



OBAYASHI CORPORATION
Notice Regarding Extension of the Board Incentive Plan Trust

OBAYASHI CORPORATION (hereinafter referred to as the “Corporation”) hereby announces that it has resolved at the meeting of the Board of Directors held on May 14, 2018, to extend the trust period of and make an additional contribution of money to the Board Incentive Plan Trust (hereinafter referred to as the “Trust”) as described below, adopted as a performance-linked stock remuneration incentive plan (hereinafter referred to as the “Plan”) for Directors and Executive Officers (excluding Outside Directors and individuals resident overseas; those Directors and Executive Officers hereinafter referred to as the “Directors, etc.”).

1 Reason for extending trust period and making additional contribution

The Corporation has introduced the Plan since FY2015, and decided to extend the trust period by 3 years in order to continue the Plan and to make an additional contribution of money to secure funds in the Trust for acquisition of the Corporation’s shares.

2 Outline of the Trust after extending trust period

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| 1) Type of trust | Monetary trust other than an individually managed monetary trust (Third Party Beneficiary Trust) |
| 2) Purpose of trust | To raise management’s awareness of contributing to continued improvement of Corporation’s medium- and long-term performance and increasing its corporate value by granting a certain amount of the Corporation’s shares and monetary benefits to the Corporation’s Directors, etc. who meet beneficiary requirements |
| 3) Trustor | OBAYASHI CORPORATION |
| 4) Trustee | Mitsubishi UFJ Trust and Banking Corporation
(Joint trustee: The Master Trust Bank of Japan, Ltd.) |
| 5) Beneficiary | Directors, etc. who meet beneficiary requirements |

6) Trust administrator	Third party with no special conflict of interest with the Corporation (certified public accountant)
7) Date of trust period extension agreement	May 15, 2018
8) Trust period after extension	From September 1, 2018 to August 31, 2021 (planned)
9) Exercise of voting rights	Not to be exercised
10) Class of shares to be acquired	Common shares of the Corporation
11) Total amount of additional trust	285 million yen (planned) (including trust fees and expenses)
12) Stock acquisition period	From November 12, 2018 (planned) to November 30, 2018 (planned)
13) Stock acquisition method	Acquire on stock market
14) Rights holder	OBAYASHI CORPORATION
15) Remaining assets	The Corporation, as the holder of rights to the remaining balance, may receive remaining assets, which should be within a range of reserve for trust expenses, after deducting funds used for acquiring shares from the trust money

【Affairs related to the trust and stock】

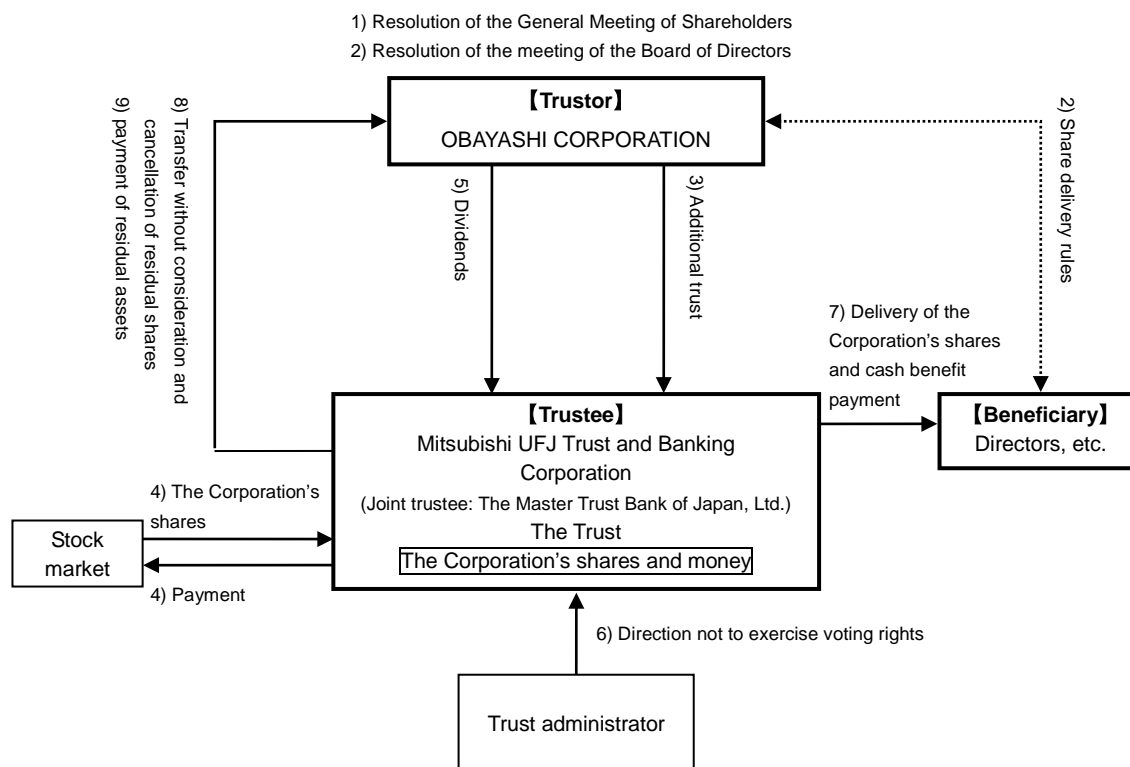
- (i) Trust-related affairs: Mitsubishi UFJ Trust and Banking Corporation is to become the trustee of the Trust to handle trust-related affairs.
- (ii) Stock-related affairs: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. is to engage in affairs related to vesting the Corporation's shares to beneficiaries based on the agreement of the entrustment of affairs.

