

Company Overview

FY Ended December 31st 2014

Shinoken Group Co., Ltd.
President and CEO
Hideaki Shinohara



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1. Group Introduction

Business Portfolio and Subsidiaries



Shinoken Group (Holding Company)

Flow Businesses

Shinoken Produce Co., Ltd. ①

Shinoken Harmony Co., Ltd. ①②

Ogawa Construction Co., Ltd. ③

Ogawa Building Co., Ltd. ③

Stock Businesses

Shinoken facilities Co., Ltd. ④

Shinoken Amenity Co., Ltd. ④

2 Subsidiaries ④

Shinoken Communications Co., Ltd. ⑤

JICC SSI Co., Ltd (Stock Holdings: 50.0%) ⑤

SK Energy Co., Ltd. ⑥

2 Subsidiaries (SK Energy) ⑥

Shinoken Wellness Co., Ltd. (Long-Term Care) ⑦

Recross Co., Ltd.
(Care Business Consulting) ⑦

Friend Co., Ltd.
(Group Home Admin. Company) ⑦

Best Co., Ltd.
(Care Service Provider) ⑦

Overseas Business

SKG INVEST ASIA (HONG KONG) LIMITED ⑧

SHINOKEN REAL ESTATE (SHANGHAI)
LIMITED ⑧

Shinoken & Hecks Pte Ltd (Singapore)
(Stock Holdings: 34%) ⑧

- ①... Sales of Apartment Business
- ②... Sales of Condominium Business
- ③... General Contractor Business

- ④... Property Management Business
- ⑤... Finance and Guarantee Business
- ⑥... LP Gas Supply Business
- ⑦... Long-Term Care Business

- ⑧... Overseas Business

Total of 8 Business Segments

Group Overview

- **Company** Shinoken Group Co., Ltd.
- **President and CEO** Hideaki Shinohara
- **Home Office** 1-1-1 Tenjin, Chuo-ku, Fukuoka-shi (Building Name: Across Fukuoka)
- **Number of Employees** 391 (For the whole Group as of December 31st 2014)
- **Businesses** Sale of Apartment Business, Sales of Condominium Business, General Contractor Business, Property Management Business, Finance and Guarantee Business, Long-Term Care Business and Other Businesses
- **Locations** Domestic: Tokyo, Fukuoka, Nagoya, Osaka, Sendai and Sapporo
Overseas: Hong Kong, Shanghai and Singapore
- **Established** June 5th 1990
- **Traded On** Tokyo Stock Exchange (JASDAQ) Stock Code: 8909
- **Capital** ¥1,011,300,000

Overview by Segment

■ Flow Business Total

Unit: JPY Million

Item	FY 2013	FY 2014	Change
Net Sales	20,538	32,924	12,386
Operating Income	2,833	4,671	1,837
Operating Income Ratio	13.7%	14.1%	0.4%

■ Stock Business Total

Unit: JPY Million

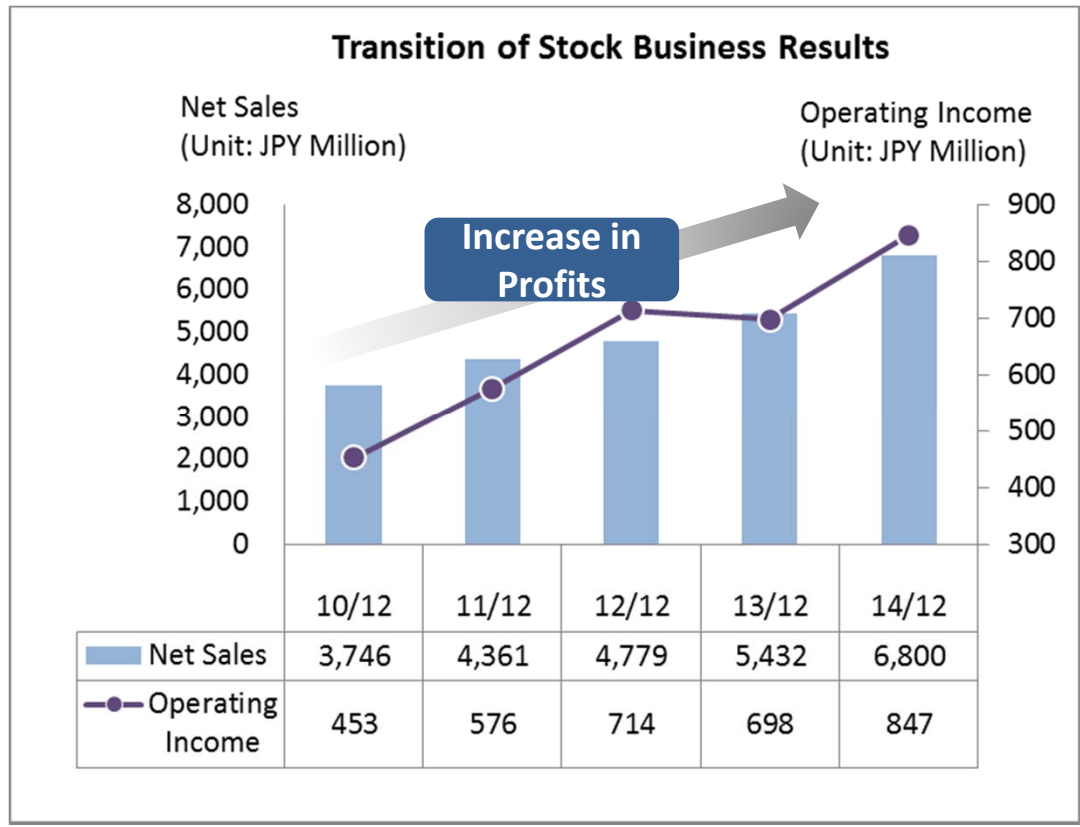
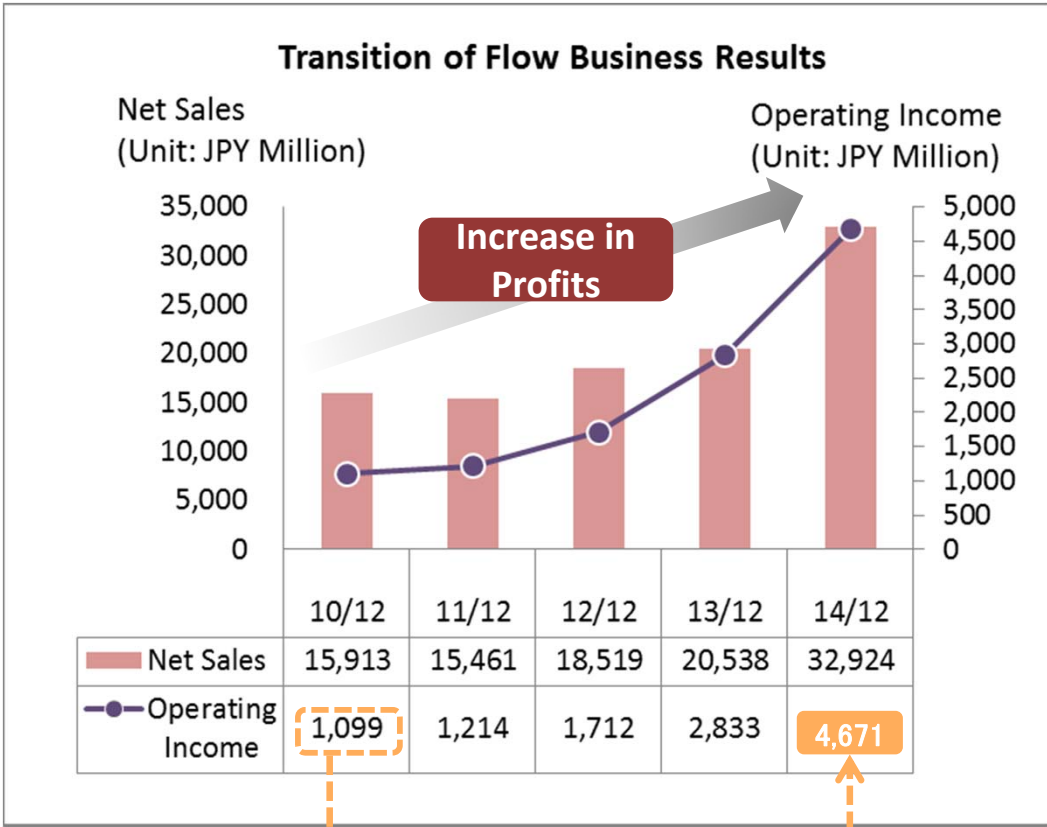
Item	FY 2013	FY 2014	Change
Net Sales	5,432	6,800	1,367
Operating Income	698	847	148
Operating Income Ratio	12.8%	12.4%	-0.4%

Unit: JPY Million

Segment	Item	FY 2013	FY 2014	Change
① Sales of Apartment Business	Net Sales	8,433	10,838	2,404
	Operating Income	822	1,006	184
② Sales of Condominium Business	Net Sales	12,104	13,287	1,183
	Operating Income	2,010	3,146	1,135
③ General Contractor Business	Net Sales	-	8,798	-
	Operating Income	-	518	-
④ Property Management Business	Net Sales	4,600	5,440	840
	Operating Income	538	581	42
⑤ Finance and Guarantee Business	Net Sales	207	419	212
	Operating Income	145	155	9
⑥ Long-Term Care Business	Net Sales	11	235	223
	Operating Income	△ 73	20	93
⑦ Other	Net Sales	612	705	92
	Operating Income	87	90	2

*Other Businesses include areas like the LP Gas Supply Business.

Transition in Segment Results



Operating profits are up four-fold in comparison with four years ago.

*The above comparison shows figures for each entire year (Jan. through to Dec.)

2. Consolidated FY 2014 Results

Consolidated Results Highlights

- Operating Income: 4,740 million yen (62.77% year-on-year increase)
Ordinary Income: 4,302million yen (61.30% year-on-year increase)
Net Income for the Period: 2,886 million yen (42.44% year-on-year increase)

⇒ In each of the income categories record profits were achieved during the period.

- Favorable Conditions in the Real-Estate Sales Businesses
Apartments Sales: 171 Buildings (Compared to 148 in the previous year)
Condominiums Sales: 528 Units (Compared to 528 in the previous year)

Income Statement Overview

(Unit: JPY Million)

Item	FY 2013	FY 2014	Change	FY 2015 Projection
Net Sales	25,970	39,724	13,754	50,000
Cost of Sales	19,632	30,353	10,720	39,800
Gross Profit	6,337	9,371	3,033	10,200
Gross Profit Ratio	24.4%	23.5%	-0.9%	20.4%
Selling, General and Administrative Expenses	3,425	4,631	1,205	5,000
Operating Income	2,912	4,740	1,828	5,200
Operating Income Ratio	11.2%	11.9%	0.7%	10.4%
Ordinary Income	2,667	4,302	1,635	4,850
Ordinary Income Ratio	10.2%	10.8%	0.6%	9.7%
Net Income	2,026	2,886	860	3,300
Net Income Ratio	7.8%	7.2%	-0.6%	6.6%

Large increase in profits due to excellent sales

- Profitability figures rose further after both operating and ordinary income levels from the previous year were surpassed

Balance Sheet Overview

(Unit: JPY Million)

Item	FY 2013	FY 2014	Change
Cash and Deposits	3,623	6,230	2,607
Accounts Receivable from Real Estate Business	152	183	31
Operating Loan	699	517	△ 182
Real Estate for Sale	5,571	11,832	6,261
Cost on Real Estate Business	5,026	8,339	3,313
Property, Plan and Equipment	4,560	4,756	195
Total Assets	22,202	38,625	16,422
Accounts Payable for Real Estate Business	2,232	2,826	593
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%	-2.1%

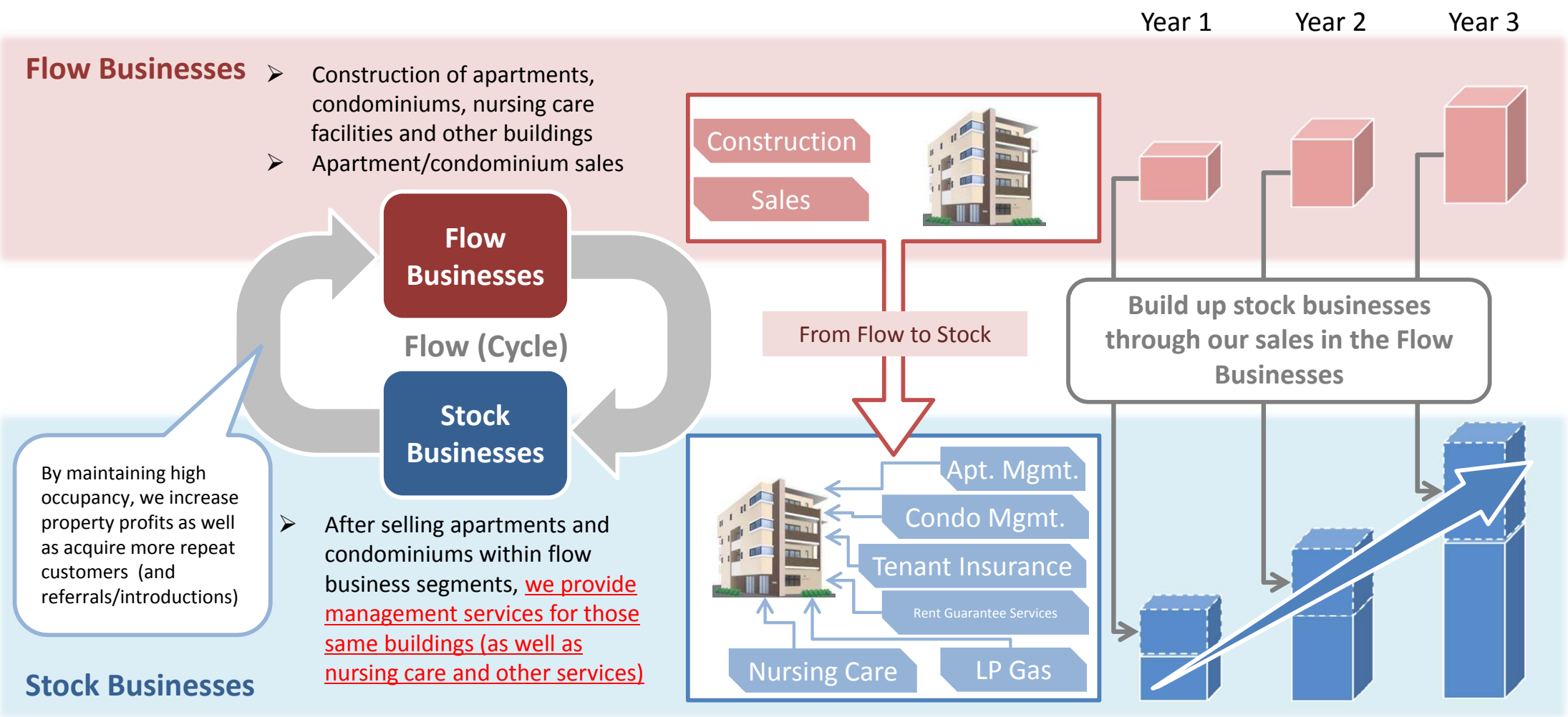
- As a result of a steady increase in income our net assets grew by approximately 2,900 million yen since FY 2013.

