



1st Quarter of the Fiscal Year Ending on December 31, 2021

Financial Results (Presentation)

Shinoken Group Co., Ltd.

TSE Ticker : 8909

May 14, 2021

A life support company for
every generation across the world

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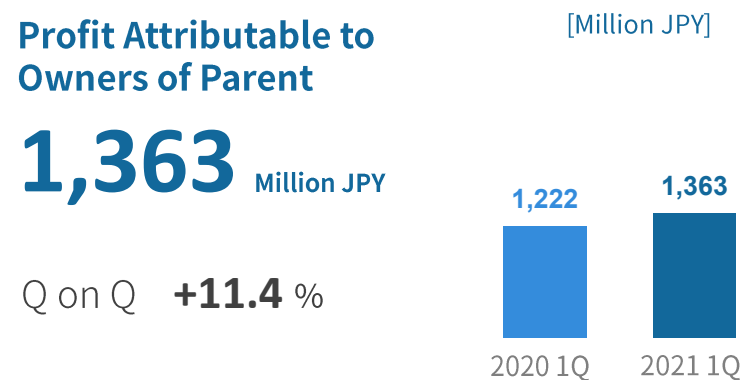
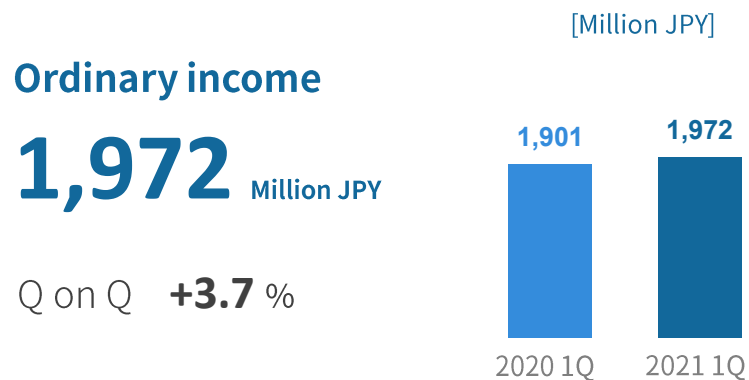
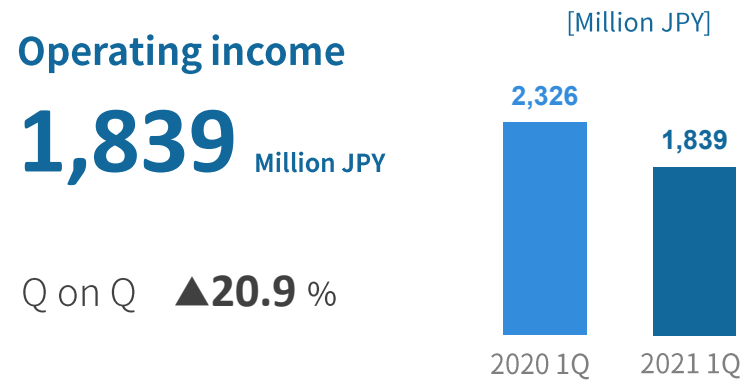
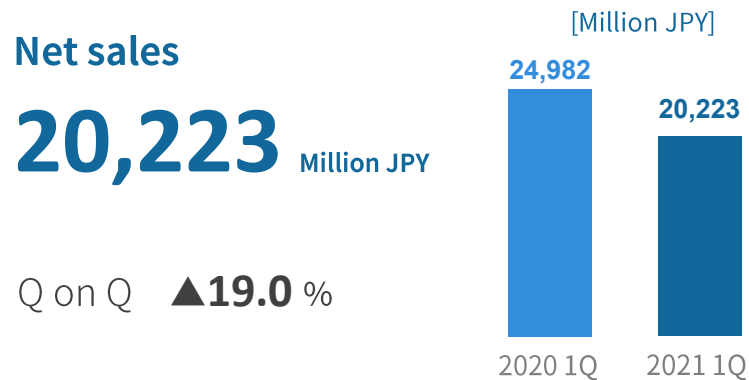


Financial Results (Presentation)

Highlights of results

~1Q FY2021~





	2020 End	2021 1Q End	Increase/Decrease
Current Assets	74,539	75,532	+992
Cash and Deposits	35,387	34,251	① ▲1,135
Non-current Assets	13,620	14,136	+515
Total Assets	88,159	89,668	+1,508
Current Liabilities	26,241	24,341	▲1,900
Current portion of Bonds	564	556	▲8
Short-term loans payable	12,118	12,477	+359
Non-current Liabilities	20,351	22,925	② +2,573
Bonds	1,240	1,282	+42
Long-term loans payable	18,180	20,679	+2,499
Total Net Assets (Capital Adequacy Ratio)	41,566 (47.0%)	42,402 (47.2%)	+835 (+0.2pt)
Total Liabilities and Net Assets	88,159	89,668	+1,508

Million JPY

① Cash and Deposits ▲1,135 Million JPY

2020 End : 35,387 Million JPY
2021 1Q End : 34,251 Million JPY

Assets besides Cash and Deposits

- Real Estate for sale^{*1} ▲1,498 Million JPY
- Costs on Real Estate Business^{*2} +3,781 Million JPY

^{*1} Land for Apartments, etc.

