

# **F A C T   B O O K**

Fiscal Year Ended December 31,2010

**Shoei Co., Ltd.**

---

## Contents

---

1. Consolidated Statements of Income
2. Consolidated Statements of Cash Flows
3. Segment Information
4. Key Management Indices
5. Real Estate Related Indices
6. Marketable Securities Investment Business Related Indices
7. Article List
8. Investment Securities (Stocks) List

# 1. Consolidated Statements of Income

(Million)

	2006/12	2007/12	2008/12	2009/12	2010/12
Net sales	24,256	33,051	26,504	15,610	13,979
Cost of sales	14,373	21,123	14,456	9,361	7,322
Gross profit	9,883	11,927	12,048	6,248	6,656
Selling, general and administrative expenses	2,338	1,852	1,449	1,246	1,038
Operating income	7,544	10,075	10,598	5,002	5,618
Non-operating income					
Interest income	7	33	28	12	6
Dividends income	2	2	2	2	0
Gain on investment of securities	3,027	1,417	645	1,084	521
Other	105	339	176	227	100
Non-operating income	3,142	1,793	852	1,326	628
Non-operating expenses					
Interest expenses	1,839	2,352	3,140	3,690	2,852
Borrowing fees	-	-	954	-	-
Amortization of business startup costs	573	-	-	-	-
Other	160	140	186	344	176
Non-operating expenses	2,573	2,493	4,281	4,034	3,029
Ordinary income	8,113	9,375	7,169	2,293	3,218
Extraordinary income					
Gain on sales of noncurrent assets	553	2,745	102	964	-
Gain on sales of investment securities	5	62	9,515	-	1,905
Gain on investments in silent partnership	-	-	-	-	2,900
Gain on sale of consolidated subsidiary	-	775	-	-	-
Gain on bond retirement	-	-	-	394	-
Other, net	27	31	216	78	106
Extraordinary income	585	3,615	9,833	1,437	4,913
Extraordinary loss					
Loss on sales of noncurrent assets	-	4	0	0	48
Loss on retirement of noncurrent assets	10	0	18	0	2
Loss on valuation of investment securities	-	1,854	13,913	1,033	604
Loss on valuation of real estate investment securities	-	-	-	-	1,150
Directors' retirement expenses	1	-	0	-	-
Impairment loss	69	-	-	14,130	970
Other, net	46	72	58	870	316
Extraordinary loss	128	1,932	13,991	16,034	3,093
Income (loss) before income taxes	8,571	11,058	3,012	-12,303	5,037
Income taxes-current	3,038	4,347	2,114	62	4
Income taxes-deferred	-50	8	-1,041	-5,293	3,063
Income taxes	2,988	4,355	1,073	-5,230	3,067
Minority interests in earnings (losses) of consolidated subsidiaries	2	0	-	-	-
Net income (loss)	5,580	6,703	1,938	-7,072	1,970

(¥ million, rounded down)

## 2. Consolidated Statements of Cash Flows

(Million)

