



**Financial Results for 2Q/ FY2012 (cumulative)  
and  
Forecasts for Full FY2012**

**November 13, 2012**

**OBAYASHI CORPORATION**

# Disclaimer

This investor presentation, an English translation of the presentation made at the investor meeting at Obayashi Corporation (Tokyo, Japan) on November 13, 2012 as a digest of Obayashi Corporation's "Summary of the 2<sup>nd</sup> Quarter (cumulative) Financial Results for FY2012 ending March 2013" ("Kessan Tanshin") disclosed at the Tokyo Stock Exchange on November 12, 2012, is presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between Japanese "Kessan Tanshin" and this presentation, Japanese "Kessan Tanshin" will prevail. This investor presentation is not to solicit any individuals or entities to buy or sell stocks of Obayashi Corporation (OC). This investor presentation contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. The unit used is 100 million yen or Japanese "oku-yen" unless otherwise specified.

# Financial Results for 2Q/FY2012 (Cumulative) and Forecasts for Full FY2012

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# 【Consolidated】 Overview of Financial Results

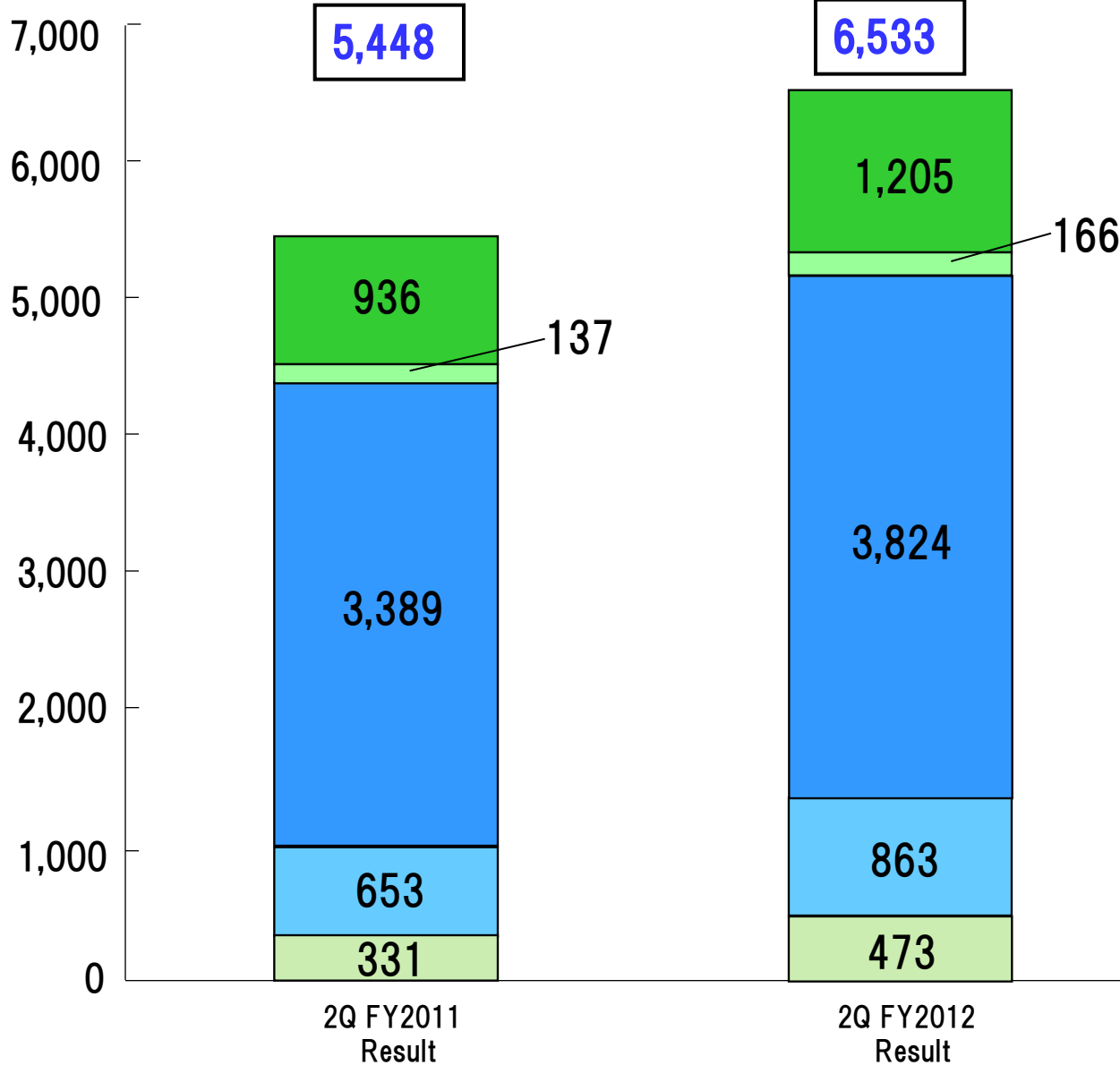
OBUYASHI CORPORATION

(100 million yen)

	2Q FY2011	2Q FY2012	Increase (Decrease)
Net Sales	5,448	6,533	1,084
Gross Profit	453	504	51
Operating Income	63	119	56
Ordinary Income	61	122	60
Net Income	115	56	(58)

# 【Consolidated】 Net Sales by Business Segment

(100 million yen)



YoY

+1,084

Domestic civil eng.

+269 (+28.8%)

Overseas civil eng.

+29 (+21.2%)

Domestic building const.

+434 (+12.8%)

Overseas building const.

+209 (+32.1%)

Real estate business and other

+142 (+42.8%)

