



February 15, 2017
 Shinoken Group Co., Ltd.
 President and Representative Director
 Hideaki Shinohara
 (TSE JASDAQ 8909)

Information for the Fiscal Year Ended December 31, 2016 (Consolidated)

TOPICS

Both Net Sales and Profits Set Record Highs!!

Net Sales	¥81,294 million	(up 47.6% YoY)
Ordinary Income	¥9,895 million	(up 53.4% YoY)
Profit Attributable to Owners of Parent	¥6,662 million	(up 49.8% YoY)

- Net sales and profits increased for the seventh consecutive year due to strong business performance, with record high net sales for the third consecutive year, and record high profits for the fifth consecutive year
- Both sales of apartments and condominiums posted record deliveries
- Profits of all segments renewed record highs
- Dividend forecast for FY 12/2017 on a per share annual basis at 45.00 Yen
 → As in the fiscal year ended December 31, 2016, Shinoken plans a special dividend in accordance with performance achieved

1. Consolidated Results for FY12/2016

For the current consolidated fiscal year, net sales stood at ¥81,294 million (up 47.6% YoY), operating income at ¥10,570 million (up 55.2% YoY), ordinary income at ¥9,895 million (up 53.4% YoY) and profit attributable to owners of parent at ¥6,662 million (up 49.8% YoY). Due to robust results seen in the Flow business (sales of apartment, sales of condominium and general contractor business), higher sales and profits were seen for the seventh straight term, with record high sales for the third consecutive term, and renewed all-time high profits for the fifth consecutive term.

(Unit: ¥ Million)

	FY 12/2015	FY 12/2016	Change YoY
Net Sales	55,070	81,294	47.6%
Operating Income	6,806	10,570	55.2%
Ordinary Income	6,448	9,895	53.4%

Profit Attributable to Owners of Parent	4,447	6,662	49.8%
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2. Consolidated Balance Sheet Summary

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

(Unit: ¥ Million)

	End of FY 12/2015 (as of December 31, 2015)	End of FY 12/2016 (as of December 31, 2016)	Change YoY
Cash and Deposits	7,679	13,524	5,844
A/R from Completed Construction Contracts	3,626	4,530	904
Real Estate for Sale	18,527	26,624	8,096
Costs of Real Estate Business	10,705	15,336	4,631
Property, Plant and Equipment	5,709	6,143	433
Total Assets	52,457	72,273	19,815
A/P for Construction Contracts	2,542	2,861	319
Short-term Loans Payable	11,119	15,908	4,788
Long-term Loans Payable	16,583	20,024	3,440
Total Liabilities	40,111	53,724	13,613
Net Assets	12,345	18,548	6,202
Total Liabilities and Net Assets	52,457	72,273	19,815
Equity Ratio	23.5%	25.6%	2.1pt

3. Summary of Results by Segment

A summary of consolidated results by segment for FY12/2016 is shown below. All segments set record highs.

(Unit: ¥ Million)

Segment	Item/Term	FY 12/2015	FY 12/2016	Change YoY
Sales of Apartment Business	Net Sales	23,759	41,395	17,635
	Segment Profit	2,688	4,163	1,474
Sales of Condominium Business	Net Sales	13,664	17,715	4,051
	Segment Profit	3,233	5,088	1,854
General Contractor Business	Net Sales	9,382	11,741	2,359
	Segment Profit	1,069	1,440	370
Leasing / Property Management Business	Net Sales	6,411	7,749	1,338
	Segment Profit	670	941	271
Finance and Guarantee Business	Net Sales	539	685	146
	Segment Profit	209	260	51
Long-term Care Business	Net Sales	520	1,042	522
	Segment Profit	104	129	25
Other Business	Net Sales	792	962	170
	Segment Profit	138	211	72

Total	Net Sales	55,070	81,294	26,224
	Segment Profit	6,806	10,570	3,763

Note: Adjusted amounts are not shown.

4. Flow Business Deliveries (Contracts)

Flow business deliveries and order backlog / contract backlog for FY 12/2016 are shown below.

Sales of Apartment Business continued to see large order increases from the previous term, while Sales of Condominium Business are going smoothly, and both businesses saw renewed record high deliveries. In addition, General Contractor Business saw a surge in orders.

◆Sales of Apartment Business

	Deliveries	Order Backlog	Total
FY 12/2016	530 Buildings	620 Buildings	1,150 Buildings
FY 12/2015	320 Buildings	389 Buildings	709 Buildings
Change YoY	165.6%	159.3%	162.2%

◆Sales of Condominium Business

	Deliveries	Contract Backlog	Total
FY 12/2016	651 Units	102 Units	753 Units
FY 12/2015	532 Units	161 Units	693 Units
Change YoY	122.3%	63.3%	108.6%

◆General Contractor Business

	Net Sales of Completed (Contract) Construction	Order Backlog	Total
FY 12/2016	¥15,970 Million	¥13,255 Million	¥29,226 Million
FY 12/2015	¥13,400 Million	¥10,677 Million	¥24,078 Million
Change YoY	119.1%	124.1%	121.3%

Note 1. In the case of Apartment Sales, revenues are recorded 6-8 months after orders are placed since construction begins well afterwards.

2. Net sales of completed (contract) construction and order backlog for the General Contractor Business includes internal transactions within the Group.

5. Forecast for the Fiscal Year Ending December 31, 2017

For the business forecast for the fiscal year ending December 2017, we expect orders and contracts in the mainstay business to grow and business results to remain favorable. As a result, we anticipate renewed record high net sales and profits, with net sales at ¥105,000 million, ordinary income at ¥11,000 million, and profit attributable to owners of parent at ¥7,800 million.

(Unit: ¥ Million)

	FY 12/2016 Results	FY 12/2017 Forecast
Net Sales	81,294	105,000
Operating Income	10,570	11,700
Ordinary Income	9,895	11,000
Profit Attributable to Owners of Parent	6,662	7,800

6. Dividend Forecast for the Fiscal Year Ending December 31, 2017

For the dividend forecast for the fiscal year ending December 31, 2017, we declared an annual dividend of ¥45.00, an increase of ¥12.00 from the ordinary dividend of ¥33.00 in the fiscal year ended December 31, 2016 (2nd qtr. end at ¥22.50, year-end at ¥22.50). In addition to this, as a part of our shareholder return measures, we plan a special dividend to be increased in accordance with performance achieved, as in the fiscal year ended December 31, 2016.

Record Date	Dividends per Share			Total
	2Q-end	Year-end		
Dividend Category	Ordinary Dividends	Ordinary Dividends	Special Dividends	
FY 12/2016 Results	15.00 Yen	18.00 Yen	3.00 Yen	36.00 Yen
FY 12/2017 Forecast	22.50 Yen	22.50 Yen	—	45.00 Yen
FY 12/2017 Forecast *Note 1	22.50 Yen	22.50 Yen	5.00 Yen	50.00 Yen
FY 12/2017 Forecast *Note 2	22.50 Yen	22.50 Yen	10.00 Yen	55.00 Yen

Note 1. In the case, the amount of ordinary income at the end of the fiscal year is expected to show a 10% increase from the original forecast, at ¥12,100 million, a special dividend of ¥5.00 is planned as an additional year-end dividend.

Note 2. In the case, the amount of ordinary income at the end of the fiscal year is expected to show a 20% increase from the original forecast, at ¥13,200 million, a special dividend of ¥10.00 is planned as an additional year-end dividend.

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