

*February 14, 2012***Notice of Recording of Extraordinary Profit and Extraordinary Loss**

Shinoken Group Co., Ltd. announces the summary of the recording of extraordinary profit and extraordinary loss as shown below.

**1. Recording of extraordinary loss (consolidated)**

Shinoken Group has recorded an impairment loss for the following asset group in the fiscal year that ended in December 2011.

Use	Location	Classification	Impairment loss (thousand yen)
Lease assets	Fukuoka Pref. (4 locations)	Buildings and structures	26,089
		Tangible fixed assets- Others	138,449
Business assets	Fukuoka Pref. (1 outlet)	Building and structure	10,888
Total			175,427

**• Background**

As for lease properties, land prices and rent remain low and as for business assets, operating activities continue to incur loss. Due to these factors, Shinoken decided that the possibility of improvement in revenues will remain low. Therefore, Shinoken recorded an impairment loss.

**• Effect on operating results**

Please see the Summary of Business Results for the Year Ended December 31, 2011 which was disclosed today.

**2. Recording of extraordinary profit and extraordinary loss (consolidated)****• Background**

Because Shinoken Group is a holding company, the operating results of the company's subsidiaries and affiliates will be reflected in the company's operating results.

In the year that ended in December 2011, Shinoken reviewed the valuation of shares of its consolidated subsidiaries. As a result, Shinoken recorded 876,389 thousand yen in gain on reversal of allowance for doubtful accounts for affiliates and 462,985 thousand yen in provision of allowance for investment loss.

**• Effect on operating results**

The extraordinary profit and extraordinary loss apply to consolidated subsidiaries and will have no effect on the company's consolidated operating results.