



Reference Material for Presentation on Operating Performance During the First Quarter of the Fiscal Year Ending March 31, 2010

August 7 (Friday), 2009 Shin-Nihon Tatemono Co., Ltd.

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新日本建物
(JASDAQ : 8893)

Business environment topic

- The financing environment surrounding real estate players remains severe, with transactions in real estate for investment particularly sluggish.
- The housing market shows signs of recovery, backed by the adjustment of sales prices and policy support.

Performance topics

- Comprehensive cost cutting such as sales expenses, personnel expenses, and maintenance costs ⇒ The loss declined year on year
- Continued to streamline the balance sheet and improve operating cash flow.
⇒ The balance sheet was slimmer compared with the end of the previous fiscal year

Management topic

- Executed initiatives to raise funds and build a stronger and healthier financial base.
⇒ Executed equity financing
⇒ Formed an alliance with FinTech Global Incorporated

Consolidated Balance Sheet

(Unit: million yen)	Year ended March 31, 2009		Year ending March 31, 2010	
	End of Q1	Year end	End of Q1	Change
Cash and deposits	6,608	2,618	1,088	-1,530
Real estate for sale	14,430	8,231	5,486	● -2,745
Real estate for sale in process	48,295	16,498	14,514	● -1,984
Others	7,634	3,514	3,394	-119
Total current assets	76,968	30,863	24,483	-6,379
Total noncurrent assets	3,450	2,441	2,370	-71
Total assets	80,419	33,304	26,853	-6,450
Notes and account payable-trade	8,639	5,971	4,559	-1,412
Short-term loans payable	34,068	17,564	15,485	● -2,079
Current portion of bonds	100	130	130	● —
Others	5,984	1,430	761	-669
Total current liabilities	48,791	25,096	20,936	-4,160
Bonds payable	230	100	100	● —
Long-term loans payable	12,062	6,328	4,576	● -1,751
Others	706	808	755	-53
Total noncurrent liabilities	12,998	7,236	5,431	-1,804
Total liabilities	61,790	32,333	26,368	-5,965
Capital stock	6,414	6,414	6,414	—
Capital surplus	6,328	6,328	—	-6,328
Retained earnings	5,876	-11,735	-5,928	5,806
Others	8	-37	-0	36
Total net assets	18,628	971	485	-485
Total liabilities and net assets	80,419	33,304	26,853	-6,450

● **Decrease of real estate for sale**

[Breakdown for the Q1 of the year ending March 31, 2010]

Liquidation	: 3.1 billion yen	4 properties
(of which consolidated SPC)	: 2.8 billion yen	3 properties)
Condominium unit sales:	2.2 billion yen	89 units
Residential housing sales	: — billion yen	— houses

● **Decrease of real estate for sale in process**

[Breakdown for the Q1 of the year ending March 31, 2010]

Liquidation	: 7.0 billion yen
(of which consolidated SPC)	: — yen)
Condominium unit sales	: 6.3 billion yen
Residential housing sales	: 1.1 billion yen

● **Status of interest-bearing liabilities**

Year ended	24.1 billion yen
March 31, 2009	(of which consolidated SPC: 2.8 billion yen)
Q1 ended	20.2 billion yen
June 30, 2009	(of which consolidated SPC: 2.8 billion yen)
Change	-3.8 billion yen

Consolidated Profit and Loss Statement

(Unit: million yen)	Year ended March 31, 2009		Year ending March 31, 2010				
	Q1		Q1		Year-on-year		Whole fiscal year
	Actual	% of Total	Actual	% of Total	Change	Change (%)	Plan
Net sales	6,681	100.0%	● 6,537	100.0%	-144	-2.2%	41,600
Cost of sales	6,709	100.4%	6,029	92.2%	-679	-10.1%	—
Gross profit	-27	-0.4%	507	7.8%	534	—	—
Selling, general and administrative expenses	1,881	28.2%	● 892	13.7%	-989	-52.6%	—
Operating income	-1,908	-28.6%	-384	-5.9%	1,524	—	1,920
Non-operating income	673	10.1%	113	1.7%	-560	-83.2%	—
Non-operating expenses	465	6.9%	238	3.6%	-226	-48.7%	—
Ordinary income	-1,700	-25.4%	-509	-7.8%	1,190	—	840
Extraordinary income	5	0.0%	12	0.2%	6	128.7%	—
Extraordinary loss	409	6.1%	—	—	-409	-100%	—
Income before income taxes	-2,104	-31.5%	-497	-7.6%	1,606	—	—
Income taxes	-761	-11.4%	24	0.4%	785	—	—
Net income	-1,343	-20.1%	-522	-8.0%	821	—	800

