

Summary of Consolidated Financial Results

For the First Quarter of Fiscal Year Ending March 31, 2017 [Japan GAAP] ("Q1/FY2016")

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, Managing Officer and Chief of Administration H.q.
 Contact: 03-5419-1011, Koho@aaconst.co.jp
 Date of filing of quarterly securities report: August 5, 2016
 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 2017 (April 1, 2016 – June 30, 2016)

(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 2016	30,618	7.2	1,414	73.2	1,423	72.8	723	27.3
1Q / FY 2015	28,567	11.3	816	148.8	823	152.9	568	351.2

Note: Comprehensive income: 1Q / FY 2016 :662 million yen 3.0% , 1Q / FY 2015 : 642 million yen -%

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
1Q / FY 2016	12.90	—
1Q / FY 2015	10.13	—

(2) Consolidated financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30,2016	92,990	58,031	62.4
As of March 31,2016	97,291	58,380	60.0

(Reference) Shareholders' equity

As of June 30, 2016: 58,008 million yen

As of March 31, 2016: 58,357 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 3/2016	—	0.00	—	18.00	18.00
FY 3/2017	—	0.00	—	—	—
FY 3/2017 (Est.)	—	—	—	18.00	18.00

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

3. Consolidated forecast for the fiscal year ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(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	67,000	5.9	3,000	14.9	3,000	13.7	2,000	(16.1)	35.64
Full year	146,000	4.8	6,300	7.5	6,200	5.1	4,000	3.7	71.28

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, 2016: 59,100,000 As of March 31, 2016: 59,100,000
 - (b) Treasury shares
 - As of June 30, 2016: 2,983,756 As of March 31, 2016: 2,983,756
 - (c) Average number of shares (quarterly consolidated cumulative period)
 - Period ended June 30, 2016: 56,116,224 Period ended June 30, 2015: 56,116,682

* 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.

Index for Supplementary Information

1. Quarterly Consolidated Financial Statements.....	2
(1) Quarterly consolidated balance sheet.....	2
(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income.....	3
Quarterly consolidated statements of income.....	3
Quarterly consolidated statements of comprehensive income.....	4
2. Orders received and net sales.....	6

1. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(Million yen)

	Fiscal year ended March 2016(As of March 31, 2016)	First quarter ended June 2016 (As of June 30, 2016)
ASSETS		
Current assets		
Cash and deposits	26,106	33,173
Notes receivable, accounts receivable from completed construction contracts and other	51,089	38,168
Real estate for sale	1,320	1,002
Costs on uncompleted construction contracts	94	187
Costs on real estate business	1,862	2,037
Accounts receivable	1,850	4,598
Deferred tax assets	1,044	1,019
Other	1,953	1,191
Allowance for doubtful accounts	(299)	(281)
Total current assets	85,022	81,097
Noncurrent assets		
Tangible Assets		
Buildings and structures, net	830	803
Machinery, vehicles, tools, furniture and fixtures, net	719	692
Vessels, net	751	849
Land	4,368	4,356
Lease assets, net	95	88
Construction in progress	139	156
Total Tangible assets	6,904	6,946
Intangible assets	186	180
Investments and other assets		
Investment securities	3,591	3,423
Long-term loans receivable	8	8
Long-term accounts receivable	858	807
Deferred tax assets	359	395
Other	1,192	956
Allowance for doubtful accounts	(832)	(826)
Total investments and other assets	5,178	4,765
Total noncurrent assets	12,269	11,892
Total assets	97,291	92,990

(Million yen)

	Fiscal year ended March 2016(As of March 31, 2016)	First quarter ended June 2016 (As of June 30, 2016)
LIABILITIES		
Current liabilities		
Accounts payable for construction contracts	18,583	15,324
Income taxes payable	1,291	482
Advances received on uncompleted construction contracts	5,520	5,423
Provision for warranties for completed construction	552	560
Provision for loss on construction contracts	-	14
Provision for bonuses	1,604	2,173
Other	2,298	1,917
Total current liabilities	29,850	25,896
Noncurrent liabilities		
Deferred tax liabilities for land revaluation	215	215
Provision for special repairs of vessels	75	67
Retirement allowances	8,262	8,299
Other	507	479
Total noncurrent liabilities	9,060	9,062
Total liabilities	38,910	34,959
NET ASSETS		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	23,766	23,766
Retained earnings	31,454	31,168
Treasury shares	(1,921)	(1,921)
Total shareholders' equity	58,299	58,013
Accumulated other comprehensive income		
Valuation differences on available-for-sales securities	491	371
Revaluation reserve for land	48	48
Remeasurements of retirement allowance plans	(482)	(425)
Total accumulated other comprehensive income	57	(5)
Non-controlling interests	23	22
Total net assets	58,380	58,031
Total liabilities and net assets	97,291	92,990

