



August 8, 2016
 Shinoken Group Co., Ltd.
 President and Representative Director
 Hideaki Shinohara
 (JASDAQ 8909)

Reference Materials for 1H Fiscal Year Ending December 31, 2016 (Consolidated)

TOPICS

- **Net Sales ¥36,427 million, Ordinary Income ¥4,627 million**
 ⇒ Both Net Sales and All Profits Set Record Highs for a 1H

- **Flow Business (Sales of Apartments and Condominiums) Favorable**
 Apartment Deliveries 230 Buildings (170 Buildings YoY)
 Condominium Deliveries 347 Units (315 Units YoY)
 ⇒ Both Set Record Highs for Deliveries for a 1H

1. Consolidated Results for 1H FY12/2016

As a result of sales conditions in the mainstay Flow Business (Sales of Apartment Business, Sales of Condominium Business, General Contractor Business) trending favorably and sales conditions in the Stock Business (Leasing / Property Management Business, Finance and Guarantee Business, Long-term Care Business and Other Business) also trending smoothly, consolidated results for 1H FY12/2016 were net sales of ¥36,427 million (up 26.3% YoY), operating income of ¥5,171 million (up 32.5% YoY), ordinary income of ¥4,627 million (up 19.6% YoY) and profit attributable to owners of parent of ¥3,029 million (up 15.3% YoY), with both net sales and all profits exceeding the plan and setting record highs for a first half.

(1). Compared with the Same Period Last Year

(Unit: ¥ Million)

	1H FY12/2015	1H FY12/2016	Change YoY
Net Sales	28,839	36,427	7,588
Operating Income	3,900	5,171	1,270
Ordinary Income	3,868	4,627	759
Profit Attributable to Owners of Parent	2,627	3,029	402

(2). Compared with Plan

(Unit: ¥ Million)

	1H Plan Announced February 15, 2016	1H FY12/2016	Achievement Rate vs. Plan (%)
Net Sales	34,000	36,427	107.1
Operating Income	4,000	5,171	129.2
Ordinary Income	3,900	4,627	118.6
Profit Attributable to Owners of Parent	2,700	3,029	112.1

2. Consolidated Balance Sheet Summary

A summary of the consolidated balance sheet at the end of 1H FY12/2016 is shown below.

(Unit: ¥ Million)

	End of FY12/2015 (as of December 31, 2015)	End of 1H FY12/2016 (as of June 30, 2016)	Change YoY
Cash and Deposits	7,679	10,584	2,905
A/R from Completed Construction Contracts	3,626	2,419	△1,206
Real Estate for Sale	18,527	22,337	3,810
Costs of Real Estate Business	10,705	12,718	2,013
Property, Plant and Equipment	5,709	5,651	△58
Goodwill	1,695	1,617	△78
Total Assets	52,457	59,470	7,013
Accounts Payable - Real Estate	3,202	2,813	△388
A/P for Construction Contracts	2,542	1,886	△655
Short-term Loans Payable	11,119	13,965	2,846
Long-term Loans Payable	16,583	18,158	1,574
Total Liabilities	40,111	44,222	4,110
Net Assets	12,345	15,248	2,902
Total Liabilities and Net Assets	52,457	59,470	7,013
Equity Ratio	23.5%	25.6%	2.1pt

3. Summary of Results by Segment

A summary of consolidated results by segment for 1H FY12/2016 is shown below.

(Unit: ¥ Million)

Segment	Item/Term	1H FY12/2015	1H FY12/2016	Change YoY
Sales of Apartment Business	Net Sales	12,218	16,845	4,626
	Segment Profit	1,550	1,656	105
Sales of Condominium Business	Net Sales	8,020	9,482	1,462
	Segment Profit	1,935	2,863	928
General Contractor Business	Net Sales	4,571	5,018	447
	Segment Profit	530	793	262
Leasing / Property Management Business	Net Sales	3,137	3,728	590
	Segment Profit	290	460	170
Finance and Guarantee Business	Net Sales	295	361	65
	Segment Profit	122	135	13
Long-term Care Business	Net Sales	163	495	331
	Segment Profit	55	67	12
Other Business	Net Sales	431	495	63
	Segment Profit	90	144	54
Total	Net Sales	28,839	36,427	7,588
	Segment Profit	3,900	5,171	1,270

Note: Adjusted amounts are not shown.

4. Flow Business Deliveries

Flow Business (sales of apartments and condominiums) deliveries and order backlog / contract backlog for 1H FY12/2016 are shown below. Both the Sales of Apartment Business and the Sales of Condominium Business posted record deliveries for a first half due to a huge increase in orders / contracts compared with the same period of the previous year.

(Note) In the case of apartment sales, revenues are recognized 6-8 months after orders are placed since construction begins well afterwards.

◆ Sales of Apartment Business

	Deliveries	Order Backlog	Total
1H FY12/2016	230 Buildings	532 Buildings	762 Buildings
1H FY12/2015	170 Buildings	257 Buildings	427 Buildings
Change YoY	135.2%	207.0%	178.4%

◆ Sales of Condominium Business

	Deliveries	Contract Backlog	Total
1H FY12/2016	347 Units	130 Units	477 Units
1H FY12/2015	315 Units	86 Units	401 Units
Change YoY	110.1%	151.1%	118.9%

5. Future Outlook

Regarding the forecast for the full year FY12/2016, an announcement will be made promptly at the time such an announcement is possible upon a detailed examination of sales conditions in apartments and condominiums and progress in construction contracts.

<<For Inquiries Regarding this Press Release>> Please call Shinoken Group Investor Relations at: +81-3-5777-0089
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