● **Figures for the Q1 ended June 30, 2009**

Liquidation	3 properties
Condominium unit sales	83 units
Residential housing sales	127 houses

● **Details of selling, general and administrative expenses**

(Unit: million yen)	FY09/3 Q1	FY10/3 Q1	Change
Personnel expenses	446	235	-210
Sales commission	218	127	-91
Advertising expenses	674	257	-416
Other	542	271	-271
Total	1,881	892	-989

Net Sales and Operating Income by Segment

- ✓ Although earnings improved in the liquidation business and in the condominium unit sales business, an operating loss was posted.
- ✓ The residential housing sales business continued to record operating income in the first quarter under review.

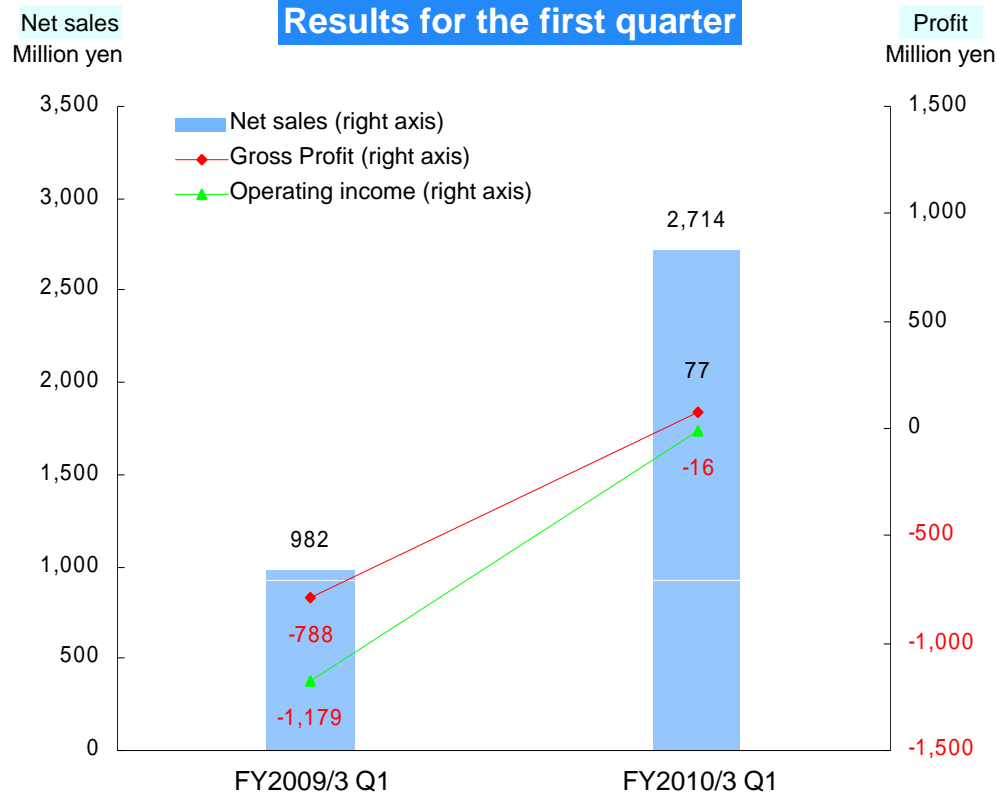
(Unit: million yen)	Year ended March 31, 2009		Year ending March 31, 2010				
	Q1		Q1		Year-on-year		Whole fiscal year
	Actual	% of Total	Actual	% of Total	Change	Change (%)	Plan
Liquidation business	982	14.7%	2,714	41.5%	1,731	176.3%	8,300
Condominium unit sales business	2,525	37.8%	2,410	36.9%	-114	-4.5%	27,200
Residential housing sales business	3,130	46.8%	1,251	19.2%	-1,878	-60.0%	5,500
Other business	44	0.7%	159	2.4%	115	262.8%	600
Elimination or corporate	—	—	—	—	—	—	—
Net sales total	6,681	100.0%	6,537	100.0%	-144	-2.2%	41,600