^{*2} Condominium Land and Construction in progress, etc.

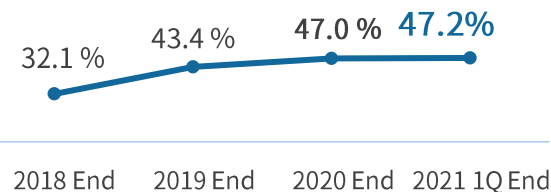
② Interest-bearing debt +2,892 Million JPY

2020 End : 32,103 Million JPY
2021 1Q End : 34,995 Million JPY

Liabilities besides Interest-bearing debt

- Current Liabilities ▲2,251 Million JPY
- Non-current Liabilities +32 Million JPY

Capital adequacy ratio

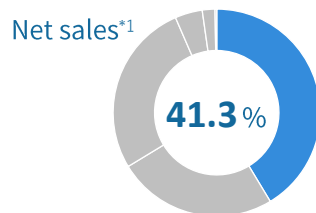
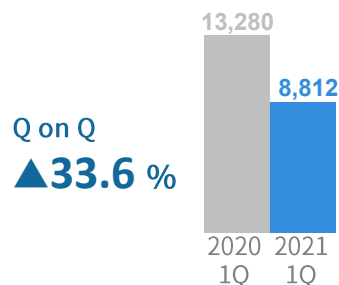


Financial Results (Presentation)

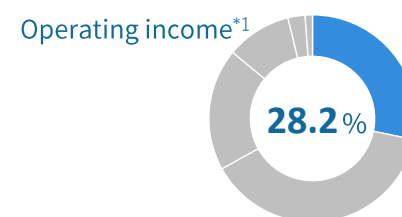
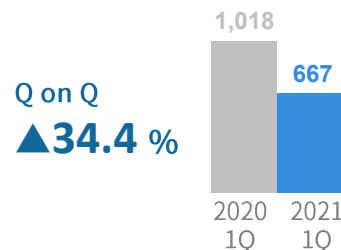
Business segments



Net sales **8,812** Million JPY



Segment profit **667** Million JPY



Movements of 1Q FY2021

- A large portion of completion and handovers are estimated to take place in the latter half of FY2021
※Due to COVID-19, apartment land purchase activities were stopped from March to Autumn of 2020
- 1Q apartment and condominium sales proceeded as the forecast based on the effect mentioned above

【Regarding COVID-19】

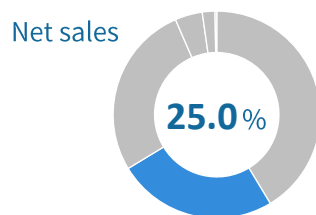
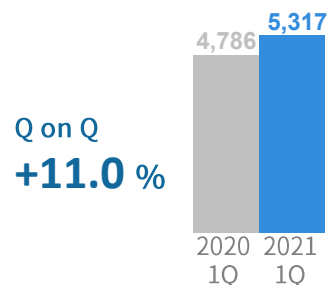
Sales activities were not largely affected
(Prudent face to face sales, Online sales)

Segment overview

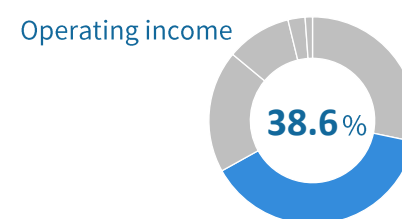
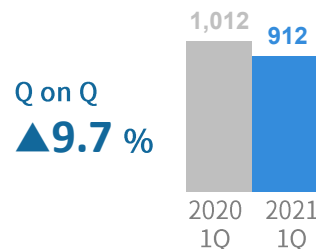
Business	Company in charge
Apartments Plan • Design • Build • Sell	Shinoken Produce
Condominiums Plan • Develop • Sell	Shinoken Harmony

*1 Before consolidation adjustments (P.8 – 12 also)

Net sales **5,317** Million JPY



Segment profit **912** Million JPY



Movements of 1Q FY2021

- Steady increase in managed units
- Maintaining high occupancy and stable revenue
- Continuous investment to real estate technology

