



August 7, 2015
Shinoken Group Co., Ltd.
President and Representative Director
Hideaki Shinohara
(JASDAQ 8909)

Reference Materials for 1H FY 2015
Ending December 31, 2015 (Consolidated)

TOPICS

- **Net Sales of ¥28,839 million, Ordinary Income of ¥3,868 million**
 - ⇒ **Net Sales and Profits Both Records for a First Half**

- **Favorable Conditions in the Flow Businesses (Apartment and Condominium Sales)**
 - Apartment Sales**
 - 170 Buildings (Compared to 78 Buildings in the Same Period of the Previous Year)**
 - ⇒ **Sales Doubled Compared to the Same Period of the Previous Year and Were a Record for a Half**

 - Condominium Sales**
 - 315 Units (Compared to 318 Units in the Same Period of the Previous Year)**
 - ⇒ **Trended In-line with Plan**

1. Consolidated Results for 1H FY 2015

Consolidated results for 1H FY 2015 were as follows. Sales conditions trended favorably in the mainstay “Flow Businesses” (Sales of Apartment Business, Sales of Condominium Business and General Contractor Business) and also trended favorably in the “Stock Businesses” (Property Management Business, Finance and Guarantee Business, Long-term Care Businesses, and Other Businesses). As a result, records were achieved in both net sales and profits, with net sales of ¥28,839 million (up 42.3% YoY), operating income of ¥3,900 million (up 39.6% YoY), ordinary income of ¥3,868 million (up 48.0% YoY) and net income of ¥2,627 million (up 59.1% YoY).

(Unit: JPY Million)

	1H FY 2014	1H FY 2015	Change YoY
Net Sales	20,254	28,839	8,585
Cost of Sales	15,185	22,099	6,914
Gross Profit	5,068	6,739	1,671
SG&A Expenses	2,275	2,838	563
Operating Income	2,792	3,900	1,107
Ordinary Income	2,612	3,868	1,255
Net Income	1,650	2,627	976

2. Consolidated Balance Sheet Summary

A summary of the consolidated balance sheet at the end of 1H is shown below.

(Unit: JPY Million)

	FY 2104 (as of December 31, 2014)	1H FY 2015 (as of June 30, 2015)	Change YoY
Cash and Deposits	6,230	8,729	2,498
A/R from Completed Construction Contracts	2,316	1,723	△593
Real Estate for Sale	11,832	11,144	△688
Costs on Real Estate Business	8,339	8,925	586
Property, Plant and Equipment	4,756	4,808	52
Total Assets	38,625	41,350	2,724
A/P for Construction Contracts	1,704	1,563	△141
Short-term Loans Payable	7,949	7,106	△843
Long-term Loans Payable	13,781	14,898	1,117
Total Liabilities	30,623	30,725	101
Net Assets	8,001	10,624	2,622
Total Liabilities and Net Assets	38,625	41,350	2,724
Equity Ratio	20.7%	25.6%	4.9pt

3. Summary of Results by Segment

A summary of results by segment in 1H is shown below.

(Unit: JPY Million)

Segment	Item / Term	1H FY 2014	1H FY 2105	Change YoY
Sales of Apartment Business	Net Sales	4,768	12,218	7,449
	Segment Profit	448	1,550	1,101
Sales of Condominium Business	Net Sales	8,239	8,020	Δ219
	Segment Profit	2,066	1,935	Δ131
General Contractor Business	Net Sales	3,918	4,571	652
	Segment Profit	314	530	216
Property Management Business	Net Sales	2,621	3,137	516
	Segment Profit	281	290	9
Finance and Guarantee Business	Net Sales	224	295	70
	Segment Profit	88	122	33
Long-term Care Business	Net Sales	89	163	74
	Segment Profit	Δ32	55	88
Other Business	Net Sales	391	431	40
	Segment Profit	62	90	27
Total	Net Sales	20,254	28,839	8,585
	Segment Profit	2,792	3,900	1,107

Note: Adjusted amounts are not shown.

4. Flow Business Sales Results and Sales Plan for FY 2015

Consolidated sales and backlog in the Flow Businesses (apartment and condominium sales) in 1H FY 2015 were as follows. In the Sales of Apartment Business, not only did orders increase by a wide margin, but deliveries + backlog came to 427 buildings, significantly surpassing in the first half the full year plan of 300 buildings. In the Sales of Condominium Business, sales trended in line with the sales plan of 530 units.

Note: Apartment sales are posted about six months after receiving orders as construction begins about then, whereas condominium sales are posted about one month after contracts are signed.

◆ Sales of Apartment Business

	Deliveries	Backlog	Total
1H FY 2015	170 Buildings	257 Buildings	427 Buildings
1H FY 2014	78 Buildings	181 Buildings	259 Buildings
Change YoY	217.9%	142.0%	164.9%

◆ Sales of Condominium Business

	Deliveries	Backlog	Total
1H FY 2015	315 Units	86 Units	401 Units
1H FY 2014	318 Units	66 Units	384 Units
Change YoY	99.1%	130.3%	104.4%

◆Sales Plan for FY 2015

	Sales Plan	Deliveries + Backlog	Progress Rate ※
Sales of Apartment Business	300 Buildings	427 Buildings	142.3%
Sales of Condominium Business	530 Units	401 Units	75.7%

※Progress Rate = (Deliveries + Backlog (Contracts)) / Sales Plan for the Year

5. Future Outlook

The consolidated forecast for the full fiscal year will be announced when possible in a timely manner after a detailed investigation into the sales of apartments and condominiums and progress of construction has been conducted.

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