

July 18, 2012

Notice of Revisions to Business Forecasts

In view of recent trends in operating results, Shinoken Group Co., Ltd. has revised its forecasts for the six months ended June 2012 as follows. These forecasts replace the forecasts that were announced on February 14, 2012.

1. Revisions to consolidated forecasts

For the six months ended June 2012 (January 1, 2012 to June 30, 2012)

(Million yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecasts (A)	11,000	650	400	300	3,588.77
Revised forecasts (B)	11,000	1,050	850	750	8,971.93
Increase/decrease (B-A)	0	400	450	450	—
Percentage change (%)	0	61.5	112.5	150.0	—
(Ref.)Previous 2Q results (FY2011 2Q)	9,354	770	507	202	2,359.25

2. Reasons for revisions

Regarding the consolidated results for the six months ended June 2012, sales were strong and profit margin was higher than initially expected in the core real estate sales business with a variable revenue stream. Also in the real estate rental management business, financial and guarantee businesses and other businesses with constant revenue streams, profits are increasing steadily under appropriate cost control and non-operating income and expenses are increasing due to reduced procurement cost for loans from financial institutions. Due mainly to these factors, profits are expected to exceed the previous forecasts.

An announcement on the full-year consolidated business forecasts will be made as soon as Shinoken is able to disclose after the company has secured properties for sale, and carefully examined 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.