

Summary of Business Results for the Year Ended December 31, 2010

February 14, 2011

Company **Shinoken Group Co., Ltd.** Listed on the OSE JASDAQ Market
 Stock Code 8909 URL:
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 Expected date of annual shareholders' meeting: March 30, 2011 Expected date of filing of annual securities report: March 30, 2011
 Expected starting date of dividend payment:—

(Rounded down to million yen)

1. Consolidated business results for the year ended December 2010

(January 1, 2010 through December 31, 2010)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 2010	19,659	—	1,193	—	814	—	116	—
Year ended Dec. 2009	11,982	—	(324)	—	(848)	—	(953)	—

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended Dec. 2010	1,345.49	—	15.7	5.7	6.1
Year ended Dec. 2009	(14,447.83)	—	(110.3)	(5.2)	(2.7)

(Reference) Investment earnings/loss on equity-method:

Year ended December 2010: 60 million yen

Year ended December 2009: 9 million yen

(Note) Year-on-year changes are not presented because the previous consolidated fiscal year was a transitional 9-month accounting period due to a change in the fiscal year end.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 2010	14,524	793	5.4	9,088.28
As of Dec. 2009	14,102	700	4.9	8,041.74

(Reference) Shareholders' equity:

As of December 2010: 786 million yen

As of December 2009: 696 million yen

(3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Year ended Dec. 2010	3,172	(998)	(1,313)	1,664
Year ended Dec. 2009	1,566	(100)	(791)	804

2. Dividends

	Dividend per share					Total dividends (Total)	Dividend payout ratio (Consolidated)	Rate of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Dec. 2009	—	0.00	—	0.00	0.00	—	—	—
Year ended Dec. 2010	—	0.00	—	0.00	0.00	—	—	—
Year ending Dec. 2011 (forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of consolidated business results for the year ending December 2011

(January 1, 2011 through December 31, 2011)

(% change from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
For the six months ending Jun. 2011	9,400	7.9	400	(35.6)	200	(51.5)	100	(46.6)	1,154.81
Year ending Dec. 2011	21,000	6.8	1,200	0.5	850	4.4	450	286.2	5,196.66

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Changes in rules, procedures and indication methods of accounting process concerning the preparation of consolidated financial results (Changes to important items that form the basis for preparing consolidated financial statements)

① Changes due to revision of accounting standards: None

② Changes other than ①: None

(3) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of December 2010 87,182 shares

As of December 2009 87,182 shares

② Treasury stock at the end of period:

As of December 2010 588 shares

As of December 2009 588 shares

(Reference) Summary of non-consolidated business results

1. Non-consolidated business results for the year ended December 2010

(January 1, 2010 through December 31, 2010)

(1) Non-consolidated results of operations

(% change from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 2010	407	—	55	—	83	—	121	—
Year ended Dec. 2009	275	—	(20)	—	45	—	19	—

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Dec. 2010	1,398.88	—
Year ended Dec. 2009	302.56	—

(Note) Year-on-year changes are not presented because the previous consolidated fiscal year was a transitional 9-month accounting period due to a change in the fiscal year end.

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 2010	1,721	1,338	77.4	15,383.33
As of Dec. 2009	1,316	1,241	93.9	14,283.95

(Reference) Shareholders' equity:

As of December 2010: 1,332 million yen

As of December 2009: 1,236 million yen

(Note) Forecast of non-consolidated business results has been omitted because Shinoken Group is a holding company.

* **Explanation regarding appropriate use of business forecasts and other special instructions**

Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Actual results may differ from the forecasts due to various factors.