	2006/12	2007/12	2008/12	2009/12	2010/12
Net cash provided by (used in) operating activities					
Income (loss) before income taxes	8,571	11,058	3,012	-12,303	5,037
Depreciation and amortization	2,707	2,879	3,302	3,734	2,748
Impairment loss	69	-	-	14,130	970
Interest and dividends income	-1,289	-1,533	-1,880	-1,471	-1,442
Interest expenses	1,839	2,352	3,140	3,690	2,852
Gain on sales of investment securities	-5	-62	-9,515	-	-1,905
Loss (gain) on securities operation	-3,027	-1,417	-645	-1,084	-521
Gain on investments in silent partnership	-	-	-	-	-2,900
Loss on retirement of noncurrent assets	10	0	18	0	2
Loss (gain) on sales of noncurrent assets	-553	-2,740	-101	-963	48
Loss (gain) on valuation of investment securities	-	1,854	13,913	1,033	604
Loss on valuation of real estate investment securities	-	-	-	-	1,150
Gain on bond retirement	-	-	-	-394	-
Decrease (increase) in inventories	2,053	1,383	5,419	47	1
Other, net	-32	-971	-1,903	-1,007	-1,842
Income taxes paid	-3,820	-3,863	-4,418	-274	-442
<b>Net cash provided by (used in) operating activities</b>	<b>6,523</b>	<b>8,938</b>	<b>10,341</b>	<b>5,136</b>	<b>4,361</b>
Net cash provided by (used in) investing activities					
Proceeds from sales of property, plant and equipment	2,153	3,172	105	4,124	28,347
Purchase of property, plant and equipment	-18,076	-35,276	-40,878	-3,762	-4,117
Proceeds from sales of investment securities	19,102	27,928	47,546	29,991	16,110
Purchase of investment securities	-26,761	-29,505	-49,811	-24,535	-16,506
Proceeds from sales of intangible assets	-	0	-	6	-
Purchase of intangible assets	-260	-1,424	-882	-22	-2
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	1,978	-	-	2,542
Decrease (increase) in investments in capital	0	-11	5	11	-1
Proceeds from sales of real estate investment securities	-	-	-	-	2,137
Proceeds from redemption of real estate investment securities	4,074	6,111	1,764	454	1,756
Proceeds from share of real estate investment securities	-	-	-	-	2,900
Payments for real estate investment securities	-7,516	-6,480	-7,684	-274	-3,476
Proceeds from option premiums	1,944	1,420	2,796	2,381	484
Proceeds from hedging transactions	-	-	21,212	-	-
Payments for hedging transactions	-11,217	-1,381	-	-8,156	-4,425
Other, net	7	166	-531	-143	-60
<b>Net cash provided by (used in) investing activities</b>	<b>-36,550</b>	<b>-33,302</b>	<b>-26,357</b>	<b>75</b>	<b>25,689</b>
Net cash provided by (used in) financing activities					
Proceeds from issuance of bonds	-	-	1,000	-	-
Redemption of bonds	-	-	-1,993	-7,833	-1,000
Net increase (decrease) in short-term loans payable	-5,160	6,700	3,400	2,388	-5,988
Proceeds from long-term loans payable	26,261	33,580	61,437	12,440	37,182
Repayment of long-term loans payable	-9,412	-15,596	-26,338	-15,377	-61,358
Increase decrease in long term deposits received	11,676	5,600	-17,279	8,441	-4,025
Cash dividends paid	-1,507	-1,472	-1,804	-1,202	-200
Other, net	-2,025	-1,830	-875	-377	-943
<b>Net cash provided by (used in) financing activities</b>	<b>19,832</b>	<b>26,980</b>	<b>17,546</b>	<b>-1,520</b>	<b>-36,333</b>
<b>Cash and cash equivalents</b>	<b>10,364</b>	<b>12,981</b>	<b>14,331</b>	<b>18,022</b>	<b>11,738</b>

### 3. Segment Information

(Million)

		2006/12	2007/12	2008/12	2009/12	2010/12
Net sales	Real Estate	18,465	29,119	22,146	11,707	11,347
	Marketable Securities Investment	1,181	1,498	1,850	1,455	1,404
	Other	4,610	2,433	2,508	2,447	1,226
	<b>Total</b>	<b>24,256</b>	<b>33,051</b>	<b>26,504</b>	<b>15,610</b>	<b>13,979</b>
Operating income	Real Estate	7,212	9,497	9,452	4,430	4,953
	Marketable Securities Investment	1,166	1,477	1,828	1,126	1,365
	Other	180	171	323	373	167
	Elimination or corporate	-1,015	-1,070	-1,006	-928	-867
	<b>Total</b>	<b>7,544</b>	<b>10,075</b>	<b>10,598</b>	<b>5,002</b>	<b>5,618</b>