3. Business Model Introduction

The Shinoken Group Value Chain

- The core businesses of the company are referred to as “Flow Businesses” and “Stock Businesses”.
- The cycle that occurs back-and-forth between these core businesses is what makes our value chain solid.

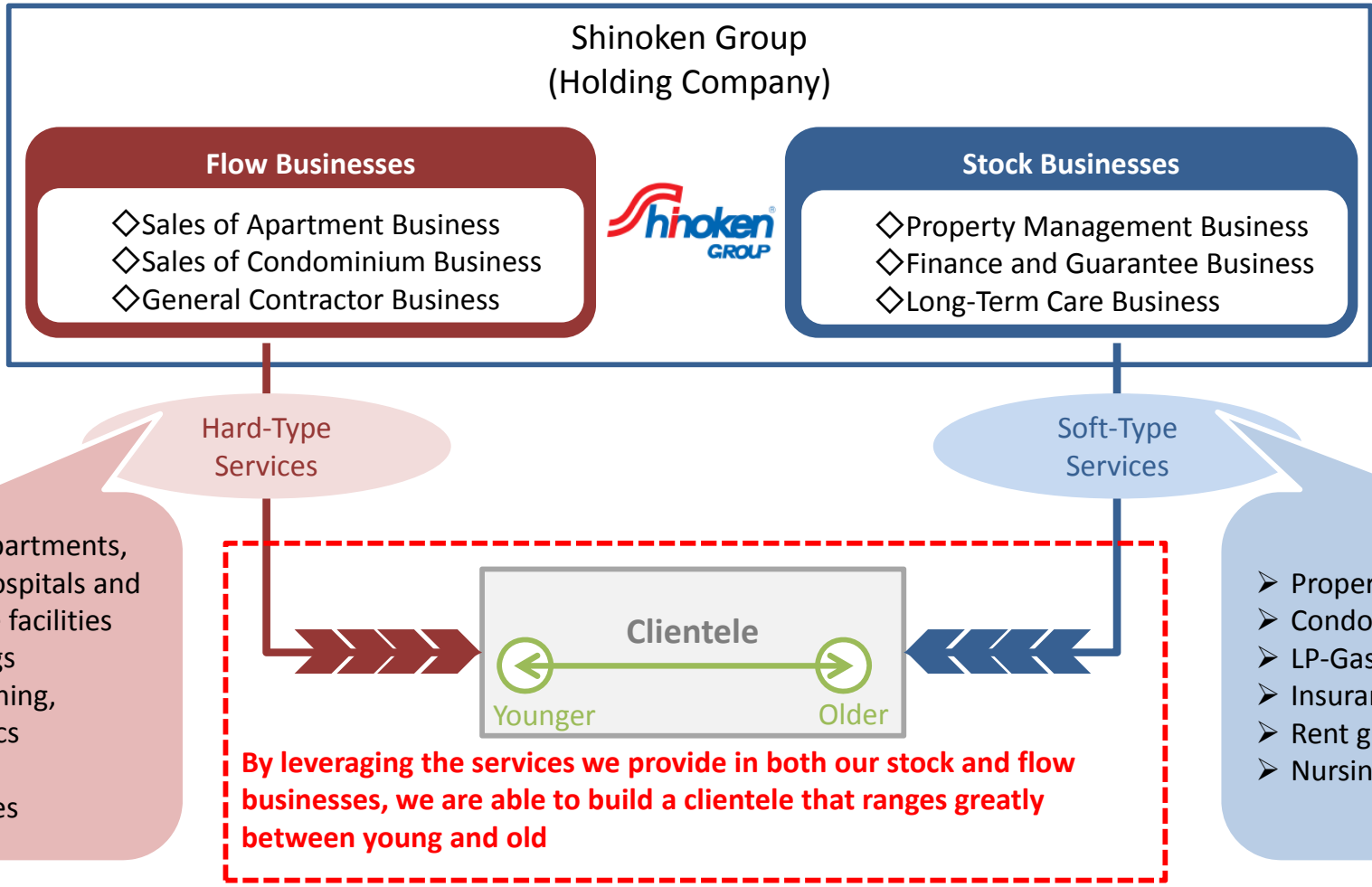
Value Chain for the Entirety of the Group



The Group Value Chain

- Client-base is built upon by using both Flow Businesses and Stock Businesses in conjunction with one another.
- We don't just provide real-estate; providing a wide range of services allows us access to a wide range of clientele.

Conceptualization of the Services Provided to Clients by Shinoken



Flow Businesses: Sales of Apartment Business

- Business conducted only in larger cities where there are more single people (Tokyo, Fukuoka, Nagoya, Osaka and Sendai).
- Our products (apartments) are superior from a design-standpoint and have been constructed in locations within 10 minutes of the nearest station, resulting in our ability to maintain a high rate of occupancy.

Area	Price Range (Land + Building)	Gross Yield	Structure	Layout	Target Demographic
Tokyo	JPY 60 Million - JPY 100 Million	From 5.5%	Wood	1K to 1LDK With Loft (11 to 40 square meters)	Individuals living alone and DINKS (Double-Income-No-Kids) under the age of 40
Fukuoka	JPY 30 Million - JPY 60 Million	From 6.5%			
Nagoya	JPY 40 Million - JPY 70 Million	From 6.5%			
Osaka	JPY 50 Million - JPY 80 Million	From 6.0%			
Sendai	JPY 30 Million - JPY 60 Million	From 6.5%			

■ The below apartments are five types representative of the Shinoken lineup.

*Measurements shown are approximations.

QUGA
1LDK Type with Loft
30m² and up



LATRE
Multi-Floor Type
35m² and up



New Standard
Step-Floor Type with Loft
20m² and up



AVAND
One-Room Type with Loft (DT Tokyo Only)
11m² and up

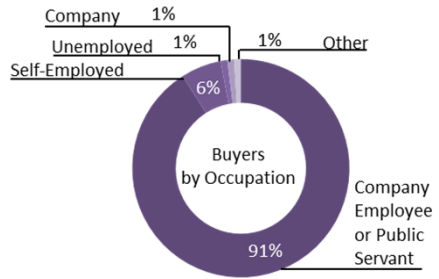


MeZoNa
Multi-Floor Type with Loft
23m² and up

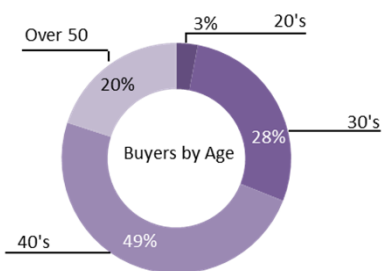


Flow Businesses: Sales of Apartment Business

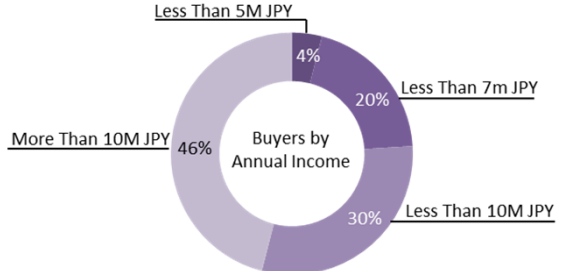
- The demographic breakdown of clients who purchase our apartments and condominiums is shown below.
- Most of the buyers are in their twenties to forties and are typically normal office workers or public servants.
- Our marketing methods mainly consist of **pull-type (pull media) advertising media that results in responses from interested potential clients.**
- Our sales track record for existing clients and excellent after-services result in repeat customers and referrals.
- **We have a repeat/customer referral rate of 40%** (with entirely new clients comprising 60%).



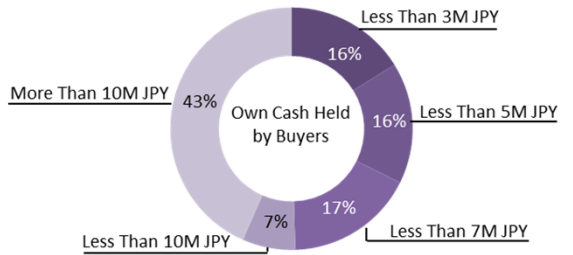
More than 90% of buyers are normal company employees or public servants.



About 80% of buyers are under the age of 40.



About 50% of buyers have an annual income of under 10 million yen.



Over 30% of buyers purchase their property using their own capital in amounts under 5 million yen.

Flow Businesses: Sales of Apartment Business

- After 25 years in the business, we've made apartment management by individuals possible through loans that require no initial money down.
- **Even individuals without land or their own capital can manage an apartment.**

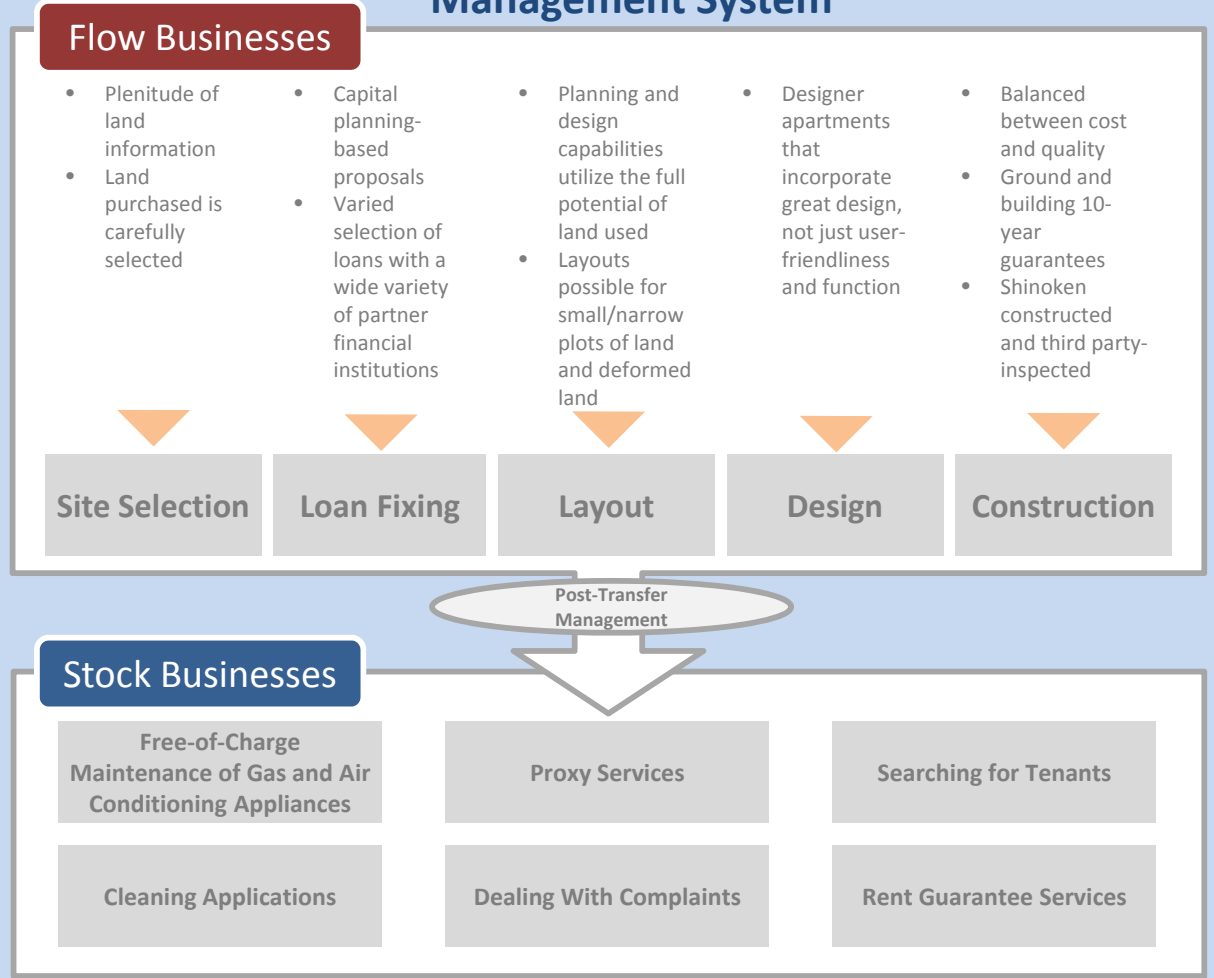
With 25 years of know-how in the business, we provide one-stop total support for apartment management.

Even Individuals Making Less Than 5 million yen per year can manage an apartment

STRENGTHS OF SHINOKEN APARTMENT MANAGEMENT

- ◇ Ability to gather information about sites used for apartments
- ◇ Trusted for many years by financial institutions we deal with
 - ⇒ Individuals can start with no money down
 - ⇒ Loan can be made 100% of the full amount
- ◇ Rental System
 - ⇒ High occupancy rate of over 96%
- ◇ Good balance of payments even with loan payments occurring each month
- ◇ An asset remains after loan is repaid
 - ⇒ A Great Asset: **No-collateral land**

Shinoken Apartment Management System



Flow Businesses: Sales of Apartment Business

Apartment Sales Plan

Tokyo (Downtown)



Downtown Tokyo
Apartment

— Access —

Hanzomon Line/Asakusa Line Oshiage Station 7 Minutes
Hanzomon Line Kinshicho Station 9 Minutes
JR Sobu Line Kinshicho Station 11 Minutes

Estimated monthly net income

83,200 Yen

Estimated yearly net income

998,400 Yen

Gross yield 5.70%

Gross yield calculated based on land price, building price and water supply work, but excluding consumption tax and other costs

Leveraged gross yield 26.98%

Depends on LTV. Leveraged gross yield calculated based on leveraged cash flow divided by own cash paid

Estimated gross rental 556.8 Ten Thousand

Sales price 10,046 Ten Thousand (Incl. tax)

Land price/ 6,340 Ten Thousand (Incl. tax) @ 202.30 Ten Thousand/Tsubo

Building price/ 3,543.6 Ten Thousand (Incl. tax) Building 3,281.1 Ten Thousand
Consumption tax 262.5 Ten Thousand

Water supply work/ 162.0 Ten Thousand (Incl. tax)

Other costs/ 357.9 Ten Thousand (Estimate) Registration tax, Fire insurance, Finance fees, etc.

