



Fiscal Year Ending on December 31, 2021

Financial Results (Presentation)

Shinoken Group Co., Ltd.

TSE JASDAQ Code : 8909

February 14, 2022

A life support company for
every generation across the world

Fiscal Year Ending on December 31, 2021

Financial Results (Presentation)

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Fiscal Year Ending on December 31, 2021

Financial Results (Presentation)

Chapter I

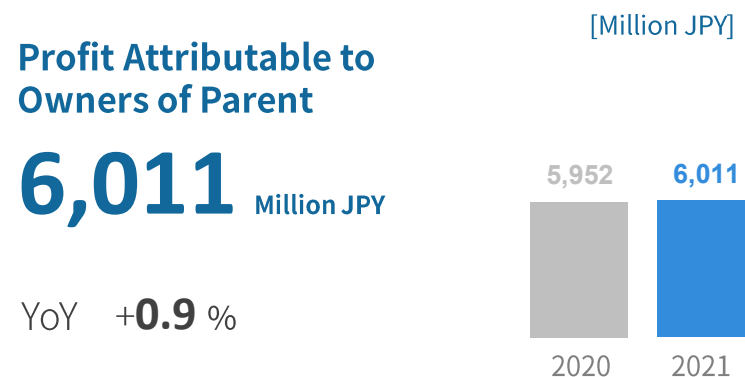
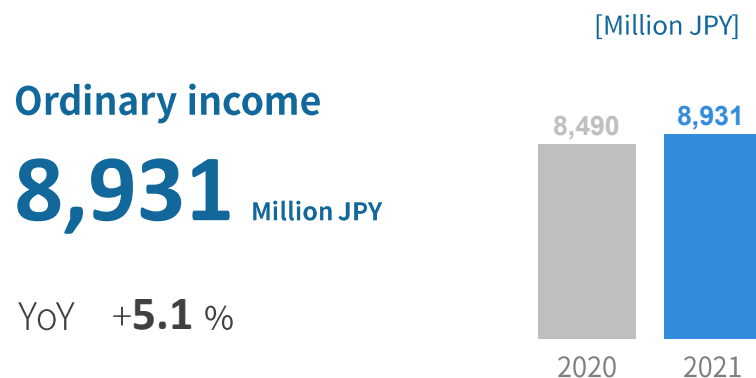
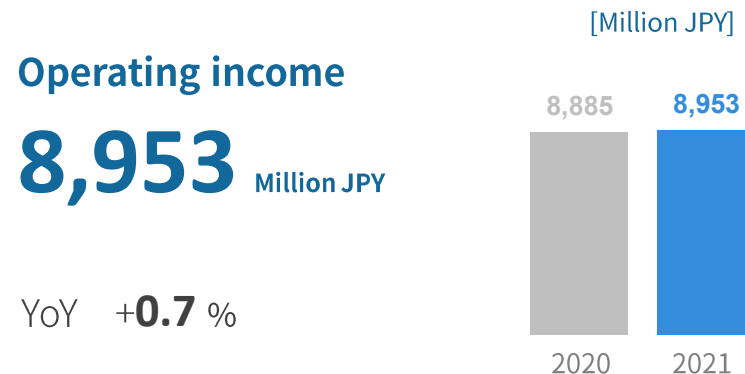
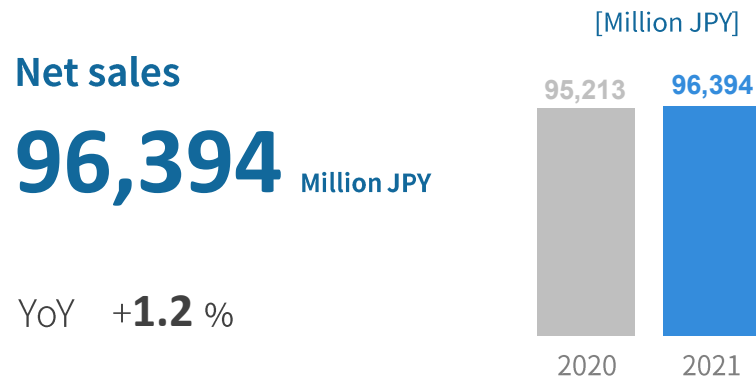
Fiscal Year Ending on December 31, 2021

Financial Results (Presentation)

Consolidated results



Net sales and income increased YoY



[Million JPY]

	2020 End	2021 End	Increase/Decrease
Current Assets	74,539	84,161	+9,622
Cash and Deposits	35,387	40,485	① +5,098
Real estate for sale	14,205	18,245	+4,040
Costs on Real Estate Business	14,219	15,310	+1,091
Others	10,726	10,120	▲606
Non-current Assets	13,620	14,848	+1,227
Total Assets	88,159	99,010	+10,850
Current Liabilities	26,241	33,384	+7,142
Current portion of Bonds	564	584	+20
Short-term loans payable	12,118	16,045	+3,926
Others	13,559	16,754	+3,195
Non-current Liabilities	20,351	20,305	② ▲45
Bonds	1,240	1,022	▲218
Long-term loans payable	18,180	18,266	+86
Others	931	1,017	+86
Total Net Assets (Capital Adequacy Ratio)	41,566 (47.0%)	45,320 (45.7%)	+3,753 (▲1.3pt)
Total Liabilities and Net Assets	88,159	99,010	+10,850

① Cash and Deposits +5,098Million JPY

2020 End : 35,387Million JPY
2021 End : 40,485Million JPY

Inventory Movement +5,133Million JPY

Main movements

- Real estate for sale^{*1} +4,040Million JPY
- Costs on Real Estate Business^{*2} +1,091Million JPY

^{*1}Land for Apartments, etc.

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

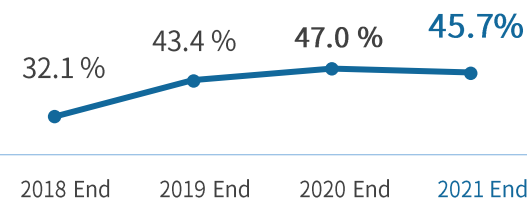
② Interest-bearing debt +3,815Million JPY

2020 End : 32,103Million JPY
2021 End : 35,918Million JPY

Liabilities besides Interest-bearing debt

- +3,281Million JPY**
- Current Liabilities +3,195Million JPY
- Non-current Liabilities +86Million JPY

Capital Adequacy Ratio



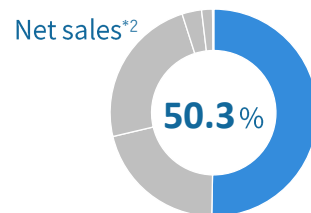
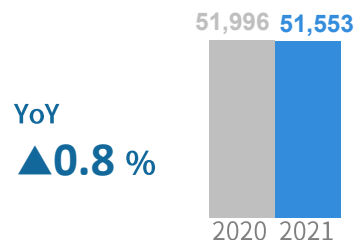
Fiscal Year Ending on December 31, 2021

Financial Results (Presentation)

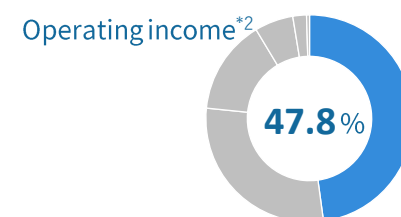
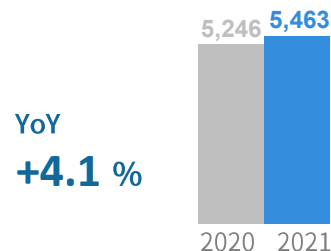
Business segments



Net sales*¹ **51,553** Million JPY



Segment profit **5,463** Million JPY



Business

Developing designer apartments for single residences
Purchase land • Plan • Design • Build, and sell as a set of land and building

Developing designer condominiums for single residences
Purchase land • Plan, and sell by room

Summary of FY2021

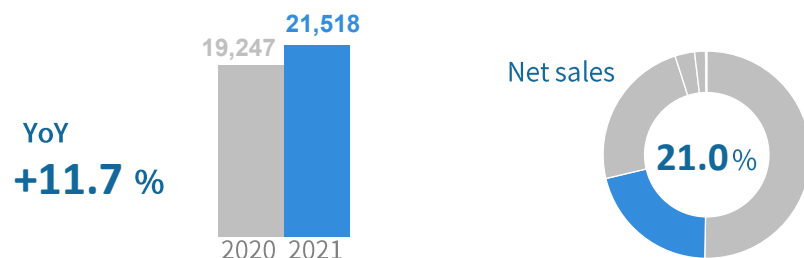
- Apartments : B2C sales proceeded favorably, profit ratio turned out as planned
- Condominiums : In addition to B2C, strengthened B2B sales



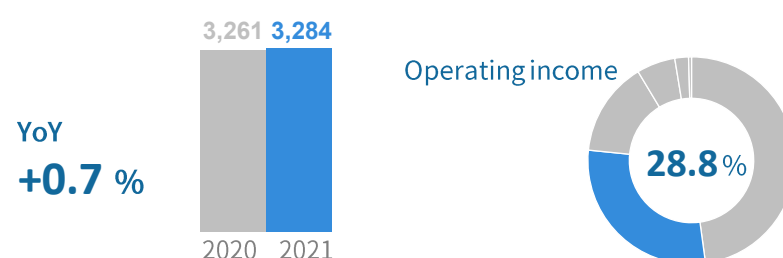
*1 Including sales recorded within our group (P.9 – 13 also)

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

Net sales **21,518** Million JPY



Segment profit **3,284** Million JPY



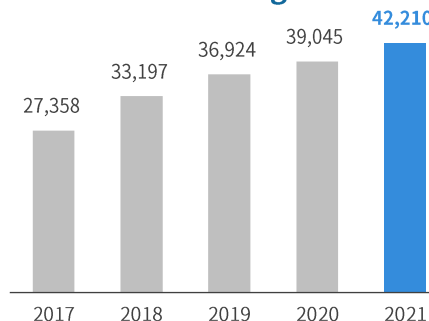
Business

Rental management	Asset management
Real estate brokerage (Rent / sell)	Real estate technology
Condominium management	Small-amount short-term insurance
Guarantee of rent, etc.	

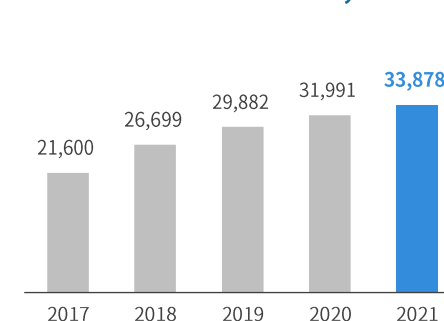
Summary of FY2021

- 42,210 rooms under management (As of end of December)
- Growth in rooms managed lead to YoY growth
- 0.09% overdue rate in Guarantee of rent, etc. (As of end of December)
- Promoting DX; Development of Trust DX and tenant app, etc.

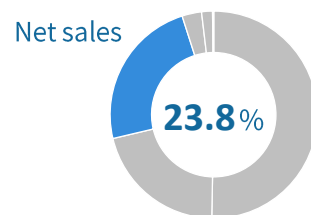
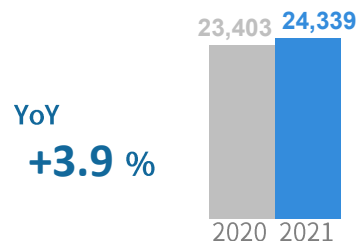
Rental management



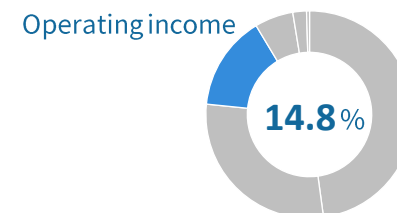
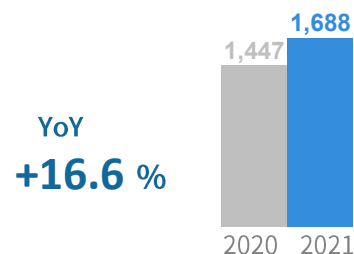
Guarantee of rent, etc.



Net sales **24,339** Million JPY



Segment profit **1,688** Million JPY



Business

Wide variety of projects, both public and private (20%*¹ from within our group)

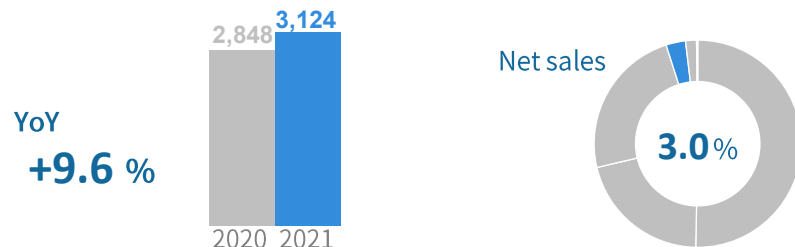
Summary of FY2021

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

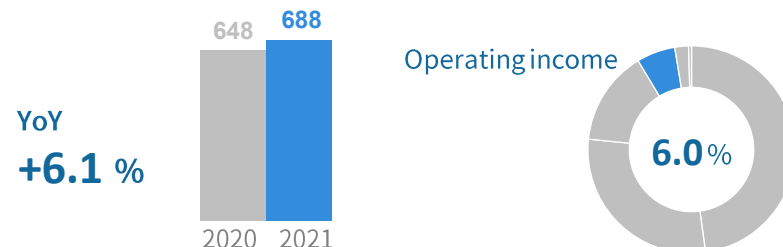


*1 Percentage of sales that take place within our group in the FY2021 net sales of the general contractor business

Net sales **3,124** Million JPY



Segment profit **688** Million JPY



Business

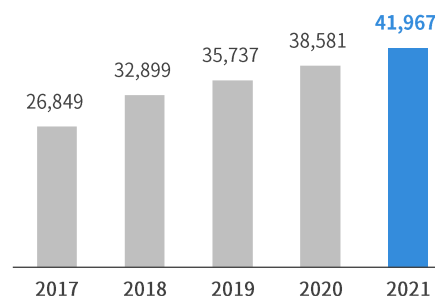
LPG retail : LP gas supply mainly for residences of rooms we manage

Power retail : Electricity supply mainly for residences of rooms we manage

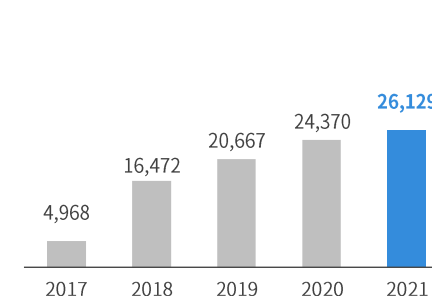
Summary of FY2021

- 41,967 LPG contracts (As of end of December)
- Sales of newly built property lead to steady increase, resulting in YoY growth in both sales and profit
- Continuous steady growth is expected

LPG retail

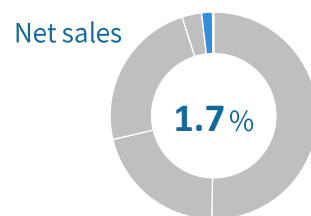
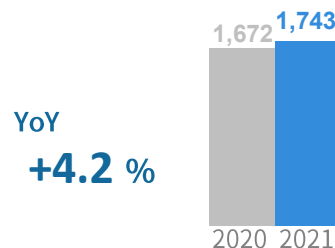


Power retail^{*1}

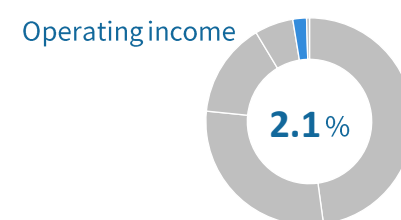
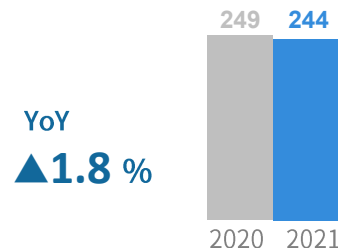


