



November 9, 2016
 Shinoken Group Co., Ltd.
 President and Representative Director
 Hideaki Shinohara
 (TSE JASDAQ 8909)

Reference Materials for 3Q Year Ending December 31, 2016 (Consolidated)

TOPICS

■ Both Net Sales and All Profits exceeding the Full Year Results of FY 12/2015 and Setting Record Highs

• Net Sales	¥57,296 million	(up 37.1% YoY)
• Operating Income	¥8,154 million	(up 48.0% YoY)
• Ordinary Income	¥7,551 million	(up 40.4% YoY)
• Net Profit	¥5,081 million	(up 43.0% YoY)

■ Flow Business (Sales of Apartments and Condominiums) Favorable

Apartment Deliveries	359 Buildings	(243 Buildings YoY)
Condominium Deliveries	527Units	(440 Units YoY)

⇒ Both Set Record Highs for Deliveries for a 3Q

1. Consolidated Results for 3Q FY12/2016

For the 3Q FY12/2016, the mainstay Flow Business (Sales of Apartment Business, Sales of Condominium Business, General Contractor Business) all trended favorably and sales conditions in the Stock Business (Leasing / Property Management Business, Finance and Guarantee Business, Long-term Care Business and Other Business) also trended smoothly, with net sales of ¥57,296 million (up 37.1% YoY), operating income of ¥8,154 million (up 48.0% YoY), ordinary income of ¥7,551 million (up 40.4% YoY) and profit attributable to owners of parent of ¥5,081 million (up 43.0% YoY), with both net sales and all profits exceeding the plan. Net sales and all profits set record highs for a 3Q and exceeded the full year result of previous fiscal year (FY 12/2015).

(1) Compared with the Same Period Last Year
 ¥ Million)

(Unit:

	3Q FY 12/2015	3Q FY 12/2016	Change YoY
Net Sales	41,785	57,296	15,511
Operating Income	5,507	8,154	2,646
Ordinary Income	5,375	7,551	2,175
Profit Attributable to Owners of Parent	3,553	5,081	1,528

(2) Compared with Plan
 ¥ Million)

(Unit:

	Full year Plan Announced October 31, 2016	3Q FY 12/2016	Achievement Rate vs. Plan (%)
Net Sales	80,000	57,296	71.6

Operating Income	10,000	8,154	81.5
Ordinary Income	9,500	7,551	79.4
Profit Attributable to Owners of Parent	6,250	5,081	81.3

2. Consolidated Balance Sheet Summary

A summary of the consolidated balance sheet at the end of 3Q FY 12/2016 is shown below.

(Unit: ¥ Million)

	End of FY 12/2015 (as of December 31, 2015)	End of 3Q FY 12/2016 (as of September 30, 2016)	Change YoY
Cash and Deposits	7,679	10,582	2,902
A/R from Completed Construction Contracts	3,626	2,973	△652
Real Estate for Sale	18,527	24,788	6,261
Costs of Real Estate Business	10,705	12,879	2,174
Property, Plant and Equipment	5,709	6,043	333
Goodwill	1,695	1,534	△161
Total Assets	52,457	63,297	10,840
Accounts Payable - Real Estate	3,202	3,499	297
A/P for Construction Contracts	2,542	1,962	△580
Short-term Loans Payable	11,119	14,549	3,429
Long-term Loans Payable	16,583	18,552	1,969
Total Liabilities	40,111	46,482	6,371
Net Assets	12,345	16,815	4,469
Total Liabilities and Net Assets	52,457	63,297	10,840
Equity Ratio	23.5%	26.5%	3.0pt

3. Summary of Results by Segment

A summary of consolidated results by segment for 3Q FY12/2016 is shown below.

(Unit: ¥ Million)

Segment	Item/Term	3Q FY 12/2015	3Q FY 12/2016	Change YoY
Sales of Apartment Business	Net Sales	17,701	27,366	9,664
	Segment Profit	2,158	2,730	572
Sales of Condominium Business	Net Sales	11,327	14,420	3,093
	Segment Profit	2,744	4,283	1,539
General Contractor Business	Net Sales	6,697	7,753	1,056
	Segment Profit	758	1,138	379
Leasing / Property Management Business	Net Sales	4,736	5,746	1,010
	Segment Profit	466	797	331
Finance and Guarantee Business	Net Sales	410	511	100
	Segment Profit	160	189	28
Long-term Care Business	Net Sales	317	777	460
	Segment Profit	86	112	26
Other Business	Net Sales	593	721	127
	Segment Profit	108	195	87

Total	Net Sales	41,785	57,296	15,511
	Segment Profit	5,507	8,154	2,646

Note: Adjusted amounts are not shown.

4. Flow Business Deliveries

Flow Business (sales of apartment and condominiums) deliveries and order backlog / contract backlog for 3Q FY 12/2016 are shown below. Both the Sales of Apartment Business and the Sales of Condominium Business posted record deliveries in the 3Q, continuing from the 2Q, 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
3Q FY 12/2016	359 Buildings	613 Buildings	972 Buildings
3Q FY 12/2015	243 Buildings	308 Buildings	551 Buildings
Change YoY	147.7%	199.0%	176.4%

◆Sales of Condominium Business

	Deliveries	Contract Backlog	Total
3Q FY 12/2016	527 Units	65 Units	592 Units
3Q FY 12/2015	440 Units	91 Units	531 Units
Change YoY	119.7%	71.4%	111.4%

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>>
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