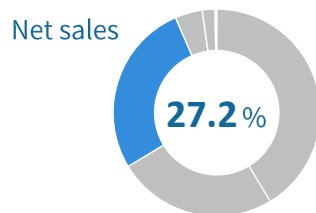
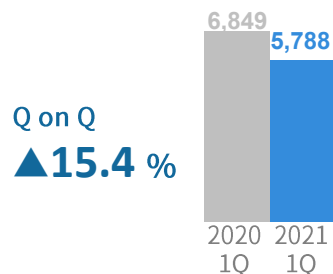
【Regarding COVID-19】

Due to prolonged rent period, the number of move-in / move-out cases show a decrease trend, resulting in partial decrease in profit opportunities

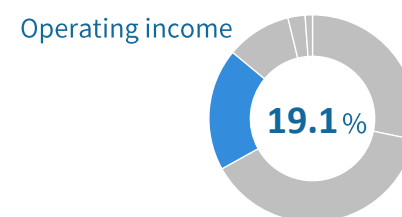
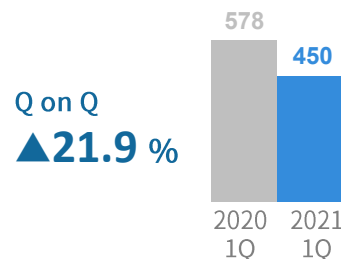
Segment overview

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

Net sales **5,788** Million JPY



Segment profit **450** Million JPY



Movements of 1Q FY2021

- Construction of ordered projects progressed smoothly
- Receiving orders for projects planned to complete in 2022 and after
- Rise in personnel and material costs continues
- As for the whole FY2021, we expect to exceed FY2020 as initially planned

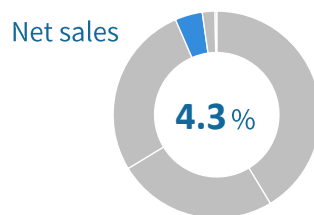
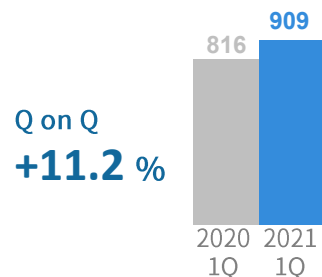
【Regarding COVID-19】

Staying cautious at construction sites, no large affects

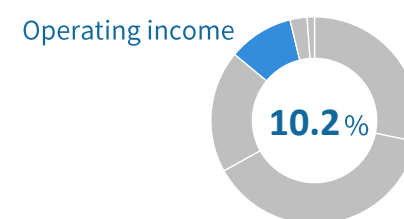
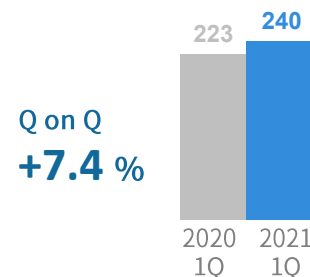
Segment overview

Business	Company in charge
General construction	Ogawa Construction

Net sales **909** Million JPY



Segment profit **240** Million JPY



Movements of 1Q FY2021

- Steady increase in LPG retail and power retail contracts
- Power retail is also supplied to common areas of rental housing and life care facilities owned by our group

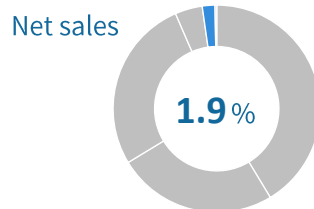
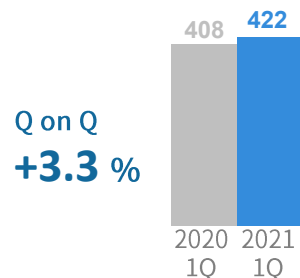
【Regarding COVID-19】

Demand increase due to spending more time at home

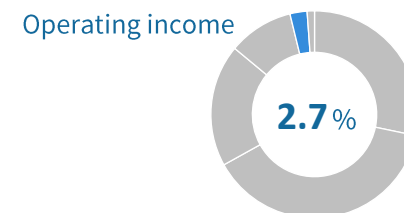
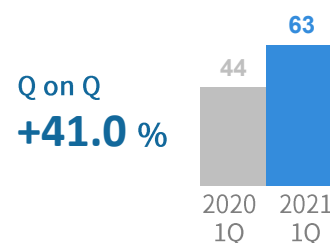
Segment overview

Business	Company in charge
LPG retail	SK Energy and 4 regional subsidiaries
Power retail	SK Energy

Net sales **422** Million JPY



Segment profit **63** Million JPY



Movements of 1Q FY2021

- Each facility maintained high occupancy rate
- Enhanced facilities and service quality according to the level of care required
- Established Luminous that specializes in service for people with disabilities

