

August 9, 2011

**Notice of Posting of Deferred Tax Assets and Revisions to Business Forecasts**

In view of recent trends in operating results, Shinoken Group Co., Ltd. announced the revisions to its forecasts for the six months ended June 2011 that were announced on May 11, 2011 and forecasts for the year ending December 2011 announced on February 14, 2011 due to posting of deferred tax assets. Details are as follows.

## 1. Revisions to consolidated forecasts

Forecasts for the six months ended June 2011 (January 1, 2011 to June 30, 2011)  
(Million yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecasts (A)	9,800	600	350	140	1,616.74
Revised forecasts (B)	9,350	770	500	200	2,329.70
Increase/decrease (B-A)	(450)	170	150	60	—
Percentage change (%)	(4.5)	28.3	42.8	42.8	—
(Reference)Previous 2Q results (2Q of the year ended Jun. 2010)	8,712	621	412	187	2,163.72

Forecasts for the year ending December 2011 (January 1, 2011 to December 31, 2011)  
(Million yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecasts (A)	21,000	1,200	850	450	5,196.66
Revised forecasts (B)	21,000	1,200	850	1,050	12,394.97
Increase/decrease (B-A)	0	0	0	600	—
Percentage change (%)	0	0	0	133.3	—
(Reference)Previous results (year ended Dec. 2010)	19,659	1,193	814	116	1,345.49

## 2. Reasons for revisions

## (1) Reasons for revisions to business forecasts for the six months ended June 2011

In the core real estate sales business, Shinoken was able to conduct sales at higher-than-expected profit margin. Moreover, real estate management business, financial and guarantee businesses and other businesses are performing well under appropriate cost control. Therefore, profits are expected to exceed the previous forecasts.

## (2) Reasons for revisions to business forecasts for the year ending December 2011

As announced in today's press release titled "Notice of Absorption-Type Merger among Consolidated Subsidiaries," Shinoken Group plans to implement an absorption-type merger between Nissho Harmony Corporation ("NHC") and Shinoken Produce Co., Ltd. ("SKP"), with NHC as the surviving company on September 30, 2011. Shinoken expects to post about 700 million yen in deferred tax assets related to tax effect accounting for the nine months ending September 2011 (consolidated) in accordance with NHC taking over SKP's loss carried forward due to the merger. Therefore, Shinoken revised net income in the full year consolidated forecasts.

As Shinoken announced that improvement in profit margin was the main reason for revising the business forecasts for the six months ended June 2011, the company has performed well. However, Shinoken will make an announcement on the revisions to full-year consolidated forecasts as soon as the company is able to make disclosure after carefully examining the selling situation and progress of constructions of apartment buildings and condominiums.

(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.