^{*1} Started in 2017

Net sales **1,743** Million JPY



Segment profit **244** Million JPY



Business

Ju-life Plan	Group homes
Housing for the elderly with home-care services	After-school daycare service
Day service	For more information, check P.27

Summary of FY2021

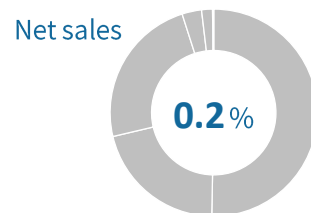
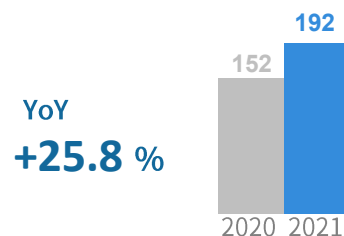
- Enhanced service quality and facilities according to the level of care required, maintained high occupancy rate in FY2021
- Temporary costs regarding the opening of “Ju-life Shakujiidai”
- Occupancy rate of housing for the elderly with home-care services : 98.5%(As of end of December)
- Occupancy rate of group homes : 99.3%(As of end of December)



【Ju-life Shakujiidai】

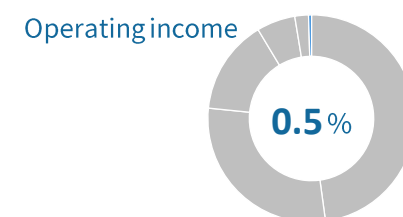
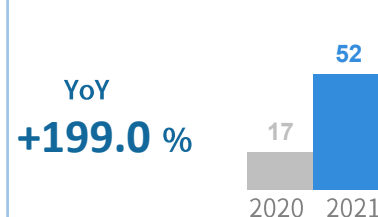
Net sales

192 Million JPY



Segment profit

52 Million JPY

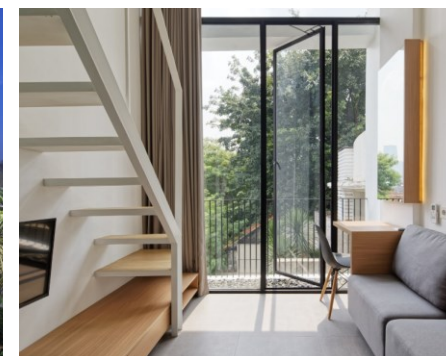


Business

Indonesian real estate	Real estate brokerage in China
Indonesian finance Asset management	Real estate brokerage in Singapore
Indonesian construction	For more information, check P.28

Summary of FY2021

- Sakura terrace No.1 steadily operating, No.2 completed the construction
- Selecting projects for the Indonesian REIT, preparation in progress



【Sakura terrace No.2】

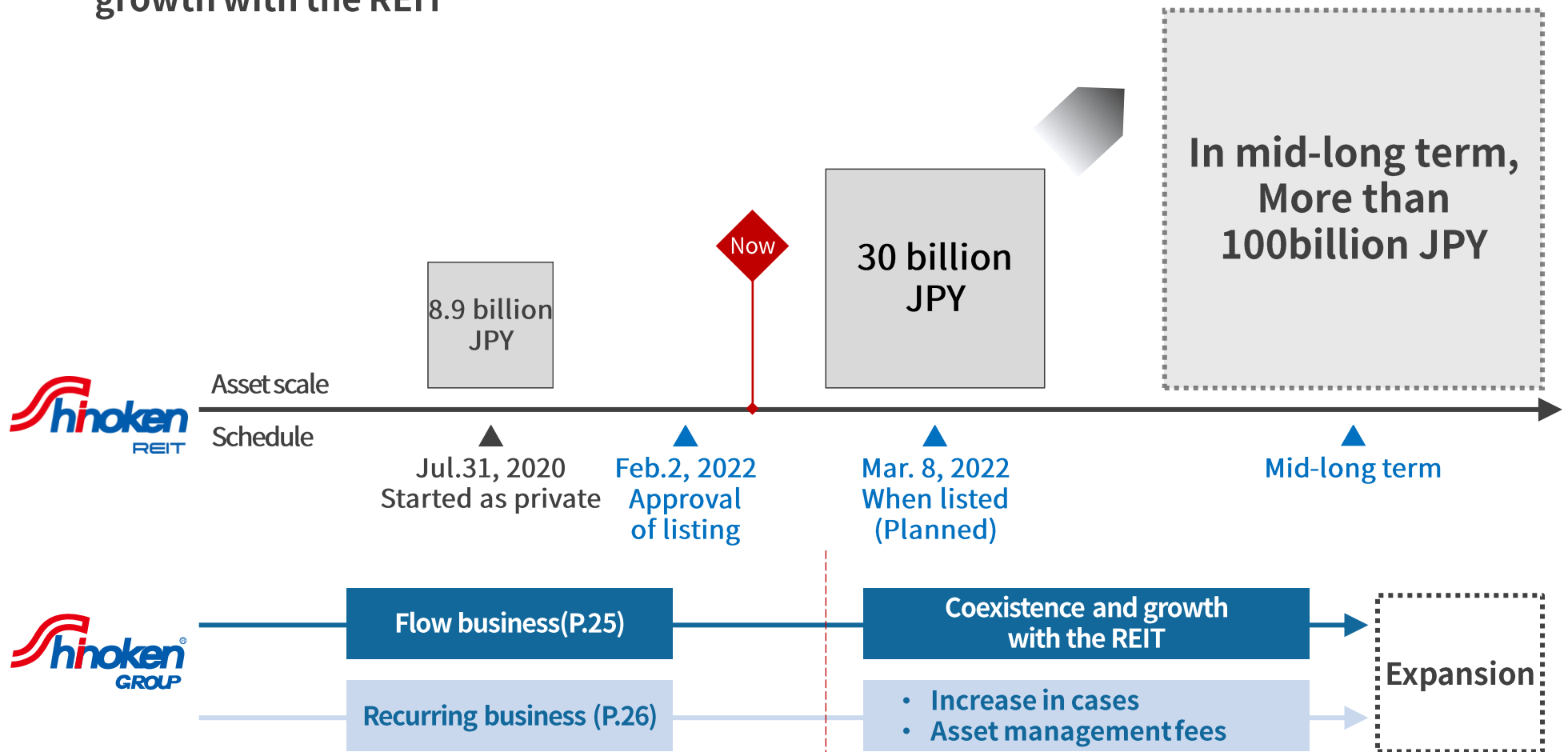
Fiscal Year Ending on December 31, 2021

Financial Results (Presentation)

Topics



- Listing approved by TSE on Feb 2, 2022, listing planned on March 8
- As the sponsor of **The first Japanese “Tokyo 23 wards, residence limited REIT”** aiming to expand both flow and recurring businesses through the coexistence and growth with the REIT

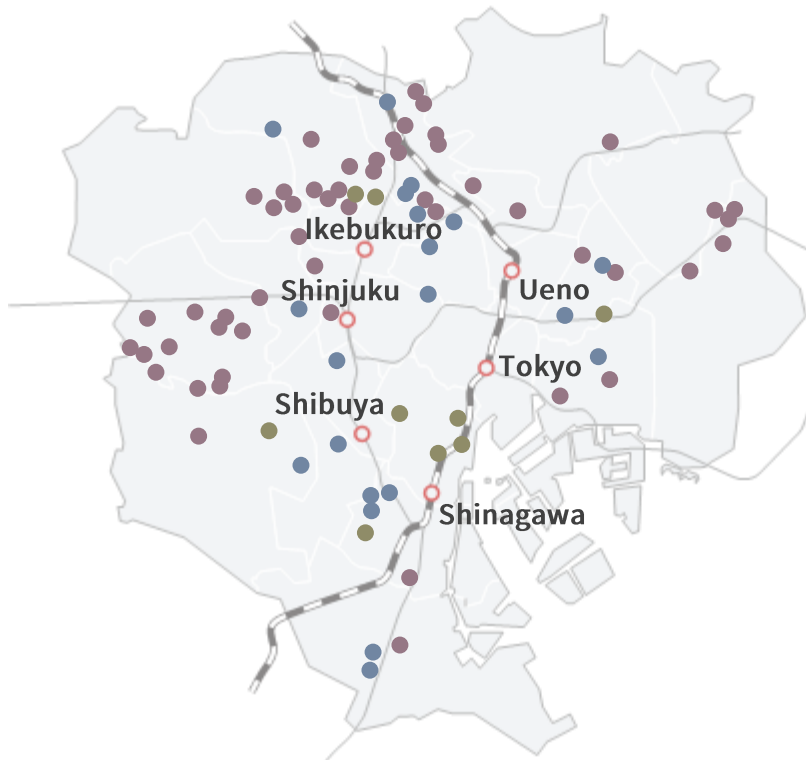


※The above-mentioned medium- to long-term targets for asset scale are only targets, and their achievement itself and the timing of their achievement are not guaranteed. In addition, there is a possibility that the time of achievement of the above targets may be extended or may not be achieved, depending on fluctuations in the real estate market and other various circumstances

A residential REIT that combines future potential with stability, investing exclusively in rental housing located in Tokyo 23 wards, where sustainable growth is expected

Investment target :Tokyo 23 wards, rental homes only

Portfolio when listed



● 2020年7月運用開始分 ● Mini-residences ● Residences

First asset type as property for REIT, Mini-residence

32 years since founded, making the best of the knowledge from having developed more than 5,000 buildings, thus providing properties that only Shinoken can

Mini-residences

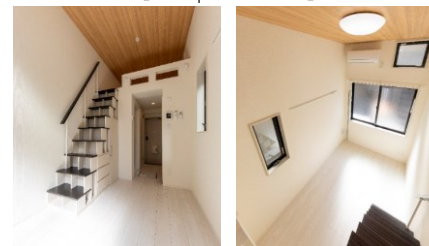
3 floors or less, and
total floor space under 300 sqm

- Reasonable rent
- Function and design

【Example of Exterior】



【Example of rooms】



Residences

4 floors or more, or
Total floor space 300 sqm or more

- Normal rent as a resident
- High-grade function and design

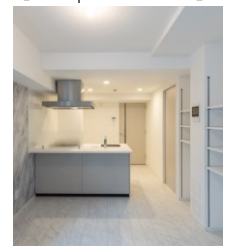
【Example of Exterior】



【Example of common area】



【Example of Interior】

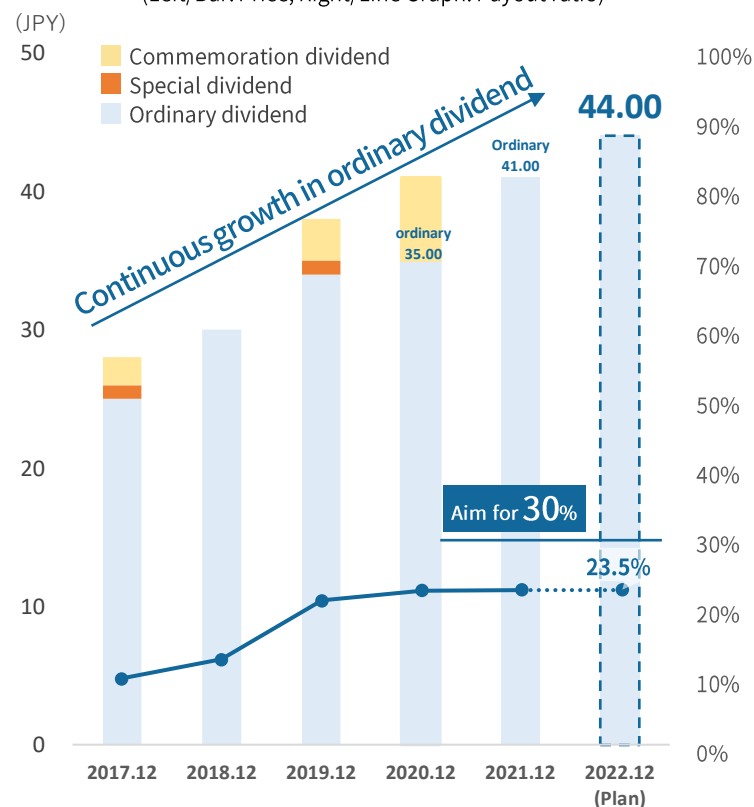


Yearly dividend per share is planned to be 44 JPY (3 JPY increase)

Dividend

Dividend per share*¹ and payout ratio

(Left/Bar: Price, Right/Line Graph: Payout ratio)



*1 Yearly sum of Ordinary / Special / Commemoration dividends
The graph of the dividend amount is created assuming that the stock split (Jul 1, 2018) was carried out at the beginning of 2017

Shareholder benefits

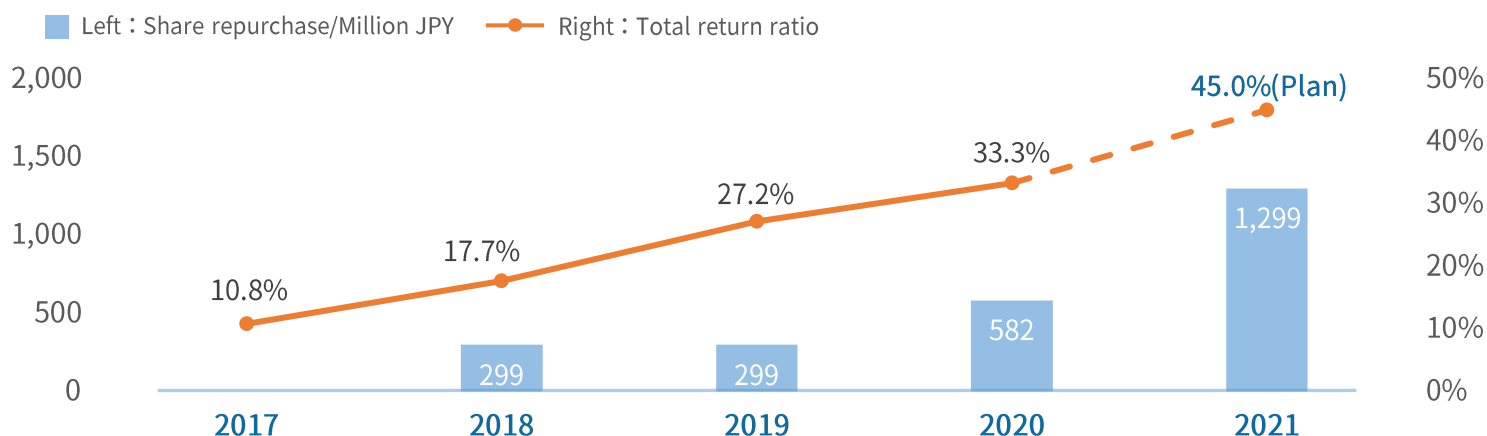
Shares held Period continuously held	Record date	Dec 31 2021
100 or more Less than 500 shares	Regardless	1,000 JPY Gift Card
500 or more Less than 1,000 shares	Regardless	2,000 JPY Gift Card
1,000 shares or more	Less than 3 years	3,000 JPY Gift Card
	3 years or more Less than 10 years	6,000 JPY Gift 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 13 Nov 11 to Dec 30	←Disclosed on Nov. 10
Share repurchases (Million JPY)	-	299	299	582	1,299 ^{*2}	
Total dividends (Million JPY)	919	1,015	1,301	1,401	1,408(Plan) ^{*3}	
Total return (Million JPY)	919	1,315	1,601	1,983	2,708(Plan) ^{*4}	
Total return ratio^{*1}	10.8%	17.7%	27.2%	33.3%	45.0%(Plan)^{*5}	

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

^{*2} Sum of share repurchases that took place in 2021

^{*3} Based on Interim dividend result and year-end dividend forecast (given that it being approved in the general shareholder meeting planned to be held on March 30, 2022), and the number of shares issued and the number of treasury stock as of end of 2021

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

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

Fiscal Year Ending on December 31, 2021

Financial Results (Presentation)

Consolidated forecasts



FY2022 Consolidated forecasts (YoY)

Net sales	Operating income	Ordinary income	Profit Attributable to Owners of Parent
110,000Million JPY (+14.1%)	9,800Million JPY (+9.5%)	9,500Million JPY (+6.4%)	6,300Million JPY (+4.8%)

Growth strategy

- ✓ Expanding asset scale of the listed REIT (Mid-long term, more than 100 billion JPY)
- ✓ Strengthen B2B sales in the condominium sales
- ✓ Expand business scale through M&A
- ✓ Growth of flow business
 - Increase annual sales by adding the development of property for REIT
 - Continuously strengthen land purchase, to steadily provide property to sell
- ✓ Growth of recurring business
 - In accordance with increasing sales, increase the number of managed rooms, etc.

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Financial Results (Presentation)

Chapter II

Fiscal Year Ending on December 31, 2021

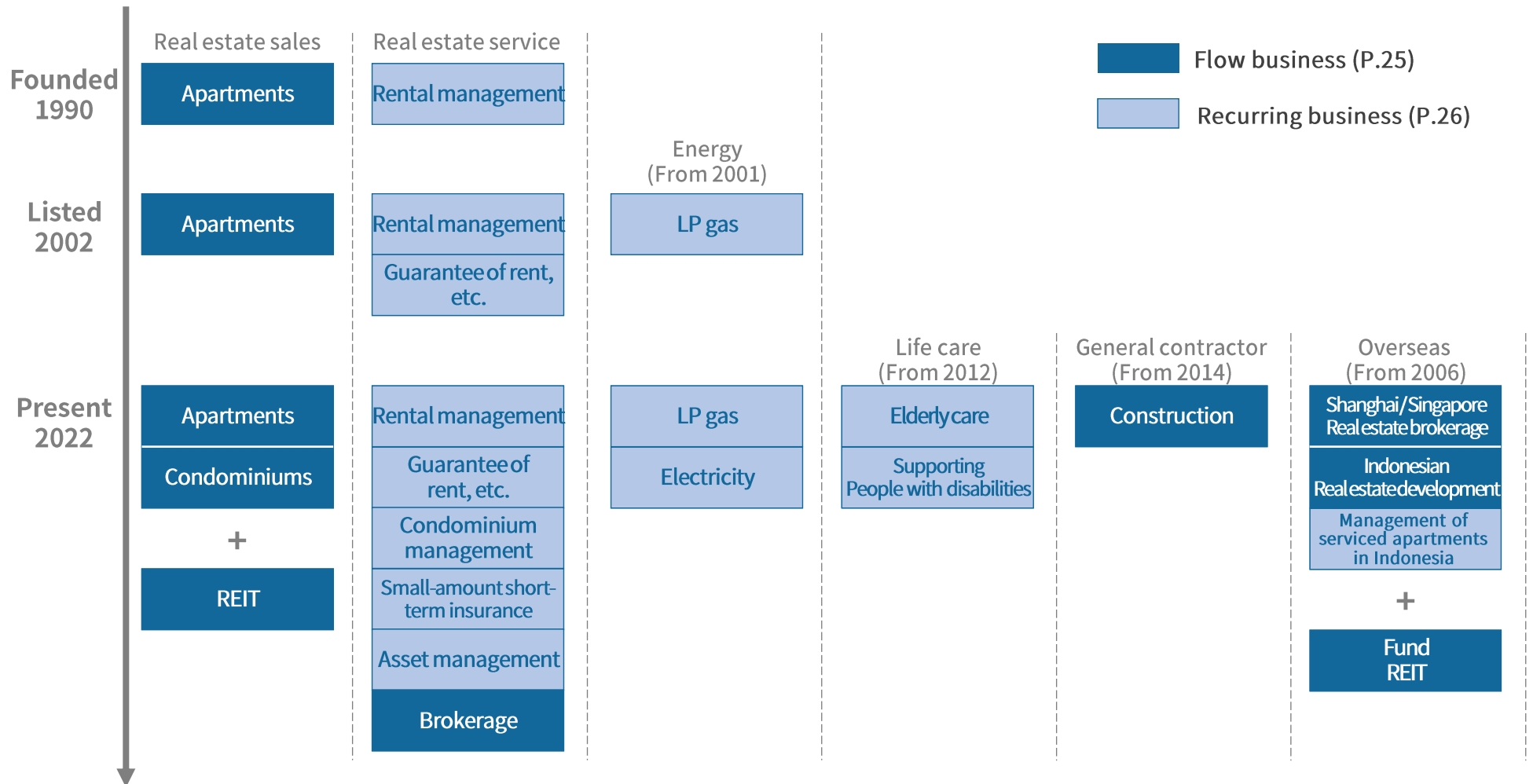
Financial Results (Presentation)

About our group



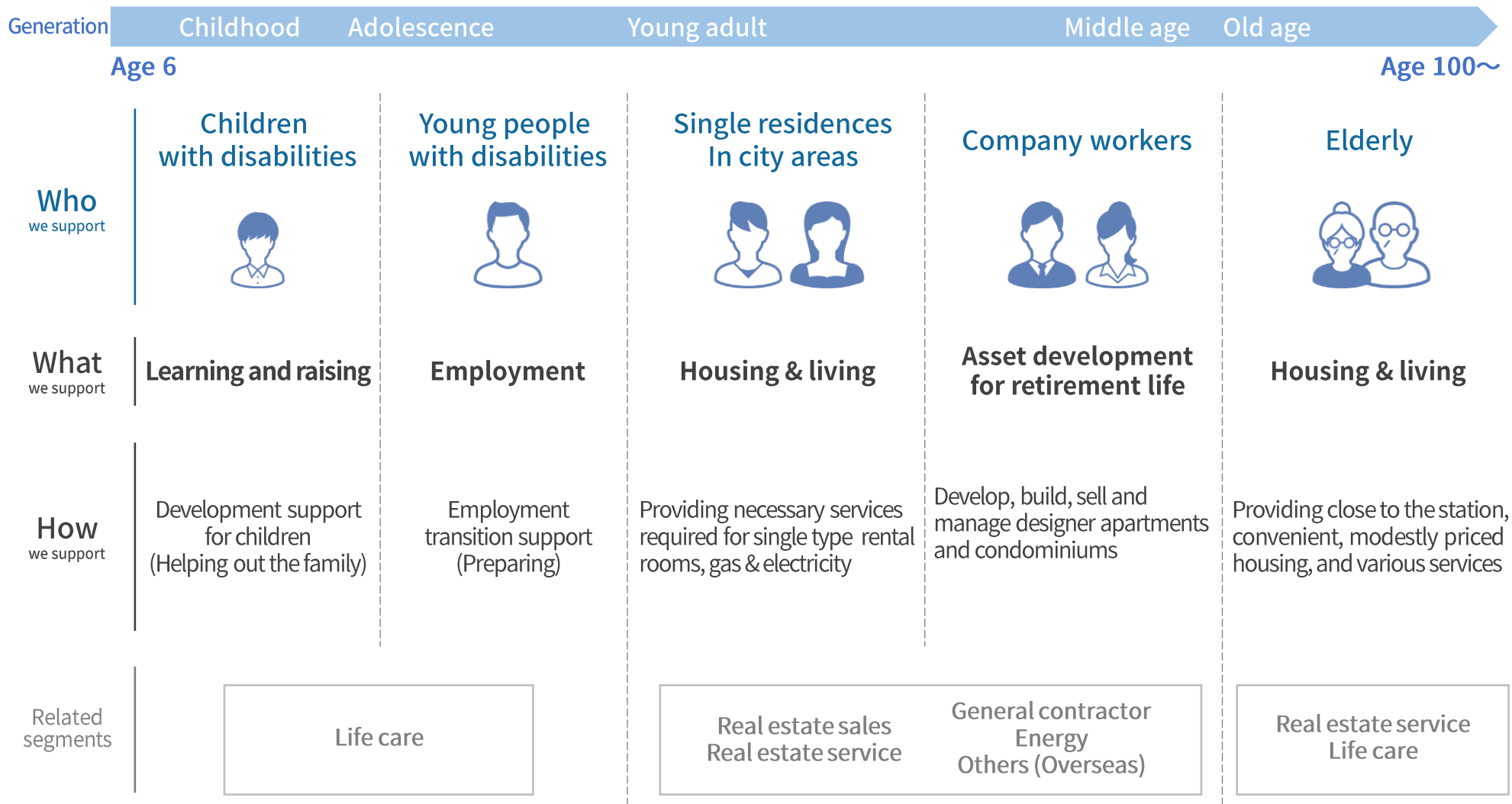
About our group Footsteps taken towards becoming a life support company

- Began as a system of "asset building for those who do not own land", mainly targeted to company workers who feel anxiety about their future (retirement) life
- Services that stay close to customers expanded into peripheral areas in response to changes in the times, and expanded overseas



About our group Our current position as a life support company

- Staying close to the lifetime of our customers from age 6 to over 100, mainly in Japan
- Driving businesses under the vision “A life support company for every generation across the world”



Expanding sales channels, providing investment opportunities for more people

Full in-house procedure*¹ within our group
From development (Land purchase / Planning) to sales

Develop • Build • Sell
Apartments

Develop • Sell
Condominiums

General contractor

Land + Building for B2C / B2B



Room for B2C / Building for B2B



Various projects, both public and private
Condominiums developed by our group

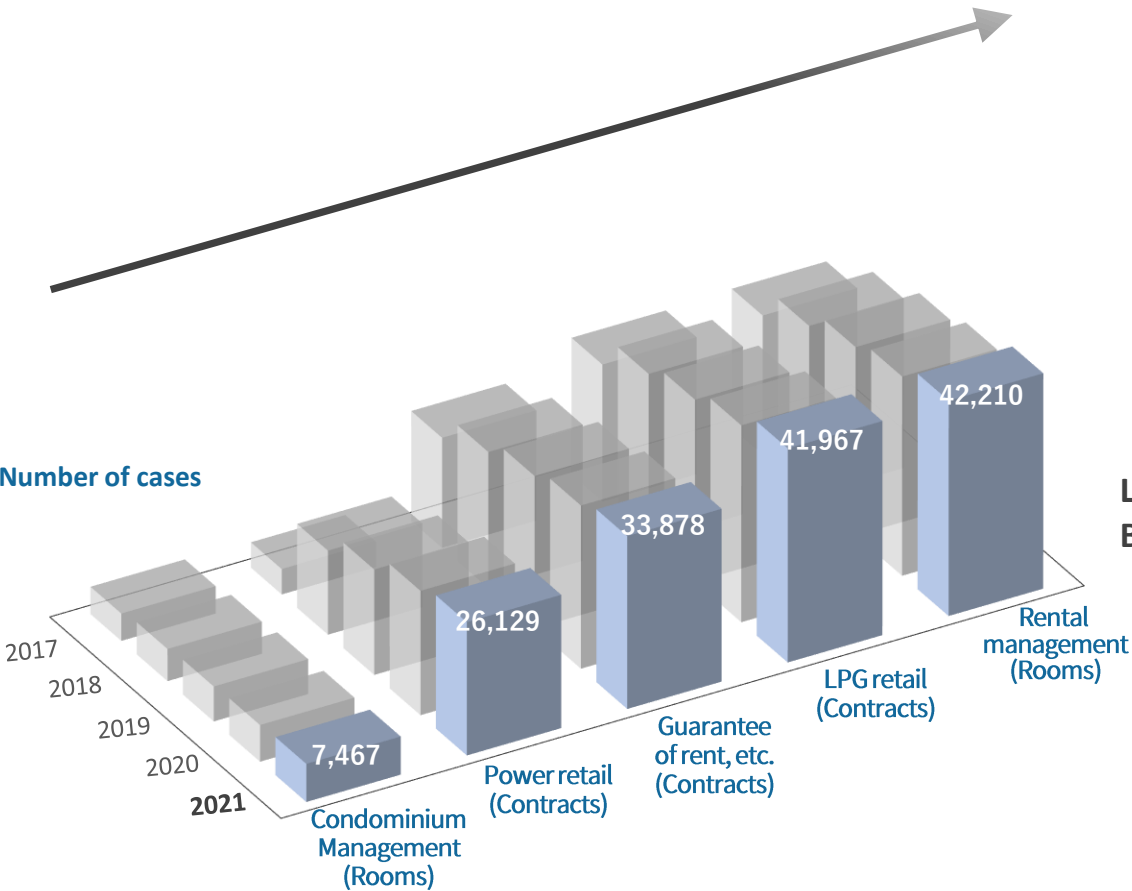


*1 Some of our condominium projects are constructed by external contractors

As the flow business grows, the number of cases in the recurring business also grows. Steady increase in business scale, regardless of the market and economic situation

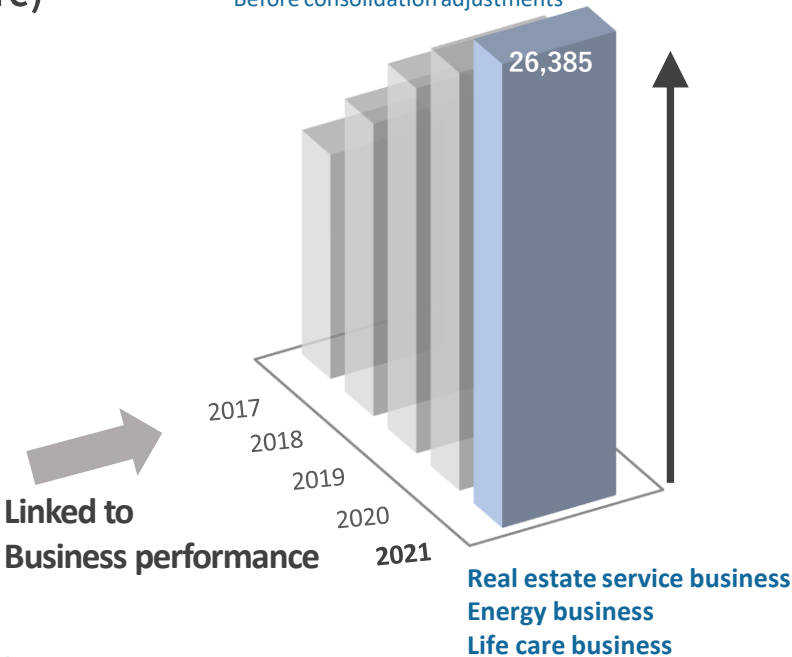
①Widening the service range

Expand service
through new business(Future)

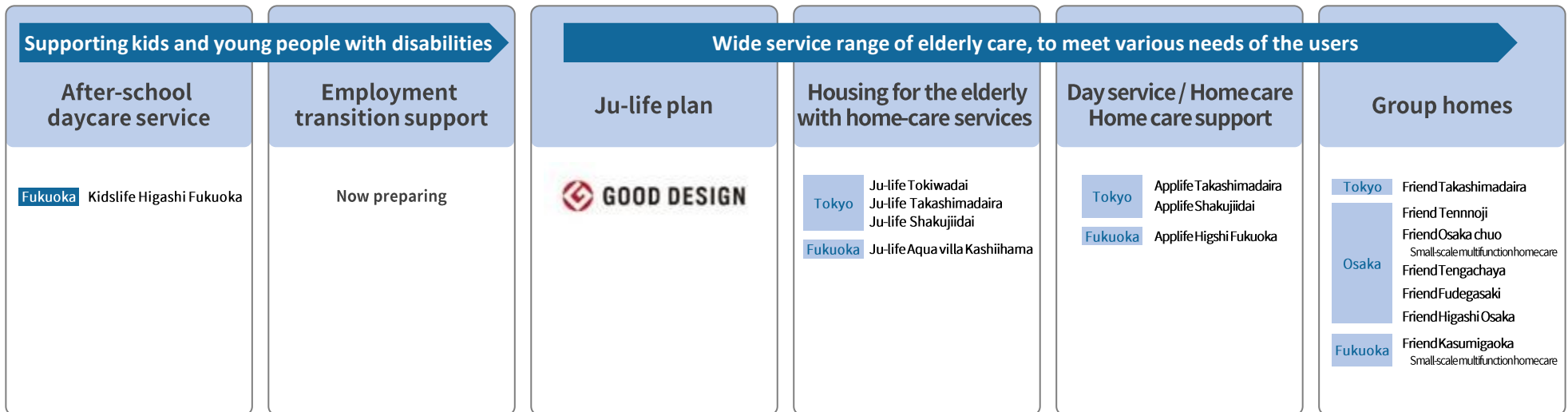


②Growing business scale

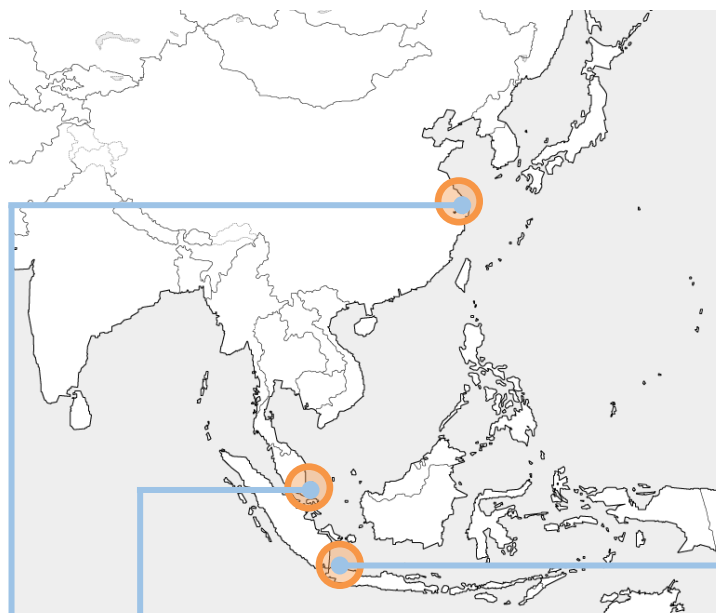
Net sales (Million JPY)
*Before consolidation adjustments



Our synergy creating life care business contributes to resolving the issues of aging society



Re-constructing the Japanese full in-house model overseas



Singapore

Real estate brokerage

Shinoken & Hecks Pte Ltd.

- Sales / Rental brokerage in Singapore
- Rental brokerage for Japanese expatriates



China

Real estate brokerage

Shinoken Real estate (Shanghai)

- Sales / Rental brokerage in Shanghai
- Rental brokerage for Japanese expatriates



Indonesia

Real estate
development

Management of
serviced
apartments

PT. Shinoken
Development Indonesia

Development and management of Sakura terrace



Fund
REIT

PT. Shinoken
Asset Management Indonesia

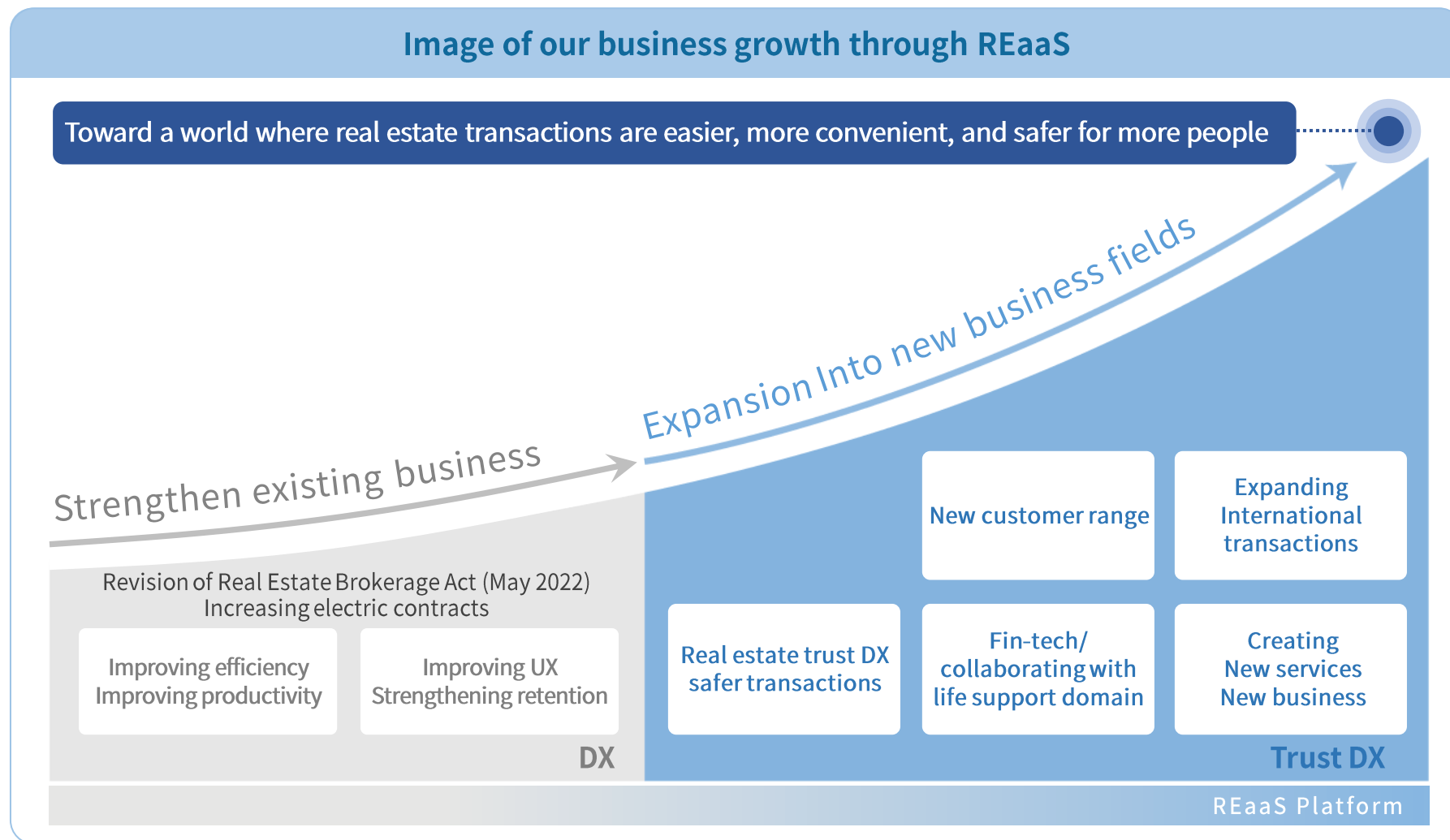


Human resources

Alliance with local universities
to mainly acquire elderly care
personnel



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



Fiscal Year Ending on December 31, 2021

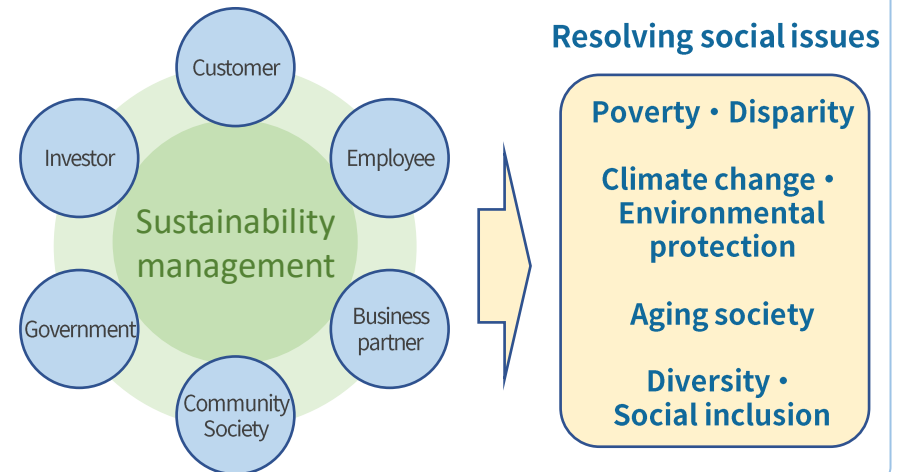
Financial Results (Presentation)

Sustainability

Our group is strengthening sustainability management in order to realize sustainable growth and society

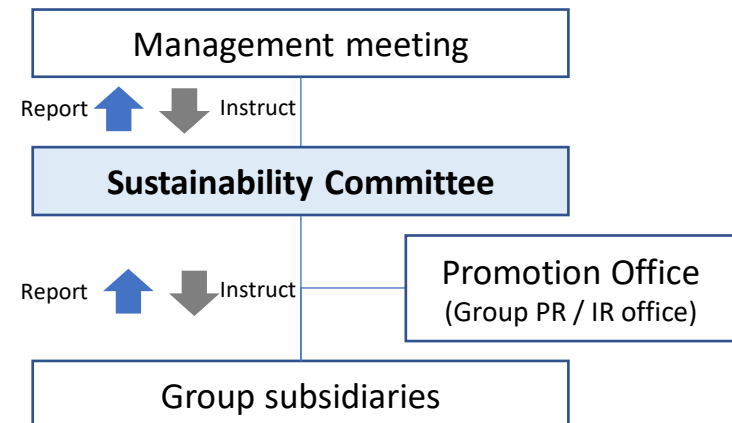
Formulating the basic policy

Our Group places the concept of Sustainability at the center of management, and will make the best of feedbacks from stakeholders in corporate activities to resolve various social issues



Strengthening the structure(Sustainability Committee)

The Sustainability Committee is established to promote cross-company discussions on sustainability-related measures and to promote activities throughout the company. The committee promotes discussions necessary for the development of sustainable products and services and social activities to resolve social issues



Focusing on ESG perspectives to contribute to the achievement of Sustainable Development Goals (SDGs) and to achieve sustainable growth as a company

Driving sustainability management

Contribute to SDGs

We are conducting various activities in all aspects of our business activities to achieve the SDGs set by the United Nations.



Setting ESG priority themes

We have established priority themes for our group from the perspective of ESG, and are strengthening our initiatives for each

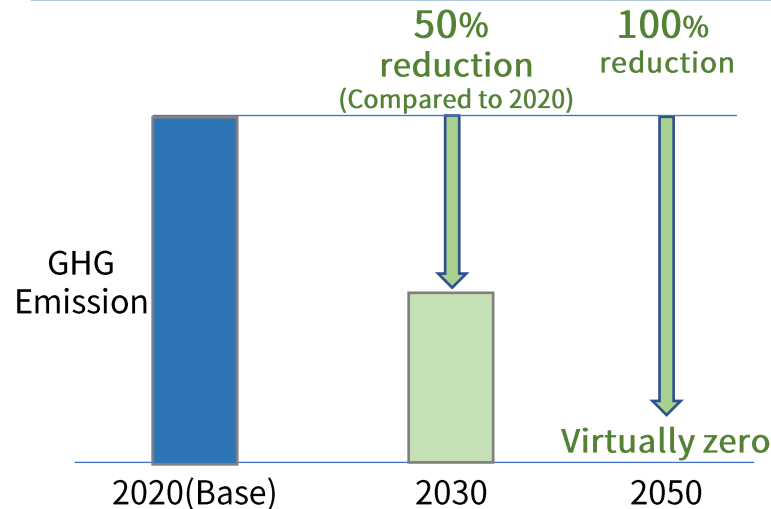
Category	Important management themes
E Environment	Environment protection, Climate changes
	Environmental friendly product and service
S Society	Social inclusion
	Actions toward disparity
	Diversity
	Supply chain
	Compliance ・ Human rights
G Governance	Corporate governance
	Risk management

We aim to achieve "virtually zero" greenhouse gas (GHG) emissions from our group's business activities in 2050

Setting GHG emission reduction goals*1

Our group's GHG emission reduction target to meet the 2015 Paris Agreement goal (limiting the temperature rise to 1.5°C above pre-industrial levels)

2030 GHG 50% reduction (compared to 2020)
2050 100% reduction (Virtually Zero)



*1 Subject: Scope1 : Direct GHG emissions that occur from sources that are controlled or owned by an organization
Scope2 : Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling

※ Regarding Scope 3 (entire supply chain) emissions and target setting, we will consider the appropriate way to manage and disclose emissions, including the treatment of overseas operations and affiliates, in light of future international discussions.

Our measures and plans

2020 → 2025 → 2030

- Calculate GHG emission
- Reducing use of energy, electricity
- Carbon Offset for all company vehicles
- Declare 2050 GHG emission net zero
- Domestic afforestation and forest management business started by affiliated company
- Shifting to renewable energy in business usage
- ZEH property development
- Challenge for early achievement of GHG emission 50% reduction

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Financial Results (Presentation)

Appendix

Localizing the Japanese “Harmony Terrace” in Indonesia, driving the integrated process from land purchase, planning, building, and management (Property management and accommodation)

Sakura terrace No.2 completed, No.3 close to completion

Outline

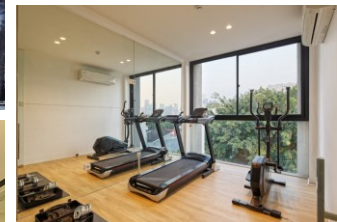
Name	Sakura terrace Benhil
Land size	512 sqm
Structure / Floors	Reinforced concrete 4 floors + basement, roof terrace
Room type	Single room with loft
Number of rooms, etc.	60 rooms, 17 parking spaces

Further schedule

Around Apr, 2022	Completion of No.3 Building inspection, furnishing and setting appliances, staffing, etc.
Around Jul, 2022	Grand opening of No.3 Operation start



Exterior and roof terrace



Room, gym and staff

➤ February 12

Established LUMINOUS, a company that specializes in supporting people with disabilities, to widen the business range of the life care business



➤ February 26

Shinoken accelerates DX
Subsidiarizing Computer System (CSC)



[News release](#)

➤ May 26

Dormitory for elderly care workers from overseas completed
Those planning to come to Japan are currently waiting



[News release](#)

➤ From June

Added residences of the rooms under our management (Tokyo area)
to our work place vaccination program. Over 500 applications



➤ June 30

Shinoken opens a new Serviced housing for the elderly
“Ju-life Shakujidai”

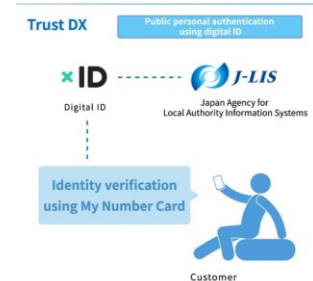
[News release](#)



➤ July 20

Shinoken releases “Trust DX Platform for Real Estate”

[News release](#)



➤ November 1

Shinoken Asset Management Indonesia
begins a discretionary fund management service

[News release](#)





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 "World Business Satellite" Every Monday to Thursday 10PM~, Friday 11PM~
- BS TV Tokyo Mar. 25(Fri) 9PM~10:54PM "Nikkei special (SDGs related)"
Our group will be introduced

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
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- Flow business
- Recurring business

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 35.8%)
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DISCLAIMER

This document includes statements that are based on presumptions, forecasts and plans as of February 14th, 2022.
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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Group PR & IR Office

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A life support company for
every generation across the world

