



March 1, 2018
Shinoken Group Co., Ltd.

Shinoken launches 『HTT-1 Fund』, an Apartment Fund for Institutional Investors, First Case in Japan

Shinoken Group Co., Ltd. (Tokyo Office : Minato-ku, Tokyo, President and Representative Director : Hideaki Shinohara JASDAQ 8909, further referred to as Shinoken) has launched 『HTT-1 Fund』 with a scale of ¥3 Billion, and advanced into the Real Estate Fund Business. This is the first domestic case for a genuine Apartment Fund for Institutional Investors. The Apartments are produced by Shinoken as the brand 『Harmony Terrace』, and this Fund is for 21 units located in central Tokyo area.

Drastic expansion of the range of clients for Shinoken, from Individual Investors to Institutional Investors ! !

Since our establishment in 1990, Shinoken has led the industry of Apartment Investments that includes obtaining the land itself, as a means for Asset Development for individual paid workers.

The distinctive feature of Shinoken's Apartment Investment is that the locations are specifically within 10 minutes walking distance from train stations, and we have developed a consistent system that provides Apartment planning/development, leasing, rent management, LP gas, electricity, Small-amount Short-term Insurance, rent guarantee service. Also, we currently manage 28,000 rooms and we are currently keeping an occupancy of approximately 98% (AS of end of Dec. 2017) .

Shinoken has sold Apartments mainly for individual clients, but we had had many requests for investment products concerning Apartments produced by Shinoken, which has continuously shown high level of performance.

To meet such demands of the Institutional Investors, Shinoken has newly founded the Real Estate Fund Business, and has newly launched the first domestic Apartment Fund for Institutional investors. As for the first Fund, we are planning to sell ¥3 Billion worth of Apartments.

Business range expansion for Shinoken !

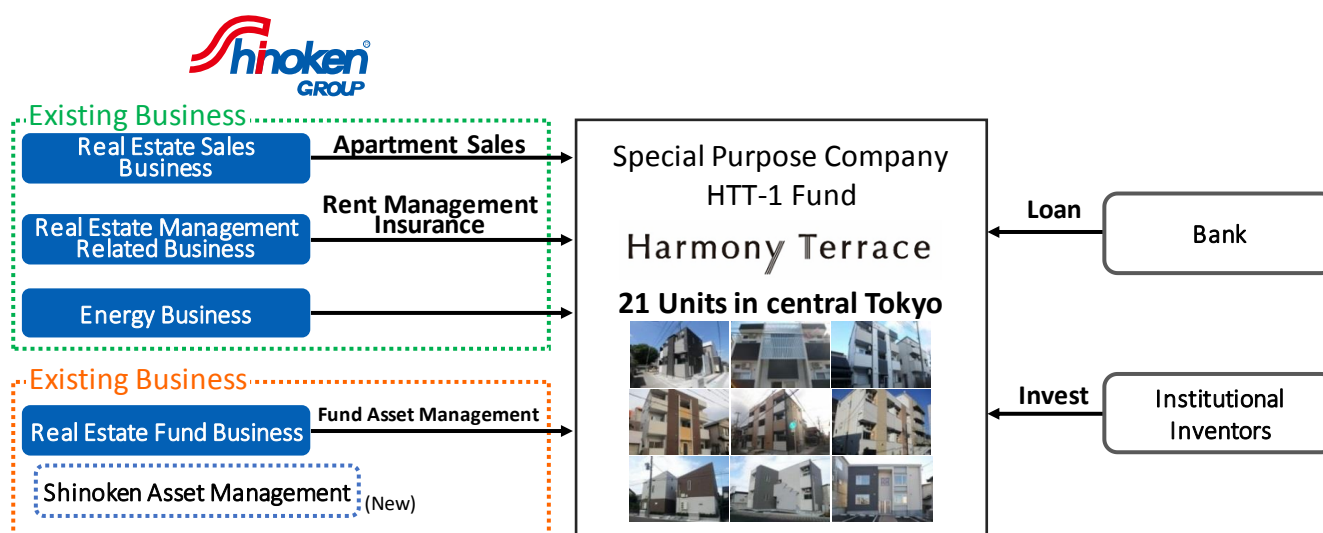
Shinoken will start the Real Estate Fund Business by newly establishing Shinoken Asset Management Co., Ltd. (Head Office: Fukuoka City). In this Business, we intend to provide services regarding asset management for the investors, and Shinoken as a group can earn additional revenue and profit from the service fee.

Also, the launch of this Apartment Fund will enable Shinoken to not only provide the good design award-winning architecture 『Harmony Terrace』, but also the combined services of high occupancy rent management, LP gas and electricity, Insurance, for the Fund. Therefore, we can expect good synergy effects in the surrounding Real Estate Management Related Business and Energy Business.

Serializing Apartment Funds to widen the range of customers !

As of the launch of 『HTT – 1 Fund』, Shinoken will enter the Real Estate Fund Business. But we have already started the planning and consideration of our next Fund, and we intend it to exceed the first Fund. Thereafter, we plan to launch new Funds that are ¥3 to 5 Billion in scale, with various high demand concepts such as Retail Investment Funds for Individual Investors, Loan Funds based on Real Estate collateral, etc. And expand the range of customers regardless of nationality, Institutional or Individual.

【Scheme image of the HTT-1 Fund】



The impact to the consolidated financial performance from the launching of this Fund is currently under close examination and calculation, and any needed revision will be disclosed.

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