



August 9, 2017  
 Shinoken Group Co., Ltd.  
 President and Representative Director  
 Hideaki Shinohara  
 (TSE JASDAQ 8909)

## Reference Materials for 1H Fiscal Year Ending December 31,2017 (Consolidated)

### TOPICS

#### ■ Net Sales ¥49,386 million, Ordinary Income ¥6,021 million

⇒ Both Net Sales and All Profits Set Record Highs for Every 1H

#### ■ Real Estate Sales Business Continues to Grow

Total of Apartment Sales and Condominium Sales (Deliveries)

¥36,567 million (YoY 138.8%)

⇒ Set Record Highs for Sales for Every 1H

#### 1. Consolidated Results for 1H FY 12/2017

For the 1H FY 12/2017, in the mainstay Real Estate Sales Business, sales trended smoothly, and Real Estate Management Related, General Contractor, Energy, Elderly Care and Other Businesses have increased steadily. As a result, our Group recorded Net Sales of ¥49,386 million (up 35.5% YoY), Operating Income of ¥6,430 million (up 24.3% YoY), Ordinary Income of ¥6,021 million (up 30.1% YoY) and Profit attributable to owners of parent of ¥4,103 million (up 35.4% YoY), with both net sales and all profits exceeding expectations and setting record highs for every 1H.

##### (1). Compared with the Same Period Last Year

(Unit:¥ Million)

	1H FY 12/2016	1H FY 12/2017	Change YoY (%)
Net Sales	36,427	49,386	135.5
Operating Income	5,171	6,430	124.3
Ordinary Income	4,627	6,021	130.1
Profit Attributable to Owners of Parent	3,029	4,103	135.4

##### (2). Compared with Plan

(Unit:¥ Million)

	Full Year Plan Announced February 15, 2017	1H FY 12/2017	Achievement Rate vs. Plan
Net Sales	105,000	49,386	47.0
Operating Income	11,700	6,430	54.9
Ordinary Income	11,000	6,021	54.7
Profit Attributable to Owners of Parent	7,800	4,103	52.6

#### 2. Consolidated Balance Sheet Summary

Summary of the consolidated balance sheet at the end of 1H FY 12/2017 is as follows.

(Unit:¥ Million)

	End of FY 12/2016 (as of December 31, 2016)	End of 1H FY 12/2017 (as of June 30, 2017)	Change YoY
Cash and Deposit	13,524	12,125	△1,399
A/R from Completed Construction Contracts	4,530	4,330	△199
Real Estate for Sale	26,624	31,105	4,480
Costs of Real Estate Business	15,336	15,662	326
Property, Plant and Equipment	6,143	6,489	346
Goodwill	1,424	1,276	△148
<b>Total Assets</b>	<b>72,273</b>	<b>76,014</b>	<b>3,741</b>
Accounts payable - Real Estate	4,782	5,374	592
A/P for Construction Contracts	2,861	2,449	△411
Short-term Loans Payable	15,908	21,308	5,400
Long-term Loans Payable	20,024	16,069	△3,955
<b>Total Liabilities</b>	<b>53,724</b>	<b>53,676</b>	<b>△48</b>
<b>Net Assets</b>	<b>18,548</b>	<b>22,338</b>	<b>3,790</b>
<b>Total Liabilities and Net Assets</b>	<b>72,273</b>	<b>76,014</b>	<b>3,741</b>
<b>Equity Ratio</b>	<b>25.6%</b>	<b>29.3%</b>	<b>3.7pt</b>

### 3. Summary of Results by Segments

Results by Segments for the 1H FY 12/2017 are as follows.

(Unit:¥ Million)

Segment	Item/Term	1H FY 12/2016	1H FY 12/2017	Change YoY
Real Estate Sales Business	Net Sales	26,337	36,567	10,229
	Segment Profit	4,569	5,599	1,030
Real Estate Management Related Business	Net Sales	4,074	5,009	934
	Segment Profit	590	775	184
General Contractor Business	Net Sales	5,018	6,530	1,512
	Segment Profit	793	718	△75
Energy Business	Net Sales	444	617	172
	Segment Profit	115	127	12
Elderly Care Business	Net Sales	495	586	90
	Segment Profit	67	24	△43
Other (Overseas)	Net Sales	55	74	18
	Segment Profit	56	95	39
Total	Net Sales	36,427	49,386	12,958
	Segment Profit	5,171	6,430	1,259

Note: Adjusted amounts are not shown.

### 4. Real Estate Sales Business Results

Real Estate Sales Business contracts (orders), sales (deliveries) and contract backlog are shown below. Apartment sales continued to see sales (deliveries) increase from the previous term and renewed record high levels for every 1H. As for condominium sales, it is our policy to keep annual sales at a certain level, and sales figures are proceeding according to our plan.

(Note) In the case of Apartment sales, net sales are recorded 6-8 months after the orders are placed, since the construction begins after the contract.

## ① Contracts (Orders)

Segment Title	Amount (¥ Million)	YoY
Real Estate Sales Business	41,543	103.8%
Apartment Sales	33,380	107.3%
Condominium Sales	8,162	91.7%

## ② Sales (Deliveries)

Segment Title	Amount (¥ Million)	YoY
Real Estate Sales Business	36,567	138.8%
Apartment Sales	27,191	161.4%
Condominium Sales	9,375	98.8%

## ③ Order Backlog

Segment Title	Amount (¥ Million)	YoY
Real Estate Sales Business	59,134	125.7%
Apartment Sales	57,349	131.8%
Condominium Sales	1,785	50.7%

※Reason why the Order Backlog for Condominium Sales seems to have declined YoY:

A large amount of Order Backlog for unfinished property was temporarily included in 1H FY 12/2016, and not in the current 1H FY 12/2017. Current Condominium Sales are proceeding as planned.

## 5. Future Outlook

Regarding the forecast for the fiscal year ending December 2017, an announcement will be made promptly once it is possible to disclosure information upon a detailed examination of Apartment Sales, Condominium Sales and progress in construction contracts.

<<For Inquiries Regarding this Press Release>>  
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