



OBUYASHI
CSR REPORT
2009

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Editorial Policy

Obayashi started its environmental report since 1993 and added the social dimensions in 2004. Since 2008, we have issued “CSR Report” with the purpose of passing on our business activities to the society in perspective of CSR.

In this report, we wrote up our company’s current activities for the stakeholders to have a better understanding of Obayashi.

Target Organization : Obayashi Corporation
(include some group companies)

Target Time Period : Fiscal 2008
(April 1, 2008 – March 31, 2009)

Target Domain : Obayashi’s social, economic and environmental activities

Reference Guideline : “GRI Sustainability Report Guideline 2006”,
“Environmental Report Guideline 2007”
(Ministry of the Environment)

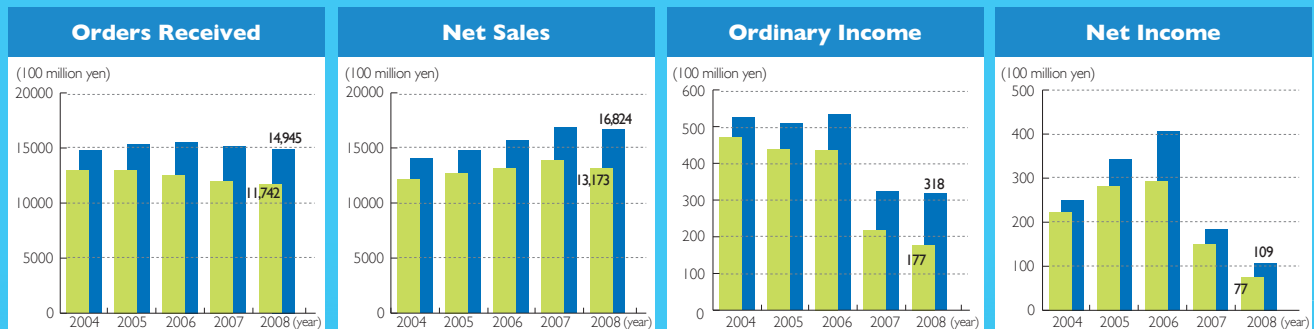
Issue Date : Obayashi CSR Report 2009 (July 2009)
<previous issue> September 2008
<next issue> July 2010

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Financial Report

Stand-alone Consolidated



You will be able to find our “IR information” on our website.
<http://www.obayashi.co.jp/english/ir/index10.html>

Major Group Companies

Obayashi Road Corporation
(Sumida-ku, Tokyo)

Naigai Technos Corporation
(Shinjuku-ku, Tokyo)

Obayashi Real Estate Corporation
(Chiyoda-ku, Tokyo)

Thai Obayashi Corporation Limited
(Bangkok, Thailand)

OC Finance Corporation
(Minato-ku, Tokyo)

Obayashi USA LLC
(Los Angeles, USA)

Oak Setsubi Corporation
(Chiyoda-ku, Tokyo)

Obayashi Facilities Corporation
(Chiyoda-ku, Tokyo)

Business Offices

Major Offices:
Tokyo Head Office : 2-15-2 Konan, Minato-ku, Tokyo
Osaka Main Office : 4-33 Kitahama Higashi,
Chuo-ku, Osaka

Sapporo Branch, Tohoku Branch (Sendai-shi),
Yokohama Branch, Hokuriku Branch (Niigata-shi),
Nagoya Branch, Kobe Branch, Hiroshima Branch,
Shikoku Branch (Takamatsu-shi), Kyushu Branch
(Fukuoka-shi), Overseas Business Division
(Minato-ku, Tokyo)

Research Institute:
Technical Research Institute (Kiyose-shi, Tokyo)

Oversea Offices:
Bangkok, Dalian, Dubai, Hanoi, Ho Chi Minh City,
Jakarta, Kuala Lumpur, London, Manila, Phnom
Penh, San Francisco, Shanghai, Singapore, Taipei

Business Outline

Company Name : Obayashi Corporation
Founded : January 1892
Established : December 1936
President : Toru Shiraishi
Tokyo Head Office : 2-15-2 Konan,
Minato-ku, Tokyo
Capital : 57,752 million Japanese yen
Employees : 9,294 (As of March 31, 2008)
Construction Business Permission :
Government Permission (Toku/Han-16) 3000
Real Estate Business Permission :
Government Permission (12) 791
Business Activities :
Domestic and overseas construction works,
regional development, urban development,
ocean development, environmental improvement,
other construction-related businesses including
engineering, management, consulting and real estate

How Can Obayashi Serve Communities and the Environment?

In 1990, Obayashi established the Global Environment Department with the mission to contribute to the realization of sustainable society by implementing activities to reduce CO₂ emissions and to achieve industrial wastes zero emissions. Our company is now

committed not only to environmental activities but also to introducing a broader range of measures for Corporate Social Responsibility (CSR). To discuss these measures in greater detail, Obayashi invited Ms. Junko Edahiro, Environmental Journalist.



Junko Edahiro
Environmental Journalist

Junko Edahiro
President of e's Inc. Co-Chief Executive,
Japan for Sustainability
Member of the Government's Forum for Global Warming Issues
Career Summary :
Born in Kyoto. Completed master's degree at the University of Tokyo.
Became an interpreter, translator and environmental journalist
after spending two years in the United States.
Author of What We Can Do to Save the Earth and
Escape from the Energy Crisis.
Translator of An Inconvenient Truth :
The Planetary Emergency of Global Warming and What We Can Do About It.

Toru Shiraishi
President

Makoto Kanai
Senior Managing Director
General Manager
Civil Engineering Division
Global Environment Department

Corporate Social Responsibility at Obayashi

Edahiro: Mr. Shiraishi, I'd like to begin our discussion by asking you what CSR means to Obayashi.

Shiraishi: Well, it's quite a common practice for business to pursue profit. At Obayashi, however, a question has to be asked "Is profit all about doing construction business?" So before undertaking each construction project, we begin by evaluating how our actions may benefit society and considering the kind of buildings people will want to live and work in. Key to these considerations is the concept of sustainability.*¹

Edahiro: When did Obayashi first begin applying the idea of sustainability to business?

Shiraishi: Well, we were quick to react when the issue of global warming first began to gain widespread attention. We started by addressing CO₂ emissions in the construction process and then we set up the Global Environment Department in 1990.

Kanai: We immediately recognized the danger of global warming. I think it alerted all the people to those dangers around the world.

The Role of Construction Industry in Realizing a Low Carbon Society*²

Edahiro: I believe there are three key fields in which a construction company can reduce its impacts to the environment—global warming, waste and effects on biodiversity. What environmental measures does Obayashi take to realize a low carbon society?

Shiraishi: As I mentioned earlier, we began by addressing the issue of CO₂ emissions. We did this through implementing initiatives to stop engine idling and to promote energy-efficient driving for machinery such as cranes and trucks. We also introduced activities for zero emissions in terms of waste as well as ongoing activities to increase CSR awareness among our workforce.

Kanai: We know that 70-80% of CO₂ emissions at construction sites come from heavy machinery and trucks. Therefore, by instituting initiatives to stop engine idling and promote energy-efficient driving, we have been able to bring about a significant reduction in our CO₂ emissions. Furthermore, in terms of zero waste we achieved zero emissions at final disposal stage, for the first time in the industry, at Shiodome construction site in 2000. Because these efforts were so successful, all of our sites now use these initiatives.

Shiraishi: In 2000, we actually issued a public statement to communicate our commitment to bringing construction-related CO₂ emissions 17% lower than our 1990 levels by the year 2010. We achieved that goal in 2007 and since 2008 we have been aiming at a new target—to bring our construction-related CO₂

emissions up to 34% less than our 1990 levels by the year 2012.

Edahiro: Have all of Obayashi's efforts to reduce CO₂ emissions been limited to the construction process?

Kanai: Our focus on the construction process was only the beginning. In fact, we have expanded our efforts to reduce our indirect impact on the environment. Our recently developed technology, the Ultra Rapid Under Pass (URUP) method*³ is a perfect example of this. The URUP method eliminates the need for a cut and cover approach and our calculations have shown that it can reduce CO₂ emissions by as much as half compared to conventional cut and cover method.*⁴ Part of this benefit arises from shorter period of construction achieved by fast performance. But a large part of the CO₂ emissions reduction is born of the fact that the URUP method requires significantly less digging. So there is a significantly reduced need for truck use to carry soil and sand out of site, which also means we contribute less to traffic jams. More amount of CO₂ may be reduced if we take a closer look at the peripherals rather than the construction itself.

Edahiro: It is also worth noting that energy-saving can take a two-pronged approach—through seeking to reduce energy use wherever possible in present processes, and by reviewing the processes themselves to find new ways to save energy. And, there is a chance that the latter may bring a breakthrough on the issue.

Reducing Lifecycle Costs

Shiraishi: Our commitment to reduce CO₂ emissions extends beyond project completion, with careful consideration at the planning stage that focuses on how a building will be used. For example, in 2009 we will build a new building at the Technical Research Institute in Kiyose City, Tokyo making full use of our technologies. With this building, we aim for 55% reductions*⁵ in the CO₂ emissions arising from use and maintenance through the use of solar power generation and new systems for air conditioning and lighting.

Edahiro: When working with a customer, how exactly do you incorporate energy efficiency and environmental friendliness into the life cycle of the building?

Shiraishi: We propose those factors during the planning stage, while confirming customer needs. Where such measures may incur additional costs, we point out the benefits these measures can incur for communities. We also need to employ the most efficient method available at that time.

Edahiro: What about the development of towns or districts? Does this influence your approach to energy efficiency and a smaller carbon footprint?

Shiraishi: We are always eager to make proposals that can benefit urban development and we do everything in our power as a



construction company to minimize the impact of a building on its surroundings. For example, we suggest green roofs and walls as a countermeasures to heat island phenomena.

Kanai: Additionally, our Technical Research Institute undertakes research in a wide range of fields and our technology section works on the application of technology. We also incorporate both hard and soft technologies into our proposals and approaches.

Adaptation to Climate Change

Edahiro: It is important to design buildings that reduce CO₂ emissions. But despite our best efforts, the problem of climate change will continue to advance. Already, the world is seeing a greater incidence of heat stroke, particularly among the elderly staying at home. So to help address this problem and others



related to climate change, do you think it may be important for buildings to be made more adaptable to a future in which temperatures may be considerably higher?

Kanai: Adaptation is definitely an important consideration. For example, when thinking of ways to help people avoid heat stroke, we should learn not to rely on air conditioning.

Instead, we may look elsewhere for inspiration on how to tackle the problem. We may find the answer in unexpected places, such as in an anthill in Africa, for example, and then refer to some of its design elements to create a building that doesn't even need air conditioning. You'll see another example of this kind – breakwater that automatically gets elevated in the event of tsunami or high tide.

Long-term Vision for Environmental Activities

Edahiro: Before climate change got public attentions, corporate strategy for many companies was needed to extend only as far as the near future. But now that the issue is becoming widely recognized and society is undergoing significant changes, many companies are arguing that there is a need for new strategies with a much longer term, such as a vision for 2050. Has Obayashi created such a long-term vision?

Shiraishi: We have. Our Long-term vision states that we aim to “Stay in harmony with nature, blend in with local societies, and

remain committed to creating richer, more vibrant living.” And we have implemented environmental policies to realize this vision. We see these efforts as both our business and our corporate responsibility and we will also set Mid-term objectives to be achieved by 2020. Our current plans run until 2012, and by 2010 we plan to discuss where we want Obayashi to be in 2020. As always, all plans will be devised to deliver what society expects of, and wants from Obayashi.

CSR and Obayashi's Corporate Culture

Edahiro: Until now, our discussion has been focused on the environment. What are other key attributes of Obayashi in terms of CSR?

Shiraishi: One of the things that set us apart, I believe, is the fact that we are extremely serious in our business style, or in other words, stubbornly honest. In the past there were some problems in terms of compliance. We have learned a lesson from such incidents and put a lot of effort into building Obayashi as an organization with solid corporate ethics. It should not be discounted that we have been very active in the development of infrastructure for society, disaster prevention and recovery from disaster. Moving forward, we will always be dedicated to socially responsible business practices and we will never forget the importance of listening to what society expects from us.

Edahiro: In your opinion, what exactly does society expect from Obayashi?

Shiraishi: I think society expects us to consider the consequences of our actions beyond profits, and not to build facilities that society has no real need for.

Edahiro: That is very important. Has Obayashi always abided by such a policy, even if it meant losing out on revenue?

Shiraishi: It's always been an unspoken rule in the company. But in our CSR report of 2008, we made our stance official by putting it down in writing. The response from our employees was very encouraging and many of them said that it crystallized our policies for them and made it easier for them to communicate our vision to others.

Kanai: Our way of doing business stems from our pride as engineers. We refuse to profit by taking on projects that society has no need for and because of that we can hold our heads high.

Shiraishi: We have also been publishing a quarterly publication “Obayashi Quarterly” since the 1970s as another means to shape our corporate culture and to guide our development as a construction company. In this publication, we have published articles on the construction techniques used for the Egyptian pyramids, for the restoration of the Izumo shrine, and so on. Publication was suspended for a little while, but we have recently began publish-

ing again and the next issue will focus on biomimicry.*6

Kanai: Biomimicry involves looking to nature for inspiration on how to solve the problems faced by humans in a sustainable manner. For example, in the recent construction of underground spaces, we may look to crustaceans to learn about highly stable structures. After all, living things such as plants and animals have evolved over billions of years to adjust to their environment with the minimal use of energy, so there is great potential for us to learn from nature.

Edahiro: I'm very impressed by the quarterly publication. I hope you will retain this corporate culture to overcome obstacles and bring new benefits to Japan through new perspectives on construction.

Earning the Trust of Communities – Importance of Communication

Edahiro: Like many construction companies, Obayashi is primarily perceived as a B-to-B*7 company. Because of this, people may have the misunderstanding that companies such as Obayashi have few direct links to society, the nation and its citizens. There are three ways in which a company such as Obayashi build a relationship with society. The first one is through one-way communication in which information is merely provided to society. The second one is through two-way communication, in which information is provided and feedback is received. Thirdly, there is the creation of new things as a result of communication, which requires that outside opinions be allowed to provide stimulus that can reach the core of the company. This third way is a point that really differentiates companies and I think it is very important for the construction industry to listen to, and act on the power of outside opinion if it is to truly reflect and serve the needs of society.

For example, in Japan, we often talk about safety and assurance. But even when consumers are provided with tangible, safe products, it may be difficult to convincingly instill the intangible sense of assurance or “peace of mind.” This sense, I believe, is something that can only be achieved through society’s understanding of safety born of real and meaningful communication.



Shiraishi: You seem to have a solid understanding there. An example relating to this would be one of our technologies that render asbestos harmless. When we plan to build a plant to utilize this technology, we can tell neighbors that such a technology is safe, but for them to truly feel reassured, we need to take the time to properly communicate that safety to them.

Edahiro: Sometimes I think the public should not be quick to criticize new business practices and should instead compare the cost of doing something to the cost of not doing anything. Perhaps NGOs could play a part in helping the public to understand this. I imagine there may be young employees within your organization who may be interested in environmental conservation and the work of NGOs. Perhaps they could play a part in this.

Shiraishi: In terms of our relationship with communities, we try to maintain positive communications with the people in the vicinity of our construction sites, but may not be positive enough with the rest of society. This is an area to which we need to pay more attention from now on. We are now proposing various ways to improve communications between Obayashi and society and we are confident that these measures will hold many benefits for the future. Thank you very much for your valuable comment.



*1 **Sustainability** – The concept of a company considering not only economic growth, but also environmental and societal factors in order to take responsible and sustainable actions for the good of the company, the economy and the environment.

*2 **Low Carbon Society** – A society that takes measures to achieve minimal CO₂ emissions.

*3 **URUP** – The Under Pass method. It is used for the construction of tunnels. A machine starts digging from one ground end of the tunnel, goes underground and digs through to the other end, minimizing the need for digging.

*4 **Cut and Cover** – The cut and cover method, a method of tunnel construction, involves digging vertical shafts to dig the tunnel and after the construction, shaft areas are filled back.

*5 **55% reductions** – The desired proportion of CO₂ emissions reduction as recommended by the Tokyo metropolitan government in 2008. (Amount of reduction, placing the amount set by the “prevention of Global Warming Master Plan Frame” as 100.)

*6 **Biomimicry** – A concept that examines the elements, systems and processes of nature with a view to providing inspiration for the solving of problems that affect humans in a sustainable manner.

*7 **B-to-B** – Business-to-business. Transactions or business that takes place between companies as opposed to B-to-C, or between company and individual customer.

To Remain a Trustworthy Organization

The Social Responsibilities That Obayashi Should Fulfill

To contribute to social progress and development by ensuring safety and security to society through a construction and related business, and growing continuously as an enterprise by delivering appropriate profits. This is the first priority of our social responsibilities.

It is also important for us to tackle aggressively various issues and

problems, such as global warming that society faces.

To make all members of Obayashi always conscious of the company's social responsibilities, we articulate our business purpose and our social roles by setting down our "Corporate Philosophy" and "Code of Conduct."

You will be able to find our "Corporate Philosophy" and "Code of Conduct" on our website, <https://www.obayashi.co.jp/english/company/index.html>

Corporate Philosophy

1. Refine our creativity and perceptions; then call on the accumulated technology and wisdom of the company to add new value to the concept of space.
2. Expand our individuality; yet respect humanity.
3. Stay in harmony with nature; blend in with local societies; and put our hearts into creating a more vibrant, richer culture.

By adhering to this philosophy, we contribute to a better life, social progress and global development.