Total/ 10,390 Ten Thousand (Incl. tax)

◆ Outline

— Land —

Address / Tokyo-to, Sumida-ku, Yokogawa, 4-chome
Lot area / Approx. 104m² (31.35^{Tsubo}) 202.30 Ten Thousand/Tsubo
Building Area / Approx. 104m² (31.44^{Tsubo}) 201.65 Ten Thousand/Tsubo
Zoning / Semi-Industrial Area
FAR / 60%
FSI / 300%
Road access / Public Road

— Building —

Type / AVAND
Structure / Siding wooden
Layout / 1R+loft
Gas / LP gas
Water / Public
Sewerage / Flushing

◇ Funding plan

Own cash 370 Ten Thousand **Loan amount 10,040 Ten Thousand**

Estimated gross rent [Normal Management]

① Average rent 58,000 Yen (Unit) × 8 Units =

② Car park - Yen (Unit) × - Units =

Monthly gross rent

464,000 Yen

Monthly repayment of loan

10,040 Ten thousand (loan) Monthly repay P+I 380,800 Yen
35 Years Floating rate 2.900%
(repayment)

Monthly repay P+I

380,800 Yen

Flow Businesses: Sales of Apartment Business

Apartment Sales Plan

Osaka



Osaka-shi
Apartment

— Access —

Hankyu Kyoto Line Kamishinjo
Osaka Municipal Subway Zuiko 4-chome

10 Minutes
6 Minutes

Gross yield 6.59%

Gross yield calculated based on land price, building price and water supply work, but excluding consumption tax and other costs

Leveraged gross yield 42.09%

Depends on LTV. Leveraged gross yield calculated based on leveraged cash flow divided by own cash paid

Estimated gross rental 566.4 Ten Thousand

Sales price 8,937 Ten Thousand (Incl. tax)

Land price/ 4,400 Ten Thousand @ 87.22 Ten Thousand/Tsubo

Building price/ 4,342.9 Ten Thousand (Incl. tax) Building 4,021.2 Ten Thousand
Consumption tax 321.7 Ten Thousand

Water supply work/ 194.4 Ten Thousand (Incl. tax)

Other costs/ 371.0 Ten Thousand (Estimate) Registration tax, Fire insurance, Finance fees, etc.

Total/ 9,290 Ten Thousand (Incl. tax)

Estimated monthly net income

133,300 Yen

Estimated yearly net income

1,599,600 Yen

◆ Outline

— Land —

Address / Osaka-shi, Higashiyodogawa-ku, Zuiko, 2-chome
Lot area / Approx. 167m² (50.46 Tsubo) 87.22 Ten Thousand/Tsubo
Building Area / Approx. 167m² (50.46 Tsubo) 87.22 Ten Thousand/Tsubo
Zoning / Semi-Industrial Area
FAR / 60%
FSI / 200%
Road access / Public Road

— Building —

Type / N-STD
Structure / Siding wooden (2 floors)
Layout / 1K+loft
Gas / LP gas
Water / Public
Sewerage / Flushing

◇ Funding plan

Own cash 380 Ten Thousand **Loan amount 8,930 Ten Thousand**

Estimated gross rent [Normal Management]

① Average rent 59,000 Yen (Unit) × 8 Units =

② Car park - Yen (Unit) × - Units =

Monthly gross rent

472,000 Yen

Monthly repayment of loan

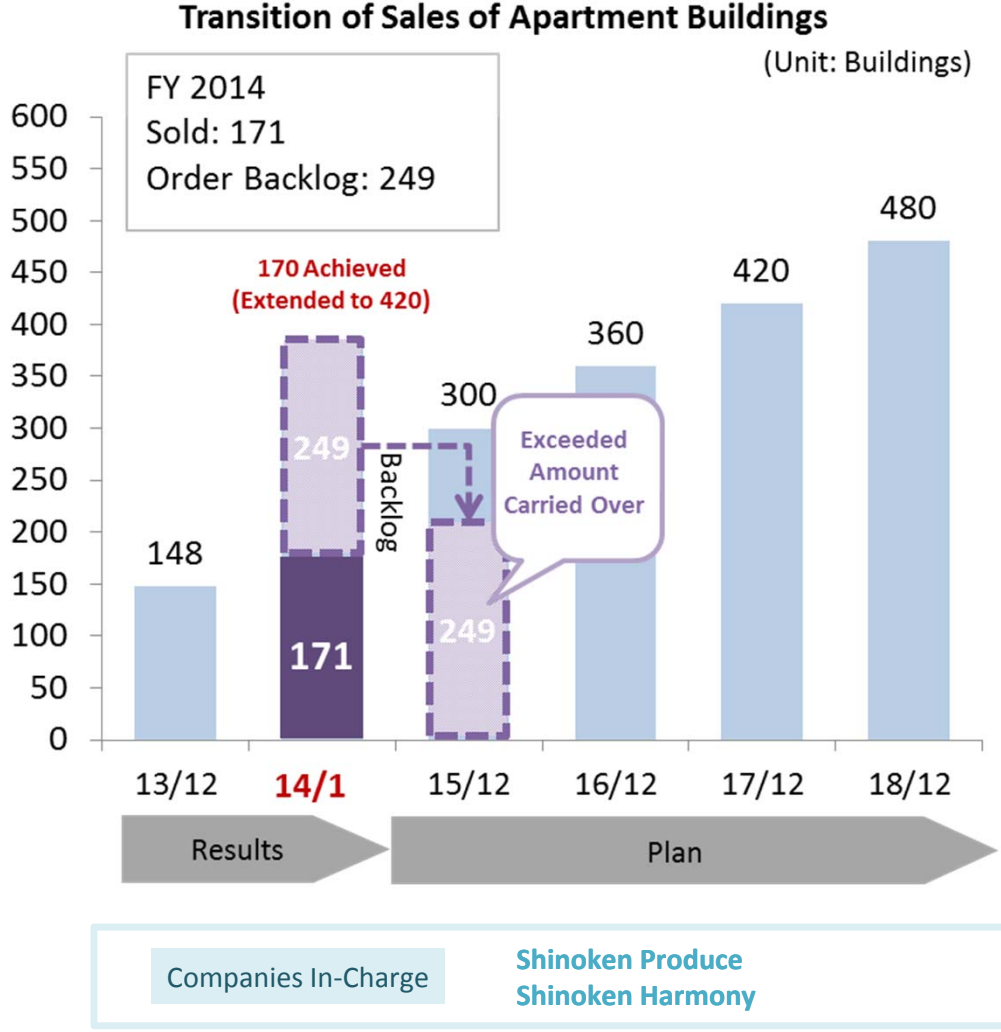
8,930 Ten Thousand (loan) **Monthly repay P+I 338,700 Yen**
35 Years Floating rate 2.900%
(repayment)

Monthly repay P+I

338,700 Yen

Flow Businesses: Sales of Apartment Business

- The contract order backlog for FY 2014 in the Sales of Apartment Business is for 249 buildings.
 - This number is more than the already closed sales for FY 2014 (171 buildings) and constitutes more than 80% of the plan to close sales for 300 buildings within FY 2015.



- FY 2015 (Sales Plan for the Year : 300 Buildings)
As of the end of FY 2014 (420 Buildings Breakdown)

- Closed Sales: 171 Buildings
- Backlog (To-Be-Closed): 249 Buildings

The goal of 300 Buildings for FY 2015 will be achieved after securing the remaining 51 building orders by the end of July 2015 (in terms of completed construction).

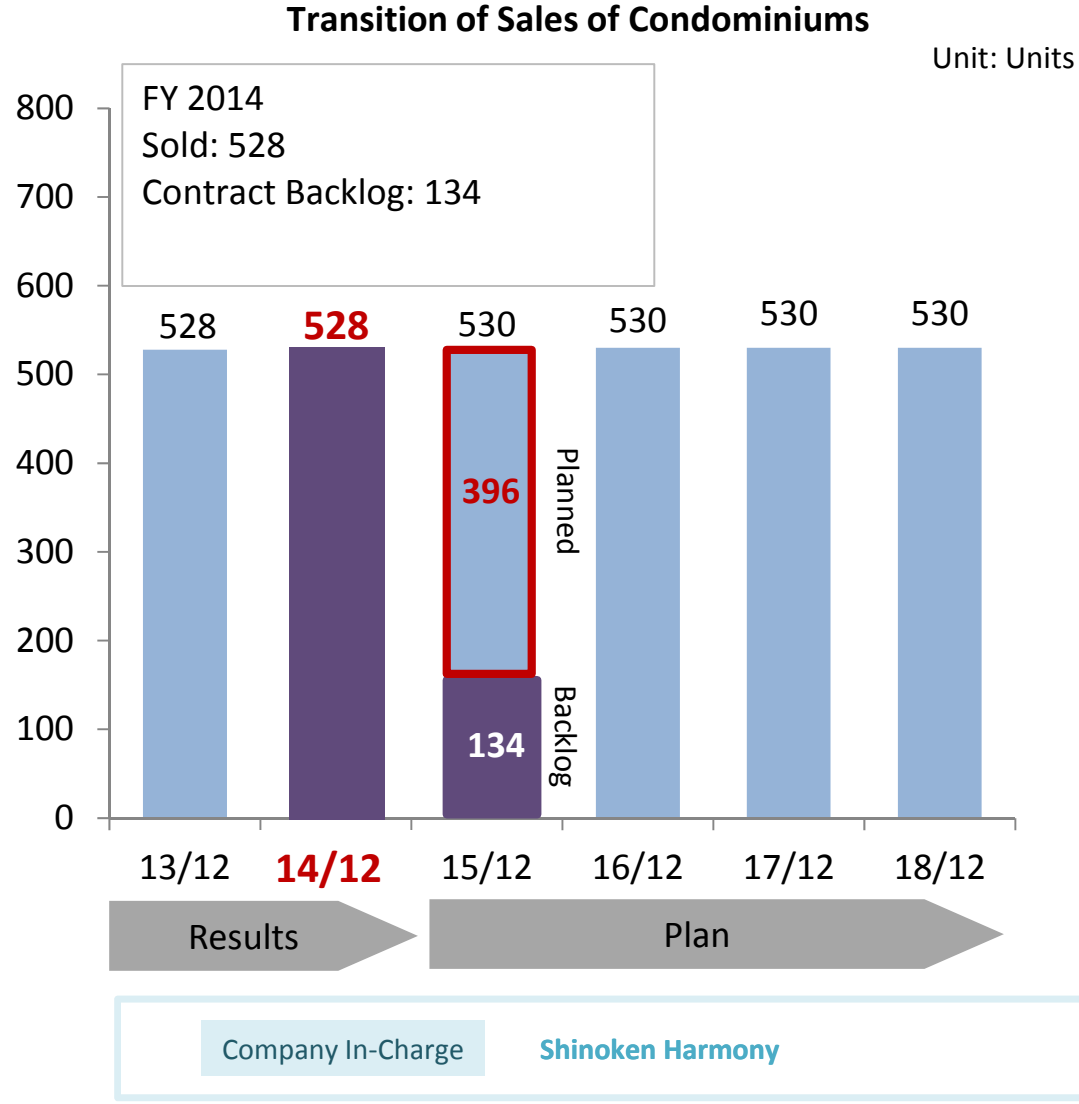
$$\text{Last 51 Remaining Orders} \div 7 \text{ Months} = 7.28 \text{ Building Orders Per Month}$$

↓

The goal for FY 2015 will already be achieved after the sale of 8 buildings per month by the end of July

Flow Businesses: Sales of Condominium Business

■ For FY 2014 the sales goal was 530 units. The number of units sold was 528.



The FY 2015 sales plan of 520 units will be achieved if over 36 units per month are sold by the end of November 2015.

■ FY 2015 (Sales Plan for the Year: 530 Units)

As of the end of FY 2014

- Order Backlog: 134 Units
- Planned Sales: 396 Units

Planned Sales of 396 Units ÷ 11 Months
= 36 Units

Flow Businesses: General Contractor Business

- We were able to strengthen our ability to produce in-house with respect to our condo sales etc. via the 100% acquisition of Ogawa Construction as a subsidiary in February of 2014.
- About 50% of one-room condominium complexes sold have are constructed by Ogawa Construction.