(Unit: million yen)	Year ended March 31, 2009		Year ending March 31, 2010				
	Q1		Q1		Year-on-year		Whole fiscal year
	Actual	% of Total	Actual	% of Total	Change	Change (%)	Plan
Liquidation business	-1,179	-120.1%	-16	-0.6%	1,162	—	640
Condominium unit sales business	-491	-19.5%	-232	-9.6%	259	—	2,440
Residential housing sales business	101	3.3%	65	5.2%	-36	-35.6%	100
Other business	-92	-210.4%	3	2.5%	96	—	-110
Elimination or corporate	-246	—	-204	—	41	—	-1,150
Operating income total	-1,908	-28.6%	-384	-5.9%	1,524	—	1,920

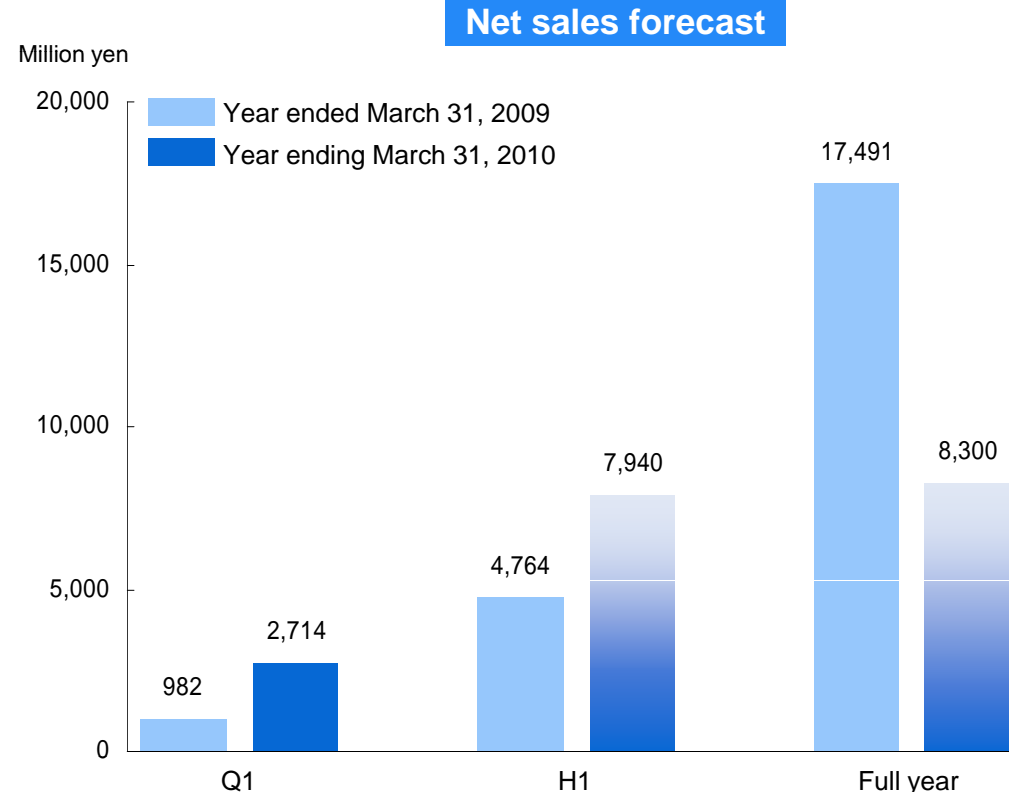
Situation of Liquidation Business

- ✓ Delivered three properties in the first quarter under review (two properties more than in the first quarter of the previous fiscal year), and net sales rose 176.3% year on year.
- ✓ Although gross profit remained in the black, this was unable to offset selling, general and administrative expenses. An operating loss was consequently posted.

