles, tools, furniture and fixtures	627	795	6,391	8,099
Land	19	-	198	-
Total	¥86,922	¥87,556	\$884,885	\$891,341

(8) Commitment lines

The Company has concluded a commitment line agreement totaling ¥40,000 million (US\$407,207 thousand) with syndicated financial institutions to ensure timely access to funds in case of emergency. At March 31, 2009, there was no outstanding balance under the agreement.

6. Notes to Consolidated Statements of Income

(1) The major components of "Selling, general and administrative expenses" were as follows:

For the years ended March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Employees' salaries and allowances	¥32,520	¥32,440	\$331,065	\$330,254
Retirement benefit expenses	2,697	2,404	27,460	24,477
Research study expenses	7,269	6,947	74,002	70,728

(2) Research and development costs were as follows:

For the years ended March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Research and development costs included in selling, general and administrative expenses	¥7,269	¥6,947	\$74,002	\$70,728

(3) Gain on sales of noncurrent assets was from the sale of land and buildings.

(4) Loss on sales and disposal of noncurrent assets was from the sale of land, buildings and the disposal of structures.

(5) Impairment loss

The following table summarizes the impairment losses booked for the fiscal years ended March 31, 2009 and 2008. Classification by purpose

Use	Type of assets	Location	2009
			Number of assets
Underutilized real estate	Land	Hokkaido and others	3
Real estate for lease	Land	Shizuoka and others	3
Real estate reclassified as "held for sale"	Land, buildings and others	Tokyo and others	2
Asphalt plants	Land, buildings and others	Hyogo	1

Use	Type of assets	Location	2008
			Number of assets
Underutilized real estate	Land, buildings and others	Tokyo and others	5

Breakdown by account

	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Buildings.....	¥ 90	¥ 409	\$ 917	\$ 4,168
Structures.....	50	1	511	10
Machinery.....	41	—	421	—
Tools, furniture and fixtures.....	1	—	10	—
Land.....	1,292	680	13,161	6,926
Total	¥1,475	¥1,090	\$15,021	\$11,105

Valuation method

The Companies recognize impairment losses for individual items classified as; 1) Underutilized real estate; 2) Real estate for lease; 3) Real estate reclassified as "held for sale"; and 4) Asphalt plants.

Due to the decrease in fair value and profitability of real estate, the Companies reduced the carrying values of these assets to their recoverable amounts and recognized the declines as impairment losses.

The recoverable amounts of the assets were the net realizable values, which were calculated as the selling prices (estimated based on the Japanese Real Estate Appraisal Standards) less applicable sales expenses.

7. Notes to Consolidated Statements of Changes in Net Assets

(1) Type and number of outstanding shares

For the year ended March 31, 2009

Type of shares	Number of shares			
	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at end of year
Issued stock:				
Common stock.....	721,509,646	—	—	721,509,646
Treasury stock:				
Common stock.....	1,778,809	686,917	—	2,465,726

Note: Treasury stock increased by 686,917 shares due to the repurchase of shares less than one unit.

For the year ended March 31, 2008

Type of shares	Number of shares			
	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at end of year
Issued stock:				
Common stock.....	721,509,646	—	—	721,509,646
Treasury stock:				
Common stock.....	1,602,421	176,388	—	1,778,809

Note: Treasury stock increased by 176,388 shares due to the repurchase of shares less than one unit.

(2) Dividends

a) Dividends paid to shareholders

For the year ended March 31, 2009

Resolution approved by	Type of shares	Amount		Amount per share		Shareholders' cut-off date	Effective date
		Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars		
Annual General Meeting of Shareholders (June 26, 2008)	Common stock	¥2,878	\$29,307	¥4	\$0.04	March 31, 2008	June 27, 2008
Board of Directors (November 12, 2008)	Common stock	¥2,878	\$29,304	¥4	\$0.04	September 30, 2008	December 10, 2008

For the year ended March 31, 2008

Resolution approved by	Type of shares	Amount		Amount per share		Shareholders' cut-off date	Effective date
		Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars		
Annual General Meeting of Shareholders (June 28, 2007)	Common stock	¥4,319	\$43,972	¥6	\$0.06	March 31, 2007	June 29, 2007
Board of Directors (November 13, 2007)	Common stock	¥2,879	\$29,311	¥4	\$0.04	September 30, 2007	December 10, 2007

b) Dividends with a shareholders' cut-off date during the fiscal year but an effective date subsequent to the fiscal year

For the year ended March 31, 2009

Resolution approved by	Type of shares	Amount		Amount per share		Shareholders' cut-off date	Effective date	
		Millions of yen	Thousands of U.S. dollars	Paid from	Yen			U.S. dollars
Annual General Meeting of Shareholders (June 25, 2009)	Common stock	¥2,876	\$29,280	Retained earnings	¥4	\$0.04	March 31, 2009	June 26, 2009

For the year ended March 31, 2008

Resolution approved by	Type of shares	Amount		Amount per share		Shareholders' cut-off date	Effective date	
		Millions of yen	Thousands of U.S. dollars	Paid from	Yen			U.S. dollars
Annual General Meeting of Shareholders (June 26, 2008)	Common stock	¥2,878	\$29,307	Retained earnings	¥4	\$0.04	March 31, 2008	June 27, 2008

(3) Shareholders' equity

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met.

8. Notes to Consolidated Statements of Cash Flows

The reconciliation between cash and cash equivalents reported in the consolidated statements of cash flows and amounts reported in the consolidated balance sheets is as follows:

At March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Cash and deposits	¥144,640	¥129,680	\$1,472,468	\$1,320,168
Time deposits with a maturity of more than three months	(819)	(1,142)	(8,338)	(11,632)
Cash and cash equivalents at end of period	¥143,821	¥128,537	\$1,464,130	\$1,308,536

9. Lease Transactions

(1) Finance leases

Information on finance leases that do not transfer ownership of the leased assets to the lessee for the year ended March 31, 2008 is summarized as follows:

(a) Lessee's accounting

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of leased assets at March 31, 2008 which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases accounted for as operating leases:

At March 31, 2008	Millions of yen			Thousands of U.S. dollars		
	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Machinery, vehicles, tools, furniture and fixtures	¥2,263	¥1,116	¥1,147	\$23,047	\$11,370	\$11,676
Other	292	135	157	2,979	1,379	1,600
Total	¥2,556	¥1,252	¥1,304	\$26,027	\$12,749	\$13,277

Future minimum payments under non-cancelable lease contracts at March 31, 2008 were as follows:

At March 31, 2008	Millions of yen	Thousands of U.S. dollars
Within 1 year	¥ 508	\$ 5,174
Over 1 year	802	8,173
Total	¥1,311	\$13,347

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥561 million (\$5,716 thousand) for the year ended March 31, 2008.

