

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 (Based on Japanese GAAP)

October 31, 2016

Company name: Fuji Corporation Limited
 Stock exchange listing: Tokyo
 Stock code: 8860 URL <http://www.fuji-jutaku.co.jp/>
 Representative: President and Representative Director Nobutsuna Miyawaki
 Director, General Manager of
 Inquiries: Investor Relations Office Kenichi Ishimoto TEL 072-437-9010
 Scheduled date to file Quarterly Securities Report: November 9, 2016
 Scheduled date to commence dividend payments: November 22, 2016
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and general investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2016	47,875	9.8	3,286	34.7	3,203	34.1	2,186	39.2
Six months ended September 30, 2015	43,612	24.1	2,440	62.8	2,388	61.5	1,570	61.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2016	61.06		61.03	
Six months ended September 30, 2015	43.48		43.41	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2016	107,089	30,381	28.4
As of March 31, 2016	96,900	28,493	29.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2016	–	13.00	–	13.00	26.00
Year ending March 31, 2017	–	13.00			
Year ending March 31, 2017 (Forecast)			–	13.00	26.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	96,300	6.1	5,600	2.9	5,400	1.9	3,600	4.9	100.29

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2016
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2016	36,849,912 shares	As of March 31, 2016	36,849,912 shares
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Number of treasury shares at the end of the period

As of September 30, 2016	954,358 shares	As of March 31, 2016	1,125,858 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2016	35,803,554 shares	Six months ended September 30, 2015	36,120,542 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	8,721,840	11,801,054
Accounts receivable from completed construction contracts	86,836	221,025
Real estate for sale	21,893,098	22,150,730
Real estate for sale in process	14,867,626	20,196,671
Real estate under development	36,223,776	36,050,939
Costs on uncompleted construction contracts	68,106	40,320
Supplies	33,625	36,239
Deferred tax assets	454,693	380,041
Other	1,611,654	1,497,193
Allowance for doubtful accounts	(27,500)	(23,612)
Total current assets	83,933,757	92,350,603
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,041,260	4,402,921
Machinery, equipment and vehicles, net	149	74
Tools, furniture and fixtures, net	120,722	154,482
Land	7,505,551	8,713,435
Leased assets, net	3,185	2,090
Construction in progress	34,285	40,461
Total property, plant and equipment	11,705,154	13,313,467
Intangible assets	85,477	117,338
Investments and other assets		
Investment securities	472,697	546,865
Long-term loans receivable	80,645	78,425
Deferred tax assets	27,440	5,518
Other	599,541	681,525
Allowance for doubtful accounts	(4,413)	(4,413)
Total investments and other assets	1,175,911	1,307,920
Total non-current assets	12,966,542	14,738,726
Total assets	96,900,300	107,089,329

(Thousands of yen)

	As of March 31, 2016	As of September 30, 2016
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	4,379,174	4,337,002
Electronically recorded obligations - operating	372,815	434,096
Short-term loans payable	11,600,506	15,881,989
Lease obligations	2,296	1,558
Income taxes payable	1,058,295	1,014,856
Advances received	3,985,563	4,808,865
Provision for bonuses	196,600	189,990
Other	2,657,352	2,794,061
Total current liabilities	24,252,603	29,462,422
Non-current liabilities		
Long-term loans payable	43,929,304	47,020,694
Lease obligations	1,144	698
Deferred tax liabilities for land revaluation	52,645	52,645
Other	170,950	170,950
Total non-current liabilities	44,154,044	47,244,989
Total liabilities	68,406,647	76,707,411
Net assets		
Shareholders' equity		
Capital stock	4,872,064	4,872,064
Capital surplus	5,695,146	5,747,639
Retained earnings	18,549,709	20,271,492
Treasury shares	(567,572)	(497,081)
Total shareholders' equity	28,549,347	30,394,114
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(164,915)	(92,095)
Revaluation reserve for land	74,904	74,904
Total accumulated other comprehensive income	(90,011)	(17,190)
Subscription rights to shares	34,316	4,994
Total net assets	28,493,652	30,381,917
Total liabilities and net assets	96,900,300	107,089,329

