



3rd Quarter of the Fiscal Year Ending on December 31, 2021

Financial Results (Presentation)

Shinoken Group Co., Ltd.

TSE JASDAQ Code : 8909

November 10, 2021

A life support company for
every generation across the world

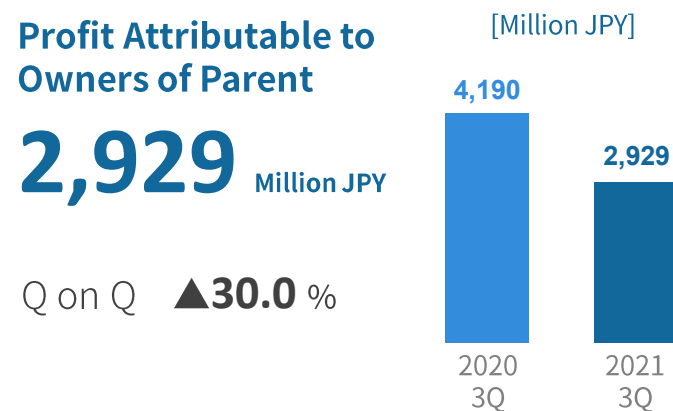
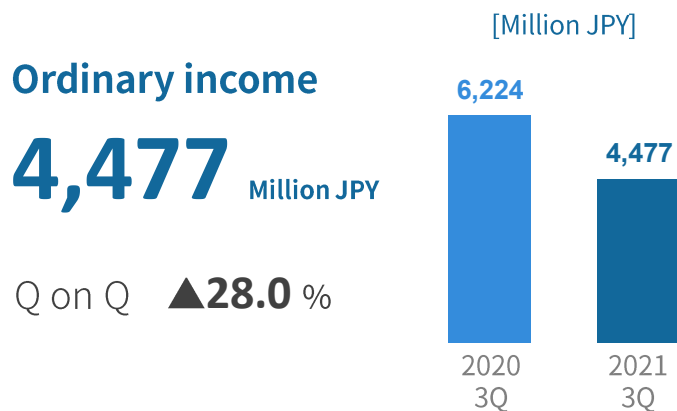
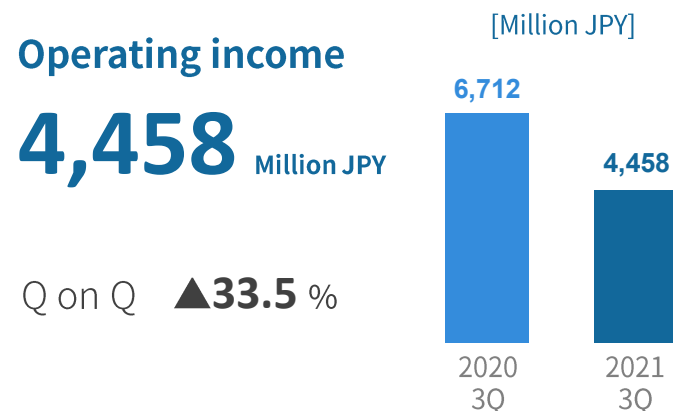
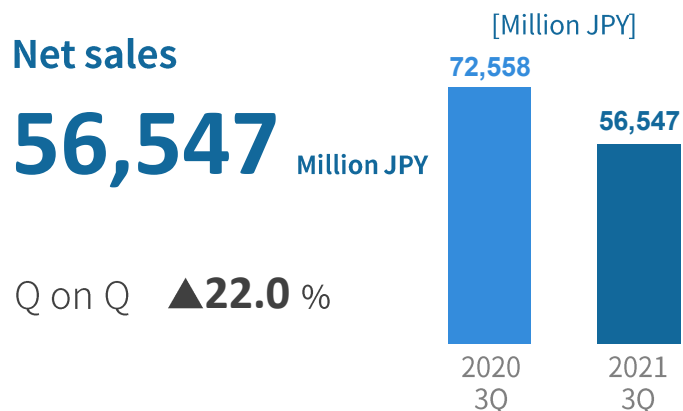
Consolidated results	P.3
Business segments	P.6
Topics	P.13
Our shares	P.18
Appendix	P.22



Financial Results (Presentation)

Consolidated results





[Million JPY]

	2020 End	2021 3Q End	Increase/Decrease
Current Assets	74,539	86,205	+11,666
Cash and Deposits	35,387	31,828	① ▲3,558
Real estate for sale	14,205	25,830	+11,625
Costs on Real Estate Business	14,219	17,662	+3,443
Others	10,726	10,884	+157
Non-current Assets	13,620	14,414	+794
Total Assets	88,159	100,620	+12,460
Current Liabilities	26,241	38,327	+12,085
Current portion of Bonds	564	614	50
Short-term loans payable	12,118	24,043	+11,924
Others	13,559	13,670	+111
Non-current Liabilities	20,351	19,627	② ▲724
Bonds	1,240	1,102	▲138
Long-term loans payable	18,180	17,529	▲650
Others	931	995	+64
Total Net Assets (Capital Adequacy Ratio)	41,566 (47.0%)	42,665 (42.4%)	+1,098 (▲4.6pt)
Total Liabilities and Net Assets	88,159	100,620	+12,460

① Cash and Deposits ▲3,558 Million JPY

2020 End : 35,387 Million JPY
2021 3Q End : 31,828 Million JPY

Inventory Movement +15,068 Million JPY

Main movements

- Real estate for sale^{*1} +11,625 Million JPY
- Costs on Real Estate Business^{*2} +3,443 Million JPY

^{*1}Land for Apartments, etc.^{*2}Condominium Land and Construction in progress, etc.

