



February 16th 2015
 Shinoken Group Co., Ltd.
 President and Representative Director
 Hideaki Shinohara
 (JASDAQ 8909)

Reference Materials for the Fiscal Year Ended December 31st 2014 [Japan GAAP] (Consolidated)

TOPICS

Achieved Record Net Sales and Ordinary Income

- **Net Sales**
 ¥39,724 million (Year-on-year increase of 52.9%)
Ordinary Income
 ¥4,302 million (Year-on-year increase of 61.3%)
- Favorable business productivity has resulted in rising sales and profits for the last five periods, with record net profits being recorded for the last three periods.
- Year-on-year increase in profit for all business segments was achieved.

1. Consolidated Business Results for Fiscal 2014

In fiscal 2014, net sales were ¥39,724 million (year-on-year increase of 52.9%), operating income was ¥4,740 million (year-on-year increase of 62.7%), ordinary income was ¥4,302 million (year-on-year increase of 61.3%) and net profit was 2,886 million (year-on-year increase of 42.4%). Flow Businesses (Sales of Apartment, Sales of Condominium and the General Contractor Business) performed favorably, with a large increase in sales and profit figures in comparison with the previous year. As a result, record net sales and profits were achieved in fiscal 2014.

(Unit: ¥1,000,000)

	Fiscal 2013	Fiscal 2014	Changes Period-Over-Period
Net Sales	25,970	39,724	52.9%
Operating Income	2,912	4,740	62.7%
Ordinary Income	2,667	4,302	61.3%
Net Profit for the Year	2,026	2,886	42.4%

2. Consolidated Balance Sheet Briefing

A briefing of the balance sheet for fiscal 2014 is as shown below.

(Unit: ¥1,000,000)

	Fiscal 2013 (As of December 31 st 2013)	Fiscal 2014 (As of December 31 st 2014)	Period-Over- Period Changes
Cash and Deposits	3,623	6,230	2,607
Accounts Receivable from Completed Construction Contracts	—	2,316	2,316
Real Estate for Sale	5,571	11,832	6,261
Costs on Real Estate Business	5,026	8,339	3,313
Property, Plant and Equipment	4,560	4,756	195
Total Assets	22,202	38,625	16,422
Accounts Payable for Construction Contracts	—	1,704	1,704
Short-Term Loans Payable	5,454	7,949	2,494
Long-Term Loans Payable	6,985	13,781	6,795
Total Liabilities	17,142	30,623	13,481
Net Assets	5,060	8,001	2,941
Total Liabilities and Net Assets	22,202	38,625	16,422
Equity Ratio	22.8%	20.7%	△2.1pt

3. Briefing on Results by Segment

Details on the results for each segment for fiscal 2013/2014 are as shown below. Fiscal 2014 saw higher profits achieved in each business segment than in the previous year.

(Unit: ¥1,000,000)

Segment	Item/ Each of the Terms	Fiscal 2013	Fiscal 2014	Changes Period-Over-Period
Sales of Apartment Business	Net Sales	8,433	10,838	2,404
	Segment Profit	822	1,006	184
Sales of Condominium Business	Net Sales	12,104	13,287	1,183
	Segment Profit	2,010	3,146	1,135
General Contractor Business	Net Sales	—	8,798	8,798
	Segment Profit	—	518	518
Property Management Business	Net Sales	4,600	5,440	840
	Segment Profit	538	581	42
Finance and Guarantee Business	Net Sales	207	419	212
	Segment Profit	145	155	9
Long-Term Care Business	Net Sales	11	235	223
	Segment Profit	△73	20	93
Other Businesses	Net Sales	612	705	92
	Segment Profit	87	90	2
Total	Net Sales	25,970	39,724	13,754
	Segment Profit	2,912	4,740	1,828

Note: Adjusted amounts are not shown.

4. Sales Results for Flow Businesses and Planned Sales for Fiscal 2015

The results for Flow Businesses for fiscal 2013/2014 are shown below. Together with a large year-on-year increase in orders within the Sales of Apartment Business, the Sales of Condominium Business also ran smoothly. In the General Contractor Business, a large increase in orders resulted from an expansion in demand for construction in parallel with the recently improving economy. Planned sales for the fiscal 2015 are shown below as well. As planned, Shinoken is moving steadily forward toward its goal for fiscal 2015.

◆ Sales of Apartment Business

	Delivered	Order Backlog	Total
Fiscal 2014	171	249	420
Fiscal 2013	148	161	309
Change	115.5%	154.7%	135.9%

◆ Sales of Condominium Business

	Delivered	Order Backlog	Total
Fiscal 2014	528	134	662
Fiscal 2013	528	102	630
Change	100.0%	131.4%	105.0%

◆ Year Ending December 31st 2015 Planned Sales

	Planned Sales	Order Backlog	Goal Progress (*1)	Planned Units Left (*2)
Sales of Apartment Business	300	249	83.0%	51
Sales of Condominium Business	530	134	25.2%	396
General Contractor Business	¥14,500 million	¥9,553 million	65.8%	¥4,947 million

*1. Goal Progress = Order backlog ÷ Planned Sales

*2. Planned Units Left = Planned Sales for Fiscal 2015 - Orders (Contracts) Left for Fiscal 2014

5. Projected Business Performance for Fiscal 2015

Business performance for 2015 within the Flow Businesses is projected to transition favorably as increases in contracts and acquisitions of sales properties are happening smoothly. As such, it is predicted that this coming year will also see a record set in terms of net sales and profits, with ¥50,000 million in net sales, ¥4,850 million in ordinary income and ¥3,000 million in net profit projected for fiscal 2015.

(Unit: ¥1,000,000)

	Fiscal 2014 (actual)	Fiscal 2015 (forecast)
Net Sales	39,724	50,000
Operating Income	4,740	5,200
Ordinary Income	4,302	4,850
Net Profit	2,886	3,300

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