Depreciation of the leased assets computed by the straight-line method over the respective lease terms with no residual value and the interest portion included in lease payments amounted to ¥553 million (\$5,634 thousand) and ¥8 million (\$83 thousand), respectively, for the year ended March 31, 2008.

(b) Lessor's accounting

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets relating to finance leases accounted for as operating leases of March 31, 2008:

At March 31, 2008	Millions of yen			Thousands of U.S. dollars		
	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Buildings and structures	¥650	¥84	¥565	\$6,622	\$863	\$5,758
Other	0	0	0	7	1	5
Total	¥651	¥84	¥566	\$6,629	\$865	\$5,764

Future minimum receivables under non-cancelable lease contracts at March 31, 2008 were as follows:

At March 31, 2008	Millions of yen	Thousands of U.S. dollars
Within 1 year	¥ 41	\$ 420
Over 1 year	681	6,935
Total	¥722	\$7,356

Lease income relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥41 million (\$420 thousand) for the year ended March 31, 2008.

Depreciation of the leased assets under finance leases accounted for as operating leases amounted to ¥34 million (\$346 thousand) for the year ended March 31, 2008.

(2) Operating leases

(a) Lessee's accounting

Future minimum payments under non-cancelable lease contracts at March 31, 2009 and 2008, were as follows:

At March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Within 1 year	¥2,644	¥2,691	\$26,922	\$27,398
Over 1 year	3,176	5,334	32,334	54,304
Total	¥5,820	¥8,025	\$59,256	\$81,702

(b) Lessor's accounting

Future minimum receivables under non-cancelable lease contracts at March 31, 2009 and 2008, were as follows:

At March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Within 1 year	¥ 3,654	¥ 3,489	\$ 37,204	\$ 35,524
Over 1 year	19,975	23,365	203,356	237,867
Total	¥23,630	¥26,855	\$240,560	\$273,391

10. Securities

(a) Information regarding marketable securities classified as held-to-maturity debt securities and other securities at March 31, 2009 and 2008 is as follows:

Marketable held-to-maturity debt securities

At March 31, 2009	Millions of yen			Thousands of U.S. dollars		
	Carrying value	Estimated fair value	Unrealized gain/(loss)	Carrying value	Estimated fair value	Unrealized gain/(loss)
Securities whose fair value exceeds their carrying value:						
Government bonds and municipal bonds	¥49	¥49	¥ 0	\$507	\$508	\$ 1
Securities whose carrying value exceeds their fair value:						
Government bonds and municipal bonds	30	28	(1)	307	292	(14)
Total	¥80	¥78	¥(1)	\$814	\$800	\$(13)

At March 31, 2008	Millions of yen			Thousands of U.S. dollars		
	Carrying value	Estimated fair value	Unrealized gain/(loss)	Carrying value	Estimated fair value	Unrealized gain/(loss)
Securities whose fair value exceeds their carrying value:						
Government bonds and municipal bonds	¥59	¥59	¥ 0	\$607	\$608	\$ 1
Securities whose carrying value exceeds their fair value:						
Government bonds and municipal bonds	30	28	(1)	307	290	(17)
Total	¥89	¥88	¥(1)	\$914	\$898	\$(15)

Marketable other securities

At March 31, 2009	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Carrying value	Unrealized gain/(loss)	Acquisition cost	Carrying value	Unrealized gain/(loss)
Securities whose carrying value exceeds their acquisition cost:						
Stock	¥ 93,887	¥181,982	¥88,094	\$ 955,789	\$1,852,613	\$896,823
Securities whose acquisition cost exceeds their carrying value:						
Stock	41,732	32,775	(8,957)	424,845	333,656	(91,189)
Other	204	192	(11)	2,082	1,960	(121)
Subtotal	41,937	32,967	(8,969)	426,928	335,617	(91,311)
Total	¥135,824	¥214,949	¥79,125	\$1,382,718	\$2,188,230	\$805,512

The Companies recognized losses on write-downs of ¥3,580 million (\$36,453 thousand) on its marketable other securities for the year ended March 31, 2009.

At March 31, 2008	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Carrying value	Unrealized gain/(loss)	Acquisition cost	Carrying value	Unrealized gain/(loss)
Securities whose carrying value exceeds their acquisition cost:						
Stock.....	¥123,662	¥340,459	¥216,797	\$1,258,904	\$3,465,946	\$2,207,042
Other.....	71	77	6	728	791	62
Subtotal	123,733	340,537	216,803	1,259,633	3,466,738	2,207,105
Securities whose acquisition cost exceeds their carrying value:						
Stock.....	19,949	14,496	(5,453)	203,087	147,574	(55,512)
Other.....	192	188	(4)	1,962	1,917	(45)
Subtotal	20,142	14,684	(5,457)	205,050	149,491	(55,558)
Total	¥143,875	¥355,222	¥211,346	\$1,464,683	\$3,616,229	\$2,151,546

The Companies recognized losses on write-downs of ¥95 million (\$976 thousand) on its marketable other securities for the year ended March 31, 2008.

(b) Sales of securities classified as other securities

For the years ended March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Sales amount.....	¥12,661	¥16,048	\$128,895	\$163,377
Aggregate gain.....	6,275	5,178	63,886	52,720
Aggregate loss.....	30	28	306	285

(c) In addition to the securities above, the Companies held the following investment securities with no available market value at March 31, 2009 and 2008.

At March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Held-to-maturity securities				
Non-listed domestic bonds.....	¥ 50	¥ 20	\$ 509	\$ 203
Non-listed foreign bonds.....	729	1,073	7,421	10,929
Other securities				
Non-listed stocks.....	¥19,256	¥12,692	\$196,036	\$129,216
Non-listed preferred equity securities.....	340	2,340	3,461	23,821
Others.....	1,890	1,776	19,246	18,089

(d) The redemption schedule for other securities with maturity dates and held-to-maturity debt securities at March 31, 2009 and 2008 is summarized as follows:

At March 31, 2009	Millions of yen				Thousands of U.S. dollars			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Government bonds and municipal bonds.....	¥50	¥ -	¥30	¥-	\$518	\$ -	\$307	\$-
Corporate bonds.....	-	728	50	-	-	7,411	509	-
Total.....	¥50	¥728	¥80	¥-	\$518	\$7,411	\$816	\$-

At March 31, 2008	Millions of yen				Thousands of U.S. dollars			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Government bonds and municipal bonds.....	¥58	¥ 49	¥-	¥30	\$593	\$ 505	\$-	\$307
Corporate bonds.....	-	1,092	-	-	-	11,120	-	-
Total.....	¥58	¥1,142	¥-	¥30	\$593	\$11,626	\$-	\$307

11. Derivative Financial Instruments

(1) Status of derivative transactions

The Companies utilize derivative financial instruments only for the purpose of hedging future risks of fluctuation of foreign currency exchange rates or interest rates.