To Enhance Our Credibility in Society

To earn society's trust, we place compliance with the laws and establishment of corporate ethics as the core elements of Obayashi's business activities.






Further, through communication with our stakeholders we will discover their expectations and requests, and will reflect them in our business activities.

Fiscal 2008 Action Plan and Upcoming Challenges

In fiscal 2008, our CSR committee chaired by the President focused on reexamining our daily work from a CSR perspective and making all company members understand, and be aware of their meaning to society, as well as the responsibilities that they should undertake.

A future issue is to strengthen our CSR approach and carry it to all Obayashi group companies by enhancing our communication with our stakeholders.

Connections with Stakeholders

Stakeholder		Obayashi's Responsibilities	Major Communication Method	
			Means of Information Disclosure	Means of Opinion Hearing
 Shareholders	<ul style="list-style-type: none"> Shareholders Investors 	<ul style="list-style-type: none"> Proper and timely information disclosure Appropriate profit dividends Improving corporate values 	<ul style="list-style-type: none"> Website Business report Annual report CSR report E-mail magazine 	<ul style="list-style-type: none"> Shareholders' meeting Briefing for investors and analysts Survey Help desk
 Customers	<ul style="list-style-type: none"> Central government Local government Private businesses Individuals, etc. 	<ul style="list-style-type: none"> Provision of high quality buildings and structures Improvement of infrastructure Provision of valuable services Supporting business risk reduction Proper management of customer information 	<ul style="list-style-type: none"> Website Explanation by account executives Annual report CSR report 	<ul style="list-style-type: none"> Hearing by account executives Surveys Help desk
 Employees	<ul style="list-style-type: none"> Employees and their families Seconded staff Temporary staff 	<ul style="list-style-type: none"> Maintaining and assuring employment Utilizing and training human resources Fair evaluation and compensation Providing and supporting various work styles Providing a comfortable work place environment Protecting personal information 	<ul style="list-style-type: none"> Intranet In-house magazine CSR report 	<ul style="list-style-type: none"> Interviews at performance review Various seminars and training sessions Consultation service
 Partner Companies	<ul style="list-style-type: none"> Subcontractors Suppliers 	<ul style="list-style-type: none"> Fair business transactions Cooperating and supporting business activities Strengthening and improving safety measures 	<ul style="list-style-type: none"> Website Explanation by purchasing managers Various training sessions Workshops CSR report 	<ul style="list-style-type: none"> Hearing by purchasing managers Various training sessions Workshops Help desk
 Locality, Society, Environment	<ul style="list-style-type: none"> Residents in the worksite vicinity 	<ul style="list-style-type: none"> Building good relationships with local residents Creating jobs Preventing accidents and disasters Respecting local customs Offering support in the case of disaster 	<ul style="list-style-type: none"> Website Briefing session at worksite Construction site tour CSR report 	<ul style="list-style-type: none"> Help desk Briefing session at worksite Construction site tour
	<ul style="list-style-type: none"> Facility users 	<ul style="list-style-type: none"> Provision of high quality buildings and structures 		
	<ul style="list-style-type: none"> Students General public 	<ul style="list-style-type: none"> Aggressive publicity 		
	<ul style="list-style-type: none"> Society Environment 	<ul style="list-style-type: none"> Social contribution Contribution to the development of a construction culture Consideration for global environment 		

“Rokka Forest Project” - A Never-ending Project



To respond to the environmental conservation approaches of Rokkatei Confectionery Co., Ltd., we worked for more than 10 years on the project to create a landscape where Rokkatei’s factory co-exists harmoniously with the nature of Hokkaido.

Restoring the lost nature in Obihiro, Hokkaido

“Rokka Forest Project” was a grand plan to build a factory of “Marusei-Butter-Sand”, the signature product of Rokkatei, and to develop its spacious premises. About 10 years ago, Rokkatei purchased an approximately 25 acre land which was located about 20 minutes from the Obihiro Airport by car. Although the land was barren, the beauty of Sanbangawa River and naturally grown trillium were extremely attractive. Rokkatei appointed Obayashi to design and construct their factory as well as to landscape the premises.

Responding to the Client’s enthusiasm for Architecture and Environment Conservation

Mr. Yutaka Oda, President of Rokkatei is well-versed in architecture. He is also an aggressive promoter of environmental conservation in Hokkaido. The project was to respond to his desire to bring back the nature to what it used to be and to revitalize the land. For the first year, the project team conducted thorough research on the surrounding vegetation and the geological history by visiting the site a number of times. A creek bed that they found through the research gave them an excellent idea of regenerating the creek and re-growing the plants around

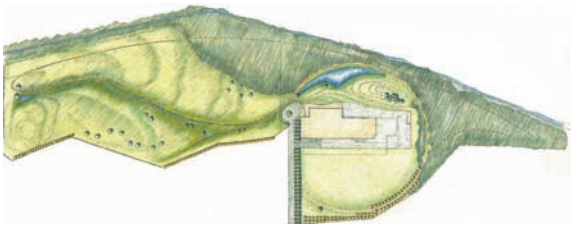
it. Adopting this idea, the team considered and reviewed landscape designs many times and then decided on a master plan that focused on the creek and a pond.

A Never-ending Project

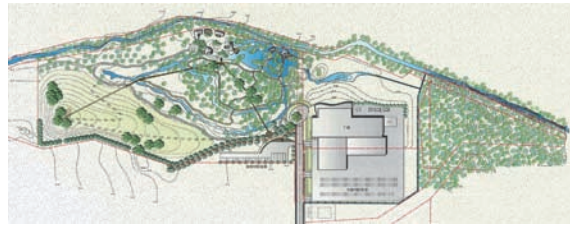
In an attempt to revive the sizable natural forest, we first created a creek surrounding the isolated woods, and then created a green corridor alongside the creek. With the stream of water back in place, waterside grasses and flowers were resuscitated.

Currently, we can see a variety of wild plants including the red blooms of Rugosa Roses that are designed on Rokkatei’s wrapping paper. Small wild animals also have returned to the waterside. We will keep working on this project for a long time. The project probably has no ending.

To meet customer’s expectations, Obayashi will continue to tackle our tasks of conserving and regenerating nature and environment.



The Master Plan initially created at the beginning of the project in 1998



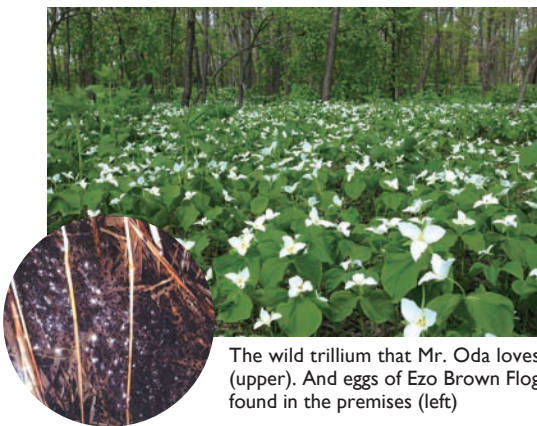
Detailed layout of the total work site drawn in 2006



①Water seeped out when the ditch was dug
 ②When the ditch was sloped slightly,the water began to flow
 ③Currently lush greeneries are seen



The north side view of the Nakatsunai Plant
 The pond utilizes spring water



The wild trillium that Mr. Oda loves (upper). And eggs of Ezo Brown Frog found in the premises (left)

The Naoyuki Sakamoto Memorial is built on the premises

The artwork of Sakamoto, the designer of Rokkatei's wrapping paper, is exhibited



Message from the Client

Yutaka Oda
 President /
 Rokkatei Confectionery Co., Ltd.

We can still find a number of locations left in our country where the unique natural life and landscape should be preserved. You first need to listen to what a client has to say. Then, carefully identify what must be handed down over years and what should be discarded. Construction businesses can also contribute to the accumulation of social capital by creating new structures that benefits communities.



Words from the Project Team

Hiroshi Iwai
 Deputy Manager
 Landscape Division
 Designing Department #2, Tokyo Head Office

We were very fortunate to have an opportunity to work on this project with a generous client and an attractive work site. Close collaboration among environmental-related sections at Obayashi led to the success of the project. Hopefully, we can continue to take part in environmental efforts like this project.

Project Members:
 Rear from right to left;
 Kyosuke Iida (Project Producer)
 Shunji Kawase (Design Supervisor)
 Junko Azuma (Plant Design)
 Front from right to left,
 Manabu Terai (Vegetation Study)
 Hiroshi Iwai (Landscape Design)
 Takaya Horiike
 (Art gallery and other Design)

“Damage Repair on the Metropolitan Expressway Route 5 Ikebukuro Line”

Rapid Deployment Made Early Restoration Possible



On August 3, 2008 - the worst ever accident involving fire on the Metropolitan Expressway occurred. Shutting off the capital's key transportation network caused a terrible traffic jam, as well as substantial economic loss. The Obayashi team tackled the damage repair work with a strong sense of mission, rallying all know-how and expertise that had been accumulated from the past experience. The team completed the restoration work in 73 days.

Responding to the Public Needs for Quick Recovery

The accident occurred around six o'clock in the morning of August 3, 2008. A tank truck overturned and burst into flames on Route 5 Ikebukuro Line. The tanker burned away for over three and a half hours. The steel beams spanning the accident spot were distorted by the intense heat generated by the fire, the worst damage in the history of the capital's expressway.

The very next day, Obayashi's Civil Engineering Division launched a project team to study how to quickly return the damaged expressway to service. The team and members from the relevant sections discussed the necessary engineering methods, staffing for designing and repairs, material and machinery procurement, difficulties expected and solutions. They quickly pulled together their conclusions and turned in a proposal to the Metropolitan Expressway Company.

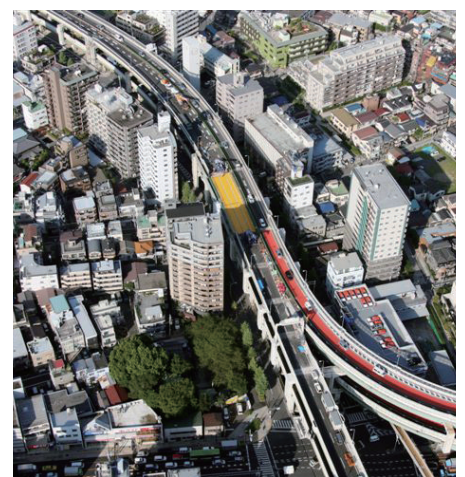
Thanks to this proposal, Obayashi was awarded the damage repair and reconstruction project.

Completed the Project in 73 days

Experienced workforce and bridge engineers were assembled. They began their work on the night of August 31, literally on a round-the-clock basis. While speed was required, strength and durability equivalent to the original structure were more important than anything else. They performed stringent on-site quality control to ensure such strength and durability. Because there were several apartment buildings close to the worksite, they took every care not to disturb the residents with the noise of construction machinery.

All workmen and engineers maintained their morale and strong sense of mission. Both the up and down lines of Route 5 were re-opened on October 14. This was only one of many cases in which Obayashi's expertise and engineering skills have benefited people and communities.

A bird's-eye-view of the accident location
The section in yellow is the repaired portion





Casting concrete into the renewed floor formwork
Pre-tested lightweight concrete was used



Distorted steel bridge beams by intense heat



Right after the fire
Deflection caused by intense heat
from underneath



Working literally round-the-clock

Restoration Process

August 3 (Sun)
Early morning

A tank truck overturned.
Burst into flame for
over three and a half hours.

August 4 (Mon)

The project team was launched.
The proposal for restoration work
was submitted to
Metropolitan Expressway Company.

August 31 (Sun)

Restoration work started.
Worked on
a round-the-clock basis.

October 14 (Tue)

Route 5 Ikebukuro Line
reopened.

Words from the Project Managers



Akira Watanabe
General Manager
Rout 5 Restoration Project Office
(title of the time)

Proud of the Team with Deep Gratitude

By having each member of the project understand the work process correctly, we could successfully avoid mistakes. Before casting concrete, we prayed for good weather. Every time I look at the Expressway restored to its original state, I feel thankful for and proud of being a part of the restoration project.



Toshiaki Katoh
General Manager
Bridge Engineering Department
Civil Engineering Division, Tokyo Headquarters

Perfect Collaboration among All the Divisions Involved

While watching TV news, I thought that the steel beams could have been severely damaged if the beams were exposed to intense heat for such a long time. I launched the project team on the very next day. All workmen and engineers gave up their summer holidays and devoted themselves to the work. Perfect collaboration among all the relevant divisions made it possible to complete the demanding task within a short period.

Fiscal 2008 CSR Activity Overview

Category		Activity Objectives	2008 Action Plan (P)
Compliance / Corporate Governance		<ul style="list-style-type: none"> ● Company-wide ensuring of corporate ethics ● Establishing corporate ethics within group companies ● Strengthening internal control regarding important business issues 	<ul style="list-style-type: none"> • Implementing corporate ethics training at all workplaces • Streamlining Ethical Helpline • Implementing audit of internal control development status
Responsibilities to Shareholders and Investors		<ul style="list-style-type: none"> ● Practicing aggressive information disclosure ● Enhancing interactive communication 	<ul style="list-style-type: none"> • Enhancing financial information for foreign investors • Holding construction site tours for institutional investors
Responsibilities to Customers	Quality	<ul style="list-style-type: none"> ● Provision of high quality buildings and structure ● Enhancing quality control education 	<ul style="list-style-type: none"> • Promoting education for quality control and technology
	Technology	<ul style="list-style-type: none"> ● Developing technology to meet customers' needs and internal sharing of information 	<ul style="list-style-type: none"> • Developing technology based on customers' needs
	Safety and Security	<ul style="list-style-type: none"> ● Practicing works to offer customers' reassurance 	<ul style="list-style-type: none"> • Preventing accidents or damages that affect customers and worksite vicinity
	Risk Reduction Support	<ul style="list-style-type: none"> ● Supporting disaster risk reduction for customers 	<ul style="list-style-type: none"> • Responding quickly in case of natural disasters • Supporting risk reduction in case of natural disasters
Health and Safety at the Construction Site		<ul style="list-style-type: none"> ● Preventing significant accidents and disasters ● Instructing and supporting self-management of partner companies ● Promoting creation of workplaces with healthy environment 	<ul style="list-style-type: none"> • Promoting industrial accident prevention activities • Instructing and supporting safety and hygiene management of partner companies • Instructing safety and hygiene management abroad
With Partner Companies		<ul style="list-style-type: none"> ● Strengthening trust relationship ● Promoting various support measures 	<ul style="list-style-type: none"> • Supporting activities of technical improvement workshops • Supporting improvement of work efficiency
With Employees		<ul style="list-style-type: none"> ● Promoting creation of workplace where a variety of people can perform well 	<ul style="list-style-type: none"> • Training programs in Japan for foreign employees of overseas group companies • Promoting reemployment of retirees • Aiming to increase rate of employment of handicapped to 2.0%
		<ul style="list-style-type: none"> ● Promotion of Work-Life Balance 	<ul style="list-style-type: none"> • Shortening total working hours • Promoting use of various child-care programs • Promoting mental and physical health
		<ul style="list-style-type: none"> ● Promoting human resources development 	<ul style="list-style-type: none"> • Enhancing human resources training system
Responsibilities for the Environment		<ul style="list-style-type: none"> ● Reducing greenhouse effect gas emission 	<ul style="list-style-type: none"> • Promoting activities for reducing CO₂ emission over a building's life cycle • Promoting activities for reducing CO₂ emission at work sites
		<ul style="list-style-type: none"> ● Improving the reduction of total discharge of construction waste and recycle rate 	<ul style="list-style-type: none"> • Promoting the activities for zero emission of construction waste
		<ul style="list-style-type: none"> ● Managing chemical substance properly and reducing its usage 	<ul style="list-style-type: none"> • Promoting chemical substance measures at such stage as proposal, design, construction and so on • Reducing use of chemical substance restricted by law
		<ul style="list-style-type: none"> ● Reducing the impacts on environment and eco-system 	<ul style="list-style-type: none"> • Consideration for eco-system at such stage as proposal, design, construction and so on
		<ul style="list-style-type: none"> ● Promoting Green Procurement 	<ul style="list-style-type: none"> • Promoting green procurement of construction materials • Promoting green procurement of office supplies, etc.
		<ul style="list-style-type: none"> ● Increasing environmental awareness 	<ul style="list-style-type: none"> • Complying with environmental laws • Promoting environmental training
Social Contribution		<ul style="list-style-type: none"> ● Promoting social action program 	<ul style="list-style-type: none"> • Promoting social action program focused on "contributing to local communities", "supporting education and academic research" and "advancing architectural culture"

