

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT.

This document has been translated from the original Japanese as a guide for non-Japanese investors. In all cases, the Japanese-language original shall take precedence.

SUMMARY OF FINANCIAL STATEMENTS (Consolidated) for the Fiscal Year Ended March 31, 2007

May 14, 2007

Shin-Nihon Tatemono Co., Ltd.

Stock Exchange: JASDAQ

Code Number: 8893

URL: <http://www.kksnt.co.jp/>

Representative: Saburo Murakami, President and Chief Executive Officer

Attn.: Yasuharu Suzuki, Senior Executive Director, Senior Executive Officer, Administrative Department Manager and Finance Department Manager Tel: +81-3-5227-5605

Scheduled date of the ordinary general meeting of shareholders: June 28, 2007

Scheduled date for commencing payment of dividend: June 29, 2007

Scheduled date of submission of the annual securities report: June 29, 2007

(Note that all amounts have been rounded down to the nearest million yen.)

1. Consolidated Financial Results (April 1, 2006 through March 31, 2007)

(1) Consolidated Results of Operations (Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2007	73,200	37.1	6,548	98.4	4,602	98.0	2,253	86.7
Year ended March 31, 2006	53,405	13.0	3,300	51.9	2,324	124.1	1,206	126.4

	Net income per share	Net income per share (fully diluted)	Return on equity	Ratio of ordinary income to total assets	Operating income margin
	Yen	Yen	%	%	%
Year ended March 31, 2007	88.58	85.75	16.8	6.0	8.9
Year ended March 31, 2006	78.52	78.17	19.1	4.1	6.2

(Reference) Equity in net income of affiliates
 Year ended March 31, 2007: — million yen
 Year ended March 31, 2006: — million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of shareholders' equity to assets	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2007	90,427	19,403	21.4	578.92
Year ended March 31, 2006	63,156	7,529	11.9	450.83

(Reference) Shareholders' equity:
 As of March 31, 2007: 19,371 million yen
 As of March 31, 2006: — million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of term
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2007	(4,322)	444	15,804	18,126
Year ended March 31, 2006	(17,829)	(868)	10,717	6,199

2. Dividends

(Record Date)	Dividends per share			Total amount of dividends (annual)	Payout ratio (consolidated)	Dividends on equity (consolidated)
	Interim period end	Year end	Annual			
	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2006	—	20.00	20.00	334	25.5	5.0
Year ended March 31, 2007	—	20.00	20.00	669	22.6	3.9
(Forecast) Year ending March 31, 2008	—	20.00	20.00	—	22.7	—

3. Forecast of Consolidated Financial Results (April 1, 2007 through March 31, 2008)

(Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	45,300	63.8	3,770	94.9	2,870	254.2	1,520	319.0	45.43
Annual	96,000	31.1	7,400	13.0	5,560	20.8	2,950	30.9	88.16

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4. Other

(1) Important Changes in Subsidiaries During the Fiscal Period

(Changes in specified subsidiaries resulting in change in scope of consolidation): Applicable

New: five companies

Exception: one company

(company name: Shin-Nihon Urban Matrix Inc.)

(company name: Shin-Nihon Jisho Co., Ltd.)

(company name: Step Up Co., Ltd.)

(company name: Andromeda Special-Purpose Company)

(company name: SN Finance Silent Partnership (TK))

(company name: SN Property Silent Partnership (TK))

(2) Changes in Accounting Principles and Procedures and Representation Method, Etc. Regarding Preparation of Quarterly Consolidated Financial Statements (Changes Presented as Changes in Important Items, Etc. That Are Used as Basic Materials for Preparation of Quarterly Consolidated Financial Statements)

(i) Changes due to amendment of accounting standards, etc.: Applicable

(ii) Changes other than (i): Not applicable

(3) Number of Shares Outstanding (Common Stock)

(i) Total number of shares outstanding (including treasury stock) as of the end of each period:

As of March 31, 2007: 33,461,666 shares

As of March 31, 2006: 16,701,015 shares

(ii) Total number of treasury stock as of the end of each period:

As of March 31, 2007: 566 shares

As of March 31, 2006: 215 shares

(For reference) Outline of non-consolidated financial results

1. Non-consolidated financial results (April 1, 2006 through March 31, 2007)

(1) Non-consolidated results of operations

(Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2007	72,538	36.6	6,126	90.6	4,364	90.1	2,237	75.5
Year ended March 31, 2006	53,089	16.3	3,214	56.3	2,296	103.1	1,275	86.7

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Year ended March 31, 2007	87.99	85.18
Year ended March 31, 2006	83.02	82.64

(2) Non-consolidated financial position

	Total assets	Net assets	Ratio of shareholders' equity to assets	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2007	80,983	19,234	23.8	574.83
Year ended March 31, 2006	63,110	7,405	11.7	443.44

(Reference) Shareholders' equity:

As of March 31, 2007:

19,234 million yen

As of March 31, 2006:

— million yen

2. Forecast of non-consolidated financial results (April 1, 2007 through March 31, 2008)

(Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	36,550	32.2	3,250	85.2	2,840	269.6	1,660	291.1	49.61
Annual	76,650	5.7	5,880	(4.0)	4,810	10.2	2,800	25.1	83.68

(Cautionary note regarding use of the Forecast of Financial Results, and other special notations)

The forecasts herein are calculated based on information available to the Company as of the date of publication of this document as well as assumptions made as of the date of publication that are dependent on uncertain factors that affect the Company's future results. Please note that actual results may differ materially from forecasts due to various factors

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

Category	Year ended March 31, 2006		Year ended March 31, 2007		Change
	Amount	% of total	Amount	% of total	Amount
Assets					
I. Current assets					
1. Cash and deposits	6,538,024		18,480,841		11,942,816
2. Notes and accounts receivable - trade	510,491		208,217		(302,273)
3. Real estate for sale	3,783,890		3,447,909		(335,980)
4. Real estate for sale in process	44,117,642		60,222,863		16,105,221
5. Uncompleted construction expenditure	37,002		—		(37,002)
6. Deferred tax assets	498,650		545,489		46,838
7. Other current assets	2,676,027		3,531,970		855,942
Allowance for doubtful accounts	(258)		(6,707)		(6,449)
Total current assets	58,161,470	92.1	86,430,584	95.6	28,269,113
II. Noncurrent assets					
1. Property, plant and equipment					
(1) Buildings and structures					
Accumulated depreciation	741,782	769,216	569,496	542,858	(226,358)
(2) Land		2,459,002		1,978,711	(480,290)
(3) Other	39,086		45,366		6,430
Accumulated depreciation	29,765	9,321	29,614	15,751	
Total property, plant and equipment		3,237,540		2,537,321	(700,219)
2. Intangible assets		25,500		30,678	5,178
3. Investments and other assets					
(1) Investment securities					
(2) Long-term loans receivable		1,773		685	(1,088)
(3) Deferred tax assets		65,289		94,636	29,346
(4) Other		536,793		413,375	(123,418)
Allowance for doubtful accounts		(55,795)		(3,494)	52,301
Total investments and other assets		1,731,983		1,428,868	(303,115)
Total noncurrent assets		4,995,025		3,996,868	(998,156)
Total assets		63,156,496		90,427,453	27,270,956

(Thousand yen)