The Companies utilize foreign exchange forward contracts and currency option transactions to hedge the risk of fluctuation of foreign exchange rates.

The Companies also utilize interest swaps and interest rate/currency swaps to hedge fluctuation risk involving interest rates or foreign exchange rates.

The Companies utilize structured products with a long term investment purpose. The products, derivative-embedded deposits, have no risk of negative interest rates and the principal is guaranteed.

The interest rate swaps, interest rate/currency swaps, foreign exchange forward contracts and currency option transactions have risks arising from changes in market interest rates and changes in the exchange rates.

Since derivative-embedded deposits are variable rate fixed deposits linked to an exchange rate, there is a risk that the deposit interest rate may be less than a market interest rate.

The Companies trade derivative transactions with major financial institutions and therefore consider there is no credit risk underlying those transactions.

The transactions of derivative financial instruments are carried out in accordance with the Companies' internal rules, and the status of the transactions is reported regularly to the Board of Directors.

(2) Market value of derivative transactions

(a) Interest-rate segment

At March 31, 2008	Millions of yen				Thousands of U.S. dollars			
	Contract amounts	Notional amount of more than 1 year	Estimated fair value	Unrealized loss	Contract amounts	Notional amount of more than 1 year	Estimated fair value	Unrealized loss
Interest-rate swaps :								
Payment fixed/ Receive floating...	¥2,470	¥-	¥(1)	¥(1)	\$25,145	\$-	\$(15)	\$(15)

1. Calculation method of estimated fair value

The above price was provided by the financial institution involved.

2. Contract amounts are notional amounts of the interest-rate swaps and do not show market risk of all derivative instruments.

3. Derivative transactions to which the deferral hedge accounting method is applied are not included in the amounts above.

(b) Compound financial instruments segment

At March 31, 2009	Millions of yen				Thousands of U.S. dollars			
	Contract amounts	Notional amount of more than 1 year	Estimated fair value	Unrealized loss	Contract amounts	Notional amount of more than 1 year	Estimated fair value	Unrealized loss
Derivative-embedded deposits :								
(Special policy of cancellation before expiry date/ Condition fulfillment type deposits).....	¥300	¥300	¥(44)	¥(44)	\$3,054	\$3,054	\$(449)	\$(449)

At March 31, 2008	Millions of yen				Thousands of U.S. dollars			
	Contract amounts	Notional amount of more than 1 year	Estimated fair value	Unrealized loss	Contract amounts	Notional amount of more than 1 year	Estimated fair value	Unrealized loss
Derivative-embedded deposits :								
(Special policy of cancellation before expiry date/ Condition fulfillment type deposits).....	¥300	¥300	¥(51)	¥(51)	\$3,054	\$3,054	\$(527)	\$(527)

1. Calculation method of estimated fair value
The above price was provided by the financial institution involved.
2. Estimated fair value of derivative-embedded deposits was computed based on the value of the embedded derivatives included in compound financial instruments.
3. Contract amounts are notional amounts of the interest-rate swaps and do not show market risk of all derivative instruments.

12. Retirement Benefit Plans

The Company and its domestic subsidiaries have tax-qualified defined benefit pension plans (established as of March 1, 1982) which cover 50% of the total amount of the pension benefits, in addition to lump-sum payments covering the remainder. However, these tax-qualified pension plans were terminated and, as a result of a recent amendment to the related laws, "Regulation type corporate pension plans" based on the "Defined Benefit Corporate Pension Law" were introduced effective April 1, 2004.

The following tables show the funded and accrued status of the plans and the amounts recognized in the consolidated balance sheets at March 31, 2009 and 2008 of the Company and its domestic subsidiaries.

At March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Projected benefit obligations	¥(153,232)	¥(158,506)	\$(1,559,932)	\$(1,613,622)
Plan assets at fair value	66,008	80,156	671,978	816,009
Unfunded projected benefit obligations	(87,223)	(78,349)	(887,954)	(797,613)
Unrecognized actuarial loss	20,604	10,618	209,761	108,100
Unrecognized prior service cost	(142)	(188)	(1,454)	(1,918)
Amount reported on the consolidated balance sheet	(66,761)	(67,919)	(679,646)	(691,431)
Prepaid pension costs	157	336	1,600	3,422
Provision for retirement benefits	¥ (66,918)	¥ (68,255)	\$ (681,246)	\$ (694,854)

The consolidated subsidiaries, except Obayashi Road Corporation and Oak Setsubi Corporation, adopted a simplified method to compute their project benefit obligations.

The components of retirement benefit expenses for the years ended March 31, 2009 and 2008 are outlined as follows:

For the years ended March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Service cost	¥ 5,164	¥ 5,341	\$ 52,576	\$ 54,375
Interest cost	3,912	4,001	39,828	40,735
Expected return on plan assets	(1,988)	(2,195)	(20,243)	(22,351)
Amortization of actuarial differences	2,450	1,483	24,944	15,102
Amortization of prior service cost	(45)	(45)	(464)	(464)
Special retirement and severance benefits	-	22	-	232
Total	¥ 9,493	¥ 8,607	\$ 96,642	\$ 87,630

The retirement benefit expenses of consolidated subsidiaries using a simplified computation method are included in "Service cost."

The assumptions used in accounting for the above plans were as follows:

At March 31	2009	2008
Methods of attributing the projected benefit obligations to periods of service	Straight-line basis	Straight-line basis
Discount rates	1.8% or 2.5%	1.8% or 2.5%
Expected rates of return on plan assets	1.8% or 2.5%	1.8% or 2.5%
Amortization periods for prior service cost	10 years (Prior service cost ("PSC") is amortized by the straight-line method over a period of 10 years which is shorter than the average remaining years of service of the employees, while PSC of certain subsidiaries is expensed as incurred.)	10 years (Prior service cost ("PSC") is amortized by the straight-line method over a period of 10 years which is shorter than the average remaining years of service of the employees, while PSC of certain subsidiaries is expensed as incurred.)
Amortization periods for actuarial differences ..	5 to 10 years (Actuarial differences are amortized commencing in the year or in the following year after the difference is recognized primarily by the straight-line method over periods (5 years to 10 years) which are shorter than the average remaining years of service of the employees.)	5 years or 10 years (Actuarial differences are amortized in the year or in the following year after the difference is recognized primarily by the straight-line method over periods (5 years or 10 years) which are shorter than the average remaining years of service of the employees.)