# 【Consolidated】 Operating Income by Business Segment

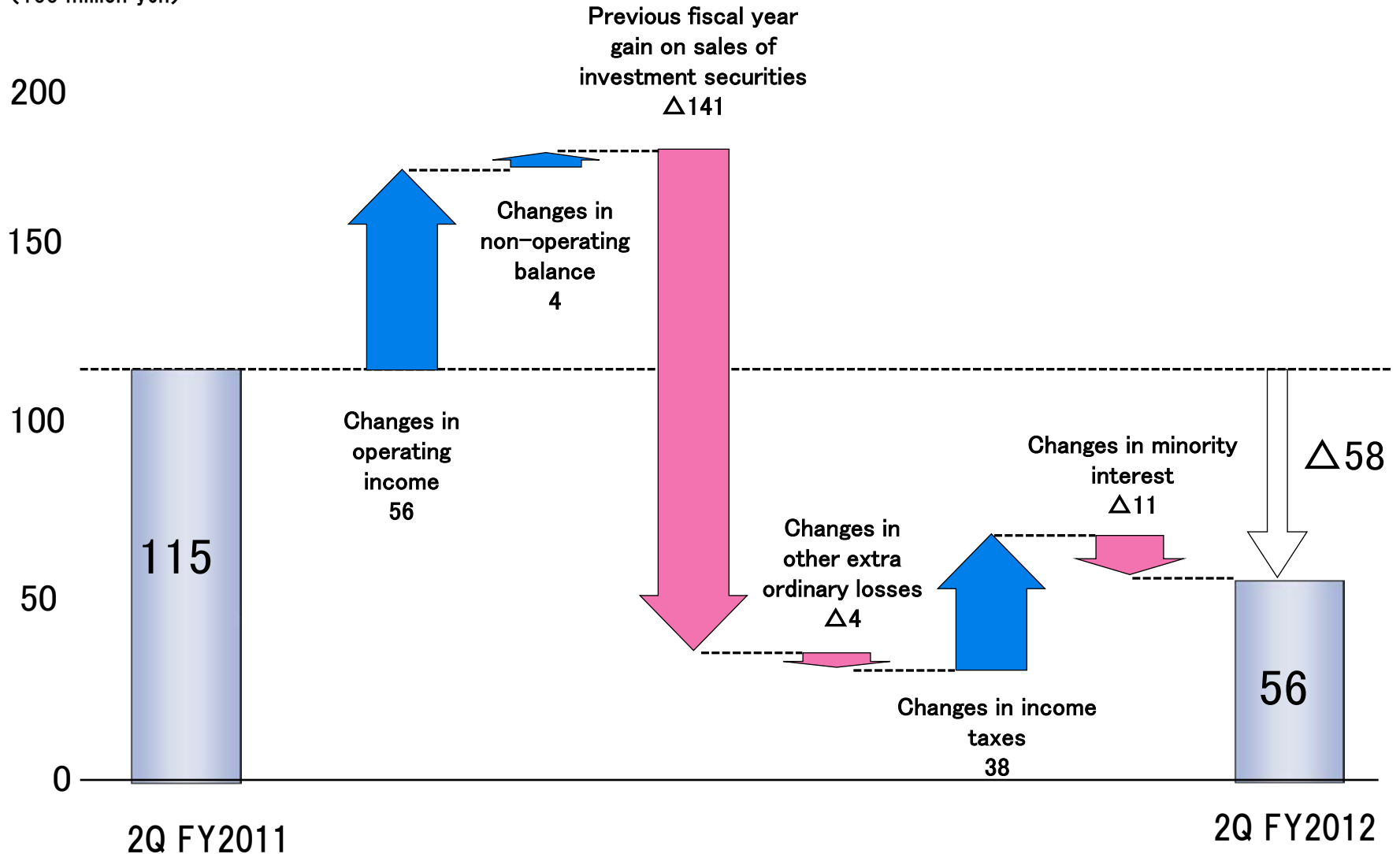
OBAYASHI CORPORATION

(100 million yen)

		2Q 2011		2Q 2012		Increase (Decrease)
		Operating margin		Operating margin		
Construction	Domestic civil engineering	(2.4%)	(22)	2.0%	23	46
	Overseas civil engineering	5.0%	6	(6.7%)	(11)	(18)
	Domestic building construction	1.2%	40	1.1%	42	2
	Overseas building construction	2.4%	15	2.0%	17	1
Construction total		0.8%	40	1.2%	72	32
Real estate business and other		6.9%	22	9.9%	46	23
Total		1.2%	63	1.8%	119	56

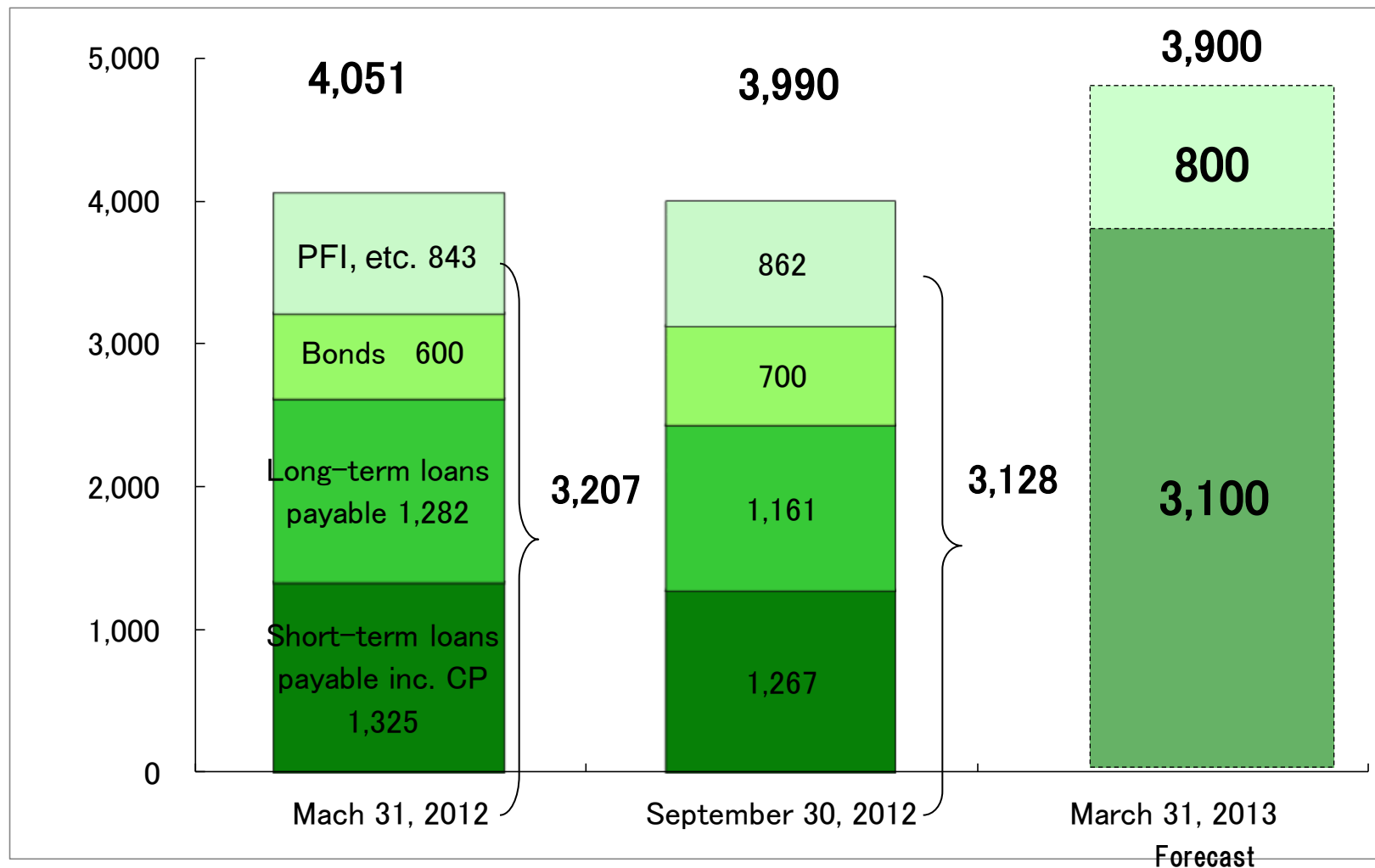
# 【Consolidated】 Breakdown of Increase/ Decrease in Net Income

