

Summary of Consolidated Financial Results

For the Second Quarter of Fiscal Year Ending March 31, 2016 [Japan GAAP] ("Q2/FY2015")

Company: Asunaro Aoki Construction Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange (First Section)
 Stock code: 1865
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 Date of filing of quarterly securities report: November 11, 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 second quarter of the fiscal year ending March 2016 (April 1, 2015 – September 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	%
2Q / FY 2015	63,259	15.6	2,610	134.9	2,638	140.3	2,382	290.5
2Q / FY 2014	54,736	3.4	1,111	335.6	1,097	251.0	610	302.4

Note: Comprehensive income: 2Q / FY 2015 : 2,316 million yen 340.9% , 2Q / FY 2014 : 525 million yen 110.6%

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
2Q / FY 2015	42.46	—
2Q / FY 2014	10.07	—

(2) Consolidated financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2015	94,992	56,703	59.7
As of March 31, 2015	97,929	55,230	56.4

(Reference) Shareholders' equity

As of September 30, 2015: 56,684 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
Full year	140,000	10.6	5,300	43.0	5,300	42.9	4,000	41.0	71.28

Note: Change in the forecast from the latest announcement: Yes

* **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 September 30, 2015: 59,100,000	As of March 31, 2015: 59,100,000
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 - (b) Treasury shares

As of September 30, 2015: 2,983,542	As of March 31, 2015: 2,983,318
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 - (c) Average number of shares (quarterly consolidated cumulative period)

Period ended September 30, 2015: 56,116,609	Period ended September 30, 2014: 60,620,064
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* 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)	Second quarter ended September 2015 (As of September 30, 2015)
ASSETS		
Current assets		
Cash and deposits	28,639	28,281
Notes receivable, accounts receivable from completed construction contracts and other	45,145	40,931
Real estate for sale	2,493	1,869
Costs on uncompleted construction contracts	55	232
Costs on real estate business	661	1,667
Accounts receivable	5,381	4,446
Deferred tax assets	597	877
Other	1,174	2,132
Allowance for doubtful accounts	(190)	(178)
Total current assets	83,957	80,261
Noncurrent assets		
Tangible Assets		
Buildings and structures, net	1,276	1,341
Machinery, vehicles, tools, furniture and fixtures, net	492	786
Vessels, net	1,120	1,037
Land	4,351	4,856
Lease assets, net	84	104
Construction in progress	-	16
Total Tangible assets	7,325	8,143
Intangible assets	221	230
Investments and other assets		
Investment securities	3,811	3,523
Long-term loans receivable	10	9
Long-term accounts receivable	1,166	998
Deferred tax assets	606	971
Other	1,259	1,238
Allowance for doubtful accounts	(464)	(383)
Total investments and other assets	6,424	6,358
Total noncurrent assets	13,972	14,731
Total assets	97,929	94,992

(Million yen)

	Fiscal year ended March 2015(As of March 31, 2015)	Second quarter ended September 2015 (As of September 30, 2015)
LIABILITIES		
Current liabilities		
Accounts payable for construction contracts	19,995	16,572
Income taxes payable	732	785
Advances received on uncompleted construction contracts	6,475	8,614
Provision for warranties for completed construction	575	571
Provision for loss on construction contracts	113	10
Provision for bonuses	1,071	1,156
Other	4,533	1,424
Total current liabilities	33,498	29,136
Noncurrent liabilities		
Deferred tax liabilities for land revaluation	288	220
Provision for special repairs of vessels	99	74
Retirement allowances	8,328	8,300
Other	483	557
Total noncurrent liabilities	9,200	9,153
Total liabilities	42,699	38,289
NET ASSETS		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	23,766	23,766
Retained earnings	28,440	29,982
Treasury shares	(1,920)	(1,920)
Total shareholders' equity	55,286	56,827
Accumulated other comprehensive income		
Valuation differences on available-for-sales securities	636	444
Revaluation reserve for land	43	43
Remeasurements of retirement allowance plans	(756)	(630)
Total accumulated other comprehensive income	(77)	(142)
Non-controlling interests	21	19
Total net assets	55,230	56,703
Total liabilities and net assets	97,929	94,992

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

(Million yen)

