



Fiscal Year Ended December 31, 2020

# Financial Results (Presentation)

Shinoken Group Co., Ltd.  
TSE Ticker : 8909  
Feb 12, 2021

A life support company for  
every generation across the world



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# Financial Results (Presentation)

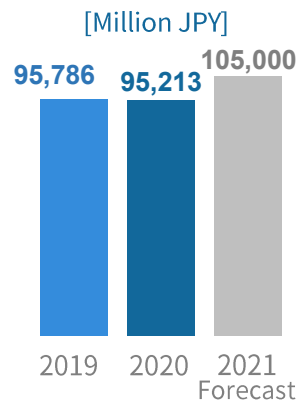
## Highlights of results



## Net sales

**95,213** Million JPY

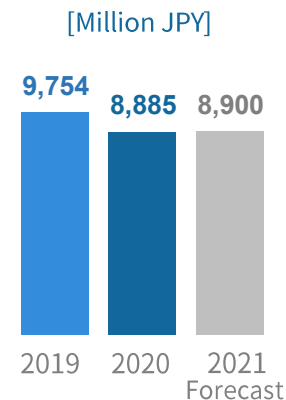
YoY **▲0.5 %**



## Operating Income

**8,885** Million JPY

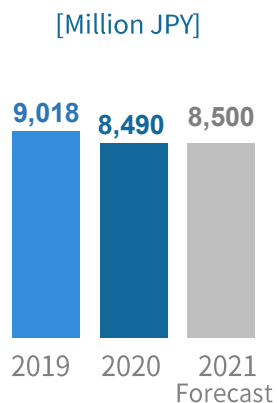
YoY **▲8.9 %**



## Ordinary Income

**8,490** Million JPY

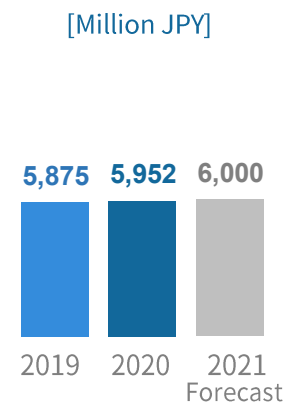
YoY **▲5.8 %**



## Profit Attributable to Owners of Parent

**5,952** Million JPY

YoY **+1.3 %**



	2019 End	2020 End	Increase/Decrease
Current Assets	74,404	74,539	+135
Cash and Deposits	29,034	35,387	① +6,352
Non-current Assets	11,553	13,620	+2,067
<b>Total Assets</b>	<b>85,957</b>	<b>88,159</b>	<b>+2,202</b>
Current Liabilities	26,709	26,241	▲467
Current portion of Bonds	692	564	▲128
Short-term loans payable	11,181	12,118	+937
Non-current Liabilities	21,837	20,351	② ▲1,485
Bonds	1,324	1,240	▲84
Long-term loans payable	19,509	18,180	▲1,329
<b>Total Net Assets (Capital Adequacy Ratio)</b>	<b>37,411 (43.4%)</b>	<b>41,566 (47.0%)</b>	<b>+4,154 (+3.6pt)</b>
<b>Total Liabilities and Net Assets</b>	<b>85,957</b>	<b>88,159</b>	<b>+2,202</b>

Million JPY

## ① Cash and Deposits +6,352 Million JPY

2019 End : 29,034 Million JPY  
2020 End : 35,387 Million JPY

### Assets besides Cash and Deposits

- Real Estate for sale<sup>\*1</sup> ▲9,383 Million JPY
- Costs on Real Estate Business<sup>\*2</sup> +2,635 Million JPY

<sup>\*1</sup>Land for Apartments, etc.

<sup>\*2</sup>Condominium Land and Construction in progress, etc.

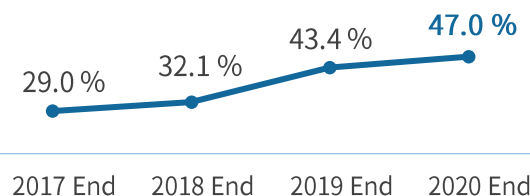
## ② Interest-bearing debt ▲603 Million JPY

2019 End : 32,707 Million JPY  
2020 End : 32,103 Million JPY

### Liabilities besides Interest-bearing debt

- Current Liabilities ▲1,276 Million JPY
- Non-current Liabilities ▲72 Million JPY

## Capital Adequacy Ratio





# Financial Results (Presentation)

## Business segments



# Business segments Summary

Segment	Net sales	Segment profit	Overview	Impact of COVID-19
<b>Real estate sales</b> <small>...P.8</small>	<b>51,996</b> (▲8.5%)	<b>5,246</b> (▲18.7%)	<ul style="list-style-type: none"> <li>Apartment sales resulted in forecast level</li> <li>Condominium sales decreased for individual direct channel</li> </ul>	Thorough measures to prevent the spread of infection and partially reduced sales activities. Especially in condominium sales, the number of units sold decreased due to the impact of a decrease in face-to-face negotiations
<b>Real Estate service</b> <small>...P.9</small>	<b>19,247</b> (+15.4%)	<b>3,261</b> (▲5.6%)	<ul style="list-style-type: none"> <li>Managed units increased according to sales</li> <li>Maintained high occupancy (Year av. Over 99%)</li> <li>Advanced investment in Real estate technology</li> </ul>	Due to the prolonged move-in period, the number of move-in / move-out cases decreased compared to the plan. Partial decrease in profit opportunities
<b>General contractor</b> <small>...P.10</small>	<b>23,403</b> (+0.7%)	<b>1,447</b> (▲12.2%)	<ul style="list-style-type: none"> <li>Construction proceeded steadily</li> <li>Receiving orders for 2022 and beyond</li> <li>Increase in labor and material costs</li> </ul>	Temporary delay in some projects occurred, but the impact was minor
<b>Energy</b> <small>...P.11</small>	<b>2,848</b> (+11.4%)	<b>648</b> (+8.4%)	<ul style="list-style-type: none"> <li>Gas and electricity (from 2017) contracts increased according to sales</li> </ul>	Demand increased due to spending more time at home
<b>Life care</b> <small>...P.12</small>	<b>1,672</b> (+8.4%)	<b>249</b> (+49.9%)	<ul style="list-style-type: none"> <li>Each facility maintained high occupancy</li> <li>Enhance high service quality</li> </ul>	Elderly care service opportunities increased due to longer tenancy period
<b>Others (Overseas)</b> <small>...P.13</small>	<b>152</b> (+18.1%)	<b>17</b> ( - )	<ul style="list-style-type: none"> <li>Multiple “Sakura Terrace” projects in progress in Indonesia,</li> </ul>	Travel restrictions and local restrictions, affected the progress of business negotiations and construction

Million JPY ( ) shows increase / decrease YoY  
 Net sales include internal sales (P.9~13 also)

### Segment overview

Business	Company in charge
Investment Apartments Plan • Design • Build • Sell	Shinoken Produce
Investment Condominiums Plan • Develop • Sell	Shinoken Harmony

#### Area

Within 10 minutes on foot from a station in major cities

- Apartment : Tokyo, Fukuoka, Nagoya, Sendai, Osaka/Kyoto/Kobe
- Condominium : Mainly within the 23 wards of Tokyo

#### Customers

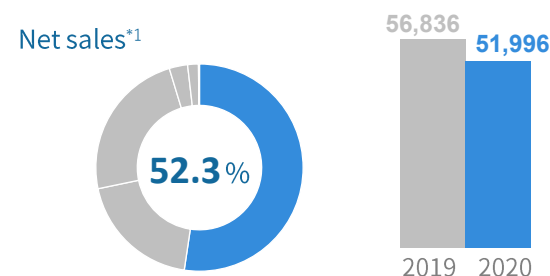
- B2C : Office workers and public workers (Income 5 Million JPY and up)
- B2B : Private Fund and Private REIT