Results for the first quarter

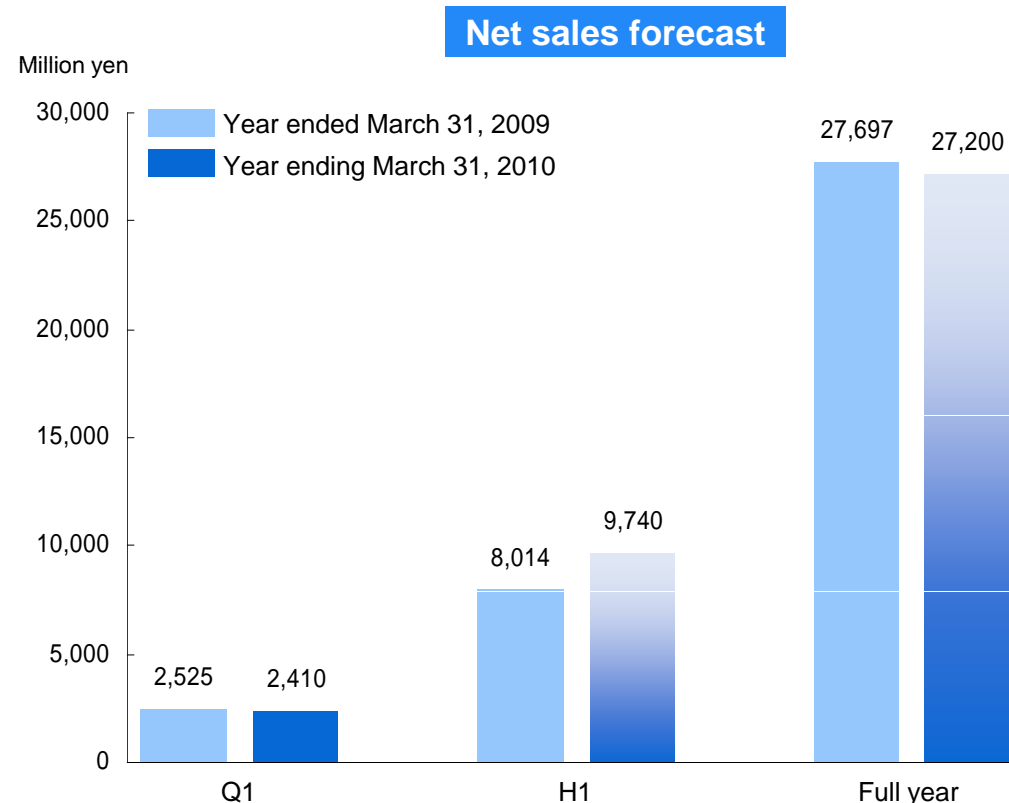
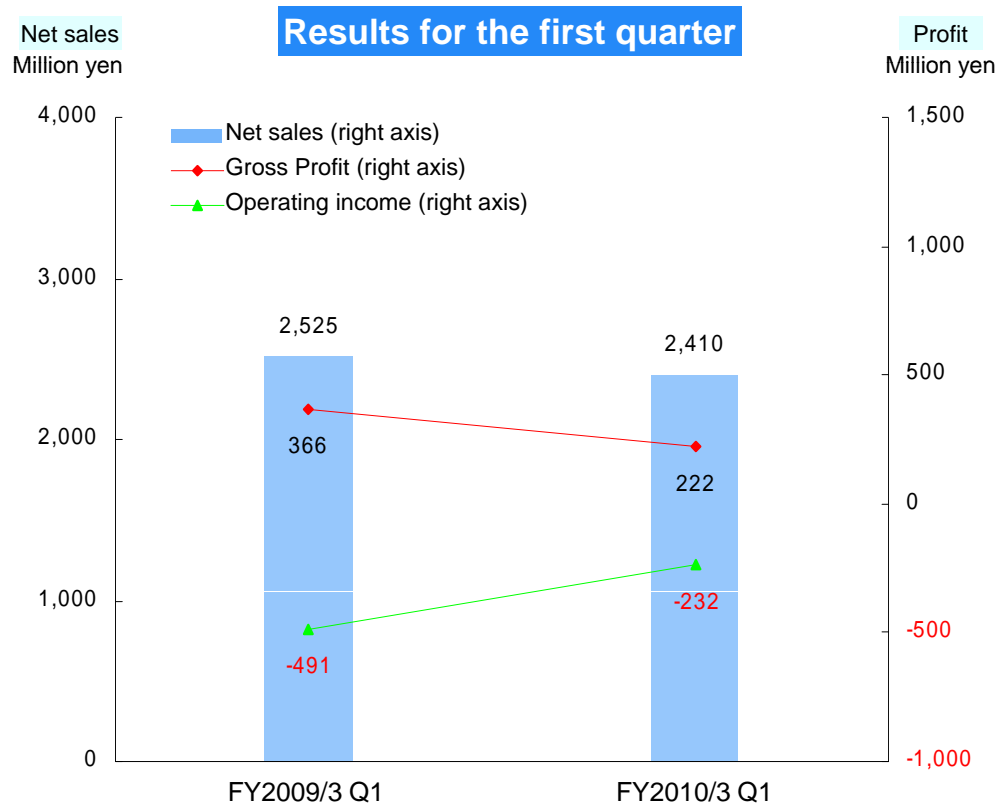