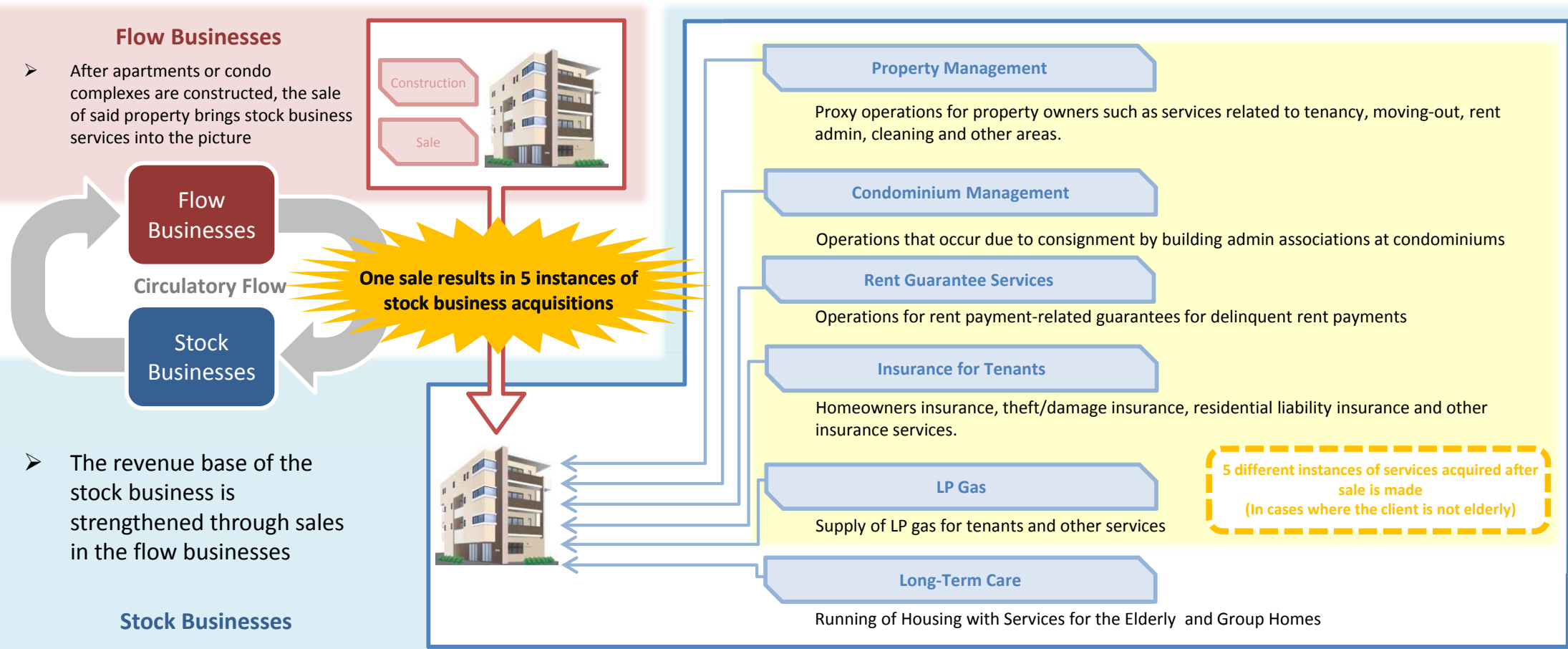
Range of Building Construction



Stock Businesses

- **Stock business is automatically acquired after sales are made.**
- In addition to property management, condominium management, guarantees for delinquent rent payments, insurance for tenants and LP gas supply, Shinoken also provides a variety of nursing care-type services for the elderly, allowing the Group to differentiate itself from competitors.

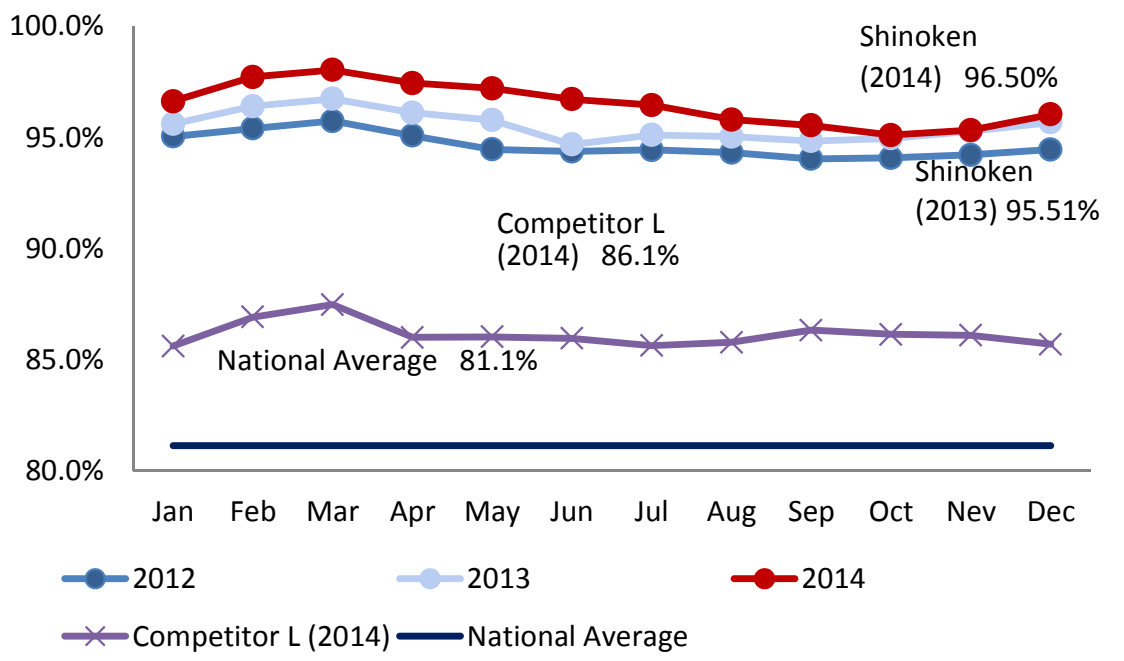
Conceptualization of Stock Business Development Taking Place After Sales Closed in Flow Businesses



Stock Businesses: Property Management Business

■ Our average occupancy rate is high: 96.50%

Occupancy Rate for Shinoken Compared with Competitor-L and the National Average



Source: Statistics Bureau at the Ministry of International Affairs and Communications, "Statistics Survey for Houses and Land in 2008"

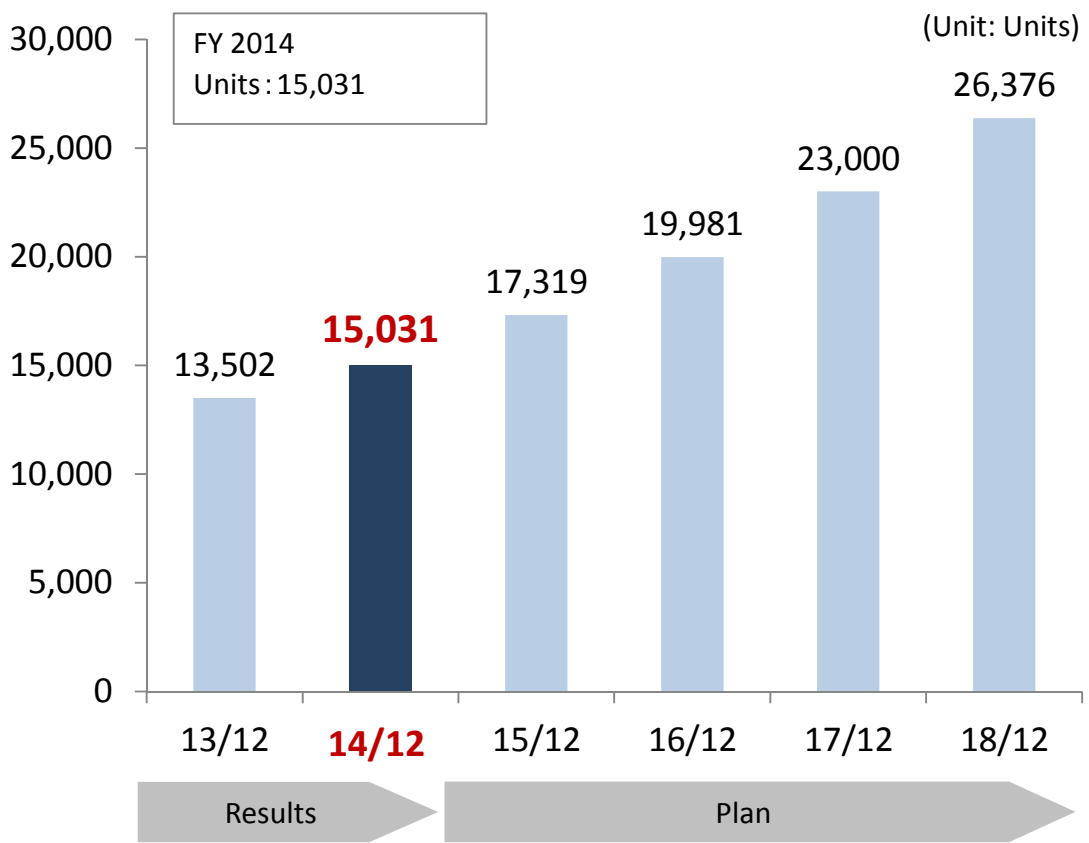
Company In-Charge

Shinoken Facilities

Stock Businesses: Property Management Business

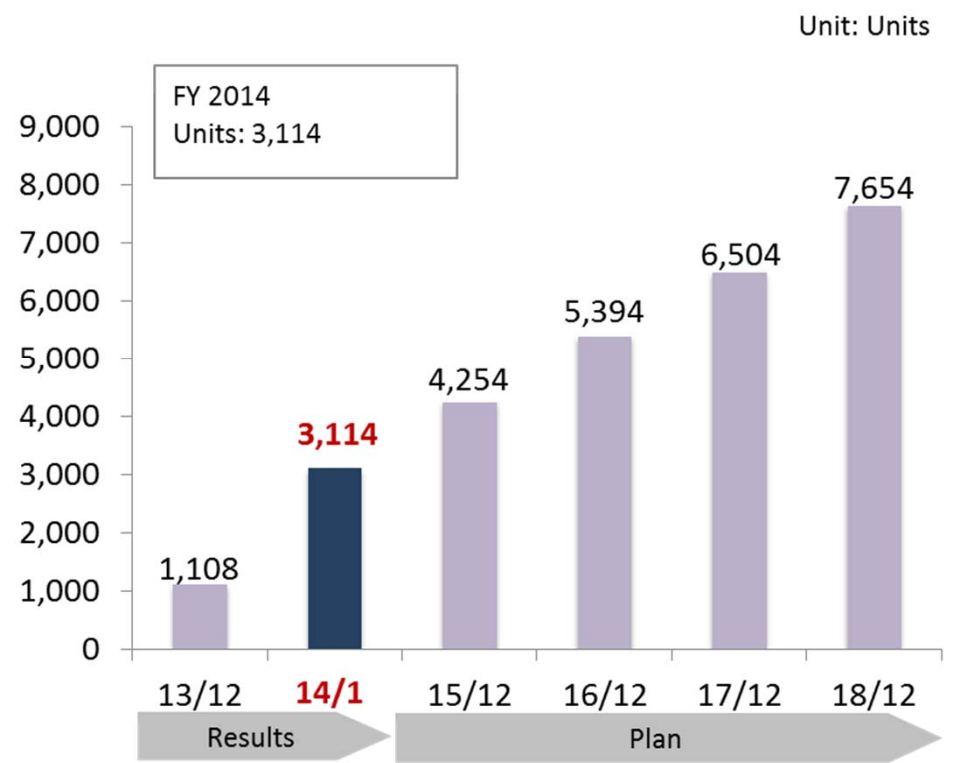
- The number of managed building units is steadily increasing
- Business related to the management of condominiums has been developed in both Tokyo and Nagoya

Transition in Property Management



Company In-Charge: Shinoken Facilities

Transition in Condominium Management



Companies In-Charge: Shinoken Amenity, Amenity Service, Mansion Life

Stock Businesses: Finance and Guarantee Business (Finance)

- We've developed a product that is the first of its kind in Japan that deals with solitary deaths of residents that are left long undiscovered (the insurance is purchased by the owner of the building). We also provide a first in the form of small-amount/short-term insurance that assists in dealing with stalkers that we've begun selling as of July 2014.

Insurance Services Found Nowhere Else!

Solitary Death Insurance
For Owners

This is insurance that will pay for things like repairs and cleaning of stains/soiled interiors in order to return the room to its original state.

Stalker Expense Insurance
For Residents

This insurance pays for expenses that one requires when they are being stalked, such as expenses like cameras (to provide proof) and lawyer fees etc.

Home Helper Expense Insurance
For Residents

This insurance helps pay for home helpers to come and assist in completing household tasks in the event that the individual usually doing it cannot due to an accident etc.

Pet Expense Insurance
For Residents

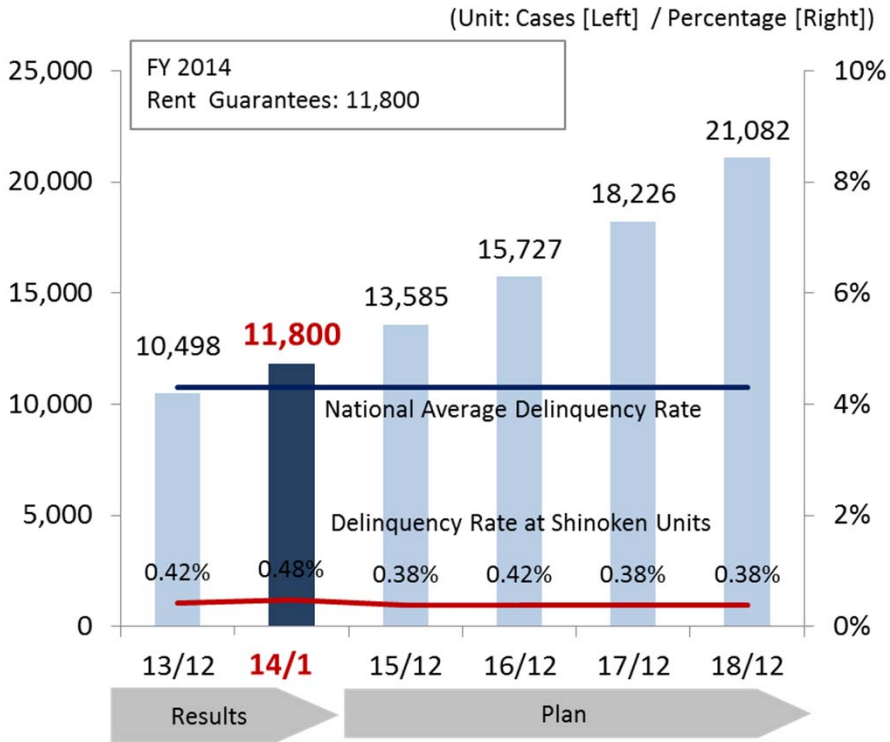
This insurance pays for expenses such as pet hotels in the event that an owner is in the hospital temporarily or other expenses related to the death or injury of a pet.

