

Summary of Consolidated Financial Results

For the First Quarter of Fiscal Year Ending March 31, 2016 [Japan GAAP] ("Q1/FY2015")

Company: Asunaro Aoki Construction Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange (First Section)
 Stock code: 1865
 URL: <https://www.aaconst.co.jp/>
 Representative: Yasunobu Ueno, Representative Director and President
 Contact: Haruyuki Kunitake, Executive Officer and Chief of Administration H.q.
 Contact: 03-5419-1011, Koho@aaconst.co.jp
 Date of filing of quarterly securities report: August 7, 2015
 Date of commencement of dividend payment: -
 Supplementary explanatory documents: No
 Earnings presentation: No

(Yen in millions, rounded down, figures in parentheses indicate negative amounts or percentages)

1. Financial results for the first quarter of the fiscal year ending March 2016 (April 1, 2015 – June 30, 2015)

(1) Consolidated result of operations (year-to-date) (Percentage figures represent year on year changes)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | |
|--------------|-------------|-------|------------------|-------|-----------------|-------|---|-------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| 1Q / FY 2015 | 28,567 | 11.3 | 816 | 148.8 | 823 | 152.9 | 568 | 351.2 |
| 1Q / FY 2014 | 25,662 | (2.7) | 328 | 470.9 | 325 | 184.8 | 125 | 235.2 |

Note: Comprehensive income: 1Q / FY 2015 :642 million yen -%, 1Q / FY 2014 : (24) million yen -%

| | Earnings per share | Earnings per share (diluted) |
|--------------|--------------------|------------------------------|
| | Yen | Yen |
| 1Q / FY 2015 | 10.13 | — |
| 1Q / FY 2014 | 2.08 | — |

(2) Consolidated financial Position

| | Total assets | Net assets | Equity ratio |
|---------------------|--------------|-------------|--------------|
| | Million yen | Million yen | % |
| As of June 30,2015 | 94,280 | 55,030 | 58.3 |
| As of March 31,2015 | 97,929 | 55,230 | 56.4 |

(Reference) Shareholders' equity

As of June 30, 2015: 55,011 million yen

As of March 31, 2015: 55,209 million yen

2. Dividends

| | Dividend per share | | | | |
|------------------|--------------------|-----------|-----------|-----------|--------|
| | End of 1Q | End of 2Q | End of 3Q | End of FY | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| FY 3/2015 | — | 0.00 | — | 15.00 | 15.00 |
| FY 3/2016 | — | 0.00 | — | — | — |
| FY 3/2016 (Est.) | — | — | — | 15.00 | 15.00 |

Note: Change in the estimation of dividend from the latest announcement: No

3. Consolidated forecast for the fiscal year ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Percentage figures represent year on year changes)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | | Net earnings per share |
|-----------|-------------|-----|------------------|-----|-----------------|-----|---|-----|------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Half year | 57,000 | 4.1 | 1,150 | 3.5 | 1,100 | 0.2 | 650 | 6.5 | 11.58 |
| Full year | 135,000 | 6.7 | 3,800 | 2.5 | 3,800 | 2.4 | 2,850 | 0.4 | 50.79 |

Note: Change in the forecast from the latest announcement: No

* **Notes**

- (1) Changes in significant subsidiaries (Changes of specific subsidiaries that accompanies scope change of consolidation): No
- (2) Use of accounting methods specifically for the preparation of the quarterly consolidated financial statements: No
- (3) Changes in accounting principles and estimates, and retrospective restatement
 - (a) Changes due to revision of accounting standards: Yes
 - (b) Changes other than (a): No
 - (c) Changes in accounting estimates: No
 - (d) Retrospective restatement: No
- (4) Number of shares outstanding (common stock)
 - (a) Shares outstanding (including treasury shares)
 - As of June 30, 2015: 59,100,000 As of March 31, 2015: 59,100,000
 - (b) Treasury shares
 - As of June 30, 2015: 2,983,318 As of March 31, 2015: 2,983,318
 - (c) Average number of shares (quarterly consolidated cumulative period)
 - Period ended June 30, 2015: 56,116,682 Period ended June 30, 2014: 60,620,100

* Auditing of financial statements is not conducted to this summary of financial results.

* Cautionary statement regarding forecasts and special notes

(Note on forward looking statements)

Forward-looking statements in these materials are based on the information available to management at the time this report was prepared. Actual results may differ significantly from these statements for number of reasons.

