

変わること、変わらないこと。

 **新日本建物**

( JASDAQ :8893)



RENAISSANCE FUCHINOBE MANOR HOUSE/ Artist's rendition

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

November 12 (Thursday), 2009 Shin-Nihon Tatemono Co., Ltd.

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# I. Overview of Consolidated Operating Performance During the First Half of Fiscal Year Ending March 31, 2010

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## Business environment topic

- Consumer confidence in the housing market picked up, aided by reduced sales prices and policy support.
- Real estate investment remained sluggish, reflecting a difficult financing environment.

## Performance topics

- The Company moved into the black in the second quarter (July to September). The loss in the first half declined on a year-on-year basis.
- Cuts in selling, general and administrative expenses, including advertising expenses, and balance sheet streamlining greatly contributed to earnings.  
=> Profit exceeded the initial plan.

## Management topic

- Moved forward with a project to bolster the management base.  
=> Concentrated management resources on the condominium purchase/resale business.  
=> Raised a total of 1.8 billion yen through equity financing.

# Consolidated Balance Sheet

(Unit: million yen)	Year ended March 31, 2009		Year ending March 31, 2010	
	End of H1	Year end	End of H1	Change
Cash and deposits	3,086	2,618	1,222	-1,395
Real estate for sale	11,367	8,231	4,137	● -4,094
Real estate for sale in process	45,376	16,498	12,028	● -4,469
Others	7,298	3,514	2,932	-581
<b>Total current assets</b>	<b>67,129</b>	<b>30,863</b>	<b>20,322</b>	<b>-10,541</b>
<b>Total noncurrent assets</b>	<b>2,971</b>	<b>2,441</b>	<b>2,327</b>	<b>-113</b>
<b>Total assets</b>	<b>70,100</b>	<b>33,304</b>	<b>22,649</b>	<b>-10,654</b>
Notes and account payable-trade	3,446	5,971	3,234	-2,737
Short-term loans payable	34,375	17,564	13,494	● -4,070
Current portion of bonds	220	130	100	● -30
Others	6,283	1,430	801	-628
<b>Total current liabilities</b>	<b>44,325</b>	<b>25,096</b>	<b>17,630</b>	<b>-7,466</b>
Bonds payable	100	100	—	● -100
Long-term loans payable	6,476	6,328	3,144	● -3,183
Others	714	808	740	-67
<b>Total noncurrent liabilities</b>	<b>7,290</b>	<b>7,236</b>	<b>3,884</b>	<b>-3,351</b>
<b>Total liabilities</b>	<b>51,616</b>	<b>32,333</b>	<b>21,515</b>	<b>-10,817</b>
Capital stock	6,414	6,414	6,590	175
Capital surplus	6,328	6,328	174	-6,154
Retained earnings	5,705	-11,735	-5,626	6,108
Others	35	-37	-3	33
<b>Total net assets</b>	<b>18,484</b>	<b>971</b>	<b>1,133</b>	<b>162</b>
<b>Total liabilities and net assets</b>	<b>70,100</b>	<b>33,304</b>	<b>22,649</b>	<b>-10,654</b>

● **Decrease of real estate for sale**

[Breakdown for the H1 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	:	0.9 billion yen	33 units
Residential housing sales	:	— billion yen	— houses

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

[Breakdown for the H1 of the year ending March 31, 2010]

Liquidation	:	6.0 billion yen
(of which consolidated SPC	:	— yen)
Condominium unit sales	:	5.7 billion yen
Residential housing sales	:	0.1 billion yen

● **Status of interest-bearing liabilities**

Year ended March 31, 2009	24.1 billion yen
(of which consolidated SPC:	2.8 billion yen)
H1 ended September 30, 2009	16.7 billion yen
(of which consolidated SPC:	2.8 billion yen)
Change	-7.3 billion yen