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net sales	43,612,003	47,875,346
Cost of sales	36,414,365	39,475,145
Gross profit	7,197,637	8,400,200
Selling, general and administrative expenses		
Sales commission	641,561	809,341
Advertising expenses	802,817	865,817
Promotion expenses	55,110	45,386
Salaries and bonuses	1,287,222	1,303,295
Provision of allowance for doubtful accounts	4,120	5,037
Provision for bonuses	89,535	92,357
Enterprise tax	43,100	79,700
Consumption Taxes	217,387	248,941
Depreciation	42,678	36,312
Rent expenses	195,239	185,364
Other	1,378,726	1,442,013
Total selling, general and administrative expenses	4,757,500	5,113,567
Operating income	2,440,137	3,286,633
Non-operating income		
Interest income	1,037	806
Dividend income	14,538	12,819
Commission fee	103,328	76,949
Penalty income	24,162	24,267
Other	30,571	60,436
Total non-operating income	173,638	175,278
Non-operating expenses		
Interest expenses	198,226	174,628
Commitment fee	12,000	70,000
Other	14,671	14,147
Total non-operating expenses	224,898	258,776
Ordinary income	2,388,877	3,203,135
Extraordinary income		
Gain on sales of non-current assets	–	1,416
Total extraordinary income	–	1,416
Extraordinary losses		
Loss on sales of non-current assets	–	1,409
Loss on retirement of non-current assets	186	219
Total extraordinary losses	186	1,628
Profit before income taxes	2,388,691	3,202,923
Income taxes - current	782,476	921,500
Income taxes - deferred	35,668	95,227
Total income taxes	818,144	1,016,727
Profit	1,570,546	2,186,195
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,570,546	2,186,195

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	1,570,546	2,186,195
Other comprehensive income		
Valuation difference on available-for-sale securities	18,835	72,820
Total other comprehensive income	18,835	72,820
Comprehensive income	1,589,382	2,259,016
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,589,382	2,259,016
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Profit before income taxes	2,388,691	3,202,923
Depreciation	168,482	170,538
Loss (gain) on sales of property, plant and equipment	–	(7)
Loss on retirement of property, plant and equipment	186	219
Increase (decrease) in allowance for doubtful accounts	(2,263)	(3,888)
Increase (decrease) in provision for bonuses	10,410	(6,610)
Interest and dividend income	(15,576)	(13,625)
Interest expenses	198,226	174,628
Decrease (increase) in notes and accounts receivable - trade	(3,287)	(134,188)
Decrease (increase) in inventories	(938,199)	(4,839,683)
Decrease (increase) in other current assets	101,821	119,468
Increase (decrease) in notes and accounts payable - trade	459,615	19,109
Increase or decrease in other liabilities	394,542	957,559
Other, net	(5,681)	10,126
Subtotal	2,756,969	(343,428)
Interest and dividend income received	15,576	13,625
Interest expenses paid	(202,491)	(179,668)
Income taxes paid	(1,222,667)	(989,329)
Net cash provided by (used in) operating activities	1,347,386	(1,498,801)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,337,131)	(2,498,415)
Proceeds from sales of property, plant and equipment	–	145,208
Purchase of intangible assets	(13,930)	(30,745)
Collection of loans receivable	2,352	2,219
Other, net	7,860	(56,529)
Net cash provided by (used in) investing activities	(1,340,848)	(2,438,261)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,353,960	(447,320)
Proceeds from long-term loans payable	10,116,700	17,984,628
Repayments of long-term loans payable	(8,841,031)	(10,164,435)
Redemption of bonds	(160,000)	–
Proceeds from sales of treasury shares	31,056	196,688
Purchase of treasury shares	–	(87,688)
Repayments of lease obligations	(1,943)	(1,182)
Cash dividends paid	(469,302)	(464,412)
Net cash provided by (used in) financing activities	4,029,438	7,016,277
Net increase (decrease) in cash and cash equivalents	4,035,976	3,079,214
Cash and cash equivalents at beginning of period	8,614,076	8,721,840
Cash and cash equivalents at end of period	12,650,052	11,801,054