

# Summary of Business Results for Fiscal Year Ended December 31, 2017

## [Japan GAAP] (Consolidated)

February 14, 2018

Company	Shinoken Group Co., Ltd.	Listed on the TSE
Stock Code	8909	URL: <a href="http://www.shinoken.co.jp">http://www.shinoken.co.jp</a>
Representative	Hideaki Shinohara, Representative Director and CEO	
Contact	Junichi Tsurukawa, Managing Director	
Scheduled date of ordinary shareholders' meeting:	March 28, 2018	
Scheduled date for filing of annual securities report:	March 28, 2018	
Scheduled date of commencement of dividend payment:	March 29, 2018	
Preparation of supplementary financial document:	None	
Financial results briefing:	None	

(Rounded down to million yen)

### 1. Consolidated Business Results for Fiscal Year Ended December 31, 2017

(January 1, 2017 to December 31, 2017)

#### (1) Consolidated Results of Operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Dec. 31, 2017	105,936	30.3	12,920	22.2	12,201	23.3	8,489	27.4
Fiscal year ended Dec. 31, 2016	81,294	47.6	10,570	55.2	9,895	53.4	6,662	49.8

(Note) Comprehensive income

Fiscal year ended December 31, 2017: 8,523 million yen (25.4%)

Fiscal year ended December 31, 2016: 6,795 million yen (51.9%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Dec. 31, 2017	509.85	484.20	37.8	14.9	12.2
Fiscal year ended Dec. 31, 2016	400.92	379.08	43.2	15.9	13.0

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	%
As of Dec. 31, 2017	90,972	26,390	29.0	1,577.19
As of Dec. 31, 2016	72,273	18,548	25.6	1,113.14

(Reference) Shareholders' equity:

As of December 31, 2017: 26,351 million yen

As of December 31, 2016: 18,517 million yen

#### (3) Consolidated Cash Flow Position

	Cash Flow from operating activities	Cash Flow from investing activities	Cash Flow from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Dec. 31, 2017	2,407	Δ1,496	9,004	23,035
Fiscal year ended Dec. 31, 2016	Δ734	Δ1,268	7,775	13,166

### 2. Dividends

	Annual dividends					Total Dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
Fiscal year ended Dec. 31, 2016	-	15.00	-	21.00	36.00	600	9.0	4.5
Fiscal year ended Dec. 31, 2017	-	22.50	-	32.50	55.00	919	10.8	4.7
Fiscal year ending Dec. 31, 2018 (Forecast)	-	30.00	-	30.00	60.00		10.9	

(Note) As for dividends for the fiscal year ending December 31, 2018, in addition to the ordinary dividends, depending on the results the Company achieves, special dividends are scheduled. If FY/2018 ordinary income is forecast to increase beyond ¥14,520 million (10% increase from the initial forecast of ¥13,200 million), a dividend increase of another ¥6.00 is planned. If FY/2018 ordinary income is forecast to increase beyond ¥15,840 million (20% increase from the initial forecast of ¥13,200 million), a dividend increase of another ¥12.00 is planned.

### 3. Forecast of Consolidated Business Results for the Fiscal Year Ending December 31, 2018

(January 1, 2018 to December 31, 2018)

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
1H Fiscal year ending Jun 30, 2018	57,000	15.4	6,500	1.1	6,200	3.0	4,300	4.8	257.36
Fiscal year ending Dec. 31, 2018	120,000	13.3	13,500	4.5	13,200	8.2	9,200	8.4	550.64

#### \*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

New subsidiaries: - (Company name): -  
Excluded subsidiaries: - (Company name): -

(2) Changes in accounting policies, accounting estimates and restatement

- ① Changes in accounting policies associated with revision of accounting standards: : None  
② Changes in accounting policies other than ① : None  
③ Changes in accounting estimates : None  
④ Restatement : None

(3) Shares outstanding (common stock)

- ① Number of shares outstanding at the end of period (treasury stock included)  
As of December 31, 2017 18,030,600 shares  
As of December 31, 2016 17,976,600 shares
- ② Treasury stock at the end of period  
As of December 31, 2017 1,322,631 shares  
As of December 31, 2016 1,341,552 shares
- ③ Average number of stock during period  
Fiscal year ended December 31, 2017 16,651,728 shares  
Fiscal year ended December 31, 2016 16,618,580 shares

(Reference) Summary of Non-consolidated Results

Non-consolidated Business Results for the Fiscal year Ended December 31, 2017

(January 1, 2017 to December 31, 2017)

(1) Non-Consolidated Operating Results

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Dec. 31, 2017	2,759	218.9	2,158	798.3	1,974	—	1,981	—
Fiscal year ended Dec. 31, 2016	865	16.4	240	△2.0	118	△6.6	111	△85.3

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Dec. 31, 2017	118.99	113.00
Fiscal year ended Dec. 31, 2016	6.68	6.32

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2017	11,746	6,123	52.0	365.73
As of Dec. 31, 2016	11,359	4,756	41.8	285.35

(Reference) Shareholders' equity:

As of December 31, 2017: 6,110 million yen

As of December 31, 2016: 4,746 million yen

※ **This summary of business results is not subject to the audit procedures.**

※ **Explanation Regarding Appropriate Use of Business Forecasts and Other Special Items**

Forecasts regarding future performance in this material are based on information currently available to the Company. Actual results may differ from the forecasts due to various factors.