13. Deferred Tax Accounting

The major components of deferred tax assets and liabilities at March 31, 2009 and 2008 are summarized as follows:

At March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Deferred tax assets:				
Impairment loss	¥ 29,933	¥ 32,899	\$ 304,728	\$ 334,922
Provision for retirement benefits	27,033	27,499	275,205	279,950
Loss on valuation of real estate for sale	11,320	16,034	115,242	163,234
Provision for loss on construction contracts	7,539	5,903	76,752	60,094
Unrealized profit on inventories	1,838	2,824	18,717	28,754
Tax loss carryforwards	8,030	2,270	81,753	23,114
Other	18,680	21,708	190,174	220,993
	104,376	109,139	1,062,573	1,111,062
Valuation allowance	(8,866)	(6,286)	(90,265)	(63,998)
Total deferred tax assets	95,509	102,853	972,307	1,047,064
Deferred tax liabilities:				
Valuation difference on available-for-sale securities	(31,949)	(85,483)	(325,250)	(870,236)
Reserve for advanced depreciation of noncurrent assets	(1,147)	(1,180)	(11,676)	(12,021)
Other	(709)	(194)	(7,217)	(1,974)
Total deferred tax liabilities	(33,805)	(86,858)	(344,145)	(884,232)
Net deferred tax assets	¥ 61,704	¥ 15,994	\$ 628,162	\$ 162,832

The net deferred tax assets are included in the following items on the consolidated balance sheets:

At March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Current assets—Deferred tax assets	¥38,509	¥ 40,341	\$392,029	\$ 410,685
Noncurrent assets—Deferred tax assets	23,195	3,522	236,132	35,864
Noncurrent liabilities—Deferred tax liabilities	-	(27,869)	-	(283,718)

In addition to the above, the Companies recognized deferred tax liabilities of ¥29,095 million (\$296,193 thousand) and ¥28,469 million (\$289,819 thousand) related to reserve for land revaluation at March 31, 2009 and 2008, respectively.

A reconciliation between the statutory tax rates and the effective tax rates for the years ended March 31, 2009 and 2008 are summarized as follows:

For the years ended March 31	2009	2008
Statutory tax rates	40.5%	40.5%
Reconciliation:		
Effect of unrecognized deferred taxes on subsidiaries—losses	0.9	0.5
Tax loss carryforwards	(5.3)	(3.1)
Permanent non-deductible items	4.7	4.1
Permanent non-taxable items	(3.2)	(3.0)
Per-capita inhabitant tax	1.6	1.1
Tax credit for research and development expenses and other	—	(0.8)
Increase in valuation allowance	7.6	5.0
Income taxes for prior periods	—	1.8
Other	0.0	(1.1)
Effective tax rates	46.8%	45.0%

14. Segment Information

(a) Business segments

For the year ended March 31, 2009	Millions of yen					
	Construction business	Real estate business	Other businesses	Total	Eliminations or Corporate	Consolidated
Net sales:						
From outside customers	¥1,616,591	¥ 26,963	¥ 38,906	¥1,682,462	¥ —	¥1,682,462
Intersegment or transfer	16,512	1,072	7,972	25,556	(25,556)	—
Total	1,633,104	28,036	46,879	1,708,019	(25,556)	1,682,462
Operating expenses	1,615,730	20,774	45,137	1,681,642	(26,544)	1,655,098
Operating income	17,373	7,261	1,741	26,376	987	27,363
Total assets	1,309,094	310,409	165,323	1,784,827	(59,182)	1,725,645
Depreciation and amortization	7,284	2,059	1,840	11,184	(228)	10,956
Impairment loss	279	1,195	—	1,475	—	1,475
Capital expenditures	6,829	6,540	3,015	16,384	(356)	16,028

For the year ended March 31, 2008	Millions of yen					
	Construction business	Real estate business	Other businesses	Total	Eliminations or Corporate	Consolidated
Net sales:						
From outside customers	¥1,590,657	¥ 79,597	¥ 21,380	¥1,691,635	¥ —	¥1,691,635
Intersegment or transfer	50,259	2,397	8,084	60,742	(60,742)	—
Total	1,640,917	81,995	29,465	1,752,378	(60,742)	1,691,635
Operating expenses	1,632,370	60,319	27,896	1,720,586	(57,618)	1,662,968
Operating income	8,547	21,675	1,568	31,791	(3,124)	28,667
Total assets	1,466,424	283,054	162,883	1,912,362	(58,291)	1,854,071
Depreciation and amortization	7,269	2,364	1,071	10,705	(243)	10,462
Impairment loss	81	1,009	—	1,090	—	1,090
Capital expenditures	5,266	33,083	679	39,029	(69)	38,959

For the year ended March 31, 2009	Thousands of U.S. dollars					
	Construction business	Real estate business	Other businesses	Total	Eliminations or Corporate	Consolidated
Net sales:						
From outside customers	\$16,457,210	\$ 274,497	\$ 396,076	\$17,127,784	\$ —	\$17,127,784
Intersegment or transfer	168,098	10,913	81,162	260,174	(260,174)	—
Total	16,625,308	285,411	477,238	17,387,959	(260,174)	17,127,784
Operating expenses	16,448,443	211,486	459,509	17,119,439	(270,223)	16,849,215
Operating income	176,865	73,924	17,729	268,519	10,049	278,569
Total assets	13,326,831	3,160,025	1,683,028	18,169,886	(602,490)	17,567,395
Depreciation and amortization	74,156	20,964	18,736	113,858	(2,322)	111,535
Impairment loss	2,846	12,175	—	15,021	—	15,021
Capital expenditures	69,526	66,579	30,693	166,799	(3,627)	163,171

For the year ended March 31, 2008	Thousands of U.S. dollars					
	Construction business	Real estate business	Other businesses	Total	Eliminations or Corporate	Consolidated
Net sales:						
From outside customers.	\$16,193,199	\$ 810,319	\$ 217,654	\$17,221,173	\$ -	\$17,221,173
Intersegment or transfer	511,654	24,407	82,305	618,367	(618,367)	-
Total	16,704,853	834,726	299,960	17,839,540	(618,367)	17,221,173
Operating expenses	16,617,841	614,067	283,990	17,515,899	(586,564)	16,929,335
Operating income	87,011	220,659	15,970	323,641	(31,803)	291,837
Total assets	14,928,482	2,881,551	1,658,181	19,468,215	(593,421)	18,874,794
Depreciation and amortization	74,009	24,070	10,908	108,988	(2,473)	106,514
Impairment loss	833	10,272	-	11,105	-	11,105
Capital expenditures	53,610	336,793	6,921	397,325	(706)	396,619

1. Classification of businesses

The Company categorizes its businesses based on the type, similarity in nature, etc.