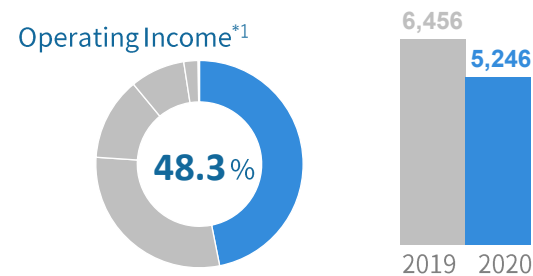
### Movements of FY2020

- Apartment sales overall proceeded as planned
- Condominium sales (direct) decreased, due to COVID-19
- Face-to-face sales conversion to online sales
- Land purchase was suppressed, but it was high in the latter half of the year
- Changed the trade name of the company, and rearranged and rationalized the business

Net sales **51,996** Million JPY  
YoY **▲8.5 %**



Segment profit **5,246** Million JPY  
YoY **▲18.7 %**



\*1 Before consolidation adjustments (P.9 – 13 also)



## Segment overview

Business	Company in charge
Rental management	Shinoken Facilities
Rental brokerage	Bacchiri Chintai
Condominium management	Shinoken Amenity
Guarantee of rent, etc.	Shinoken Communications
Asset management	Shinoken Asset Management
Real estate technology	REaaS Technologies
Small-amount short-term insurance	JICC SSI

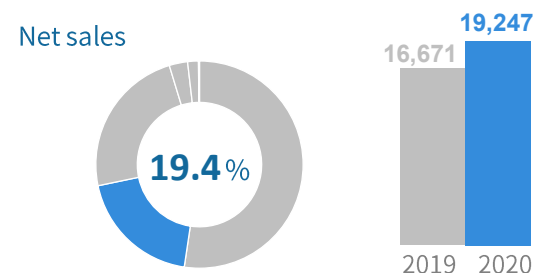
  

<b>Rental management</b> <ul style="list-style-type: none"> <li>Leasing (maintaining occupancy)</li> <li>Support for Tenants / Owners</li> <li>Maintenance, etc.</li> </ul>	<b>Rental brokerage</b> <ul style="list-style-type: none"> <li>I house / External</li> </ul>	<b>Asset management</b> <ul style="list-style-type: none"> <li>Managing the assets of real estate funds and REIT</li> </ul>
<b>Condominium management</b> <ul style="list-style-type: none"> <li>Management association operation</li> <li>Facility management</li> <li>Cleaning</li> </ul>	<b>Guarantee of rent, etc.</b> <ul style="list-style-type: none"> <li>Reimbursement / Collecting</li> </ul>	
	<b>Real estate technology</b> <ul style="list-style-type: none"> <li>DX promotion</li> <li>Applications etc.</li> </ul>	
	<b>Small-amount short-term insurance</b> <ul style="list-style-type: none"> <li>Household property insurance</li> </ul>	

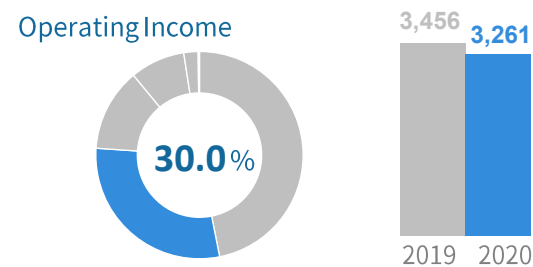
## Movements of FY2020

- The number of managed units increased due to the delivery of sales properties
- Stable revenue with high occupancy rate
- Implemented advanced investment in Real estate technology
- Due to the prolonged move-in period, the number of move-in / move-out cases decreased compared to the plan. Partial decrease in profit opportunities

Net sales **19,247** Million JPY  
YoY **+15.4 %**



Segment profit **3,261** Million JPY  
YoY **▲5.6 %**



## Segment overview

Business	Company in charge
General construction	Ogawa Construction

### External projects

- Public works
- Factories
- Offices
- Condominiums
- Welfare facilities
- Civil engineering works



Share ratio  
in Net sales  
(FY 2020)

**86.4%**

### In-house projects

- Condominiums of Shinoken Harmony



**13.6%**

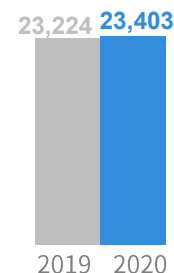
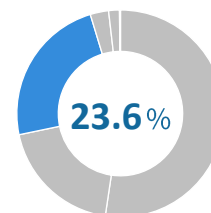
## Movements of FY2020

- Construction of ordered projects progressed smoothly (over 86% of sales are external customer projects)
- Receiving orders for projects planned to complete in 2022 and after
- Rise in personnel and material costs
- Temporary delay in some projects occurred due to COVID-19, but the impact was minor

Net sales **23,403** Million JPY

YoY **+0.7%**

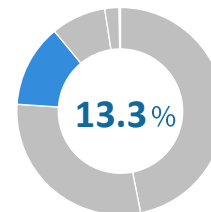
Net sales



Segment profit **1,447** Million JPY

YoY **▲12.2%**

Operating Income



## Segment overview

Business	Company in charge
LPG retail (LP gas)	SK Energy and 4 regional subsidiaries
Power retail (Electricity)	SK Energy

## Target property and business growth potential

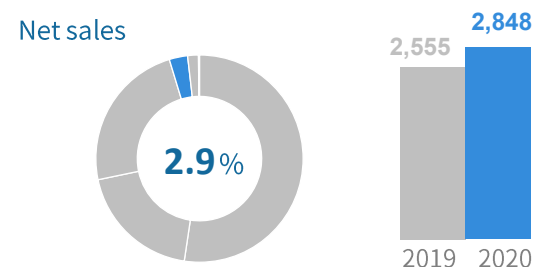
- Mainly for property sold by our group
- Electricity started in 2017, and is currently increasing the numbers provided



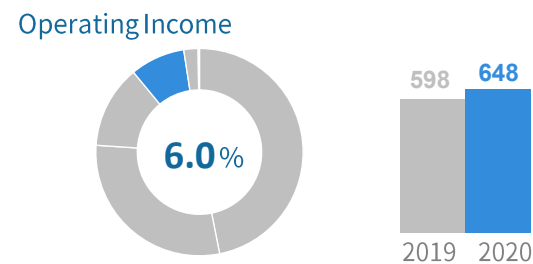
## Movements of FY2020

- The number of LPG retail and power retail increased due to the delivery of sales properties
- Power retail is also supplied to common areas of rental housing and life care facilities owned by our company
- Demand increased due to spending more time at home

**Net sales** **2,848** Million JPY  
YoY **+11.4 %**



**Segment profit** **648** Million JPY  
YoY **+8.4 %**



### Segment overview

Business	Company in charge
Presiding company	Shinoken Wellness
Owning and managing housing for the elderly with home-care services	
Elderly care services <ul style="list-style-type: none"> <li>• Day service</li> <li>• Home care</li> <li>• Home care support</li> </ul>	Apple Care
Owning and managing Group homes Small-scale multifunction home care	Friend
Services for people with Disabilities <ul style="list-style-type: none"> <li>• Independent training, etc.*</li> <li>• After-school daycare service*</li> </ul>	Luminous(Newly established on Feb 12, 2021)

### Shinoken's contribution to society

- Coping with the aging society by providing living spaces and services that meet the demands of the elderly
  - Expanding the business to the field of disabled people
- See also P.17 for facility details

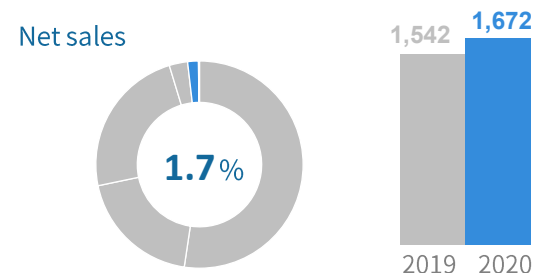


\*Independence training etc. are scheduled to start around summer  
\*After-school daycare Scheduled to take over business from Apple Care in April 2021