Net sales forecast



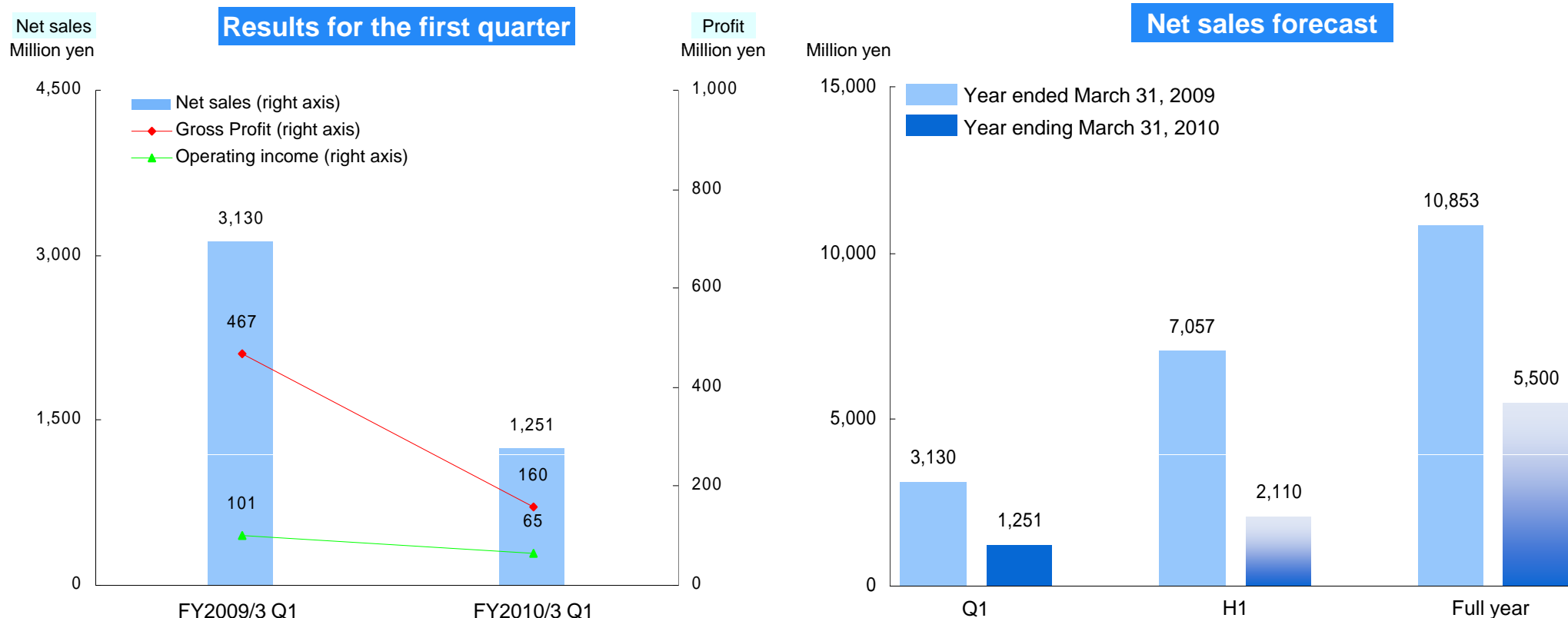
Situation of Condominium Unit Sales Business

- ✓ Bolstered sales of completed condominiums (Company inventory) in the first quarter under review and completed delivery of 83 units (12 units less than in the first quarter of the previous fiscal year).
- ✓ There were 58 completed, open condominiums as of the end of June 2009 (compared with 126 condominiums at the end of March 2009), representing a solid decline.



Situation of Residential Housing Sales Business

- ✓ Completed delivery of 127 houses, including 101 housing sites for sale, in the first quarter under review (compared with 80 houses in the first quarter of the previous fiscal year).
- ✓ The operating income margin improved 1.9 percentage points through cost cutting, including the consolidation of sales offices.



Financing and Business Strategies

- Establish a system that can respond quickly to capital requirements for new projects that will create appropriate profits, such as the condominium purchase/resale business.