② Interest-bearing debt +11,185 Million JPY

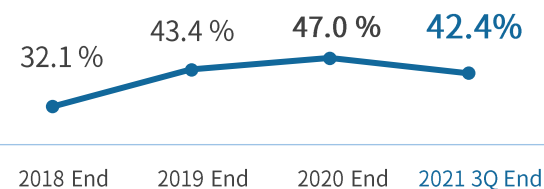
2020 End : 32,103 Million JPY
2021 3Q End : 43,289 Million JPY

Liabilities besides Interest-bearing debt

+175 Million JPY

- Current Liabilities +111 Million JPY
- Non-current Liabilities +64 Million JPY

Capital Adequacy Ratio

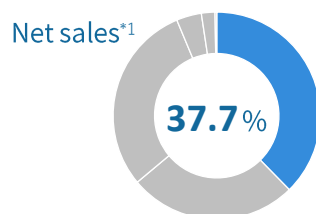
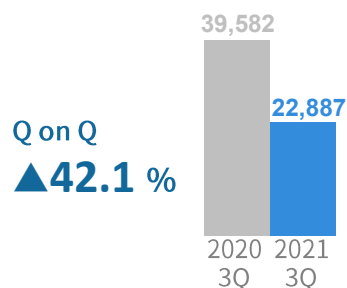


Financial Results (Presentation)

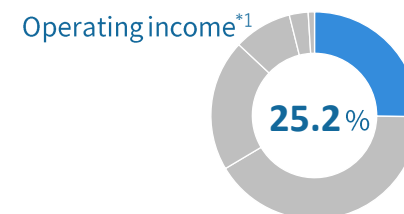
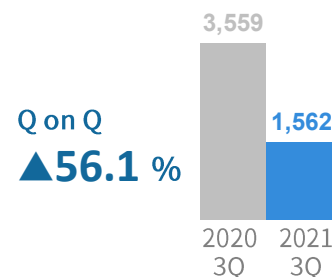
Business segments



Net sales **22,887** Million JPY



Segment profit **1,562** Million JPY



Movements of 3Q FY2021

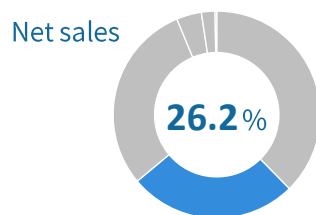
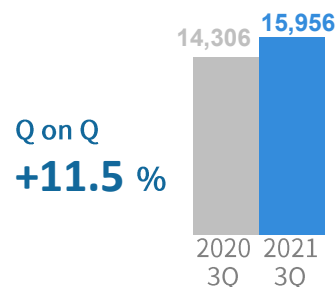
- Due to stopping land purchase activities from March to around autumn in 2020, the number of completion and handovers were small from 1Q to 3Q, but this was expected in the initial forecast
- Orders (contracts) proceeded favorably, and order backlogs as of end of 3Q increased to over 250% YoY, which many are expected to be recorded as sales in 4Q

Segment overview

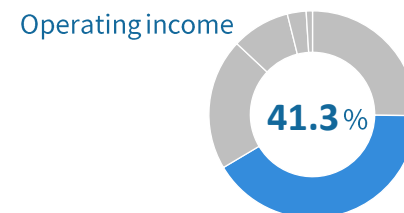
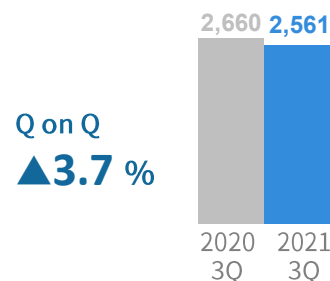
Business	Company in charge
Apartments Plan • Design • Build • Sell	Shinoken Produce Ranking for rental property construction #1 for 6 consecutive years
Condominiums Plan • Develop • Sell	Shinoken Harmony

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

Net sales **15,956** Million JPY



Segment profit **2,561** Million JPY



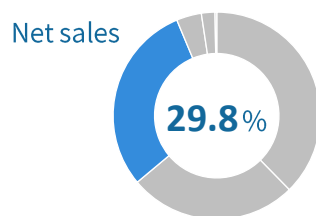
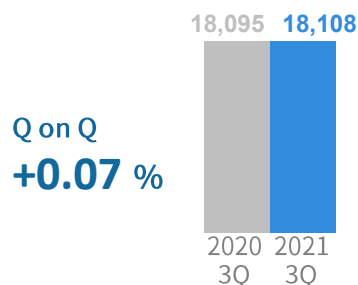
Movements of 3Q FY2021

- Number of rooms managed exceeded 40,000
- Growth in rooms managed lead to YoY growth in revenue
- Promoting DX for the growth of our group; development of [Trust DX](#) and tenant app, etc.

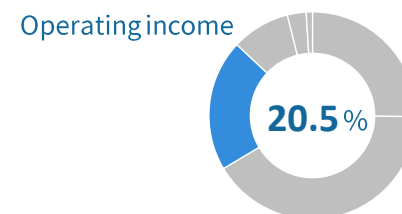
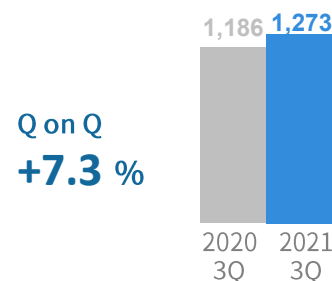
Segment overview

Business	Company in charge
Rental management	Shinoken Facilities Ranking for number of rooms managed #1 for 3 consecutive years (→P.15)
Rental brokerage	Bacchiri Chintai
Condominium management	Shinoken Amenity
Guarantee of rent, etc.	Shinoken Communications
Asset management	Shinoken Asset Management
Real estate technology	REaaS Technologies POINT EDGE Computer System
Small-amount short-term insurance	JICC SSI