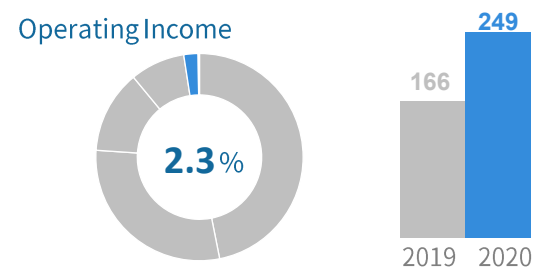
### Movements of FY2020

- Each facility maintained high occupancy rate
- Enhanced facilities and service quality according to the level of care required
- Due to COVID-19, elderly care service opportunities increased due to longer tenancy period
- Acquired the 4th serviced housing for the elderly (open in 2021)
- Expand business to fields for people with disabilities, such as opening "Kids Life"

Net sales **1,672** Million JPY  
YoY **+8.4 %**



Segment profit **249** Million JPY  
YoY **+49.9 %**



## Segment overview

Business	Company in charge
Indonesian real estate Develop • Build • Manage "Sakura Terrace"	PT. Shinoken Development Indonesia
Indonesian finance Real estate fund business	PT. Shinoken Asset Management Indonesia
Indonesian construction	PT. Mustika Cipta Kharisma
Real estate brokerage in China	Shinoken Real Estate (Shanghai)
Real estate brokerage in Singapore	Shinoken & Hecks Pte Ltd. (34.0%)

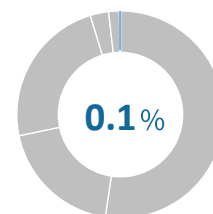


## Movements of FY2020

- Development of the 2nd, 3rd, and 4th buildings of "Sakura Terrace" is in progress
- Preparing to sell investment trust products for transmigration (P.25)
- Regarding the REIT, increase in investment inquiries, selection of candidate properties incorporated into the REIT
- Due to travel restrictions and local restrictions regarding COVID-19, the progress of business negotiations and construction were affected

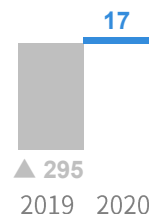
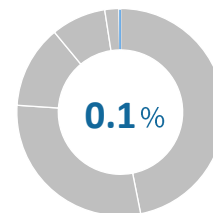
**Net sales** **152** Million JPY  
YoY **+23.1** %

Net sales



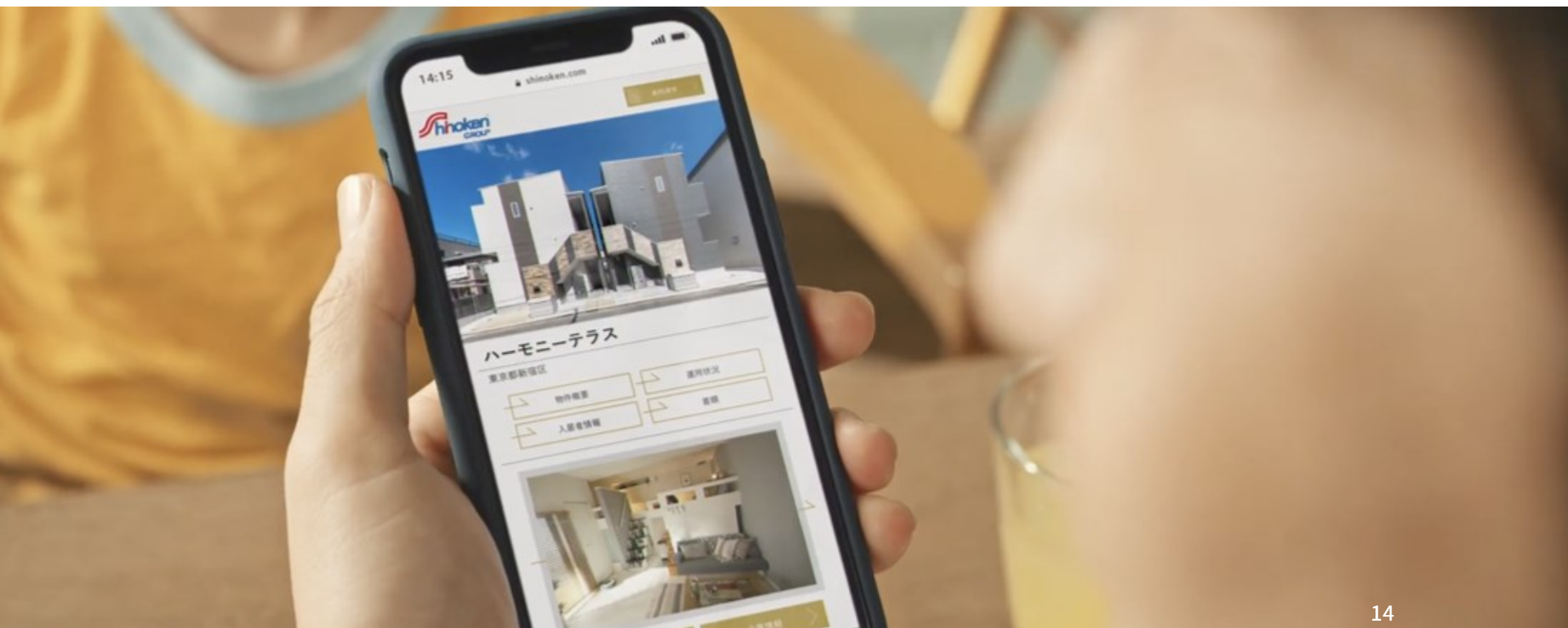
**Segment profit** **17** Million JPY  
YoY **-**

Operating Income



# Financial Results (Presentation)

## Our business structure





## A synergy producing diversification model, not only selling investment property

- Full in-house structure from land purchase, design/construction, sales, management and Exit strategy (REIT)
- Initiating businesses related to real estate (general contractor, energy, life care)

Real estate sales  
Business

General contractor  
Business

- Investment Apartments and Condominiums / Construction Business

### Investment Apartments

#### First place for five consecutive years

For the numbers of in-house construction projects that start from land purchase

※Zenchin No. 1417 (Published on June 22, 2020)

#### Received the Good Design Award

For our main product, New Standard “BRICK” and “PLATFORM”



### Investment Condominiums

#### Received the Good Design Award

”Harmony residence Shinjuku Gyoen THE WEST, THE EAST”



### General contractor

#### History and technology of Ogawa construction

Since the establishment in 1909, it has taken on various projects such as modern bank architecture, registered cultural property architecture, educational facilities, factories, etc., along with investment condominiums developed by our group and other companies



Real estate service Business

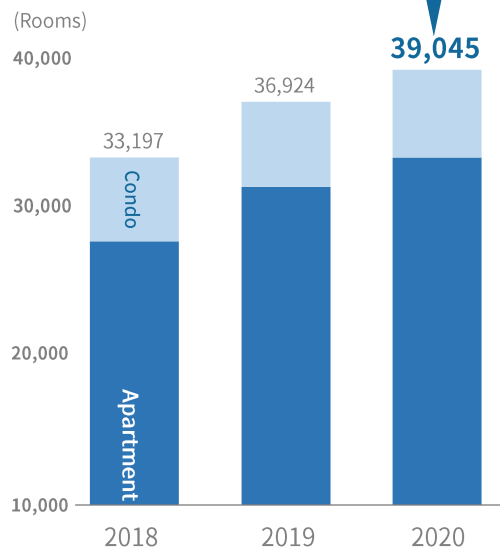
Energy Business

- Service contracts add up according to sales of investment real estate
- Maintaining high occupancy for a long period of time, producing steady revenue

## Rental management

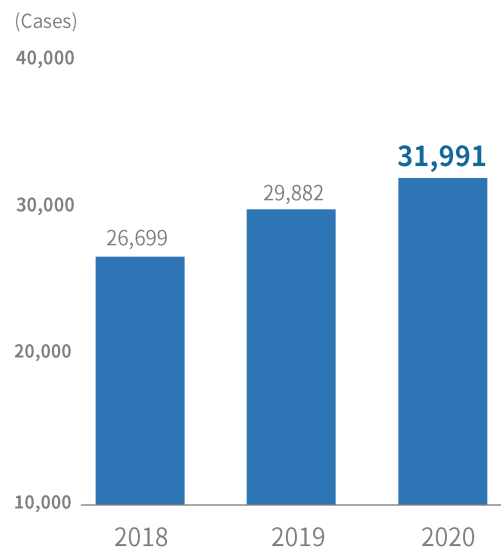
**39,045 Rooms**  
**Occupancy Over 99%\***