2. The Company and its subsidiaries are engaged in the following industry segments:

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

3. Change in accounting policies

Effective the construction started on or after April 1, 2007, the Company and its domestic subsidiaries changed the scope of the construction contracts to apply the percentage-of-completion method from those with construction period of 2 years or more and contracted amounts of ¥5 billion or more to those with the construction period exceeding 1 year.

As a result of this change, in "Construction segment," net sales increased by ¥71,430 million (\$727,178 thousand), operating income increased by ¥2,422 million (\$24,665 thousand), for the year ended March 31, 2008, compared with the corresponding amounts that would have been recorded under the previous method.

(b) Geographic segments

For the year ended March 31, 2009	Millions of yen						
	Japan	North America	Asia	Other Regions	Total	Eliminations or Corporate	Consolidated
Net sales:							
From outside customers	¥1,477,845	¥163,871	¥40,720	¥ 24	¥1,682,462	¥ -	¥1,682,462
Intersegment or transfer	79	6	393	1	479	(479)	-
Total	1,477,925	163,878	41,113	25	1,682,942	(479)	1,682,462
Operating expenses	1,456,318	160,556	38,686	19	1,655,580	(482)	1,655,098
Operating income	21,607	3,321	2,427	5	27,361	2	27,363
Total assets	1,645,390	60,886	23,795	985	1,731,058	(5,413)	1,725,645

For the year ended March 31, 2008	Millions of yen						
	Japan	North America	Asia	Other Regions	Total	Eliminations or Corporate	Consolidated
Net sales:							
From outside customers	¥1,521,981	¥130,724	¥38,891	¥ 38	¥1,691,635	¥ -	¥1,691,635
Intersegment or transfer	185	8	1,165	1	1,360	(1,360)	-
Total	1,522,167	130,732	40,057	39	1,692,996	(1,360)	1,691,635
Operating expenses	1,498,318	128,261	37,729	23	1,664,332	(1,363)	1,662,968
Operating income	23,848	2,471	2,327	16	28,664	2	28,667
Total assets	1,755,010	71,281	32,518	1,688	1,860,498	(6,427)	1,854,071

For the year ended March 31, 2009	Thousands of U.S. dollars						
	Japan	North America	Asia	Other Regions	Total	Eliminations or Corporate	Consolidated
Net sales:							
From outside customers	\$15,044,751	\$1,668,244	\$414,542	\$ 246	\$17,127,784	\$ -	\$17,127,784
Intersegment or transfer	805	66	4,001	10	4,884	(4,884)	-
Total	15,045,557	1,668,311	418,544	256	17,132,669	(4,884)	17,127,784
Operating expenses ...	14,825,593	1,634,499	393,831	199	16,854,123	(4,907)	16,849,215
Operating income	219,963	33,812	24,712	57	278,545	23	278,569
Total assets	16,750,383	619,835	242,247	10,037	17,622,503	(55,108)	17,567,395

For the year ended March 31, 2008	Thousands of U.S. dollars						
	Japan	North America	Asia	Other Regions	Total	Eliminations or Corporate	Consolidated
Net sales:							
From outside customers	\$15,494,058	\$1,330,798	\$395,924	\$ 391	\$17,221,173	\$ -	\$17,221,173
Intersegment or transfer	1,893	83	11,865	11	13,854	(13,854)	-
Total	15,495,951	1,330,882	407,789	403	17,235,027	(13,854)	17,221,173
Operating expenses ...	15,253,168	1,305,725	384,093	234	16,943,220	(13,884)	16,929,335
Operating income	242,783	25,157	23,696	169	291,806	30	291,837
Total assets	17,866,337	725,660	331,040	17,187	18,940,225	(65,431)	18,874,794

1. Countries and areas are classified by the geographical proximity.

2. 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 and Vietnam

Other Regions: The Netherlands

3. Change in accounting policies

Effective the construction started on or after April 1, 2007, the Company and its domestic subsidiaries changed the scope of the construction contracts to apply the percentage-of-completion method from those with construction period of 2 years or more and contracted amounts of ¥5 billion or more to those with the construction period exceeding 1 year.

As a result of this change, in "Japan segment", net sales increased by ¥71,430 million (\$727,178 thousand), operating profit increased by ¥2,422 million (\$24,665 thousand), for the year ended March 31, 2008, compared with the corresponding amounts that would have been recorded under the previous method.

(c) Overseas net sales

For the year ended March 31, 2009	Millions of yen			
	Asia	North America	Other Regions	Total
I Overseas net sales	¥205,233	¥187,962	¥2,197	¥ 395,394
II Consolidated net sales				1,682,462
III Overseas net sales as a percentage of consolidated net sales	12.2%	11.2%	0.1%	23.5%

For the year ended March 31, 2008	Millions of yen			
	Asia	North America	Other Regions	Total
I Overseas net sales	¥136,800	¥166,360	¥2,761	¥ 305,922
II Consolidated net sales				1,691,635
III Overseas net sales as a percentage of consolidated net sales	8.1%	9.8%	0.2%	18.1%

For the year ended March 31, 2009	Thousands of U.S. dollars			
	Asia	North America	Other Regions	Total
I Overseas net sales	\$2,089,316	\$1,913,498	\$22,374	\$ 4,025,189
II Consolidated net sales				17,127,784
III Overseas net sales as a percentage of consolidated net sales	12.2%	11.2%	0.1%	23.5%

For the year ended March 31, 2008	Thousands of U.S. dollars			
	Asia	North America	Other Regions	Total
I Overseas net sales	\$1,392,659	\$1,693,577	\$28,110	\$ 3,114,347
II Consolidated net sales				17,221,173
III Overseas net sales as a percentage of consolidated net sales	8.1%	9.8%	0.2%	18.1%

1. Countries and areas are classified by the geographical proximity.

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

Asia: United Arab Emirates, Thailand, Vietnam and Taiwan

North America: United States of America

Other Regions: United Kingdom

3. Overseas net sales represent those in the countries and regions outside Japan by the Company and its subsidiaries.

4. Change in accounting policies

Effective the construction started on or after April 1, 2007, the Company and its domestic subsidiaries changed the scope of the construction contracts to apply the percentage-of-completion method from those with construction period of 2 years or more and contracted amounts of ¥5 billion or more to those with the construction period exceeding 1 year.