(100 million yen)



# 【Consolidated】 Transition of Interest-bearing Debt

(100 million yen)





(100 million yen)

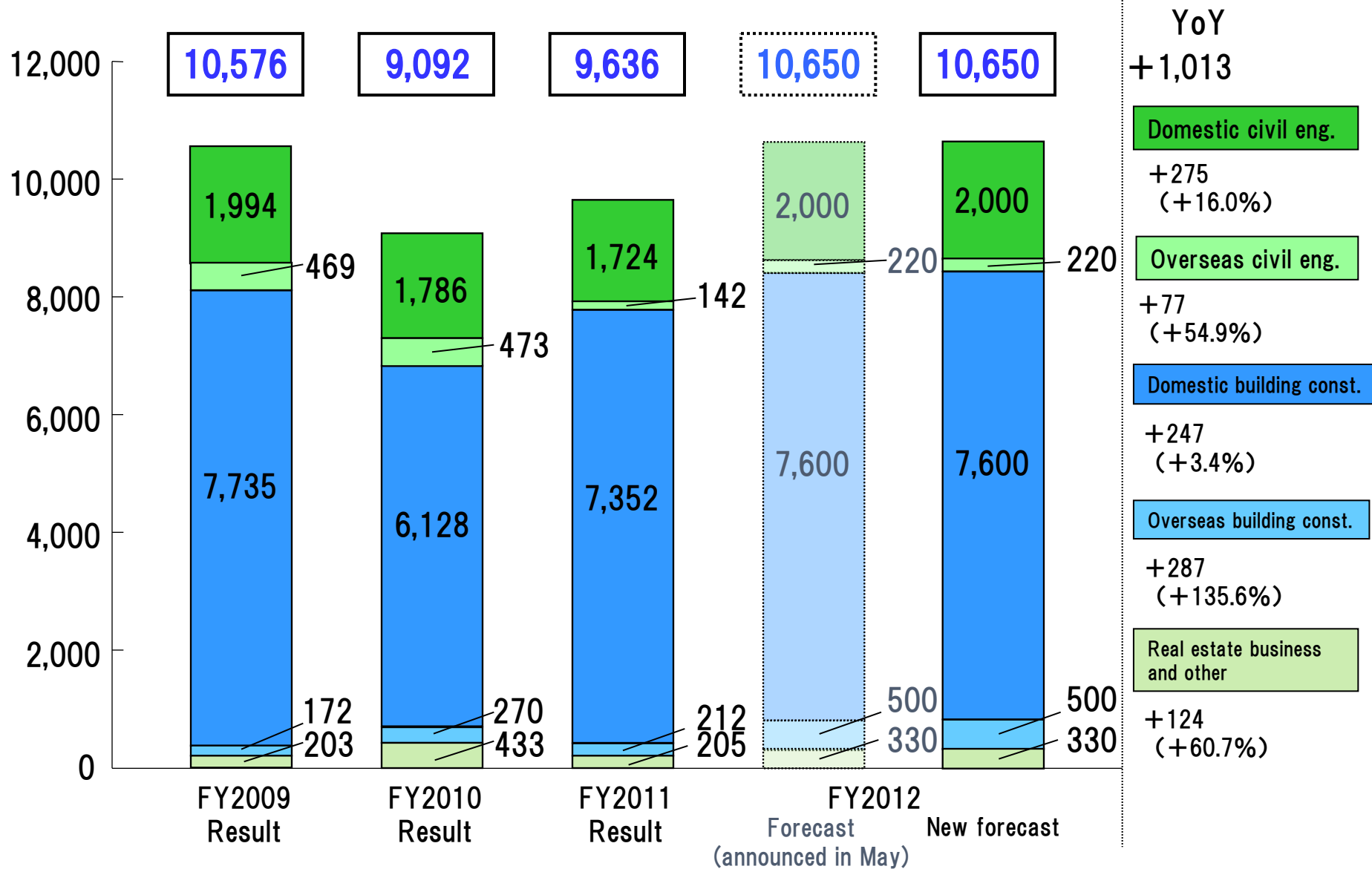
	2Q FY2011	2Q FY2012	Increase (Decrease)
Operating activities	(41)	36	78
Investing activities	103	(268)	(371)
Financing activities	(218)	(73)	144
Net increase (decrease) in cash and cash equivalents	(174)	(307)	(132)
Cash and cash equivalents at the end of period	915	909	(5)

(100 million yen)

	FY2011 Result	FY2012 Forecast	Increase (Decrease)
Net Sales	12,457	14,000	1,542
Gross Profit	1,106	1,130	23
Operating Income	311	340	28
Ordinary Income	352	370	17
Net Income	51	110	58

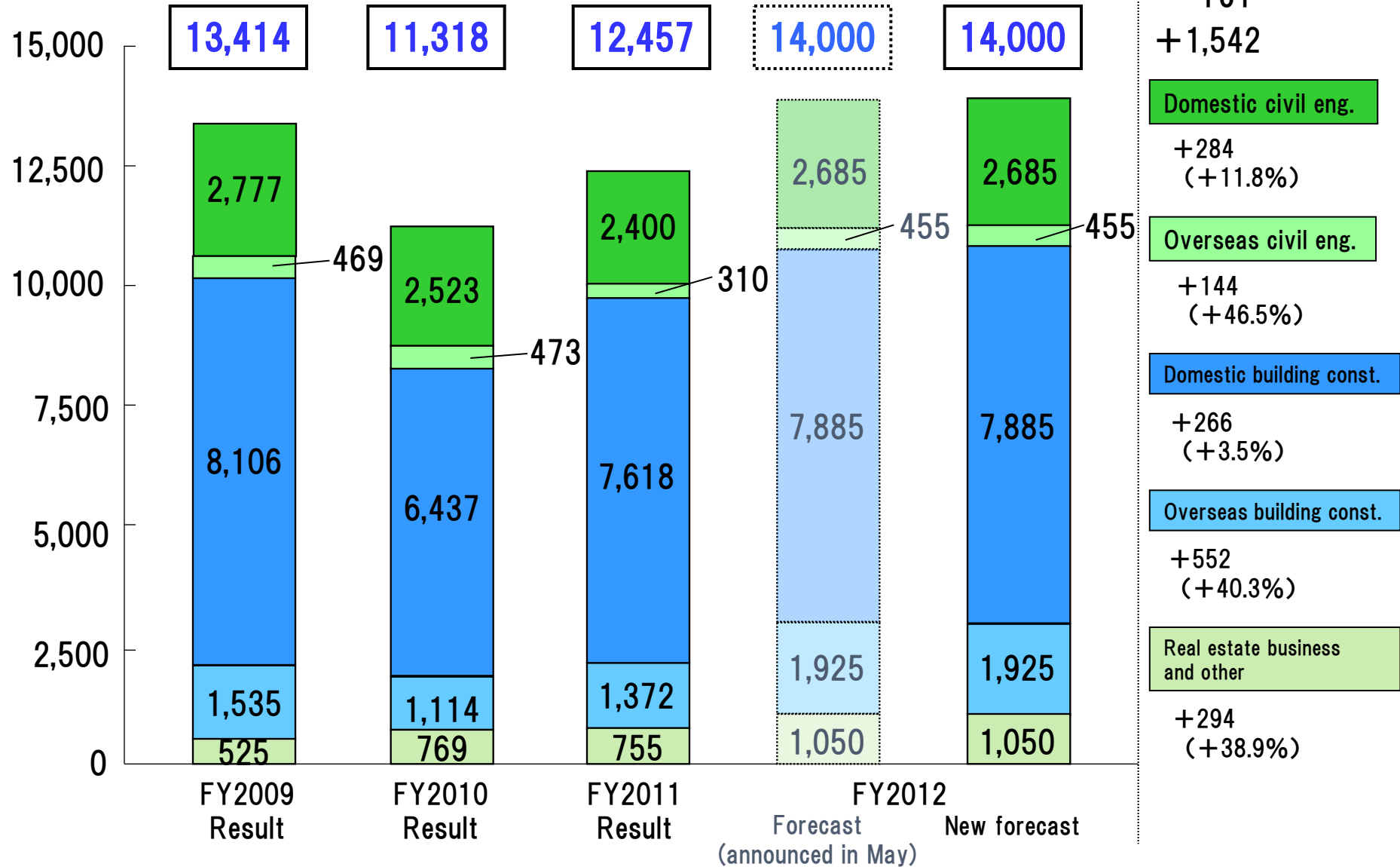
# 【Non-consolidated】 Forecast for Net Sales