Description of Group Companies, etc. Group Company – Obayashi's group companies in Japan and overseas
 Overseas – Obayashi's offices and group companies overseas
 Not Specified – Obayashi's domestic entities

and Fiscal 2009 Objectives

Major Achievement (D)	Achievement Level (C)	Reference Page	2009 Action Plan (A)
<ul style="list-style-type: none"> Established Corporate Ethics Committee at each branch and group company Implemented corporate ethics training at all workplaces including group companies Placed a Ethical Helpline at the legal attorney's office Started audit focused on risk and control of current internal control 	○	15 17	<ul style="list-style-type: none"> Implementing corporate ethics training at all workplaces including group companies (Continuous) Implementing get-acquainted activities of the Ethical Helpline (Continuous) Implementing audit to strengthen internal control (Continuous)
<ul style="list-style-type: none"> Published brief settlement quarterly report in English Held a meeting with each institutional investor Held construction site tours 	○	18	<ul style="list-style-type: none"> Enhancing information provision for investors and analysts Improving IR pages on website
<ul style="list-style-type: none"> Shared KAIZEN examples through Intranet Held technical workshops and presentations 	○	19 24	<ul style="list-style-type: none"> Promoting education for quality control and technology (Continuous)
<ul style="list-style-type: none"> Selected R&D themes based on surveys and social economical trends 	○		<ul style="list-style-type: none"> Constructing new main building of technology research institute Developing technologies to respond to upgraded interregional transportation system and anti-seismic reinforcement technology
<ul style="list-style-type: none"> Promoted application of methods (e.g. URUP) that reduce impact on worksite vicinity 	○		<ul style="list-style-type: none"> Preventing accidents or damages that affect customers and worksite vicinity (Continuous)
<ul style="list-style-type: none"> Conducted disaster-relief works such as on Tokyo Metropolitan Expressway Proposed anti-seismic reinforcement technology and countermeasures for super-flu and so on 	○		<ul style="list-style-type: none"> Responding quickly in case of natural disasters (Continuous) Proposing technology to support customers' BCP (Continuous)
<ul style="list-style-type: none"> Lowered number and intensity level of industrial accidents compared to the previous year 	△	25 27	<ul style="list-style-type: none"> Promoting industrial accident prevention activities (Continuous)
<ul style="list-style-type: none"> Supported partner companies' safety and hygiene education by sending instructors 	○		<ul style="list-style-type: none"> Instructing and supporting safety and hygiene education of partner companies (Continuous)
<ul style="list-style-type: none"> Promoted safety and hygiene management suitable to each country's situation 	○		<ul style="list-style-type: none"> Developing safety and hygiene management methods based on Japanese methods
<ul style="list-style-type: none"> Promoted technical improvement by awarding partner companies with excellent achievements Implemented compliance workshops Computerized preparation of safety-related documents and so on 	○	28	<ul style="list-style-type: none"> Educational activities for procurement based on CSR policies Supporting workshops held by partner companies (Continuous) Improving work efficiency by using IT (Continuous)
<ul style="list-style-type: none"> Held training programs in Japan for foreign employees of overseas group companies 	○	29 32	<ul style="list-style-type: none"> Training programs in Japan for foreign employees of overseas group companies (Continuous)
<ul style="list-style-type: none"> Promoted reemployment of retirees 	○		<ul style="list-style-type: none"> Promoted reemployment of retirees (Continuous)
<ul style="list-style-type: none"> Increased job type available for the handicapped to (Rate of employment of handicapped : 1.9% as of Mar. 2009) 	△		<ul style="list-style-type: none"> Aiming to increase rate of employment of handicapped to 2.0% (Continuous)
<ul style="list-style-type: none"> Established a welfare support section 	○		<ul style="list-style-type: none"> Shortening total working hours (Continuous) Promoting use of various child-care programs (Continuous) Promoting mental and physical health (Continuous) Implementing a system to support health care of Japanese employees working overseas
<ul style="list-style-type: none"> Implemented a new leave system for on-site employees Expanded various child-care programs Implemented mental self-check system 	○		
<ul style="list-style-type: none"> Established a new training policy focused on improvement of OJT's effectiveness and expansion of trainings by business field 	○		
<ul style="list-style-type: none"> Implemented design works to reduce CO₂ emission over a building's life cycle (30% reduction compared with a standard building) Conducted the activities for reducing CO₂ emission by energy-efficient driving at work sites and so on (46% reduction compared with Fiscal 1990 level) 	○	33 42	<ul style="list-style-type: none"> Promoting activities for reducing CO₂ emission considering a building's life cycle (Continuous) Promoting activities for reducing CO₂ emission at work sites (Continuous)
<ul style="list-style-type: none"> Conducted the activities for zero emission of construction waste at all work sites (Achievement : 84%) Promoted use of electronic manifest regarding construction waste disposal (Usage : 59%) 	○		<ul style="list-style-type: none"> Promoting the activities for zero emission of construction waste (Continuous)
<ul style="list-style-type: none"> Developed and applied technology for purifying polluted soil Reduced use of chemical substance restricted by law at our machinery depots and so on (Reduced 97kg compared with the previous year) 	○		<ul style="list-style-type: none"> Promoting chemical substance measures at such stage as proposal, design, construction and so on (Continuous) Further reducing use of chemical substance restricted by law (Continuous)
<ul style="list-style-type: none"> Considered the eco-system near work sites such as relocating rare animals and so on 	○		<ul style="list-style-type: none"> Formulating and publicity of "policy for biodiversity" Consider the eco-system at such stage as proposal, design, construction and so on (Continuous)
<ul style="list-style-type: none"> Purchased construction materials based on green procurement policy (Achievement : 18%) Purchased office supplies, etc. based on green procurement policy (Achievement : 75%) 	△	<ul style="list-style-type: none"> Reexamining green procurement criteria of construction materials and equipment Promoting green procurement of office supplies, etc. (Continuous) 	
<ul style="list-style-type: none"> Implemented training sessions on environmental laws Held seminars on the environment 	○		<ul style="list-style-type: none"> Complying with environmental laws (Continuous) Promoting environmental training (Continuous) Holding an award-giving ceremony for "Obayashi Environment Award" and case presentations
<ul style="list-style-type: none"> Conducted various activities to contribute to local communities near work sites nationwide Conducted other activities to make contributions to various fields such as education, academic research, architectural culture and sports 	○		<ul style="list-style-type: none"> Promoting social action program focused on "contributing to local communities", "supporting education and academic research" and "advancing architectural culture" (Continuous)

Achievement level compared with Action Plan ○ Achieved

△ Did not achieve the initial target but improved from the previous year

× Did not achieve the initial target

Adherence to Sound Principles of Corporate Governance

Major Achievements in Fiscal 2008

- Forming a Corporate Ethics Committee at each branch office and group company
- Providing training sessions on corporate ethics at all domestic and overseas workplaces
- Creating more contact points for the Ethical Helpline
- Conducting an internal audit with a focus on internal control

Compliance



Basic Policies

Compliance with the law is a very basic component of Obayashi's Code of Business Conduct. Further, our Corporate Policy embodies Obayashi's broader commitment to ethical business conduct. It is the responsibility of each employee to apply high standard of ethics in his day-to-day business practices.

To Be a Company of High Standards of Ethics

<Formation of a Corporate Ethics Committee at each branch office and group company>

In 2008, Obayashi set up a Corporate Ethics Committee at each branch office and group company. Each committee, with Branch Manager or Managing Director as a Chairman, makes independent efforts to better understand common ethical and legal issues, depending on the situations that each branch or company faces.

<Training Sessions on Corporate Ethics at Domestic and Overseas Workplaces>

In April every year, Obayashi provides training sessions on corporate ethics. In 2008, about 10,000 employees from 1,200 domestic and overseas divisions attended the training program.

The program includes a lecture and review of "Five principles for keeping up with high standards of corporate ethics," by the Division Managers and discussions of specific cases at each workplace. Everyone receives a follow-up online training and measurement of the level of comprehension thereafter. Lectures for officers are also given by external specialists.

Meanwhile, similar training sessions were given at overseas group companies using translated materials and corporate ethics cards.

Furthermore, to ensure the exclusion of antisocial forces, the company offers, from time to time, workshops for the staff employed at project offices to which lecturers from the police are invited.

Corporate Ethics Structure





Article 3, Obayashi Corporate Charter (Compliance with Law and Ethical Conduct)

Every Officer and employee of Obayashi must comply with all applicable laws and commit to highly ethical business conduct. IN NO EVENT, in the course of obtaining customer orders, shall officers and employees of Obayashi violate the Penal Code and Anti-Monopoly Act (The Act on Prohibition of Private Monopolization and Maintenance of Fair Trade), and undertake any actions that may impede fair tendering.

<Monitoring>

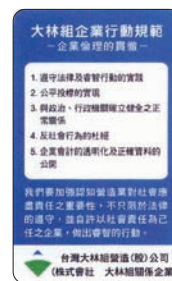
Monitoring is undertaken regularly by auditors. They conducted hearings with Division / Department Managers, mainly for the purpose of checking compliance with the Anti-Monopoly Act in fiscal 2008. The Auditors' report stated that compliance consciousness is taking root steadily, but continuous efforts will help to ensure employees' awareness.

<More Contact Points for the Ethics Helpline>

Anyone who is involved with our business may utilize the Ethics Helpline. For easier access to the Obayashi Ethics Helpline, additional contact points were opened at the external legal attorney's office in August 2008. Any report of unethical conduct to the Helpline will be investigated promptly, and appropriate action will be taken based on the results of the investigation.



Corporate ethics workshops for officers



Corporate ethics card (Chinese version)



Localized training material (Left: Thai, Right: Vietnamese)

» Enforcing the Exclusion of Antisocial Forces

In September 2008, the Yokohama Branch held a workshop featuring "How to reject unjustified claims" and invited a lecturer from the Kanagawa Prefectural Police. After learning about Anti-gangster Law and the latest information on crime groups, the participants took part in role playing to acquire the basic techniques of handling unjustified claims.



Corporate Governance



Basic Policies

We believe that transparency and soundness of business administration is critically important to gain a reputation as a dependable and trustworthy company, while establishing solid internal controls and operations.

Communities Will Regard Obayashi as Dependable and Trustworthy

<Enhanced Internal Control>

In response to the newly established internal control report system concerning financial reporting based on the Financial Instruments and Exchange Act, Obayashi had reorganized its internal control system by the end of fiscal 2007. In this year, we conducted internal audits with an emphasis on internal controls, specifically on the reliability of financial reports and adherence to the corporate ethics.

In addition, e-learning was given to increase employees' comprehension.

<Addressing Information Security>

Obayashi has formulated an Information Security Policy and takes appropriate measures to protect its proprietary information, a valuable asset, against various risks.

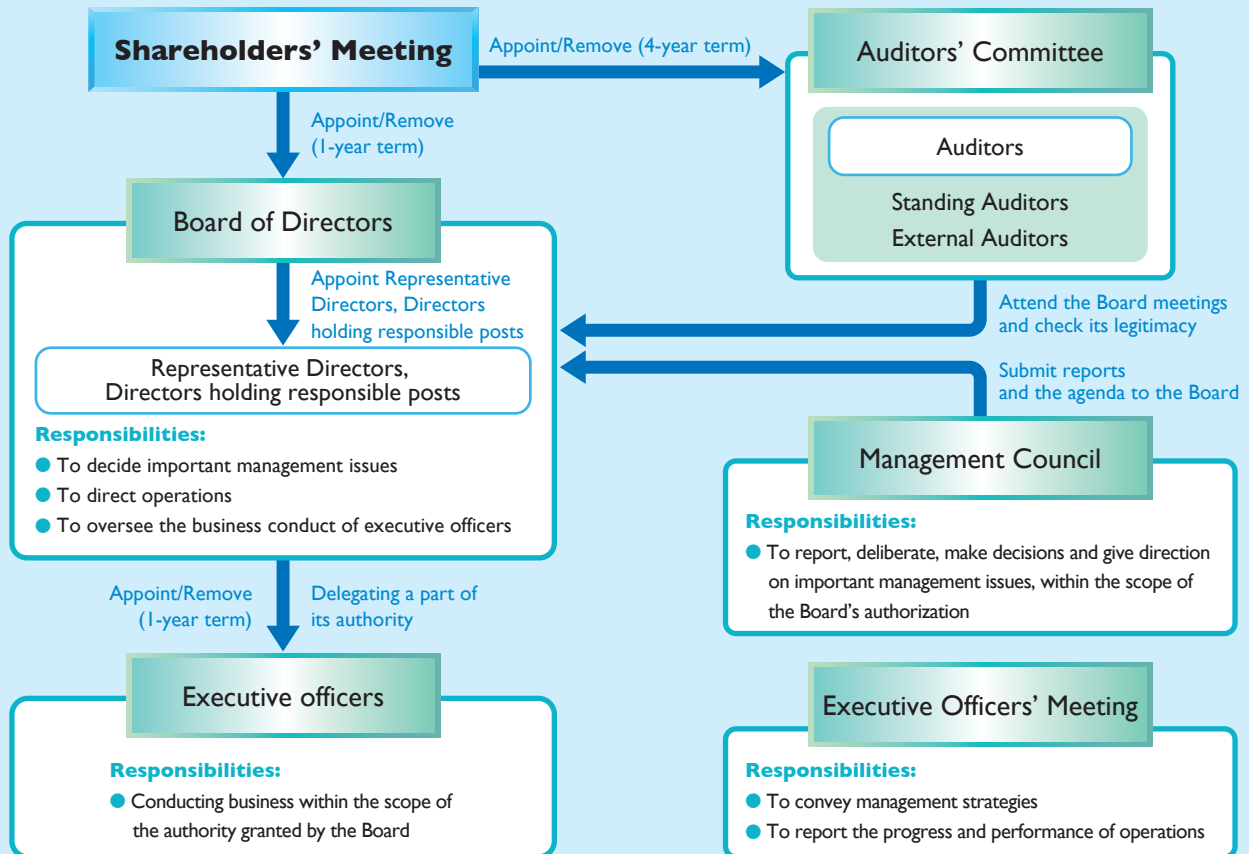
While educating all employees online about the significance of information security, Obayashi requests partner companies to take proper measures to prevent information leakage. In fiscal 2008, we also prepared a booklet on information security for staff members who work at our construction sites.



Upcoming Challenges

We will continue to commit to higher standards of corporate ethics across the entire range of Obayashi group companies. We also strive to ensure the reliability of financial reports, as well as to improve the efficiency of operations by reviewing our internal control systems as necessary.

Management Structure



To Strive for Better Corporate Value

Major Achievements in Fiscal 2008

- Quarterly Statements in both Japanese and English
- Meeting individually with institutional investors
- Worksite visits held for institutional investors

Basic Policies

We are focused on the growth of corporate value so that shareholders may appreciate the return on their investment. Our distribution policy is to maintain a stable dividend payout ratio over a long period of time based on the performance of our business.

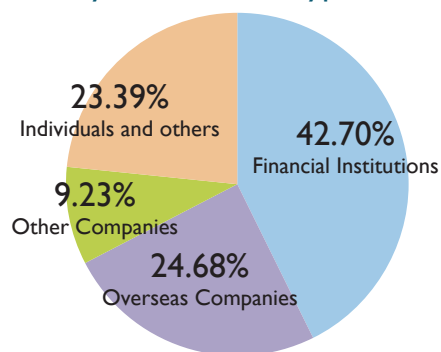
Timely disclosure of information that may be helpful for investors

We try to disclose not only information about management and performance in timely manner, but also information that may help investors to exercise good judgment. For the convenience of Non-Japanese investors, we have begun this year to publish quarterly reports and IR news in English at our corporate website.

Two-way communications with investors

At Obayashi we understand the importance of two-way communication with investors. Timely and appropriate disclosure of information is simply not enough to convince investors of our integrity. In fiscal 2008, we undertook two new approaches to improve communications with investors.

Breakdown by Shareholders Type (As of March, 2009)



As of the end of March, 2009,
 Total Shares Outstanding 721,509,646 shares
 Total Shareholders 50,279
 (Including the company's own holding of 2,466,726 shares)

<Hosting an interactive teleconference following the announcement of the results for the 1st & 3rd quarters>

Obayashi gives biannual briefings on the 6-month and annual financial reports. In fiscal 2008, we also hosted an interactive teleconference for analysts and institutional investors on those days on which we announced the first quarter and third quarter results.

<Individual meetings with investors and analysts>

We hold more than 130 face-to-face meetings with investors and analysts, domestic and overseas, every year. Further, our top management regularly exchanges views with institutional investors and analysts.

Upcoming Challenges

In an effort to foster an understanding of who we are and what we do, we will continue to improve our methods of information disclosure and communication with all of our stakeholders.

 You will be able to find our "IR information" on our website.
<http://www.obayashi.co.jp/english/ir/index.html>

» Worksite Visit



In September 2008, Obayashi invited 43 institutional investors and analysts to make a visit to the Kawasaki Mizue Project Office (Kawasaki, Kanagawa Pref.). In the Q&A session, the participants asked about Obayashi's approaches to cost reduction and other issues. We plan to offer opportunities like this regularly.

Working Towards Utmost Customer Satisfaction

Major Achievements in Fiscal 2008

- Strengthening in-house training for quality control and advancement of technology
- Restoration and repair of infrastructure and destructed by disaster
- Proposing the most suitable engineering methods to support customers' BCP*1



Basic Policies

The social expectation toward the construction industry is to contribute to the improvement of the quality of people's life as well as to economic development by constructing buildings and structures. In addition to the companies from whom we receive orders directly, we consider users of the buildings, surrounding communities and society as valuable customers.

It is our responsibility to satisfy customers completely by meeting their needs and expectations through utilization of our full competence based on technology and experience cultivated over the years.

Our Four Approaches toward Total Customer Satisfaction

Since its inception, Obayashi has made consistent efforts to respond to the needs and wants of its customers. We intend to achieve Total Customer Satisfaction by following four approaches: "Quality" delivered throughout the process of designing and building works, "Technology" offered to meet varying needs of customers, "Safety" at construction site, and "Risk Reduction" that supports customer's BCP*1.

The "Quality" Maintained by Continual Improvement

Our quality policy places "Customer Satisfaction" at the top. To maintain a quality level that is truly satisfactory to customers, every member of Obayashi, observing our quality policy, places great importance on advanced expertise and experience and continues to give his or her unrelenting effort to improve the quality.

<Setting and Applying Our Own Management Criteria>

We have our own basic construction management criteria and technical standard that are posted on the Intranet for use as a reference in such work as design and construction.

