

December 6, 2010

Notice Concerning Changes in Other Affiliated Company, Largest Major Shareholders and Major Shareholders

Shinoken Group Co., Ltd. notifies that its other affiliated company, largest major shareholder and major shareholder have been changed as follows.

1. Background behind the changes

Shinoken Group's other affiliated company and the largest major shareholder NIS Value UP Fund No.2 Investment Partnership, with the dissolution of the Investment Partnership, submitted a large shareholding report (change report) to the Kanto Finance bureau on December 6, 2010, stating that Shinoken Group distributed its shares to a partner effective November 29, 2010. As a result, there were changes in Shinoken Group's other affiliated company, the largest major shareholder and major shareholder.

Now that NIS Value UP Fund No.2 Investment Partnership is no longer Shinoken Group's other affiliated company and the largest major shareholder, Shinoken President and CEO Hideaki Shinohara, who was a major shareholder became the largest major shareholder and Ikeda Construction Co., Ltd., which funded NIS Value UP Fund No.2 Investment Partnership, became Shinoken's new major shareholder.

2. Outline of the changing shareholder

(1) Outline of the company that is no longer Shinoken Group's other affiliated company and the largest major shareholder

①Name	NIS Value UP Fund No.2 Investment Partnership	
②Location	10-1 Nihonbashi-kodenmacho, Chuo-ku, Tokyo	
③Basis for establishment, etc.	An association which is established by pledging to operate investment business under the partnership agreement stipulated in Article 667, Paragraph 1 of the Civil Law	
④Purpose of establishment	Conduct a business related to stock acquisition and holding to increase and recover invested capital such as by raising corporate value of an investment-grade operator through provision of management guidance for an investment-grade operator.	
⑤Date of establishment	July 14, 2009	
⑥Total amount of investment	690 million yen	
⑦Investor and investment ratio	Ikeda Construction Co., Ltd. (31.38%) REO Asset Management Co., Ltd. (*1) (28.12%) CDS Construction Group Co., Ltd. (*2) (25.31%) Management Organization for Small and Medium-sized Enterprises Co., Ltd. (13.67%) NIS Group Co., Ltd. (1.01%) NI Strategic Partners Co., Ltd. (0.51%)	
⑧Managing partner	Name	NI Strategic Partners Co., Ltd.
	Location	10-1 Nihonbashi-kodenmacho, Chuo-ku, Tokyo
	Name and title of representative	Yoichi Hirata, CEO
	Businesses	Establishment, operation and management of fund

	Amount of capital	22.5 million yen
⑨Relationship with Shinoken	Relationship between listed company (including executives and related parties and major shareholders) and the fund	The fund was Shinoken Group's other affiliated company and the largest major shareholder but due to changes, there will be no capital relationship. There are no personnel or business relationships.
	Relationship between listed company and managing partner	There was no capital relationship but due to changes, the managing partner will own 155 shares of Shinoken Group common stock. There are no personnel or business relationships.

*1 Former company name: Real Estate Organization for Small and Medium-sized Enterprises Co., Ltd.

*2 Former company name: Construction Organization for Small and Medium-sized Enterprises Co., Ltd.

(2) Outline of the shareholder who will be the largest shareholder from major shareholder

①Name	Hideaki Shinohara
②Address	Hakata-ku, Fukuoka-shi
③Position	Shinoken Group President and CEO

(3) Outline of the company to become a new major shareholder

①Company name	Ikeda Construction Co., Ltd.
②Head office	Shinbashi Horii Bldg., 5-13-8 Shinbashi, Minato-ku, Tokyo
③Name and title of representative	Ichiyo Kaseda, Chairman and CEO Tomomichi Koga, President and CEO
④Major businesses	Contract for civil engineering and construction Civil engineering design, supervision and engineering; Planning, research and design related to urban planning Management consulting and market research service
⑤Amount of capital	479 million yen

3. Number of voting rights (number of shares owned) of changed shareholders and percentage of the total shareholders' voting rights

(1) NIS Value UP Fund No.2 Investment Partnership

	No. of voting rights (No. of shares owned)	Pct. of total voting rights	Major shareholder ranking
Before change	30,700 rights (30,700 shares)	35.45%	First
After change	— rights (— shares)	—%	—

(2) Hideaki Shinohara

	No. of voting rights (No. of shares owned)	Pct. of total voting rights	Major shareholder ranking
Before change	15,867 rights (15,867 shares)	18.32%	Second
After change	15,867 rights (15,867 shares)	18.32%	First

(3) Ikeda Construction Co., Ltd.

	No. of voting rights (No. of shares owned)	Pct. of total voting rights	Major shareholder ranking
Before change	— rights (— shares)	—%	—
After change	9,634 rights (9,634 shares)	11.13%	Second

*1 Regarding the number of voting rights before change, the figures as of June 30, 2010 are shown for Hideaki Shinohara and Ikeda Construction. However, for NIS Value UP Fund No.2 Investment Partnership, 30,700 rights which is the number of voting rights related to the number of shares owned (30,700 shares) by the Investment Partnership as of November 12, 2010 that was stated in the change report No. 6 of the large shareholding report submitted on November 16, 2010 by NI Strategic Partners Co., Ltd., a managing partner of NIS Value UP Fund No.2 Investment Partnership is presented.

*2 Before change, NIS Value UP Fund No.2 Investment Partnership only owns shares as shown in the above (1) and does not own Shinoken Group shares indirectly.

*3 The shareholder ranking before change has been presented based on the shareholder ranking as of June 30, 2010.

*4 No. of shares deducted from outstanding shares as shares with no voting rights 588 shares
Outstanding shares as of November 30, 2010 87,182 shares

*5 The percentages of total voting rights have been rounded down to two decimal points.

4. Date of change

December 6, 2010

5. Changes in non-listed parent company or other related companies that are subject to disclosure

NIS Value UP Fund No.2 Investment Partnership was Shinoken's other related company which does not fall under non-listed parent company or other related companies that are subject to disclosure. Therefore, there is no change in non-listed parent company or other related companies that are subject to disclosure due to changes and Shinoken does not have non-listed parent company or other related companies that are subject to disclosure.

6. Outlook

The changes in other affiliated company, largest major shareholder and major shareholder have no effect on the Company's operating results.