(100 million yen)



# 【Consolidated】 Forecast for Net Sales

(100 million yen)



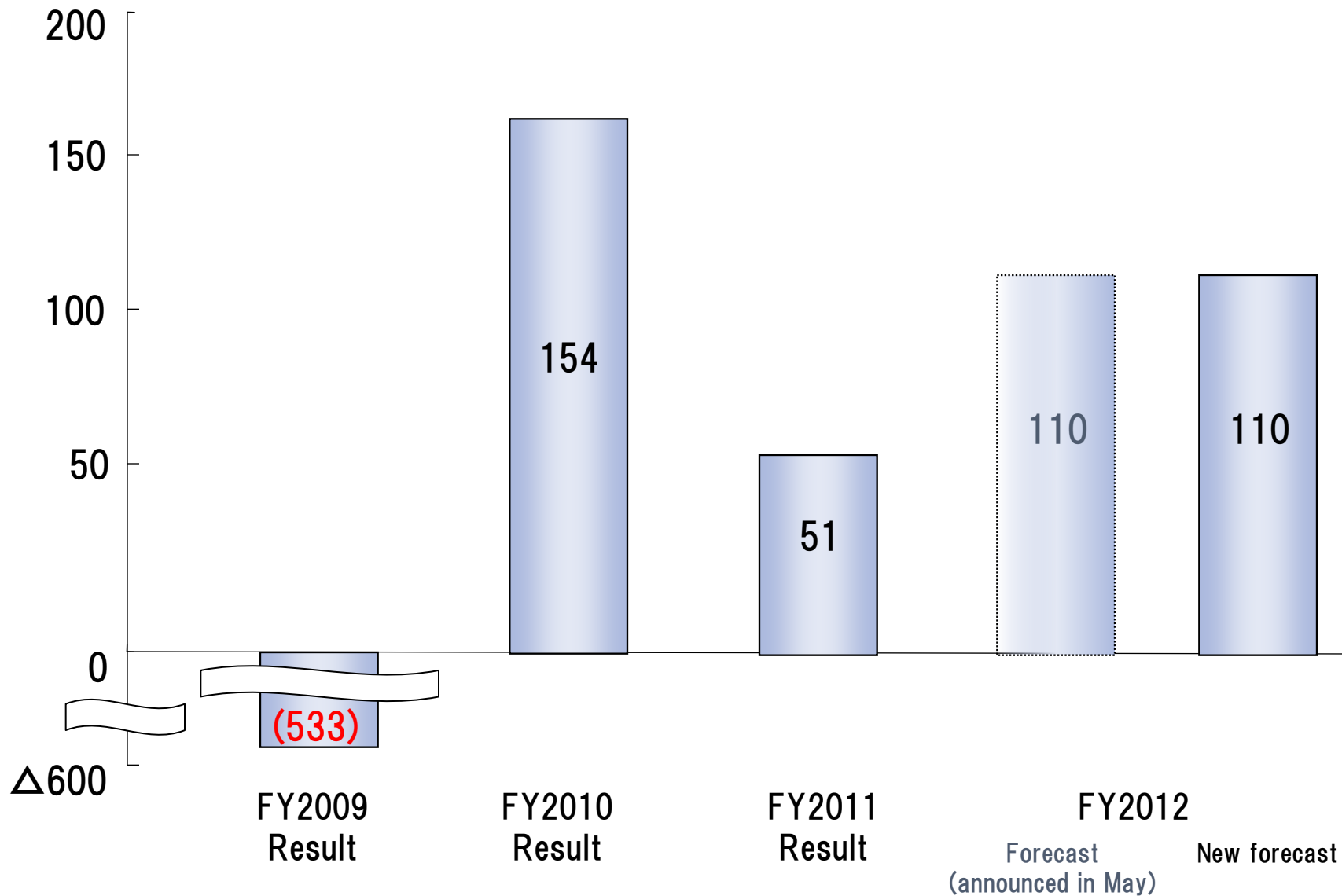
# 【Consolidated】 Forecast for Operating Income by Business Segment

(100 million yen)

		FY2011		FY2012		Increase (Decrease)
		Operating margin		Operating margin		
Construction	Domestic civil engineering	1.2%	29	3.2%	85	55
	Overseas civil engineering	29.5%	91	(2.6%)	(12)	(103)
	Domestic building construction	1.9%	142	1.7%	131	(11)
	Overseas building construction	0.8%	11	1.8%	34	22
Construction Total		2.4%	275	1.8%	238	(37)
Real estate business and other		4.8%	36	9.7%	102	65
Total		2.5%	311	2.4%	340	28