【Regarding COVID-19】

Elderly care service opportunities increased due to longer tenancy period

Segment overview

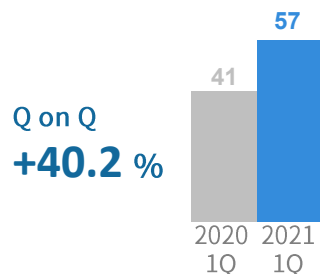
Business	Company in charge
Presiding company	Shinoken Wellness
Owning and managing housing for the elderly with home-care services	
Elderly care services <ul style="list-style-type: none"> • Day service • Home care • Home care support 	Apple Care
Owning and managing Group homes Small-scale multifunction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

*Independence training, etc. are scheduled to start around summer

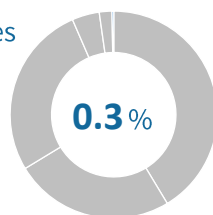
*After-school daycare Scheduled to take over business from Apple Care in April 2021

Net sales

57 Million JPY

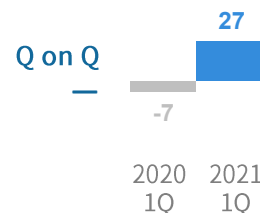


Net sales

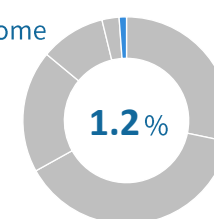


Segment profit

27 Million JPY



Operating income



Movements of 1Q FY2021

- Development of “Sakura Terrace” No. 2, 3, 4 in progress
- Preparing to sell investment trust products for transmigration residents
- Preparation proceeding for selling property to the REIT, increase in investment inquiries, selection of candidate properties in progress

【Regarding COVID-19】

Due to travel restrictions and local restrictions, business negotiations and construction are affected

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%)

Financial Results (Presentation)