<Database of ideas and Measures Shared Company-wide>

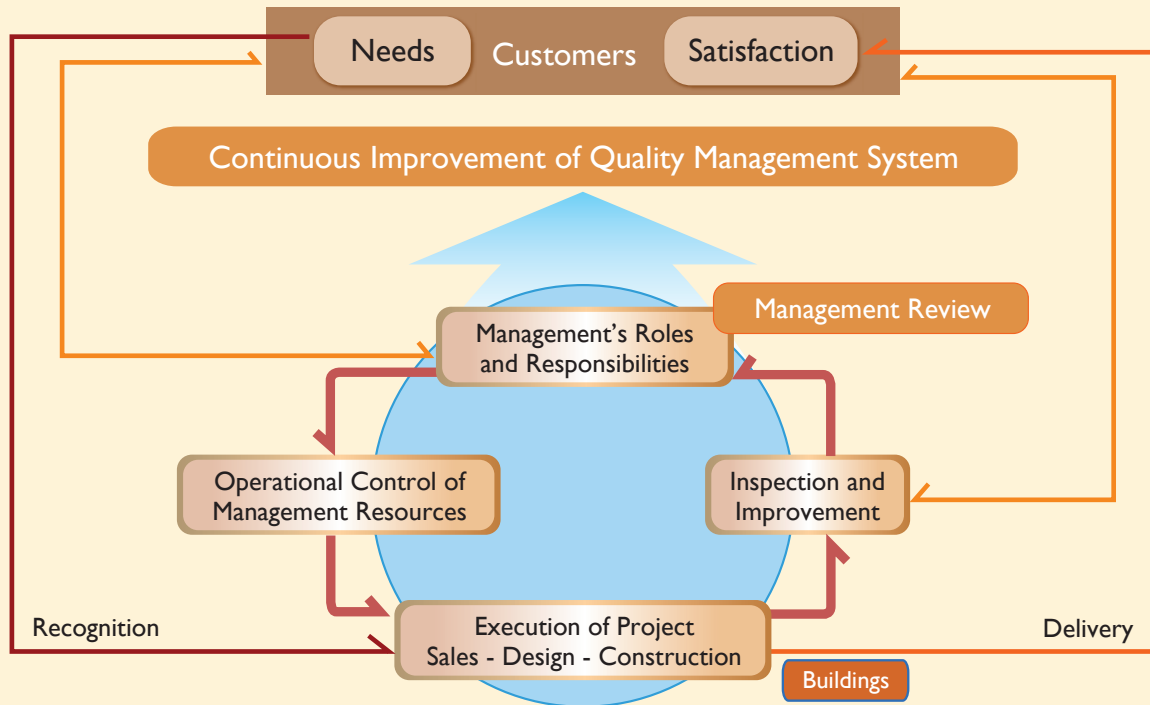
We collect inventive ideas, preventive measures and improvements concerning quality and make them accessible by every member of Obayashi. A problem and a failure are also important lessons for us to prevent recurrence of similar problems. A "feedback Sheet" is prepared to analyze causes and describe remedies and preventive measures for each problem. It is opened for and studied by other Obayashi people.

<Training for Quality Improvement>

To improve quality control, we focus on developing employees who have strong management capabilities by giving them seminars. In addition to training by day-to-day operations, they acquire the necessary knowledge and learn the management techniques for quality control through seminars and online studies.

Quality Policy

By continually improving quality to achieve greater customer satisfaction, we construct buildings that are as perfect and safe to customers' satisfaction as possible. Thus, we can increase our credibility and ensure our company's further growth.



At each stage of a project (planning, design, construction and customer service), Obayashi always seeks to improve quality by implementing a Quality Management System which is the most suitable to the conditions of each project.

» Implementing Quality Control Training for Concrete Work

We give younger engineers of Obayashi specialized technical trainings for preventing defects and performance assurance in concrete construction. The training includes staying at ready-mixed concrete plants to excises their production processes and their quality test methods.



Practicing Concrete Test (Slump and Air Content^{*2})



“We recognized that ready-mixed concrete is made of several materials at sites and needs strict quality control throughout the entire production process. What we have learned from this training is very useful in our daily quality control activities on site.”

Fumiaki Sakoda
Site Support Section, Cost Management Department
Tokyo Civil Engineering Division, Tokyo Head Office



Visiting a Ready-mixed Concrete Production Facility

^{*2} **Slump Test** – For consistency of ready-mixed concrete
Test of air content – Entrained air improves durability of concrete

**All Buildings are Custom-Made
“Technology” That Fully Satisfies Customers’ Needs**

<Developing the Technology Required by Customers>

Obayashi also respects its principle of “Customer Satisfaction” in technology development. We always try to take hold of our customers’ problems and provide the type of solutions that they are seeking. The Sales Department and the Design Department work in concert with the Technical Department not only to find technology that meets the customers’ needs but also to uncover the needs that customers are not even aware of. Obayashi gets a start on developing the technologies that are required to respond quickly to such future needs. We try our hardest to get accurate information about prospective needs by creating strong communication links with our customers and conducting extensive research on trends in the construction market and other industries. Based on the information gathered, we select particular subjects for R&D in the leading-edge technologies and environment-related fields.

<Strengthening Presentation Capability in Technological Fields>

In the construction industry, all projects are custom-made. We focus on presenting each customer the best methods considering the conditions of each project. Several departments, such as Civil Engineering, Construction and Engineering, work together to use their own specialties and knowledge to create proposals that are uniquely Obayashi.

<In-house Sharing of Technology and Training>

Internal sharing of the latest technical information enables every department and employee to offer the most suitable methods to its

customers. The technology assemblies are held in-house, where the new methods and case studies are presented, making contributions to Obayashi’s technical improvement.

Further, various skill training programs by job types enable each member of Obayashi to enhance technology and presentation skills. It leads to the improvement of overall technology of the company.



2008 Technology Assembly

» Introducing New Methods at Exhibitions



Energy Solution & Storage Fair 2008
Many visitors have experienced our new energy-saving outdoor mist cooling system.

The Technologies Contributing to Society

URUP Method*1 – Work Period can be Reduced to One Third of Tradition Method

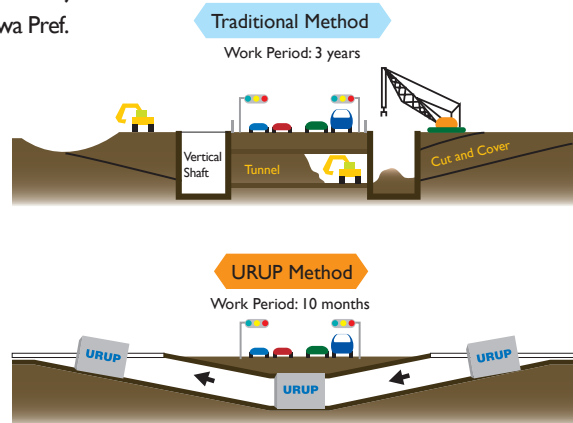
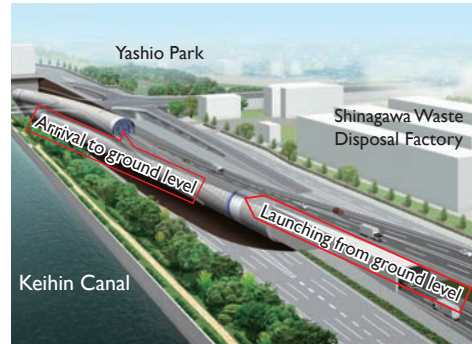
Ultra Rapid Under Pass (URUP) is a newly developed tunneling technology which, for the first time in the world, enables a shield machine*2 to start tunnel boring from the ground level without launching shafts. The time for completion of the construction with URUP can be achieved within one third of the period of the traditional method, such as cut/cover method or tunneling method with launching/receiving shafts.

The reduced construction periods and minimized excavation work due to the URUP method can decrease traffic congestion and reduce heavy machinery, and consequently achieve 50% cut of CO₂ discharge. The URUP method has been implemented to Oi Tunnel Project at Central Circular Shinagawa Route of the Metropolitan Expressway in Tokyo and is to be adopted for Kawajiri Tunnel Project at Sagami Traverse Expressway in Sagami-hara, Kanagawa Pref.

From the point of view of adjacent environmental protection, the “URUP” method can minimize a length of cut/cover sections, reduce impacts on adjacent existing structures and settlement of ground surfaces, and substantially reduces the noise created by the heavy construction machinery as well.



Tetsuya Nakamura
Project Manager
URUP Oi Joint-venture Project Office
Tokyo Head Office



Seismic Isolation Retrofit – Seismic Strengthening*3 a Building in Use

Seismic Isolation Retrofit is an engineering method to strengthen a building against seismic action while it is in use. By jacking up an existing building structure temporarily, its old underground pile foundations are cut and then replaced with new seismic isolators. Obayashi employed this method for the renovation of the Annex to the Ministry of Economy, Trade and Industry (METI) building (Chiyoda-ku, Tokyo), with an objective of maintaining full functionality of the governmental building in the accident of an earthquake. Seismic Isolation Retrofit is an ideal engineering method to conserve historic buildings and structures since the strengthening work can be done without changing the building’s appearance and interior.

“Retrofit method with Seismic Isolation Retrofit in method hardly affects the use of a building during construction since all work is done at the lower foundation level and without extra work on the interior columns and beams. By employing this method, we were able to successfully meet our clients’ requirements of using their buildings during the seismic retrofitting.”



Existing underground piles supporting the METI building



Replacing with new seismic isolators



Hidetake Taniguchi
Project Manager
METI Seismic Renovation
Joint-Venture Project Office
Tokyo Head Office

*1 URUP Method – Ultra Rapid Under Pass Method

*2 Shield Machine – Mainly used to tunnel excavating works. It digs a tunnel horizontally underground

*3 Seismic Strengthening – Reinforcing buildings to prevent them from collapse by earthquake

Providing Safe Construction for Customers' Peace of Mind

Our first priority is to provide safe and secure construction of the buildings we create. At all of the project sites, we not only pay full attention to preventing any kind of accidents that could damage customers' buildings or facilities, but give special care to the neighborhood and surrounding environment. For that purpose, we make an appropriate and individual plan for each work site suited to its condition. We develop new technology and engineering methods to achieve safe and secure construction. We also aim to provide short construction terms that minimize the impact on the surrounding environment.

» Seismic Strengthening Work with Little Noise and Vibration "3Q-Wall"

This method enables us to build earthquake-proof walls without processing reinforcing steels and using frames and concrete pumps. It minimizes noise and vibration during construction.

It is an ideal method to use for renovation or extension work at hospitals and residential buildings where normal operations are not discontinued.

3Q-Wall is also eco-friendly since it uses no veneer board frames.

3Q = Quiet, Quick and High-Quality



After piling up blocks while placing reinforcing bars, the wall was integrated by using special grout poured to the blocks

» Minimize Noise in Worksite Vicinity and Signs for Safety



At project sites in residential areas, concrete pumps are covered with sound-proof sheets to reduce noise



To prevent construction vehicle accidents involving pedestrians, we erect signs with lights, sounds and crossing bars to attract people's attention

Supporting Customers' Risk Reduction

Obayashi makes various efforts to reduce risks to the operations and businesses of our customers in such case of a natural disaster, as an earthquake or a downpour.

The development of technology to minimize the effects of wind and the seismic motion to high-rise buildings is an example of such efforts. Further, our measures against "super-flu", announced in December 2008, have attracted public attention.

(Refer to the column below)

We are always ready to extend our support to reconstruction work to lessen the impact of disasters on people and businesses in case a disaster unfortunately happens. We completed the restoration work that was made necessary by the accident that occurred in August, 2008, on the No.5 Ikebukuro Route of the Metropolitan Expressway in a short period of time (Refer to Page 11).



Upcoming Challenges

We will increase our communication with customers to find solutions for their problems.

As for technical development, we will conduct detailed and multi-faceted analyses to respond appropriately to customers' needs.

Obayashi continues to make great efforts to introduce new methods to support customers' BCP and to solve the social problems.

» Wind and Seismic Countermeasure for High-rise Buildings "Hybrid Brake Damper"

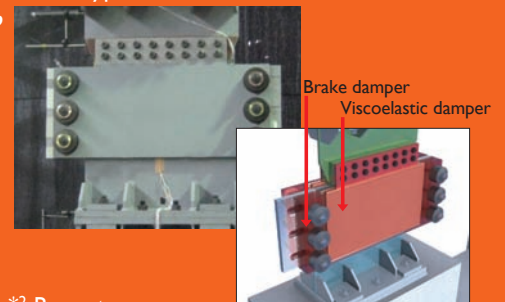
High-rise buildings require countermeasures to minimize both the effect of winds and seismic motions. Together with Professor Kasai of Tokyo Institute of Technology, Obayashi developed a vibration control device that responds to any level of vibration.

This device connects a brake damper (uses the friction between a brake disk and a stainless steel plate) and a viscoelastic damper (uses the resistance of viscoelastic material) in series to produce a complementary effect and substantially reduce various movements. The low-cost, maintenance-free and compact device will be installed in a new high-rise residential building in Kita-Kyushu to improve the building's vibration suppression level.

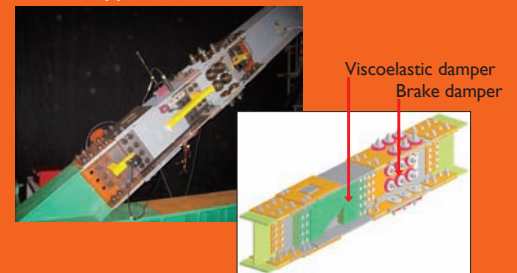
*1 **Stud Type:** Placed between columns. It can be built together with doorways. Mainly for steel structure and reinforced concrete structure

*2 **Brace Type:** Placed diagonally on columns and beams. Mainly for steel structure

*1 Stud type



*2 Brace type



» Emergency Hospital Unit for Super-flu "Pandemic Emergency Center"

Obayashi developed a hospital unit especially for super-flu patients. A pandemic emergency center can be built in a short period of time if there is an outbreak of super-flu. The unit enables hospitals to accommodate flu patients quickly when virus containment and the need to prevent infection from spreading are important. It is our wish to contribute to the super-flu countermeasures of the central government, local governments and medical institutions.



Image of Emergency Hospital Units for Super-flu Patients (following the guideline of the Ministry of Health, Labor and Welfare)

For Health and Safety of All Workers

Major Achievements in Fiscal 2008

- Promote the priority measures to achieve the health and safety objectives
- Promote three major campaigns to prevent work-related accidents
- Instruct and support safety and health training of partner companies
- Promote safety activities at construction sites overseas in accordance with the situation in each country



Basic Policies

We advocate “respecting humanity” in our corporate philosophy, and give our first priority to the safety of construction sites. Also, as a safety and health ideology, we aim to ensure the safety and health of all workers at our construction sites and create comfortable working environments for them.

Efforts to Eradicate Fatal Accidents

In fiscal 2008, we set “no fatal accidents” as our goal and implemented the following priority measures.

- (1) Prevention of fall accidents
 - Fully enforce the use of safety belts *¹
 - Confirm the installation of safety equipment
- (2) Prevention of machinery accidents
 - Prevent disasters caused by cranes overturning
 - Prevent disasters resulting from the use of slings *²
- (3) Consultation and support for the improvement of partner companies’ autonomous management of safety and health
- (4) Promote the creation of healthy workplaces

Further, we strengthened the following three major campaigns to increase safety awareness, especially for the prevention of work-related accidents.

To Establish a Highly Safety-Conscious Organization [Promotion of Three Major Campaigns for the Prevention of Work-related Accidents]

1. “ATKY” activity

ATKY involves both ATK*³ activities to inspect and check safety equipment at workplaces and KY*⁴ activities to set goals to predict and prevent risk

The purpose is to prevent an accident before starting work by probing risky and harmful factors that are likely to lead to an accident in order to determine the removal/reduction measures and carry them out.

We make workers understand the reason for this activity and increase their awareness.

2. Point-out unsafe acts

To prevent accidents at construction sites, we encourage all workers to point out other workers’ unsafe acts, if discovered. We have made efforts to create an environment where workers can observe each other.

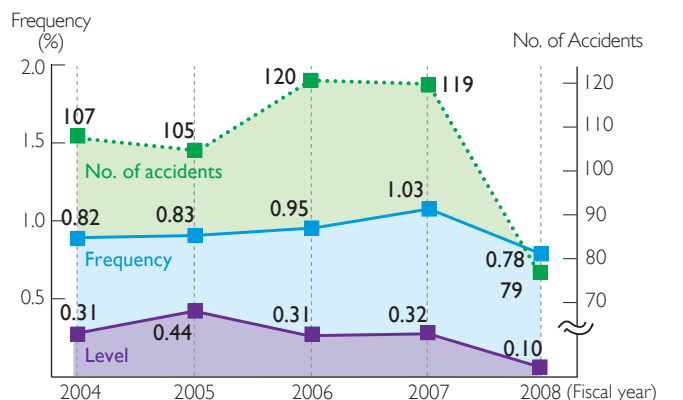
3. Enhancing on-site inspection

To prevent workers’ unsafe acts, we have strengthened on-site inspections by our project staff to make sure that safety instructions are carried out correctly and that safety equipment is maintained properly.

[Information-sharing in the Case of an Accident and Preventive Measures]

When a serious accident occurs, we share the information internally, including the situation, cause and preventive measures, and conduct necessary training at construction sites.