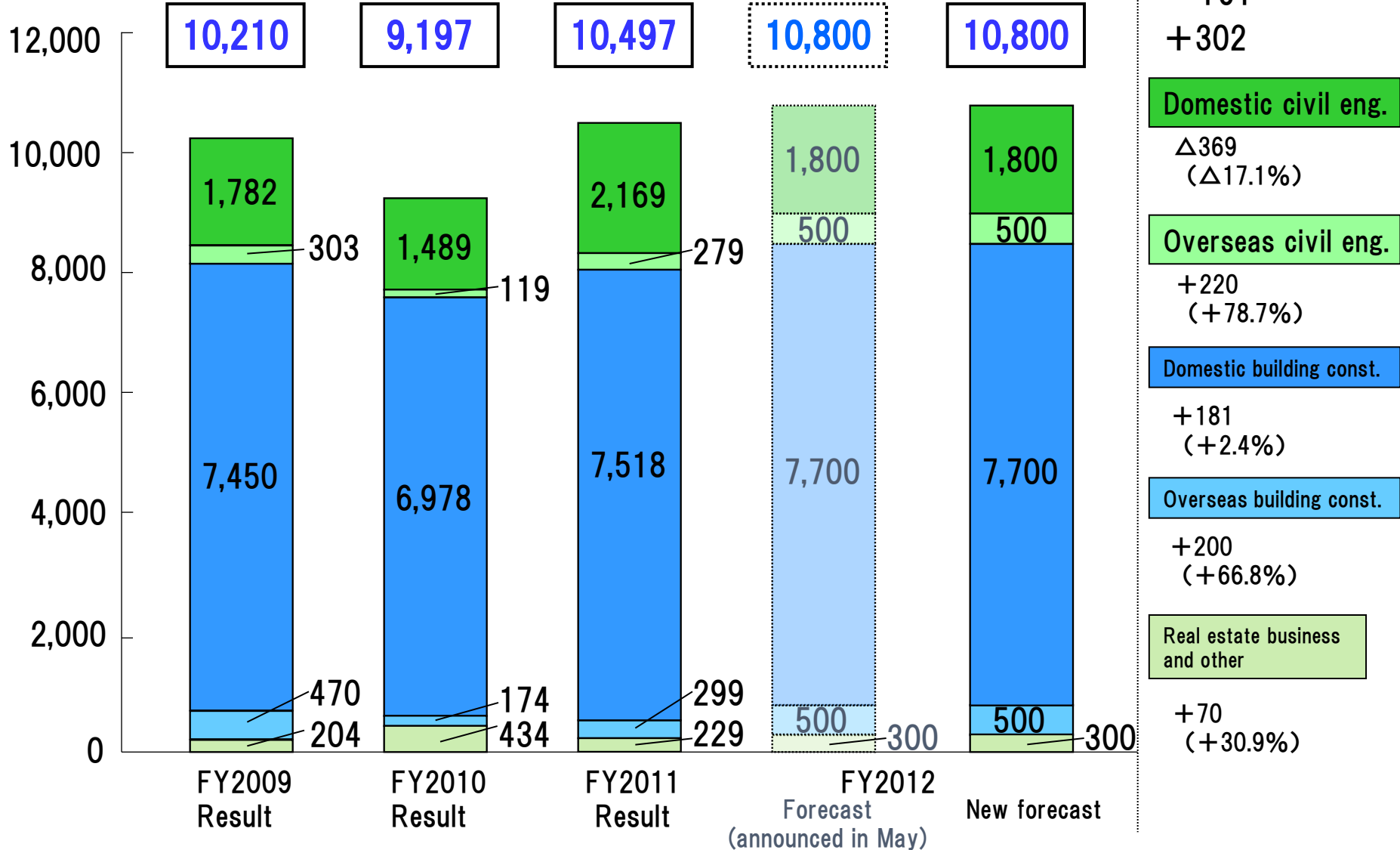
# 【Consolidated】 Forecast for Net Income

(100 million yen)



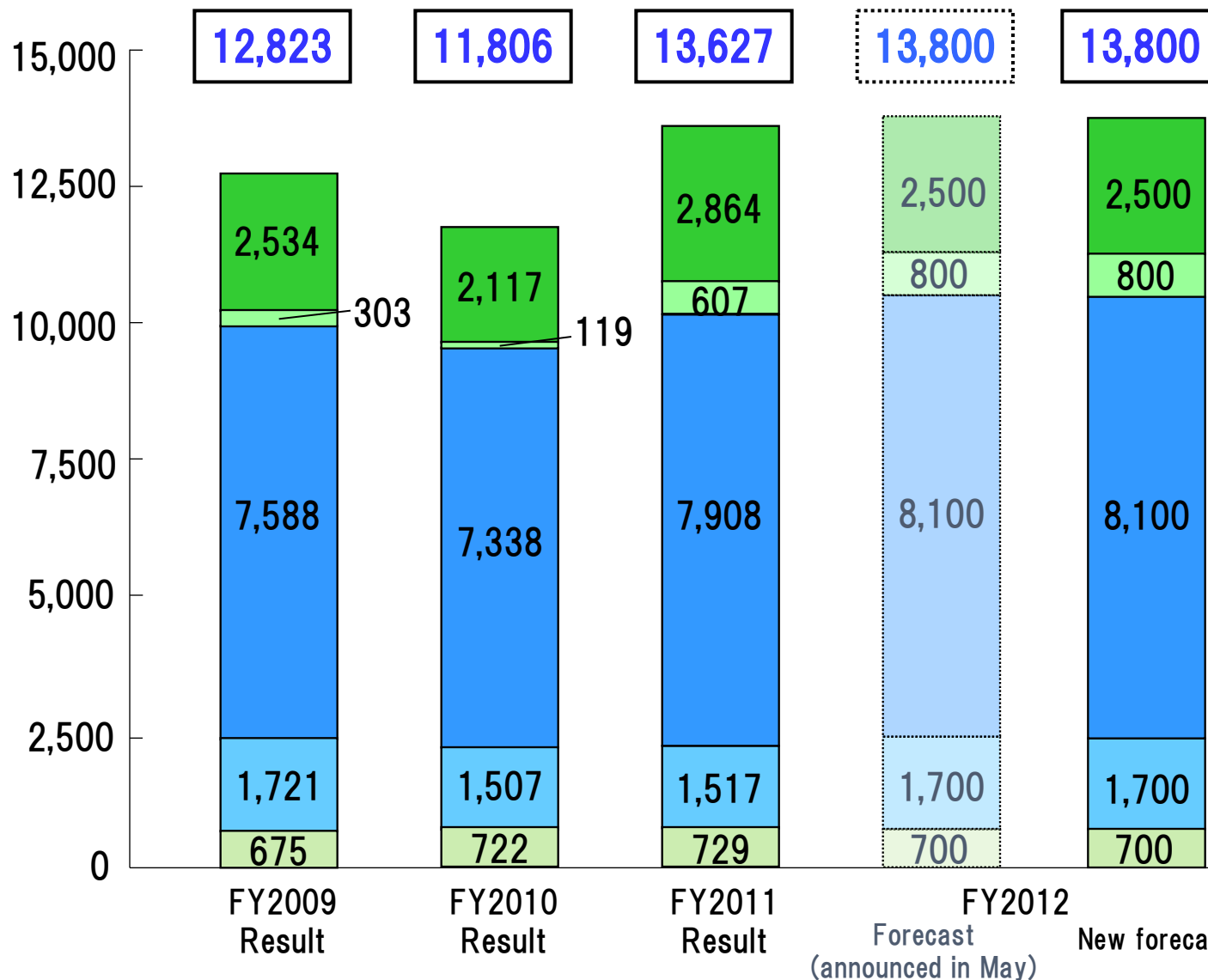
# 【Non-consolidated】 Forecast for Orders Received