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1. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(Million yen)

| | Fiscal year ended March 2015(As of March 31, 2015) | First quarter ended June 2015 (As of June 30, 2015) |
|---|---|---|
| ASSETS | | |
| Current assets | | |
| Cash and deposits | 28,639 | 32,145 |
| Notes receivable, accounts receivable from completed construction contracts and other | 45,145 | 33,710 |
| Real estate for sale | 2,493 | 2,300 |
| Costs on uncompleted construction contracts | 55 | 133 |
| Costs on real estate business | 661 | 1,447 |
| Accounts receivable | 5,381 | 7,846 |
| Deferred tax assets | 597 | 670 |
| Other | 1,174 | 1,545 |
| Allowance for doubtful accounts | (190) | (156) |
| Total current assets | 83,957 | 79,640 |
| Noncurrent assets | | |
| Tangible Assets | | |
| Buildings and structures, net | 1,276 | 1,363 |
| Machinery, vehicles, tools, furniture and fixtures, net | 492 | 496 |
| Vessels, net | 1,120 | 1,078 |
| Land | 4,351 | 5,082 |
| Lease assets, net | 84 | 79 |
| Construction in progress | - | 3 |
| Total Tangible assets | 7,325 | 8,103 |
| Intangible assets | 221 | 226 |
| Investments and other assets | | |
| Investment securities | 3,811 | 3,822 |
| Long-term loans receivable | 10 | 9 |
| Long-term accounts receivable | 1,166 | 1,114 |
| Deferred tax assets | 606 | 549 |
| Other | 1,259 | 1,271 |
| Allowance for doubtful accounts | (464) | (457) |
| Total investments and other assets | 6,424 | 6,310 |
| Total noncurrent assets | 13,972 | 14,640 |
| Total assets | 97,929 | 94,280 |

(Million yen)

| | Fiscal year ended March 2015(As of March 31, 2015) | First quarter ended June 2015 (As of June 30, 2015) |
|---|---|---|
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable for construction contracts | 19,995 | 14,535 |
| Income taxes payable | 732 | 248 |
| Advances received on uncompleted construction contracts | 6,475 | 10,516 |
| Provision for warranties for completed construction | 575 | 572 |
| Provision for loss on construction contracts | 113 | 83 |
| Provision for bonuses | 1,071 | 1,632 |
| Other | 4,533 | 2,542 |
| Total current liabilities | 33,498 | 30,131 |
| Noncurrent liabilities | | |
| Deferred tax liabilities for land revaluation | 288 | 288 |
| Provision for special repairs of vessels | 99 | 67 |
| Retirement allowances | 8,328 | 8,291 |
| Other | 483 | 472 |
| Total noncurrent liabilities | 9,200 | 9,118 |
| Total liabilities | 42,699 | 39,250 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Capital stock | 5,000 | 5,000 |
| Capital surplus | 23,766 | 23,766 |
| Retained earnings | 28,440 | 28,167 |
| Treasury shares | (1,920) | (1,920) |
| Total shareholders' equity | 55,286 | 55,012 |
| Accumulated other comprehensive income | | |
| Valuation differences on available-for-sales securities | 636 | 649 |
| Revaluation reserve for land | 43 | 43 |
| Remeasurements of retirement allowance plans | (756) | (693) |
| Total accumulated other comprehensive income | (77) | (1) |
| Non-controlling interests | 21 | 18 |
| Total net assets | 55,230 | 55,030 |
| Total liabilities and net assets | 97,929 | 94,280 |

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income
Quarterly consolidated statements of income
For the first quarter of fiscal year ending March 31, 2016 (April 1, 2015 – June 30, 2015)

(Million yen)