As a result, in the "Asia" and "North America" segments overseas sales increased by ¥789 million (\$8,037 thousand), and ¥289 million (\$2,949 thousand), respectively, for the year ended March 31, 2008, compared with the corresponding amounts that would have been recorded under the previous method.

15. Related Party Transactions

Details of transactions with related parties and the respective balances as of and for the years ended March 31, 2009 and 2008 were as follows:

For the year ended March 31, 2009

Classification	Related party	Address	Capital		% of voting right held (held by others)	Relationship	Nature of transaction	Amounts of transaction ⁽¹⁾			Balance at the end of the year	
			Millions of yen	Type of business				Millions of yen	Thousands of U.S. dollars	Accounts	Millions of yen	Thousands of U.S. dollars
Companies in which the majority of voting rights are owned by a director's close relative	Naniwabashi Law Office ⁽²⁾	Kita-ku, Osaka	-	Law Office	-	The Company agreed to retain the services of the law office	Request legal advisory services ⁽³⁾	¥27	\$279	-	-	-

*1 Consumption taxes have not been included in the transaction amounts.

*2 The law office is managed by a close relative of Mr. Naohiro Tsuda, a statutory auditor of the Company.

*3 The fees for legal services were determined in consideration of the fees typically paid for the performance of such work.

For the year ended March 31, 2008

Classification	Related party	Address	Capital		% of voting right held (held by others)	Relationship		Nature of transaction	Amounts of transaction ⁽¹⁾			Balance at the end of the year	
			Millions of yen	Type of business		Concurrent director	Business relationship		Millions of yen	Thousands of U.S. dollars	Accounts	Millions of yen	Thousands of U.S. dollars
Companies in which the majority of voting rights are owned by a director's close relative	Naniwabashi Law Office ⁽²⁾	Kita-ku, Osaka	-	Law Office	-	-	The Company agreed to retain the services of the law office	Request legal advisory services ⁽³⁾	¥29	\$299	-	-	-

*1 Consumption taxes have not been included in the transaction amounts.

*2 The law office is managed by a close relative of Mr. Naohiro Tsuda, a statutory auditor of the Company.

*3 The fees for legal services were determined in consideration of the fees typically paid for the performance of such work.

(Additional information)

Effective from the fiscal year ended March 31, 2009, the Companies have adopted the "Accounting Standard for Related Party Disclosures" (ASBJ Statement No. 11 issued on October 17, 2006) and "Guidance on Accounting Standard for Related Party Disclosures" (ASBJ Guidance No. 13 issued on October 17, 2006).

There were no additional transactions to be disclosed in accordance with the application of this standard.

16. Amounts per Share

Basic net income per share was computed based on the weighted average number of shares of common stock outstanding during the year.

Diluted net income per share was not presented for the years ended March 31, 2009 and 2008 because the Company had no potentially dilutive shares outstanding as of these balance sheet dates.

Net assets per share was computed based on the number of shares of common stock outstanding at the balance sheet date.

Net assets and net income per share for the years ended March 31, 2009 and 2008 were as follows:

For the years ended March 31	Yen		U.S. dollars	
	2009	2008	2009	2008
Net assets per share	¥516.06	¥625.06	\$5.25	\$6.36
Basic net income per share	15.24	25.83	0.15	0.26

1. Net assets per share

At March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Net assets	¥395,809	¥477,504	\$4,029,410	\$4,861,088
Amounts deducted from net assets (Minority interests)	24,739	27,628	251,852	281,263
Net assets applicable to shareholders of common stock	371,069	449,876	3,777,557	4,579,825
Number of shares of common stock at the year end (thousand shares)	719,043	719,730	719,043	719,730

2. Basic net income per share

For the years ended March 31	Millions of yen		Thousands of U.S. dollars	
	2009	2008	2009	2008
Net income	¥ 10,966	¥ 18,595	\$111,643	\$189,306
Net income not attributable to shareholders of common stock	-	-	-	-
Net income attributable to shareholders of common stock	10,966	18,595	111,643	189,306
Average number of shares issued and outstanding during the period (thousands of shares)	719,435	719,813	719,435	719,813

17. Corporate Bonds

At March 31			Millions of yen		Thousands of U.S. dollars		Interest rate (%)	Collateral	Maturity
Issued by	Issue type	Issue date	2009	2008	2009	2008			
Obayashi Corp.	8th unsecured straight bond	Jun. 3, 2003	¥ -	¥10,000	\$ -	\$101,801	0.49	None	Jun. 3, 2008
Obayashi Corp.	9th unsecured straight bond	Jun. 3, 2003	10,000	10,000	101,801	101,801	1.07	None	Jun. 3, 2013
Obayashi Corp.	10th unsecured straight bond	Nov. 17, 2003	10,000	10,000	101,801	101,801	1.48	None	Nov. 17, 2010
Obayashi Corp.	11th unsecured straight bond	Jun. 9, 2004	10,000 (10,000)	10,000	101,801 (101,801)	101,801	0.85	None	Jun. 9, 2009
Obayashi Corp.	12th unsecured straight bond	Oct. 27, 2004	10,000 (10,000)	10,000	101,801 (101,801)	101,801	0.89	None	Oct. 27, 2009
Obayashi Corp.	13th unsecured straight bond	Oct. 27, 2004	10,000	10,000	101,801	101,801	1.34	None	Oct. 27, 2011
Total			¥ 50,000 (20,000)	¥60,000	\$ 509,009 (203,603)	\$610,811			

1. The amounts in parentheses are due within 1 year.
2. The annual repayment schedule of corporate bonds subsequent to March 31, 2009 is as follows:

	Millions of yen	Thousands of U.S. dollars
Less than 1 year	¥20,000	\$203,603
Over 1 year less than 2 years	10,000	101,801
Over 2 years less than 3 years	10,000	101,801
Over 3 years less than 4 years	-	-
Over 4 years less than 5 years	10,000	101,801

18. Loans

At March 31	Millions of yen		Thousands of U.S. dollars		Average interest rate (%)	Maturity
	2009	2008	2009	2008		
Short-term loans payable	¥ 84,240	¥ 62,462	\$ 857,587	\$ 635,881	1.11	-
Current portion of long-term loans payable	28,611	29,694	291,275	302,292	1.59	-
Current portion of lease obligations	755	-	7,692	-	-	-
Long-term loans payable (excluding current portion)	169,962	144,665	1,730,245	1,472,722	2.04	2010~2036
Lease obligations (excluding current portion)	808	-	8,235	-	-	2010~2016
Commercial paper	66,000	31,000	671,892	315,585	1.07	-
Total	¥350,379	¥267,822	\$3,566,928	\$2,726,481		

