

June 8, 2015

Notice of Revisions to Business Forecasts

In view of recent trends in operating results, Shinoken Group Co., Ltd. revised its forecasts for the cumulative second quarter and full-year of the fiscal year ending December 31, 2015 as follows. These forecasts replace the forecasts that were announced on February 16, 2015.

1. Revisions to consolidated business forecasts

(1) Consolidated business forecasts for the cumulative second quarter of the fiscal year ending December 2015

(January 1, 2015 to June 30, 2015)

(Million yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecasts (A)	26,000	2,900	2,700	1,900	116.75
Revised forecasts (B)	28,000	3,700	3,600	2,500	153.23
Increase/decrease (B-A)	2,000	800	900	600	-
Percentage change (%)	7.6	27.5	33.3	31.5	-
(Ref.) Previous results (2Q of the year ended Dec. 2014)	20,254	2,792	2,612	1,650	101.34

(2) Consolidated business forecasts for the fiscal year ending December 2015

(January 1, 2015 to December 31, 2015)

(Million yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecasts (A)	50,000	5,200	4,850	3,300	202.77
Revised forecasts (B)	52,000	5,800	5,500	3,700	225.38
Increase/decrease (B-A)	2,000	600	650	400	-
Percentage change (%)	4.0	11.5	13.4	12.1	-
(Ref.) Previous results (Year ended Dec. 2014)	39,724	4,740	4,302	2,886	177.23

(Note) The company conducted a 2-for-1 stock split effective January 1, 2015. Net income per share for the fiscal year ended December 2014 is calculated based on the number of shares before the stock split.

2. Reasons for revisions

Consolidated business forecasts for the cumulative second quarter of the fiscal year ending December 2015 are expected to exceed the previous forecasts. One reason is that sales business of apartment and condominiums and general contractor business with variable revenue stream, the number of delivered of properties are making a good progress more than expectation. Another reason is that real estate rental management business, financial and guarantee-related business, nursing care-related business and other businesses with steady revenue stream are also showing favorable results.

Consolidated full-year forecasts are estimation based on the review of current statuses of orders and contracts for apartment buildings, condominiums and general contractor business, and progress of construction works.

(Note) Above forecasts are based on information available at the time this report was prepared. Actual results may differ from the forecasts due to various factors.