



# Financial Results (Presentation)



# SHINOKEN

# FINANCIAL RESULTS

2022-2Q

2nd quarter of FY2022.12 | Shinoken Group Co., Ltd. | Ticker : 8909 | August 10, 2022



# Financial Results (Presentation)

## **LATEST RESULTS**

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## **Vision**

A Life Support Company for every generation across the world

## **Mission**

Resolve the problems of the people and society through REaaS

REaaS : Real Estate as a Service

## **Value**

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

“Selling” is not the end, we support the life of our customers

## Life Support Company



## Our business

### Real estate sales business

Plan ▪ Develop ▪ Build ▪ Sell  
rental residences

### Real estate service business

Long term support of  
rental management

### General contractor business

Plan ▪ design ▪ build  
buildings, condos, individual  
homes, etc.

### Energy business

Providing safe energy mainly  
to residences

### Life care business

Supporting the living of the  
elderly, and children with  
disabilities and their family

### Other

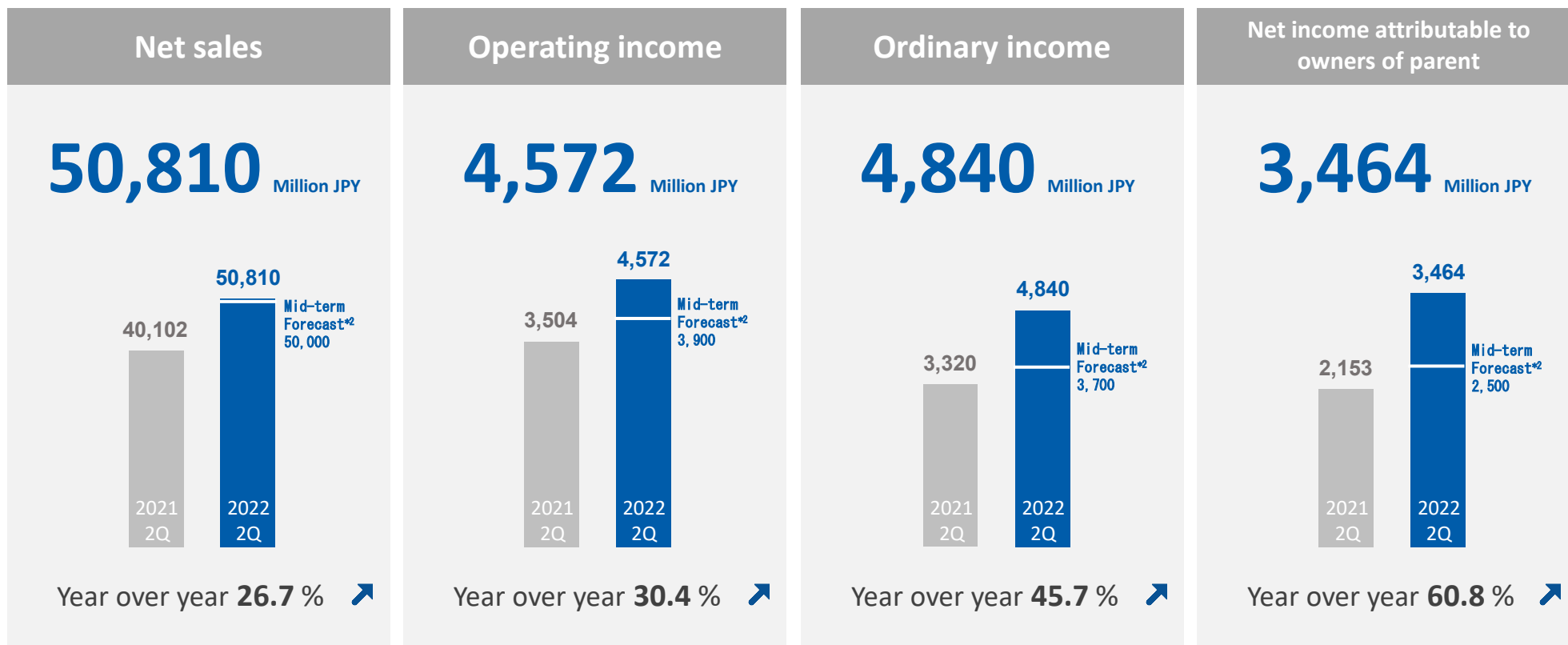
Indonesian real estate  
development, funds,  
REIT business, etc.

# LATEST RESULTS

Chapter 1 | Results of 2Q 2022



- Net sales, income increased year over year<sup>\*1</sup>
- Amended the forecasts (Release)



\*1 Revenue Recognition Accounting Standard, etc., is effective from the beginning of the first quarter of the current fiscal year, but the new accounting policy has not been applied retrospectively to the respective figures in the consolidated statements of income for the three months ended December 31, 2021, in accordance with the treatment prescribed in Paragraphs 84 and 86 of the Revenue Recognition Accounting Standard. (same applies for page 8)

\*2 Initial forecast disclosed on Feb. 14, 2022

Segment	Net sales <sup>*1</sup>				Segment income			
	2Q 2022 (Million JPY)	Ratio <sup>*2</sup>	2Q 2021 (Million JPY)	Year over year	2Q 2022 (Million JPY)	Ratio <sup>*2</sup>	2Q 2021 (Million JPY)	Year over year
Real estate sales business	<b>25,749</b>	<b>48.5%</b>	17,518	<b>46.9%</b>	<b>2,174</b>	<b>37.4%</b>	1,483	<b>46.5%</b>
Real estate service business	<b>12,111</b>	<b>22.8%</b>	10,688	<b>13.3%</b>	<b>2,117</b>	<b>36.4%</b>	1,722	<b>22.9%</b>
General contractor business	<b>12,180</b>	<b>23.0%</b>	12,053	<b>1.0%</b>	<b>923</b>	<b>15.9%</b>	818	<b>12.7%</b>
Energy business	<b>2,031</b>	<b>3.8%</b>	1,703	<b>19.2%</b>	<b>467</b>	<b>8.1%</b>	451	<b>3.6%</b>
Life care business	<b>888</b>	<b>1.7%</b>	844	<b>5.2%</b>	<b>109</b>	<b>1.9%</b>	128	<b>(14.8%)</b>
Other (Including overseas hereinafter)	<b>88</b>	<b>0.2%</b>	104	<b>(15.0%)</b>	<b>20</b>	<b>0.3%</b>	40	<b>(48.9%)</b>

\*1 Including Inter-segment sales and transfers

\*2 Against figures before consolidation adjustments



Segment	Status
Real estate sales business	<ul style="list-style-type: none"> <li>• Handovers of Apartments proceeded as planned</li> <li>• Condominium sales proceeded ahead of schedule in B2B sales</li> </ul>
Real estate service business	<ul style="list-style-type: none"> <li>• The number of rooms managed increased in accordance to sales, resulting in year over year increase in both sales and profit</li> </ul>
General contractor business	<ul style="list-style-type: none"> <li>• Steadily proceeded, and sales and profit increased year over year</li> <li>• Receiving orders for projects planned to complete in 2023 and</li> </ul>
Energy business	<ul style="list-style-type: none"> <li>• Contracts increased in accordance to the increasing number of rooms managed, resulting in year over year increase in both sales and profit</li> </ul>
Life care business	<ul style="list-style-type: none"> <li>• The new facility opened in Jun 2021 contributed to year over year increase in sales</li> <li>• Profit decreased year over year mainly due to increase in recruitment costs</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Two service apartments “Sakura terrace” operating in central Jakarta</li> <li>• The third is under preparation for opening</li> </ul>

- Cash and deposits : Decreased due to land purchase, share buyback, dividend payout, tax payment, etc.
- Real estate for sale : Land for Apartments increased through strengthening land purchase activities

(Million JPY)

		2021 End	2Q 2022 End	Increase / Decrease
Current assets	Cash and deposits	40,485	<b>37,524</b>	(2,960)
	Real estate for sale* <sup>1</sup>	30,463	<b>32,054</b>	1,591
	Costs on real estate business	3,092	<b>3,467</b>	375
	Other	10,120	<b>9,857</b>	(262)
Non-current assets		14,848	<b>15,612</b>	764
<b>Total assets</b>		99,010	<b>98,517</b>	(492)
Current liabilities	Short-term loans payable	16,045	<b>14,196</b>	(1,848)
	Other	17,338	<b>15,561</b>	(1,776)
Non-current liabilities	Long-term loans payable	18,266	<b>19,785</b>	1,519
	Other	2,039	<b>1,941</b>	(97)
<b>Total liabilities</b>		53,690	<b>51,486</b>	(2,203)
<b>Total net assets</b>		45,320	<b>47,031</b>	1,711
<b>Total liabilities and net assets</b>		99,010	<b>98,517</b>	(492)

\*1 Land for condominiums (12,217 million yen), which was included in "Costs on real estate business" in the previous consolidated fiscal year, is included in "Real estate for sale" from the current consolidated fiscal year due to the review of items presented, and the consolidated balance sheet as of the end of 2021 has been reclassified

# ABOUT SHINOKEN

## Chapter 2 | About Shinoken Group



## Vision

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

Shinoken, 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**

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

REaaS : Real Estate as a Service

## 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

- 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”

WHOM	Children with disabilities	Young people with disabilities	Single residences in city areas	Company workers	Elderly
WHAT	Learning and raising	Employment	Housing & Living	Asset development for retirement life	Housing and living
HOW	Development support for children (Helping out the family)	Employment transition support (Preparing)	Providing necessary services required for single type rental rooms, gas & electricity	Develop, build, sell and manage designer apartments and condominiums	Providing close to the station, convenient, modestly priced housing, and various services
SEGMENT	Life care		Real estate sales Real estate service General contractor		Energy Other Real estate service Life care

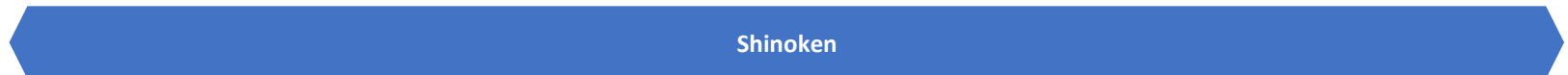
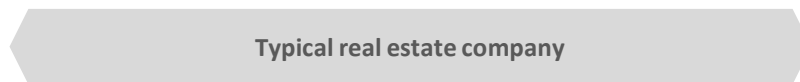
### STRENGTH

- Experience, knowledge, and achievements accumulated over 30 years since our establishment as a pioneer in the field of asset building through rental housing management



- A business model that is not limited to real estate business, which is based on "solving social issues," and Providing a wide range of support from age 6 to over 100

Real estate				Finance	General contractor	Energy	Life care
Development	Sales	Brokerage	Rental/Property Management	Asset Management			





Real estate sales business

**Purchase land,  
build & sell rental residences  
mainly for single people**

**“Asset development through  
rental management”,  
different from “Land utilization” for  
land owners**

Carefully selecting land within 10 min  
walk from railroad stations

Designers Apartments and Condominiums,  
based on 30 years of knowledge

100% direct response marketing

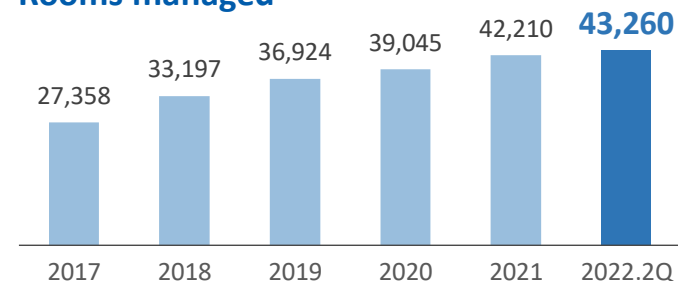
B2B sales channels such as funds and REIT, in  
addition to the conventional B2C channel



## Real estate service business

**Fully supporting  
the living of the tenants,  
rental management of the owners**

### Rooms managed



Occupancy rate **98.4%**

※Property developed by Shinoken, as of Jun.30, 2022

Rent management ▪ Status report ▪ Rent payment

Leasing ▪ After service for tenants

Maintenance ▪ Periodic cleaning, etc.