1. The "Average interest rate" is the weighted average interest rate for the average balance of loans during the given fiscal year.
2. The annual repayment schedule of long-term loans payable and lease obligations subsequent to March 31, 2009 is as follows:

	Millions of yen	Thousands of U.S. dollars
Long-term loans payable		
Over 1 year less than 2 years	¥18,186	\$185,141
Over 2 years less than 3 years	38,349	390,408
Over 3 years less than 4 years	35,060	356,924
Over 4 years less than 5 years	22,255	226,567
Lease obligations		
Over 1 year less than 2 years	¥ 446	\$ 4,540
Over 2 years less than 3 years	233	2,373
Over 3 years less than 4 years	99	1,014
Over 4 years less than 5 years	26	267

3. The loan amounts above include "Current Liabilities—Current portion of PFI and other project finance loans" and "Noncurrent liabilities—PFI and other project finance loans."
4. The "Average interest rate" columns for the "Current portion of lease obligations" and the "Lease obligations (excluding current portion)" are left blank, as the lease obligations stated on the consolidated balance sheet include the interest portion of the lease payments.

19. Subsequent Event

None.

REPORT OF INDEPENDENT AUDITORS



Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3, Uchisaiwai-cho,
Chiyoda-ku, Tokyo, Japan 100-0011

Tel: +81 3 3503 1100
Fax: +81 3 3503 1197

Report of Independent Auditors

The Board of Directors
OBAYASHI CORPORATION

We have audited the accompanying consolidated balance sheets of OBAYASHI CORPORATION and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of OBAYASHI CORPORATION and consolidated subsidiaries at March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As discussed in Note 4(2) to the consolidated financial statements, effective the year ended March 31, 2009, the "Accounting Standard for Measurement of Inventories" has been adopted.

As discussed in Note 4(4) to the consolidated financial statements, effective the construction started on or after April 1, 2007, the Company and its domestic subsidiaries changed the scope of the construction contracts to apply the percentage-of-completion method.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the years ended March 31, 2009 and 2008 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.

Ernst & Young ShinNihon LLC

June 26, 2009

A member firm of Ernst & Young Global Limited

CORPORATE PROFILE/STOCK INFORMATION

Corporate Profile (As of March 31, 2009)

Founded:	January, 1892
Company Established:	December, 1936
Paid-in Capital:	¥57,752,671,801
Number of Shares Authorized:	1,224,335,000 shares
Total Number of Shares Issued and Outstanding:	721,509,646 shares
Number of Shareholders:	50,279
Number of Employees:	15,150 (consolidated) 9,294 (non-consolidated)

Scope of Business

1. Contracting for construction work
2. Regional, urban, marine environmental development and management, and other construction related business
3. Engineering and management, including research and surveys, planning, design and supervision related to the two preceding items
4. Housing business
5. Sale and purchase, exchange, lease, brokerage, ownership, maintenance, superintending and utilization of real estate
6. Financial Instruments Dealer for Type 2 Financial Instruments Trading Business, investment advisory and agency business based on Financial Products Trading Law
7. Planning, construction, possession, maintenance, management and operation of government office buildings, educational and cultural facilities, medical facilities, roads, harbors, water and sewerage works, waste disposal and other public facilities
8. Environmental pollution restoration business, including decontamination of soil, rehabilitation of river, lake and marsh beds; collection, transportation, treatment and recycling of general and industrial wastes
9. Power generation, and supply of electricity and heat
10. Greenhouse gas emission rights trading
11. Manufacture, procurement, sale and lease of construction machinery and equipment, and materials and equipment for temporary work
12. Manufacture and sale of concrete products for construction, fireproof and nonflammable building materials, interior and exterior materials for buildings, furniture and wooden construction products, and sale of civil engineering building materials
13. Maintenance and management of buildings and related facilities, and security and guard services
14. Acquisition, development, licensing for use, and sale of software, industrial property rights and know-how for computer utilization
15. Information processing and provision services, and telecommunication circuit provision
16. Sale, lease and maintenance of computers and other electronic office machinery and equipment
17. Management of health, medical, athletic and leisure facilities, hotels and restaurants, and travel agencies
18. Manufacture and sale of medical machinery and tools
19. Temporary personnel placement agency business based on the Temporary Personnel Placement Agency Act
20. Contracting services including general affairs, personnel, accounting and other operations
21. Non-life insurance agency services and insurance agency operation services based on the Automobile Accident Compensation Security Act
22. Landscaping, gardening and horticulture
23. Loans, loan guarantees, and other financial services
24. Consulting services related to the preceding items
25. Operational services relating to any and all of the preceding items

Stock Information

Transfer Agent: Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan

General Meeting of Shareholders: Late June

Stock Listings: Tokyo, Osaka, Nagoya and Fukuoka

Major Shareholders

	As of March 31, 2009	
	Shareholdings	
	Shares held (Thousands)	Investment ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	73,121	10.17
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	58,338	8.11
The Master Trust Bank of Japan, Ltd. (Trust Account)	53,168	7.39
Takeo Obayashi	27,014	3.76
Nippon Life Insurance Company	26,131	3.63
OM04 SSB Client Omnibus	16,056	2.23
Obayashi Employee Share-holding Association	10,293	1.43
Sumitomo Realty & Development Co., Ltd.	9,159	1.27
OD 05 Omnibus China Treaty 808150	7,250	1.01
The Obayashi Foundation	6,000	0.83

(Note) Equity positions calculated excluding treasury stock (2,465,726 shares)

NETWORK OF COMPANIES

Domestic Offices

TOKYO HEAD OFFICE

Shinagawa Intercity Tower B, 2-15-2, Konan, Minato-ku, Tokyo 108-8502, Japan
TEL: +81-3-5769-1111 FAX: +81-3-5769-1910

OSAKA MAIN OFFICE

4-33, Kitahamagishi, Chuo-ku, Osaka 540-8584, Japan
TEL: +81-6-6946-4400 FAX: +81-6-6946-4755

BRANCHES

Nagoya • Kyushu • Tohoku • Yokohama • Sapporo • Hiroshima • Shikoku • Kobe • Hokuriku

TECHNICAL RESEARCH INSTITUTE

4-640, Shimokiyoto, Kiyose-shi, Tokyo 204-8558, Japan
TEL: +81-42-495-1111 FAX: +81-42-495-0901

Domestic Subsidiaries and Affiliates

CONSTRUCTION

OBAYASHI ROAD CORPORATION
NAIGAI TECHNOS CORPORATION
OAK SETSUBI CORPORATION
YORIN CONSTRUCTION CO., LTD.