Category	Year ended March 31, 2006		Year ended March 31, 2007		Change
	Amount	% of total	Amount	% of total	Amount
Liabilities					
I. Current liabilities					
1. Notes and accounts payable - trade	8,301,400		11,833,307		3,531,906
2. Short-term loans payable	17,057,792		32,359,930		15,302,137
3. Current portion of bonds	316,000		828,000		512,000
4. Income taxes payable	956,185		1,873,617		917,432
5. Advances received	982,343		2,139,270		1,156,926
6. Deposits received	—		4,720,010		4,720,010
7. Other	2,356,389		947,238		(1,409,151)
Total current liabilities	29,970,112	47.5	54,701,374	60.5	24,731,261
II. Noncurrent liabilities					
1. Bonds payable	608,000		280,000		(328,000)
2. Long-term loans payable	24,466,969		15,454,067		(9,012,902)
3. Provision for retirement benefits	74,314		70,549		(3,764)
4. Provision for directors' retirement benefits	340,783		332,433		(8,349)
5. Other	167,076		185,688		18,611
Total noncurrent liabilities	25,657,144	40.6	16,322,738	18.0	(9,334,406)
Total liabilities	55,627,256	88.1	71,024,112	78.5	15,396,855
Minority interests					
Minority interests	—	—	—	—	—
Capital					
I. Capital stock					
I. Capital stock	1,401,995	2.2	—	—	—
II. Capital surplus					
II. Capital surplus	1,321,225	2.1	—	—	—
III. Retained earnings					
III. Retained earnings	4,577,894	7.2	—	—	—
IV. Valuation difference on available-for-sale securities					
IV. Valuation difference on available-for-sale securities	228,276	0.4	—	—	—
V. Treasury stock					
V. Treasury stock	(153)	(0.0)	—	—	—
Total capital	7,529,239	11.9	—	—	—
Total liabilities, minority interests and capital	63,156,496	100.0	—	—	—

(Thousand yen)

Category	Year ended March 31, 2006		Year ended March 31, 2007		Change
	Amount	% of total	Amount	% of total	Amount
Net assets					
I. Shareholders' equity					
1. Capital stock	—		6,414,463		—
2. Capital surplus	—		6,328,437		—
3. Retained earnings	—		6,495,192		—
4. Treasury stock	—		(379)		—
Total shareholders' equity	—	—	19,237,714	21.3	—
II. Valuation and translation adjustments					
1. Valuation difference on available-for-sale securities	—		162,223		—
2. Deferred gains or losses on hedges	—		(28,760)		—
Total valuation and translation adjustments	—	—	133,462	0.2	—
III. Subscription rights to shares	—	—	5,280	0.0	—
IV. Minority interests	—	—	26,883	0.0	—
Total net assets	—	—	19,403,340	21.5	—
Total liabilities and net assets	—	—	90,427,453	100.0	—

(2) Consolidated Statements of Income

(Thousand yen)

Category	Year ended March 31, 2006 (From April 1, 2005 to March 31, 2006)			Year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)			Change
	Amount		Percentage	Amount		Percentage	Amount
I. Net sales		53,405,556	100.0		73,200,089	100.0	19,794,532
II. Cost of sales		43,475,017	81.4		58,223,553	79.6	14,748,536
Gross profit		9,930,539	18.6		14,976,535	20.4	5,045,996
III. Selling, general and administrative expenses							
1. Sales commission	1,215,931			1,821,840			
2. Advertising expenses	2,093,323			3,098,915			
3. Provision of allowance for doubtful accounts	50,404			9,006			
4. Directors' compensations	196,002			259,460			
5. Salaries and allowances	1,274,584			1,194,124			
6. Provision for directors' retirement benefits	14,466			18,976			
7. Depreciation	32,717			31,242			
8. Other	1,752,802	6,630,234	12.4	1,994,734	8,428,301	11.5	1,798,066
Operating income		3,300,305	6.2		6,548,234	8.9	3,247,929
IV. Non-operating income							
1. Interest income	538			8,037			
2. Dividends income	7,426			13,198			
3. Land and house rent received	172,445			207,599			
4. Cancellation penalty	73,166			34,048			
5. Other	74,753	328,331	0.6	29,911	292,794	0.4	(35,536)
V. Non-operating expenses							
1. Interest expenses	1,235,219			1,757,130			
2. Bond issuance cost	—			195,766			
3. Stock issuance cost	—			166,339			
4. Other	68,780	1,304,000	2.4	118,871	2,238,108	3.0	934,107
Ordinary income		2,324,636	4.4		4,602,921	6.3	2,278,285
VI. Extraordinary income							
1. Reversal of allowance for doubtful accounts	—			49,328			
2. Gain on sales of investment securities	3,795			21,043			
3. Gain on sales of golf club memberships	371	4,167	0.0	9,929	80,301	0.1	76,134
VII. Extraordinary loss							
1. Loss on sales of noncurrent assets	—			147,694			
2. Impairment loss	—			189,558			
3. Loss on valuation of investment securities	47,800			15,847			
4. Loss on sales of subsidiaries' stocks	5,398			45,345			
5. Loss on valuation of subsidiaries' stocks	6,999			—			
6. Loss on sales of stocks of subsidiaries and affiliates	29,400			—			
7. Loss on sales of golf club memberships	1,580			771			
8. Loss on sales of memberships	1,071	92,250	0.2	—	399,217	0.5	306,967
Income before income taxes		2,236,552	4.2		4,284,004	5.9	2,047,452
Income taxes - current	1,187,830			2,039,780			
Income taxes - deferred	(157,735)	1,030,095	1.9	(31,478)	2,008,302	2.8	978,207
Minority interests in income		—	—		22,683	0.0	22,683
Net income		1,206,457	2.3		2,253,018	3.1	1,046,561