Topics



Business strategy through new business and M&A

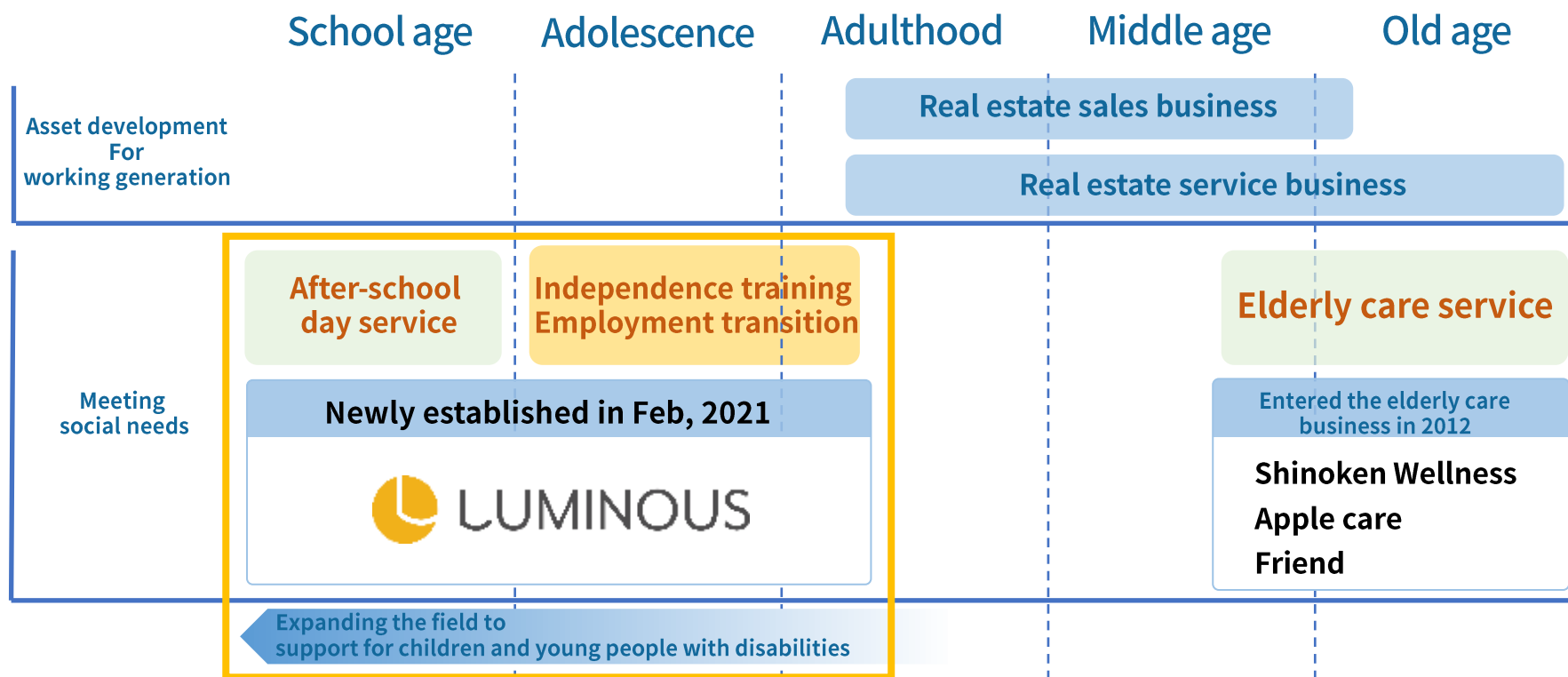
Main businesses of the segments

Intention of new business / M&A

<p>Real estate sales • General contractor</p>	<p>Apartment sales Condominium sales</p> <p>Construction Civil engineering Public projects</p>		<p>✓ Diversification of sales channels</p> <p>✓ Wider customer range</p>
<p>Real estate service • Energy</p>	<p>Rent management / brokerage Condominium management Asset management Real estate technology</p> <p>Gas • Electricity retail</p>		<p>✓ Promoting real estate tech (DX)</p> <p>✓ Expanding services for owners</p> <p>✓ Expanding services for tenants</p>
<p>Life care</p>	<p>Support for the elderly Support for people with disabilities</p>		<p>✓ Expanding to business fields that have potential social demands</p>
<p>Others • Overseas</p>	<p>Overseas real estate Development / management Financial services Domestic shared services</p>		<p>✓ Re-creating and expanding the domestic business model</p>

Established a new company “Luminous” to start the support for children and young people with disabilities, in addition to the conventional elderly care field in the Life support business

Expanding the life time value that our group provides



Aiming for a sustainable and better society
A society where “No one will be left behind”(SDGs)



SUSTAINABLE DEVELOPMENT GOALS

Acquired all shares and subsidiarized CSC (Computer System Corporation) Enhancing development / operation resources vital to our future growth



Next generation infrastructure

Full revision of
our internal core system



Improvement of
Real estate service UX

Expanding customer service
within the Shinoken economic bloc



Expansion of REaaS

Finance / International real estate services
Combining services from other industries
Creating new business fields

Enhancing development / operation resources for DX

REaaS
Technologies

POINT EDGE
BUSINESS DESIGN



CSC
COMPUTER SYSTEM CORPORATION

- 84 employees (78 engineers)
- Software development / App development / Operation and maintenance / Technician education System building / SES, etc.

Development and management of “Sakura Terrace” in central Jakarta

Project No.1



Project No.2 and more (Image)



Personnel business, financial business also making progress

Elderly care personnel from overseas (As Specified Skilled Workers category 1)

- 15 people passed the Japanese examination and elderly care examination in Indonesia, and all of them acquired the necessary visa

Preparation completed



**Planning to enter Japan
Once the travel restrictions are lifted**

<Alliance>

ヌディワルヨ大学(UNW)
第2期生募集開始



STIKES Bathesda Yakkum(SBY)
第1期生研修開始



Mutual fund for Transmigration residences

- Established an alliance scheme
PT. Shinoken Asset Management Indonesia (SAMI) handles the asset management
- **First step (Scale of 1 Billion JPY)
under preparation**
- Aim for asset value of 30 Billion JPY
in Jambi state

<Alliance>

- Indonesian FSA
- Indonesia Stock Exchange
- Jambi state government
- Jambi Bank



A new rental house product for expanding B2B sales, “Mini-residence”

『Mini-residence』 = Small size residence



Features

- 3 floors or less, and total floor space under 300sqm
For Shinoken REIT investment corporation (Shinoken REIT), steel structure type)
- Making each room compact, and comfortable by focusing on functionality
- 10 minutes on foot from a train station
convenient to live and to commute
- Reasonable rent rate,
suitable mainly for students and young office workers