(100 million yen)



# 【Consolidated】 Forecast for Orders Received

(100 million yen)



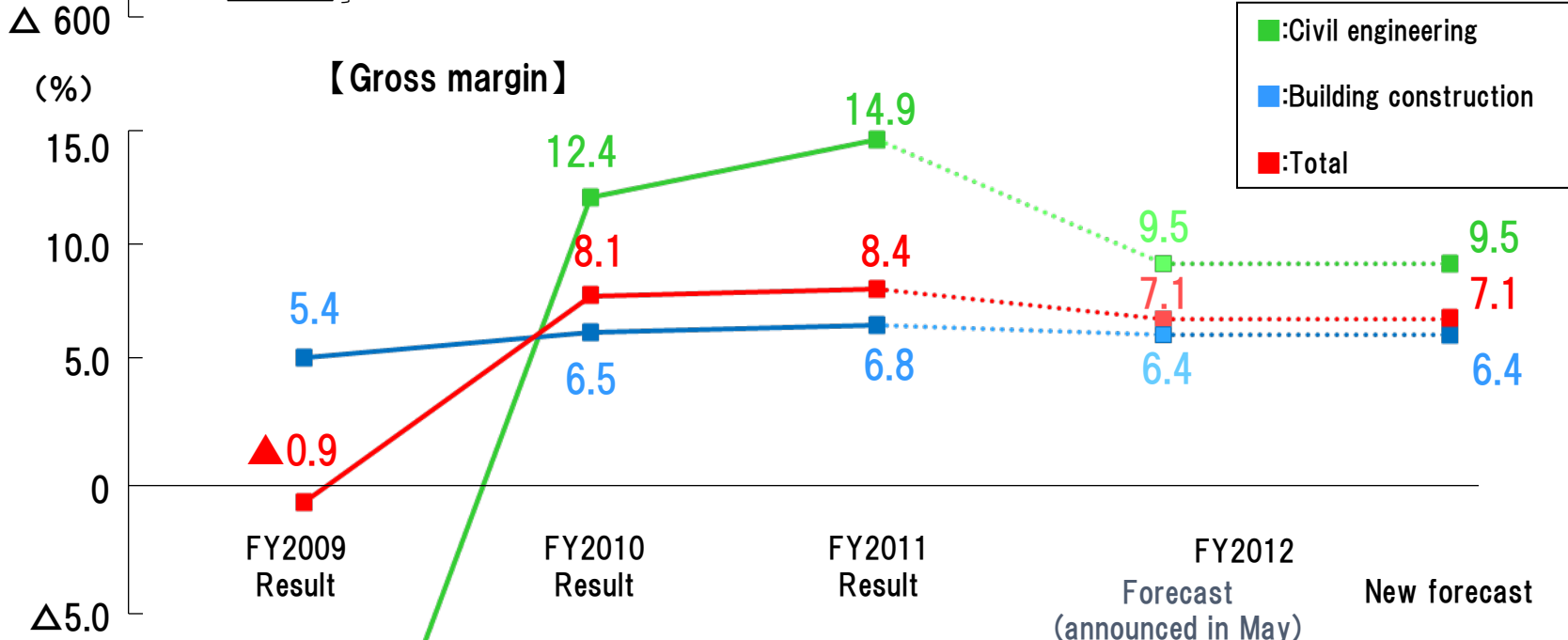
YoY
+172
<b>Domestic civil eng.</b>
Δ364 (Δ12.7%)
<b>Overseas civil eng.</b>
+192 (+31.7%)
<b>Domestic building const.</b>
+191 (+2.4%)
<b>Overseas building const.</b>
+182 (+12.1%)
<b>Real estate business and other</b>
Δ29 (Δ4.0%)



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

(100 million yen)

【Gross profit on completed construction contracts】



# Progress of Obayashi Group Medium-Term Business Plan 2012

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# Obayashi Group Medium-Term Business Plan 2012

Further Strategic Global Expansion



Creation of New Enterprises through Business Innovation

Development of Technology into Direct Source of Profit

In addition to further growth in its core businesses, Obayashi Group pursues diversification of revenue structure.

# Medium-Term Business Plan 2012 | Consolidated Target Indices

## Overview of Consolidated Business Plan

(100 million yen)

	FY2011 Result	FY2012 Forecast	FY2014 Plan	Beyond FY2014
<b>Net sales</b>	<b>12,457</b>	<b>14,000</b>	<b>15,000</b>	<b>Construction</b> <p>Net sales (Construction business)</p> <p>Share 30%</p> <p>Overseas 25</p> <p>Domestic 75</p> <p>Share 70%</p> <p>FY 2014 →</p>
Construction	11,701	12,950	14,000	
Domestic	86%	82%	80%	
Overseas	14%	18%	20%	
Real estate, etc.	756	1,050	900	
New businesses	—	0	100	
<b>Operating income (Operating Margin)</b>	<b>311 2.5%</b>	<b>340 2.4%</b>	<b>450 3.0%</b>	<b>Operating income</b> <p>Share 50%</p> <p>Other than Domestic Construction 50</p> <p>Domestic Construction 50</p> <p>Share 50%</p> <p>FY 2014 →</p>
Domestic construction	66%	64%	60%	
Other than the above (Overseas construction, real estate, new businesses etc.)	34% ※	36%	40%	

※Average between FY2006 and FY2011 except for FY2009

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

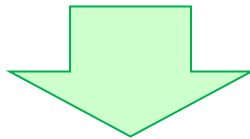
(100 million yen)

◇ Non-consolidated 2Q FY2012 orders received [Tokyo Metropolitan Area] increased by 660

from same period previous year (70% increase)

[Total in Japan] increased by 800 (30% increase)