Ranking for numbers of rooms managed  
<Kyushu Okinawa area> No.1\*



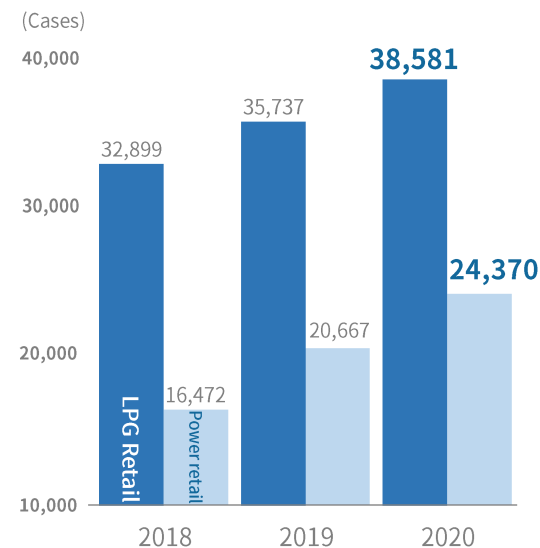
## Guarantee of rent, etc.

**31,991 Contracts**  
**Overdue rate 0.14%**



## LPG retail / Power retail

**LPG retail 38,581 Contracts**  
**Power retail 24,370 Contracts**



\*Each figures are as of end of December

\*Occupancy is the yearly average of 2020 for in house property

\*Reference : Zenchin No. 1422

### Life care Business

## Contribution to society through support of elderly and people with disabilities (Establishment of Luminous Co., Ltd. On Feb 12, 2021)

### Ju-life plan

#### 131 Rooms

A safe rental housing for the elderly that utilizes the vacancy of existing rental housing. Highly convenient location with a reasonable rent. With 24-hour support from specialized operators and secure support in collaboration with medical institutions, food distributors, etc.

Received the Good Design Award for this business model



### Housing for the elderly with home-care services

Total 302 rooms Occupancy 96.7%

Care staff is present 24-hours. Achieving both peace of mind and the comfort of living at home, through collaboration between long-term care, nursing, and medical care

#### Fukuoka (201 rooms)



Ju-life Aqua villa Kashiikama

#### Tokyo

#### Ju-life Tokiwadai

#### Ju-life Takashimadaira

#### Ju-life Shakujidai

\*Start from 2021 (P.23)

### Day service / Homecare Home care support

Providing services such as care plan creation by a care manager and home-visit care that visits your home and provides physical care and living support

#### Fukuoka



Applife Higashi Fukuoka

#### Tokyo

#### Applife Takashimadaira

#### Applife Shakujidai

\*Start from 2021 (P.23)

### Group homes

Total 153 rooms Occupancy 97.3%

Creating a small group (in units of 9 people) and practice care so that one can lead a homely and secure life through communal living in a homely atmosphere

#### Osaka



Friend Tennoji

#### Friend Osaka chuo

Small-scale multifunction home care

#### Friend Tengachaya

#### Friend Fudegasaki

#### Friend Higashi Osaka

#### Tokyo

#### Friend Takashimadaira

#### Fukuoka

#### Friend Kasumigaoka

Small-scale multifunction home care

### After-school daycare service

(From April 2021, hand over to Luminous)

A service that aims to foster children aged 6 to 18 with disabilities by providing them with different times and spaces from school and home, relationships with people, and experiences

#### Fukuoka



Kidslife Higashi Fukuoka

みんなの「かがやく」をつくる



Company in charge of Support for people with disabilities

### Independence training Employment transition support

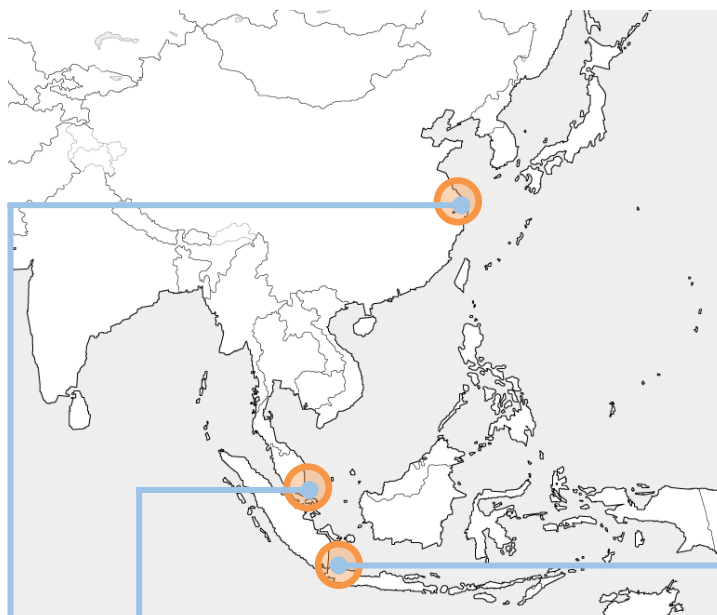
(Scheduled to start around summer of 2021)

For young people with disabilities over 18 years old (over 15 years old depending on the local government). Develop the ability to play an active role in society through lectures (independence training) including basic academic knowledge, and employment training / internships (employment transition support)

\*Number of rooms, occupancy are as of end of December 2020

### Overseas Business

### Re-constructing the Japanese full in-house model overseas



#### Singapore

##### Real estate brokerage

##### Shinoken & Hecks Pte Ltd.

- Rental brokerage for Japanese expatriates
- Selling Japanese real estate



#### China

##### Real estate brokerage

##### Shinoken Real Estate (Shanghai)

- Rental brokerage for Japanese expatriates
- Selling Japanese real estate



#### Indonesia

##### Real estate development Planning / Sales

##### PT. Shinoken Development Indonesia

Development and management  
of "Sakura Terrace" (P.24)



##### Construction

##### PT. Mustika Cipta Kharisma

- Private works / Sakura Terrace
- Public works



##### Finance

##### PT. Shinoken Asset Management Indonesia

- Fund business(P.25)
- Real estate fund(P.31)



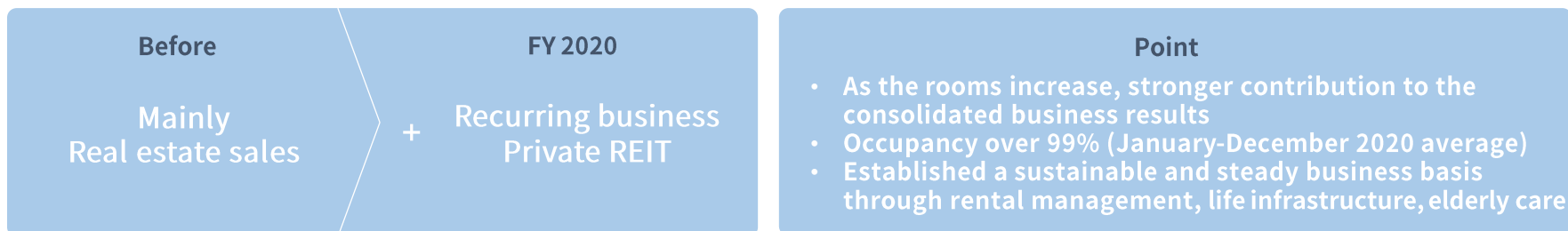
##### Human resources

Alliance with local university  
to mainly acquire elderly care  
personnel (P.26)