Equity financing

- Issue of new shares and equity warrants

I. Resolution date ⇒ June 24, 2009

II. Payment date ⇒ July 10, 2009

III. Amount of financing by new shares ⇒ Approx. 100 million yen

IV. Equity warrants

- Amount of financing by exercise ⇒ Approx. 1.5 billion yen

- Establishment of equity commitment line

Alliance with FinTech Global Incorporated (FGI)

- Use of the financial brokerage function and financing skills of FGI
- Acquisition of business opportunities based on the joint project method
- Provision of real estate expertise of the Company

Financial base and financing channels that support business growth

[FinTech Global Incorporated]

A company listed on the Mothers market of the Tokyo Stock Exchange that operates investment banking, reinsurance, and real estate-related businesses. In the financing market, FGI provides financial arrangements through structured financing, commanding sophisticated financial technologies, including a financing scheme beyond bank lines. FGI has built a strong reputation based on its expertise.

Overview of Equity Commitment Line

■ Established the recipient of the second equity warrants and the equity commitment line.

1. Determination of exercise price and the number of underlying shares

- ✓ Determined both the exercise price of equity warrants and the number of underlying shares. ⇒ **Restraint on the dilution of shareholder value**

2. Exercise instruction clause

- ✓ Right for the Company to be able to force the recipient to exercise equity warrants under certain conditions, in addition to the voluntary exercise of the recipient.
⇒ **Option to promote financing while considering the dilution of shares**

- ✓ Details of the exercise instruction clause

Share price on the date conditions are met (compared with exercise price of 73 yen)	When exceeding 130%	When exceeding 150%
Requirements for exercise instruction right	The simple average of closing prices for five consecutive business days including the date when conditions are met exceeds 130% of the exercise price of 73 yen.	The simple average of close prices for five consecutive business days including the date when conditions are met exceeds 150% of the exercise price of 73 yen.
Timing of exercise of equity warrants	Implement within ten business days including the date of exercise instruction	Implement within ten business days including the date of exercise instruction
Volume of exercise instruction	15% of the trading volume on the date when conditions are met	20% of the trading volume on the date when conditions are met
Covenant for implementation of exercise instruction right	There must be at least one day between the day when the exercise instruction right is implemented and the day when the next exercise instruction right is implemented.	

3. Acquisition clause

- ✓ All or part of the equity warrants can be repurchased by following a set procedure once two months have passed from the offering date or, even if two months have not passed since the offering date, when the closing price exceeds 146 yen for seven consecutive business days.
⇒ **Ensure the flexibility of future capital policies**

4. Restriction of transfer

- ✓ The recipient requires the approval of the Board of Directors of the Company to transfer the equity warrants to a third party.

* For more details, please see the "Notice of Issue of New Shares through Private Placement and the Second Equity Warrants and a Private Placement Agreement with a Commitment Clause" announced on June 24, 2009.

Progress in Condominium Purchase/Resale Business

Business strategy for the short and medium term

- Establish a business model that can respond flexibly to changes in the environment.

Business geared to the current economic environment

Housing business with stable earnings history



Make the condominium purchase/resale business a key area of stability

Progress in business

- Operate the business aggressively, centering on incomplete properties that require sophisticated development and construction expertise, by leveraging the Company's strength in development.

REVI KAMEIDO

Overview

Location: Kameido 5-chome, Koto-ku, Tokyo

Access: 4-minute walk from Kameido Station of the JR Sobu line

Total number of units: 78 units

Number of units sold: 78 units

Room arrangement: 1R to 3LDK

Completed: June 2009

On sale: July 2009



Luichatelet Todakoen Celesta

Overview

Location: Shimomae 1-chome, Toda-shi, Saitama

Access: 12-minute walk from Toda Koen Station of the JR Saikyo Line

Total number of units: 70 units

Number of units sold: 35 units

Room arrangement: 3LDK to 4LDK

Completed: November 2008

On sale: August 2009



[For Inquiries]

IR Division: Group Corporate Development Team

TEL: 03-6205-0705 FAX: 03-6205-0706

E-mail: ir@kksnt.co.jp URL: <http://www.kksnt.co.jp/>

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This material has been prepared with information available as at the time of publication. Any opinion, plan, forecast, or other forward-looking statement that appears in this material is based on the Company's judgment at the time of writing, and should not be construed as a guarantee or promise of accuracy or completeness. Information in this material is subject to change without notice in the future, for instance, due to changes in the business environment.