Company In-Charge JICC

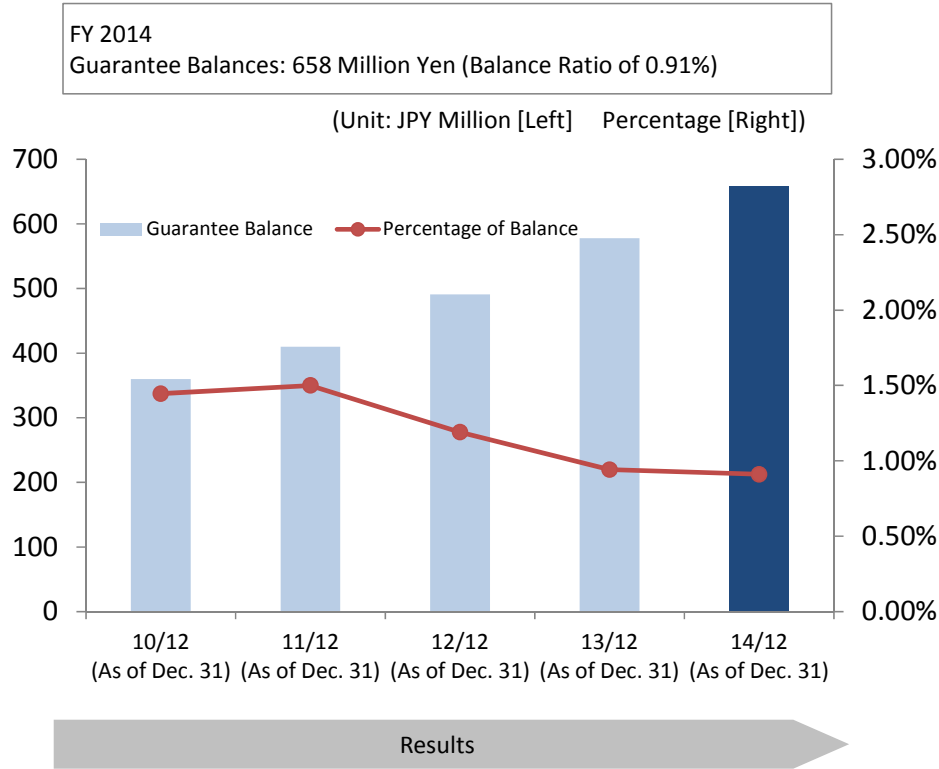
Stock Businesses: Finance and Guarantee Business (Guarantee)

- Guarantee for arrears of rent means guarantee of rent payment and targeting tenants who are behind on their rent.
- The number of customers for the guarantee has been stably increased with the increasing in the number of property management services

Transition of Rent Guarantees and Cases of Delinquency



Transition of Guarantee Balances and Ratio of Delinquent Amounts



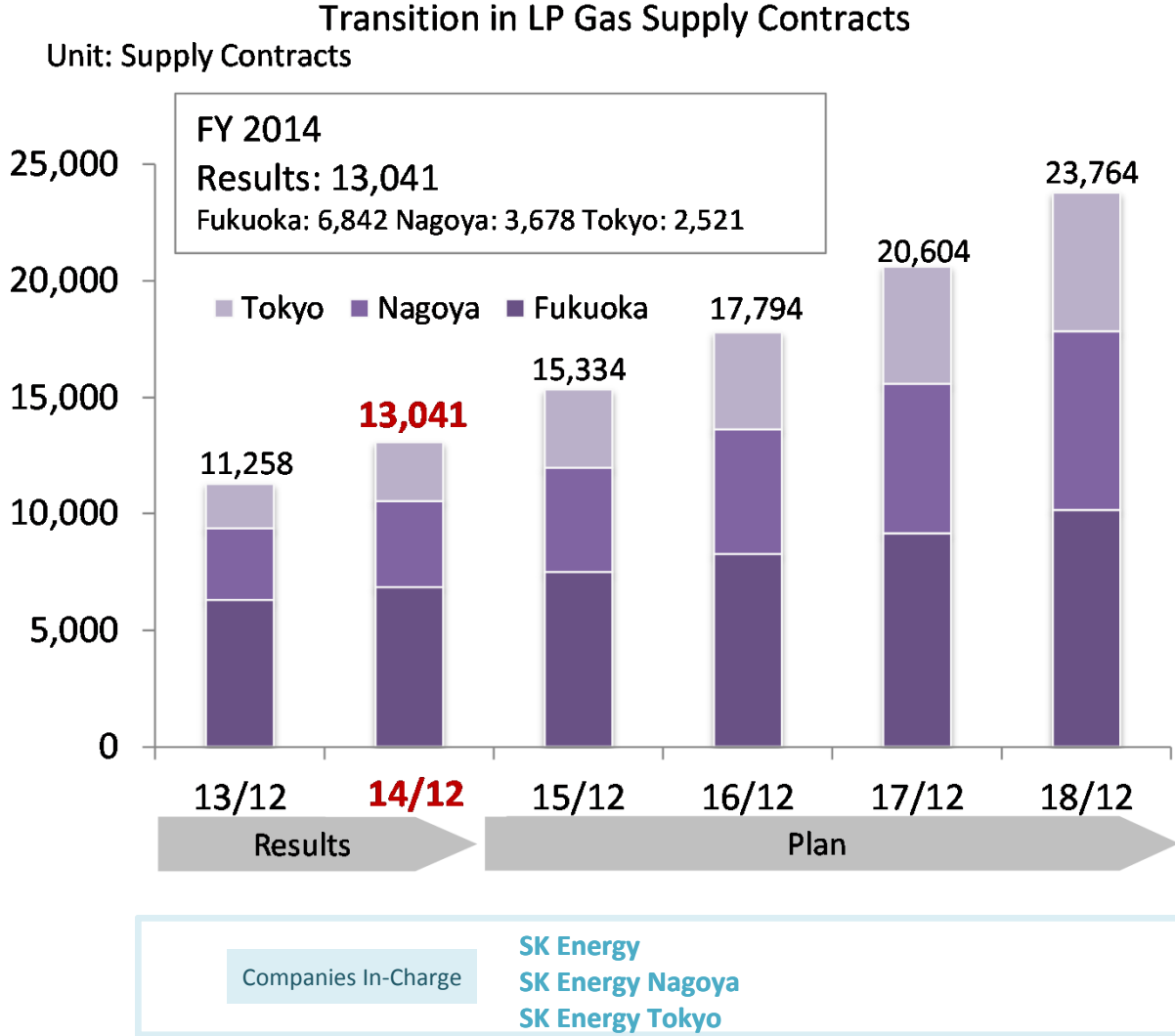
Source: Japan Property Management Association, "Nikkankyotankan" (First Half of 2014)

Company In-Charge

Shinoken Communications

Stock Businesses: LP Gas Supply Business

- The group supplies LP gas to the properties it sells; this results a stock business that grows steadily
- This business is being developed in 3 regions: Fukuoka, Tokyo and Nagoya



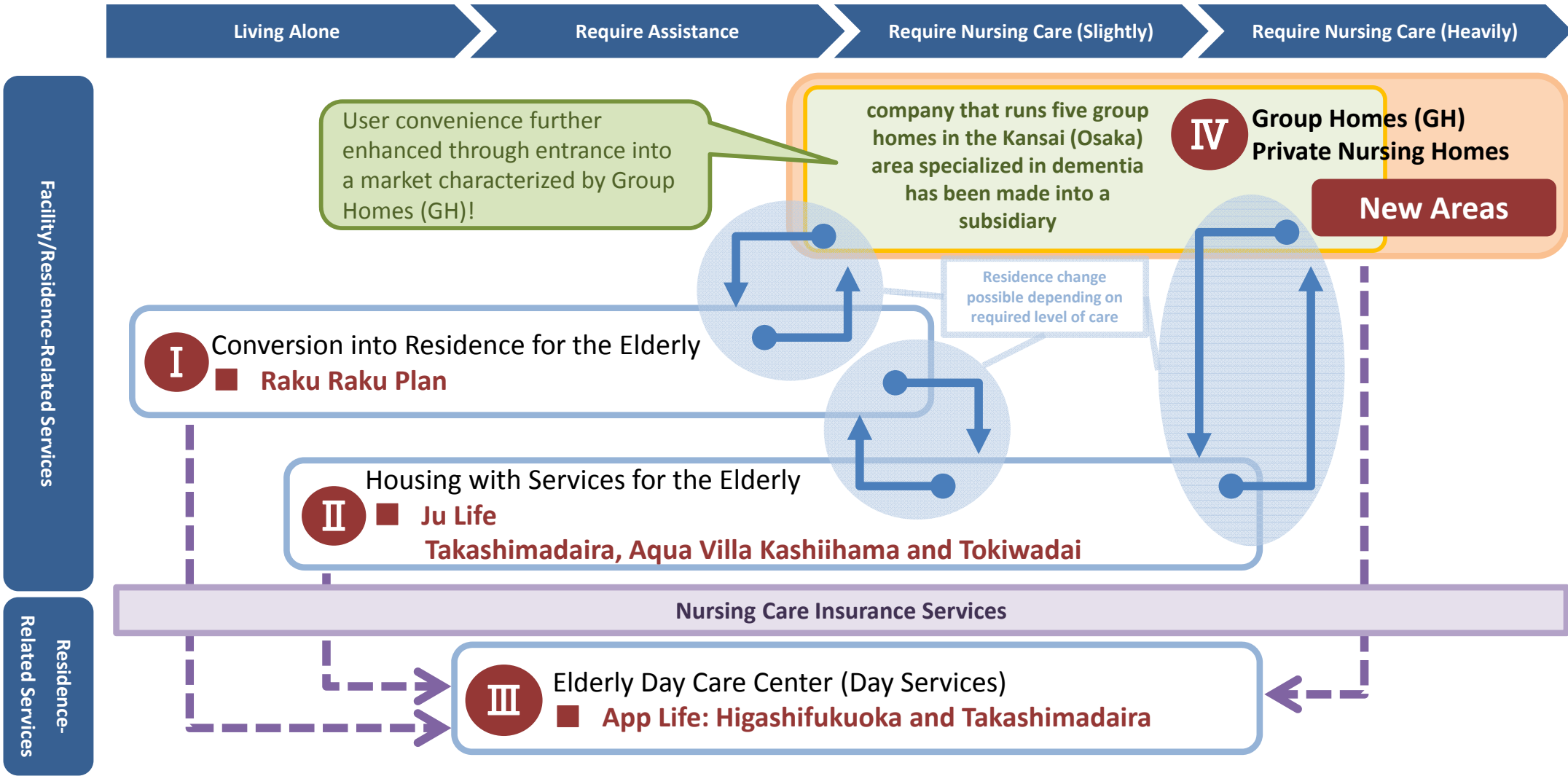
Long-Term Care Business: Transition of Long-Term Care

- A variety of living environments for the elderly are provided that help in assisting them at whatever their stage may be.
- Business areas have been expanded with the running of Housing with Services for the Elderly and the conversion of rooms for their care (in an already existing market).
- The acquiring of a subsidiary (company that runs group homes which specialize in residents with dementia) at the end of February 2015 will result in a strengthening of areas related to medical-related business going forward.



Long-Term Care Business: Business Strategy for the Future

- We've made it possible to provide services in all areas through our entering into the running of Group Homes and other facilities that provide a high level of care that the elderly require.
- Further increased convenience for users as it's easy to use the various facilities and move around.



Long-Term Care Business: Raku Raku Plan

- The Raku Raku Plan is a new system in which existing rental condominiums and apartments are converted into buildings for the elderly.
- We've increased the merits of running a building for owners by improving occupancy rates through having elderly tenants move in.

Raku Raku Plan is a package plan characterized by the renovation of buildings (even just one residence) into a residence for the elderly. This resulted in the winning of the Good Design Award in 2013.



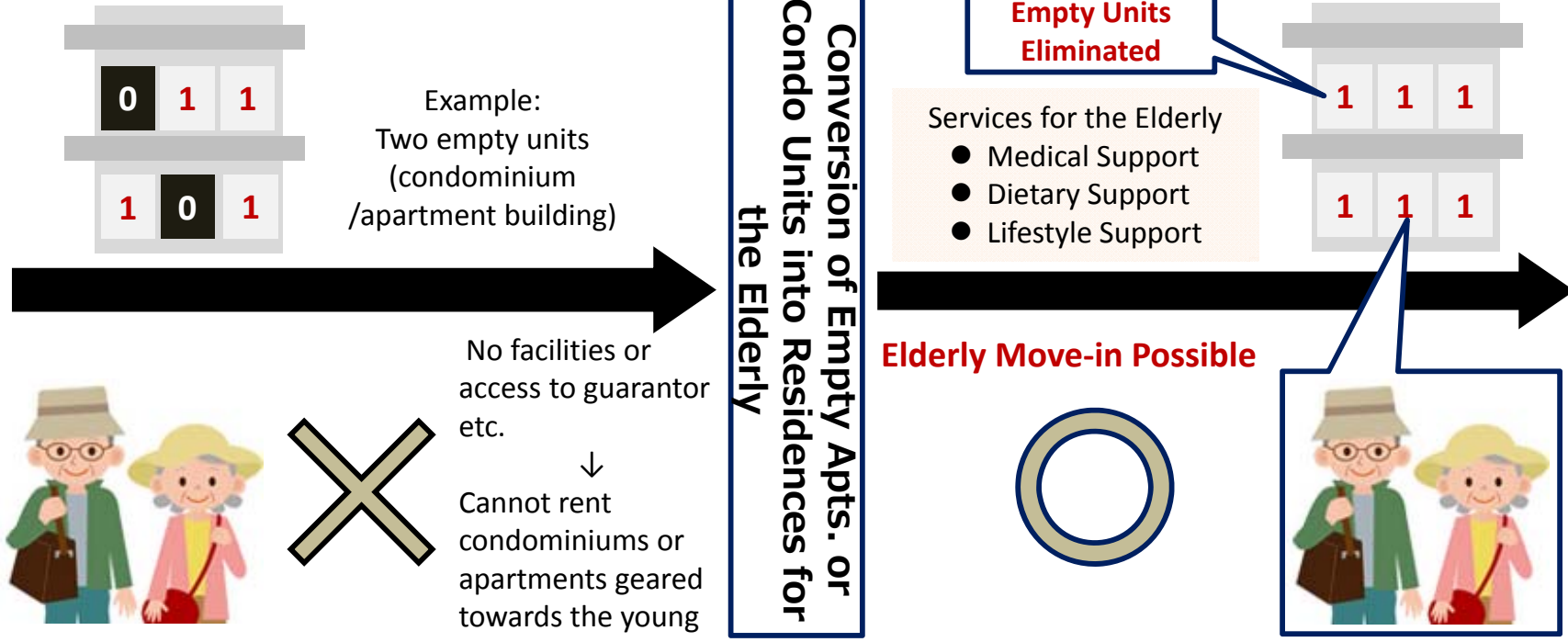
**GOOD DESIGN
AWARD 2013**



Raku Raku Plan Services Content

- Basic Content**
- Easy and safe mobile phone support (24h emergency services)
 - No deposit, key money or guarantor needed
 - Daily convenience services
- Optional Services**
- 365 day/year nutritional management services
 - Nursing care facility installation and nursing insurance use (visiting care etc.)
 - Welfare and daily usage item rental services
 - Linkage with medical facilities