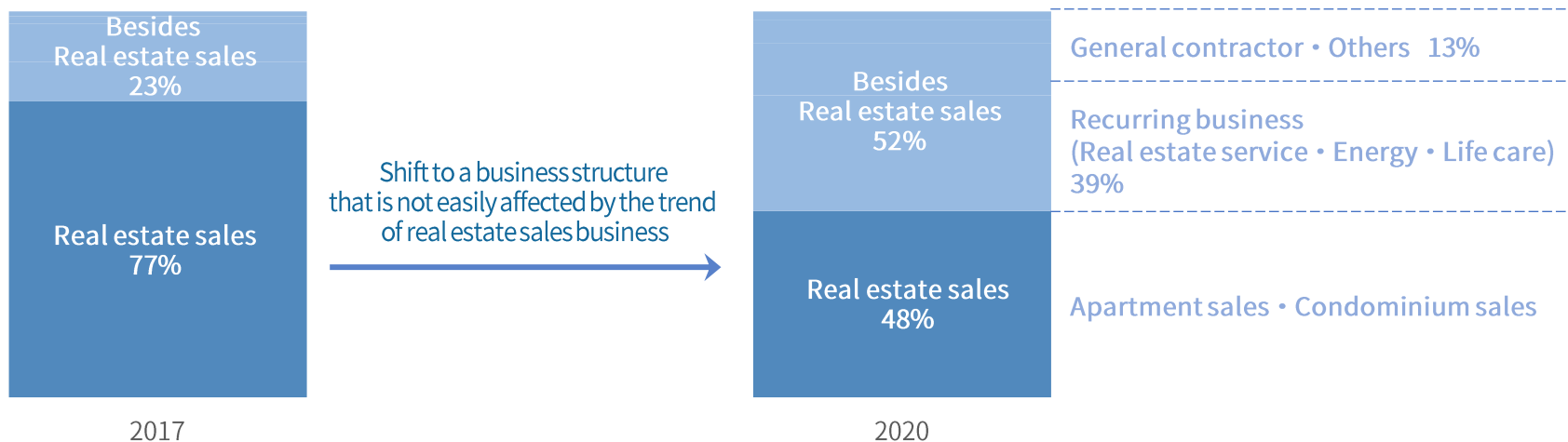
### Profit increased YoY

- In the real estate sales business and the real estate service business, although there has been a certain level of impact from COVID-19, the 10 Billion JPY private REIT delivered a large amount of profit
- Recurring business (real estate service business, energy business) has been steadily growing due to increase of number of managed units and high occupancy rate revenue (January-December 2020 average over 99%)



### Profit composition ratio

Calculated by the simple sum of segment profits



## New sales channels(B2B etc.), acceleration of recurring business expansion

### • Achievements in diversification of sales channels

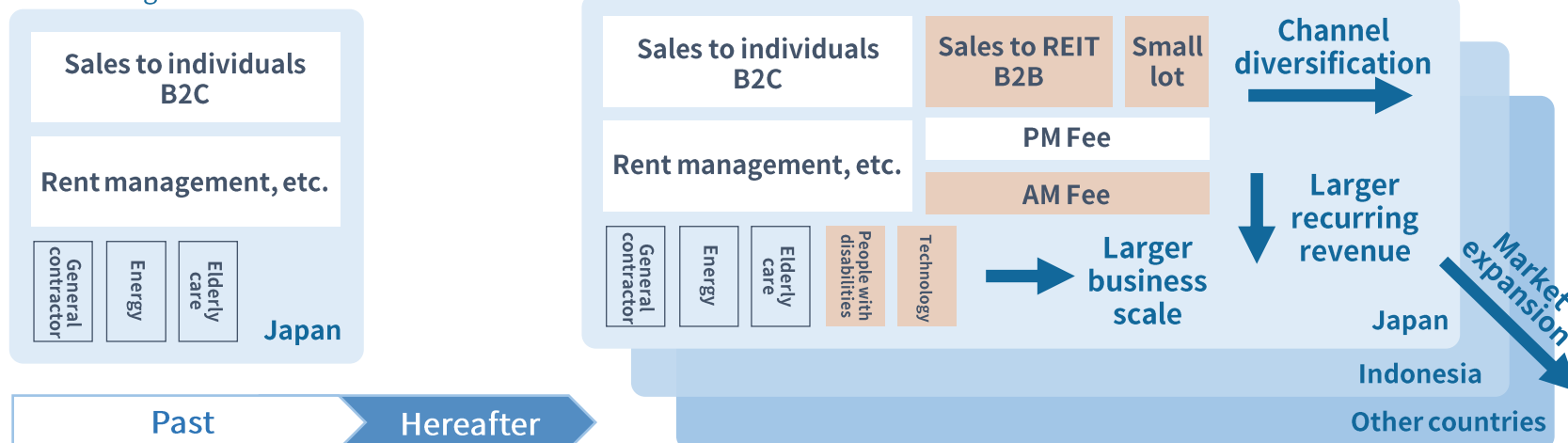
- Real estate fund: Established HTT-1 fund in March 2018
- REIT: Created by private placement in July 2020. Expand asset scale aiming for listing within 2021 (P.30)

### • Hereafter

- Acceleration of accumulation of managed units and acceleration of profit expansion of recurring business
- First foreign-owned REIT license acquired in Indonesia, expanding domestic full-inhouse model overseas
- By REaaS, build a platform that anyone can easily utilize real estate services in Japan and overseas



Accumulating domestic demands





# Financial Results (Presentation)

## Topics of 2020



## 30<sup>th</sup> anniversary Apartment “Akatsuki Terrace”



A premium model that realizes next generation UX (user experience)



### Facial recognition system

Facial recognition system and other settings and equipment that enhance security

### Shinoken comfort style

Improved sound insulation by reviewing the conventional structure from scratch

### Property outline of the first project

Location	Izumi, Suginami-ku, Tokyo 10 minutes walk from Keio line, “Daitabashi” station
Property size	266m <sup>2</sup>
Units	3 buildings (6 Rooms each, total 18 rooms)
Type	AVAND

## For the New Normal era “ORIGINO”

Bearing the meaning of “The beginning of the new lifestyle”, and “Minimum design of the lifestyle”



### Sink in the entrance<sup>①</sup>

The sink placed next to the entrance door will make it possible to wash the hands immediately after coming home

### Higher Ventilation performance<sup>②</sup>

The space above the entrance is open, and combined with the 24-hour ventilation system, the air will circulate more effectively

### Antiviral material<sup>③</sup>

Antiviral materials are used in interior wallpapers and remote-work counter

### Remote workable<sup>④</sup>

A workspace is set according to the spreading of remote work and online learning

### Opening “Kidslife Higashi Fukuoka” in Fukuoka

Expanding the coverage to service for people with disabilities



Operated on the second floor of the same building as “App life Higashi Fukuoka,” which provides day services for the elderly

Disability regardless of physical, developmental, mental, etc. Children who have and their families support

### Acquiring our 4<sup>th</sup> building of housing for the elderly with home-care services

Business growth through adding new facilities



#### Property outline

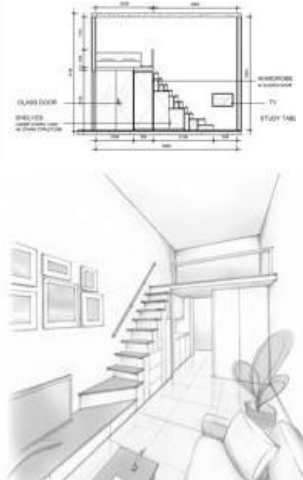
Name	Ju-life Shakujidai
Location	6-3-19, Shakujidai, Nerima-ku, Tokyo
Access	Seibu railway Ikebukuro line “Ōizumi-gakuen” station
Number of rooms	46 (for rent)
Target	Those over 60 years old, or certified to require care
Structure	RC, 5 story
Room size	1R 16.2m <sup>2</sup> ~18.26m <sup>2</sup>



### The authentic originator of “Rental Rooms with Lofts” in Indonesia

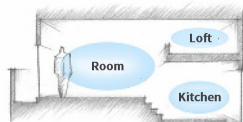


Certificate



Drafts and Drawings

### Apartment in Japan



### “Sakura Terrace” in Indonesia



### Projects in progress

No.2



No.3



No.4



### Coordinating with the Indonesian FSA and state government to raise a mutual fund

SAMI leading the first scheme in Indonesia, for a fund that is specialized for Transmigration residences

#### Alliance



#### Immigrants in Jambi State



#### Sales Agent (Jambi Bank)



#### Mutual Fund



#### Promotion

#### Seminar for financial products

#### Purchase

#### Trust Management

#### National Bank



#### Financial Inclusion

The availability and equality of opportunities to access financial services. The efforts typically target those who are unbanked and underbanked, and directs sustainable financial services to them