Safety Performance during the Past 5 Years



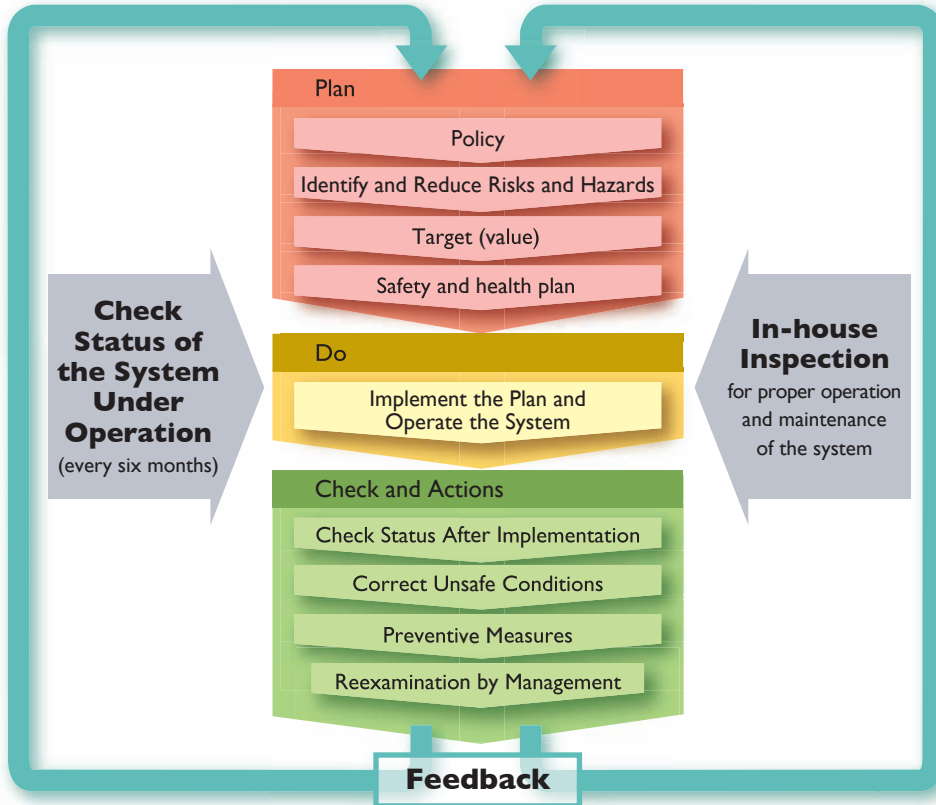
- No. of accidents : Number of accidents that resulted in more than four days of lost work
- Frequency : Frequency of accident occurrence (ratio of casualty figure per million work hours)
- Level : Accident level (ratio of lost work days per 1,000 work hours)

*¹ Safety belt – A belt with a life rope attached to prevent accidental falls
 *² Sling work – A series of tasks required to carry a load to a specified position by use of a crane and a hoisting attachment such as a wire rope

*³ ATK – represents Japanese words Anzen (safety), Tenken (inspection) and Kakunin (checking)
 *⁴ KY – represents Japanese words Kiken (danger) and Yochi (prediction)



Basic Concept of Workplace Safety and Health Management System



In order to pursue our safety and health ideology, we operate the “Workplace Safety and Health Management System” that has systematized the safety management methods.

» On-site Safety Patrol by the President

In July 2008, Mr. Shiraishi, President of Obayashi, took part in a safety patrol at a construction site in Tokyo. He emphasized the importance of preventing accidents by pointing out specific examples. “To prevent accidents, we need to use our imagination at the construction planning stage,” said Mr. Shiraishi. He hosted the meeting with the managers of partner companies to discuss matters, such as the implementation of safety measures and the effectiveness of safety education support.



Mr. Shiraishi encouraged workers to focus on safety activities

Minister of Health, Labor and Welfare Award *⁵ Given to a Foreman with an Excellent Safety Record

Foremen of our partner companies were honored with the 11th Safety Excellence Award of the Minister of Health, Labor and Welfare.



Fumio Sugawara
Foreman
Company: Matsumura-Gumi Corporation
Occupation: Steeplejack

“In this global recession, the construction industry is also having a difficult time. But even in such a situation, I want to give my top priority to safety for achieving zero accidents at my work place.”



Hiroaki Watanabe
Foreman
Company: Pinec Co., Ltd.
Occupation: Electrician

“This award encouraged me to make a greater effort to create a safe and comfortable work site environment.”

⁵ Minister of Health, Labor and Welfare Award for a foreman with an excellent safety record
– an award to recognize safety-minded foremen who are excellent safety supervisors with superior skills and experience

Addressing Employees' Health Issues

To create a healthy environment for construction workers, we encourage establishing a rest room and a shower room at each work site. In fiscal 2008, before summer, we implemented prevention training thoroughly and the measures for heat stroke in response to an increase in the number of heat stroke patients in recent years.

Supporting Safety and Health Training of Partner Companies

The partner companies that engage in our construction projects jointly organized the Obayashi Accident Prevention Association to improve the level of safety and health awareness by activities, such as safety patrols and training. We aggressively support enhance their management system and improve their independent safety and health management capabilities.

Safety Measures at Overseas Construction Sites

At construction sites overseas, we carry out safety management in accordance with the laws of each country. Furthermore, at the construction sites in Asian countries, we use the same approaches that we use in Japan, such as “morning meeting”, “safety and health assembly” and “finger pointing safety check” to raise workers' safety awareness.

Upcoming Challenges

We continuously set “zero fatal accidents” as our goal to assure construction workers' safety and health. To achieve the goal, we further strengthen important measures, such as conducting three major activities to prevent work-related accidents, train and support the partner companies with safety and health management and give workers proper health guidance. Also, at the construction sites overseas, we will perform safety management in compliance with the laws of each country.



Crane skills improvement training aimed at preventing accidents while working with a sling



Safety and health training for foremen at Tokyo Branch of the Obayashi Accident Prevention Association

» Established the Safety Promotion Committee with Partner Companies

The Osaka Station construction main office established the Safety Promotion Committee with partner companies and conducts various events or activities every month with different themes, according to the current on-site situation. In the monthly events, they analyze actual accident cases to heighten and maintain workers' safety awareness. Further, the members of the safe promotion committee periodically change to increase everyone's sense of responsibility for, and awareness of safety management.



Learning about the dangers of strong wind

Partners See Obayashi as Integral to Their Success

Major Achievements in Fiscal 2008

- Training sessions on compliance for partner companies
- Requesting partner companies to take proper measures to prevent information leakage
- Introducing web-based electronic forms to create and file safety-related applications

Basic Policies

To deliver quality that is worthy of customers' trust, it is essential to work closely with partner companies. Obayashi always strives to build a solid partnership with all partner companies.

Fair Selection

Cost is not everything at Obayashi when selecting a partner company. There should be more important criteria, such as work quality, safety, process control and integrity. Obayashi attempts to make a fair selection of partner companies based on overall excellence in diverse criteria.

For a Mutually Fruitful Relationship

Hand-in-hand with partner companies, Obayashi addresses the issues of compliance and preventing information leakage. While providing training sessions on compliance for partner

companies, Obayashi offers educational materials that help workers understand the importance of information security at the construction site.

In addition, the Green Website, a web-based electronic form library and tools, was introduced in fiscal 2008. This substantially facilitates the creation and filing of safety-related applications, which leads to an improvement of overall efficiency at each partner company.

Upcoming Challenges

Obayashi will continue to provide strong support to partner companies in terms of skill training for upgrading skill level and quality control. At the same time, Obayashi will help them increase awareness of their social responsibility as a good corporate citizen in their community.

» Training Sessions on Compliance

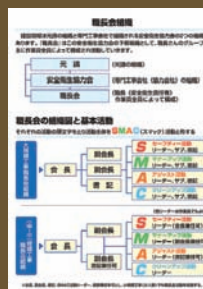
At our Osaka main office, training sessions were given primarily on compliance with the Construction Industry Act and how to exclude antisocial forces. More than 400 executives and senior staff members of partner companies participated in the training sessions.

In areas other than Osaka, Obayashi encourages and helps partner companies who try to develop employees' tendency to obey the rules.



» Revised Foremen's Action Program

At each construction site, the foremen from all partner companies involved attend regular meetings to ensure cross-company communication, trouble-free work progress and better working environments for all workmen. Obayashi, together with partner companies, has reworked the foremen's action program so that foremen can assume an active leadership role, which also helps to strengthen the partnership with Obayashi.



To Make a Dynamic Work Environment

Major Achievements in Fiscal 2008

- Established the welfare support section
- Introduced a new program of paid half-day leaves for on-site employees
- Streamlined Various Child-care Related Benefits
- Established a New Policy on Training



Basic Policies

Business activities are supported by the power of every employee. In complying with the company philosophy of “respecting personal quality and developing individuality” and the objectives of creating an energetic company, making a comfortable workplace and having employees who practice a code of conduct, we want Obayashi to be a company that all employees feel proud to work for and a company in which each expresses his or her personality and ability freely and robustly.

Creating a Workplace
Where a Variety of People
Can Perform Well

Giving a Wide Range of Individuals the Chance to Prove Themselves

The location and time of construction jobs vary. For each project, appropriate human resources are brought together for the required period and play their respective roles in a concerted effort to complete the project. The people who engage in the project include temporary employees, staff members and construction workers from partner companies. To complete each project satisfactorily for clients, we provide necessary training programs, such as safety and health training, not only for our employees, but for all human resources who are involved in the project.

We also give work opportunities to many kinds of people, who have a variety of experience and knowledge, including seniors who are re-employed after retirement, disabled people and foreign engineers.

Fair Personnel Evaluation

The foundation of our personnel system is fair pay and benefits based on fair personnel evaluation. There is no gap between male employees and female employees in regards to positions and promotions, except for work locations where limitation

occur for both male and female employees.

Every six months, managers and their staff have personal discussions about the goals and achievements prior to conducting personnel evaluations. For transparency and validity of personnel evaluations, the employees are entitled to check the final results of the evaluations.

Online learning courses and seminars are available to all employees to learn and understand the evaluation system correctly. In this way, we give our best efforts to maintaining appropriate evaluations.

Obayashi’s enthusiastic employees actively demonstrate their capabilities throughout the world.

Establishing a Specialized Section to Improve the Workplace Environment

In fiscal 2008, we established the Welfare Support Section within the Personnel Department to specifically support employees with disabilities and retreats. The Section is also in charge of promoting employees’ mental and physical health, as well as their work-life balance^{*1}, and engages in creating a workplace environment in which diverse human resources can participate.

Sharing Obayashi’s Engineering Superiority with Group Companies

Our overseas group companies hold training sessions in Japan for their local employees with the purpose of improving their construction management skills and learning related techniques. In fiscal 2008, six overseas staff members participated in a session. Since 1972, more than 120 completed a training course and have made active contributions to their respective countries, using the skills that they acquired in Japan.

^{*1} **Work-life Balance** – a situation in which employees can engage in satisfying work

and also have a chance to pursue diverse ways of living in their homes or their community lives



Promoting Work-life Balance

Considering the diversified lifestyles of our employees, we focus on improving the work environment so that every employee can pursue his or her own ideal work-life balance. In fiscal 2008, we focused on reducing the total work time, as well as streamlining various child-care related benefits.

Break the Habit of “Long Work Hours”

Reducing on-site workers’ long work hours has been an important issue in the construction industry.

In fiscal 2008, we implemented a new system of leaves for on-site employees that enables them to take paid half-day leaves. Approximately 2,562 employees took advantage of this new system during the first year. We also encourage our employees to plan and take vacations by letting them know the yearly holiday schedule, including Golden Week (Japanese national holiday), the company’s summer holidays and New Year.

As a result of these efforts, the yearly vacation acquisition rate was improved by three points. Our employees have become more conscious about taking a day-off whenever they can.

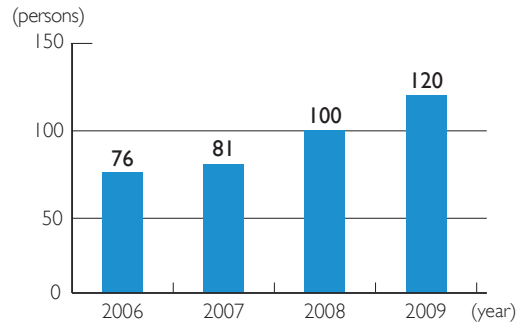
Staff from Overseas Group Company Attended a Training Session at Tokyo Head Office



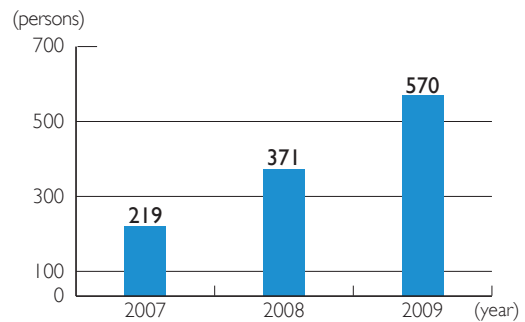
Peera Dolpanit
Thai Obayashi Corp., Ltd.
Under training
at Design Department
at Tokyo Head Office
since July 2007

More than half of Thai Obayashi’s clients are Japanese corporations. I came here to learn the Japanese way of thinking and Japanese culture. I feel that, compared to Thai people, Japanese people are more persistent and detail-oriented. All of the people here are nice and help me a great deal. When I am off, I enjoy taking the train to go sightseeing. The Japanese transportation system is very convenient. I would like to use the skills and the knowledge that I have learned here when I return to work in Thailand. Also, I want to teach what I learned to my junior staff.

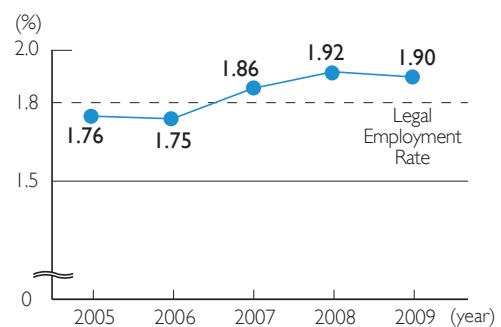
Female Managers (as of Mar.31)



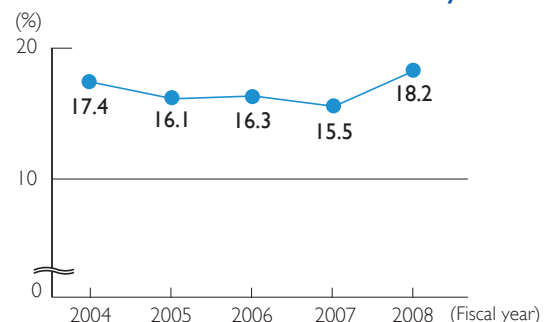
Rehired Post-retirement Employees (as of Mar.31)



Employment Rate of Disabled People (as of Mar.31)



Acquisition Rate of Annual Paid Holidays



*Some programs only apply to the employees of Obayashi

Creating a Good Workplace Environment for Employees Who Have Children

For employees who have children, we are streamlining various childcare-related benefits to support both their child-raising and work. Besides creating a comfortable atmosphere in which employees can take advantage of the system, we are actively promoting use of the system by distributing brochures that explain the benefits to target employees and their superiors.

[Promoting Child-care Leave]

We expect that the rate of taking child-care leave by female employees will be above 100% in fiscal 2008, which will confirm the solid creation of the system. However, as of the end of fiscal 2008, only three male employees have taken child-care leave since 2005 when the current system was implemented.

We will constantly remind all employees of the child-care leave and encourage them to use the system.

Number of Employees Who Took Child-care Leave (Utilization Rate)

	Male	Female
Fiscal 2005	1 (0.3)	28 (90.3)
Fiscal 2006	0 (0.0)	39 (97.5)
Fiscal 2007	1 (0.4)	43 (97.7)
Fiscal 2008	1 (0.4)	43(102.4)

$$\text{Utilization Rate} = \frac{\text{number who began taking child-care leave (during the fiscal year)}}{\text{number who had had babies (during the fiscal year)}}$$

[Expanding the Short-time Work Hour System]

In fiscal 2008, we expanded the short-time work hour system for child-care.

The system was readjusted to provide more alternatives of work hour schedules for a user to select depending on his or her situation. Also, the duration of use was extended to the end of his or her child's first grade. A total of 61 employees used the system to their advantage in fiscal 2008.

[Newly Established Maternity Leave]

The new system, established in fiscal 2008, provides five paid holidays to male employees when their wives give birth. Unused paid holidays can be saved and applied to this new maternity leave. In the first year, a total of 8 employees took advantage of the system.

Consider Employees' Health as the Essential Factor of Corporate Activities

Through various activities, we seek to promote our employees' wellness so that each can be healthy, both physically and mentally, to have a fulfilling life.

[For Their Mental Health]

We are increasingly conscious of the employee's mental health. Our support system includes self-examination, mental health training and counseling by medical specialists. Employees are encouraged to understand mental health, to keep themselves mentally healthy and to respond properly to mental health issues of other people.

[For Their Physical Health]

We provide a variety of healthcare management opportunities, including periodical health checkups, various medical examinations, and vaccinations. Also, we encourage our employees to undergo complete medical checkups. All of these efforts are made to educate everyone about the importance of being conscious of his or her health.

[Health Consultation Services Also Available to Employees' Families]

"Obayashi Healthcare Dial 24" is available not only to employees, but also to their family members. Around the clock, the service desk accepts telephone calls and e-mails from employees or their families about their health care problems and offers consultations.