Net sales **18,108** Million JPY



Segment profit **1,273** Million JPY



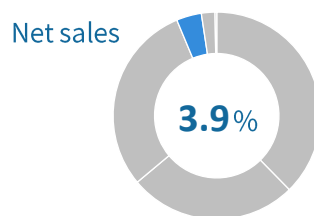
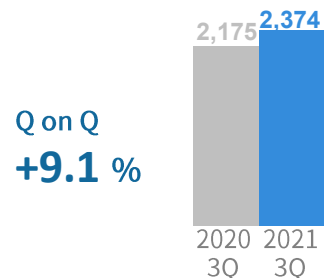
Movements of 3Q FY2021

- Strengthening sales activities, leading to new orders
- Construction of ordered projects progressed smoothly, resulting in YoY growth in sales and profit
- Receiving orders for projects planned to complete in 2022 and after

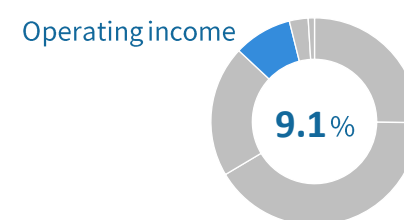
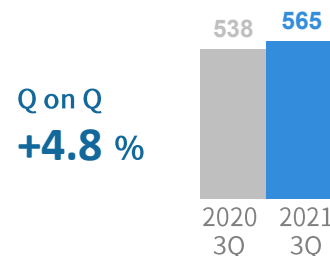
Segment overview

Business	Company in charge
General construction	Ogawa Construction

Net sales **2,374** Million JPY



Segment profit **565** Million JPY



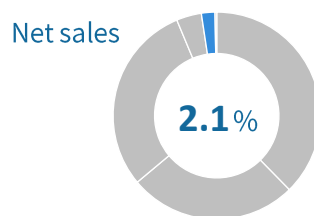
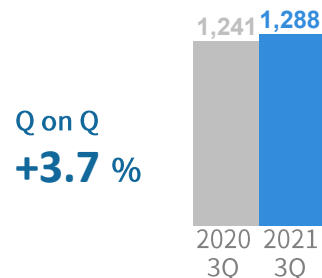
Movements of 3Q FY2021

- Number of LPG cases exceeded 40,000
- Steady increase leading to YoY growth in both sales and profit
- Continuous steady growth is expected

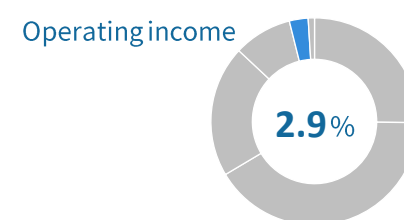
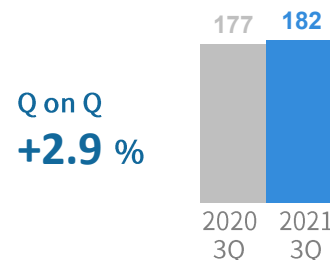
Segment overview

Business	Company in charge
LPG retail	SK Energy (Fukuoka) and 4 regional subsidiaries (Tokyo, Nagoya, Sendai, Osaka)
Power retail	SK Energy (Nationwide)

Net sales **1,288** Million JPY



Segment profit **182** Million JPY



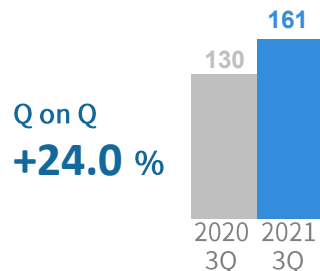
Movements of 3Q FY2021

- Each facility maintained high occupancy rate
- Our 4th serviced housing for the elderly "Ju-life Shakujidai" opened in June, occupancy rate 100% as of end of September (Application based)
- Enhanced facilities and service quality according to the level of care required

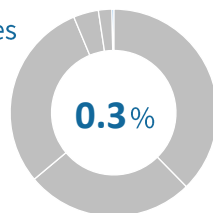
Segment overview

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"> After-school daycare service* Employment transfer support (planned) 	Luminous

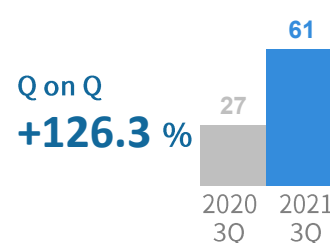
Net sales

161 Million JPY

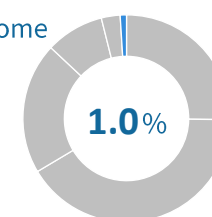
Net sales



Segment profit

61 Million JPY

Operating income



Movements of 3Q FY2021

- “Sakura Terrace” No.2 making preparations for the grand opening within 2021
- “Sakura Terrace” No.3, scheduled to complete construction in April, 2022. No.4 and beyond also in progress
- Preparation proceeding for selling property to the REIT, increase in investment inquiries, selection of candidate properties in progress

Segment overview

Business	Company in charge
Indonesian real estate Develop • Build • Manage “Sakura Terrace”	PT. Shinoken Development Indonesia
Indonesian finance Asset management	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



- Localizing our Japanese “Harmony Terrace” for Indonesia, and promoting the vertically integrated model from land purchase, design and construction, to occupancy and accommodation management

Sakura Terrace No.2, preparing for grand opening within 2021

Outline

Name	Sakura Terrace Benhil
Land size	512 sqm
Structure	Reinforced concrete
Floors	4 floors • Basement • Roof top terrace
Room type	Single room with loft
Number of rooms	60 rooms • 17 parking spaces

Schedule

Up to December, 2021	Building inspection • Furnishing • Staff training, etc.
December, 2021	Grand opening, operation start



Exterior image



Interior image

- Released the smartphone application “Shinoken Concierge for Tenant”, following “Shinoken Concierge for Owner”

Supporting both management and living

Owner app (2020)



for Owner

Potential owners

Providing introduction info

- ✓ Narrowing down the desired properties
- ✓ Providing info through web magazine etc.

