



February 14, 2018  
 Shinoken Group Co., Ltd.  
 President and Representative Director  
 Hideaki Shinohara  
 (TSE JASDAQ 8909)

## Reference Materials for Fiscal Year Ended December 31,2017

### (Consolidated)

## TOPICS

### **Both Net Sales and Profits Set Record Highs!!**

<b>Net Sales</b>	<b>¥105,936 Million</b>	<b>(up 30.3% YoY)</b>
<b>Ordinary Income</b>	<b>¥12,201 Million</b>	<b>(up 23.3% YoY)</b>
<b>Profit attributable to owners of parent</b>	<b>¥8,489 Million</b>	<b>(up 27.4% YoY)</b>

- Net Sales and profits increased for the eighth consecutive year due to strong business performance, with record high net sales for the fourth consecutive year and record high profits for the sixth year.
- Sales results for Apartments and Condominiums

**Net Sales ¥79,578 Million (up 34.5% YoY) setting record high.**

#### 1.Consolidated Results for FY12/2017

For the 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 ¥1,059,36 million (up 30.3% YoY), Operating Income of ¥12,920 million (up 22.2% YoY), Ordinary Income of ¥12,201 million (up 23.3% YoY) and Profit attributable to owners of parent of ¥8,489 million (up 27.4% YoY). We have achieved our mid-term goal of Net Sales of ¥1,000,00 million and Ordinary Income of ¥100,00 million, and higher sales and profits were seen for the eighth straight term, with record high sales for the fourth consecutive term, and renewed all-time high profits for the sixth consecutive term.

#### (1)Year on Year

(Unit : ¥ Million)

	FY12/2016	FY12/2017	Change YoY
Net Sales	81,294	105,936	+30.3%
Operating Income	10,570	12,920	+22.2%
Ordinary Income	9,895	12,201	+23.3%
Profit attributable to owners of parent	6,662	8,489	+27.4%

#### (2)Compared to the Forecasts

(Unit : ¥ Million)

	Forecast As of Feb 15, 2017	FY12/2017	Achievement Ratio
Net Sales	105,000	105,936	100.8%
Operating Income	11,700	12,920	110.4%
Ordinary Income	11,000	12,201	110.9%
Profit attributable to owners of parent	7,800	8,489	108.8%

## 2. Consolidated Balance Sheet Summary

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

(Unit : ¥ Million)

	End of FY 12/2016 (as of December 31, 2016)	End of FY 12/2017 (as of December 31, 2017)	Change YoY
Cash and Deposit	13,524	23,502	9,978
A/R from Completed Construction Contracts	4,530	5,324	794
Real Estate for Sale	26,624	28,631	2,007
Costs of Real Estate Business	15,336	19,285	3,949
Property, Plant and Equipment	6,143	6,881	738
Goodwill	1,424	1,128	△296
<b>Total Assets</b>	<b>72,273</b>	<b>90,972</b>	<b>18,699</b>
Accounts payable - Real Estate	4,782	4,868	86
A/P for Construction Contracts	2,861	3,035	173
Short-term Loans Payable	15,908	23,611	7,702
Long-term Loans Payable	20,024	22,400	2,375
<b>Total Liabilities</b>	<b>53,724</b>	<b>64,582</b>	<b>10,857</b>
<b>Net Assets</b>	<b>18,548</b>	<b>26,390</b>	<b>7,841</b>
<b>Total Liabilities and Net Assets</b>	<b>72,273</b>	<b>90,972</b>	<b>18,699</b>
<b>Equity Ratio</b>	<b>25.6%</b>	<b>29.0%</b>	<b>3.4pt</b>

## 3. Summary of Results by Segments

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

(Unit : ¥ Million)

Segment	Item/Term	FY 12/2016	FY 12/2017	Change YoY
Real Estate Sales Business	Net Sales	59,123	79,578	20,455
	Segment Profit	9,337	11,333	1,995
Real Estate Management Related Business	Net Sales	8,399	10,229	1,830
	Segment Profit	1,173	1,499	325
General Contractor Business	Net Sales	11,741	13,532	1,791
	Segment Profit	1,448	1,452	4
Energy Business	Net Sales	848	1,199	350
	Segment Profit	136	224	87
Elderly Care Business	Net Sales	1,042	1,256	213
	Segment Profit	129	94	△35
Other (Overseas)	Net Sales	138	139	1
	Segment Profit	135	182	46
Total	Net Sales	81,294	105,936	24,641
	Segment Profit	10,570	12,920	2,349

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. Both Apartment and Condominium sales (deliveries) trended smoothly, setting record high results.

### ① Contracts (Orders)

Segment Title	Amount (¥ Million)	Change YoY
Real Estate Sales Business	83,240	104.1%
Apartment Sales	66,324	104.7%
Condominium Sales	16,916	101.8%

### ② Sales (Deliveries)

Segment Title	Amount (¥ Million)	Change YoY
Real Estate Sales Business	79,578	134.5%
Apartment Sales	61,368	148.2%
Condominium Sales	18,209	102.7%

### ③ Order Backlog

Segment Title	Amount (¥ Million)	Change YoY
Real Estate Sales Business	57,821	106.7%
Apartment Sales	56,115	109.6%
Condominium Sales	1,706	56.8%

※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.

※Order Backlog for Condominium Sales have relatively decreased compared to the previous fiscal year (2016) when the sales exceeded the plans. But as for this fiscal year (2017), sales moved on as planned.

## 5. Forecast for the Fiscal Year Ending December 31, 2018

For the business forecast for the Fiscal Year Ending December 2018, 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 ¥120,000 million, Ordinary Income at ¥13,200 million, and pProfit attributable to owners of parent at ¥9,200 million.

(Unit : ¥ Million)

	FY 12/2017 Results	FY 12/2018 Forecast
Net Sales	105,936	120,000
Operating Income	12,920	13,500
Ordinary Income	12,201	13,200
Profit attributable to owners of parent	8,489	9,200

## 6.Dividend Forecast for the Fiscal Year Ending December 31, 2018

For the dividend forecast for the Fiscal Year Ending December 31, 2018, we declared an annual dividend of ¥60.00, an increase of ¥15.00 from the ordinary dividend of ¥45.00 in the fiscal year ended December 31, 2017 (2nd qtr. end at ¥30.00, year-end at ¥30.00). 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, 2017.

Record Date	Dividends per Share				Total
	2Q-end	Year-end			
Dividend Category	Ordinary Dividends	Ordinary Dividends	Special Dividends	Memorial Dividends	
FY 12/2017 Results	22.50 Yen	22.50 Yen	5.00 Yen	5.00 Yen	55.00 Yen
FY 12/2018 Forecast	30.00 Yen	30.00 Yen	—		60.00 Yen
FY 12/2018 Forecast *Note 1	30.00 Yen	30.00 Yen	6.00 Yen		66.00 Yen
FY 12/2018 Forecast *Note 2	30.00 Yen	30.00 Yen	12.00 Yen		72.00 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 ¥14,520 million, a special dividend of ¥6.00 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 ¥15,840 million, a special dividend of ¥12.00 is planned as an additional year-end dividend.

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