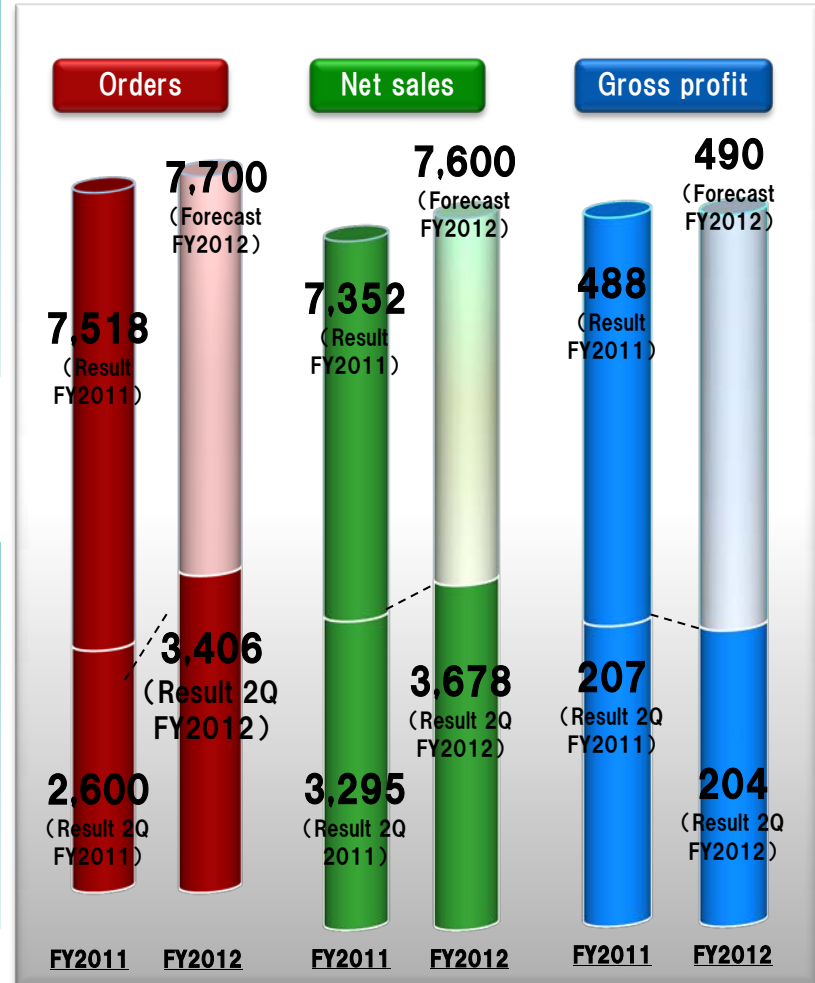
⇒ **Good performance in Tokyo Metropolitan Area**



◇ Target to achieve the FY2012 forecasted orders, net sales and gross profit through **strategies below**.

- Increase sales force in Tokyo Metropolitan Area
- Promote overseas and central procurement
- Deal with the problem of increase in labor costs

[Performance transition/  
Non-consolidated/Domestic construction building] (100 million yen)

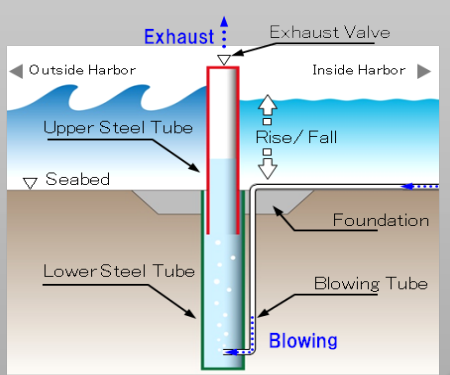


Actively participate in public infrastructure projects for disaster prevention and mitigation which provide for a safe and secure environment

【Technological Development】

◇ Vertical Telescopic Breakwater

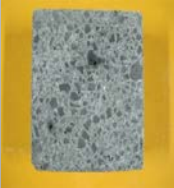
Moving steel piles breakwater the first in the world that rises to the surface swiftly during the time of tsunami and protects harbors and communities from damage, contributing disaster prevention and mitigation.



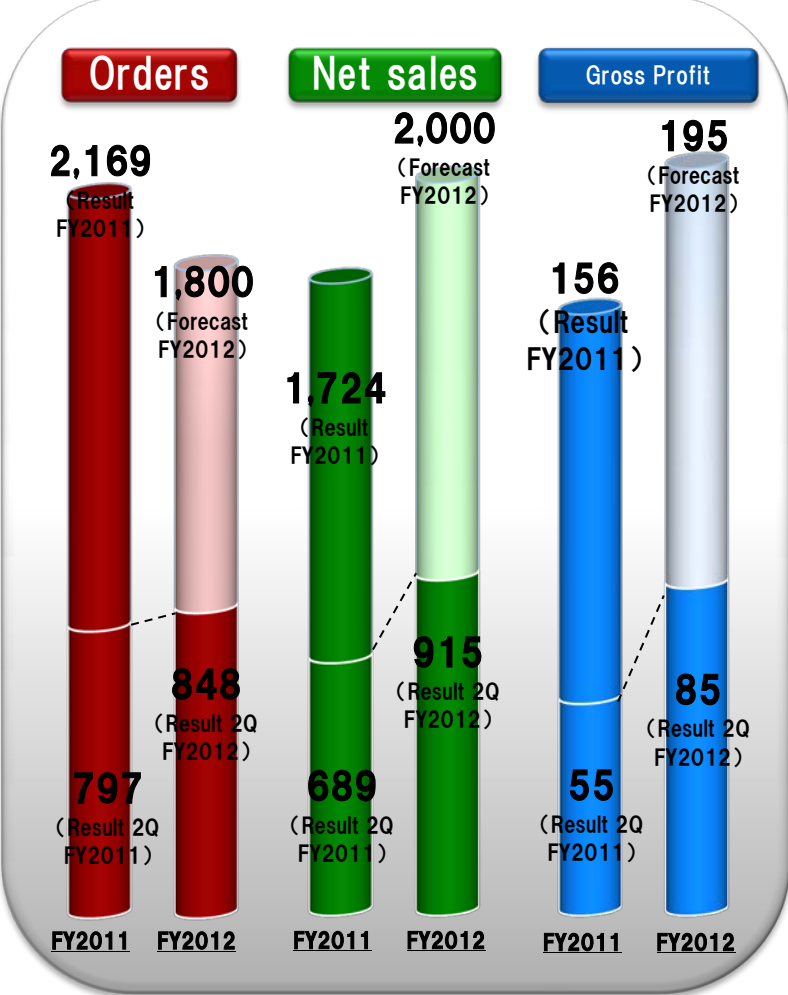
◇ Developed radioactive shielding technology applying seawater concrete

<Materials>  
 Mixer Water : Sea water  
 Binder : Slag cement  
 Aggregate : Heavy weight aggregate  
 Admixture : Special admixture

<Performance>  
 Coefficient of permeability : 1/70 of ordinary concrete  
 Gamma radiation shielding rate (50cm thickness) : 99.6%



【Performance transition/ Non-consolidated/Domestic civil construction】 (100 million yen)



**Bolster real estate leasing business and make it a stable & solid source of revenue**

Expand group's overall real estate earnings

- ◇Obayashi Corporation
- ◇Obayashi Real Estate
- ◇Seiwa Real Estate

Leasing Business	Target for FY2014
Gross Profit	JPY12 Billion (FY2011: JPY7.5 Billion)
	Increase by 60% from FY2011

**【Effective Use】**

**Kumiya Distribution Center**



- ◇Leasing business utilizing company-owned property (Osaka Material/ Equipment Center)
- ◇Equipped with solar power generation on the roof (Started operation in July 2012)