# Consolidated Profit and Loss Statement

(Unit: million yen)	Year ended March 31, 2009		Year ending March 31, 2010				
	H1		H1	H1		Year-on-year	
	Actual	% of Total	Initial plan	Actual	% of Total	Change	Change (%)
Net sales	19,925	100.0%	20,100	● 13,899	100.0%	-6,026	-30.2%
Cost of sales	17,826	89.5%	—	12,220	87.9%	-5,606	-31.4%
<b>Gross profit</b>	<b>2,098</b>	<b>10.5%</b>	—	<b>1,678</b>	<b>12.1%</b>	<b>-419</b>	<b>-20.0%</b>
Selling, general and administrative expenses	3,758	18.8%	—	● 1,708	12.3%	-2,049	-54.5%
<b>Operating income</b>	<b>-1,659</b>	<b>-8.3%</b>	<b>-440</b>	<b>-29</b>	<b>-0.2%</b>	<b>1,629</b>	—
Non-operating income	851	4.3%	—	286	2.0%	-565	-66.4%
Non-operating expenses	832	4.2%	—	● 474	3.4%	-358	-43.0%
<b>Ordinary income</b>	<b>-1,640</b>	<b>-8.2%</b>	<b>-880</b>	<b>-218</b>	<b>-1.6%</b>	<b>1,422</b>	—
Extraordinary income	37	0.2%	—	36	0.3%	0	-2.1%
Extraordinary loss	633	3.2%	—	0	0.0%	-633	-100.0%
<b>Income before income taxes</b>	<b>-2,237</b>	<b>-11.2%</b>	—	<b>-181</b>	<b>-1.3%</b>	<b>2,055</b>	—
Income taxes	-768	-3.8%	—	38	0.3%	807	—
<b>Net income</b>	<b>-1,468</b>	<b>-7.4%</b>	<b>-800</b>	<b>-220</b>	<b>-1.6%</b>	<b>1,248</b>	—

## ● Figures for the H1 ended September 30, 2009

Liquidation	4 properties
Condominium unit sales	215 units
Residential housing sales	180 houses

## ● Details of selling, general and administrative expenses

(Unit: million yen)	FY 09/3 H1	FY 10/3 H1	Change
Personnel expenses	760	457	-302
Sales commission	509	247	-262
Advertising expenses	1,431	497	-934
Other	1,056	506	-550
<b>Total</b>	<b>3,758</b>	<b>1,708</b>	<b>-2,049</b>

## ● Details of Non-operating expenses

(Unit: million yen)	FY 09/3 H1	FY 10/3 H1	Change
Interest expenses	695	347	-348
Other	136	127	-9
<b>Total</b>	<b>832</b>	<b>474</b>	<b>-358</b>

# Net Sales and Operating Income by Segment

- ✓ Operating income was achieved in major businesses.
- ✓ Actual results exceeded initial plans and year-ago levels.

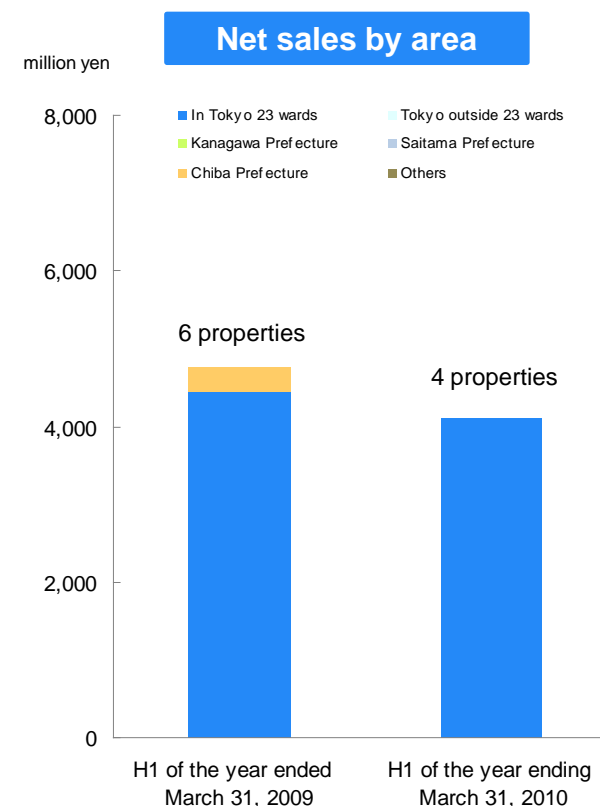
(Unit: million yen)	Year ended March 31, 2009		Year ending March 31, 2010				
	H1		H1	H1		Year-on-year	
	Actual	% of Total	Initial plan	Actual	% of Total	Change	Change (%)
Liquidation business	4,764	23.9%	7,940	4,113	29.6%	-650	-13.7%
Condominium unit sales business	8,014	40.2%	9,740	6,991	50.3%	-1,023	-12.8%
Residential housing sales business	7,057	35.4%	2,110	2,577	18.5%	-4,479	-63.5%
Other business	88	0.5%	310	216	1.6%	127	143.6%
Elimination or corporate	—	—	—	—	—	—	—
<b>Net sales total</b>	<b>19,925</b>	<b>100.0%</b>	<b>20,100</b>	<b>13,899</b>	<b>100.0%</b>	<b>-6,026</b>	<b>-30.2%</b>