Identifiable assets	Real Estate	131,885	164,216	204,703	185,317	151,664
	Marketable Securities Investment	106,408	83,579	48,649	52,513	56,340
	Other	8,666	6,217	5,388	4,883	-
	Elimination or corporate	6,383	14,475	13,142	13,537	13,743
	<b>Total</b>	<b>253,345</b>	<b>268,488</b>	<b>271,884</b>	<b>256,251</b>	<b>221,748</b>
Depreciation costs	Real Estate	2,416	2,662	3,110	3,554	2,641
	Marketable Securities Investment	-	-	-	-	-
	Other	245	170	147	140	73
	Elimination or corporate	46	46	44	40	33
	<b>Total</b>	<b>2,707</b>	<b>2,879</b>	<b>3,302</b>	<b>3,734</b>	<b>2,748</b>
Capital expenditures	Real Estate	17,981	36,471	41,795	3,560	4,071
	Marketable Securities Investment	-	-	-	-	-
	Other	280	188	115	49	73
	Elimination or corporate	20	32	20	14	14
	<b>Total</b>	<b>18,282</b>	<b>36,692</b>	<b>41,931</b>	<b>3,623</b>	<b>4,159</b>

### 4. Key Management Indices

		2006/12	2007/12	2008/12	2009/12	2010/12
Total assets	(¥ million)	253,345	268,488	271,884	256,251	221,748
Net assets	(¥ million)	63,576	59,177	49,408	40,859	41,790
Equity	(¥ million)	63,559	59,158	49,334	40,764	41,671
Equity ratio	(%)	25.1	22.0	18.1	15.9	18.8
Interest-bearing debt	(¥ million)	112,957	137,167	174,580	165,711	133,608
Net interest-bearing debt	(¥ million)	101,572	123,952	160,044	147,506	121,869
Debt equity ratio	(times)	1.6	2.1	3.2	3.6	2.9
Return on equity (ROE)	(%)	8.9	10.9	3.6	-15.70	4.8
Return on assets (ROA)	(%)	3.6	3.6	2.7	0.9	1.3
Net income per share	(¥)	151.42	166.26	48.36	-176.41	49.15
Net assets per share	(¥)	1,721.18	1,475.24	1,230.52	1,016.73	1,039.37
Dividends	(¥)	40	45	40	10	10
Dividend payout ratio ( Consolidated )	(%)	26.4	27.1	82.7	-	20.3
Number of shares issued and outstanding at period-end	(shares)	37,443,697	41,314,169	41,322,282	41,322,282	41,322,282
Number of shares in treasury stock at period-end	(shares)	515,971	1,213,385	1,229,381	1,228,800	1,229,311

## 5. Real Estate Related Indices

### ■ Operating income • Unrealized gains

(Million)

	2006/12	2007/12	2008/12	2009/12	2010/12
Operating income from real estate assets	7,212	9,497	9,452	4,430	4,953
Leasing operating income	5,626	5,751	5,294	4,430	4,953
Unrealized gains from real estate assets (Note)	24,904	34,150	18,160	5,620	-487

Note: For the values above, until the end of Fiscal 2008, real-estate appraisals were calculated on a simplified basis by a third-party appraisal company (including consolidated SPCs).

For Fiscal 2009, the values are calculated on a full appraisal basis for major properties (comprising approximately 80% of book value) and on a simplified basis for the remaining properties.

The market values at the end of Fiscal 2010 are amounts appraised by external real estate appraiser on the basis of the real estate appraisal standards, or amounts appraised

at acquisition from their parties, the latest appraised amounts, or indexes considered to reflect market prices appropriately if the amounts or indexes have not changed seriously since then

### ■ Real estate leasing portfolio

#### Operating income by property type

(Million)

	2006/12	2007/12	2008/12	2009/12	2010/12
Office Buildings	4,613	3,931	3,821	2,851	2,761
Commercial buildings, hotels and warehouses	708	1,465	1,382	1,366	1,867
Condominiums, leased land and other	305	355	91	213	324
Total	5,626	5,751	5,294	4,430	4,953

#### Operating income by region

(Million)

	2006/12	2007/12	2008/12	2009/12	2010/12
Hokkaido/Tohoku	326	311	165	178	198
Tokyo	2,711	2,757	3,076	2,497	2,356
Kanto – Other	1,486	1,568	1,275	980	1,458
Chubu	48	30	142	214	438
Kinki	157	166	165	142	159
Chugoku/Shikoku	204	244	181	148	148
Kyushu/Okinawa	442	372	358	270	162
Others	252	303	-68	1	31
Total	5,626	5,751	5,294	4,430	4,953