Responding to social issues

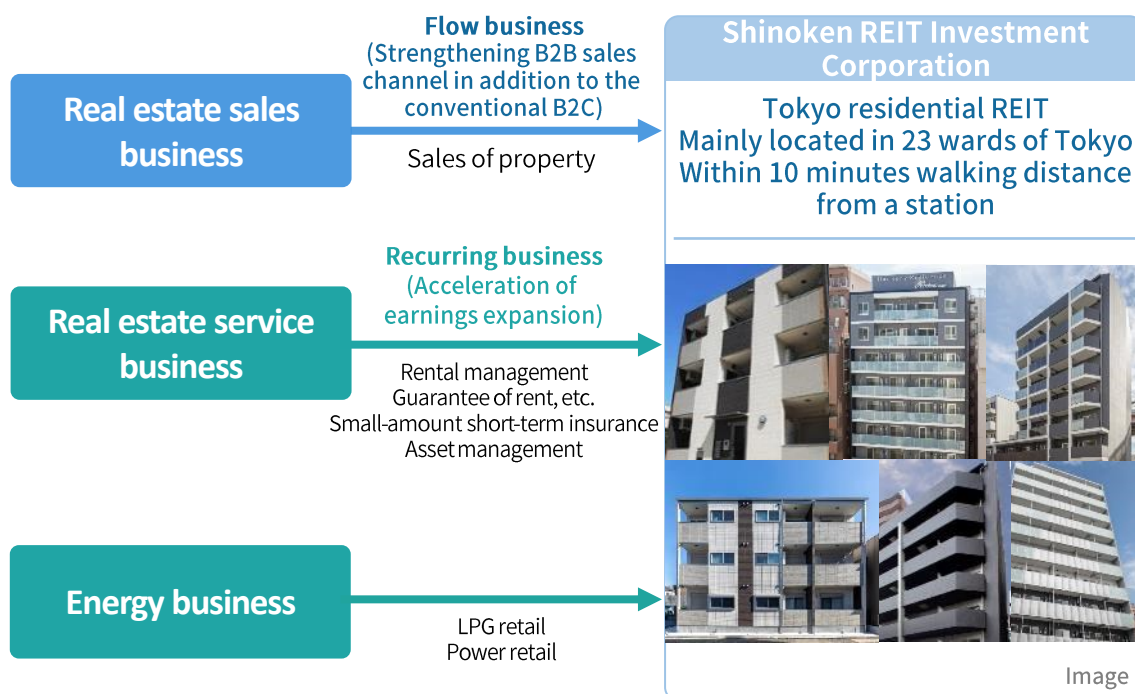


- Contributes to low CO2 emission due to light weight structure and short construction period, Low electricity consumption (No elevators)
- Possible to build on small and irregularly shaped properties, contributing to resolve vacant house issues

For Shinoken REIT, planning to provide steel structure properties located in the 23 wards of central Tokyo
If listed in TSE, it will be a totally new asset type in J-REIT

- Building a “collaboration and growth model” with Shinoken REIT, to establish new sales channels and expand recurring business earnings
- Plan to provide Mini-residences (Steel structure) and residences located in the 23 wards of central Tokyo to Shinoken REIT, which aims to become listed after Dec, 2021
- Going forward, deepening the “collaboration and growth model” by continuously providing high-quality property, and management knowledge based on the abundant experience of our group

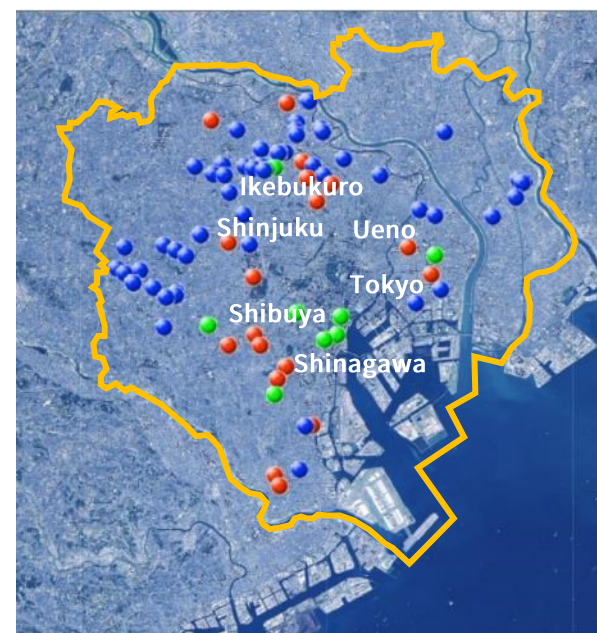
“Collaboration and growth model” with Shnoken REIT



History of Shinoken REIT

May, 2020	Established
Jul, 2020	Began the management of a 10 billion JPY private REIT
After Dec, 2021	Additionally acquire 20 billion assets, aiming to get listed in TSE

Properties that Shinoken REIT has acquired and properties that preferential negotiating rights are planned to be granted



- Jul. 2020 start
- Mini-residence (Steel)
- Residence
- 23 wards of central Tokyo

Financial Results (Presentation)