| | First quarter ended June 2014 (April 1, 2014- June 30, 2014) | First quarter ended June 2015 (April 1, 2015- June 30, 2015) |
|---|--|--|
| Net sales | | |
| Net sales of completed construction contracts | 25,479 | 28,222 |
| Sales on real estate business | 182 | 344 |
| Total net sales | 25,662 | 28,567 |
| Cost of sales | | |
| Cost of sales of completed construction contracts | 23,486 | 25,620 |
| Cost of sales on real estate business | 167 | 291 |
| Total cost of sales | 23,653 | 25,911 |
| Gross profit | | |
| Gross profit on completed construction contracts | 1,993 | 2,602 |
| Gross profit-real estate business | 15 | 53 |
| Total gross profit | 2,008 | 2,655 |
| Selling, general and administrative expenses | 1,680 | 1,839 |
| Operating income | 328 | 816 |
| Non-operating income | | |
| Interest income | 0 | 0 |
| Dividend income | 25 | 22 |
| Interest on refund | 6 | 0 |
| Other | 7 | 21 |
| Total non-operating income | 40 | 44 |
| Non-operating expenses | | |
| Interest expense | 42 | 32 |
| Other | 0 | 5 |
| Total non-operating expenses | 42 | 37 |
| Ordinary income (loss) | 325 | 823 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 0 | 3 |
| Reversal of provision for loss on litigation | - | 10 |
| Other | - | 0 |
| Total extraordinary income | 0 | 15 |
| Extraordinary losses | | |
| Loss on litigation | 6 | - |
| Loss on retirement of non-current assets | - | 1 |
| Other | 2 | - |
| Total extraordinary losses | 9 | 1 |
| Income before income taxes | 316 | 838 |
| Income taxes-current | 189 | 284 |
| Income taxes-deferred | (0) | (13) |
| Total income taxes | 189 | 271 |
| Net earnings | 127 | 566 |
| Profit (loss) attributable to non-controlling interests | 1 | (1) |
| Profit (loss) attributable to owners of parent | 125 | 568 |

Quarterly consolidated statements of comprehensive income
 For the first quarter of fiscal year ending March 31, 2016 (April 1, 2015 – June 30, 2015)

(Million yen)

| | First quarter ended June 2014 (April 1, 2014- June 30, 2014) | First quarter ended June 2015 (April 1, 2015- June 30, 2015) |
|--|--|--|
| Quarterly net earnings | 127 | 566 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 45 | 13 |
| Remeasurements of retirement allowance plans | (197) | 63 |
| Total other comprehensive income | (152) | 76 |
| Comprehensive income | (24) | 642 |
| (This splits into...) | | |
| Comprehensive income attributable to owners of parent | (26) | 644 |
| Comprehensive income attributable to non-controlling interests | 1 | (1) |

2. Orders received and net sales

(1) Consolidated

(Million yen, %)

| | | 1Q / FY 2014 | | 1Q / FY 2015 | |
|-----------------|--------------------|------------------------------|-------|------------------------------|-------|
| | | (Apr 1, 2014 - Jun 30, 2014) | | (Apr 1, 2015 - Jun 30, 2015) | |
| | | Amount | Share | Amount | Share |
| Orders received | Architecture | 10,323 | 19.7 | 19,738 | 36.3 |
| | Civil engineering | 41,839 | 80.0 | 34,352 | 63.1 |
| | Total construction | 52,163 | 99.7 | 54,090 | 99.4 |
| | Real estate | 182 | 0.3 | 344 | 0.6 |
| | Total | 52,346 | 100.0 | 54,435 | 100.0 |
| Net sales | Architecture | 6,771 | 26.4 | 7,299 | 25.6 |
| | Civil engineering | 18,707 | 72.9 | 20,922 | 73.2 |
| | Total construction | 25,479 | 99.3 | 28,222 | 98.8 |
| | Real estate | 182 | 0.7 | 344 | 1.2 |
| | Total | 25,662 | 100.0 | 28,567 | 100.0 |

(2) Non-consolidated

(Million yen, %)

| | | 1Q / FY 2014 | | 1Q / FY 2015 | |
|-----------------|---------------------------|------------------------------|-------|------------------------------|-------|
| | | (Apr 1, 2014 - Jun 30, 2014) | | (Apr 1, 2015 - Jun 30, 2015) | |
| | | Amount | Share | Amount | Share |
| Orders received | Architecture construction | 10,037 | 36.6 | 18,863 | 56.6 |
| | Civil engineering | 17,172 | 62.7 | 14,114 | 42.3 |
| | Total construction | 27,209 | 99.3 | 32,978 | 98.9 |
| | Real estate | 182 | 0.7 | 353 | 1.1 |
| | Total | 27,392 | 100.0 | 33,331 | 100.0 |
| Net sales | Architecture | 6,360 | 47.7 | 6,941 | 40.5 |
| | Civil engineering | 6,784 | 50.9 | 9,855 | 57.4 |
| | Total construction | 13,145 | 98.6 | 16,796 | 97.9 |
| | Real estate | 182 | 1.4 | 353 | 2.1 |
| | Total | 13,328 | 100.0 | 17,150 | 100.0 |

Disclaimer: All financial information has been prepared in accordance with generally accepted accounting principles in Japan. This document is a partial English translation of the Japanese Financial Statements which were filed with Stock Exchanges in Japan on August 6, 2015. The Company provides this translation for your reference and convenience only without any warranty as to its accuracy. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail