

November 10, 2010

**Notice of Posting of Extraordinary Loss and Revisions to Business Forecasts
for the Year Ending December 2010**

Shinoken Group Co., Ltd. is announcing the posting of an extraordinary loss.

In addition, with the posting of an extraordinary loss, Shinoken made revisions to its business forecasts for the year ending December 2010 announced on September 10, 2010 as follows.

1. Posting of extraordinary loss and the details

Effective September 10, 2010, as was announced in the “Failure of the Incubator Bank of Japan and its Future Operations” by Deposit Insurance Corporation of Japan, Incubator Bank of Japan Limited (“Incubator Bank of Japan”) went bankrupt and is now under the control of Deposit Insurance Corporation of Japan. At that point, Shinoken announced that since we own the Incubator Bank of Japan shares, there is a possibility of posting a 335 million yen valuation loss on investment securities.

Then, as of September 13, 2010, Incubator Bank of Japan submitted an application under the Civil Rehabilitation Law to the Tokyo District Court and on the same day, the court decided to commence the civil rehabilitation proceedings.

Due to these situations, Shinoken included the shares for the third quarter of the fiscal year ended September 2010 as a “valuation loss on investment securities” in an extraordinary loss.

Impairment on investment securities in the third quarter of the year ended
September 2010

(A) Total impairment of investment securities during the third quarter of the year ended September 2010 (July 1, 2010 to September 30, 2010) (= a-b)	¥334 million
(a) Total impairment of investment securities during the third quarter of the year ended September 2010 (January 1, 2010 to September 30, 2010)	¥334 million
(b) Total impairment of investment securities during the six months ended June 2010 (January 1, 2010 to June 30, 2010)	—

* A lower of cost or market accounting method is used as for valuing investment securities each quarter.

* Company's fiscal year ends on December 31.

○Impairment in relation to consolidated net assets, ordinary income, and net income

(B) Net assets as of December 31, 2009	¥700 million
(A ÷ B × 100)	47.7%
(a ÷ B × 100)	47.7%
(C) Averages of ordinary income for the past 5 years	¥599 million
(A ÷ C × 100)	55.8%
(a ÷ C × 100)	55.8%
(D) Averages of net income for the past 5 years	¥236 million
(A ÷ D × 100)	141.9%
(a ÷ D × 100)	141.9%

- *1 Since Shinoken posted an ordinary loss in the most recent fiscal year, figures are the averages of ordinary income for the past five years. (However, excluding the fiscal years with losses)
- 2 Since Shinoken posted a net loss in the most recent fiscal year, figures are the averages of net income for the past five years. (However, excluding the fiscal years with losses)

2. Revisions to business forecasts

① Revisions to consolidated forecasts for the year ending December 2010

Full year (January 1, 2010 to December 31, 2010)

(Yen in millions)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecasts (A)	18,500	1,250	800	420	4,850.22 yen
Revised forecasts (B)	18,500	1,250	800	160	1,847.70 yen
Increase/decrease (B-A)	0	0	0	(260)	
Percentage change (%)	0.0	0.0	0.0	(61.9)	
(Ref.)Previous results (Year ended Dec. 2009))	—	—	—	—	—

(Note) Previous results are not presented due to a change in the fiscal year end in the previous consolidated fiscal year.

② Reason for revisions

As mentioned in the above 1. "Posting of extraordinary loss and the details", Shinoken made revisions in accordance with the posting of valuation loss on investment securities.

(Note) Above forecasts are based on information available at the time this report was prepared. Actual results may differ from the forecasts due to various factors.