	Second quarter ended September 2014 (April 1, 2014- September 30, 2014)	Second quarter ended September 2015 (April 1, 2015- September 30, 2015)
Net sales		
Net sales of completed construction contracts	53,977	62,336
Sales on real estate business	758	922
Total net sales	54,736	63,259
Cost of sales		
Cost of sales of completed construction contracts	49,541	56,097
Cost of sales on real estate business	635	757
Total cost of sales	50,177	56,855
Gross profit		
Gross profit on completed construction contracts	4,436	6,239
Gross profit-real estate business	122	164
Total gross profit	4,559	6,403
Selling, general and administrative expenses	3,447	3,793
Operating income	1,111	2,610
Non-operating income		
Interest income	0	1
Dividend income	27	56
Gain on bad debts recovered	10	24
Other	17	15
Total non-operating income	55	97
Non-operating expenses		
Interest expense	68	63
Other	0	5
Total non-operating expenses	68	69
Ordinary income (loss)	1,097	2,638
Extraordinary income		
Gain on sales of non-current assets	8	6
Reversal of provision for loss on litigation	-	10
Other	0	0
Total extraordinary income	8	18
Extraordinary losses		
Loss on litigation	31	-
Loss on retirement of non-current assets	10	1
Impairment loss	-	225
Other	5	-
Total extraordinary losses	37	227
Income before income taxes	1,069	2,429
Income taxes-current	399	682
Income taxes-deferred	57	(634)
Total income taxes	457	47
Net earnings	612	2,381
Profit (loss) attributable to non-controlling interests	2	(1)
Profit (loss) attributable to owners of parent	610	2,382

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

(Million yen)

	Second quarter ended September 2014 (April 1, 2014- September 30, 2014)	Second quarter ended September 2015 (April 1, 2015- September 30, 2015)
Quarterly net earnings	612	2,381
Other comprehensive income		
Valuation difference on available-for-sale securities	53	(192)
Remeasurements of retirement allowance plans	(140)	126
Total other comprehensive income	(86)	(65)
Comprehensive income	525	2,316
(This splits into···)		
Comprehensive income attributable to owners of parent	523	2,317
Comprehensive income attributable to non-controlling interests	2	(1)

2. Orders received and net sales

(1) Consolidated

(Million yen, %)

		2Q / FY 2014		2Q / FY 2015	
		(Apr 1, 2014 - Sep 30, 2014)		(Apr 1, 2015 - Sep 30, 2015)	
		Amount	Share	Amount	Share
Orders received	Architecture	18,811	21.7	34,082	35.2
	Civil engineering	67,042	77.4	61,784	63.8
	Total construction	85,853	99.1	95,867	99.0
	Real estate	758	0.9	922	1.0
	Total	86,611	100.0	96,789	100.0
Net sales	Architecture	14,694	26.8	17,424	27.5
	Civil engineering	39,283	71.8	44,912	71.0
	Total construction	53,977	98.6	62,336	98.5
	Real estate	758	1.4	922	1.5
	Total	54,736	100.0	63,259	100.0

(2) Non-consolidated

(Million yen, %)

			2Q / FY 2014		2Q / FY 2015	
			(Apr 1, 2014 - Sep 30, 2014)		(Apr 1, 2015 - Sep 30, 2015)	
			Amount	Share	Amount	Share
Orders received	Architecture construction	Public	10,623		11,127	
		Private	7,506		21,730	
	Subtotal		18,129	40.6	32,858	54.2
	Civil engineering	Public	18,094		19,067	
		Private	7,636		7,817	
	Subtotal		25,730	57.7	26,885	44.3
	Total construction	Public	28,718		30,195	
		Private	15,142		29,548	
	Total		43,860	98.3	59,743	98.5
	Real estate	Public	-		-	
		Private	757		938	
	Total		757	1.7	938	1.5
	Total	Public	28,718	64.4	30,195	49.8
Private		15,899	35.6	30,487	50.2	
		44,617	100.0	60,682	100.0	
Net sales	Architecture	13,835	49.1	16,747	45.5	
	Civil engineering	13,554	48.2	19,101	51.9	
	Total construction	27,390	97.3	35,849	97.4	
	Real estate	757	2.7	938	2.6	
	Total	28,148	100.0	36,788	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 November 10, 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