(Unit: million yen)	Year ended March 31, 2009		Year ending March 31, 2010				
	H1		H1	H1		Year-on-year	
	Actual	Operating income (%)	Initial plan	Actual	Operating income (%)	Change	Change (%)
Liquidation business	-1,076	-22.6%	390	286	7.0%	1,362	—
Condominium unit sales business	-333	-4.2%	-20	46	0.7%	380	—
Residential housing sales business	428	6.1%	-250	122	4.7%	-305	-71.4%
Other business	-196	-221.4%	-90	-71	-32.9%	125	—
Elimination or corporate	-481	—	-470	-413	—	67	—
<b>Operating income total</b>	<b>-1,659</b>	<b>-8.3%</b>	<b>-440</b>	<b>-29</b>	<b>-0.2%</b>	<b>1,629</b>	<b>—</b>

# Situation of Liquidation Business

- ✓ Completed the delivery of two properties for investment and two properties for development.
- ✓ The sale and delivery of four properties were delayed to the third quarter or beyond. As a result, actual results fell short of the initial plan.

(Unit: million yen)	Year ended March 31, 2009	Year ending March 31, 2010			
	H1	H1	H1		
	Actual	Initial plan	Actual	Year-on-year	Vs. plan
Net sales	4,764	7,940	4,113	-13.7%	-48.2%
Gross Profit	-419	630	419	—	-33.4%
Operating income	-1,076	390	286	—	-26.7%

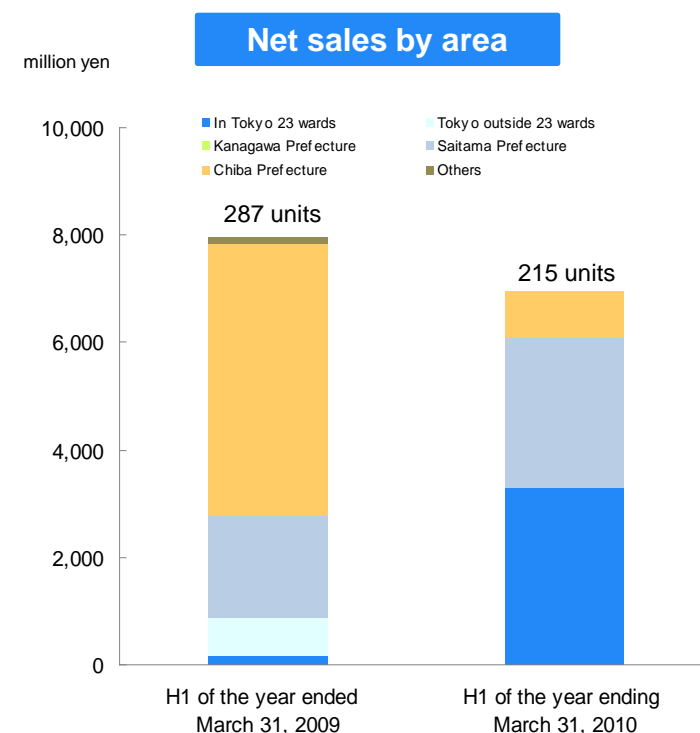




# Situation of Condominium Unit Sales Business

- ✓ All 52 units of Renaissance Kasai Dual Fort, a new property, were sold when it was completed. A total of 215 units, primarily units sold from the Company's inventory, were delivered (a decline of 72 units year on year).
- ✓ Operating income was posted, reflecting reductions in advertising expenses.
- ✓ Units in inventory sold steadily. =>The number of completed, open condominiums at the end of September 2009 was 18.