(Note 1) When extending the Plan, an agreement regarding the extension will be concluded between the Corporation, the trustees, and the trust administrator. Following the conclusion of the agreement, an additional contribution of money and acquisition of shares will be made within the scope of the maximum amount of money to be contributed to the Trust (300 million yen during the trust period) and the maximum number of the Corporation's shares to be acquired (450,000 shares during the trust period) approved by the General Meeting of Shareholders held on June 26, 2015.

(Note 2) The acquisition of shares will be made following the first announcement of financial results to fall during the trust period after the extension (announcement of the financial results for the 2nd quarter of the fiscal year ending March 31, 2019)

(Reference)

【Framework of the Trust】



- 1) The Corporation obtained approval for the introduction of the Plan at the General Meeting of Shareholders held on June 26, 2015.
- 2) The Corporation resolves matters relating to the extension of the Plan and partial revision to the share delivery rules at Board of Directors' meetings.
- 3) The Corporation additionally entrusts funds within the amount approved by the General Meeting of Shareholders in the 1) and extends the trust period of the Trust with Directors, etc. who meet beneficiary requirements as the beneficiaries.
- 4) The Trust acquires the Corporation's shares from stock market using money additionally trusted in the 3) and remaining cash in the Trust in accordance with the directions of the trust administrator. The number of shares the Trust acquires is within a range of amounts approved by the General Meeting of Shareholders in the 1).
- 5) Dividends on the Corporation's shares held by the Trust are treated in the same way as other shares.
- 6) Voting rights for the Corporation's shares held by the Trust are not exercised throughout the trust period.
- 7) During the trust period, points are granted to the Directors, etc., according to the degree of achievement of performance targets, etc. of every fiscal year. The Corporation's shares corresponding to the points will be delivered from the Trust to the Directors, etc. who meet beneficiary requirements, on the date the said Directors, etc. retire (at the time of death in case a Director, etc. dies) (Fractional shares less than one unit will be converted into cash by the Trust, and the cash will be paid to the beneficiary).
- 8) In the case that shares remain upon termination of the trust, due to the failure to achieve performance targets or other reasons during the trust period, the Corporation will continue to use the Trust for a new stock remuneration plan by changing the trust contract and contributing additional money, or transfer the said remaining shares from the Trust to the Corporation without consideration and cancel them by passing a resolution at a meeting of

the Board of Directors.

- 9) Certain remaining assets after the distribution to beneficiaries will be returned to the Corporation when the Trust is liquidated.

Disclaimer

This document announced in the Japanese language at the Tokyo Stock Exchange on May 14, 2018 was translated into English and presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between the Japanese announcement and this English translation, the former will prevail.

If you have any questions, please contact Obayashi investor relations at irk@ml.obayashi.co.jp.