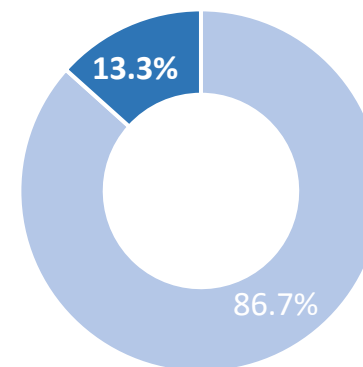




### General contractor business

**Plan ▪ design ▪ build  
buildings, condos,  
individual homes, etc.**

■ Internal projects      ■ External projects



※Ratio of net sales of 2Q 2022

OGAWA Construction Co., Ltd. Est.1909

Large presence in the consolidated earnings

Mainly external projects

Construction of our condominiums



### Energy business

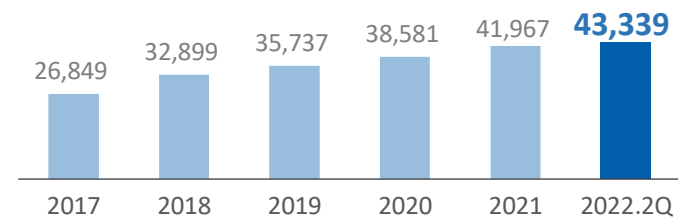
## Providing safe energy mainly to residences

LPG retail contracts : **43,339**

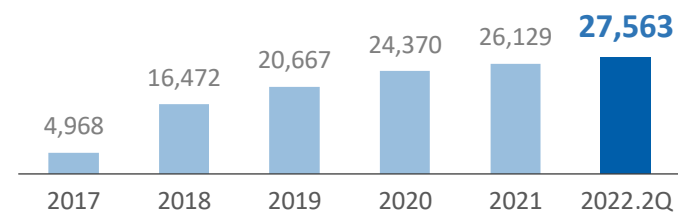
Power retail contracts : **27,563**

※As of Jun.30, 2022

LPG retail contracts



Power retail contracts





Life care business

## Supporting the living of the elderly, and children with disabilities and their family

Housing for the elderly occupancy **97.4%**

Group home occupancy **96.7%**

※As of Jun.30, 2022

Ju-life plan **148 rooms**

Housing for the elderly **4 buildings**

Group homes **7 buildings**

After-school daycare **1 unit** etc.



Other

**Indonesian real estate development, funds, REIT business, etc.**



- "Ranking of Rental Housing Builders" No.1 for 7 consecutive years



**Zenchin No.1514**  
**(Issued Jun 27, 2022)**

Announcing the ranking of the number of completed projects for land use and in-house development  
In the category of in-house development  
Shinoken Produce, Inc. ranked No.1 for seven consecutive years



- 3rd project of serviced apartment “Sakura Terrace” under preparation of opening in central Jakarta, Indonesia



- Introduction videos of Sakura Terrace

Click on the pictures to play



Click [here](#) for the official YouTube channel

### • Uploaded videos of our Apartment products

Click on the pictures to play



## New Standard

Our main product.

The loft is located at eye level, creating a sense of unity between the water area, living room, and loft



Read QR code to play

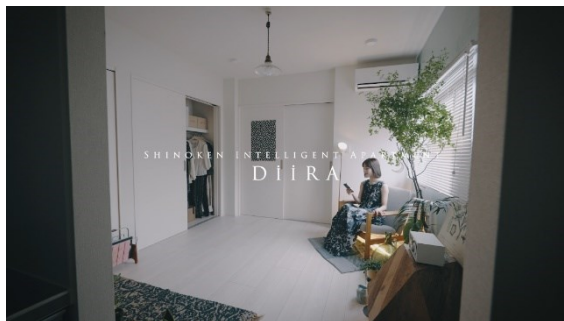


## AVAND

A compact type only available in Tokyo's 23 wards.

Achieved both investment efficiency and rental demand.

The high and open space with a loft and carefully planned facilities meet the diverse needs of tenants.



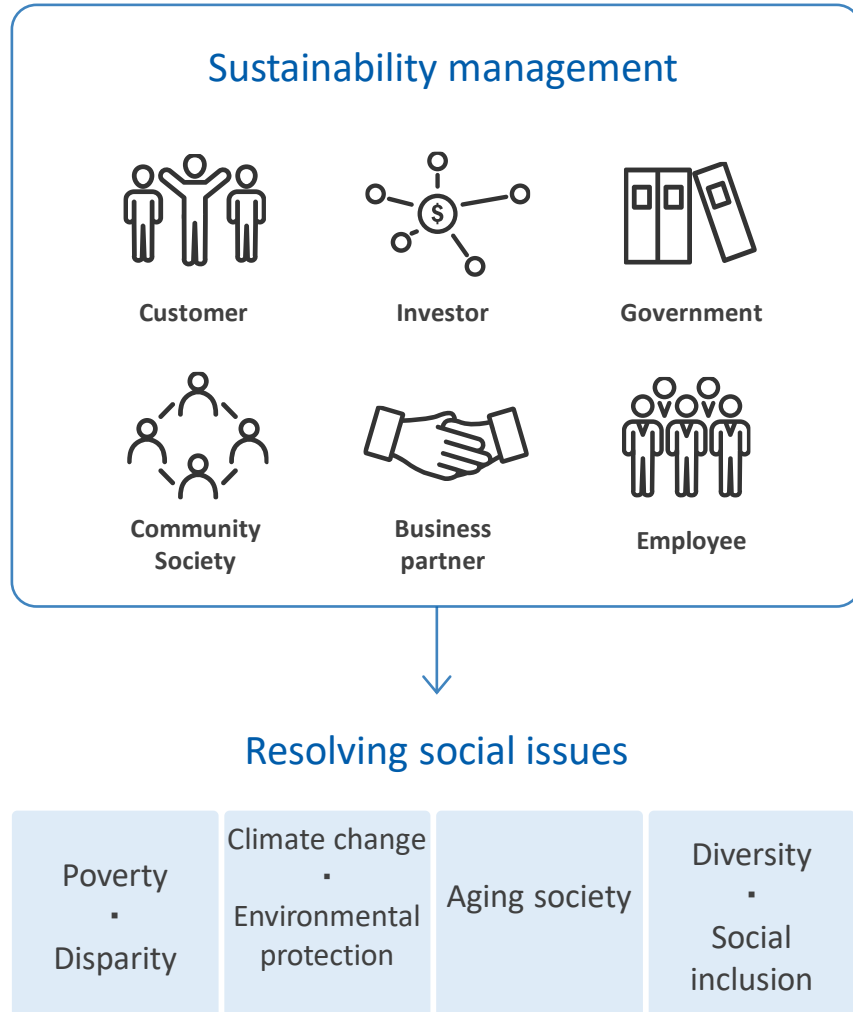
## DiiRA

Flat floor configuration maximizes space efficiency and comfort.

Easy-to-use floor plans suit wide range of lifestyles of tenants

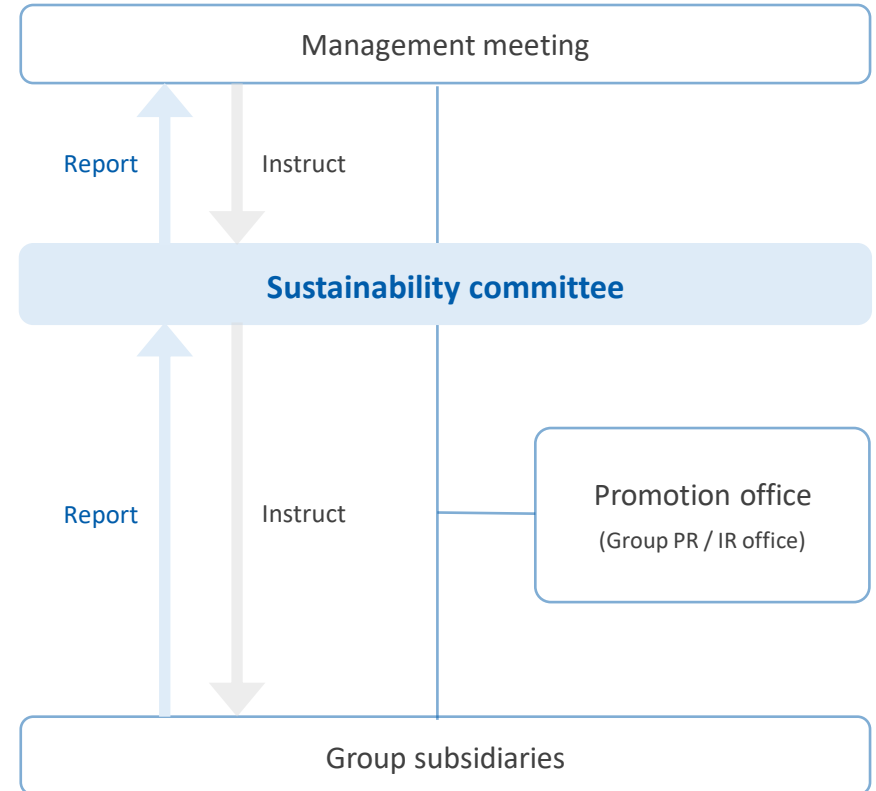


### Basic policy



### Strengthening the structure

The sustainability committee is set to promote various actions including the development of sustainable products and services to resolve social issues





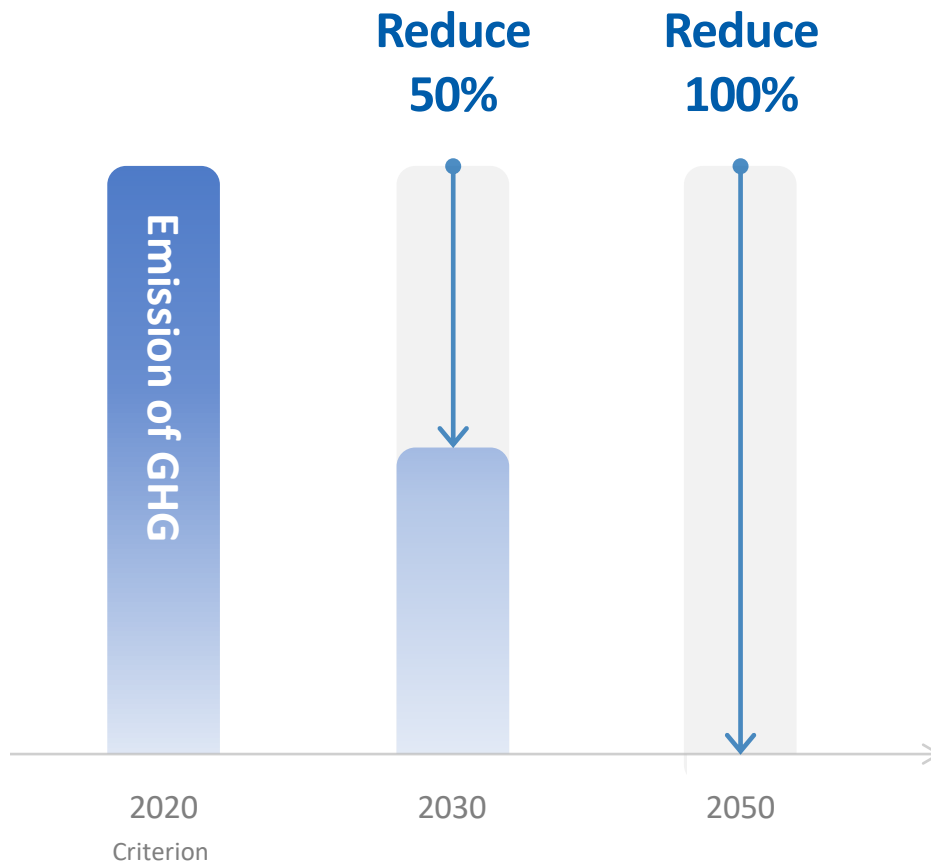
## Set important themes of ESG

## Contribution to SDGs

Item	Important themes	Example	
<p><b>E</b> Environment</p>	<ul style="list-style-type: none"> <li>Environment protection, dealing with climate changes</li> <li>Environment friendly products and services</li> </ul>	<ul style="list-style-type: none"> <li>Promoting CO2 storage effects through the development of wooden buildings</li> <li>Conversion to renewable energy for electricity at business sites and carbon offset for all vehicles</li> <li>Promotion of biomass power generation and support for regeneration of domestic forestry</li> </ul>	
<p><b>S</b> Society</p>	<ul style="list-style-type: none"> <li>Social inclusion</li> <li>Action towards disparity problems</li> <li>Diversity</li> <li>Sustainable supply chain</li> <li>Compliance</li> <li>Respect for human rights</li> </ul>	<ul style="list-style-type: none"> <li>Development of facilities and services to make it easier for single senior citizens and foreign residents to move in</li> <li>Provision of fair educational opportunities for young people and reduction of future burdens and uncertainty (provision of scholarships by foundations, expansion of support for repayment of scholarships after employment, etc.)</li> <li>Improvement of workplaces and housing environments that are easy for foreign workers to work in</li> </ul>	
<p><b>G</b> Governance</p>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Transition to a company with an audit committee</li> <li>Strengthening the independence of the Board of Directors (one-third of all directors to be independent outside directors)</li> </ul>	

Reduction goal of green house gas (GHG)  
“Virtually zero in 2050”

Initiatives for achieving goals



2020

~

2025

~

2030

- Setting the GHG emission of 2020 as the criterion
  - Calculating GHG emission and setting / disclosing reduction goals
  - Offsetting CO2 emissions from all company vehicles
  - Strengthen saving energy and electricity
- Advancing usage of renewable energy
  - Strengthening the development of Environment friendly properties (ZEH)
  - CO2 absorption, strengthening forest management business by affiliated companies

### Real estate sales

Apartment sales  
Shinoken Produce Co., Ltd.

Condominium sales  
Shinoken Harmony Co., Ltd.

### Real estate service

Rental management・Condominium management  
Shinoken facilities Co., Ltd.

Rental brokerage  
Bacchiri chintai Co., Ltd.

Guarantee of rent, etc.  
Shinoken Communications Co., Ltd.

Raising and managing real estate funds  
Shinoken Asset management Co., Ltd.

Real estate technology  
REaaS Technologies Co., Ltd.  
POINT EDGE Co., Ltd.  
Computer System Co., Ltd.

Small-amount short-term insurance  
JICC SSI Co., Ltd.

### Life care

Presiding company / Housing for the elderly  
Shinoken Wellness Co., Ltd.

Elderly care service  
Apple care Co., Ltd

Group homes  
Friend Co., Ltd.

Service for people with disabilities  
Luminous Co., Ltd.

### Overseas

Management of overseas business  
SKG INVEST ASIA (HONG KING) LIMITED

Real estate brokerage in China  
Shinoken real estate (Shanghai)

Indonesian real estate development / management  
PT. Shinoken Development Indonesia

Indonesian real estate fund, etc.  
PT. Shinoken Asset Management Indonesia

Real estate brokerage in Singapore  
Shinoken & Hecks Pte Ltd

### General contractor

Construction  
OGAWA Construction Co., Ltd.

### Energy

LPG retail / Power retail  
SK energy Co., Ltd.

### Business support

Back office  
Shinoken Office Service Co., Ltd.

### Equity method affiliate

Real estate development / sales  
Shares held 35.8%  
TSE STANDARD Ticker : 3236  
Properst Co., Ltd.

This document includes statements that are based on presumptions,  
forecasts and plans as of August 10, 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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every generation across the world

