



November 6th 2014
 Shinoken Group Co., Ltd.
 President and Representative Director
 Hideaki Shinohara
 (JASDAQ 8909)

Reference Materials for the Third Quarter Ended September 30, 2014 [Japan GAAP] (Consolidated)

■ TOPICS ■

■ Achieved Highest Net Sales and Profit to Date

(First Nine Months of Fiscal 2014)

Net Sales:	¥30,368 million (Year-on-year increase of 51.63%)
Operating Income:	¥3,872 million (Year-on-year increase of 67.37%)
Ordinary Income:	¥3,683 million (Year-on-year increase of 70.71%)
Net Income:	¥2,358 million (Year-on-year increase of 64.13%)

■ Favorable Conditions for Flow Businesses

(Sales of Apartment, Sales of Condominium and General Contractor Business)

Apartment Sales: 124 blocks sold (110 blocks sold during the same period of the previous year)

Condominium Sales: 457 units sold (431 units sold during the same period of the previous year)

⇒ In terms of condominium sales, record sales results were achieved for the first nine months of fiscal 2014.

1. Financial Results for the Third Quarter of Fiscal 2014 Ending December 31st

For the first nine months of fiscal 2014 ending December 31st, the flow businesses (which are the core businesses of sales of apartment, sales of condominium and the general contractor business) were favourable in terms of sales and the stock businesses (which are businesses such as the property management business, finance and guarantee business and other businesses) also experienced favourable conditions in terms of performance. As a result, the Company was able to produce actual results in terms of net sales and profit that exceeded projections. Moreover, the results achieved during the first nine months of fiscal 2014 ending December 31st in terms of net sales and profit were as high as they have ever been in the past.

(Unit: ¥1,000,000)

	First Nine Months of Fiscal 2013	First Nine Months of Fiscal 2014	Changes Period-Over-Period
Net Sales	20,027	30,368	10,341
Cost of Sales	15,308	23,005	7,697
Gross Profit	4,719	7,363	2,644

Selling, General and Administrative Expenses	2,405	3,490	1,085
Operating Income	2,313	3,872	1,558
Ordinary Income	2,157	3,683	1,525
Net Income	1,436	2,358	921

2. Consolidated Balance Sheet Briefing

The details pertaining to the consolidated balance sheet at end of the third quarter of fiscal 2014 are as shown below.

(Unit: ¥1,000,000)

	End of Fiscal 2013 (As of December 31 st 2013)	End of Q3 of Fiscal 2014 (As of September 30 th 2014)	Change
Cash and Deposits	3,623	6,210	2,587
Accounts Receivable from Completed Construction Contracts	—	1,737	1,737
Real Estate for Sale	5,571	8,802	3,231
Costs on Real Estate Business	5,026	7,322	2,296
Property, Plant and Equipment	4,560	4,747	186
Total Assets	22,202	33,738	11,535
Accounts Payable for Construction Contracts	—	1,556	1,556
Short-Term Loans Payable	5,454	7,527	2,072
Long-Term Loans Payable	6,985	12,065	5,079
Total Liabilities	17,142	26,310	9,167
Net Assets	5,060	7,428	2,367
Total Liabilities and Net Assets	22,202	33,738	11,535
Equity Ratio	22.8%	21.9%	Δ0.9pt

3. Briefing on Results by Segment

The details pertaining to the financial results for the various segments for the first nine months of fiscal 2014 are as shown below.

(Unit: ¥1,000,000)

Segment	Item/ Each of the Terms	First Nine Months of Fiscal 2013	First Nine Months of Fiscal 2014	Changes Period-Over-Period
Sales of Apartment Business	Net Sales	6,089	7,534	1,445
	Segment Profit	514	715	201
Sales of Condominium Business	Net Sales	9,876	11,749	1,873
	Segment Profit	1,611	2,768	1,156
General Contractor Business	Net Sales	—	6,074	6,074
	Segment Profit	—	365	365

Property Management Business	Net Sales	3,433	3,987	553
	Segment Profit	408	436	27
Finance and Guarantee Business	Net Sales	158	317	158
	Segment Profit	113	115	2
Long-Term Care Business	Net Sales	2	156	154
	Segment Profit	△31	△12	19
Other Businesses	Net Sales	467	548	80
	Segment Profit	75	81	6
Total	Net Sales	20,027	30,368	10,341
	Segment Profit	2,313	3,872	1,559

Note: Adjusted amounts are not shown.

4. Sales and Orders Situation for Flow Businesses

Sales results for the Real estate sales business and details pertaining to backlogged orders and contracts for that business for the first nine months of fiscal 2014 ending December 31st are shown below. Within the Sales of apartment business, orders increased greatly in comparison with the previous year. In the Sales of condominium business, sales results for the first nine months of fiscal 2014 ending December 31st were the highest ever posted.

◆ Sales of Apartment Business

	Delivered	Order Backlog	Total
First Nine Months of Fiscal 2014	124	204	328
First Nine Months of Fiscal 2013	110	140	250
Change	112.7%	145.7%	131.2%

◆ Sales of Condominium Business

	Delivered	Order Backlog	Total
First Nine Months of Fiscal 2014	457	60	517
First Nine Months of Fiscal 2013	431	73	504
Change	106.0%	82.2%	102.6%

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