REAL ESTATE & PROPERTY MANAGEMENT

OBAYASHI REAL ESTATE CORPORATION
OBAYASHI PROPERTY MANAGEMENT CORPORATION

BUILDING MAINTENANCE

OBAYASHI FACILITIES CORPORATION

GOLF CLUBS & RESTAURANTS

MUTSUZAWA GREEN CO., LTD.
IBARAKI GREEN CO., LTD.
HAKUSEN GREEN CO., LTD.
LE PONT DE CIEL CO., LTD.

OTHER

SOMA ENVIRONMENT SERVICE CORPORATION
ATELIER G&B CO., LTD.
OAK INFORMATIONS SYSTEM CORPORATION
OC FINANCE CORPORATION
HYATT REGENCY OSAKA CORPORATION
IOT CARBON CORPORATION

Overseas Offices, Subsidiaries, and Affiliates

THAILAND

■ THAI OBAYASHI CORPORATION LIMITED

11th Floor, Nantawan Building, 161 Rajdamri Road, Bangkok 10330, Thailand
TEL: +66-2-252-5200 FAX: +66-2-252-5381

■ THAILAND OFFICE

*Refer to THAI OBAYASHI CORPORATION LIMITED

INDONESIA

■ PT. JAYA OBAYASHI

JL. Pancoran Timur II No. 3, Pancoran, Jakarta 12780, Indonesia
TEL: +62-21-7982223, 7944142 FAX: +62-21-7973672, 7973673

■ INDONESIA OFFICE

*Refer to PT. JAYA OBAYASHI

VIETNAM

■ OBAYASHI VIETNAM CORPORATION

Hochiminh Head Office
Saigon Trade Center, 19th Floor, Unit 1906, 37 Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam
TEL: +84-8-9105523 FAX: +84-8-9105529

Hanoi Branch Office

Sun Red River Building, 5th Floor, Room No. 512, 23 Phan Chu Trinh Street, Hoan Kiem District, Hanoi, Vietnam
TEL: +84-4-9333701 FAX: +84-4-9333700

■ HANOI OFFICE

Binh Minh Hotel, Room 226, 27 Ly Thai To St., Hoan Kiem District, Hanoi, Vietnam
TEL: +84-4-8258475 FAX: +84-4-8258673

SINGAPORE

■ SINGAPORE OFFICE

18 Cross Street #06-01, Marsh & McLennan Centre, Singapore 048423
TEL: +65-6220-3122 FAX: +65-6224-8425

MALAYSIA

■ MALAYSIA OFFICE

Suite 10.6, Level 10, Menara Great Eastern No. 303, Jalan Ampang, 50450 Kuala Lumpur, Malaysia
TEL: +60-3-4252-6688 FAX: +60-3-4252-8860

CAMBODIA

■ PHNOM PENH OFFICE

#802, Prek Eang Commune, Kean Svay District, Taprum Village, Kandal Province, Cambodia. (Street to Tiger Beer Factory)
TEL: +855-24-39-4055 FAX: +855-24-39-4055

PHILIPPINES

■ MANILA OFFICE

Rm. 907, 9th Floor, National Life Insurance Building, 6762 Ayala Avenue, Makati City, Metro Manila, Philippines
TEL: +63-2-893-4707/8 FAX: +63-2-893-0567

CHINA

■ OBAYASHI (SHANGHAI) CONSTRUCTION CO., LTD.

Shanghai International Trade Center 1912, 2201 Yan'an Road (West), Shanghai, People's Republic of China 200336
TEL: +86-21-6219-2999, 3123 FAX: +86-21-6219-2555

■ CHINA OFFICE

*Refer to OBAYASHI (SHANGHAI) CONSTRUCTION CO., LTD.

TAIWAN

■ TAIWAN OBAYASHI CORPORATION

11-4, 57, Fu-Hsing N. Road, Taipei, Taiwan, Republic of China
TEL: +886-2-2781-4678 FAX: +886-2-2771-5368

■ TAIWAN OFFICE

*Refer to TAIWAN OBAYASHI CORPORATION

U.S.A.

■ OBAYASHI USA, LLC

420 East Third Street, Suite 906, Los Angeles, California 90013, U.S.A.
TEL: +1-213-687-8700 FAX: +1-213-687-3700

■ E.W. HOWELL CO., INC.

113 Crossways Park Drive, Woodbury, New York 11797, U.S.A.
TEL: +1-516-921-7100 FAX: +1-516-921-0119

■ JOHN S. CLARK COMPANY, LLC

210 Airport Road, Mt. Airy, North Carolina 27030, U.S.A.
TEL: +1-336-789-1000 FAX: +1-336-789-7609

■ WEBCOR, LP

951 Mariners Island Blvd., 7th Floor, San Mateo, California 94404, U.S.A.
TEL: +1-650-349-2727 FAX: +1-650-524-7399

■ OC REAL ESTATE MANAGEMENT, LLC

*Refer to OBAYASHI USA, LLC for address
TEL: +1-213-687-9700 FAX: +1-213-687-0335

■ JAMES E. ROBERTS-OBAYASHI CORPORATION

20 Oak Court, Danville, California 94526, U.S.A.
TEL: +1-925-820-0600 FAX: +1-925-820-1195

■ SAN FRANCISCO OFFICE

5000 Shoreline Court, Suite 201, South San Francisco, California 94080, U.S.A.
TEL: +1-650-952-4910 FAX: +1-650-589-8384

U.K.

■ EUROPE OFFICE

Bracken House, One Friday Street, London EC4M 9JA, U.K.
TEL: +44-20-7236-8338 FAX: +44-20-7236-8337

U.A.E.

■ DUBAI MANAGEMENT OFFICE

P.O. Box 182845 Union Square, Al Maktoum Road beside, Deira Taxi Stand, Deira, Dubai, U.A.E.
TEL: +971-4-221-2121 FAX: +971-4-221-2181

■ Offices ■ Subsidiaries and Affiliates

OBUYASHI CORPORATION

TOKYO HEAD OFFICE

Shinagawa Intercity Tower B, 2-15-2, Konan
Minato-ku, Tokyo 108-8502, Japan
TEL +81-3-5769-1111

OSAKA MAIN OFFICE

4-33, Kitahamahigashi, Chuo-ku, Osaka
540-8584, Japan
TEL +81-6-6946-4400

<http://www.obayashi.co.jp>

[Environmental Consciousness]

This publication is printed on FSC approved paper using
Earth-friendly soy-based ink.



Printed in Japan