

Summary of Business Results for the Year Ended December 31, 2014

[Japan GAAP] (Consolidated)

February 16, 2015

Company **Shinoken Group Co., Ltd.** Listed on the TSE
Stock Code 8909 URL: <http://www.shinoken.co.jp>
Representative Hideaki Shinohara, President and CEO
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 Expected date of annual shareholders' meeting: March 26, 2015 Expected starting date of dividend payment: March 27, 2015
 Expected date of filing of annual securities report: March 26, 2015
 Preparation of supplementary financial document: None
 Results briefing: None

(Rounded down to million yen)

1. Consolidated business results for the fiscal year ended December 2014

(January 1, 2014 through December 31, 2014)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 2014	39,724	52.9	4,740	62.7	4,302	61.3	2,886	42.4
Year ended Dec. 2013	25,970	11.4	2,912	55.4	2,667	66.3	2,026	33.9

(Note) Comprehensive income:

Year ended December 2014: 2,937 million yen (39.6%)

Year ended December 2013: 2,103 million yen (38.1%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended Dec. 2014	177.23	170.29	44.3	14.1	11.8
Year ended Dec. 2013	124.59	120.06	49.8	12.8	11.2

(Reference) Investment earnings/loss on equity-method:

Year ended December 2014: 101 million yen

Year ended December 2013: 222 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 2014	38,625	8,001	20.7	490.24
As of Dec. 2013	22,202	5,060	22.8	310.54

(Reference) Shareholders' equity:

As of December 2014: 7,978 million yen

As of December 2013: 5,058 million yen

(3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Year ended Dec. 2014	-2,515	-1,140	6,256	6,026
Year ended Dec. 2013	3,745	-2,348	-77	3,529

2. Dividends

	Annual dividend					Total dividend (Total)	Dividend payout ratio (Consolidated)	Rate of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Dec. 2013	-	3.75	-	4.50	8.25	67	3.3	1.6
Year ended Dec. 2014	-	5.00	-	10.00	15.00	122	4.2	1.9
Year ending Dec. 2015 (forecast)	-	6.25	-	6.25	12.50		6.2	

The company conducted a 2-for-1 stock split effective January 1, 2015 and the amount of dividend for the fiscal year ending December 2015 (forecast) is based on the number of shares after the stock split.

3. Forecast of consolidated business results for the fiscal year ending December 2015

(January 1, 2015 through December 31, 2015)

(% change from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
For the six months ending Jun. 2015	26,000	28.4	2,900	3.8	2,700	3.3	1,900	15.1	116.75
Year ending Dec. 2015	50,000	25.9	5,200	9.7	4,850	12.7	3,300	14.3	202.77

*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): Yes

New subsidiary: 1 (Company name) OGAWA Construction Co., Ltd.

(2) Changes in accounting policies, accounting estimates and restatement

① Changes in accounting policies associated with revision of accounting standards: : None

② Changes in accounting policies other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

(3) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of December 2014 17,506,600 shares

As of December 2013 17,506,600 shares

② Treasury stock at the end of period:

As of December 2014 1,232,352 shares

As of December 2013 1,217,600 shares

③ Average number of stock during period (cumulative period)

Year ended December 2014 16,287,784 shares

Year ended December 2013 16,264,104 shares

The company conducted a 2-for-1 stock split effective January 1, 2015 and the above figures are presented based on the number of shares after the stock split.

(Reference) Summary of non-consolidated business results

1. Non-consolidated business results for the fiscal year ended December 2014

(January 1, 2014 through December 31, 2014)

(1) Non-consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 2014	604	-0.3	198	142.1	37	25.7	30	-98.2
Year ended Dec. 2013	606	-11.8	81	45.1	29	-34.8	1,730	36.5

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Dec. 2014	1.89	1.82
Year ended Dec. 2013	106.40	102.54

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 2014	10,027	4,508	44.9	276.50
As of Dec. 2013	7,769	4,526	58.2	277.73

(Reference) Shareholders' equity:

As of December 2014: 4,499 million yen

As of December 2013: 4,523 million yen

*** Implementation status of auditing procedure**

This financial summary is not subject to auditing procedure pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of this report, the auditing procedure of financial statements pursuant to the Financial Instruments and Exchange Act has not been completed.

***Explanation regarding appropriate use of business forecasts and other special instructions**

Forecasts regarding future performance in this material are based on information available at the time this report was announced. Actual results may differ from the forecasts due to various factors.

(Other special instructions)

Based on the decision made at the board of directors meeting held on November 17, 2014, the company conducted a 2-for-1 stock split effective January 1, 2015.

Regarding the stock split, the forecast for amount of dividend for the fiscal year ending December 2015 (forecast) is presented above.