Translation

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# Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

January 31, 2017


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
Inquiries: Director, General Manager of Investor Relations Office Kenichi Ishimoto TEL 072-437-9010


Scheduled date to file Quarterly Securities Report: February 10, 2017
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes (for general investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 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 | % |
| Nine months ended December 31, 2016 | 70,565 | 10.7 | 4,308 | 26.0 | 4,180 | 26.0 | 2,833 | 29.9 |
| Nine months ended December 31, 2015 | 63,738 | 17.1 | 3,419 | 41.4 | 3,317 | 40.4 | 2,181 | 42.9 |

| | Earnings per share | Diluted earnings per share |
|---|---|---|
| | Yen | Yen |
| Nine months ended December 31, 2016 | 79.09 | 79.06 |
| Nine months ended December 31, 2015 | 60.34 | 60.20 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2016 | 105,336 | 30,672 | 29.1 |
| 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 | Yen | Yen | Yen | 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 nine months ended December 31, 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 December 31, 2016 | 36,849,912 shares | As of March 31, 2016 | 36,849,912 shares |

Number of treasury shares at the end of the period

| | | | |
|---|---|---|---|
| As of December 31, 2016 | 954,358 shares | As of March 31, 2016 | 1,125,858 shares |

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|---|---|---|---|
| Nine months ended December 31, 2016 | 35,831,154 shares | Nine months ended December 31, 2015 | 36,158,458 shares |

# Quarterly consolidated financial statements
## Consolidated balance sheets

(Thousands of yen)

| | As of March 31, 2016 | As of December 31, 2016 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,721,840 | 8,722,363 |
| Accounts receivable from completed construction contracts | 86,836 | 119,323 |
| Real estate for sale | 21,893,098 | 23,200,050 |
| Real estate for sale in process | 14,867,626 | 22,857,839 |
| Real estate under development | 36,223,776 | 31,947,943 |
| Costs on uncompleted construction contracts | 68,106 | 119,641 |
| Supplies | 33,625 | 31,603 |
| Deferred tax assets | 454,693 | 319,950 |
| Other | 1,611,654 | 2,126,709 |
| Allowance for doubtful accounts | (27,500) | (22,705) |
| Total current assets | 83,933,757 | 89,422,719 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 4,041,260 | 4,766,065 |
| Machinery, equipment and vehicles, net | 149 | 37 |
| Tools, furniture and fixtures, net | 120,722 | 140,902 |
| Land | 7,505,551 | 9,378,922 |
| Leased assets, net | 3,185 | 1,542 |
| Construction in progress | 34,285 | 43,235 |
| Total property, plant and equipment | 11,705,154 | 14,330,705 |
| Intangible assets | 85,477 | 127,426 |
| Investments and other assets | | |
| Investment securities | 472,697 | 661,569 |
| Long-term loans receivable | 80,645 | 77,343 |
| Deferred tax assets | 27,440 | – |
| Other | 599,541 | 721,325 |
| Allowance for doubtful accounts | (4,413) | (4,413) |
| Total investments and other assets | 1,175,911 | 1,455,825 |
| Total non-current assets | 12,966,542 | 15,913,957 |
| Total assets | 96,900,300 | 105,336,677 |

(Thousands of yen)

| | As of March 31, 2016 | As of December 31, 2016 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts | 4,379,174 | 3,123,811 |
| Electronically recorded obligations - operating | 372,815 | 460,672 |
| Short-term loans payable | 11,600,506 | 18,057,160 |
| Lease obligations | 2,296 | 1,158 |
| Income taxes payable | 1,058,295 | 413,713 |
| Advances received | 3,985,563 | 5,270,921 |
| Provision for bonuses | 196,600 | 70,900 |
| Other | 2,657,352 | 2,976,775 |
| Total current liabilities | 24,252,603 | 30,375,112 |
| Non-current liabilities | | |
| Long-term loans payable | 43,929,304 | 44,058,080 |
| Lease obligations | 1,144 | 508 |
| Deferred tax liabilities | – | 7,137 |
| Deferred tax liabilities for land revaluation | 52,645 | 52,645 |
| Other | 170,950 | 170,950 |
| Total non-current liabilities | 44,154,044 | 44,289,321 |
| Total liabilities | 68,406,647 | 74,664,434 |
| 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 | 20,452,489 |
| Treasury shares | (567,572) | (497,081) |
| Total shareholders' equity | 28,549,347 | 30,575,111 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (164,915) | 10,163 |
| Revaluation reserve for land | 74,904 | 74,904 |
| Total accumulated other comprehensive income | (90,011) | 85,068 |
| Subscription rights to shares | 34,316 | 12,063 |
| Total net assets | 28,493,652 | 30,672,243 |
| Total liabilities and net assets | 96,900,300 | 105,336,677 |

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

### Consolidated statements of income (cumulative)

(Thousands of yen)

| | Nine months ended December 31, 2015 | Nine months ended December 31, 2016 |
|---|---|---|
| Net sales | 63,738,087 | 70,565,576 |
| Cost of sales | 53,278,785 | 58,600,637 |
| Gross profit | 10,459,301 | 11,964,938 |
| Selling, general and administrative expenses | | |
| Sales commission | 980,978 | 1,227,877 |
| Advertising expenses | 1,162,589 | 1,253,079 |
| Promotion expenses | 75,900 | 69,785 |
| Salaries and bonuses | 2,003,772 | 2,043,992 |
| Provision of allowance for doubtful accounts | 6,871 | 8,152 |
| Provision for bonuses | 33,154 | 34,817 |
| Enterprise tax | 60,400 | 111,900 |
| Consumption Taxes | 328,007 | 371,049 |
| Depreciation | 64,548 | 56,497 |
| Rent expenses | 293,338 | 281,245 |
| Other | 2,029,985 | 2,198,153 |
| Total selling, general and administrative expenses | 7,039,548 | 7,656,550 |
| Operating income | 3,419,753 | 4,308,388 |
| Non-operating income | | |
| Interest income | 1,532 | 1,208 |
| Dividend income | 16,766 | 15,103 |
| Commission fee | 133,286 | 110,472 |
| Penalty income | 34,846 | 26,817 |
| Other | 41,452 | 72,790 |
| Total non-operating income | 227,884 | 226,392 |
| Non-operating expenses | | |
| Interest expenses | 295,224 | 262,653 |
| Commitment fee | 12,000 | 70,000 |
| Other | 22,532 | 21,521 |
| Total non-operating expenses | 329,757 | 354,175 |
| Ordinary income | 3,317,880 | 4,180,604 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 3,298 | 1,416 |
| Total extraordinary income | 3,298 | 1,416 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | – | 1,409 |
| Loss on retirement of non-current assets | 186 | 348 |
| Total extraordinary losses | 186 | 1,757 |
| Profit before income taxes | 3,320,993 | 4,180,264 |
| Income taxes - current | 1,000,776 | 1,190,900 |
| Income taxes - deferred | 138,286 | 155,528 |
| Total income taxes | 1,139,063 | 1,346,428 |
| Profit | 2,181,930 | 2,833,835 |
| Profit attributable to non-controlling interests | – | – |
| Profit attributable to owners of parent | 2,181,930 | 2,833,835 |

## Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

| | Nine months ended December 31, 2015 | Nine months ended December 31, 2016 |
|---|---|---|
| Profit | 2,181,930 | 2,833,835 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (15,291) | 175,079 |
| Total other comprehensive income | (15,291) | 175,079 |
| Comprehensive income | 2,166,639 | 3,008,914 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,166,639 | 3,008,914 |
| Comprehensive income attributable to non-controlling interests | – | – |