

December 3, 2012

Notice Concerning Establishment of Subsidiary

Shinoken Group Co., Ltd., at today's board of directors meeting resolved to establish a subsidiary as follows.

1. Reason for the establishment of subsidiary

As announced in the press release titled "Notice Concerning Acquisition of Recross Co., Ltd. (Purchase of Recross Shares through Private Placement) and Transfer of Subsidiary" which was released on November 27, 2012, Shinoken Group made Recross its consolidated subsidiary and combined the group's core real estate-related business and nursing care-related business aiming to pursue further group synergy.

Because the nursing care-related business covers a wide range, Shinoken Group established a subsidiary for the business on the assumption that a new operating company of the business will be developed.

2. Overview of subsidiary to be established

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| (1) Company name | Shinoken Wellness Co., Ltd. |
| (2) Head office | 2-5-5 Shiba-Daimon, Minato-ku, Tokyo |
| (3) Representative | Hideaki Shinohara |
| (4) Major businesses | Nursing care-related business and management guidance regarding the business |
| (5) Capital | 10,000 thousand yen |
| (6) Date of establishment | December 3, 2012 |
| (7) Shareholder and ownership | Shinoken Group Co., Ltd. 100% |
| (8) Fiscal year | December |

3. Outlook

The effect of the establishment of subsidiary on the company's consolidated operating results is being assessed. An announcement will be made promptly if any event occurs that require disclosure.