Showing our advantage of holding a business base in Indonesia, to contribute to our Life Care Business

### Alliance with local schools (University, Nursing school)



Universitas Ngudi Waluyo

A major University located in Semarang, located in the middle of Java island, one of the five largest cities in Indonesia, (Approximately 3,000 students)



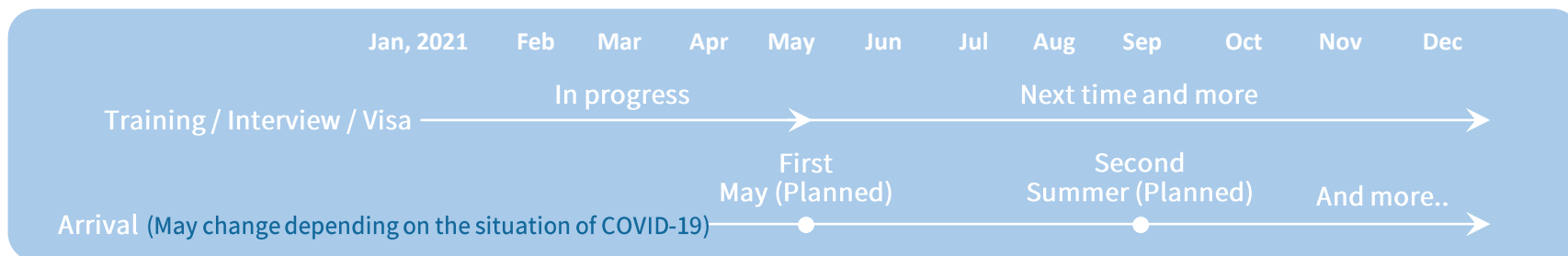
STIKES Bathesda Yakkum

A school for nursing, located in Yogyakarta, located in the mid south coast of Java island. It holds 660 students, and has a history of over 130 years since its original establishment in 1889

- Opening a Japanese learning center, where students, who wish to work at Shinoken, will take a 6-month course followed by the necessary exams
  - Nursing Care Skills Test
  - Basic Japanese Test
  - Nursing care Japanese evaluation Test
- Utilizing on-line training to cope with COVID-19

### Arrival to Japan planned from May, 2021

Work as “Specified Skilled Worker 1”. Allocation to the facilities of Shinoken, and external facilities in the future





# Financial Results (Presentation)

Going forward



### “REaaS: Real Estate as a Service” = Servitization of real estate

Strengthen technology investment and promote services that allow more people to trade safely and easily

#### Apartment Management app

Owner apps "Shinoken Concierge" "Shinoken Coin"  
Through the development and operation of asset creation through tenant management. Proving the best environment One-stop



Shinoken Concierge • Shinoken Coin

#### Technology for improving investor convenience

Promote convenience for apartment residents by increasing the number of investment channels through REITs and crowdfunding, and introducing VR previews and explanations of important matters using IT.

#### Digital group business assets Platformization

For digital transformation  
Business efficiency improvement and AI / block chain Maximize Shinoken Group assets through the use of data marketing for urban development / property development

#### Apartment / Condominium Intelligent specification

Expanded system that can centrally manage various devices and home appliances including security with smartphones, Providing safe, secure and comfortable living for residents

### Expanding servitization of real estate Build a "REaaS platform"



Shinoken Intelligent Apartment

#### "Real Estate Trust DX" with enhanced data integrity

⇒Introduced an individual public authentication service and built a platform to evolve into organizational authentication in the future (details on the next page)

Trust Service, which makes Real Estate transactions clearer, resolving the tasks of personal authentication and preventing falsification, not only rationalization

### Conventional Real Estate Transaction



Transaction based on  
Face to Face / Paper / Stamps

Effort and toil of  
filling in Documents / identification

Publish  
Submit

Screening

Opening  
an account

### Efficiency DX

Non-face-to-face  
and online real estate  
transactions

### Real Estate Trust DX Platform



Application



Personal  
authentication



AI



Blockchain

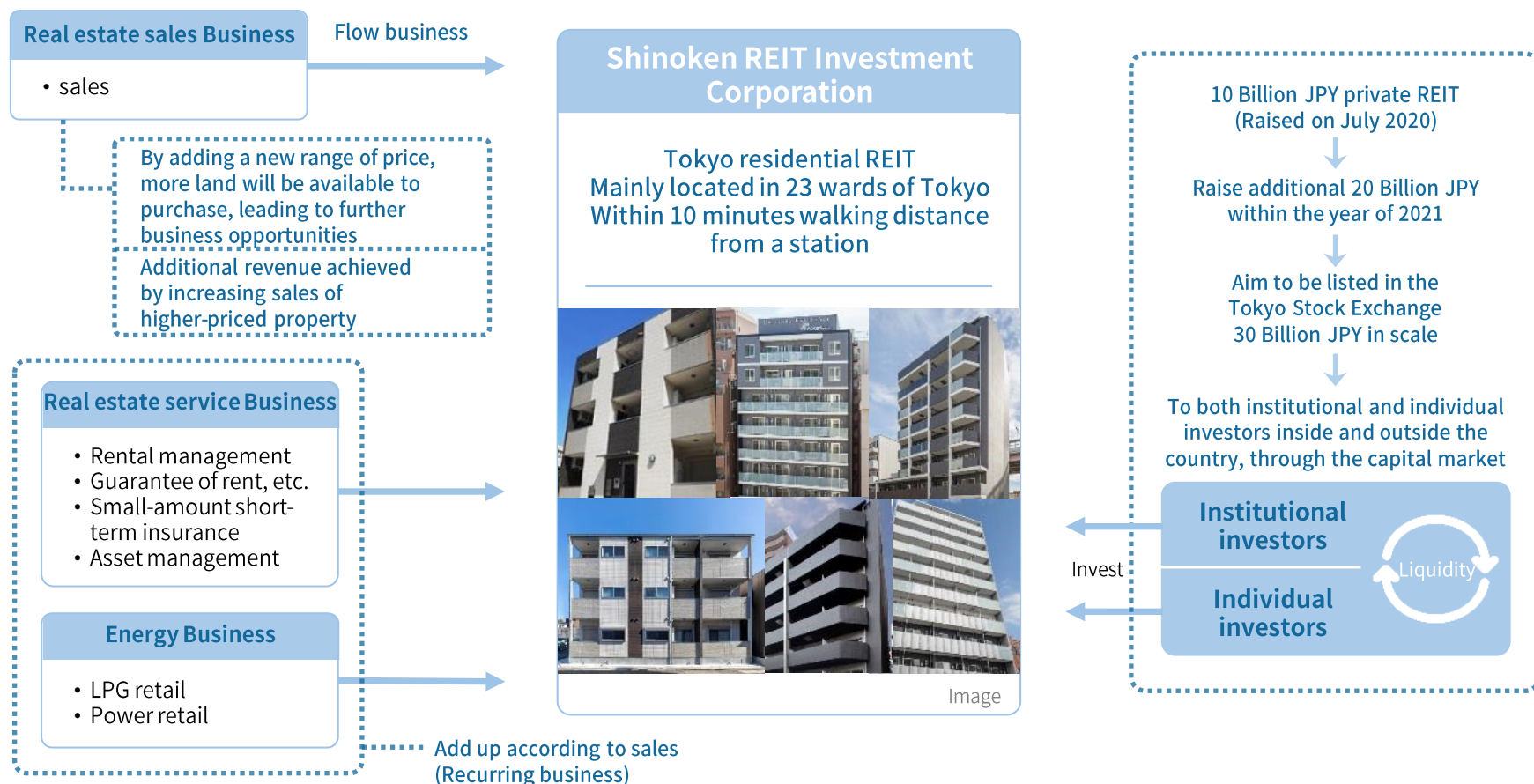
### Trust DX of real estate

Trust DX Applying the technology of Estonia, the most advanced country, builds a free data distribution infrastructure that guarantees personal / organizational certification by digital ID, public authentication service, data legitimacy, tampering prevention, and integrity.

