

Summary of Business Results for the Fiscal Year Ended December 31, 2015

[Japan GAAP] (Consolidated)

February 15, 2016

Company **Shinoken Group Co., Ltd.**
 Stock Code 8909 URL: <http://www.shinoken.co.jp>
 Representative Hideaki Shinohara, Representative Director and CEO
 Contact Junichi Tsurukawa, Managing Director
 Scheduled date of ordinary shareholders' meeting: March 29, 2016
 Scheduled date for filing of annual securities report: March 29, 2016
 Scheduled date of commencement of dividend payment: March 30, 2016
 Preparation of supplementary financial document: None
 Financial results briefing: None

Listed on the TSE

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(Rounded down to million yen)

1. Consolidated Business Results for the Fiscal Year Ended December 31, 2015 (January 1, 2015 to December 31, 2015)

(1) Consolidated Results of Operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 31, 2015	55,070	38.6	6,806	43.5	6,448	49.8	4,447	54.0
Year ended Dec. 31, 2014	39,724	52.9	4,740	62.7	4,302	61.3	2,886	42.4

(Note) Comprehensive income

Fiscal year ended December 31, 2015: 4,471 million yen (52.2%)

Fiscal year ended December 31, 2014: 2,937 million yen (39.6%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended Dec. 31, 2015	270.02	254.26	43.8	14.2	12.4
Year ended Dec. 31, 2014	177.23	170.29	44.3	14.1	11.8

(Reference) Share of (profit) loss of entities accounted for using equity method:

Fiscal year ended December 31, 2015: 118 million yen

Fiscal year ended December 31, 2014: 101 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2015	52,457	12,345	23.5	740.88
As of Dec. 31, 2014	38,625	8,001	20.7	490.24

(Reference) Shareholders' equity:

As of December 31, 2015: 12,321 million yen

As of December 31, 2014: 7,978 million yen

(3) Consolidated Cash Flow Position

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million Yen
Year ended Dec. 31, 2015	△2,441	△2,341	6,160	7,410
Year ended Dec. 31, 2014	△2,515	△1,140	6,256	6,026

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Dec. 31, 2014	-	5.00	-	10.00	15.00	122	4.2	1.9
Year ended Dec. 31, 2015	-	6.25	-	8.00	14.25	185	5.3	2.3
Year ending Dec. 31, 2016 (forecast)	-	15.00	-	15.00	30.00		10.4	

(Note) 1. The Company conducted a two-for-one stock split effective on January 1, 2015. The dividend amounts for the fiscal year ended December 31, 2014 are presented based on the pre-split number of shares.

2. There is a partial revision of the dividend policy for the fiscal year ending December 31, 2016. In addition to the ordinary dividends, depending on the results the Company achieves, special dividends are scheduled. For details, please refer to page 4 of the attached materials “1. Analysis Regarding Operating Results / Financial Position (3) Basic Policy Regarding the Payment of Dividends and Dividends for this Period / Next Period”.

3. Forecast of Consolidated Business Results for the Fiscal Year Ending December 31, 2016 (January 1, 2016 to December 31, 2016)

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
1H ending Jun. 30, 2016	34,000	17.9	4,000	2.5	3,900	0.8	2,700	2.8	165.48
Year ending Dec. 31, 2016	72,000	30.7	7,500	10.2	7,100	10.1	4,800	7.9	289.33

*Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None
New subsidiaries: -
Excluded: -

- (2) Changes in accounting policies, accounting estimates and restatement

- ① Changes in accounting policies associated with revision of accounting standards: : None
② Changes in accounting policies other than ① : None
③ Changes in accounting estimates : None
④ Restatement : None

- (3) Shares outstanding (common stock)

- ① Number of shares outstanding at the end of period (treasury stock included)

As of December 31, 2015 17,862,600 shares
As of December 31, 2014 17,506,600 shares

- ② Treasury stock at the end of period

As of December 31, 2015 1,232,352 shares
As of December 31, 2014 1,232,352 shares

- ③ Average number of stock during period

Fiscal year ended December 31, 2015 16,471,316 shares
Fiscal year ended December 31, 2014 16,287,784 shares

(Note) The Company conducted a two-for-one stock split effective on January 1, 2015. Accordingly, the number of shares for the fiscal year ended December 31, 2014 was calculated assuming that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(Reference) Summary of Non-consolidated Results

Non-consolidated Business Results for the Fiscal year Ended December 31, 2015

(January 1, 2015 to December 31, 2015)

- (1) Non-Consolidated Operating Results

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 31, 2015	742	22.9	245	23.8	127	243.7	757	-
Year ended Dec. 31, 2014	604	△0.3	198	142.1	37	25.7	30	△98.2

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Dec. 31, 2015	45.97	43.29
Year ended Dec. 31, 2014	1.89	1.82

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2015	10,860	5,164	47.5	310.08
As of Dec. 31, 2014	10,027	4,508	44.9	276.50

(Reference) Shareholders' equity:

As of December 31, 2015: 5,156 million yen

As of December 31, 2014: 4,499 million yen

※Statement Regarding Implementation Status of Audit Procedures

This financial summary is not subject to the audit procedures pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of this report, the procedures for audit of consolidated financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

※Explanation Regarding Appropriate Use of Business Forecasts and Other Special Items

Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors.