Company Overview
FY 12/2015

Shinoken Group Co., Ltd.
President Director and CEO
Hideaki Shinohara

Table of Contents

1. Shinoken Group Introduction

Business Portfolio and Main Subsidiaries

Shinoken Group (Holding Company)

Flow Business

- Shinoken Produce Co., Ltd. ①
- Shinoken Harmony Co., Ltd. ①②
- Ogawa Construction Co., Ltd. ③
  - Ogawa Building Co., Ltd ②
  - Properst Co., Ltd. * Affiliated Company (Stock Holdings: 19.5%) ②
  - Ogawa Construction: Foreign Construction Representative Office (Indonesia) ⑧

Stock Business

- Shinoken Facilities Co., Ltd ④
- Shinoken Amenity Co., Ltd. ④
  - 1 Subsidiary ④
- Shinoken Communications Co., Ltd. ⑤
- JICC SSI Co., Ltd. (Stock Holdings: 50.0%) ⑤
- SK Energy Co., Ltd. ⑥
  - 2 Subsidiaries ⑥
- Shinoken Wellness Co., Ltd. ⑦
  - Friend Co., Ltd. ⑦
  - Apple Care Co., Ltd. ⑦

Overseas Business

- SKG INVEST ASIA (HONG KONG) ⑧
  - SHINOKEN REAL ESTATE (SHANGHAI) LIMITED ⑧
  - Shinoken & Hecks Pte. Ltd. (Singapore) (Stock Holdings: 34.0%) ⑧
- Ogawa Construction: Foreign Construction Representative Office (Indonesia) ⑧

Business Segments (① - ⑧)

①･･･Sales of Apartment Business

②･･･Sales of Condominium Business

③･･･General Contractor Business

④･･･Leasing / Property Management Business

⑤･･･Finance and Guarantee Business

⑥･･･LP Gas Supply Business

⑦･･･Long-term Care Business

⑧･･･Overseas Business

Group Overview

Company	Shinoken Group Co., Ltd.
President Director and CEO	Hideaki Shinohara
Headquarters	1-1-1 Tenjin, Chuo-ku, Fukuoka-shi (Building Name: Across Fukuoka)
Number of Employees	635 (For the whole Group as of December 31, 2015)
Businesses	Sales of Apartment Business, Sales of Condominium Business, General Contractor Business, Leasing / Property Management Business, Finance and Guarantee Business, Long-term Care Business and Other Businesses
Locations	Domestic: Tokyo, Fukuoka, Nagoya, Osaka, Sendai and Sapporo Overseas: Hong Kong, Shanghai, Singapore and Indonesia
Established	June 5, 1990
Traded On	Tokyo Stock Exchange (JASDAQ) Stock Code: 8909
Capital	JPY 1,040.96 million (as of January 31, 2016)

2. Consolidated FY 12/2015 Results

FY 12/2015 Consolidated Results Highlights

- Operating Income: JPY 6,806 million (up 43.60% YoY)
  Ordinary Income: JPY 6,448 million (up 49.87% YoY)
  Net Assets: JPY 4,447 million (up 54.07% YoY)
  ⇒ Each profit figure achieved an all-time record on a full year basis

- Real Estate Sales Business: Good performance in the real estate sales business
  Sales of Apartment Results: 320 Buildings
  (vs. 171 Buildings in the same period of the previous year)
  Sales of Condominium Results: 532 Units
  (vs. 528 Units in the same period of the previous year)

Consolidated Income Statement Overview

(Unit: JPY Million)

Item	FY 12/2014	**FY 12/2015**	Change	FY 12/2016 (E)
Net Sales	39,724	**55,070**	15,345	72,000
Cost of Sales	30,353	**42,331**	11,977	58,000
Gross Profit	9,371	**12,739**	3,367	14,000
Gross Profit Ratio	**23.5%**	**23.1%**	-0.4%	19.4%
SG&A Expenses	4,631	**5,932**	1,301	6,500
Operating Income	4,740	**6,806**	2,066	7,500
Operating Income Ratio	**11.9%**	**12.3%**	0.4%	10.4%
Ordinary Income	4,302	**6,448**	2,145	7,100
Ordinary Income Ratio	**10.8%**	**11.7%**	0.8%	9.8%
Net Income	2,886	**4,447**	1,560	4,800
Net Income Ratio	**7.2%**	**8.0%**	0.8%	6.6%

Large Increase Due to Healthy Sales

- Profitability increased further, with the ordinary income ratio and net income ratio surpassing levels from the previous fiscal year

Segment Overview

■ Flow Business Total

(Unit: JPY Million)

Item	FY 12/2014	**FY 12/2015**	Change
Net Sales	32,924	**46,806**	13,882
Operating Income	4,671	**6,991**	2,320
Operating Income Ratio	14.1%	**14.9%**	0.8%

■ Stock Business Total

(Unit: JPY Million)

Item	FY 12/2014	**FY 12/2015**	Change
Net Sales	6,800	**8,263**	1,463
Operating Income	847	**1,123**	276
Operating Income Ratio	12.4%	**13.5%**	1.1%

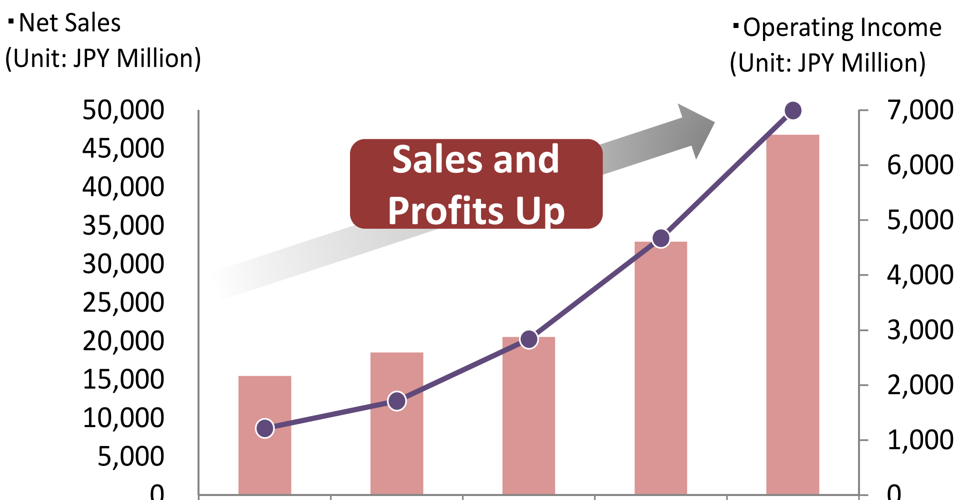
(Unit: JPY Million)

Segment	Item	FY 12/2014	**FY 12/2015**	Change
① Sales of Apartment Business	Net Sales	10,838	**23,759**	12,921
	Operating Income	1,006	**2,688**	1,681
② Sales of Condominium Business	Net Sales	13,287	**13,664**	377
	Operating Income	3,146	**3,233**	87
③ General Contractor Business	Net Sales	8,798	**9,382**	584
	Operating Income	518	**1,069**	550
④ Leasing / Property Management	Net Sales	5,440	**6,411**	971
	Operating Income	581	**670**	89
⑤ Finance and Guarantee Business	Net Sales	419	**539**	119
	Operating Income	155	**209**	54
⑥ Long-term Care Business	Net Sales	235	**520**	285
	Operating Income	20	**104**	84
⑦ Other	Net Sales	705	**792**	87
	Operating Income	90	**138**	48

* Note: “Other” refers to other businesses such as the LP Gas Supply Business.

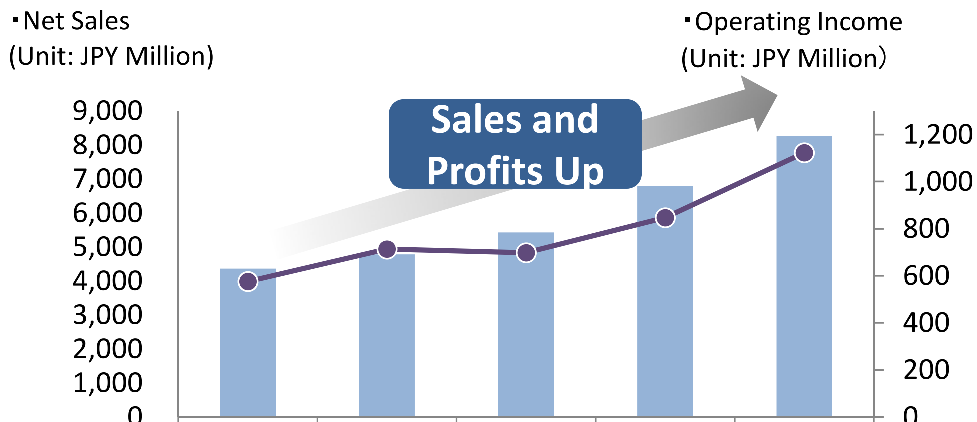
Segment Results Trends (Flow and Stock Business Results Trends)

Trends in Flow Business Results



	12/11	12/12	12/13	12/14	12/15
Net Sales	15,461	18,519	20,538	32,924	46,806
Operating Income	1,214	1,712	2,833	4,671	6,991

Trends in Stock Business Results



	12/11	12/12	12/13	12/14	12/15
Net Sales	4,361	4,779	5,432	6,800	8,263
Operating Income	576	714	698	847	1,123

Operating Income Up More than 5x Compered with Four Years Ago

* The above comparisons shows figures for the full year (January through December)

Consolidated Balance Sheet Overview

(Unit: JPY Million)

Item	FY 12/2014	FY 12/2015	Change
Cash and Deposits	6,230	**7,679**	1,449
Accounts Recievable - Real Estate Business	183	**240**	56
Operating Loans	517	**348**	△ 168
Real Estate for Sale	11,832	**18,527**	6,694
Cost on Real Estate Business	8,339	**10,705**	2,365
Property, Plant and Equipment	4,756	**5,709**	953
Total Assets	38,625	**52,457**	13,831
Accounts Payable - Real Estate	2,826	**3,202**	375
Short-term Loans Payable	7,949	**11,119**	3,169
Long-term Loans Payable	13,781	**16,583**	2,802
Total Liabilities	30,623	**40,111**	9,487
Net Assets	8,001	**12,345**	4,343
Total Liabilities and Net Assets	38,625	**52,457**	13,831
Equity Ratio	20.7%	**23.5%**	2.8%

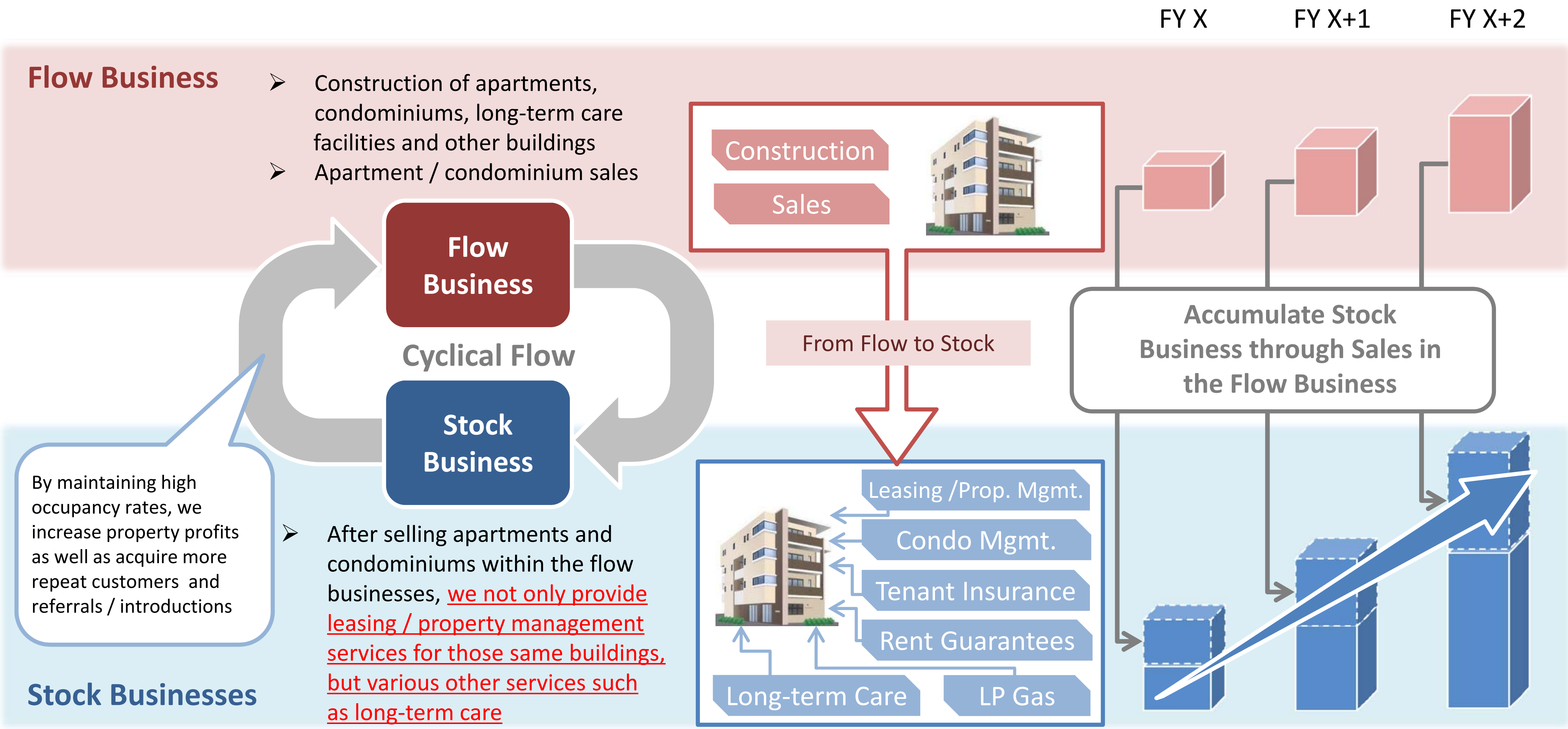
- As a result of a steady increase in profits, net assets grew by JPY 4,300 million compared the period end of the previous fiscal year (FY 12/2014)

3. Business Model Introduction

Shinoken Group Value Chain

- The core business is comprised of two businesses, the "Flow Business" and the peripheral "Stock Business"
- The cycle between these two businesses creates a solid value chain

(Shinoken Group Value Chain for the Whole Group)



Flow Business (Sales of Apartment Business)

- Business is conducted in five areas where there are a lot of singles (Tokyo, Fukuoka, Nagoya, Osaka and Sendai)
- Our products (apartments) are superior from a design-standpoint and are constructed in locations within 10 minutes of the nearest station, allowing us to maintain high occupancy rates

Area	Price Range (Land / Building)	Gross Yield	Structure	Layout	Target Tenant
Tokyo	JPY 60 Million - JPY 150 Million	From 5.2%	Wood	1K to 1LDK with Loft (11 to 40m^2)	Individuals living along or DINKS 40 years old or younger
Fukuoka	JPY 30 Million - JPY 80 Million	From 6.2%			
Nagoya	JPY 40 Million - JPY 80 Million	From 6.2%			
Osaka	JPY 50 Million - JPY 100 Million	From 6.0%			
Sendai	JPY 30 Million - JPY 80 Million	From 6.2%			

- A representative lineup of products (apartments) is shown below

  *Area of each unit is approximations

QUGA
1LDK Type with Loft
30m^2 and up

DiiRA
3-Floor Type
25m^2 and up

New Standard
Skip-Floor Type with
Loft 20m^2 and up

AVAND
One-Room Type with
Loft (DT Tokyo Only)
11m^2 and up

MeZoNa
Multi-Floor Type with
Loft 23m^2 and up

Flow Business (Sales of Apartment Business)

■ Started airing a TV commercial featuring Actor Kuranosuke Sasaki to attract customers to the Sales of Apartment Business

TVCM

Fukuoka Area	Osaka Area	Tokyo Area	
1ch Kyushu Asahi Broadcasting	7ch Television Osaka	5ch TV Asahi	7ch TV Tokyo

Program Name

- アサデス。KBC
- ドォーモ
- 週刊ニュースリーダー
- 極上！旅のススメ
- 中居正広のミになる図書館
- V3
- SmaSTATION!!
- サンデープレゼント etc.

Program Name

- ありえへん∞世界
- カンブリア宮殿
- ネオスポ
- 綾小路きみまろの人生ひまつぶし
- Newsモーニングサテライト
- リトルトーキョーライフ
- 未来世紀ジパング etc.

Program Name

- 報道ステーション
- 報道ステーション SUNDAY
- 羽鳥慎一モーニングショー
- ANNスーパーJチャンネル
- お願い！ランキング！
- 関ジャム 完全燃SHOW
- スペシャルサタデー
- TOKYO応援宣言 etc.

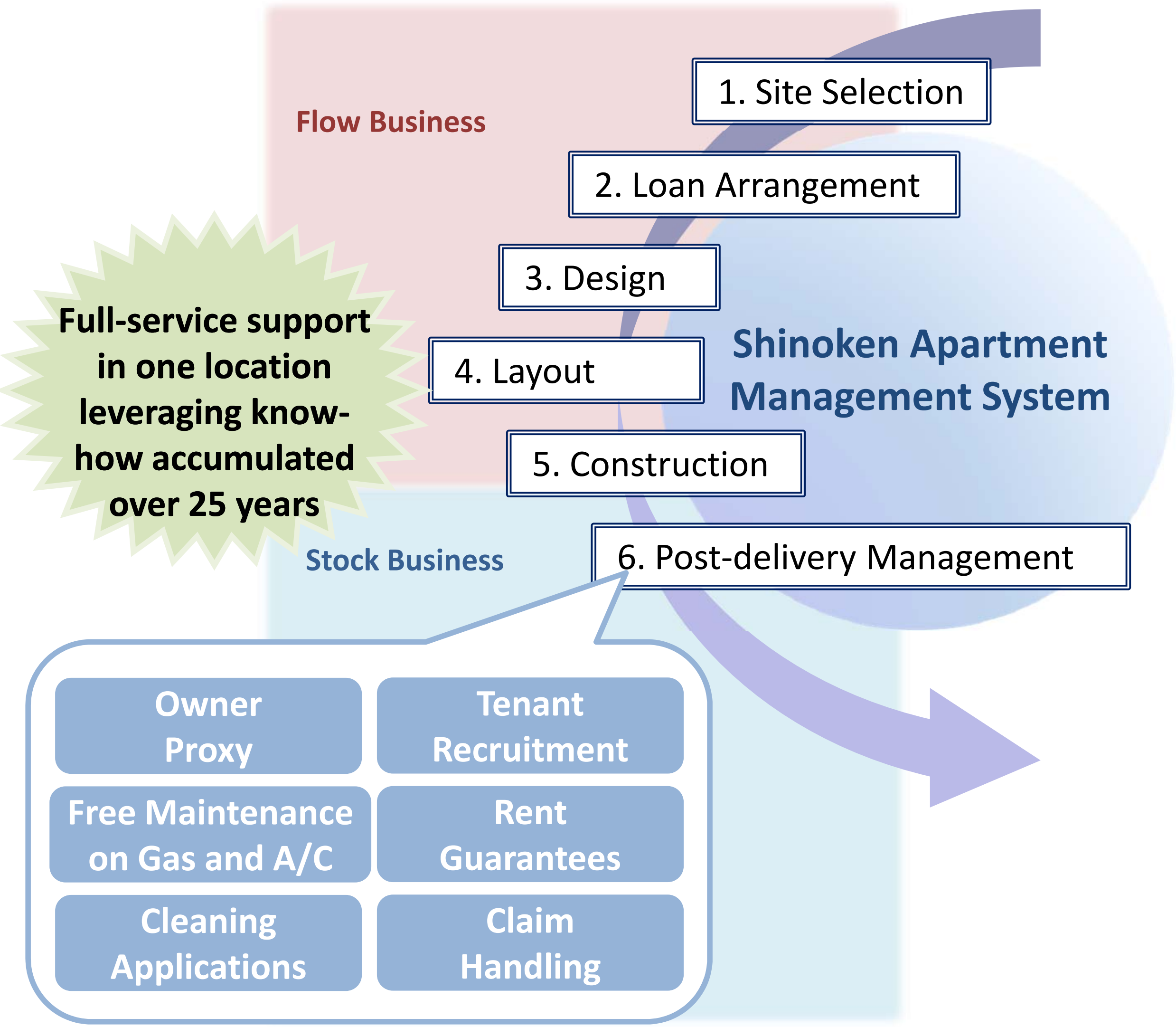
Program Name

- 男子ごはん
- ワールドビジネスサテライト
- 東京センチメンタル
- 和風総本家
- 水曜エンタ
- 家、ついて行ってイイですか？
- 開運！なんでも鑑定団
- チマタの噺 etc.

Flow Business (Sales of Apartment Business)

- With 25 years of experience, apartment management is possible with no down payment, 100% LTV since 2014
- Apartment management is possible for those with no land and little capital

Apartment Management Possible with Annual Salary of JPY 5 Million!!



Shinoken Apartment Management Merits

Merit 1 Information gathering ability on land for apartments

Merit 2 Credibility with long standing partner financial institutions
⇒ Can start with no down payment
⇒ 100% LTV possible

Merit 3 Rental system
⇒ High occupancy rate of 97.36% and up

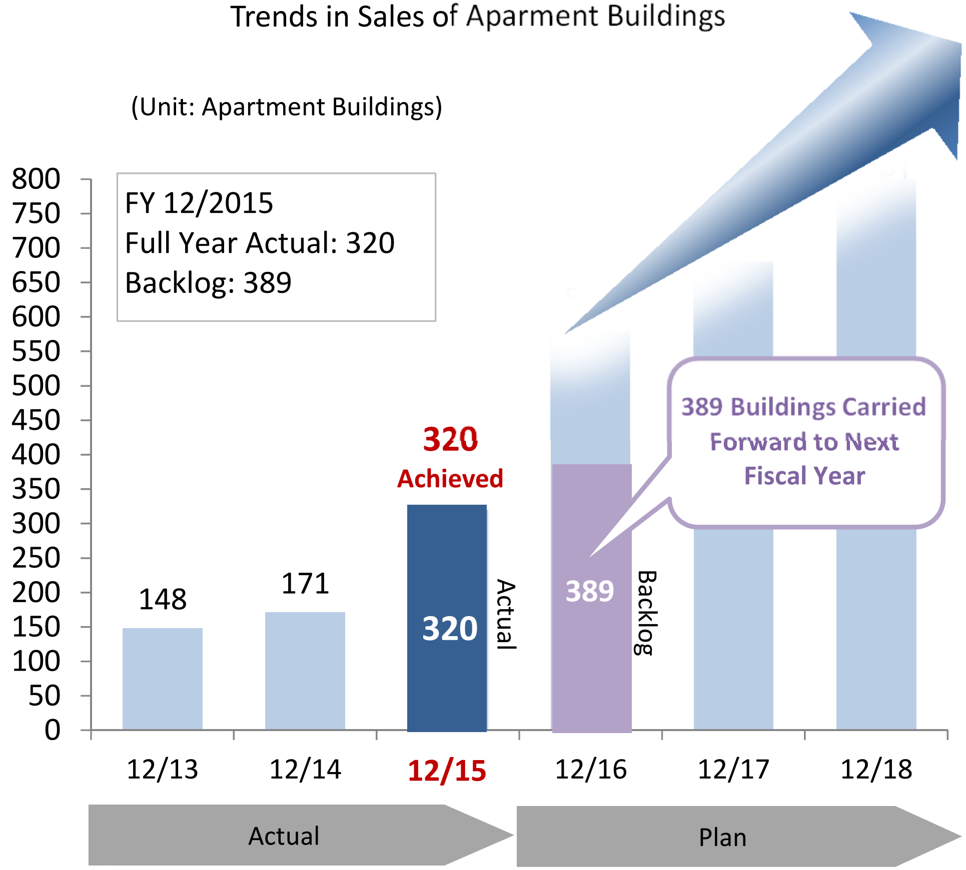
Merit 4 Positive BOP even with monthly loan repayment offers peace of mind

Merit 5 Assets remain after loan repayment
⇒ High asset value land no-collateral remains

Flow Business (Sales of Apartment Business)

- FY 12/2015 Results: Sales of 320 Buildings, Backlog of 389 Buildings
  - → Achieved Full Year Sales of 320 Buildings in FY 12/2015

Trends in Sales of Aparment Buildings



Companies in Charge	Shinoken Produce Shinoken Harmony

Achieved Sales of 320 Buildings in FY 12/2015

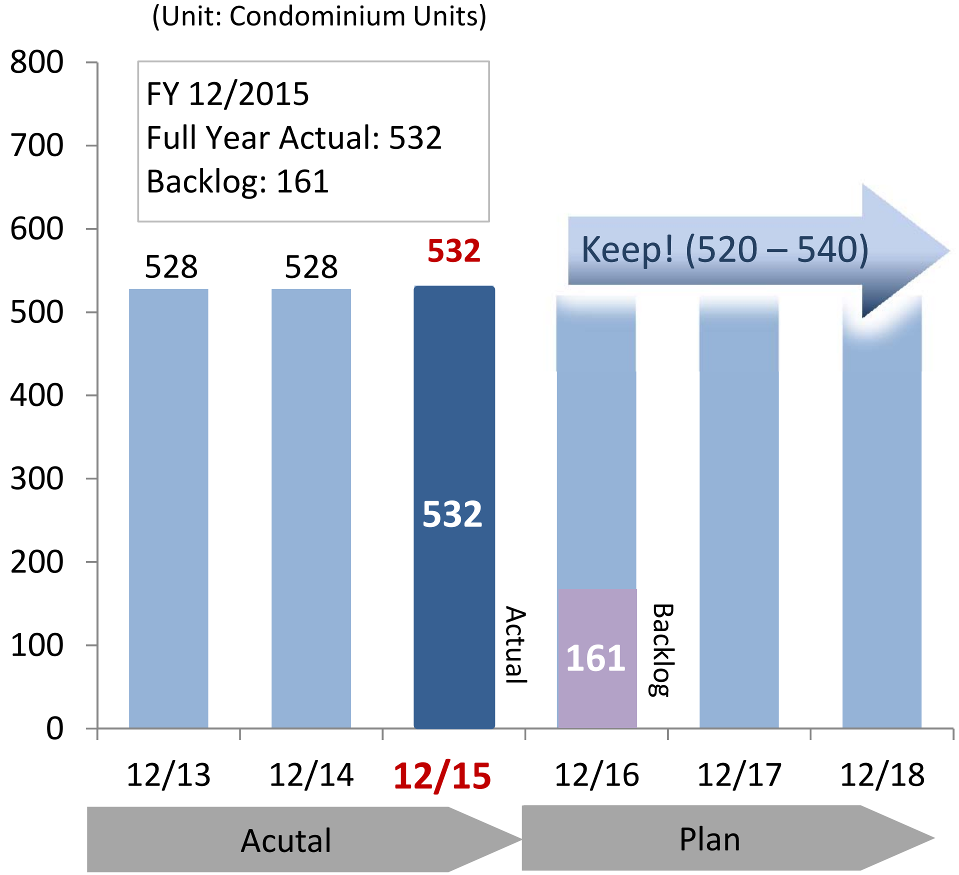
↓

Finished Acquiring 389 Buildings for FY 12/2016

Flow Business (Sales of Condominium Business)

- Achieved sales of 532 units, surpassing FY 12/2015 plan of 518 units

Trends in Sales of Condominiums



Company in Charge	Shinoken Harmony

Achieved Sales of 532 Units, Exceeding Full Year Plan of 518 Units

- <u>FY 12/2015 (Full Year Sales Plan: 518 Units)</u>

  Breakdown of 693 Units as of FY12/2015-End
  - Sales Results: 532 Units
  - Backlog: 161 Units

Flow Business (General Contractor Business)

- Shinoken strengthened its in-house construction capabilities with respect to the sale of its own condominiums and other buildings by making Ogawa Construction into a wholly-owned subsidiary in February 2014
- About 50% of studio-type condominiums sold are constructed by Ogawa Construction

➢ **Time-honored general contractor established in 1909 offering both technical capabilities and reliability**
✓ Technical capabilities and reliability accumulated over 107 years
✓ High level of reliability from every perspective

Ogawa Construction


Educational Facilities


Apartments / Condominiums


Private Homes / Housing with Services for the Elderly


Medical / Welfare Facilities


Nurseries / Kindergartens

➢ **Ogawa Construction can handle the construction of all types of structures**
✓ **Ogawa Construction can produce any type of construction project including not only housing like apartments, condominiums, and homes, but commercial facilities such as educational facilities, nurseries / kindergartens, medical / welfare facilities, offices / stores and factories**


Other


Offices / Stores


Factories / Warehouses / Logistics Facilities


Modern Bank Architecture

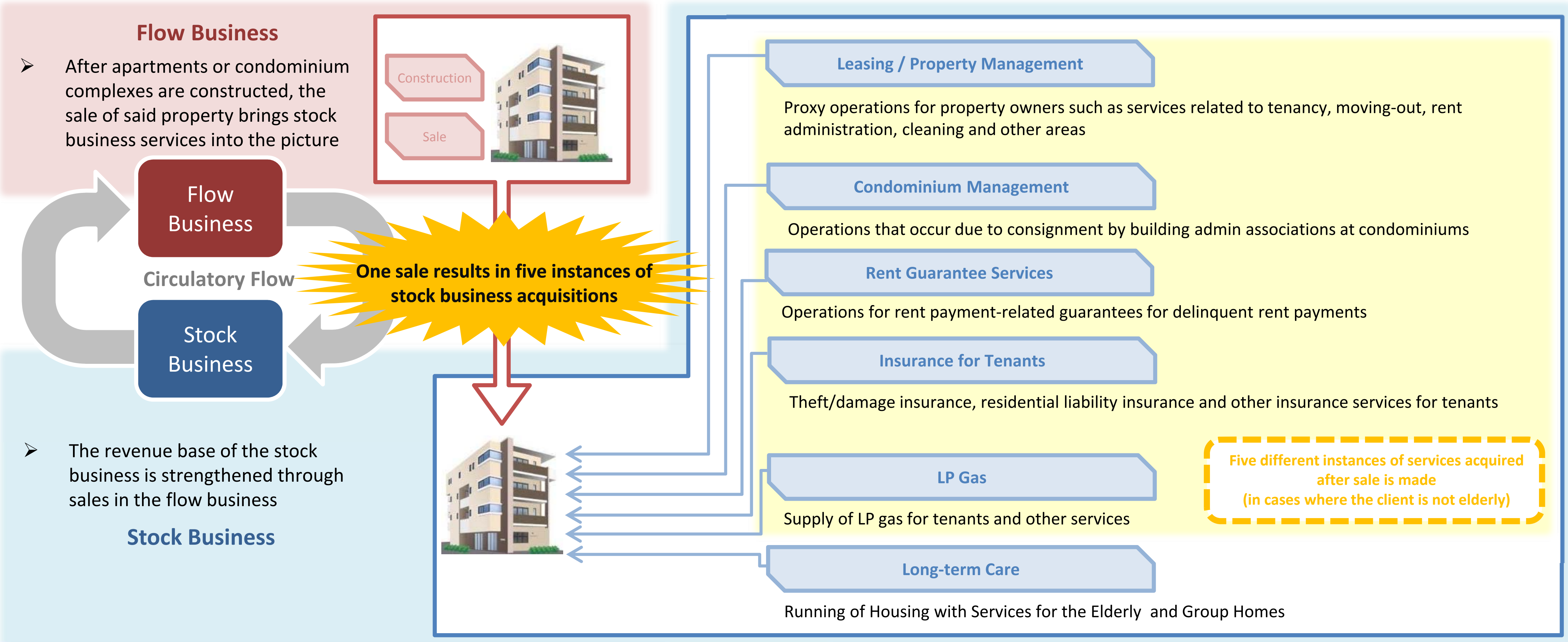

Designated Cultural Heritage Properties

Companies in Charge	Ogawa Construction Ogawa Building

Stock Business

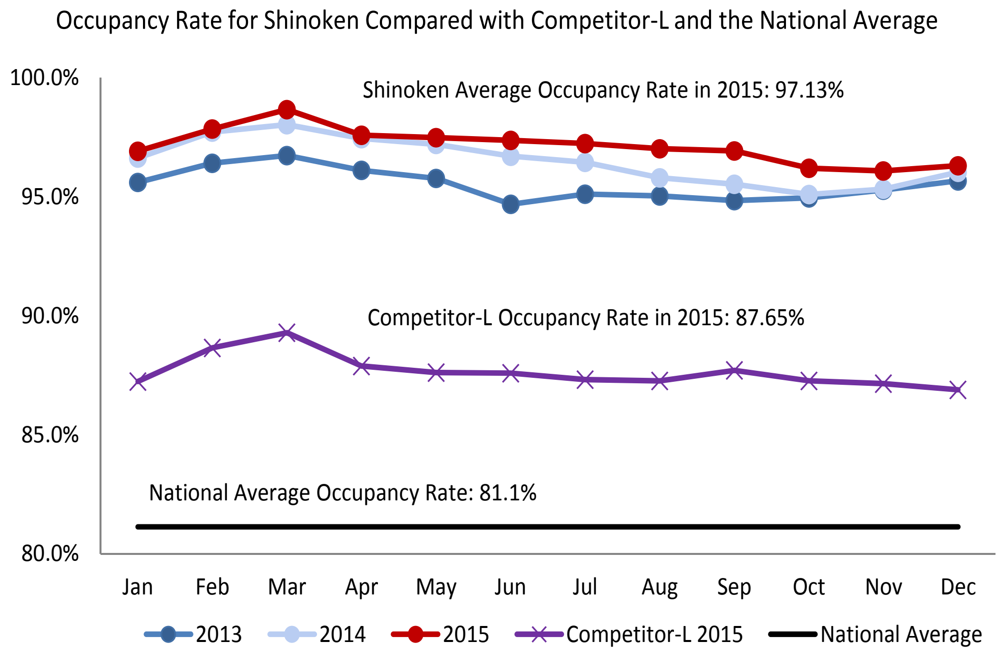
- The stock business builds up automatically after sales are made
- In addition to leasing / property management, condominium management, rent guarantees for delinquent payments, insurance for tenants and LP gas supply, Shinoken also provides a variety of long-term care services for the elderly, enabling the Group to differentiate itself from competitors

Conceptualization of Stock Business Development Taking Place After Sales Closed in the Flow Business



Stock Business (Leasing / Property Management Business)

■ **Achieved a high occupancy rate of 97.13% (average occupancy rate)**



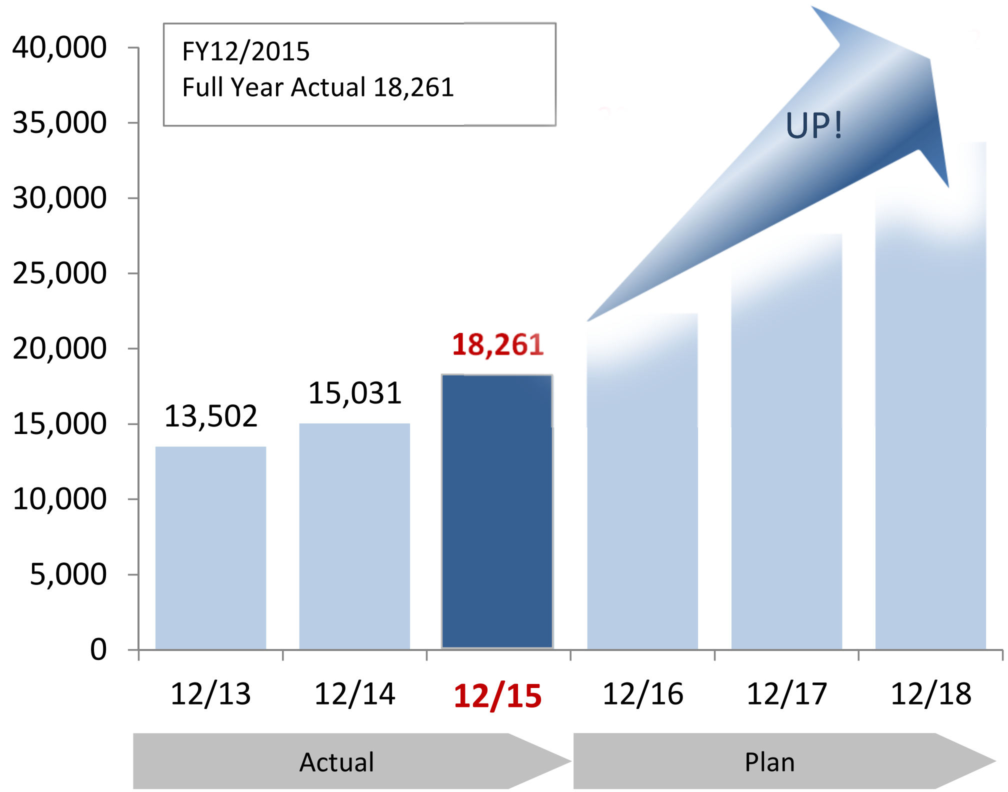
(Source: Statistics Bureau at the Ministry of Internal Affairs and Communications, "Statistics Survey for Houses and Land 2013")

Company in Charge	Shinoken Facilities

Stock Business (Leasing / Property Management Business)

- The number of managed properties is steadily increasing
- Shinoken offers leasing / property management is six areas (Sapporo, Sendai, Tokyo, Nagoya, Osaka and Fukuoka)
- Shinoken offers condominium management in two areas in Nagoya

(Unit: Units) Trends in Leasing / Property Management



Company in Charge: Shinoken Facilities

Trends in Condominium Management

(Unit: Units)

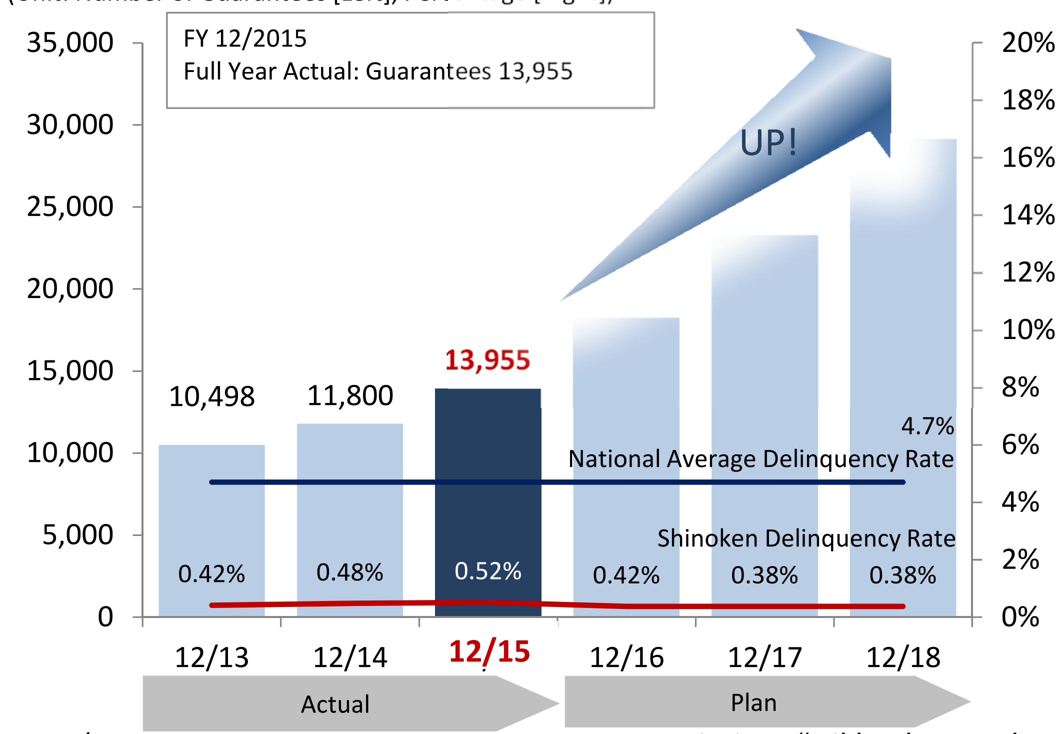
Companies in Charge: Shinoken Amenity, Mansion Life

Stock Business (Finance and Guarantee Business)

- Rent guarantees is a business for guaranteeing rent payments for tenants who are delinquent on their rent payments
- The number of rent guarantees has been trending firmly in line with the increase in the number of managed properties

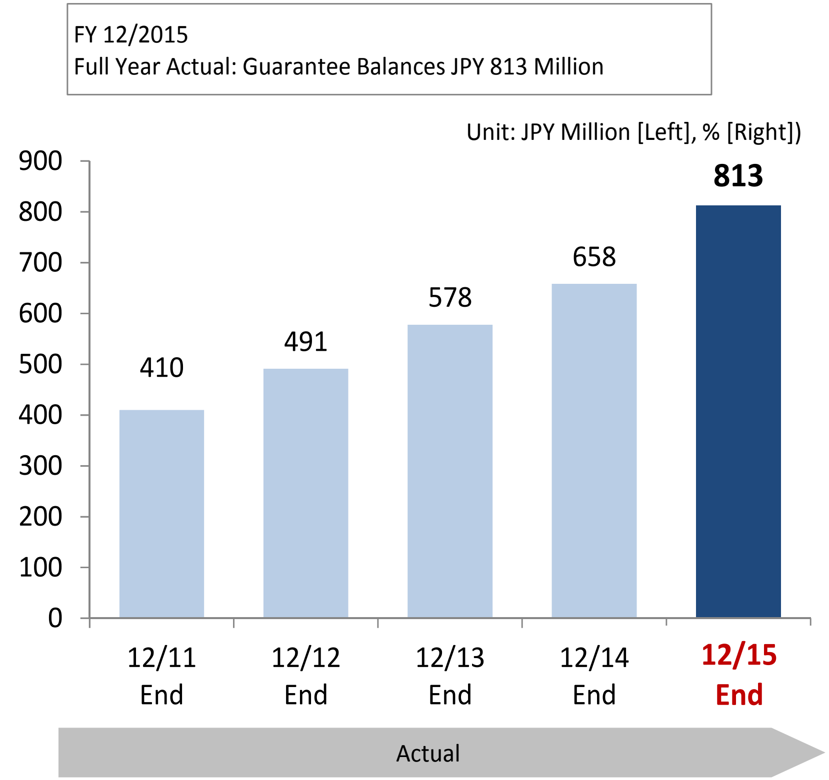
Trends in Rent Guarantees / Cases of Delinquency

(Unit: Number of Guarantees [Left], Percentage [Right])



(Source: Japan Property Management Association, “Nikkankyo Tankan” (1H 2015)

Trends in Guarantee Balances

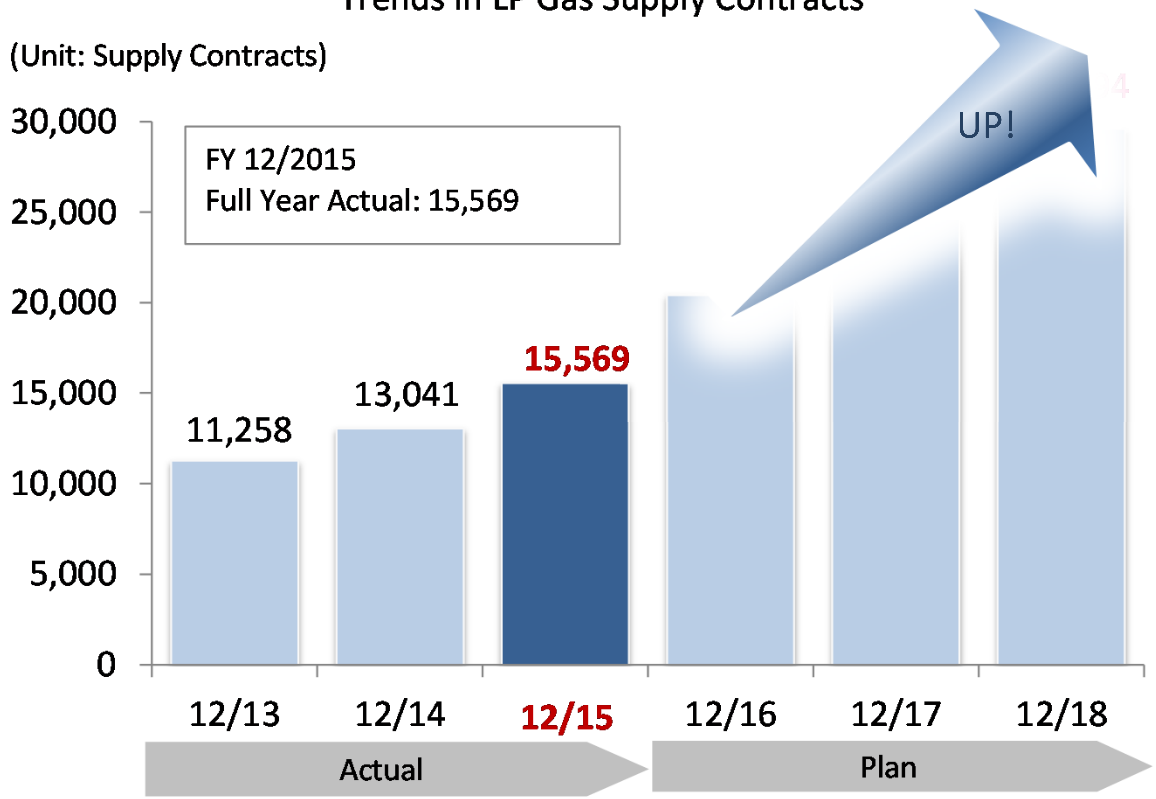


Company in Charge **Shinoken Communications**

Stock Business (LP Gas Supply Business)

- SK Energy supplies LP gas to the properties the Shinoken Group has sold, which results in a steadily growing stock business
- The company provides LP gas supply services in three areas (Fukuoka, Tokyo and Nagoya)

Trends in LP Gas Supply Contracts



Companies in Charge	SK Energy SK Energy Nagoya SK Energy Tokyo

Long-term Care Business (Changes in the Business)

- Make possible the provision of services in all areas of the elderly market through various endeavors
- Going forward, along with raising service quality in each region, deep expansion in each region

1 Cultivation of the Elderly Market through the "Raku-Raku" Plan → Started elderly business making effective use of empty rooms in existing rental apartments / condominiums
This business, the "Raku-Raku" Plan, **received the FY 2013 Good Design Award**

2 Direct Operation of Housing with Services for the Elderly with Day Services → Own / operate sole-use condominiums for elderly receiving long-term care services
Own day service centers

3 Direct Operation of Group Homes → Own / operate group homes for dementia

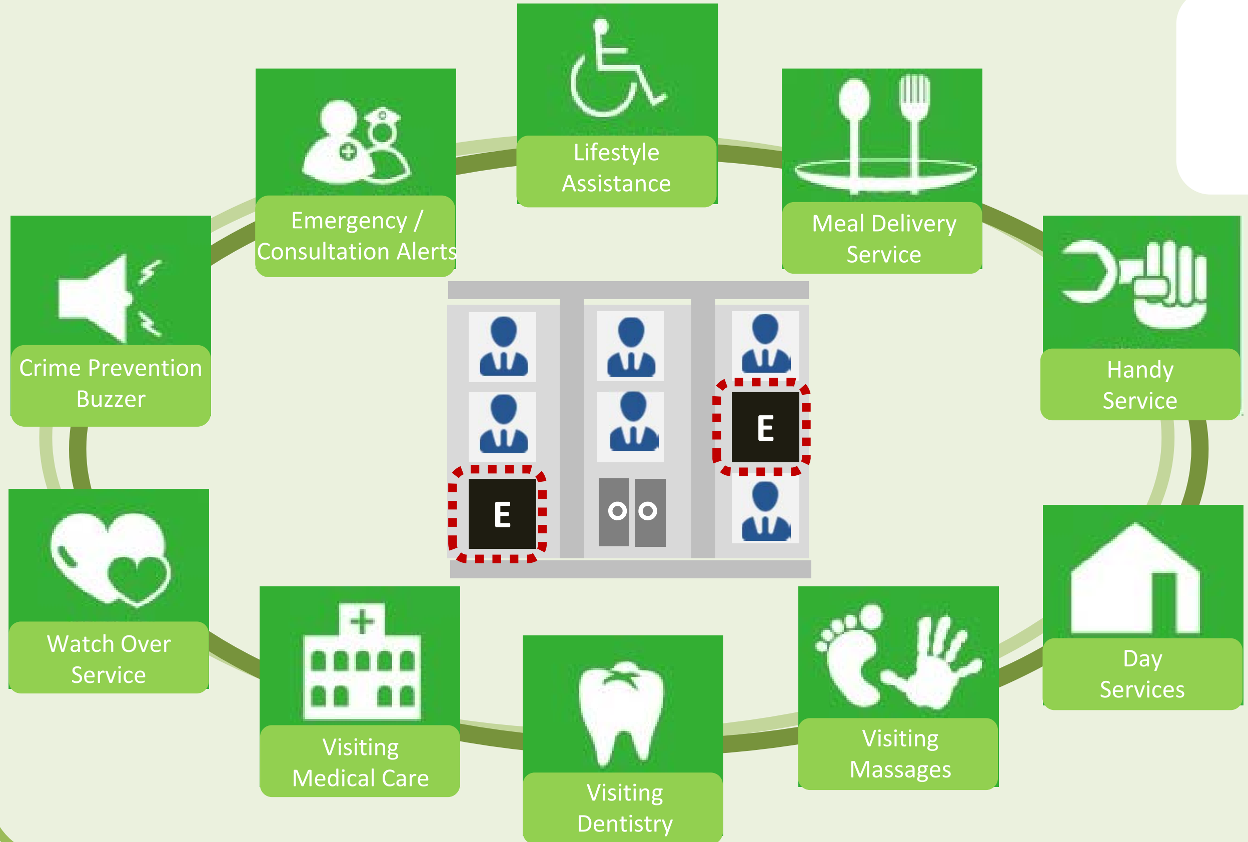
4 Launch of Direct Operation of Day Services, Home Care, and Visiting Care → By making companies which provide day services, home nursing and visiting nursing into subsidiaries, expand of scope of provision of long-term care services

Established Framework Making Possible the Provision of Services from Independence to Heavy Long-term Care → **Going Forward, Deep Expansion in Each Region**

Long-term Care Business ("Raku-Raku" Plan)

- By developing the Raku-Raku Plan, which makes effective use of unoccupied condominium and apartment rooms targeting the existing younger demographic, Shinoken has started the elderly business targeting the older demographic area
- Because visiting nursing staff, medical and other services are part of a complete package, Shinoken offers rental housing to the elderly at a low price which gives them peace of mind

"Raku-Raku Plan" Service Content (Solutions for the Elderly)



Full-service care system with operator available 24 hours a day, 365 days a year

The "Raku-Raku Plan" is a package plan where residential renewal for the elderly is possible starting with one room. The plan received the Good Design Award for 2013

GOOD DESIGN AWARD 2013

Long-term Care Business (“Housing with Services for the Elderly” and “Day Services”)

- Operate three housing facilities with services for the elderly in Tokyo and Fukuoka (Tokiwadai, Takashimadaira and Kashiihama)
- Opening two day service centers in Tokyo and Fukuoka (Takashimadaira and Higashi Fukuoka)

Companies in Charge	Shinoken Wellness Apple Care

Housing with Services for the Elderly

Higashi-ku, Fukuoka-shi:

Ju-Life Aquavilla Kashiihama

No.1 in Kyushu with Total of 201 Units

Day Services

AppLife
アップライフ東福岡

Kasuya-gun, Fukuoka-ken:

Day Service Centers with AppLife Higashi Fukuoka

Housing with Services for the Elderly

Itabashi-ku, Tokyo:

Ju-Life Tokiwadai

Acquired No.1 Ranking Among Popular Facilities in “Home’s Care”, Japan’s Largest Portal Site

Housing with Services for the Elderly

Itabashi-ku, Tokyo:

Ju-Life Takashimadaira

First Tokyo Promotional Business “Housing with Services for the Elderly with Secure Medical / Long-term Care Services” in Itabashi-ku

Day Services

AppLife
アップライフ高島平

Itabashi-ku, Tokyo:

Day Service Centers with AppLife Takashimadaira

Long-term Care Business ("Group Homes")

■ Shinoken operates seven group homes in Tokyo, Osaka and Fukuoka (Takashimadaira, Higashi Osaka, Osaka Chuo, Tennoji, Fudegasaki, Tengachaya, and Kasumigaoka*)

* Note: Kasumigaoka is scheduled to open in June 2017

Company in Charge	Friend

Group Home

Fukuoka City, Fukuoka Prefecture:
Friend Kasumigaoka (Tentative Name)

Group Home

Itabashi-ku, Tokyo Prefecture:
Hikari Itabashi Shingashi (Friend Takashimadaira)

Group Home

Higashi Osaka City, Osaka Prefecture:
Friend Higashi Osaka

Group Home

Chuo-ku, Osaka City:
Friend Osaka Chuo

Group Home

Tennoji-ku, Osaka City:
Friend Tennoji

Group Home

Tennoji-ku, Osaka City:
Friend Fudegasaki

Group Home

Nishinari-ku, Osaka City:
Friend Tengachaya

Recent Topics (Made Apple Care a Subsidiary in 1Q FY 12/2016)

- Made our business partner company, Apple Care, into a wholly-owned subsidiary in January 2016
- Not only will long-term care services expand, but the range of targets of long-term care services will also expand

Apple care

Expand Long-term Care Business in Tokyo and Fukuoka City

Comapany	Apple Care Co., Ltd.
Headquarters	2-5-5 Shibadaimon, Minato-ku, Tokyo
Businesses	Long-term care related business
Capital	JPY 1.6 million
Established	March 27, 2013

Current

Existing Long-term Care Service

Tenants of Housing and Facilities that Shinoken Owns / Directly Operates
- Housing for the Elderly (Conversion through Raku-Raku Plan)
- Housing with Services for the Elderly
- Group Homes

Future

Existing Long-term Care Services + New Long-term Care Services

New Long-term Care Services:
- Home Care
- Visiting Care

Tenants of Housing and Facilities that Shinoken Owns / Directly Operates
- Housing for the Elderly (Conversion through Raku-Raku Plan)
- Housing with Services for the Elderly
- Group Homes

+

Tenants of Housing and Facilities Other than the Above
- Housing for the Elderly (Including Owned Housing)
- Housing with Services for the Elderly
- Day Service Center, etc.

1 Provide Services to Tenants of Housing and Facilities that Shinoken Owns / Directly Operates

2 Provide Services to Tenants of Housing and Facilities that Other Companies Own / Operate

4. Growth Strategy

Growth Strategy

■ Expanding business proactively with two growth strategies as pillars

Two Growth Strategy Pillars

Growth Strategy ①

Strengthening of the Existing Business

・Strengthen sales with a focus on the domestic real estate business

・Strengthen the stock business through acceleration of sales

Growth Strategy ②

Construction of the Overseas Business and M&A

(Domestic and Overseas)

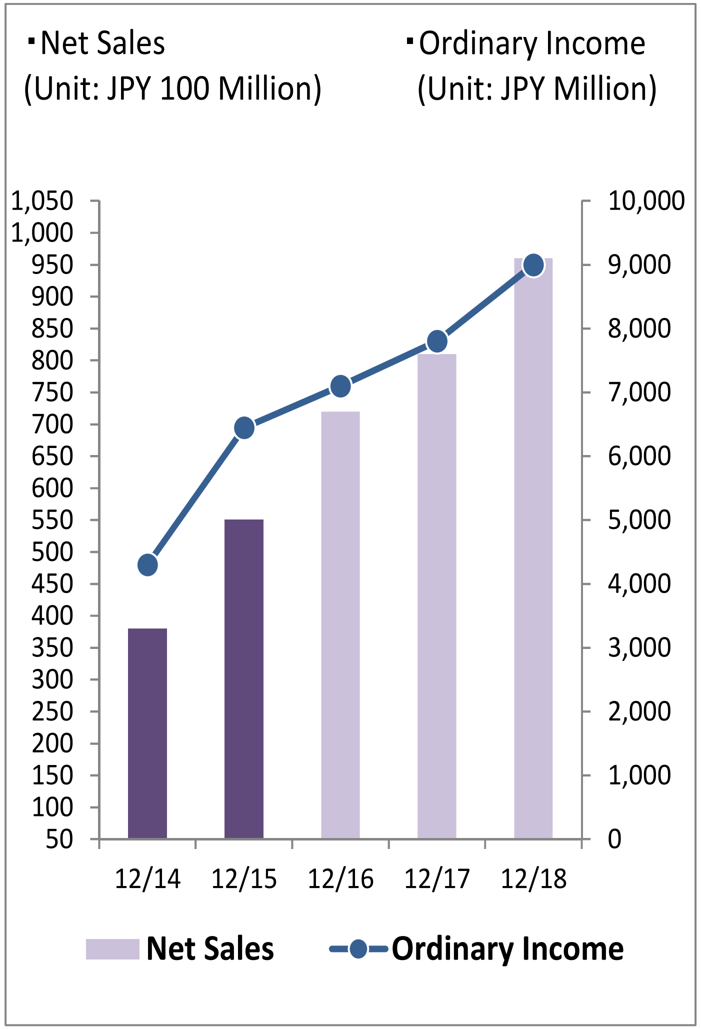
・Establish the overseas business model

・Implement M&A with the goal of expansion of the business platform and regions

Growth Strategy

Further Strengthen the Business Platform

Mid-term Plan



Mid-term Plan

Actual ← → Plan (Unit: JPY Million)

Item	FY 12/2014 Actual	FY 12/2015 Actual	FY 12/2016 Plan	FY 12/2017 Plan	FY 12/2018 Plan
Net Sales	39,724	55,070	72,000	81,000	96,000
Operating Income	4,740	6,806	7,500	8,200	9,400
Ordinary Income	4,302	6,448	7,100	7,800	9,000
Net Income	2,886	4,447	4,800	5,300	6,200
Net Assets	8,001	12,345	17,145	22,445	28,645
EPS	177.23円	270.02円	288.63円	318.70円	372.81円

Upwardly Revised Planned Figures in November 2015

Mid-term Plan

Actual

Item	FY 12/2014 Actual	FY 12/2015 Actual
Apartment Building Sales	171	320
Condominium Unit Sales	528	532

Recent Topics (Entrance into Vacation Rental Business in 4Q FY 12/2015 ①)

- Development of condominiums vacation rental compliant condominiums
  → In addition to securing site for development of a condominium with a total of 46 units in Ota-ku, which has been designated as a national strategic special zone, also secured almost 200 company-owned condominium units (including those under development) in Minato-ku and other administrative districts
- Operation of company-owned vacation rentals
  → Going forward, construct (plan) a framework allowing utilization / operation of properties as vacation rentals in accordance with the enactment of regulations by each administrative district

National Strategic Designated Zones

Finished Enactment of Regulations Allowing Vacation Rentals

Ota-ku, Tokyo

Finished Securing Site for Development of Condominium with Total of 46 Units

↓

With Operation of Vacation Rentals in Sight, Looking into Plan As Higher Yielding Investment Condominiums

Looking Into Enactment of Regulations Allowing Vacation Rentals in the Future

Administrative Districts within Special Zones Such As Minato-ku, Tokyo

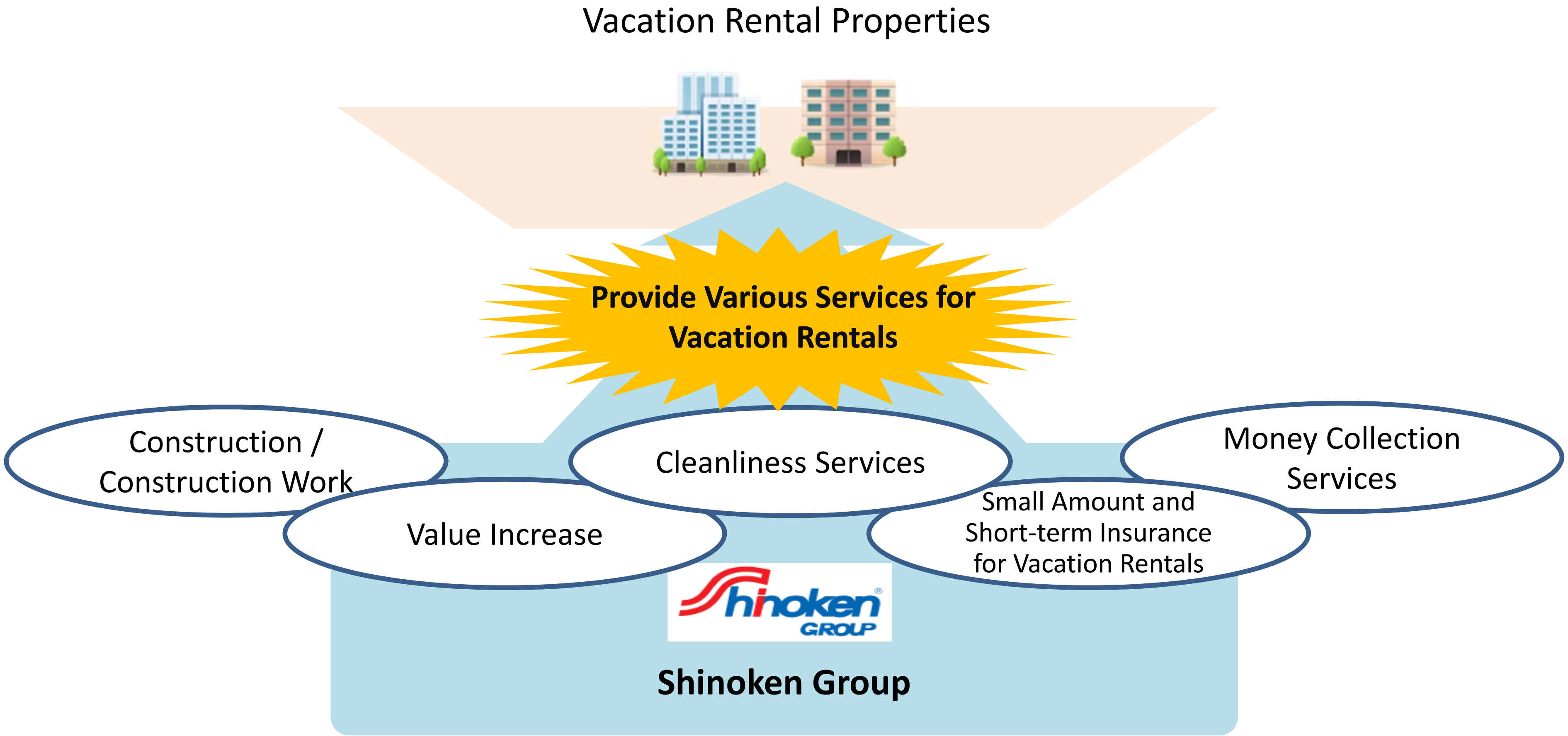
Finished Securing Almost 200 Employee Condominium Units

↓

Construct a Framework Allowing Utilization / Operation of Properties as Vacation Rentals in Accordance with the Enactment of Regulations by Each Administrative District

Recent Topics (Entrance into Vacation Rental Business in 4Q FY 12/2015 ②)

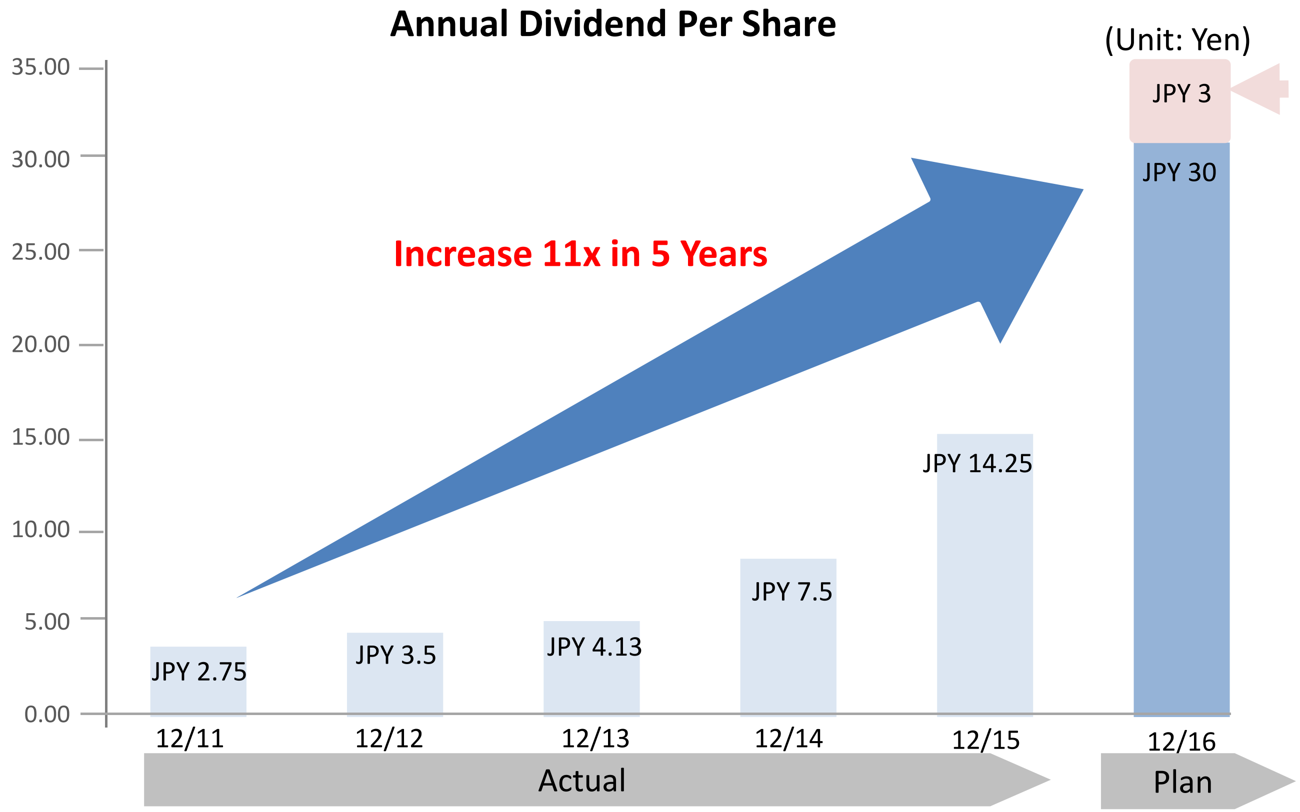
- Going forward, Shinoken will enter the cleanliness business aimed at vacation rental properties, for which demand is forecast to increase (plan)
- Shinoken aims to realize better quality vacation rental services such as the development of small amount and short-term insurance and the provision of money collection services



5. Shareholder Returns

Dividends

- Realized stable shareholder returns to all of our shareholders
- FY 12/2016: Plan dividend of JPY 30 per share (FY 12/2015 Reference: JPY 14.25 per share)
- The annual dividend for FY 12/2016 increased more than double compared to that from the previous period



Special Dividend

If FY 12/2016 ordinary income is forecast to increase 10% above the initial forecast of JPY 7,810 million, then a dividend increase of another JPY 3 is planned in addition to the annual dividend of JPY 30.

Note: Dividend figures for each period take into account stock splits
・A 1:100 common share stock split was conducted on January 1, 2013 as the effective date.
・A 1:2 common share stock split was conducted on January 1, 2015 as the effective date.

6. Reference Materials

Reference Materials: Japan’s First Insurance - Finance and Guarantee Business

- We’ve developed a product that is the first of its kind in Japan that deals with solitary deaths of residents that are left long undiscovered (the insurance is purchased by the owner of the building)
- We also provide a first in the form of small-amount/short-term insurance that assists in dealing with stalkers that we’ve begun selling as of July 2014

Shinoken Offers Insurance Services Found Nowhere Else!

Solitary Death Insurance
For Owners

This insurance pays for expensed such as repairs and cleaning of stains/soiled interiors in order to return the room to its original state

Stalker Expense Insurance
For Residents

This insurance pays for expenses that one requires when they are being stalked, such as expenses like cameras (to provide proof) and lawyer fees etc.

Home Helper Expense Insurance
For Residents

This insurance pays for expenses that home helpers come and assist in completing household tasks in the event that the individual usually doing it cannot due to an accident etc.

Pet Expense Insurance
For Residents

This insurance pays for expenses such as pet hotels in the event that an owner is in the hospital temporarily or other expenses related to the death or injury of a pet

Company in Charge	JICC SSI

Reference Materials: Rent Coverage Insurance - Finance and Guarantee Business

- In September 2015, started Shinoken Group's in-house developed a "revolutionary" "nickname: rent management support insurance" for owners
- In addition to compensation for restoration costs to restore the site to its original condition if there is a fatal accident (suicide, murder, death from natural cause, death from injury), also compensation for loss of rental income as well as costs associated with damages from rental property defacement, etc. arising from the accident

Rent Management Support Insurance

Loss Insurance for Rental Income, etc.

Compensate for loss of rental income occurring from "a property that experienced an accident"

About the limit on the amount to be paid
30% of 3 years (36 months) of rent
※Actual compensation of 10.8 months of rent

Insurance for Restoration Costs to Restore the Site to its Original Condition

Compensate for costs of restoring to its original form a rental property that experienced an accident, such as cleaning / deodorizing, maintenance, and cleaning up of mementos after passing
Compensate for six months of rent as a payment limit

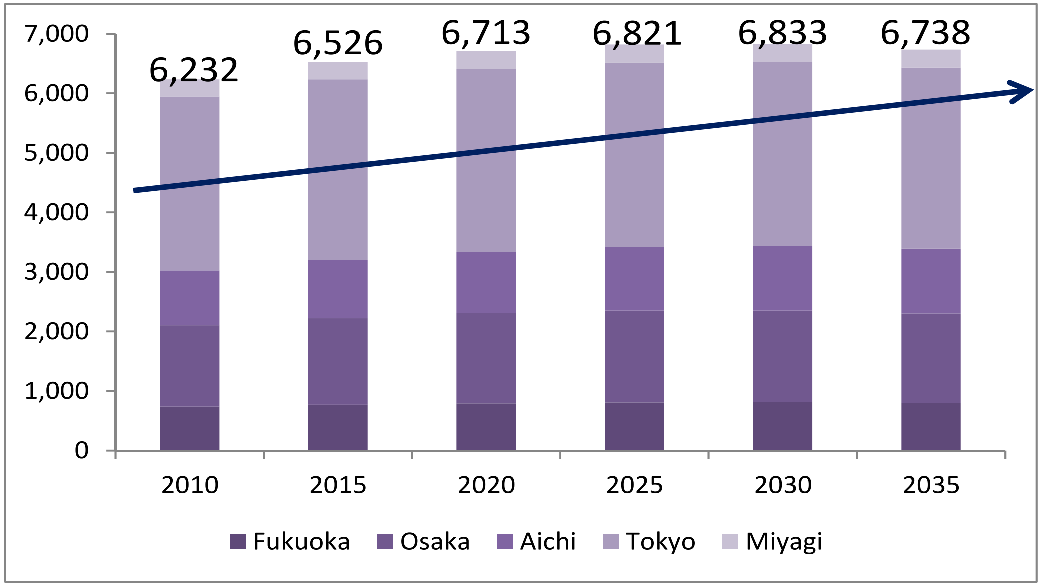
Owners "Can Rent Rooms with Peace of Mind"

Company in Charge	JICC SSI

Reference Materials: Business Environment – Real Estate Sales Business

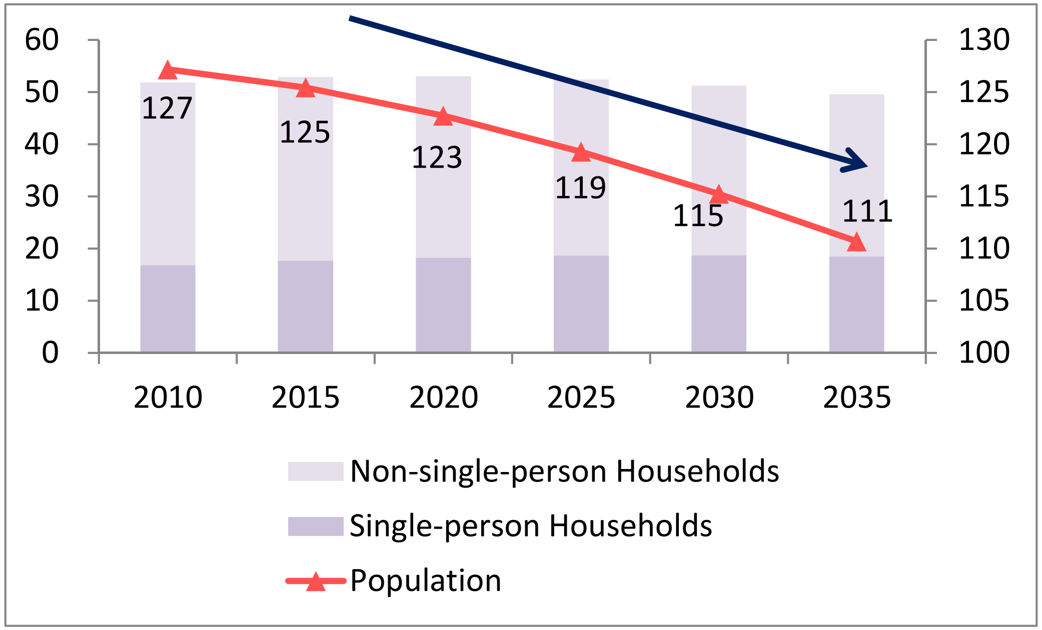
- Single-person households in the five cities in which Shinoken supplies real estate are trending upwards
- Despite the total population trending downwards, the occupancy rate is expected to remain stable as single-person households which Shinoken targets are trending upwards
- Increasing single-person households is a positive factor for making decisions regarding real estate investments

Trends in Single-person Households
(The Main Target of Shinoken)
(Unit: 1,000 Housing Units)



Source: National Institute of Population and Social Security Research

Trends in Population and Single-person Households
(National Total)
(Unit: Million Housing Units)
(Unit: Million People)



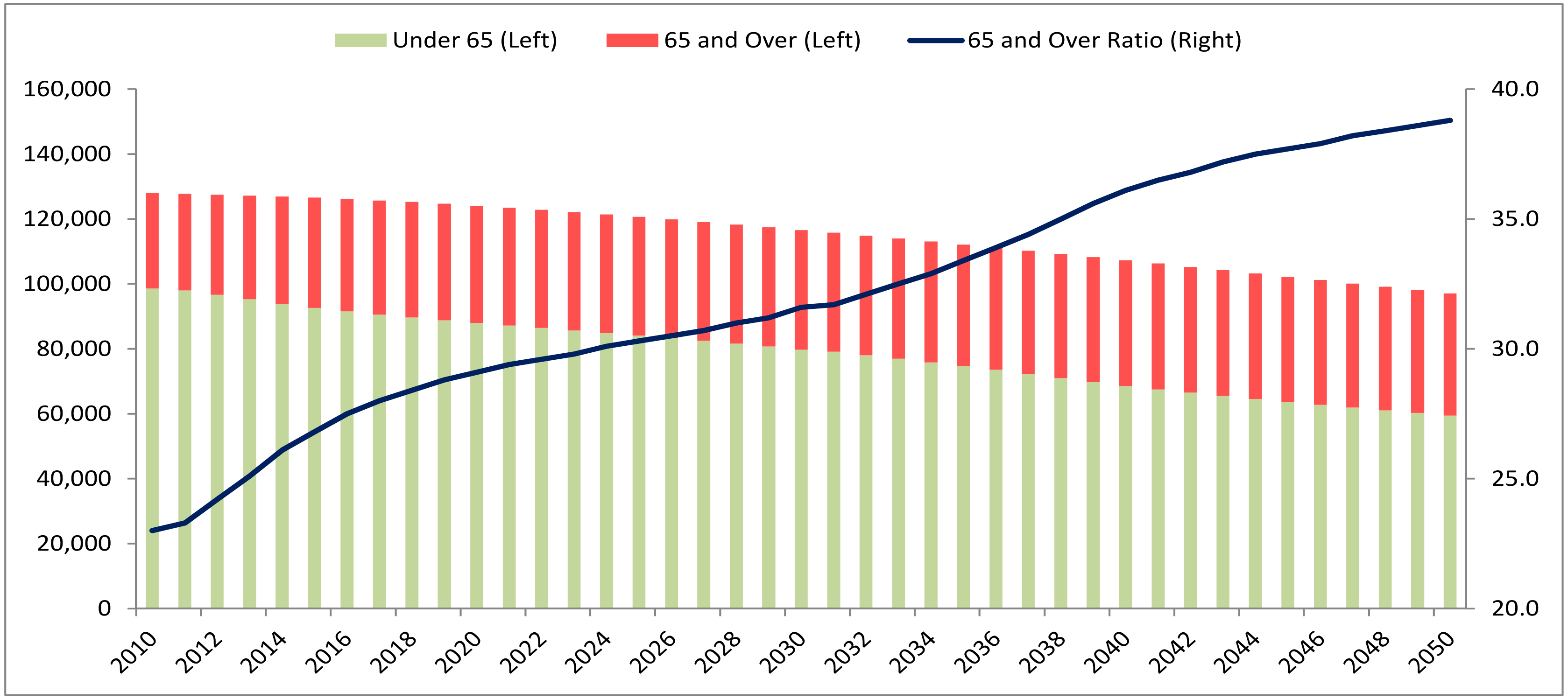
Source: National Institute of Population and Social Security Research

Reference Materials: Business Environment – Long-term Care Business

- The population of people over 65 in Japan is projected to increase to 38,782 by 2042 and decrease thereafter
- The ratio of elderly in Japan is projected to continue to rise every year from 2010 to 2050 and reach 28.8% by 2050

Projections for Trends in the Population Ratio of the Elderly (65 and Over) in Japan

Unit: 1,000 People [Left], Percentage of Population [Right]



Source: National Institute for Population and Social Security Research, "Population Projections for Japan" January 2012 and "Projections for Birth Medium Estimate (Death Medium Estimate)"

7. Inquiries

Disclaimer

This document includes estimations that are based on presumptions, forecasts and plans concerning the future of Shinoken business using March 5, 2016 as the date of reference. Thus, actual business results may greatly differ from any estimations contained herein due to a variety of unforeseen reasons and circumstances such as economic trends and the changing states of business environments.

For Inquiries Please Contact Investor Relations

Shinoken Group Co., Ltd.
Investor Relations Dept.
TEL: +81 92 714 0040
WEB: http://www.shinoken.co.jp/ir/