## 6. Marketable Securities Investment Business Related Indices

(Million)

	2006/12	2007/12	2008/12	2009/12	2010/12
Fair value	107,233	84,200	49,357	53,181	56,665
Unrealized gains	48,561	34,908	18,174	17,668	16,026
Gains on marketable securities	4,194	2,895	2,473	2,148	1,772

### ■ Investment Securities (Stocks) List (as of December 31, 2010)

Stock held	Number of shares (Shares)	Balance sheet amounts (¥ thousand)
Canon Inc.	9,054,844	38,120,893
Hulic Co., Ltd.	7,000,000	4,690,000
XYMAX corporation	3,233	1,610,122
NKSJ Holdings, Inc.	1,682,922	1,006,387
KAKEN PHARMACEUTICAL CO., LTD.	631,000	622,166
Taikisha Ltd.	362,900	522,576
THE HACHIJUNI BANK, LTD.	1,020,096	463,123
Teikoku Piston Ring Co., Ltd.	558,616	460,299
Sumitomo Electric Industries, Ltd.	375,000	423,000
Fuyo General Lease Co., Ltd.	150,000	399,150
Other 55 companies	15,995,976	7,795,280
Total	36,834,587	56,112,998

7. Article List (as of December 31, 2010)

	Properties name	Address	Ownership structure	Rentable area (m <sup>2</sup> )	Date of completion	
Office	Shoei Nishikicho Building	Chiyoda-ku, Tokyo	Full ownership	3,994.02	November, 1972	
	Shoei Kandabashi Building	Chiyoda-ku, Tokyo	Full ownership	2,566.81	June, 2001	
	Shoei Nishikicho Building #2	Chiyoda-ku, Tokyo	Full ownership	1,534.58	September, 1971	
	Shoei Surugadai Building	Chiyoda-ku, Tokyo	Full ownership	1,696.96	November, 1977	
	Uchikanda Fukushima Building	Chiyoda-ku, Tokyo	Full ownership	2,641.46	January, 1962	
	Banchohouse	Chiyoda-ku, Tokyo	Full ownership	2,054.38	August, 1989	
	Shoei Nihonbashi Honcho Building	Chuo-ku, Tokyo	Full ownership	1,553.79	May, 1990	
	Sakurashin-machi Building	Setagaya-ku, Tokyo	Full ownership	3,321.46	June, 1971	
	Shoei Takadanobaba Building	Toshima-ku, Tokyo	Full ownership	5,368.27	November, 1993	
	Wakore Hounancho	Suginami-ku, Tokyo	Full ownership	1,332.62	August, 1992	
	Kichijoji Building	Musashino-shi, Tokyo	Full ownership (with leasehold)	1,729.52	November, 1987	
	Kannai Toa Building	Naka-ku, Yokohama-shi, Kanagawa	Full ownership	2,139.96	December, 1969	
	Tornare Nihonbashi Hamacho	Chuo-ku, Tokyo	Segmental ownership	4,543.89	August, 2005	
	Nihonbashi Hamacho F Tower	Chuo-ku, Tokyo	Segmental ownership	2,945.42	October, 1997	
	Hatchobori Grounde Building	Chuo-ku, Tokyo	Segmental ownership	2,209.95	April, 1987	
	Toranomon First Garden	Minato-ku, Tokyo	Segmental ownership	650.26	August, 2010	
	Shinjuku I-Land Tower	Shinjuku-ku, Tokyo	Segmental ownership	703.01	January, 1995	
	Gate City Osaki	Shinagawa-ku, Tokyo	Segmental ownership	3,835.78	January, 1999	
	Stores	Yamachu Nakano Building	Nakano-ku, Tokyo	Segmental ownership	867.17	December, 1990
		Aqua Town Nayabashi	Nakamura-ku, Nagoya-shi, Aichi	Segmental ownership	5,328.96	November, 2006
Shoei Akasaka Building		Minato-ku, Tokyo	Beneficiary rights (Segmental ownership)	2,111.38	January, 1990	
Carney Place Hakata		Hakata-ku, Fukuoka-shi, Fukuoka	Beneficiary rights	11,707.74	April, 1975	
Prime Kamiyacho		Naka-ku, Hiroshima-shi, Hiroshima	Beneficiary rights	9,685.60	April, 1965	
Osaki CN Building		Shinagawa-ku, Tokyo	Beneficiary rights (shared)	3,236.26	October, 1992	

