



OBAYASHI CORPORATION

Announcement of Revisions for the Financial and Dividends Forecasts

Tokyo, April 19, 2016 — In the light of its recent business performance, Obayashi Corporation hereby announces that it has revised its consolidated and non-consolidated financial forecasts and dividends forecasts for the fiscal year ended March 31, 2016 which were announced on February 9, 2016. The revisions are as follows:

Revised forecasts

Consolidated forecasts for the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Unit: million yen, %)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Profit attributable to owners of parent per share
Forecasts to be revised (A) (Announced on February 9, 2016)	1,800,000	80,000	85,000	50,000	69.66 yen
Revised Forecasts (B)	1,777,000	106,000	111,000	63,000	87.75 yen
Variance (B) - (A)	(23,000)	26,000	26,000	13,000	
Variance Rate (%)	(1.3)	32.5	30.6	26.0	

(For reference) Comparison with the results of the fiscal year ended March 2015

Results for the fiscal year ended March 2015 (C)	1,773,981	48,388	59,913	28,695	39.96 yen
Variance (B) - (C)	3,018	57,611	51,086	34,304	
Variance Rate (%)	0.2	119.1	85.3	119.5	

Non-consolidated forecasts for the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Unit: million yen, %)

	Net Sales	Operating Income	Ordinary Income	Profit	Profit per share
Forecasts to be revised (A) (Announced on February 9, 2016)	1,230,000	56,000	63,000	40,000	55.72 yen
Revised Forecasts (B)	1,235,000	76,300	82,800	50,700	70.62 yen
Variance (B) - (A)	5,000	20,300	19,800	10,700	
Variance Rate (%)	0.4	36.3	31.4	26.8	

(For reference) Comparison with the results of the fiscal year ended March 2015

Results for the fiscal year ended March 2015 (C)	1,259,806	18,958	31,148	12,924	18.00 yen
Variance (B) - (C)	(24,806)	57,341	51,651	37,775	
Variance Rate (%)	(2.0)	302.4	165.8	292.3	

Reasons for the revisions

1 Non-consolidated forecasts

(1) Operating Income and Ordinary Income

Operating income will increase by 20.3 billion yen and ordinary income will increase by 19.8 billion yen from the previous forecast mainly due to an increase in gross profit on completed construction contracts with the result that profit on domestic construction project is improved.

Gross margin on completed construction contracts is expected to be 10.8% (9.4% for building construction and 15.1% for civil engineering). (Gross margin of the previous forecast was 9.3% (8.2% for building construction and 12.8% for civil engineering)).

(2) Profit

Profit will increase by 10.7 billion yen from the previous forecast as the company recognized extraordinary loss (damages) by 3.5 billion yen.

(Refer to today's release "Announcement of Recognition of Extraordinary loss (damages) caused by construction delay")

2 Consolidated forecasts

Consolidated forecasts have been revised due to the revision of non-consolidated forecasts as well as an increase in operating income of subsidiaries in both construction and real estate businesses.

Revised dividends forecasts

	Dividend per share (Unit: yen)				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total
Forecasts to be revised (Announced on February 9, 2016)				5.00	10.00
Revised Forecasts				13.00	18.00
Results for the fiscal year ended March 2015	—	5.00	—		
Results for the previous fiscal year ended March 2015	—	4.00	—	6.00	10.00

Reasons for the revisions

The Company's profit allocation policy is to sustain stable dividend payouts to its shareholders over the long term and provide shareholders with returns commensurate with the performance, taking into account the need to enhance internal reserves. In line with the policy, based on the revisions of financial forecasts for the fiscal year ended March 31, 2016, the Company will increase the annual dividend from 10 yen to 18 yen per share (a dividend payout ratio of 20.5%). Accordingly, the forecast of the year-end dividend has been revised to be 5 yen per share from 13 yen per share.

This matter is formally decided and executed upon resolution of the 112st ordinary general meeting of shareholders scheduled in coming June.

Other issues for investors to properly understand and evaluate company information

The consolidated and non-consolidated forecasts for the fiscal year ending March 2017 will be announced in coming May, when the financial results for the fiscal year ended March 2016 are disclosed.

(For reference) Non-consolidated orders received for the fiscal year ended March 2016 (Unit: billion yen)

	Forecasts announced on February 09	Results for the fiscal year ended March 2016	Variance	(For reference) Results for the previous fiscal year ended March 2015
Building Construction (of which overseas)	930.0 (10.0)	1,069.6 (17.1)	139.6 (7.1)	956.0 (7.1)
Civil Engineering (of which overseas)	315.0 (40.0)	330.5 (41.9)	15.5 (1.9)	322.2 (10.0)
Construction Total (of which overseas)	1,245.0 (50.0)	1,400.2 (59.0)	155.2 (9.0)	1,278.2 (17.2)

Disclaimer

This "Revisions for the Financial and Dividends Forecasts" announced in the Japanese language at the Tokyo Stock Exchange on April 19, 2016 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. The numbers shown in any such words or phrases relating to any future events as, among other expressions, "forecast", "expected" or "projected" provided in this document are forward-looking statements based on the information available at the time of the release of the Japanese original. Due to various factors, the actual result may vary from the forecast data.

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