(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, 2017 (April 1, 2016 – June 30, 2016)

(Million yen)

	First quarter ended June 2015 (April 1, 2015- June 30, 2015)	First quarter ended June 2016 (April 1, 2016- June 30, 2016)
Net sales		
Net sales of completed construction contracts	28,222	30,115
Sales on real estate business	344	503
Total net sales	28,567	30,618
Cost of sales		
Cost of sales of completed construction contracts	25,620	26,854
Cost of sales on real estate business	291	379
Total cost of sales	25,911	27,234
Gross profit		
Gross profit on completed construction contracts	2,602	3,260
Gross profit-real estate business	53	123
Total gross profit	2,655	3,384
Selling, general and administrative expenses	1,839	1,970
Operating income	816	1,414
Non-operating income		
Interest income	0	0
Dividend income	22	18
Interest on refund	0	6
Other	21	5
Total non-operating income	44	30
Non-operating expenses		
Interest expense	32	18
Other	5	2
Total non-operating expenses	37	21
Ordinary income (loss)	823	1,423
Extraordinary income		
Gain on sales of non-current assets	3	-
Reversal of provision for loss on litigation	10	-
Other	0	-
Total extraordinary income	15	-
Extraordinary losses		
Loss on retirement of non-current assets	1	-
Total extraordinary losses	1	-
Income before income taxes	838	1,423
Income taxes-current	284	659
Income taxes-deferred	(13)	38
Total income taxes	271	698
Net earnings	566	724
Profit (loss) attributable to non-controlling interests	(1)	0
Profit (loss) attributable to owners of parent	568	723

Quarterly consolidated statements of comprehensive income
 For the first quarter of fiscal year ending March 31, 2017 (April 1, 2016 – June 30, 2016)

(Million yen)

	First quarter ended June 2015 (April 1, 2015- June 30, 2015)	First quarter ended June 2016 (April 1, 2016- June 30, 2016)
Quarterly net earnings	566	724
Other comprehensive income		
Valuation difference on available-for-sale securities	13	(119)
Remeasurements of retirement allowance plans	63	57
Total other comprehensive income	76	(62)
Comprehensive income	642	662
(This splits into...)		
Comprehensive income attributable to owners of parent	644	661
Comprehensive income attributable to non-controlling interests	(1)	0

2. Orders received and net sales

(1) Consolidated

(Million yen, %)

		1Q / FY 2015		1Q / FY 2016	
		(Apr 1, 2015 - Jun 30, 2015)		(Apr 1, 2016 - Jun 30, 2016)	
		Amount	Share	Amount	Share
Orders received	Architecture	19,738	36.3	11,836	28.7
	Civil engineering	34,352	63.1	28,939	70.1
	Total construction	54,090	99.4	40,776	98.8
	Real estate	344	0.6	503	1.2
	Total	54,435	100.0	41,279	100.0
Net sales	Architecture	7,299	25.6	10,201	33.4
	Civil engineering	20,922	73.2	19,913	65.0
	Total construction	28,222	98.8	30,115	98.4
	Real estate	344	1.2	503	1.6
	Total	28,567	100.0	30,618	100.0

(2) Non-consolidated

(Million yen, %)

			1Q / FY 2015		1Q / FY 2016	
			(Apr 1, 2015 - Jun 30, 2015)		(Apr 1, 2016 - Jun 30, 2016)	
			Amount	Share	Amount	Share
Orders received	Architecture construction	Public	1,352		4,271	
		Private	17,510		6,797	
	Subtotal		18,863	56.6	11,069	48.9
	Civil engineering	Public	9,005		3,095	
		Private	5,109		7,946	
	Subtotal		14,114	42.3	11,042	48.8
	Total construction	Public	10,358		7,367	
		Private	22,619		14,744	
	Total		32,978	98.9	22,111	97.7
	Real estate	Public	-		-	
		Private	353		509	
	Total		353	1.1	509	2.3
	Total	Public	10,358	31.1	7,367	32.6
Private		22,973	68.9	15,253	67.4	
		33,331	100.0	22,621	100.0	
Net sales	Architecture	6,941	40.5	9,739	53.0	
	Civil engineering	9,855	57.4	8,108	44.2	
	Total construction	16,796	97.9	17,847	97.2	
	Real estate	353	2.1	509	2.8	
	Total	17,150	100.0	18,357	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 4, 2016. 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