### Expected effects

Commercialization and distribution of overseas properties through the platform in the phase of making it, it is assumed that the effect will be tens of Billions of yen.

- In July 2020, a private REIT with a scale of 10 Billion yen was raised and started operation in Japan
- Aiming to acquire additional 20 Billion JPY within 2021 and list on the Tokyo Stock Exchange with a total asset size of about 30 Billion JPY
- Tokyo Residential REIT, which is mainly located within a 10-minute walk from Tokyo's 23 wards station, and invests in rental housing real estate
- For apartments, it is possible to purchase land and develop properties from a different perspective than the conventional general sales for individuals.



Establishing a presence in the country with high barriers to entry  
as the first foreign-affiliated pioneer to acquire a real estate fund management license

## In-house developed property

- Exit strategy of Sakura Terrace completed and under construction  
→ is also an option to obtain income gain through continued ownership
- In the future, we plan to work on larger-scale high-rise residences

Completed Sakura Terrace



## External property

- Various facilities in Indonesia, such as commercial facilities and logistics facilities, responding to the needs of real estate investments and sales in projects
- The larger the project, the more assets revenue accruals from management fees will also increase

Residence



Office



Commercial facility



Hospital



Factory



Warehouse



Power plant



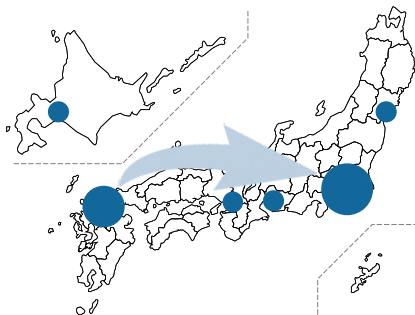
Expressway





### Domestic

Established a full in-house model within the group in Japan



#### Fukuoka

Marketing/Purchase

Design

Build

Sell

Rent management

Service for tenants

Energy

Life care service

Exit (Sell to REIT)

#### Tokyo

Marketing/Purchase

Design

Build

Sell

Rent management

Service for tenants

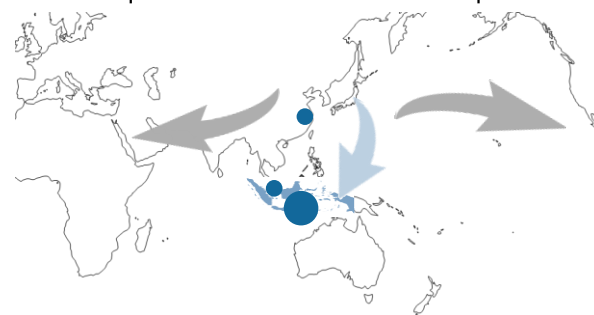
Energy

Life care service

Exit (Sell to REIT)

### Overseas

Build a competitive advantage overseas by establishing a comprehensive model like in Japan



#### Indonesia

Marketing/Purchase

Design

Build

Sell

Rent management

Service for tenants

Accommodation business

Energy

Exit (Sell to REIT)

NEXT...

#### Country I

Marketing/Purchase

Design

Build

Sell

Rent management

Service for tenants

Accommodation business

Energy

Exit (Sell to REIT)

NEXT...

#### Country A

Marketing/Purchase

Design

Build

Sell

Rent management

Service for tenants

Accommodation business

Energy

Exit (Sell to REIT)



Segments	Main business	Type / Year of M&A	Net sales Constitution	Operating Income Constitution
Real estate Sales	Investment Apartment sales	[Founding business] Shinoken Produce	Founding business and Self established	Founding business and Self established
	Condominium sales	Investment		
		To live in		
Real estate Service	Rental management	[Founding business] Shinoken Facilities		
	Rental brokerage	[M&A (2019)] AllWayMYU Corporation		
	Condominium management	[M&A (2010)] Shinoken Amenity		
	Guarantee of rent, etc.	[Established] Shinoken Communications		
	Asset management	[Established] Shinoken Asset Management		
	Small-amount short-term insurance	[M&A (2013)] JICC SSI		
General contractor	Construction	[M&A (2014)] Ogawa Construction	45%	50%
Energy	Retail of LPG and electricity	[M&A (2001)] SK Energy		
Life care	Elderly care	[M&A (2015)] Friend、Apple Care		
Others Overseas	Shared Service	[Established] Shinoken Office Service		
	Overseas subsidiaries	[M&A] (2009) Broker, (2018) Local contractor	Through M&A	Through M&A

# Financial Results (Presentation)

## Shareholder returns



### Dividend

#### No.2 in “Total dividend increase rate\*” ranking

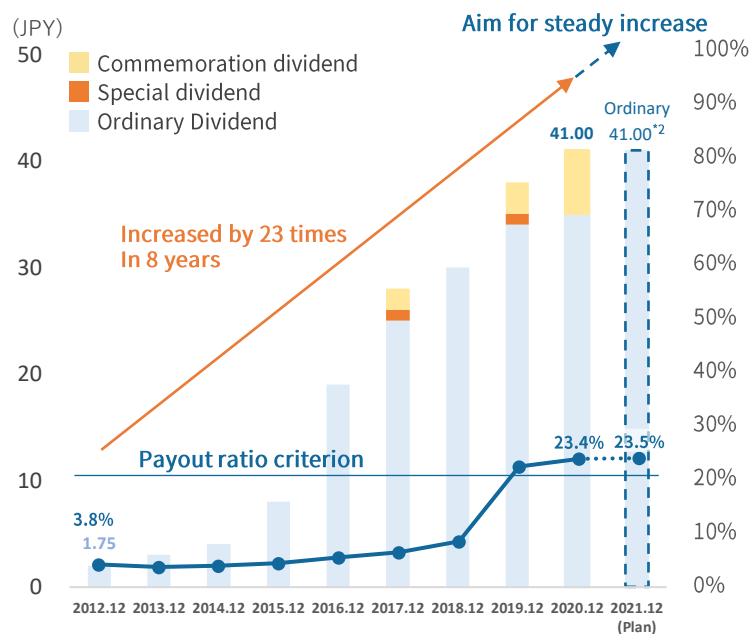
Toyo Keizai online article (Japanese) Dec 23, 2020  
<https://toyokeizai.net/articles/-/398118>



\*Growth rate from the average dividends of 2013~15

#### Dividend per share\*1 and Payout ratio

(Left/Bar graph: Ordinary Dividend, Right/Line graph: Pay out ratio)



\*1: Yearly sum of Ordinary / Special / Commemoration dividends

The graph of the dividend amount is created assuming that all three stock splits (Jan 1, 2013, Jan 1, 2015, Jul 1, 2018) were carried out at the beginning of 2012

\*2: In regards to ordinary dividend, 6 yen increase from 2020.12

### Shareholder benefits

#### Continuing the special shareholder benefits for record date Dec 31, 2021 and after

Shares held Period continuously held	Record date	Dec 31 2021
100 or more Less than 500 shares	Regardless	1,000 JPY Gift Card
500 or more Less than 1000 shares	Regardless	2,000 JPY
1000 shares or more	Less than 3 years	3,000 JPY
	3 years or more Less than 10 years	6,000 JPY
	10年以上	10,000 JPY

\* To confirm the retention period of 3 years or more, subjected shareholders are those who had been recorded in the shareholder list 7 or more times consecutively with the same registration number and more than 1,000 shares held on both Dec 31 and Jun 30 every year

\* To confirm the retention period of 10 years or more, subjected shareholders are those who had been recorded in the shareholder list for more than 10 consecutive years with more than 100 shares held on each record dates every year

### Disposition and acquisition of treasury shares

#### Disposition of treasury shares by third-party allotment

To support the social contribution activities  
of the Shinohara scholarship foundation

~Long term hold, and allocating dividends to fund activities~

Number of Shares to be Disposed	1,000,000 shares of common stock
Disposition Price	1 JPY per share
Amount of funds raised	1,000,000 JPY
Method of Disposition	Third-party allotment
Allottee	Shinohara scholarship foundation
Disposal date	Undecided

\* Subject to passing a special resolution on advantageous issuance at the Company's Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2021  
The date of disposal and other matters will be resolved at the board of directors meeting after the general meeting of shareholders<sup>2</sup>