(3) Consolidated Statement of Retained Earnings

(Thousand yen)

Category	Year ended March 31, 2006 (From April 1, 2005 to March 31, 2006)	
	Amount	
Capital surplus		
I. Balance at the end of previous period		707,950
II. Increase in capital surplus		
1. Issuance of new shares – exercise off subscription rights to shares	13,806	
2. Issuance of new shares on conversion of bonds with warrants into shares	599,469	613,275
III. Balance at the end of current period		1,321,225
Retained earnings		
I. Balance at the end of previous period		3,592,060
II. Increase in retained earnings		
1. Net income	1,206,457	1,206,457
III. Decrease in retained earnings		
1. Dividends	217,800	
2. Decrease in retained earnings resulting from exclusion of subsidiaries from consolidation	2,822	220,622
IV. Balance at the end of current period		4,577,894

(4) Consolidated Statements of Changes in Net Assets
Year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	1,401,995	1,321,225	4,577,894	(153)	7,300,962
Change during the fiscal year					
Issuance of new shares	5,012,468	5,007,211			10,019,679
Dividends paid			(334,016)		(334,016)
Net income			2,253,018		2,253,018
Purchase of treasury stock				(226)	(226)
Decrease in retained earnings resulting from exclusion of subsidiaries from consolidation			(1,705)		(1,705)
Changes in items other than shareholders' equity during the fiscal year					
Total change during the fiscal year	5,012,468	5,007,211	1,917,297	(226)	11,936,751
Balance as of March 31, 2007	6,414,463	6,328,437	6,495,192	(379)	19,237,714

	Valuation and translation adjustments			Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments			
Balance as of March 31, 2006	228,276	—	228,276	—	—	7,529,239
Change during the fiscal year						
Issuance of new shares						10,019,679
Dividends paid						(334,016)
Net income						2,253,018
Purchase of treasury stock						(226)
Decrease in retained earnings resulting from exclusion of subsidiaries from consolidation						(1,705)
Changes in items other than shareholders' equity during the fiscal year	(66,053)	(28,760)	(94,813)	5,280	26,883	(62,649)
Total change during the fiscal year	(66,053)	(28,760)	(94,813)	5,280	26,883	11,874,101
Balance as of March 31, 2007	162,223	(28,760)	133,462	5,280	26,883	19,403,340

(5) Consolidated Statements of Cash Flows

(Thousand yen)

	Year ended March 31, 2006 (From April 1, 2005 to March 31, 2006)	Year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)	Change
Category	Amount	Amount	Amount
I. Net cash provided by (used in) operating activities			
1. Income before income taxes	2,236,552	4,284,004	2,047,452
2. Depreciation	68,941	52,573	(16,367)
3. Impairment loss	—	189,558	189,558
4. Loss (gain) on sales and retirement of noncurrent assets	—	147,694	147,694
5. Increase (decrease) in provision for retirement benefits	4,173	(328)	(4,502)
6. Increase (decrease) in provision for directors' retirement benefits	(69,133)	(7,349)	61,783
7. Interest and dividends income	(7,965)	(21,236)	(13,270)
8. Interest expenses	1,235,219	1,757,130	521,910
9. Bond issuance cost	—	195,766	195,766
10. Stock issuance cost	—	166,339	166,339
11. Decrease (increase) in notes and accounts receivable - trade	217,856	143,792	(74,064)
12. Decrease (increase) in inventories	(20,323,352)	(15,732,238)	4,591,114
13. Decrease (increase) in advance payments	(874,496)	(574,886)	299,610
14. Increase (decrease) in notes and accounts payable - trade	1,112,788	3,531,906	2,419,118
15. Increase (decrease) in advances received	69,275	1,233,711	1,164,436
16. Other	504,752	3,165,776	2,661,023
Sub-total	(15,825,386)	(1,467,782)	14,357,603
17. Interest and dividends received	7,959	20,152	12,193
18. Interest expenses paid	(1,259,862)	(1,730,621)	(470,758)
19. Income taxes paid	(752,571)	(1,144,202)	(391,630)
Net cash provided by (used in) operating activities	(17,829,860)	(4,322,453)	13,507,407
II. Net cash provided by (used in) investing activities			
1. Decrease (increase) in time deposits	(56,250)	(16,150)	40,100
2. Purchases of property, plant and equipment	(419,067)	(32,878)	386,188
3. Proceeds from sales of property, plant and equipment	1,167	336,000	334,832
4. Purchases of investment securities	(275,686)	(40,564)	235,121
5. Proceeds from sales of investment securities	23,588	157,650	134,062
6. Proceeds from capital reduction of shares of subsidiaries	—	30,000	30,000
7. Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(8,933)	(8,933)
8. Sale of investments in subsidiaries resulting in change in scope of consolidation	(136,632)	65,608	202,240
9. Payments of short-term loans receivable	(15,000)	(68,000)	(53,000)
10. Collection of short-term loans receivable	15,000	15,000	—
11. Payments of long-term loans receivable	(300)	—	300
12. Collection of long-term loans receivable	1,517	1,088	(429)
13. Other	(7,274)	6,146	13,420
Net cash provided by (used in) investing activities	(868,936)	444,966	1,313,902
III. Net cash provided by (used in) financing activities			
1. Net increase (decrease) in short-term loans payable	(7,416,190)	4,351,590	11,767,780
2. Proceeds from long-term loans payable	31,382,000	28,295,000	(3,087,000)
3. Repayment of long-term loans payable	(14,373,551)	(26,357,455)	(11,983,903)
4. Proceeds from issuance of bonds	400,000	494,760	94,760
5. Redemption of bonds	(276,000)	(316,000)	(40,000)
6. Proceeds from issuance of bonds with subscription rights to shares	1,200,000	5,809,473	4,609,473
7. Proceeds from issuance of common stock	27,671	3,853,340	3,825,669
8. Cash dividends paid	(217,800)	(334,016)	(116,216)
9. Proceeds from minority interests for additional shares	—	3,200	3,200
10. Other	(9,073)	4,260	13,334
Net cash provided by (used in) financing activities	10,717,055	15,804,153	5,087,098
IV. Net increase (decrease) in cash and cash equivalents	(7,981,741)	11,926,666	19,908,408
V. Cash and cash equivalents at the beginning of period	14,181,516	6,199,774	(7,981,741)
VI. Cash and cash equivalents at the end of period	6,199,774	18,126,441	11,926,666