Existing owners

Making management convenient

- ✓ Managing purchased properties
- ✓ Checking move-ins and outs, cleaning, rent etc.

Tenant app (2021)



for Tenant

Our tenants

Improving life convenience through the app



Dedicated page



Top menu



Information



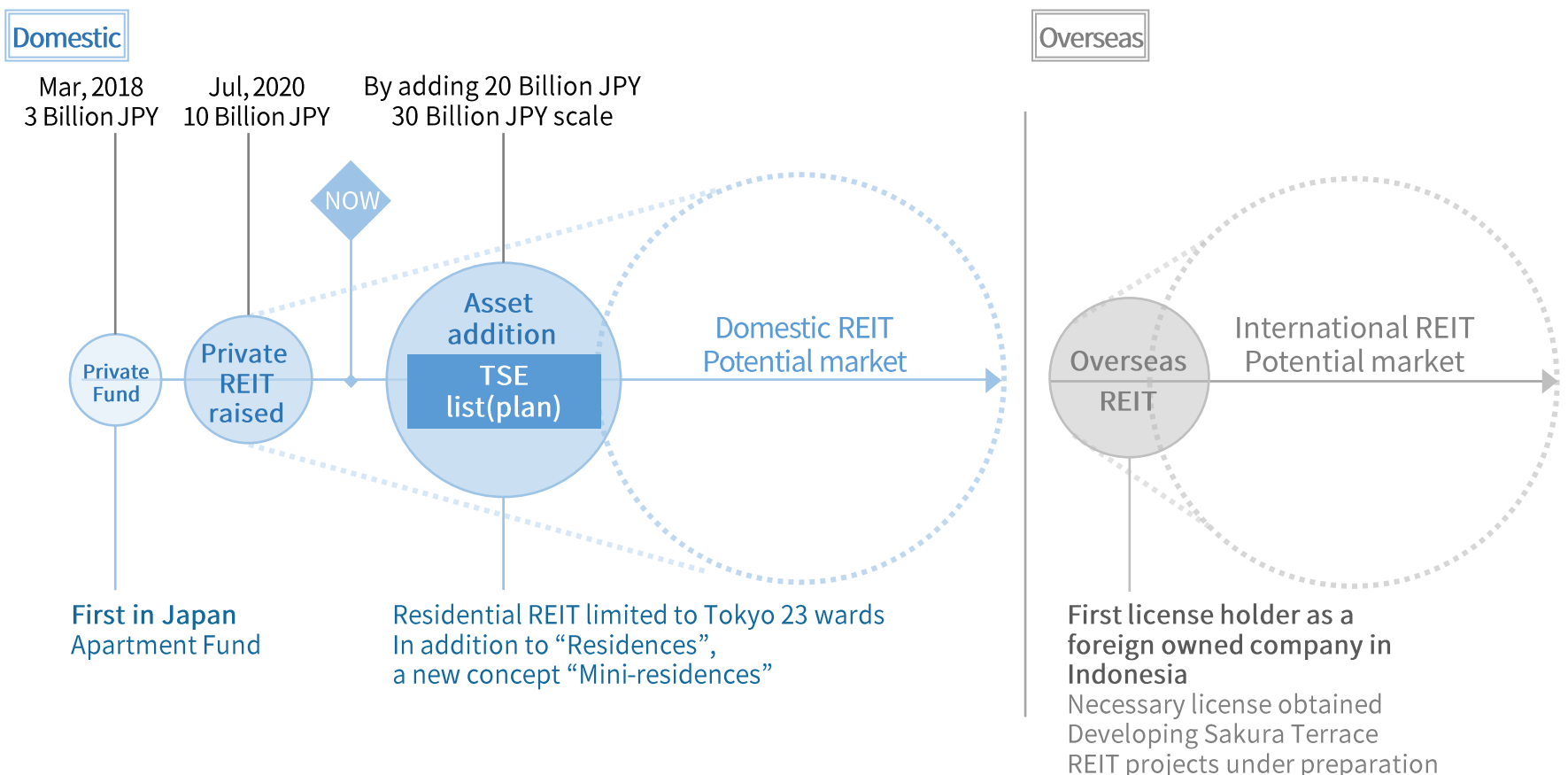
Various procedures



Inquiries etc.

- Expanding B2B channels, to play an important roll in our growth strategy
- Plan to list domestic REIT and raise overseas REIT, expanding scale in both domestic and overseas

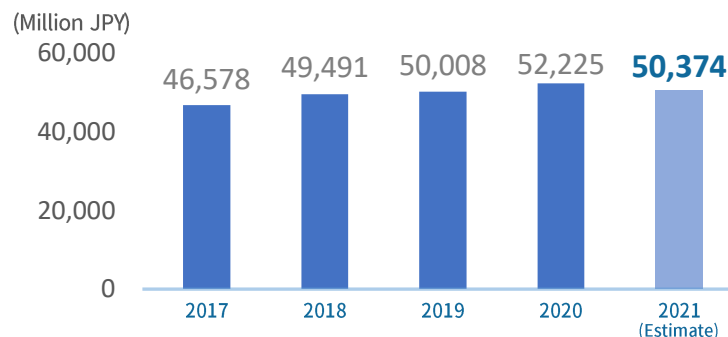
Possibilities of B2B channels inside and outside Japan



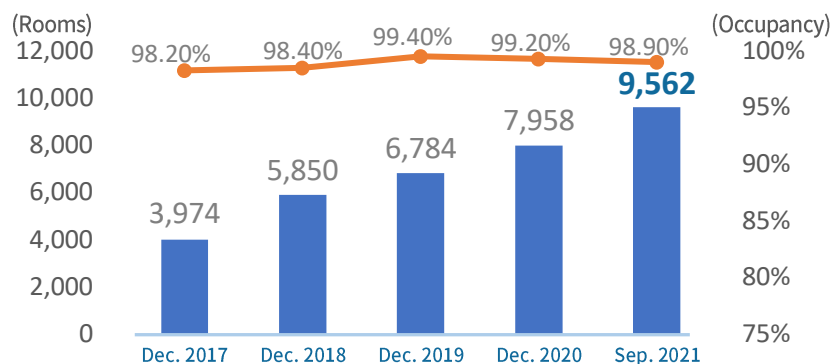
- If the listing takes place, it will be the first J-REIT in the history that specializes in residential properties limited to Tokyo 23 wards. It will be sponsored by our subsidiaries and Properst, that have extensive experience in development and sales in the area

Strengthening B2B channel

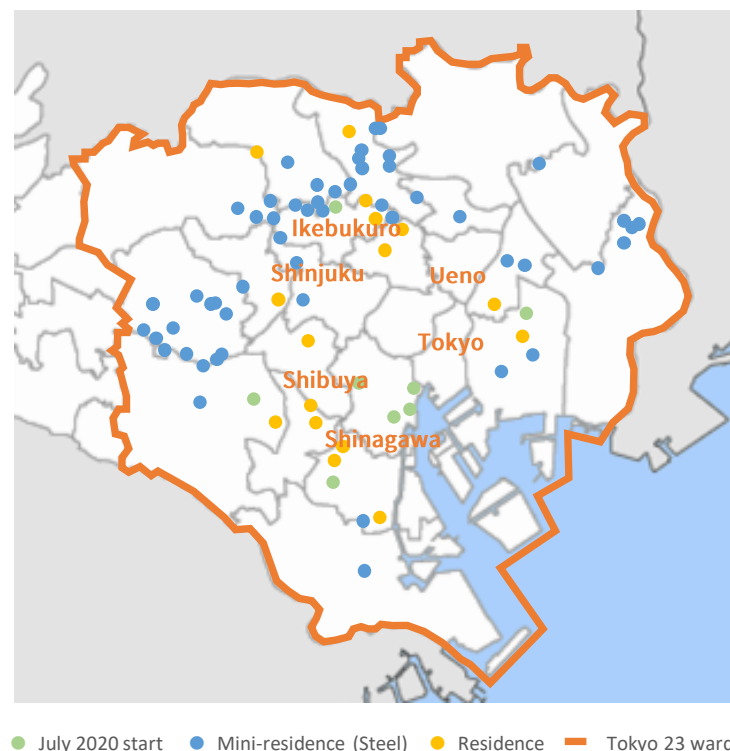
Annually 50 Billion JPY sales within Tokyo 23 wards*1



Rooms managed / Occupancy*2 of Apartments within Tokyo 23 wards



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



*1 Total of our subsidiaries and Properst
*2 Annual average

Financial Results (Presentation)

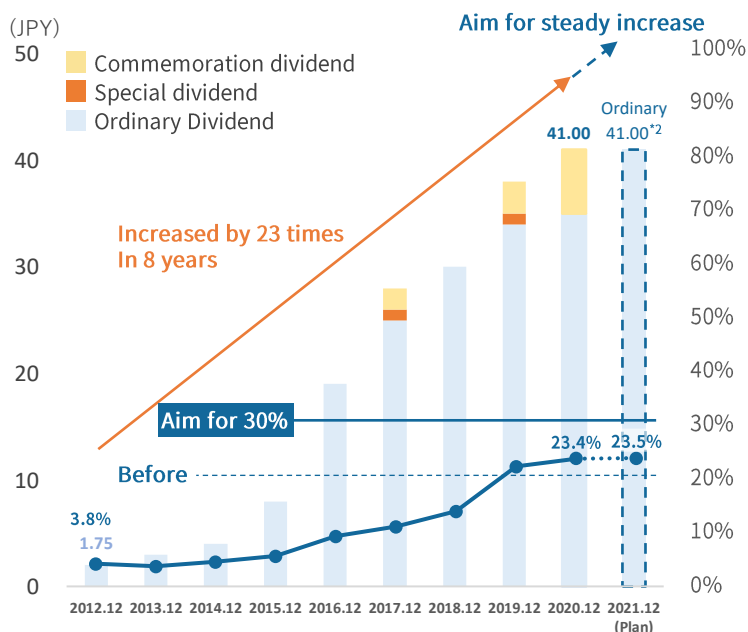
Our shares



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 (Planned)