**【Scrap & Build】**

**oak omotesando**



- ◇The complex building comprising offices and commercial facilities
- ◇Applied environmentally cutting-edge technologies (Scheduled to complete in March 2013)

**【New Acquisition】**

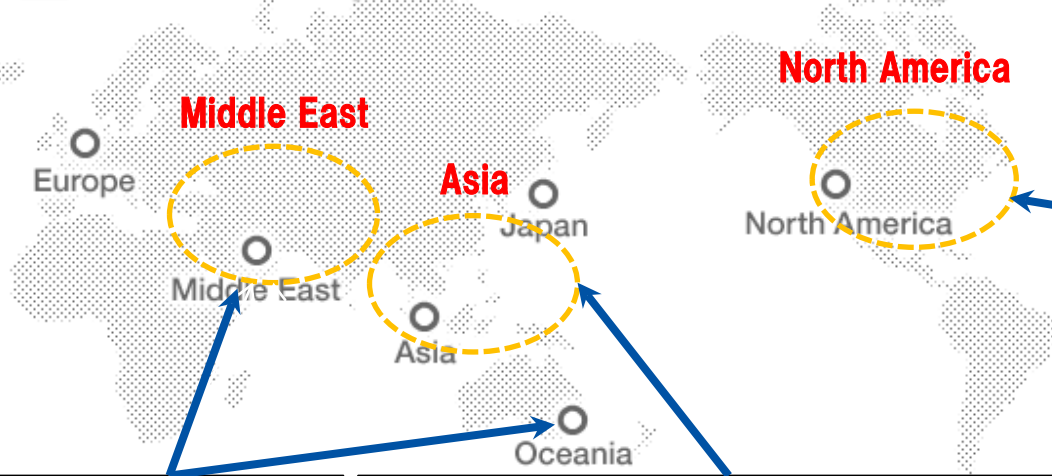
**Grand Front Osaka**



- ◇ Large scale redevelopment project directly linked to JR Osaka Station
- ◇ 4 super high-rise buildings comprising offices commercial facilities, hotel and condominiums (Scheduled to complete in March 2013)

## Further Strategic Global Expansion

### Business expansion centered in 3 regions



- Establishment of Network**
- 【Middle East】
    - ◇Obayashi Qatar (Qatar)
  - 【Oceania】
    - ◇Australia Office (Australia)

**Awarded infrastructure project (Singapore)**

Utility building (above ground)  
 Shaft (~60m)  
 Adit  
 Tunnel Enlargement

Construction Place: West Singapore  
 Contract Sum : Around 14.3 billion yen  
 Outline of Project: Construction of two cross-island transmission cable tunnel: North-South Tunnels is 18.5km and East-West Tunnels is 16.5km.

Graphics courtesy of SP POWERASSETS Limited, Singapore

(100 million yen)

	Consolidated overseas orders	Consolidated overseas net sales
<b>FY2011 Result</b>	<b>2,124 (16%)</b>	<b>1,682 (14%)</b>
<b>FY2012 Forecast</b>	<b>2,500 (19%)</b>	<b>2,380 (18%)</b>
<b>FY2014 Plan</b>	<b>Over 20%</b>	<b>20%</b>



**Business Innovation**      **Development of technology into direct source of profit**

**Establish Obayashi Clean Energy** → **Enter the renewable energy business**

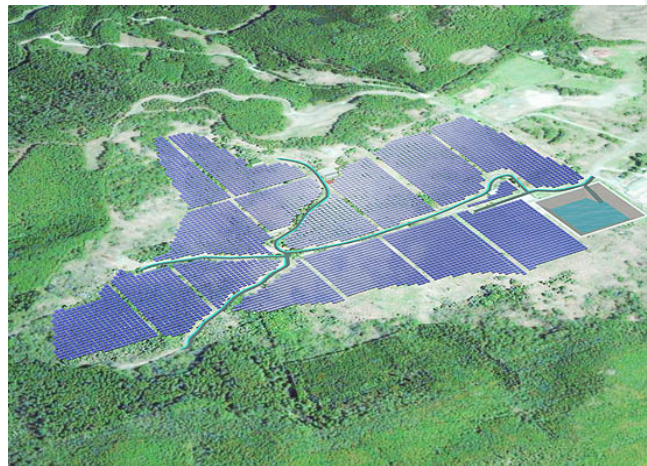
**Mega solar power generation projects decided commercialization**

- ◇ Number of projects: 8
- ◇ Total generation volume: 34.3MW
- ◇ Utilization of company-owned properties, Tender by local governments and utilization of public and private properties

**【Principal mega solar power generation projects】**



**Place: Akune City in Kagoshima Prefecture**  
**Volume: About 2.8MW**



**Place: Ashikita Town in Kumamoto Prefecture**  
**Volume: About 21.5MW**

**Target of FY2014**

- ◇ Number of projects: About 20
- ◇ Total generation volume: 100MW
- ◇ Net sales: About 4 billion yen  
(Premise: 100MW operation in full year)



**In the future,**

- ◇ Enter the power generation business utilizing other renewable energies such as wind, geothermal and biomass.

## ◇ Emission ZEB in Techno-Station, the Main Building of Obayashi Technical Research Institute

In FY2011, the facility achieved “ZEB” status, zero annual CO2 emissions, through cutting-edge environmental and energy-saving technologies the first in Japan.

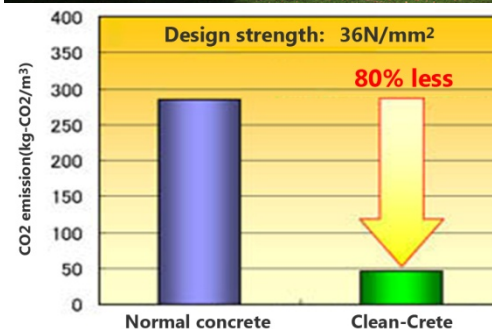
OC shall apply these accomplishments for BCP, business continuity plan, at time of disasters and electricity saving.



## ◇ Clean-Crete (Low-carbon concrete)

A low-carbon concrete that produces up to 80% less CO<sub>2</sub> emission compared to normal concrete by replacing part of cement with industrial by-products from steel manufacturing and coal thermal power generation.

The Clean-Crete has same or better quality and more economical than normal concrete.



## ◇ Ranked No.1 in Patent Asset Ranking in 2 consecutive years

Obayashi has “strength” in the fields of foundation works and tunnels.

**Technologies of reinforcing methods and structural reinforcements for existent properties** are evaluated as the patents drawing particular attention.

※“Patent Asset Ranking for the Construction Industry in 2012” was published by Patent Result, a patent analysis company.

【Patent Asset Ranking for the Construction Industry in 2012】

Rank	Previous year	Company	Patent Asset (pt)	Number of patents registered
1	➡	Obayashi	6,747	212
2	➡	Kajima	5,783	203
5	⬆	Shimizu	5,273	252
6	⬇	Taisei	5,121	200
7	⬆	Takenaka	3,668	187



**OBAYASHI**