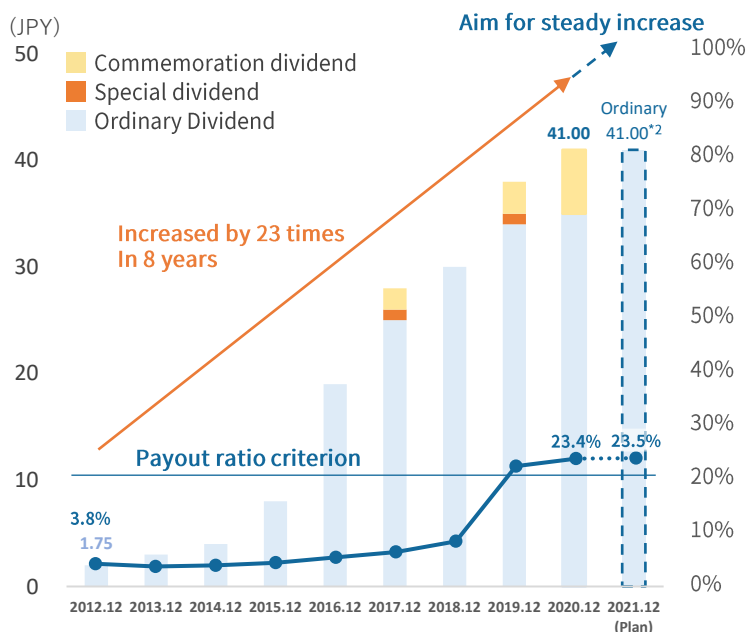
Shareholder returns



Dividend

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

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 1,000 shares	Regardless	2,000 JPY Gift Card
1,000 shares or more	Less than 3 years	3,000 JPY Gift Card
	3 years or more Less than 10 years	6,000 JPY Gift Card
	10年以上	10,000 JPY Gift Card

* 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

Financial Results (Presentation)

Appendix

Real estate sales

Apartments	Shinoken Produce
Condominiums	Shinoken Harmony

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

General Contractor

Construction	Ogawa Construction
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Energy

LPG retail	SK Energy and 4 subsidiaries
Power retail	SK Energy

Life care

Presiding company	Shinoken Wellness
Housing for the elderly	
Elderly care service	Apple Care
Group homes	Friend
Service for people with disabilities	Luminous

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 CSC

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

- Apartments and Condominiums / Construction Business

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”



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 condominiums developed by our group and other companies



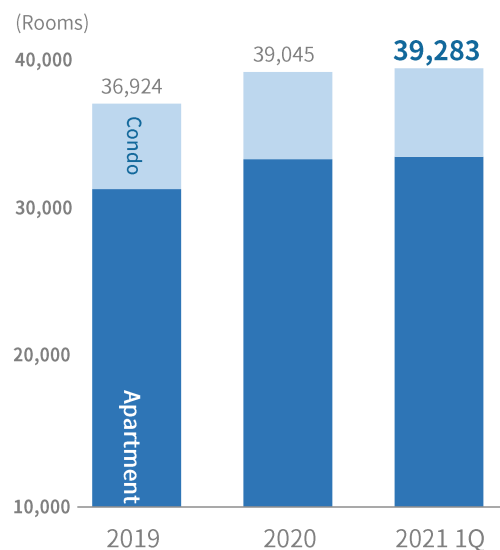
Real estate service
Business

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

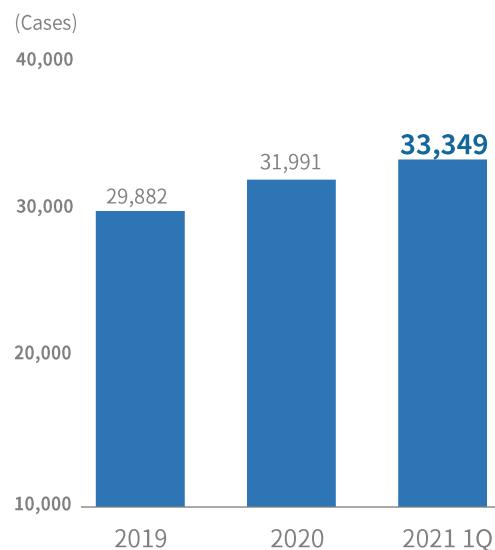
Rental management

39,045 Rooms
Occupancy Over 99%*



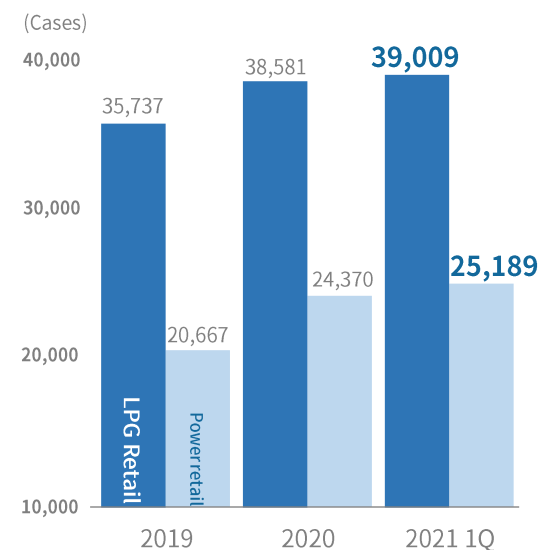
Guarantee of rent, etc.