Shareholder benefits

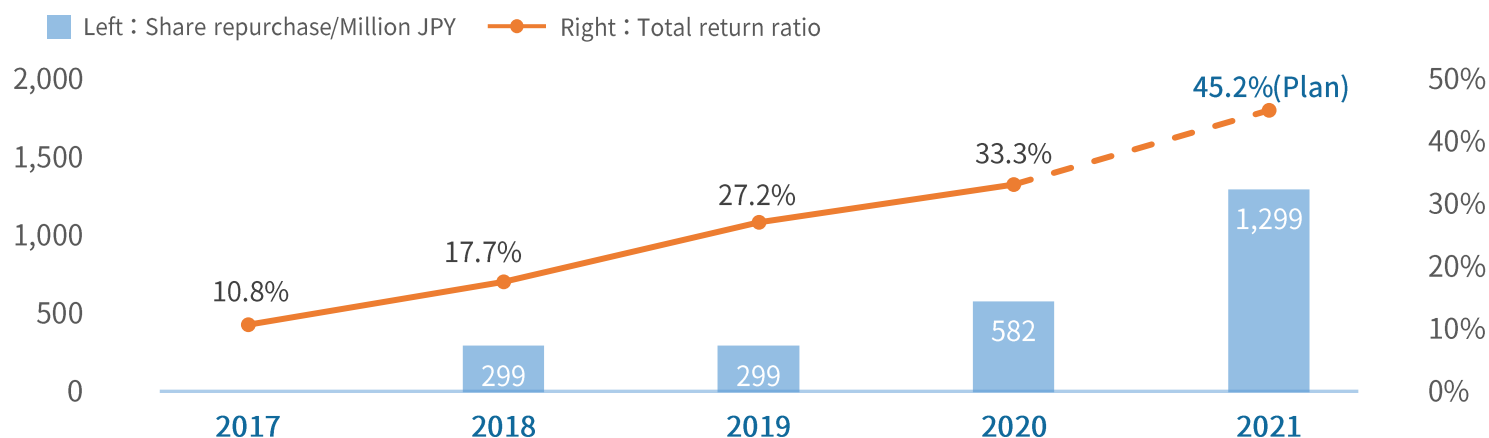
Shares held Period continuously held	Record date	Dec 31 2021
100 or more Less than 500 shares	Regardless	1,000 JPY Gift Card
500 or more Less than 1,000 shares	Regardless	2,000 JPY Gift Card
1,000 shares or more	Less than 3 years	3,000 JPY Gift Card
	3 years or more Less than 10 years	6,000 JPY Gift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

Share repurchase and dividends

- Implemented to improve capital efficiency and enable flexible capital policies in response to the business environment
- Comprehensive consideration of cash on hand, stock price level, etc.



Period	-	Aug 23 to 30	Aug 27 to Sep 19	Mar 11 to Apr 30 Aug 13 to Sep 2	Mar 29 to May 25 Sep 2 to Oct 15 Nov 11 to Dec 30	←Disclosed on Nov. 10
Share repurchases (Million JPY)	-	299	299	582	1,299(Plan) ^{*2}	
Total dividends (Million JPY)	919	1,015	1,301	1,401	1,417(Plan) ^{*3}	
Total return (Million JPY)	919	1,315	1,601	1,983	2,717(Plan) ^{*4}	
Total return ratio^{*1}	10.8%	17.7%	27.2%	33.3%	45.2%(Plan)^{*5}	

^{*1} Total Return Ratio= (Total Return)÷(Full year net income attributable to owners of parent)

^{*2} Including the information based on the share repurchase disclosure as of Nov 10, 2021

^{*3} Based on Interim and year-end dividend result/forecast for the fiscal year ending December 31, 2021, and the number of shares issued and the number of treasury stock as of September 30, 2021

^{*4} The sum of ^{*2} and ^{*3}

^{*5} Based on the consolidated forecast for the fiscal year ending December 31, 2021 and ^{*4}

- We received the results of the initial assessment^{*1} from the Tokyo Stock Exchange (TSE) on July 9, 2021 and confirmed that we comply with the listing criteria for the “Standard Market” in the new market segment

Decided to select “Standard market”

- Indicators of our shares meet the listing criteria of “Prime market”
- Currently prioritizing the REIT. After that, we will begin specific considerations of changing to the “Prime market”

Status as of the reference date (June 30, 2021)

	Listing requirements of Standard market	Shinoken	Result	< Reference > Listing requirements Of Prime market
No. of Shareholders	At least 400	11,070	○	At least 800
No. of Tradable Shares	At least 2,000 units	240,570 units	○	At least 20,000 units
Tradable Share Market Cap	At least 1 Billion JPY	28.9 Billion JPY	○	At least 10 Billion JPY
Tradable Share Ratio	At least 25%	66.1%	○	At least 35%
Trading Value	-	Over 180 Million JPY ^{*2}	○ ^{*3}	At least daily avg. 20 Million JPY

^{*1} Notification to companies listed in the JASDAQ Market only notifies the results for “Standard Market”

^{*2} Average trading value of our company's stock during the calculation period (July 1, 2020 to June 30, 2021)

^{*3} Based on internal calculations within our group

Financial Results (Presentation)

Appendix

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

Purchase land, build rental homes, sell B2C and B2B

General contractor
Business

Construction of condominiums developed by our group, and various projects both government and private

Apartments

First place for six consecutive years

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

※Zenchin No. 1466 (Published on June 28, 2021)

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

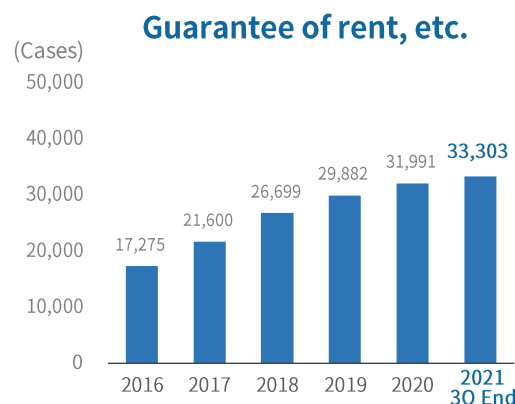
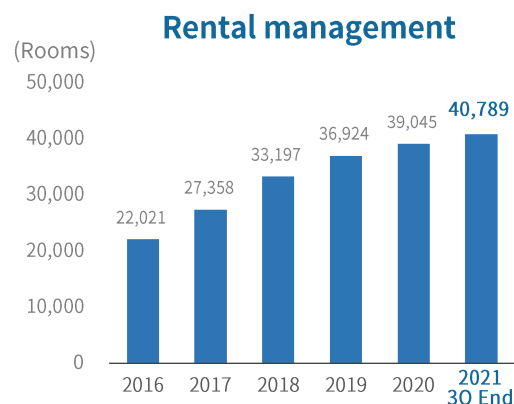
Since the establishment in 1909, it has taken on various projects such as modern bank architecture, registered cultural property architecture, educational facilities, factories, etc., along with condominiums developed by our group and other companies



- The more sales made in the real estate sales business, the more units provided with various services are accumulated, i.e. “Recurring model” where sales increase steadily year after year

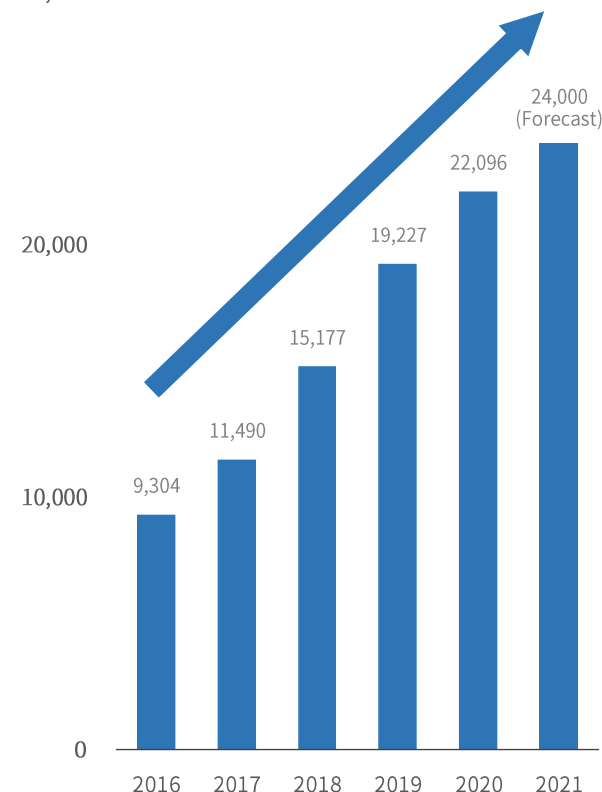
【Main KPI】 *Figures of 2016 - 2020 are as of end of the year

Real estate service Business

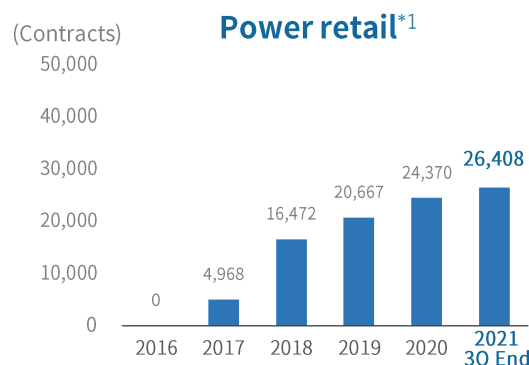


【Net sales*2】

(Million JPY)
30,000



Energy Business



*1 Started in 2017

*2 Simple sum of segment sales for Real estate service Business and Energy Business (including internal sales)

Life care Business

Support for the lives of the elderly, children with disabilities, and employment for young people with disabilities

Wide service range of elderly care, to meet various needs of the users

Ju-life plan

144 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

4 buildings
348rooms Occupancy98.5%

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 Kashiihama

Tokyo

Ju-life Tokiwadai

Ju-life Takashimadaira

NEW

Ju-life Shakujidai

*Opened June 2021

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

NEW

Applife Shakujidai

*Opened June 2021

Group homes

7 buildings
Total 153rooms Occupancy97.3%

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 Employment transition support (planned)

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

For young people with disabilities over 18 years old (over 15 years old depending on the local government). Basic academic knowledge, and employment training / internships (employment transition support)

Luminous

(Established Feb 12, 2021)