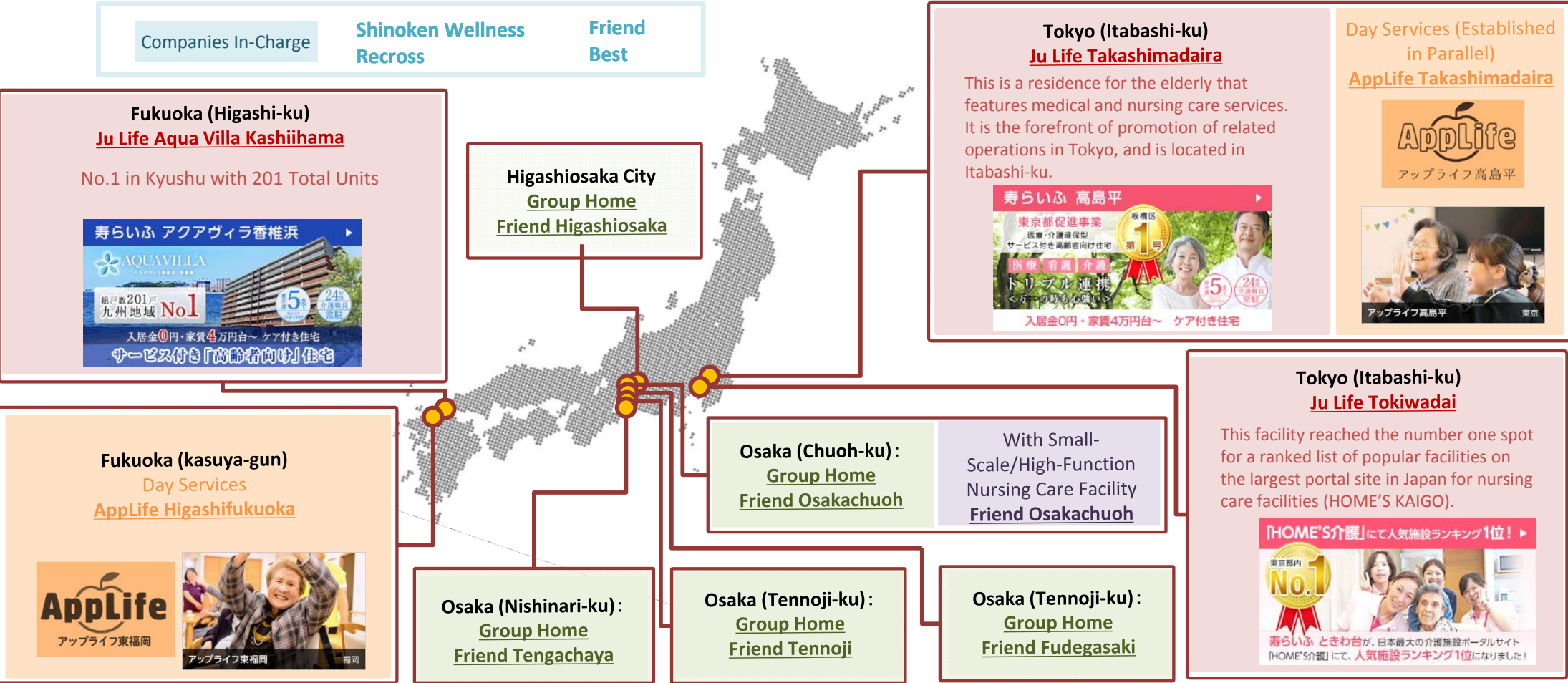
Raku Raku Plan Overview



Long-Term Care Business: Direct Admin. of Group Houses/Elderly Residences

- Running Housing with Services for the Elderly in three areas in Tokyo and Fukuoka: Tokiwadai, Takashimadaira and Kashiihama
- Running five group homes in Osaka: Higashiosaka, Osakachuoh, Tenkachaya, Tennoji and Fudegasaki
- GHs and serviced residences all have their own facilities. Services are enhanced via linkage with nursing care providers.

Directly-Run Facilities (3 Housing with Services for the Elderly and 5 Group Homes)



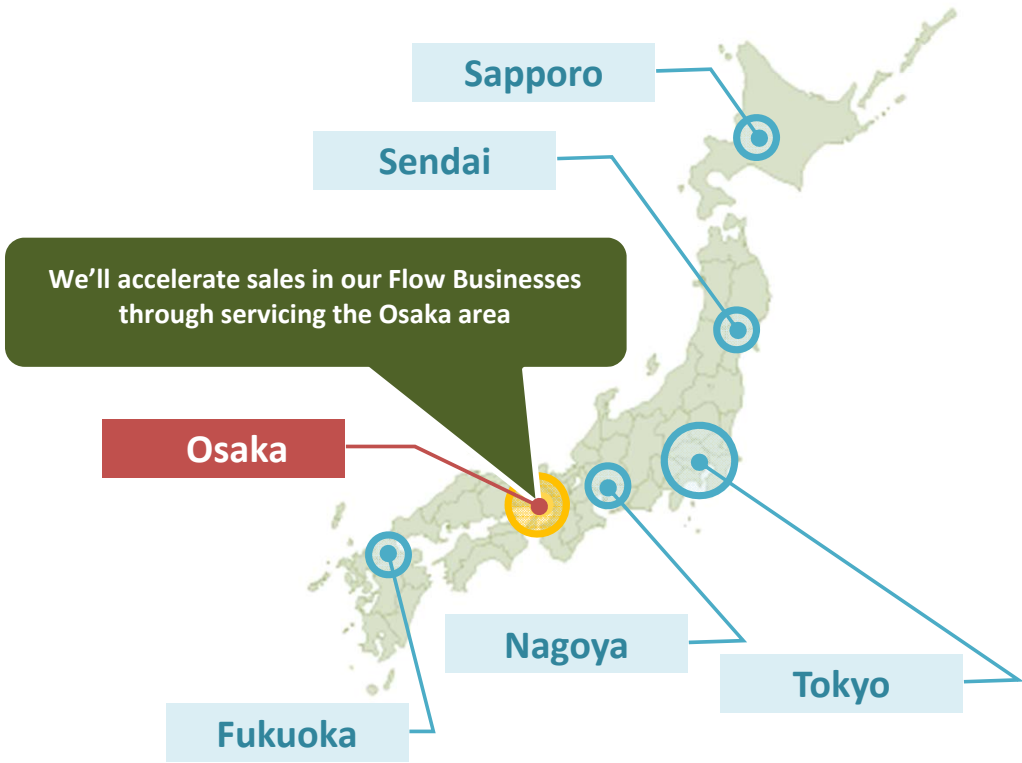
4. Growth Strategy

Recent Topics: Opening of Osaka Office in Q4 2014

- In response to increasing demand from building owners, we opened an office in Osaka in December of 2014.
- This office uses the Sales of Apartment Business as a gateway to servicing clients in the region surrounding Osaka.

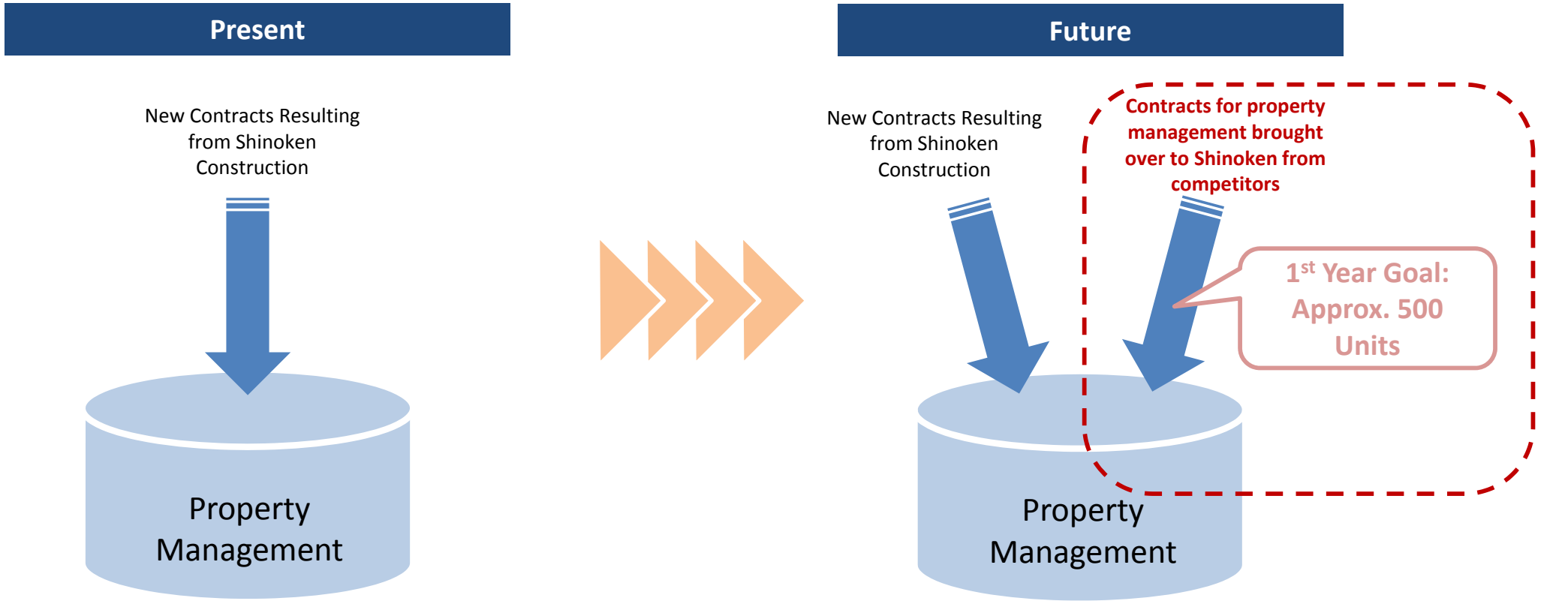
By expanding our service area to Osaka we've further strengthened our business base!

- Sales plan for the first year (Sales of Apartment)
 - Sales Objective: 30 Buildings
 - (Sales Figure Objective: 2,500 million yen)
- Contribute to the acquiring of revenue in Stock Businesses going forward with the commencement of the Sales of Apartment Business in the area.



Recent Topics: Expansion of Contracted Property Management in Q4 FY2014

- As of December 2014, commenced the contracted property management from other companies.
- The applicable areas include Sapporo, Fukuoka, Osaka, Nagoya, Sendai as well as Tokyo.

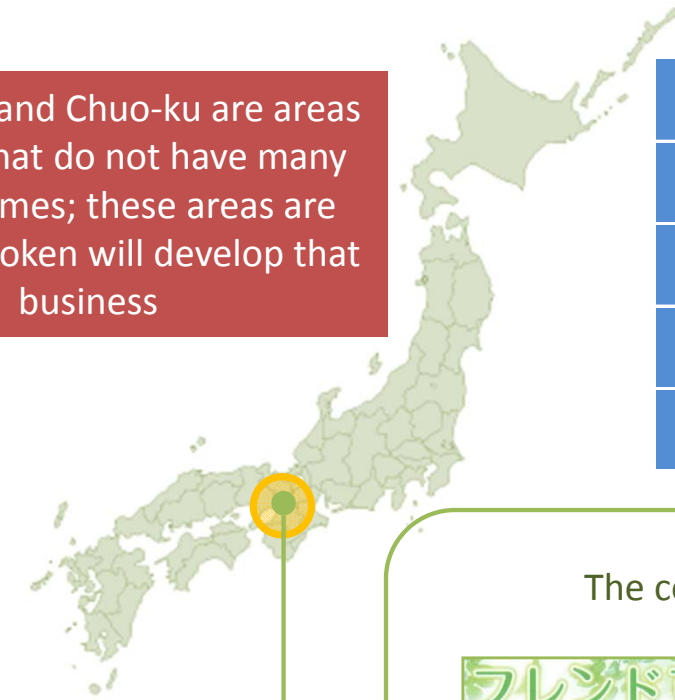


In addition to new contracts, contracts moved over from old companies will constitute a new source of revenue for our Stock Businesses

Recent Topics: Entrance into the GH (Group Home) Business in Q1 FY 2015

- Shinoken has acquired two companies as of February 2015 and made them subsidiaries. These companies run Group Homes in the Kansai (Osaka) area.
- While acquiring the know-how needed to deal with individuals with dementia, Shinoken has also been able to expand the options available to clients for nursing care services, thus improving upon services rendered to the Shinoken clientele.
- In addition to Tokyo and Fukuoka, the Kansai (Osaka) region has been added to the Shinoken lineup for an expanded service area.