31,991 Contracts
Overdue rate 0.14%



LPG retail / Power retail

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



*Figures for 2019 and 2020 are as of end of December
*Occupancy is as of end of 1Q 2021 for in house property

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

134 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 98.3%

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 Kashihamama

Tokyo

Ju-life Tokiwadai

Ju-life Takashimadaira

Ju-life Shakujidai

**Start from 2021 (P.23)*

Day service / Home care 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 98.0%

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 Tennenji

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 Mar 2021

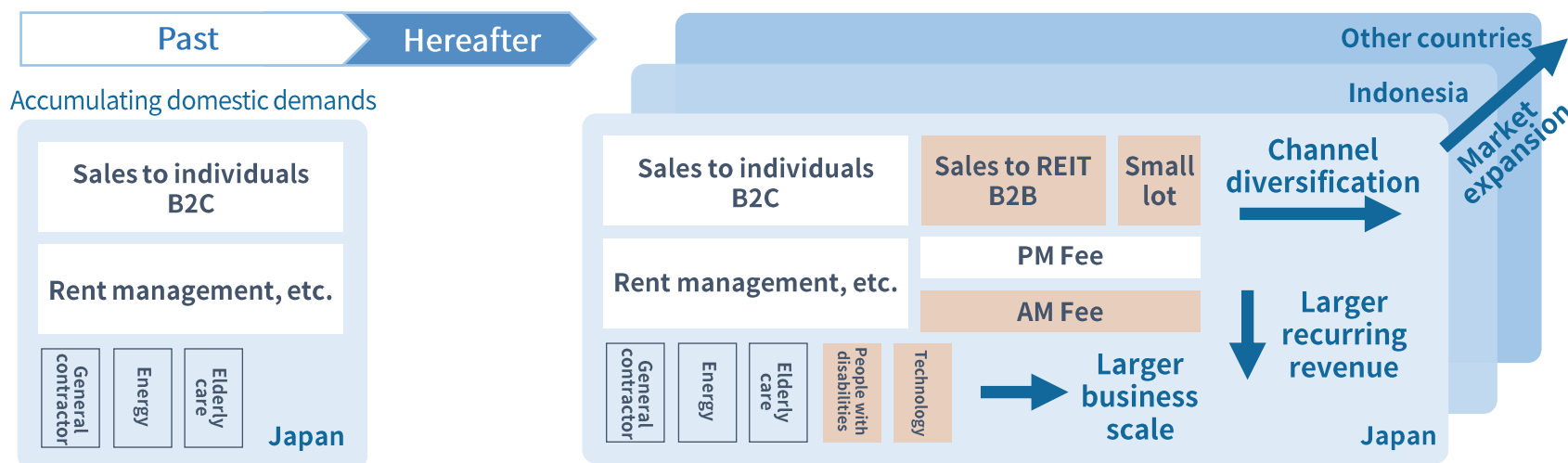
New sales channels(B2B etc.), acceleration of recurring business expansion

Achievements in diversification of sales channels

- Real estate fund: Established HTT-1 fund in Mar, 2018
- REIT: Kick-off by private placement (10 Billion JPY) in Jul, 2020

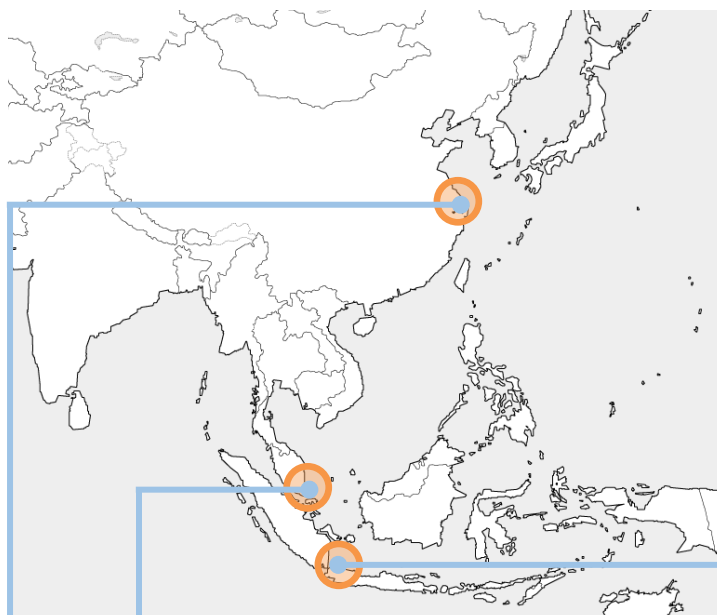
Hereafter

- Responding to the needs of expand the asset scale of the REIT as a sponsor, and expanding our earnings by selling our products to the REIT in addition to individuals
- 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



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"



Construction

PT. Mustika Cipta Kharisma

- Private works / Sakura Terrace
- Public works



Finance

PT. Shinoken Asset Management Indonesia

- Fund business
- Real estate fund



Human resources

Alliance with local university
to mainly acquire elderly care
personnel





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
- Development and creation of long-term care personnel
- Independence training
- Employment transition support
- 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

DISCLAIMER

This document includes statements that are based on presumptions, forecasts and plans as of May 14th, 2021.

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.

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A life support company for
every generation across the world