みんなの「なかや」をつくる



*Number of rooms, occupancy are as of end of Sep. 2021

Overseas Business

Re-constructing the Japanese full in-house model overseas

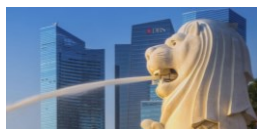


Singapore

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

Formation and management of

- Investment trust
- Real estate fund

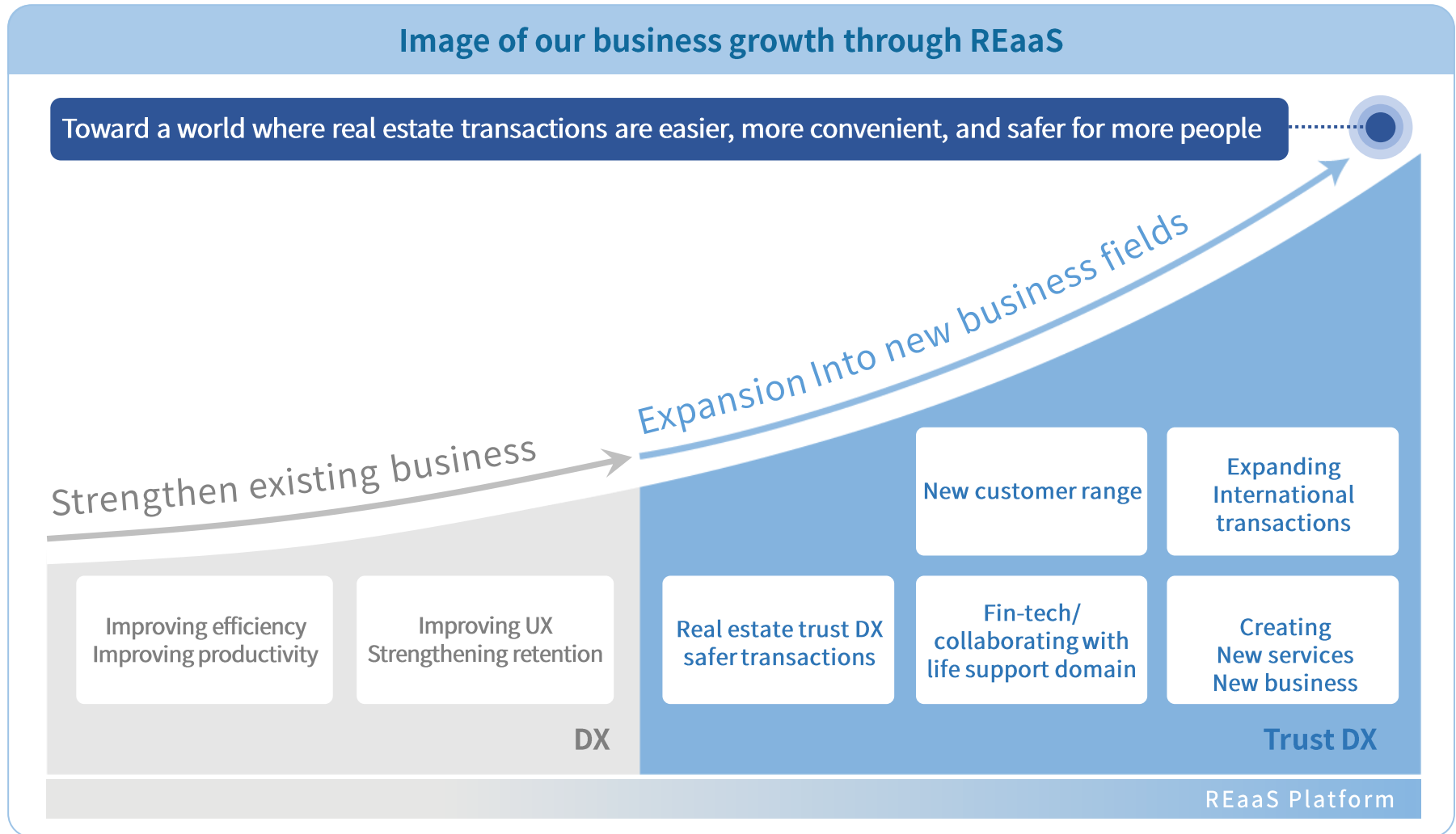


Human resources

Alliance with local university to mainly acquire elderly care personnel



- Driving the growth of our group by making progress in REaaS (Real Estate as a Service)



- In response to the Japanese government's goal of "virtually zero greenhouse gas emissions by 2050," Shinoken has begun to take concrete actions

SUSTAINABLE DEVELOPMENT GOALS



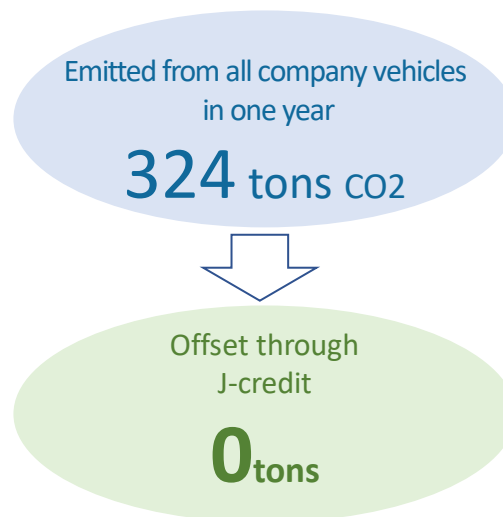
[Actions (example)]

- ✓ Promotion of carbon-neutral wooden buildings
- ✓ Using electric vehicles for company vehicles
- ✓ Planning and investment in business related to biomass power generation
- ✓ Carbon offset through J-credit system
- ✓ Afforestation and reforestation planning (Indonesia / Japan)



CO2 emissions of all Shinoken company vehicles reduced to virtually zero

By Offsetting 324 tons of CO2*¹ emitted from all company vehicles of Shinoken Group in one year through the Japanese government's J-credit*² system*³, reduced the CO2 emissions to virtually zero



Carbon offset certificate

- *1 144 gasoline vehicles for company use from September 2020 to August 2021
- *2 A system under which the government certifies the amount of greenhouse gas emissions reduced or absorbed as "credits".
- *3 A third-party organization (blue dot green Inc.) accredited by the J-credit system calculates the amount of CO2, initiate nullification procedures, and issue certificates.

Wooden Apartments



- Promotion of carbon-neutral wooden architecture, planning of new wooden products
- Reduction of CO2 emissions through 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 methods, safety management standard
- Active use of recycled aggregate
- Start of raw material traceability
- Driving biomass related business

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
- Employment transition support (planned)
- 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



- Dormitory for elderly care workers from overseas completed
- 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



- Planting trees in rainforests in Indonesia (planned)
- Quantitative and effective actions for off-setting CO2 emissions of business activities (Carbon offsetting)
- COVID-19 Vaccine for our tenants that include many young people



Our 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~

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
	POINT EDGE
	CSC
Small-amount short-term insurance	JICC SSI

General Contractor

Construction	Ogawa Construction
--------------	--------------------

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

Equity method affiliate

Real estate development/sales	Properst(TSE ticker 3236 Shares held 35.7%)
-------------------------------	---

DISCLAIMER

This document includes statements that are based on presumptions, forecasts and plans as of November 10th, 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.

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

TEL: +81 92 714 0040
WEB: <https://www.shinoken.co.jp/en/>

A life support company for
every generation across the world