#### Acquisition of treasury shares

To avoid dilution of share value due to the disposal.  
Also, to improve capital efficiency and be flexible according to  
the business environment

Class of share	Common shares
Total number of shares of common stock to be repurchased	Up to 1,000,000 shares (2.9% of the total number of shares of common stock outstanding excluding treasury stock)
Total amount	Up to 1,000,000,000 JPY
Period	From Mar 26, 2021 to Dec 30, 2021

\* Subject to approval of the general meeting of shareholders regarding the disposal of treasury stock



Established by Hideaki Shinohara, the founder of Shinoken Group Co., Ltd., with the idea of "supporting the future of students in economically difficult environments and young people who work hard despite their disabilities." In July 2018, the public interest of the business was recognized, and it was certified as a public interest incorporated foundation by the Prime Minister



Fiscal Year Ended December 31, 2020

# Financial Results (Presentation)

## Appendix

### Vision

**A Life Support Company  
for every generation  
across the world**

Shionken, having innovated the way of Real Estate transaction in Japan over the course of 30 years, developed its distinctive life support model that stays close throughout the lives of our customers. Now, we will extend it from Japan to the world, across borders, and to the generations of our children and grandchildren

### Mission

**Resolve the problems of  
the people and society  
through REaaS\***

**\*REaaS : "Real Estate as a Service"**

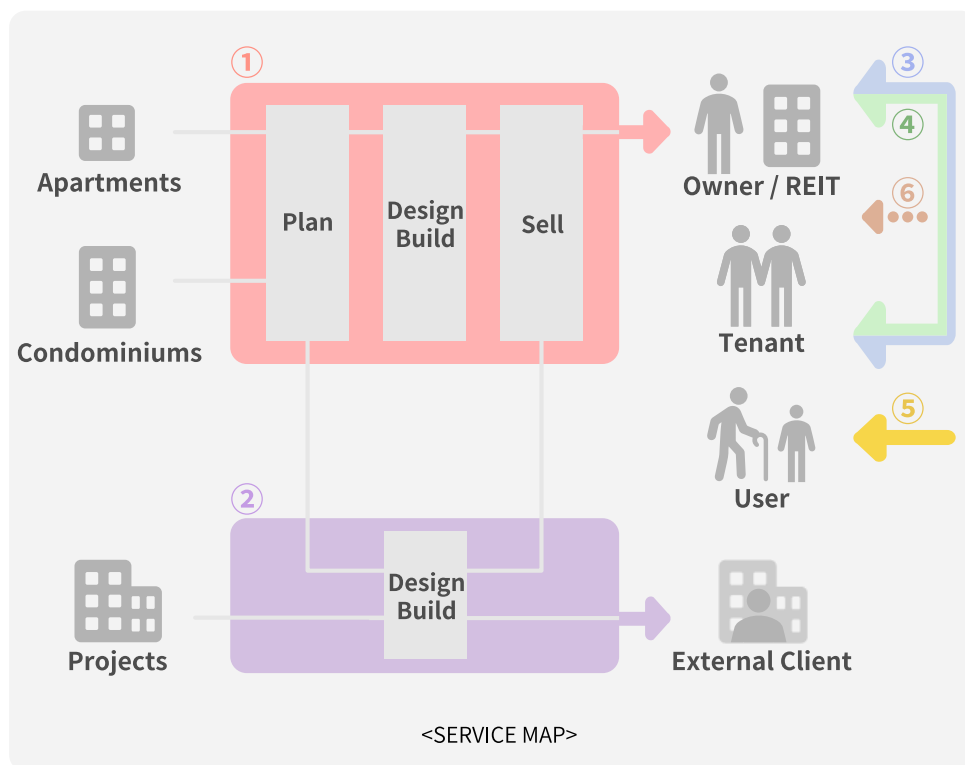
By driving REaaS, more people can take place in Real Estate transaction easily and safely for a smaller price. REaaS is possible by combining innovation of business model and technology, and will resolve not only future financial anxiety but also various problems in society, which includes elderly care and the shortage of workforce

### Value

- **All for customers success**
- **Never forget Gratitude**
- **Challenge Spirit**

The unchangeable values in achieving the Vision and Mission, and the common code of conduct for all employees of Shinoken since the establishment





## ① Real estate sales

Investment Apartments	Shinoken Produce
Investment Condominiums	Shinoken Harmony

## ② General Contractor

Construction	Ogawa Construction
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## ③ Real estate service

Rental management	Shinoken Facilities
Rental brokerage	Bacchiri Chintai
Condominium management	Shinoken Amenity
Guarantee of rent, etc.	Shinoken Communications
Asset management	Shinoken Asset Management
Real estate technology	REaaS Technologies
Small-amount short-term insurance	JICC SSI

## ④ Energy

LPG retail	SK Energy and 4 subsidiaries
Power retail	

## ⑤ Life care

Presiding company	Shinoken Wellness
Housing for the elderly	
Elderly care service	Apple Care
Group homes	Friend
Service for people with disabilities	Luminous (Established Feb 12, 2021)

## ⑥ Others

Indonesia	Real estate	PT. Shinoken Development Indonesia
	Finance	PT. Shinoken Asset Management Indonesia
	Construction	PT. Mustika Cipta Kharisma
China	Real estate brokerage	Shinoken Real estate (Shanghai)
Singapore		Shinoken & Hecks Pte Ltd.
Shared service		Shinoken Office Service



[Full Version PDF](#)

VIEW IT ON CLICK

### Shinoken Group Co., Ltd. Mid-long-term Vision 2020 Disclosed Nov 18, 2020

#### Contents

- Founding philosophy, future strategies
- Forecast for 2025, and 2030
- Calculation of shareholder value
- Outline of our group



[Report Detail](#)

VIEW IT ON CLICK

### Industry-classified analysis report about corporate value

J-Phoenix Research (JPR) 2020.10.28

This report includes the ranking of ROIC, the prerequisites for the double market capitalization scenario for companies that are classified as condominium development, sales, and real estate brokerage in the Nikkei industry classification



Shinoken will contribute to achieving SDGs in our entire business

### Wooden Apartments



- Reduction of CO2 emissions due to the short construction period
- CO2 absorption/storage effect ( about four times that of steel structure )
- Efforts to recycle waste wood
- Realization of carbon neutrality



### Construction



- Safety construction method, safety management standard
- Active use of recycled aggregate
- Start of raw material traceability

### Sales service



- Support for foreigners moving in to the rooms our group manages
- Support for low-income elderly people
- Employment support
- Development and creation of long-term care personnel
- After-school day service for children with disabilities
- Started EV conversion of company-owned vehicles
- Formation and sales of investment trusts in developing countries (Financial Inclusion)

### Indirect operations



- New graduate scholarship repayment support
- Benefit-type scholarship (no repayment required) – Benefits at Shinohara Foundation
- Promotion of female directors and managers
- Promotion of employment of people with disabilities
- New life support system
- Acceptance of technical intern trainees from overseas

### Corporate social responsibility



- In response to the global rainforest decline problem Planting trees in rainforests in Indonesia (planned)
- Action started about carbon offset



The new commercial, which began airing in 2021, expresses "life support companies of all generations around the world" through our services in our daily lives. The CM so far has mainly introduced the apartment and condominium business. However, the new commercial introduces our various businesses.

We want to deliver our own life support system to people not only in Japan but all over the world, across national borders and across generations. The production that appears in the commercial was taken at the construction site of the apartment, condominium, and general contractor business that we developed

30 Second Version

[PLAY YOUTUBE VIDEO ON CLICK](#)

60 second Version

[PLAY YOUTUBE VIDEO ON CLICK](#)

Broadcast: TV Tokyo "WorldBusiness Satellite" Every Monday to Friday 11PM~

# DISCLAIMER

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This document includes statements that are based on presumptions, forecasts and plans as of February 12th, 2020.

Actual results may greatly differ from any estimations contained herein due to a variety of unforeseen reasons and circumstances such as economic trends and the changing states of business environments.

**Shinoken Group Co., Ltd.**  
Group PR & IR Office

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