Tennoji-ku and Chuo-ku are areas in Osaka that do not have many Group Homes; these areas are where Shinoken will develop that business



Company	Friend Co., Ltd.
HQ	15-11 Mihara-cho (Tennoji-ku, Osaka-shi)
Business	Group Home Facility Management
Capital	3,000,000 Yen
Established	August 10, 2000

Company	Best Co., Ltd.
HQ	3-20 Fudegasaki-cho (Tennoji-ku, Osaka-shi)
Business	Nursing Care Services
Capital	3,000,000 Yen
Established	July 12, 2002

The companies run five Group Homes in Kansai primarily within Osaka City

フレンド東大阪
Friend Higashiosaka

フレンド大阪中央
Friend Osakachuoh

フレンド天下茶屋
Friend Tengachaya

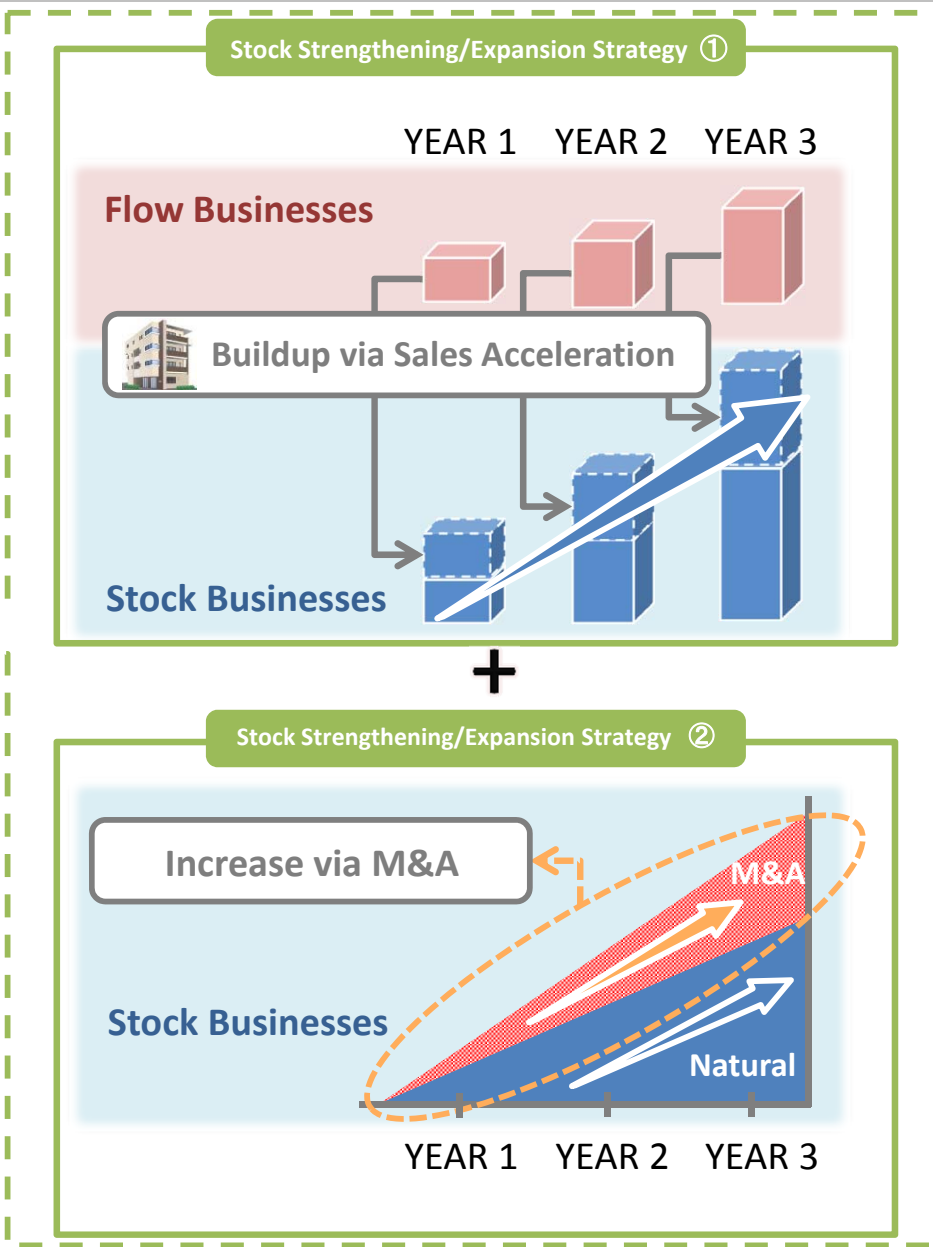
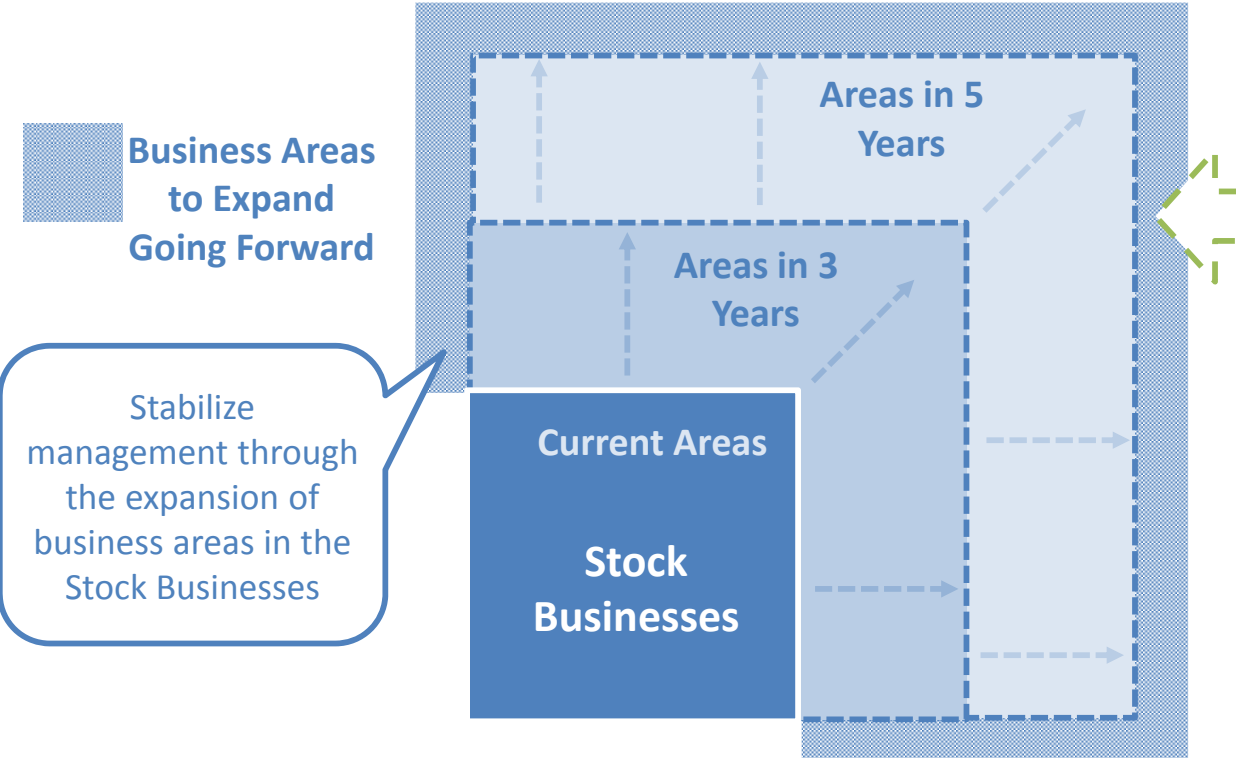
フレンド天王寺
Friend Tennoji

フレンド筆ヶ崎
Friend Fudegasaki

Growth Strategy

- Strengthen the Stock Businesses through the acceleration of sales in the Flow Businesses.
- Further expand areas of business through pro-active acquisitions (M&A) of companies that provide Stock Business services.

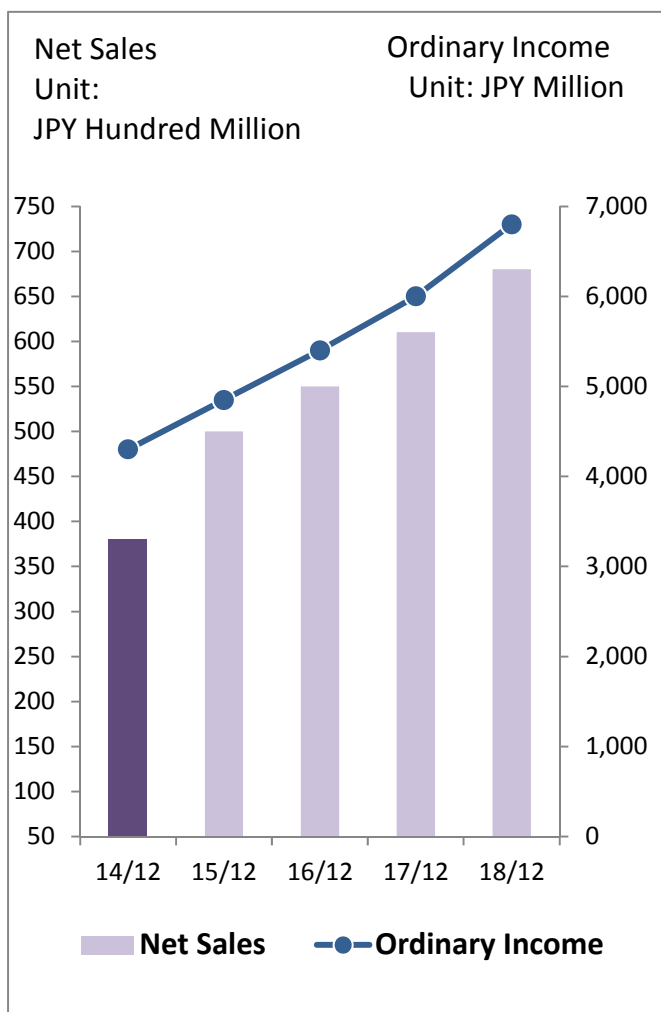
Conceptualization of the Expansion of Business Areas in the Stock Businesses as a Growth Strategy



Mid-Term Plan

- FY 2015: Dividends planned are 12.50 yen per share (FY 2014: 7.50 yen per share*)

*The above dividend figures have been shown to reflect the actual price had the 2015 stock split also taken place in previous years.



Mid-Term Plan

Item	Results	Plan				Unit: JPY Million
	FY 2014 Result	FY 2015 Plan	FY 2016 Plan	FY 2017 Plan	FY 2018 Plan	
Net Sales	39,724	50,000	55,000	61,000	68,000	
Operating Income	4,740	5,200	5,700	6,400	7,200	
Ordinary Income	4,302	4,850	5,400	6,000	6,800	
Period Net Profit	2,886	3,300	3,600	4,100	4,600	
Net Assets	8,001	11,301	14,901	19,001	23,601	
EPS	¥170.79	¥202.59	¥221.00	¥251.71	¥282.40	

Sales Objective for the Mid-Term Plan

Item	Results	Plan			
	FY 2014 Result	FY 2015 Plan	FY 2016 Plan	FY 2017 Plan	FY 2018 Plan
Apartment Buildings Sales	171	300	360	420	480
Condominium Units Sales	528	530	530	530	530

FY 2014 Company Overview

Thank You For Your Attention



5. Supporting Materials

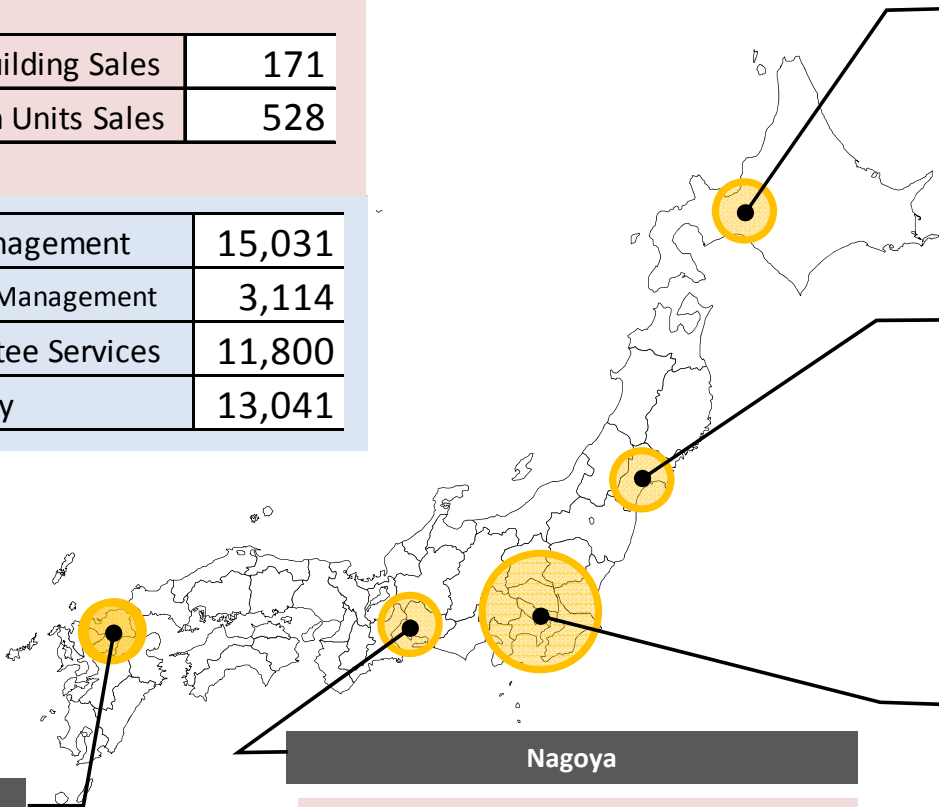
Supporting Materials: Overview of Sales Track Record

■ **Flow Businesses Total**
(FY 2014 only)

Apartment Building Sales	171
Condominium Units Sales	528

■ **Stock Businesses Total**
(as of December 31st 2014)

Property Management	15,031
Condominium Management	3,114
Rent Guarantee Services	11,800
LP Gas Supply	13,041



Fukuoka

Apartment Building Sales	58
Property Management	5,416
Rent Guarantee Services	4,888
LP Gas Supply	6,842

Nagoya

Apartment Building Sales	65
Property Management	3,334
Condominium Management	843
Rent Guarantee Services	2,769
LP Gas Supply	3,678

Sapporo

Property Management	509
Rent Guarantee Services	387

Sendai

Apartment Building Sales	13
Property Management	1,004
Rent Guarantee Services	949

Tokyo

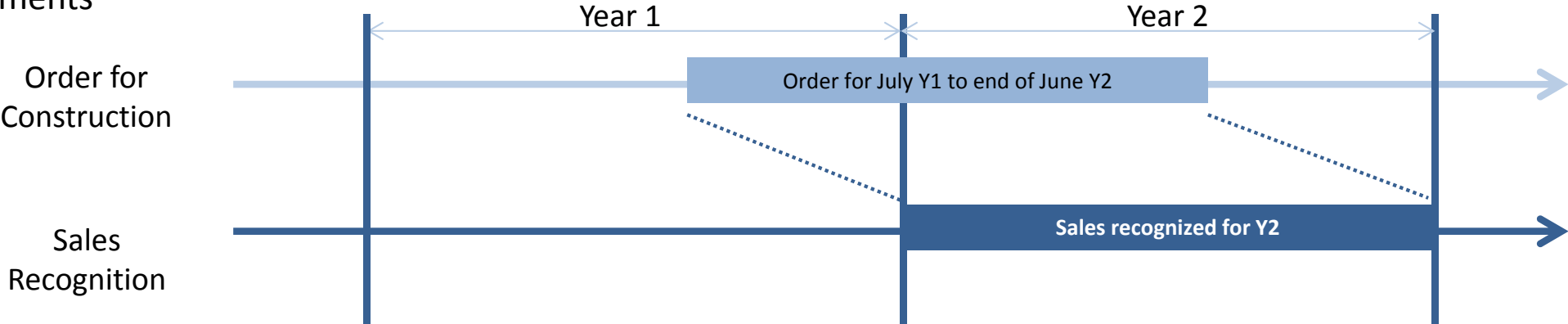
Apartment Building Sales	35
Condominium Units Sales	528
Property Management	4,768
Condominium Management	2,271
Rent Guarantee Services	2,807
LP Gas Supply	2,521

*The figures shown are for the actual number of apartment buildings and condominium units after being transferred to the purchasing party.