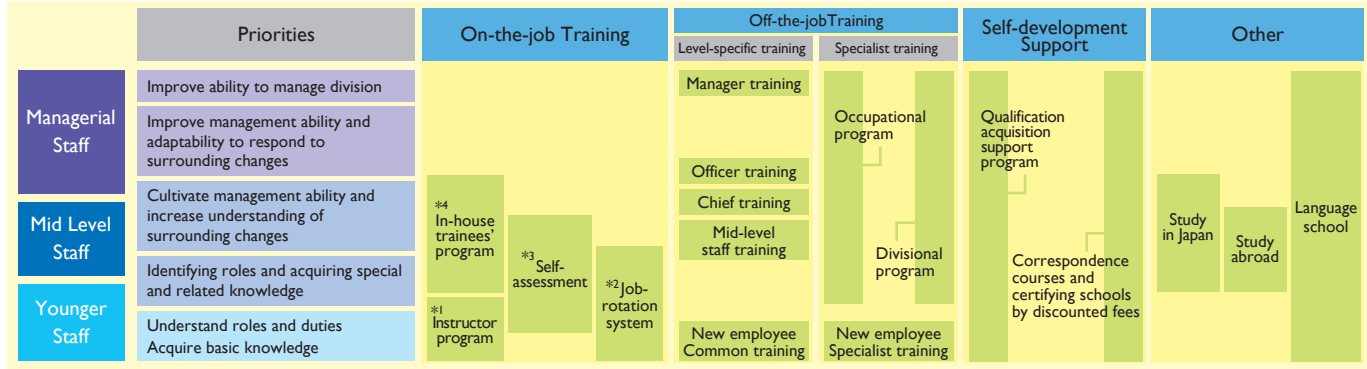
[System to Secure Employees' Health]

Knowing the exact working hours of employees is fundamental for healthcare management. Superiors are required to check their staff's working hours occasionally by the electronic time-recording system. They pay attention to the staff's health and reexamine their duties as necessary. Many employees in the construction industry work outside of their headquarters where industrial physicians are stationed. We have implemented an Internet-based "Web Counseling System" that enables such employees to talk to the physicians to get advice.

Developing the Ability of Each Employee

The construction business involves a variety of experts who work together to complete a single product. Therefore, each employee is required to have the ability to coordinate the efforts of many people and organizations that are connected to a project. To help each employee improve his or her ability, our training concentrates on "on-the-job training." To supplement OJT, "off-the-job training" and a "self-development support" are also available. The contents of "off-the-job training" are created for systematic human resources development, as well as for harnessing "on-the-job training." The purpose of "self-development support" is to encourage

Employee Training System



Workplace Training

*1 Instructor program: Assigned instructors give workplace training specifically to the younger staff

*2 Job-rotation system: The younger staff is rotated to get experience in various jobs

*3 Self-assessment: Employees can indicate their preferences of division or jobs

*4 In-house trainees' program: Employees are assigned to work in other departments for a certain period of time in order to acquire knowledge and skill required for their current tasks

employees to acquire various kinds of national and public vocational qualifications related to the construction business. We support employees' self-development by subsidizing the expense of obtaining qualification as well as by providing cash contributions to successful candidates. Moreover, language training courses are available for those who were selected from among the applicants who seek to study at universities overseas or in Japan and those who will be taking on overseas duties.

Setting the New Policy on Training to Focus on Passing along Technology and Strengthening the Sales Force

From July 2008, meetings were held by the training committee consisting of members from related departments. The members discussed the current employee training issues, as well as plans for improvement and set a new training policy. The new policy concentrates especially on passing along technology and techniques, and strengthening the sales force. Its main points include systematic promotion of on-the-job training, implementation of business-field-specific training and enhancement of by-job training in response to the surrounding changes. In addition, it was decided to establish an education promotion office to further strengthen our training programs.

Upcoming Challenges

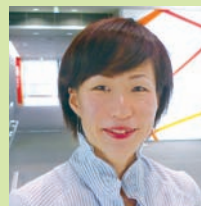
The total work time has declined from that of the previous fiscal year. We will continuously review the system for further reductions in the work time as well as encourage the use of the welfare programs. As for employees' health management, we will expand ongoing efforts to improve the system. In particular, we will enhance the support system for the health management of employees stationed overseas. For human resources development, we will continuously promote training by streamlining the system and creating programs based on the new education policy.

Number of Employees Holding Major Qualifications

(persons)

	End of fiscal 2009	Changes In fiscal 2008
Professional Engineer	450	24
First-class Architectural Construction Engineers	2,177	20
First-class Structural Design Architect	104	104
First-class Facility Design Architect	23	23
First-class Construction Management Engineer	1,880	24
First-class Landscaping Management Specialist	94	0
First-class Building Construction Management Engineer	2,413	54
First-class Piping Construction Management Engineer	508	11
First-class Construction Machinery Engineer	25	1
First-class Electrical Work Management Engineer	393	20
First-class Construction Management Engineer	4,650	83
First-class Construction Industry Accountant	151	18
Real-estate Transaction Specialist	671	33

Acquired a Doctor's Degree in Engineering



Tomoko Ishida

Production Technology Department
 Technical Research Institute
 Engineering & Technology Division
 Tokyo Head Office

I am in charge of research on mass concrete* at the Technical Research Institute.

My research theme is "speedy and highly-accurate prediction of cracks caused by hydration heat generated by the hardening of cement". I wrote a thesis based on the achievements in my job and gave myself a challenge to acquire a doctor's degree in engineering.

It was not easy to write a thesis while fulfilling my duties of supporting the daily operation of construction sites. However, by having the understanding and cooperation of my superiors and colleagues, I was able to obtain the degree. In my job, I have many opportunities to give technical explanations to clients. I would like to take advantage of the position of a degree-holder to facilitate my work such as negotiations with clients.

* Mass Concrete: A large volume of concrete cast in one place such as a dam

To Pass On a Better Environment to Our Children

Major Achievements in Fiscal 2008

- Reduced the overall LCCO₂ amount by 30% in the buildings which we designed
- Applied the newly developed contaminated soil purification technology
- Improved the waste recycling rate in all construction sites to 97.9%
- Instituted the “Obayashi Environment Award” commendation and the case presentation meetings



Basic Policies

We rank environmental efforts as our most important management issue to fulfill our social responsibility. Therefore, we aggressively promote them throughout the entire group. To this end, by carrying forward with “environmental risk management and compliance with law”, “environmental conservation” and “commitment to environmental business,” as well as “collaboration with stakeholders,” we aim to raise the level of society’s confidence in us and increase our opportunities to engage in environmental activities.

Supporting Customers’ Environmental Considerations

In regards to environmental activities, we focus on reducing the environmental impacts and contributing towards the environment in collaboration with our customers. We devote our best efforts to meeting our customers’ needs in their concern for the environment by integrating all the related divisions in the projects’ planning and designing stages as well as by taking buildings’ life cycle*¹ into consideration.

Eco-system Conservation Aiming for Symbiosis with a Variety of Living Creatures

Human beings receive significant benefits from the eco-system. On the other hand, human society greatly impacts the eco-system. Obayashi strives to conserve the eco-system through research and development, proposal, design, and construction of green spaces. Further, we are also committed to reducing impacts at construction sites and their surrounding areas.



Efforts and Achievements in Fiscal 2008

• Considerations for the Eco-system at Construction Sites

At 65 construction sites, we engaged in activities to “inhibit the changes in the natural environment and the eco-system” as provided in our company’s environmental management system.



Upcoming Challenges

We will enhance the in-house publicity of “Policy on Biodiversity Conservation” and abide by the policy. (See column right).

Five Major Issues and Mid-term Objectives

Acknowledging the size of the impact of the construction industry on the environment and the responsibilities that we must bear, we have set the following five major objectives.

Mid-term Objectives <until Fiscal 2012> (excerpt)

Global Warming Countermeasures (P35)

- Reduce LCCO₂ emissions of the buildings that we design by 30% below that of standard buildings
- Reduce CO₂ emissions from our construction work by 46% from the fiscal 1990 level

Construction Waste Management (P37)

- Achieve the zero emissions standard for construction waste at more than 90% of construction sites
- Achieve a higher than 98% recycling rate for construction waste (excluding sludge)

Chemical Substance Control (P35)

- Reduce the use of hazardous chemical substances and promote the proper control of chemical substances

Eco-system Conservation (P33)

- Make proposals and undertake research and development on conservation of the eco-system, as well as promoting a reduction of the impacts on the natural environment and eco-system

Green Procurement (P37)

- Achieve a green procurement rate of construction materials and machinery of more than 25%

Note: Since the mid-term Objective of a 34% reduction in CO₂ emissions from construction work was achieved in fiscal 2008, the target was raised to a 46% reduction.



*¹ Buildings’ life cycle – The entire process, including material production, construction, operation, repair, renovation, demolition, recycling and disposal



» Obayashi Formulated “Policy on Biodiversity Conservation”

Biodiversity is the very foundation of all lives on Earth and an invaluable asset for future generations to inherit. Biodiversity provides us with benefits in our social activities, and simultaneously supports a variety of local cultures, as well as security in our lives. We are aware of the fact that our business activities have an impact on biodiversity. Under the Obayashi Environmental Policy, we tackle the issues of reducing the environmental impact and conserving biodiversity in the following manner.

<Policy on Biodiversity Conservation>

1. Contribute to the conservation of biodiversity and sustainable use of biological resources by our business activities,
2. Aggressively develop technologies that enable people to live in harmony with nature and offer such technologies to the community,
3. Try to create a society that enables sustainable development by such means as saving energy and natural resources, the 3Rs*², green procurement and hazardous chemical substance control to decrease the environmental impacts on biodiversity,
4. Take action to conserve biodiversity at our own business facilities,
5. Make our biodiversity conservation activity even more effective by improving communication with the communities to which we belong,
6. Make efforts to increase public awareness of biodiversity conservation by environmental education and public relations activities.

■ On-site Activities to Conserve Biodiversity (Fiscal 2008)

Considerations for Animals:

- Move any endangered species from the construction site to safer areas
- Direct all outdoor lighting inwardly to protect wild life from harm
- Use only low-noise, low-vibration machinery

<About Endangered Birds of Prey>

- Alter construction methods altered to minimize the impact on nesting trees
- Take the breeding season into consideration when setting work schedules
- Implement measures to reduce annoyance from such effects as colors, lights and sounds

<About Fishes>

- Install water pollution prevention screens in the event of construction in a river
- Thoroughly control worksite water discharges when they drain into the river or the ocean

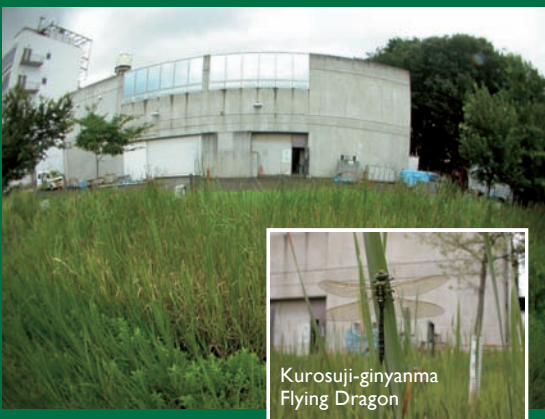
Considerations for Plants:

- Review construction methods and procedures to minimize the logging of existing trees
- Transplant and monitor rare plants that are within the worksite
- Plant local species on soil-exposed slopes and mounds

Other Considerations:

- Reduce the use of tropical lumber for form works to help protect the tropical forests

■ Research Study



Kurosuji-ginyanma Flying Dragon



In a housing land development (in Aichi Pref.), we selected the trees that needed to be preserved by researching the originally wooded area and transplanted them in the planned green lots within the developed land



Nagare-hotoke Loaches (endangered species) that inhabited a construction site (in Aichi Pref.) were released into a no-change zone*³

Kurosuji-ginyanma Flying Dragons (rare species in the Tokyo Metropolitan Area) were observed in a research biotope set up in the premises of our Technical Research Institute in Tokyo

*² 3Rs – Reduce, Reuse and Recycle waste

*³ No-change zone – Areas where no changes are allowed in geological formation as a result of construction work

Global Warming Countermeasures Throughout the Building Life cycle

Taking in consideration the overall region, through planning and maintenance of an efficient traffic base, we continuously contribute to the reduction of greenhouse gases that are discharged throughout the life cycle of buildings and alleviate the heat-island effect. Further, as a leading company in the construction industry, we set high targets and work hard to reduce greenhouse gases discharged from our own construction activities.

We will approach adaptations to global warming countermeasures from aspects of both safety and security.

Efforts and Achievements in Fiscal 2008

• **Reduced the overall LCCO₂*¹ amount by 30% in the buildings which we designed**

When engaged in design, we select environmentally-conscious technologies based on customers' needs and our views about sustainable architecture. For design work in 2008, we achieved an overall 30% reduction of CO₂ emission of the standard level.

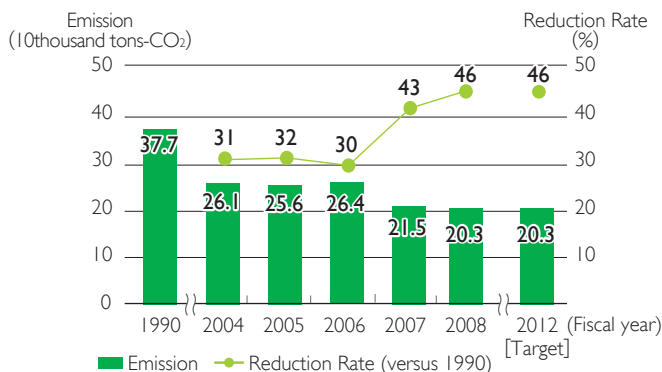
• **Achieved energy-efficient driving at more than 95% of construction sites**

The greenhouse gas emissions from the construction sites are mostly CO₂, which is discharged from construction machines and vehicles. In addition to developing efficient construction plans, we have practiced energy-efficient driving and stop of idling construction machines and vehicles. As a result, we achieved 95% of the target rate for energy-efficient driving.

Upcoming Challenges

The mid-term objective for reduction of CO₂ emissions from construction will be raised from 34% to 46% from the 1990 level. For further reductions in CO₂ emissions, we will improve our energy saving proposals to customers and improve the efficiency of construction work.

Total CO₂ Emissions from Construction Work



*¹ LCCO₂ – CO₂ emissions in the life cycle of buildings (material production - construction - operation - repair/ renovation - demolition -recycling/ disposal)
 *² CASBEE – Comprehensive Assessment System for Built Environment Efficiency

Creating Safe Spaces Through Proper Control of Chemical Substances

Various chemicals that support convenience of our lives are used in buildings. To meet customers' needs, we focus on collecting information about the chemical substances, properly controlling them, reducing their use and alleviating their effects. Particularly in design, new construction and renovation work, we enhance the countermeasures against sick house syndrome, such as checking for VOCs. In renovation or demolition work, we give importance to the proper handling of construction wastes that contain hazardous chemicals like asbestos.

Efforts and Achievements in Fiscal 2008

• **Developed and applied the contaminated soil purification technology that meets customers' needs** (see column right)

• **Won the award for excellence at the 10th National Land Developing Technology Prize awards ceremony for the “New asbestos removal system”**

The system enables the safe and efficient removal of asbestos, regardless of the size of the space, by a series of technologies including anti-dispersal agents, a removal work method with high-pressure dry ice spray, and real-time measurement of dispersed asbestos levels.



Members who developed the “New Asbestos removal system”

Upcoming Challenges

We continuously concentrate on proposing chemical substance measures to customers and implementing the measures at the design and construction stages.

» Reducing LCCO₂ in the Office with a Full View of the Natural Environment



Heiwajima Tosei Building
Intended Use: Offices and Shops
Scale: 7 stories, total floor area of 14,449 m²
Location: Ota-ku, Tokyo
Client: Tosei Corporation
Owner: Kyowa Exeo Corporation

The building features full-height windows (or “floor-to-ceiling windows”) and office terraces on each floor (except the ground floor) overlooking neighboring parks with lush greenery. The building was designed to make the users feel a sense of oneness with nature. The energy saving technologies used for the building include a natural ventilation system, curtain walls with louvers and eaves, Low-E glass, Ecocute, an air-cooling heat-pump air-conditioner, and Ecolumi light fixtures, which is a product that we developed. LCCO₂ emissions from this building are about 25% less than those from a standard building. To meet the client's needs, we gave consideration to the total environment throughout the design and construction. As a result, we have contributed for the client to acquire an A ranking (excellent) from CASBEE^{*2}.

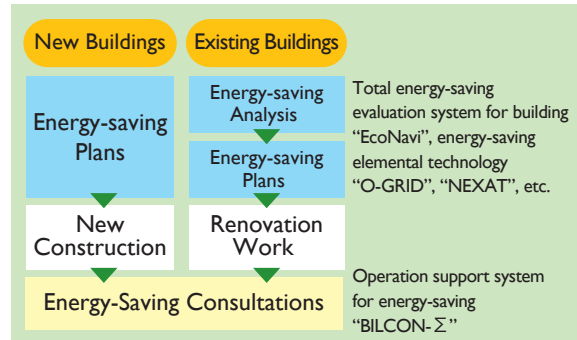


Hiroshi Kobayashi
Architectural Design Specialist
Design Department, Tokyo Head Office

Solution to CO₂ Reduction

In Japan, approximately 40% of CO₂ emissions, a key factor in global warming, come from buildings. More than half of the CO₂ emissions from buildings are caused by operation of buildings after construction.

As a company engaged in design and construction, we continue with strong efforts to reduce LCCO₂ emissions from buildings. Especially in building operations, we continuously attempt to achieve a large reduction in energy use, as well as in CO₂ emissions, by utilizing a wide range of technologies that we hold.