	Properties name	Address	Ownership structure	Rentable area (m <sup>2</sup> )	Date of completion
Commercial Facilities	Ito-Yokado Fukushima Shopping Center	Fukushima-shi, Fukushima	Full ownership	20,055.13	December, 1984
	PASSAGGIO	Adachi-ku, Tokyo	Full ownership	9,511.01	April, 2010
	Nakano Sun Cuore	Nakano-ku, Tokyo	Segmental ownership	4,839.97	November, 1994
	Clefy Sannomiya	Chuo-ku, Kobe-shi, Hyogo	Segmental ownership	4,597.29	September, 2004
	Leaf Minatomirai	Nishi-ku, Yokohama-shi, Kanagawa	Beneficiary rights	27,943.57	March, 2004
	Toyoko Inn Niigata Furumachi	Niigata-shi, Niigata	Full ownership	3,941.71	August, 2008
	Toyoko Inn Hiratsuka-eki Kita-guchi No.1	Hiratsuka-shi, Kanagawa	Full ownership (with partial leasehold)	7,310.48	March, 2009
	Toyoko Inn Central Japan International Airport	Tokoname-shi, Aichi	Full ownership (with leasehold)	44,300.19	January, 2007
	Toyoko Inn Kanazawa Korinbo	Kanazawa-shi, Ishikawa	Full ownership	8,203.21	October, 2007
	Toyoko Inn Tokushima Ekimae	Tokusima-shi, Tokushima	Full ownership	2,949.70	October, 2008
	Toyoko Inn Kita-kyushu Kuko	Kokuraminami-ku, Kitakyushu-shi, Fukuoka	Full ownership (with leasehold)	8,090.81	April, 2008
	Toyoko Inn Naha Asahibashi Ekimae	Naha-shi, Okinawa	Full ownership	6,213.54	November, 2003
	Tonami Transportation YK Logistics Kansai Delivery Center	Nishi Yodogawa-ku, Osaka-shi, Osaka	Full ownership	10,213.81	June, 2005
	Nittsu Uchimoriya Distribution Center	Joso-shi, Ibaraki	Full ownership (with leasehold)	16,377.06	March, 2007
	J&S Kawasaki Ukishima Distribution Center	Kawasaki-shi, Kanagawa	SPC investment	51,883.83	November, 2007
	Fureai Yokohama Medical Center Building	Naka-ku, Yokohama-shi, Kanagawa	Full ownership	16,505.97	March, 1989
	Rest Villa Kitakamakura	Kamakura-shi, Kanagawa	Full ownership	4,912.57	February, 2009
	CENTRAL WELLNESSCLUB MINAMIKOIZUMI-SHOP	Sendai-shi, Miyagi	Full ownership	3,695.87	March, 2006

	Properties name	Address	Ownership structure	Rentable area (m <sup>2</sup> )	Date of completion
Residential	Callege Square Ochanomizu	Bunkyo-ku, Tokyo	Full ownership (with leasehold)	2,426.83	October, 2006
	Itabashi Honcho Student Apartment	Itabashi-ku, Tokyo	Full ownership	881.63	March, 2007
	Shoei Gotokuji Apartment	Setagaya-ku, Tokyo	Full ownership	816.40	September, 1970
	High Coop Kamitakada	Nakano-ku, Tokyo	Full ownership	336.71	April, 1987
	Tsudanuma Apartment	Narashino-shi, Chiba	Full ownership	2,657.45	March, 1993
	Nakano Sun Cuore	Nakano-ku, Tokyo	Segmental ownership	2,008.24	November, 1994
	City Heights Minato	Chuo-ku, Tokyo	Segmental ownership	322.74	September, 1989
	High Coop Okubo	Shinjuku-ku, Tokyo	Segmental ownership	410.14	December, 1986