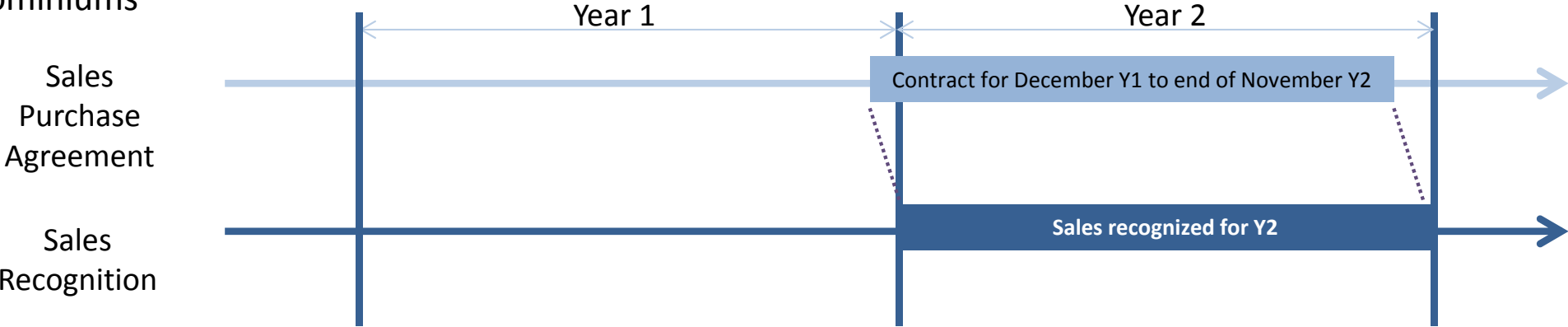
Supporting Materials: Sales Recognition for Flow Businesses

- There is a time lag in terms of the time it takes before monies received by Shinoken for a transaction is recognized as revenue.
- In the case of apartments the time frame is **six months** (due to construction taking place after the order). For condominiums the time frame is only **one month**.

Apartments



Condominiums



Supporting Materials: Three Pillars of Sales - Sales of Condominium Business

- Sales and planning for condominiums carried out that focus only on cities where there are lots of single-person households.
- The condominium sales concept is based on the three pillars shown below.

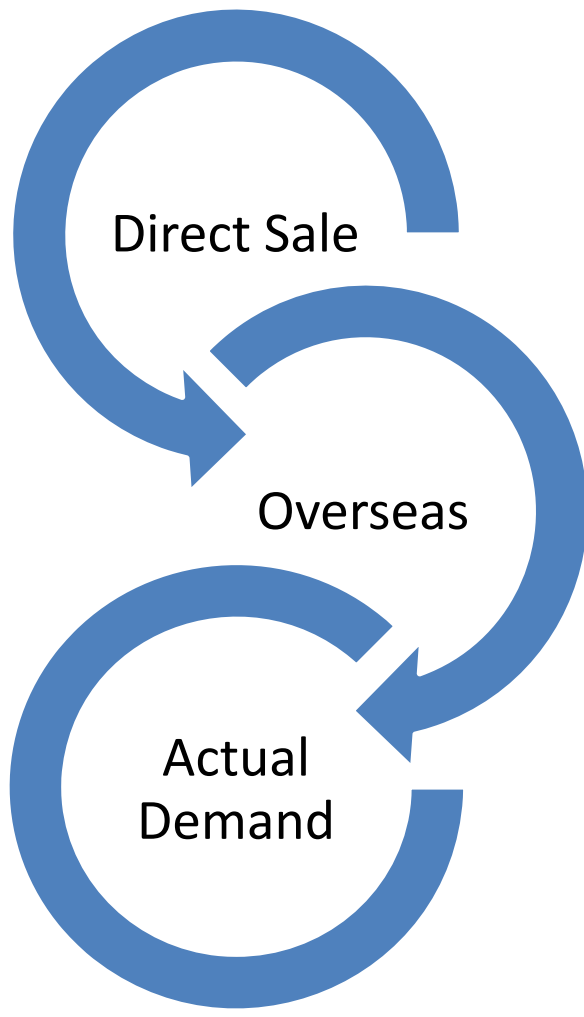
Direct Sale

- Direct sale to the end-user
- Increased sales resulting from strengthened sales capabilities

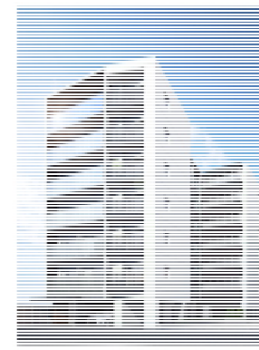


Actual Demand

- Sales of residential properties from 30 to 50 square meters
- Strengthening of sales via establishment of a specialized sales force



Condominium Sales Concept



Overseas

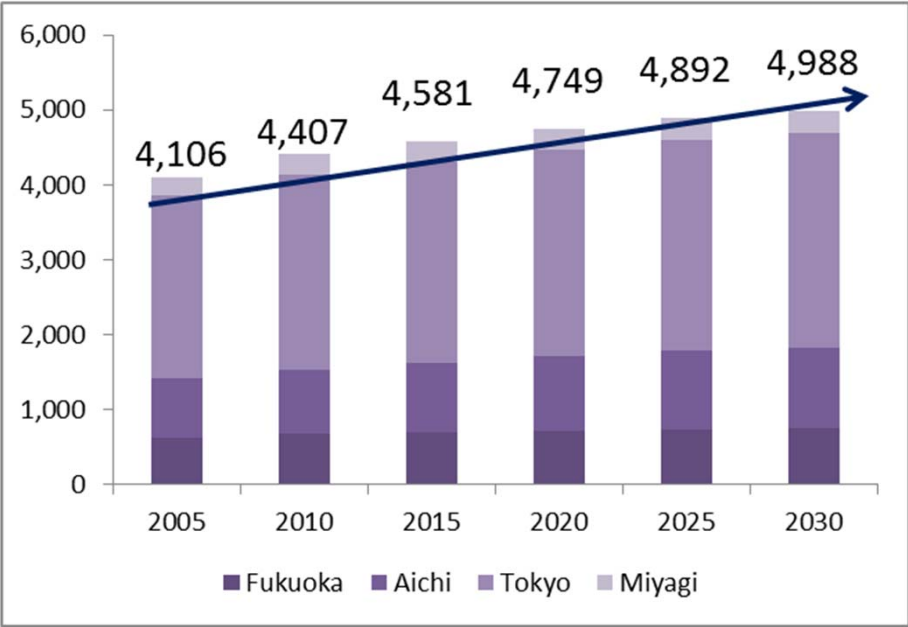
- Sales directed at investors in Asia, particularly Taiwan and China.
- Increase in real-estate investment in Japanese properties due to the weakened yen



Supporting Materials: Business Environment for Real-Estate Sales Business

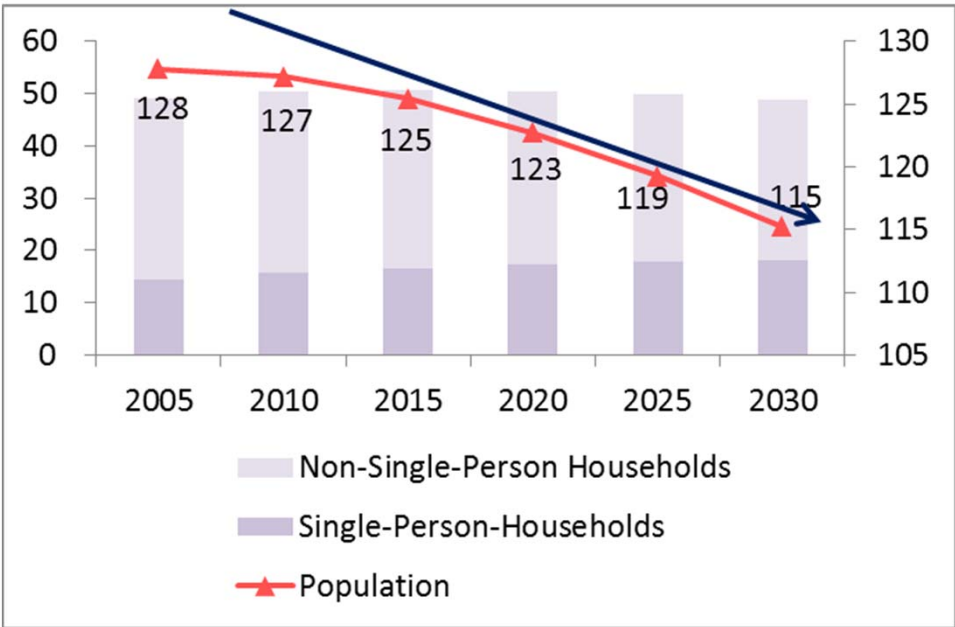
- Single-person households tend to increase in the 4 cities which Shinoken provides sales of real estate.
- It is continuously expected to have stable occupancy rate, as single-person households which Shinoken targets tend to increase, despite total population is decreasing.
- Increasing single-person households is positive factor for decision making of real estate investments.

Transition in Single-Person-Households
(The Main Target of Shinoken Sales)
(Unit: 1000 Housing Units)



Source: National Institute of Population and Social Security Research

Transition in Population and Single-Person-Households
(National Total)
(Unit: 1 Million Housing Units) (Unit: 1 Million People)

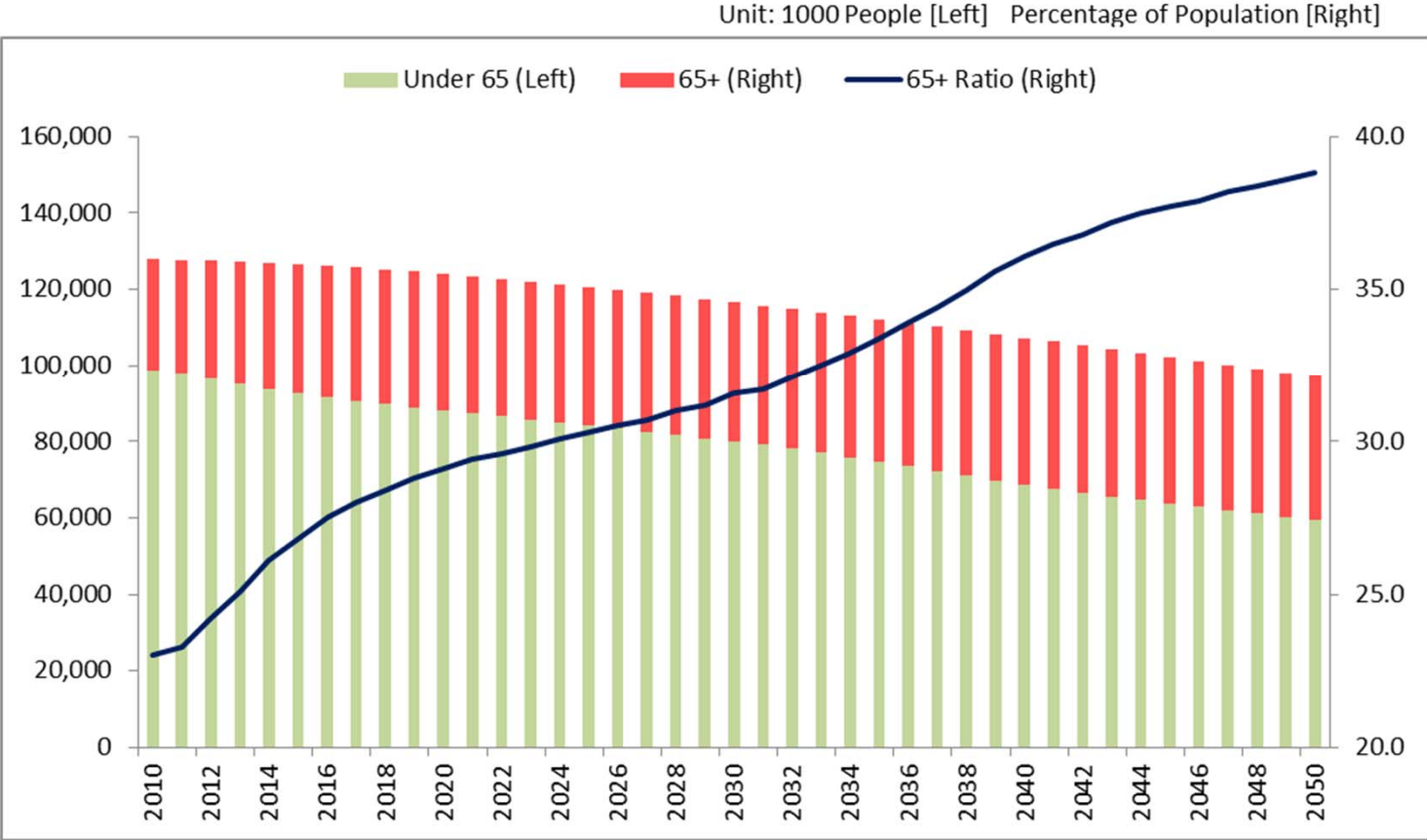


Source: National Institute of Population and Social Security Research

Supporting Materials: Business Environment for Nursing Care-Related Business

- The population of people over 65 in Japan is projected to rise to 38,782,000 by 2042 and decrease thereafter.
- The ratio of elderly in Japan will continue every year from 2010 to 2050 with the number reaching 38.8% by 2050.

Projections for Transitions in the Population Ratio of the Elderly (65+) in Japan



Source: National Institute for Population and Social Security Research, "Population Projections for Japan" (April 2012) and "Projections for Birth Medium Estimate (Death Medium Estimate)"

6. Inquiries

About This Document

This document includes estimations that are based on presumptions, forecasts and plans concerning the future of Shinoken business using March 2015 as the date of reference. Thus, actual business results may greatly differ from any estimations contained herein due to a variety of unforeseen reasons and circumstances such as economic trends and the changing states of business environments.

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