*In April 2009, in order to work on energy savings of building more efficiently, we incorporated a group company that provides a consulting service related to building energy saving and in another group company, Obayashi Facilities Corporation, whose main business is building management.

» Responding to the Various Needs for Contaminated Soil Purification

We retain a wide range of technologies that handle various soil contaminations from substances, such as VOCs^{*3}, heavy metals, and oils. In fiscal 2008, in order to propose and implement the best measures to meet customers' needs, we developed two new technologies that carry out secure processing of contaminated soil at lower costs than does conventional technology.

■ “R Cubic MINI Soil Washing System”

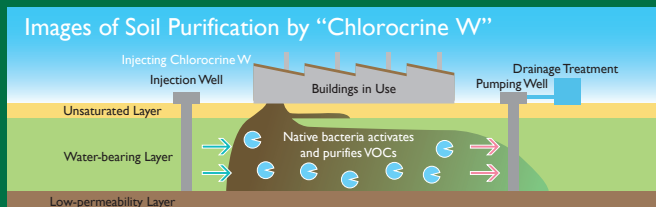
By downsizing the “R Cubic soil washing system”, which cleans soil contaminated by heavy metals within the premises rather than removing it, we made it possible to handle small-scale soil contamination. Noise, vibration and CO₂ emissions caused by transporter vehicles are reduced since there is no soil to remove from the site. The system recycles the washing and rinsing water. For 5,000m³ of soil processing, the purification cost can be reduced by about 20%.

Images of “R Cubic MINI Soil Washing System”



■ “Chlorocrine W”

- Bacteria Nutritional Supplement for VOC Contaminated Soil



This supplement activates the bacteria resolving VOCs in soil to enable contaminated soil purification without drilling. When “Chlorocrine W” is put into an injection well, it dissolves in water and permeates into a large area of soil. Since it dissolves slowly, it can maintain the purification effect for a long time. The principal component of “Chlorocrine W” is a food additive that is completely broken down at the end. It can purify the VOC-contaminated soil just below buildings in use, such as manufacturing plants. It can reduce the purification costs by about 30%.

^{*3} **Soil Contamination from VOCs** – Contamination by Volatile Organic Compounds (VOCs), which are used for washing or dry cleaning IC base and electronic components
The contamination may cover a widespread area

Leading Construction Waste Management

The amount of construction waste accounts for approximately 20% of all waste emitted and the waste disposal of all Japanese businesses.

Since 1999, Obayashi has led the construction industry in challenging waste reduction and pursued “zero emission activities at construction sites” aiming at no waste disposal.

With four approaches - “awareness sharing” , “emission control” , “efficient segregation” and “recycling” - we have promoted zero emission activities at all of our construction sites since 2005.

Efforts and Achievements in Fiscal 2008

• Increased the achievement of zero emissions at construction sites and the recycling of construction wastes*1

Our efforts for the reduction and recycling of construction waste included simplifying packages of construction materials and machinery and reusing them, estimating waste amounts beforehand, establishing recycling methods and strengthening waste segregation.

• Increased the Utilization of the Electronic Manifest

Since 2003, we have made efforts to increase the utilization of the electronic manifest to ensure proper waste treatment. We have increased the number of construction sites that use the manifest every year and have digitized 59% of all manifest usage.

Upcoming Challenges

We will increase in-house sharing of attempts to achieve zero emissions at construction sites and the activities involved.

Increasing the Green Procurement of Construction Materials and Machinery

In Japan, construction materials account for about 40% of all materials used by businesses. By setting a “guideline for green procurement of office supplies and construction materials”, we promote the procurement of environmentally-friendly products, technologies and methods in all of our activities.

Efforts and Achievements in Fiscal 2008

• Achieved a 17.8% rate of green procurement*2

The value of green procurement was 83.4 billion yen in fiscal 2008. Although we improved the procurement rate by 3.9 points compared with the previous year, we were unable to achieve our target of 18%.

Upcoming Challenges

We will concentrate on proposing the usage of environment-conscious products to customers and promoting green procurement at our construction sites.

For Steady Activities for the Environment

By setting an environmental policy and establishing a company-wide environmental management system (EMS), we have strongly promoted our environmental activities. The CSR Committee, which the President serves as Chairman, makes decisions on fundamental policy and initiatives based on achievements.

[Environmental Management System]

Our EMS has acquired ISO 14001 certification. By utilizing the “Environment Navi” series, a unique tool that facilitates steady environmental activities by just following the procedures, we attempt to improve the efficiency and effectiveness of the EMS operation. Since fiscal 2008, at all construction sites, we started operating “Environmental Site Navi Pack”, which is an upgraded version of “Environmental Site Navi” developed for project offices. By using the tool, each work office selects the environmental conservation activities that meet the requirements of its construction site.

[Thorough Dissemination of and Compliance with the Environmental Laws]

At the in-house “environmental law inquiry counter”, specialized staff members respond to various inquiries from all around the company including constructions sites. Further, we select important content from among more than 1,300 replies annually and publicize them in-house as “Environmental Laws Q & A” or “Environmental Laws Digest”.

[Environmental Training]

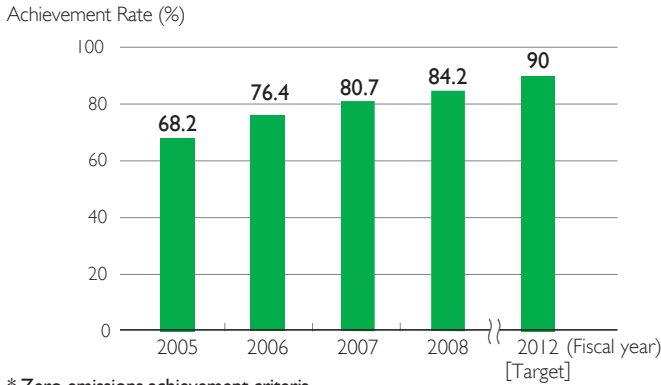
We provide our employees with in-house training sessions focusing on environmental laws to reduce risks and increase awareness. A total of 227 environmental training sessions were held in fiscal 2008.

[Response to Nonconformity]

Administrative advice or public opinions on our construction sites are reported to the CSR Committee as needed for company-wide preventive measures. In fiscal 2008, we dealt appropriately with 4 cases of non-conformity, 876 complaints including those concerning noise and vibration, and 44 other cases to illustrate our efforts towards the protection of the environment.

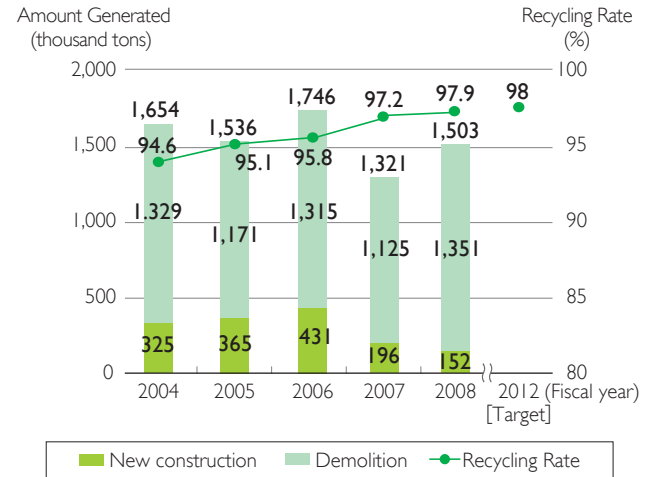
*1 Recycling Rate – The treatment percentage, excluding final disposal (recycled, volume reduction) (=100(%) - Final Disposal Rate (%))
*2 Green Procurement Rate – The percentage of the green procurement amount to the total supply cost

Achievement Rate of Zero Emissions at Construction Sites



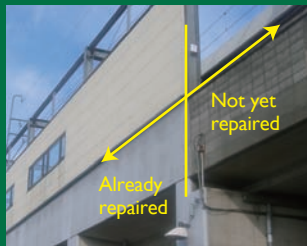
* Zero emissions achievement criteria
 The final disposal rate of construction waste (except sludge) is not more than 5% [New building construction] Same as above or the final disposal is not more than 5kg/m² Construction Waste Generation and Recycling Rate (except sludge)

Construction Waste Emission and Recycling Rate (except sludge)



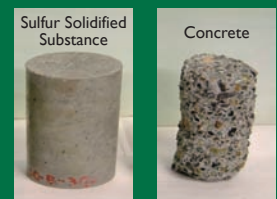
» Developed a Construction Method that Generates Less Waste

To repair the side of a railway viaduct, we have developed a new method that reinforces the old concrete blocks with our own "smooth board". By this, we are able to control the waste generated by disposal of old concrete blocks, reduce noise and vibration and decrease repair costs.



» Promoting the Eco-Sulfur Anticorrosion Method

In collaboration with Nippon Oil Corporation, we developed the "Eco-Sulfur Anticorrosion Method". This method improves the life of structures, such as sewage lines, by using a highly acid-resistant, sulfur-solidified board which is made by recycling a by-product of oil refining. The CO₂ emissions at time of board production is about half of that for the usual concrete products. The method was applied to a total area (including areas under construction) of 281m² in two years, 2006 and 2007, but more than 4,000m² in 2008.



10% Sulfate Solution Immersion Test Result (after 3 months)

Overview of Nonconformity and Responses (Fiscal 2008)

Nonconformity	Responses
The sludge generated from the piling work was accidentally removed from the site as sediment.	Collected all the sludge removes and properly disposed of it as industrial waste.
In one instance of asbestos removal work, the work plan was changed and implemented without advising the authority concerned of the change.	Corrected an inadequacy of work plan and provided the workers with thorough work instructions.
In a case of demolition, an electric transformer fell and its insulating oil leaked into the streams outside the work site.	Cleaned the polluted riverside area after stopping the spreading of oil and recovering the oil by use of absorption mats. Also, we gave the workers precise instructions for handling the electric transformer.
In one instance of excavation, insufficient pH-treatment of the groundwater caused an excessive level of waste water to flow into the sewers.	Changed the manual agent loading to an automatic method and enforced secure pH treatment.

Group-wide Environmental Activities

While promoting in-house environmental practices, Obayashi also advances group-wide activities by establishing the Obayashi Group-wide Environmental Conservation Network.

[Saving Energy, Saving Resources, Recycle]

The target figures for reduction in electricity and paper consumption, as well as waste reduction and recycling, are set for all offices. Participating in the “Team -6%” campaign, Obayashi is taking such measures as Cool Biz (summer dress code), auto on-time lights-out, using both sides of sheets of paper, reuse of office supplies and waste separation.

Further, the Group-wide Environmental Conservation Network sets shared targets for the reduction of CO₂ emissions, waste discharges and paper consumption.

[Preserving Biodiversity on the Company-owned Estate]

Obayashi holds about 766 acres of forest under its control and makes an effort to preserve its diversified functionality and sound eco-system. On the premises of the Technical Research Institute in Kiyose, Tokyo, researchers focus on preserving the thickets where *Cephalanthera falcata*, which has been designated as an endangered species, grows naturally.

[Controlling the Use of Chemical Substance]

We endeavor to strictly control the use of PRTR*¹-targeted chemical substances, both at our machinery works and the Technical Research Institute. To reduce the use of chemical substances, we have reviewed machinery painting and coating methods and materials at the machinery works.

After having checked the usage history of all company-owned real estate, we can state that, to our best knowledge, nothing has been found that would involve a risk of scattering or washing away contaminated soil. When we sell a portion of our real estate holdings, we will undertake a thorough investigation of it by an authorized institute.

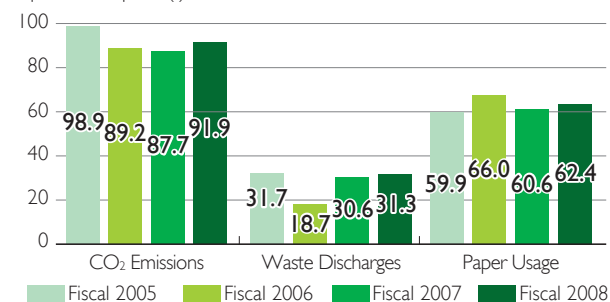
In regard to PCB scrap under our control, we notify the local authorities and keep it in proper storage. In fiscal 2008, 33 capacitors and 1 transformer were disposed at Japan Environmental Safety Corporation.

[Green Procurement of office supplies]

Obayashi promotes green procurement of office and other supplies based on our own guidelines. Biznet, Obayashi’s online purchase system, is designed to prompt users to choose green products whenever available by displaying the eco-product mark. Green procurement accounted for 75% of all office supplies purchased in fiscal 2008.

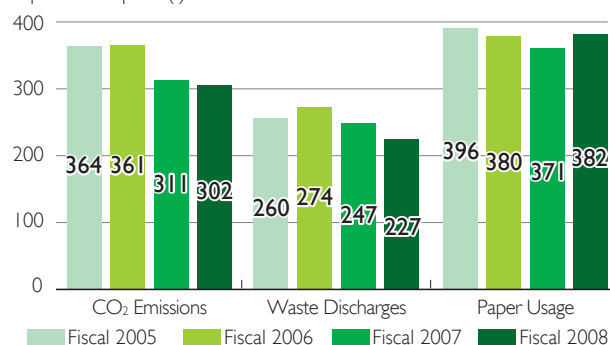
Environmental Data for the Network Member Companies

CO₂ Emissions (thousand tons-CO₂)
Waste Discharges (10 thousand tons)
Paper consumption (t)



Environmental Data for All Obayashi Group Companies

CO₂ Emissions (thousand tons-CO₂)
Waste Discharges (10 thousand tons)
Paper consumption (t)



Member Companies

– Obayashi Group-wide Environmental Conservation Network Fiscal 2008

Construction-related : Obayashi Road Corporation, Naigai Technos Co., Ltd., Oak Setsubi Corporation, Obayashi Facilities Corporation, Soma Environmental Service Corporation, OAK-LCE

Real Estate / development : Obayashi Real Estate Corporation

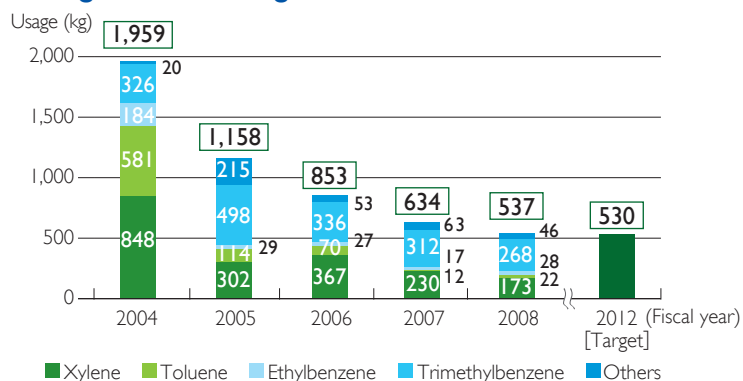
Other businesses

(Golf courses) : Mutsumizawa Green Development Co., Ltd., Ibaraki Green Development Co., Ltd.

(Food Service) : Le Pont De Ciel

(Information Service) : Oak Information System Corporation

Usage of PRTR-targeted Chemical Substances



*The target value for fiscal 2012 represents usage at the Tokyo Machinery Works only



*¹ PRTR – An abbreviation for Pollutant Release and Transfer Register, a legal system that enforces the seizure, computing and publicizing of quantities of any hazardous chemical substances that have been released or transported

» Obayashi Environment Award




Opening speech by President Shiraishi (Chairman of the CSR Committee)

To boost employees' awareness of environmental activities and encourage them to actively participate in environment-friendly practices, the Obayashi Environmental Award program has been instituted. At the first awards ceremony, which was held on June 2, 2009, winners were honored for their achievements. Eleven teams were selected from 80 applicants to give presentations about their practices at the ceremony. Yoshio Tsukio, Professor Emeritus at the University of Tokyo, gave a speech on "Corporate Social Responsibility and Environmental Issues".

Award Winning Practices

Grand Prix	Landscape Plan of Rokka Forest Project (See Page 9)
Award of Excellence	Environmental approaches undertaken at Osaka Station (reducing electricity consumption and waste, contributions to the community)
	Environmental approaches undertaken at Aeon Laketown (Working together with the client)
	Nature restoration project in Tatsukushi area (mudbank disposal in Tatsukushi Bay)
	Eco-sulfur corrosion-proof method (long-life sewage system structure) (See Page 38)
	Large-scale rooftop garden at Namba Parks (appealing the building's features for a lower impact on the environment).



Obayashi purchased a 1,000 kWh Green Electricity Certificate. This is almost equivalent to the electricity consumed at the awarding site and the CO₂ emission caused by the participants' transportation. (For ease of calculation, 0.555kg-CO₂/kWh is used as the base unit)

» Multidimensional Efforts at Tokyo Machinery Works

The Tokyo Machinery Works is an important facility where we carry out the maintenance of various types of construction machinery.

■ Improving Waste Recycling Rate

Waste is separated into 43 types, such as industrial waste, general waste and recyclable waste. The rules of separation and the targeted and current recycling rates are displayed in cafeterias and waste collection points. Furthermore, environmental promoters selected from each department make regular rounds to check waste separation twice a month.



Outdoor garbage collection point



Collection point for recyclable waste

■ Reducing the Use of PRTR-targeted Chemical Substances

When choosing paint and coating materials, we conduct a target substance content test. Based on a comparative test of the new product and the product in use, we choose the material with the lowest content of the targeted substance. This leads to lower overall usage of PRTR-targeted chemical substances at Obayashi.

■ Eco-friendly Vending Machines

Seven power-saver vending machines were installed to reduce energy consumption. Although the number of machines has increased from six to seven, the yearly electricity consumption may decrease by 39 %.

» New Environmental Activities by Oak Friendly Service

Oak Friendly Service, one of the Obayashi Group's companies, has begun to promote the reuse of office supplies and the collection of PET-bottle caps at Obayashi's Shinagawa office. The Reuse Office Supplies corner opened in June, 2008. There have been containers for used stationery and PET-bottle caps on each floor of the Shinagawa office since March 2003.

The caps collected are donated to the ECO-CAP Campaign, which delivers polio vaccine to children all over the world.



A container to collect used stationery



The Reuse Office Supplies corner at Obayashi's Shinagawa office

*Oak Friendly Service is a special-purpose company that was founded to promote the employment of handicapped persons. It offers such services as office cleaning, mail delivery, printing and binding.

Environment-related Data

[Environmental Accounting]

The costs for environmental conservation have been decreased mainly by reducing the waste-processing costs due to the reduction of the amount of construction sludge. The environmental efficiency indexes of CO₂ emissions, construction wastes amount and green procurement have improved compared with the previous year.

[Environmental Objectives and Achievements]

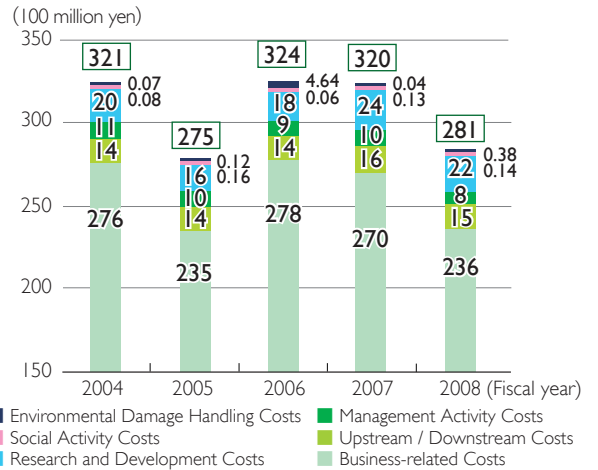
The achievements are evaluated by EMS and the figures are used in setting the next year's targets and action plans. Among the various countermeasures taken against global warming, the energy-efficient driving has almost taken root as a daily routine. From next year on, we will set our goal at reducing the emissions (total amount) of LCCO₂ from the buildings that we design and CO₂ from construction work.

[Material Flow]

Gases such as CO₂ are discharged during the consumption of energy in construction work. Construction material leftovers and demolition debris constitute the waste to be disposed. The diagram below shows that CO₂ emissions from construction material production (③ of the chart below) and building operation by owner (② of the chart below) are greater than emission from construction works (① of the chart below).

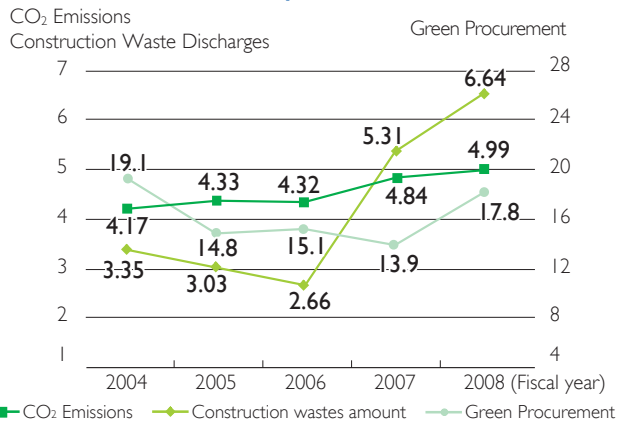
■ Environmental Accounting (excerpt)

Environmental Conservation Costs

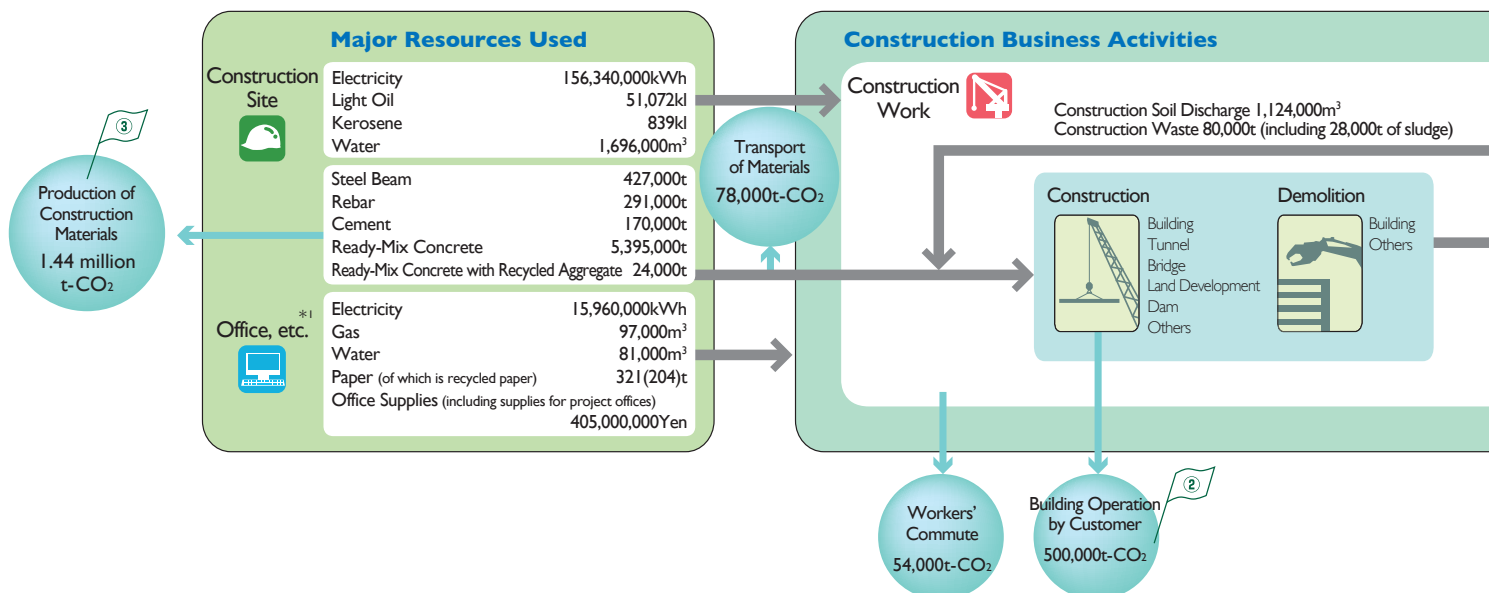


* The figures for 2006 and 2007 have been revised

Environmental Efficiency Indexes



Summary of Material Flow (Fiscal 2008)

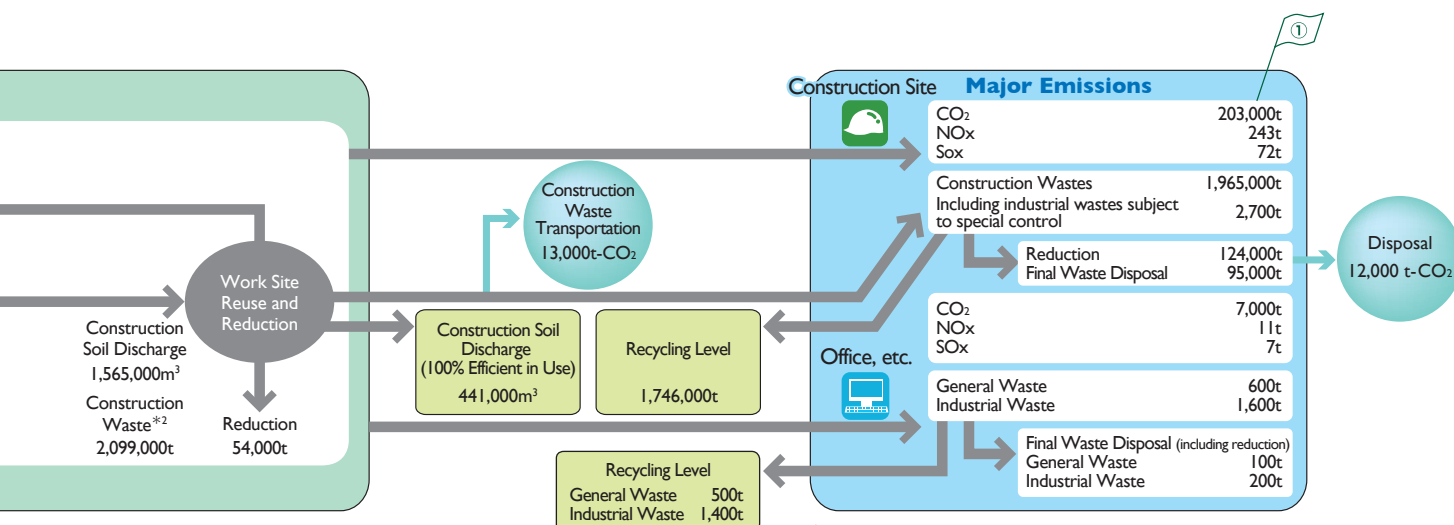


■ Environmental Objectives and Achievements (excerpt)

Category	Objectives	Unit	Fiscal 2008			Fiscal 2009	Fiscal 2012
			Target Value	Achieved Value	Rating	Target Value	Mid-term Objective
Global Warming Countermeasures	LCCO ₂ reduction rate for all the buildings designed	%	—	30.4	—	No less than 30	No less than 30
	Reduction rate of CO ₂ emissions from construction work	%	—	46.2	—	No less than 46	No less than 46
	Rate of observing energy-efficient driving at construction sites	%	No less than 95	95.1	○	Move to Daily management	
	Passing rate for energy-efficient driving test	%	No less than 95	97.3	○		
Construction Waste Management	Rate of construction sites that achieve our zero-emission standard	%	No less than 83	84.2	○	No less than 86	No less than 90
	Overall recycling rate for construction waste (excludes sludge)	%	No less than 97.5	97.9	○	No less than 98	No less than 98
	Usage of electronic manifest at construction sites	%	No less than 55	58.8	○	No less than 65	No less than 80
Chemical Substance Control	Volume of substances restricted by the PRTR Law	kg	Less than 700	533	○	Less than 530	Less than 530
	Xylene usage	kg	Less than 260	173	○	Less than 172	Included in the above
	Usage of 1-3-5 trimethylbenzene	kg	Less than 285	268	○	Less than 254	
Eco-system Conservation	Rate of execution of environmental conservation in construction works	%	100	100	○	100	100
	Times of presenting eco-events information to employees	times	No less than 12	12	○	No less than 12	No less than 12
Green Procurement	Rate of Green Procurement of construction materials and equipment	%	No less than 18	17.8	△	No less than 18	No less than 25
Office Works	Electricity usage	kWh / head	Less than 2,356	1,845	○	Less than 1,805	Less than 1,745
	Paper usage	kg / head	Less than 61	57.7	○	Less than 56	Less than 56
	Water usage	m ³ / head	Less than 10.2	8.1	○	Less than 7.7	Less than 7.4
	General waste discharge	kg / head	Less than 140	109.1	○	Less than 107	Less than 100
	Rate of green procurement of office supplies	%	No less than 78	75	×	No less than 78	No less than 90

Symbol

- : Achieved the target
- △ : Did not achieve the target, but equaled or surpassed the level of the previous year
- ×
- : Not applicable

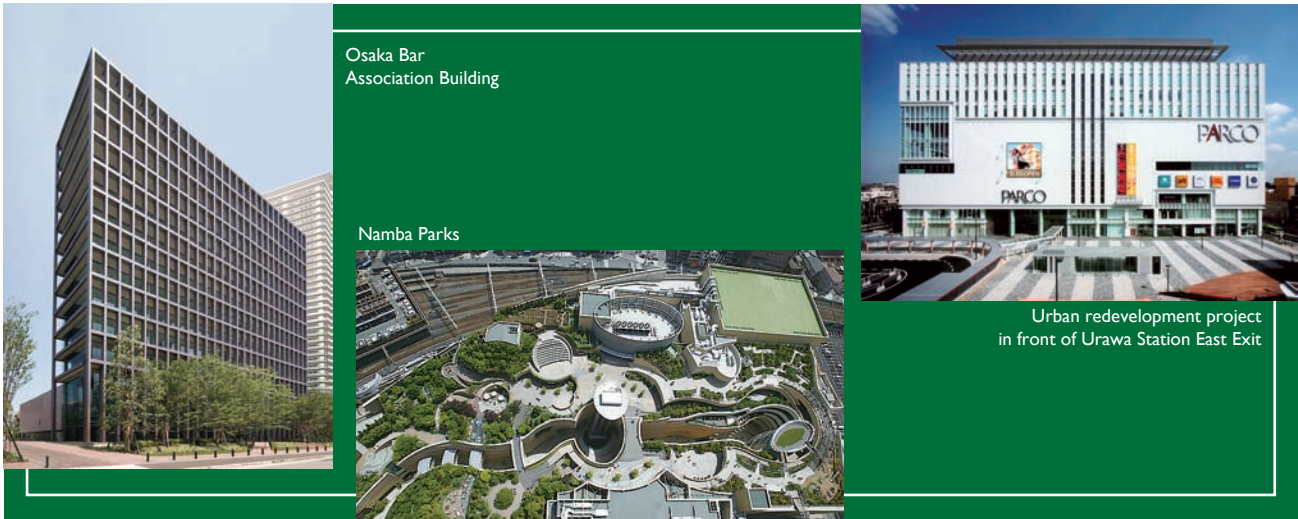


*1 Office, Technology Research Institute, Machinery Works, Equipment Center

*2 All the following wastes except general waste
 <General Waste> Garbage, etc. from project offices
 <Industrial Waste> Construction sludge, chunks of concrete, etc.
 <Industrial Waste subject to special controls> Asbestos, etc.

● Indirect CO₂ emissions by our business activities

Major Recognitions from External Organizations (in Fiscal 2008)



Name of Award	Honored by	For
The 49th BCS Award <Grand Prix>	Building Contractors Society	Osaka Bar Association Building
The 49th BCS Award <Special>	Building Contractors Society	Namba Parks
2008 Good Design Award <Industry / Office, commercial, and manufacturing / production facilities>	Japan Industrial Design Promotion Organization	GRANDRIVE
The 10th Land Development Technology Award	Japan Institute of Construction Engineering Coastal Development Institute of Technology	Development and application of new asbestos removal method, triple tube foundation piling work (in collaboration with the Tokyo Metropolitan Government, etc.)
Japan Society of Dam Engineers, the 19th Workshop <Excellent Award>	Japan Society of Dam Engineers	Rock judgment by using equotip and dispersion colorimeter, etc. and selected excavation of concrete dam's raw stone.
Environmental and Equipment Design Award 2007 <Excellence award of total design of architecture and equipment>	Association of Building Engineering and Equipment	Gates of Peace - Hiroshima
The 10th Electric Load Leveling Device and System Award <Award by Managing Director of Heat Pump & Thermal Storage Technology Center of Japan >	Heat Pump & Thermal Storage Technology Center of Japan	Heat storing system of NHK Kobe Hall
The 18th BELCA Award <Long life>	Building and Equipment Life Cycle Association	Le Pont de Ciel Building
2007 Zenken Award <Residential>	Japan Construction Engineers' Association	Momozaka Comfo-Garden
2008 Excellent Firefighting Equipment Award	The National Fire and Disaster Management Agency	Fire and disaster prevention system of Namba Parks
The 4th Sainokuni Human Friendly City Planning Award	Sainokuni Human Friendly Building Planning Conference	Urban redevelopment project in front of Urawa Station East Exit
The 54th Osaka Architecture Competition <Watanabe Setsu Award>	Osaka Association of Architects & Building Engineers	Otemae University Shukugawa Campus Media Library CELL
Platinum Green Mark Award	Building and Construction Authority, the Ministry of National Development of Singapore	New construction of Ocean Financial Center
2008 Recognition of Reduce Reuse Recycle Promotion <Reduce, Reuse, Recycle Promotion Association, Chairman's Award >	Reduce, Reuse, Recycle Promotion Association	Quakeproof building JV for Ministry of Economy, Trade and Industry / No.2 Tomei Expressway Shimada JV / Kanda Tsukasa-cho Tokyo Head Office First-class architect's office / PFI Nishigaoka, Obayashi, Azusa Design JV / Osaka Main Office First-class architect's office for Namba Parks Phase II JV / Hanshin Expressway Fushimi JV / Obayashi Road Corporation Kagawa asphalt mixing plant
2008 Recommended In-house Magazine by Japan Business Federation <Total in-house magazine award>	Nippon Keidanren (Japan Business Federation) Business Services for Internal Communications	In-house Magazine "Monthly Obayashi"
Interior Lifestyle Awards <JID DESIGN AWARD>	International Exhibition "Interior Lifestyle"	Humidity conditioner and deodorizer "Sumikusahana" series (IOT Carbon Inc.)

Included in Global SRI Indices



モーニングスター社会的責任投資株価指数
Morningstar Socially Responsible Investment Index

SRI (Social Responsibility Investment) means investment decision based on two key criteria, the level of fulfillment of Corporate Social Responsibility as well as financial performance of a company. Obayashi has been included in

FTSE4Good Global Index, one of the most respected SRI indices. Further, Obayashi has been included in the Morningstar Socially Responsible Investment Index (MS-SRI), the first Japanese index of its kind.



OBYASHI CORPORATION



● About cover design:

The human hand represents a hand of every Obayashi employee. The art work expresses our intention to create a better society through the construction business by combining all employees' efforts and utilizing our technologies.



みんなで止めよう温暖化

チーム・マイナス6%