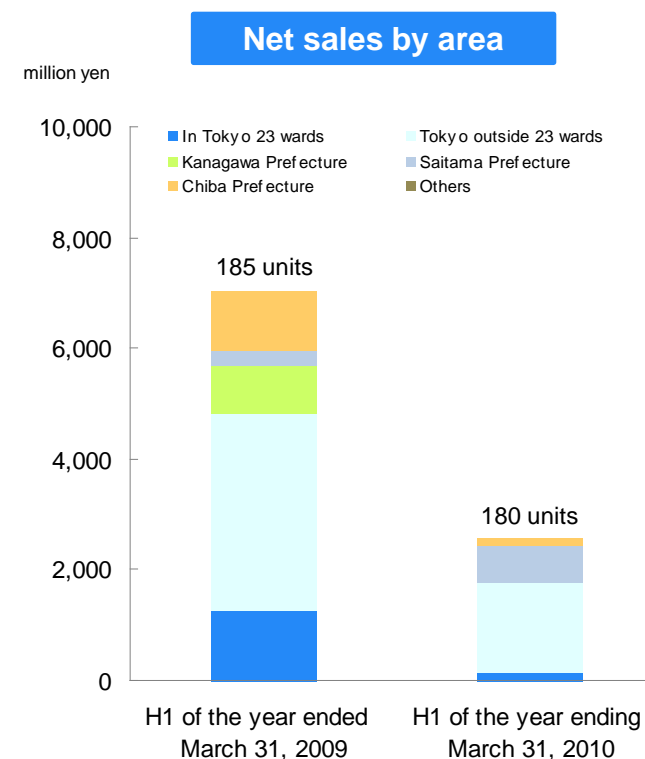
(Unit: million yen)	Year ended March 31, 2009	Year ending March 31, 2010			
	H1	H1	H1		
	Actual	Initial plan	Actual	Year-on-year	Vs. plan
Net sales	8,014	9,740	6,991	-12.8%	-28.2%
Gross Profit	1,573	1,870	935	-40.5%	-50.0%
Operating income	-333	-20	46	—	—



# Situation of Residential Housing Sales Business

- ✓ Both net sales and income exceeded the initial plan, thanks to the sale of housing sites in addition to houses to meet customer needs.
- ✓ Operating income was recorded, reflecting changes in the earnings structure, including the consolidation of sales offices.

(Unit: million yen)	Year ended March 31, 2009	Year ending March 31, 2010			
	H1	H1	H1		
	Actual	Initial plan	Actual	Year-on-year	Vs. plan
Net sales	7,057	2,110	2,577	-63.5%	22.2%
Gross Profit	1,094	-20	323	-70.5%	—
Operating income	428	-250	122	-71.4%	—



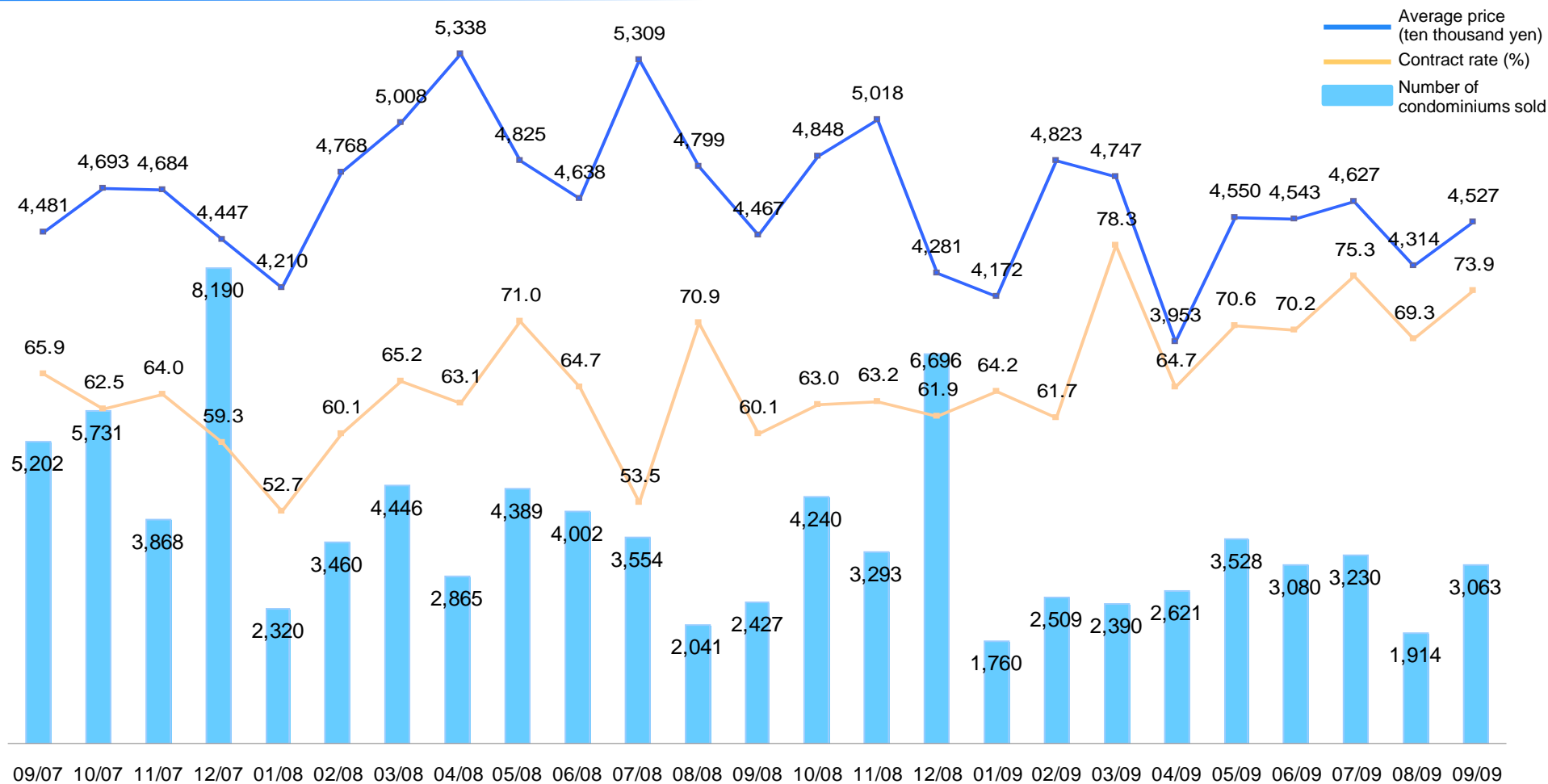
## II. Business Environment Data

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# Trends in Condominium Market in Tokyo Area (1)

- The monthly number of units sold rose year on year for the first time in 25 months.
- The average price is on a downward trend. The contract rate is trending upwards.

Monthly changes in the number of condominiums sold, contract rate, and average price in the Tokyo area

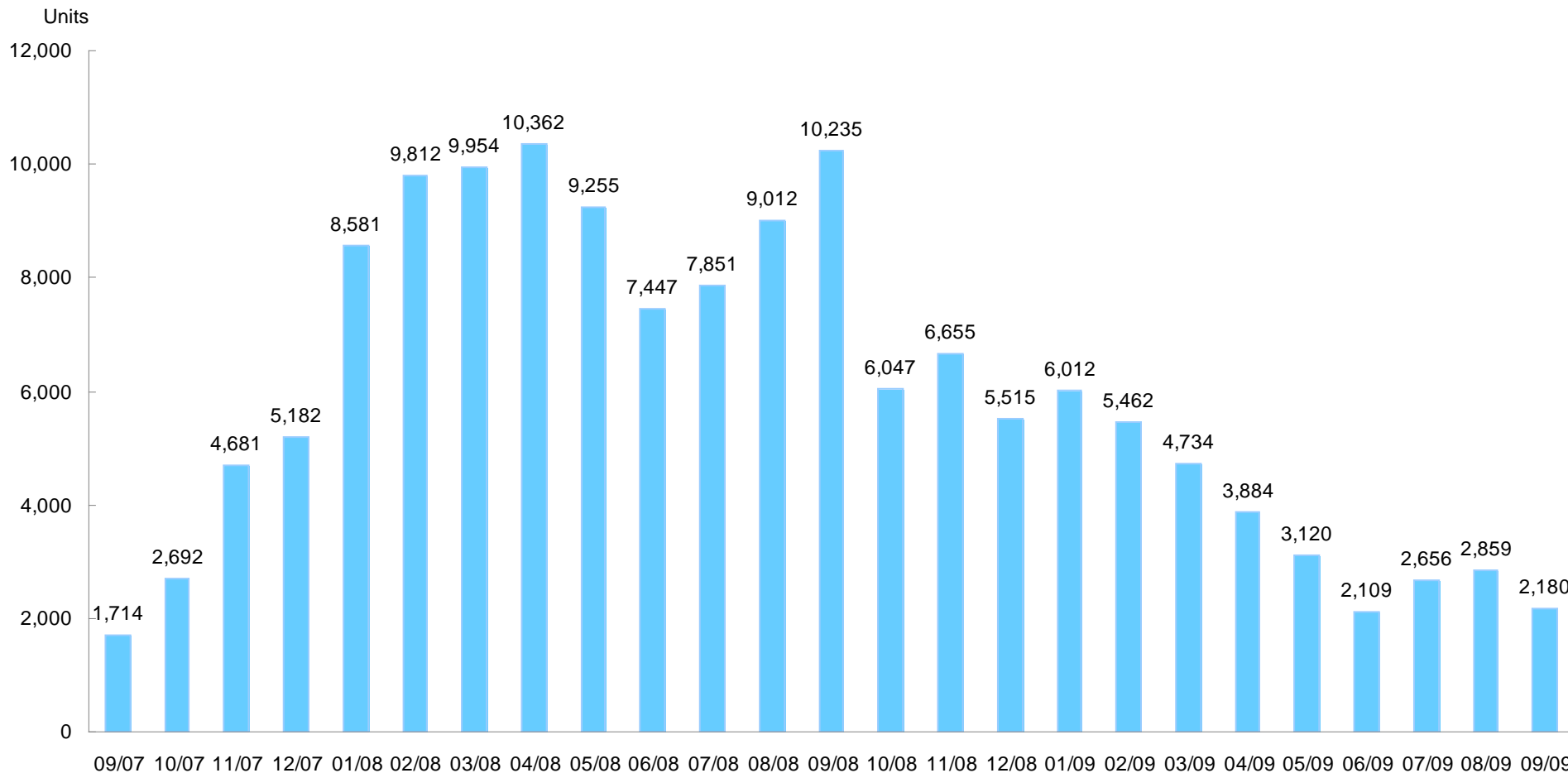


Source: Real Estate Economic Institute

# Trends in Condominium Market in Tokyo Area (2)

- The number of condominiums starts in the Tokyo area recovered in 2008 to the level prior to the revision of the Building Standards Act, but has been on a downward trend since January 2009.

Changes in the monthly number of condominiums started in the Tokyo area

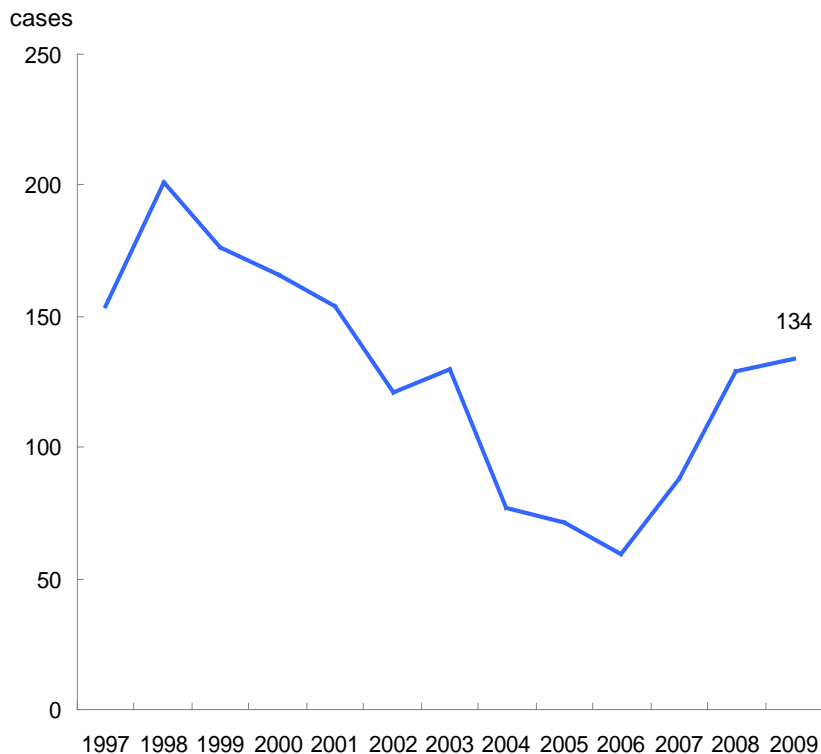


Source: "Statistics of Building Construction Starts" by the Ministry of Land, Infrastructure, Transport and Tourism

# Real Estate Company Failures

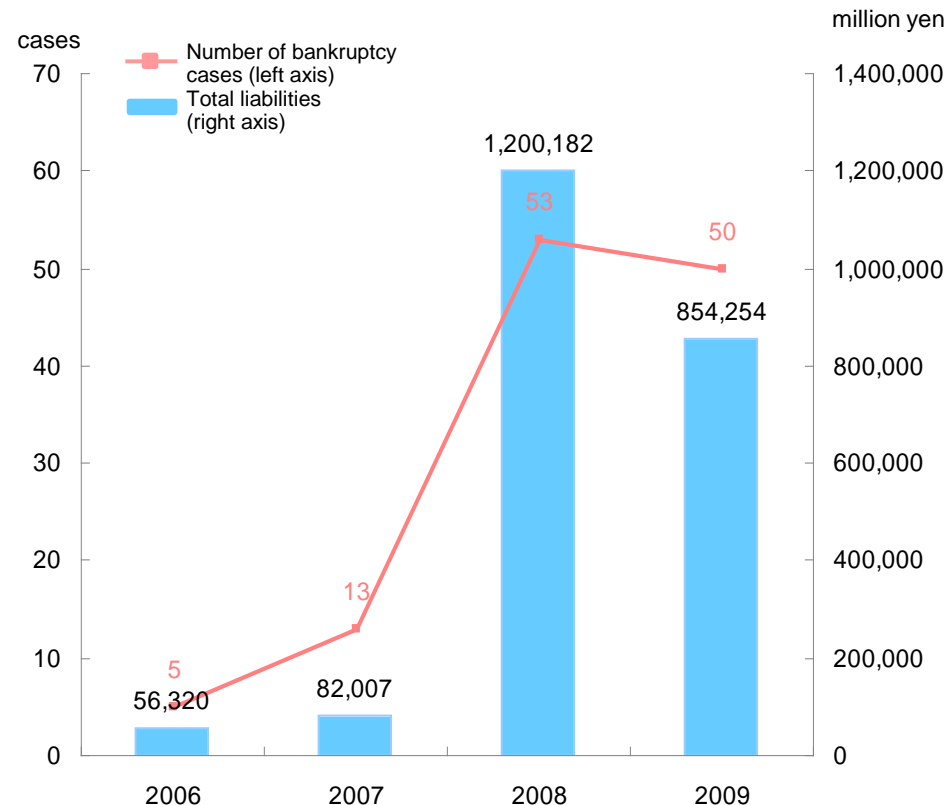
- The bankruptcies involving large real estate companies seen since 2008 have paused. However, the number of bankruptcies and total liabilities remains large, and there are few indicators of a rapid recovery.
- Comparatively cheaper properties and real estate-backed loans, which were initially expected to be sold at once, are now likely to be sold in the market slowly.

Changes in the number of bankruptcy cases of real estate companies



Note: Total number of building trading businesses  
Source: Teikoku Databank (The latest data are as of the end of September 2009.)

Number of bankruptcy cases of condominium sales companies and their total liabilities



Source: Teikoku Databank (The figure for 2009 is data up to the end of September 2009.)

### III. Business Plan for Fiscal Year Ending March 31, 2010, and Future Strategy

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# Our Views of the Business Environment

## Business trend

- The business confidence of domestic companies is improving as overseas economies recover.
- On the other hand, the employment and income situations have stalled. Consumer confidence remains sluggish.

## Domestic real estate market

- Transactions involving high-end properties for investment are struggling with a large demand-supply disparity.
- Transactions involving offices require a recovery in the real economy, which supports demand. Owners of large buildings in central Tokyo are adjusting rents to stop the vacancy rate rising.
- General operating companies, school corporations, religious corporations, and individual investors see opportunities to buy properties and have a strong willingness to buy.
- Supply is declining in the condominium market. Condominiums, especially those in suburban areas for first-time buyers, are getting scarce.
- Reasonably priced properties are selling well in the residential housing market, reflecting declining supply.

There are signs of a gradual recovery in the domestic real estate market. Real estate companies will develop new strategies for a recovery phase.



# Direction of Strategies of Shin-Nihon Tatemono

## Basic policies

Focus on the residential real-estate business in the Tokyo area.

Concentrate resources on businesses that provide a quick return on investment.

=> Improve investment efficiency

=> Mitigate the risk of sales market fluctuations

## Strategy

Strengths of  
the Company

×

Changes in the external  
environment

=>

Establish an optimal growth model.

## Future core businesses

**Condominium  
purchase/resale  
business**

The Company expects high profitability and certain collection of funds in a short period.  
The Company can harness its capacity to research, assess, and sell properties and to coordinate interests.

**Residential housing  
sales business**

The Company has recorded stable earnings in this business, which has operated since the Company was founded.  
The Company has established a unique position in terms of areas of housing supply and product planning.

# Policy for Condominium Purchase/Resale Business

- Strengthen the foundations for sustainable growth in the condominium purchase/resale business as a company having a unique position and superiority in purchase competition.

## Outline of target properties

Status of property	Incomplete condominium A new construction company needs to take on construction work.	Incomplete condominium The existing construction company can continue to take on construction work.	Completed condominium
Property to buy	One building	One building	Remaining units
Price of property	¥1.0bn to ¥2.5bn	¥1.0bn to ¥2.5bn	¥0.1bn to ¥1.0bn
Player	Shin-Nihon Tatemono	Shin-Nihon Tatemono Mid-sized developer	Shin-Nihon Tatemono Mid-sized developer Sales company
Number of properties	Potentially large	Potentially large	Declining
Action by Shin-Nihon Tatemono	Expand the business domain		Main targets






## Future policy

Expertise as a developer that the Company has cultivated  
Construction function of the Company

Establish superiority in purchase competition

Promote commercialization of incomplete condominiums

■ Expand earnings opportunities by establishing an edge in purchase competition and diversifying business projects

No.	Name of Project	Total number of units	Selling period (plan)	Sales (plan)	Status at the time of acquisition	Remaining construction work	Appearance
		Number of units sold					
1	REVI KAMEIDO (Koto-ku, Tokyo)	78 units	8 months	Approx. ¥2.1bn	Incomplete	The existing construction company continues to take on construction work.	
		78 units					
2	Luichatelet Todakoen Celesta (Toda-shi, Saitama)	70 units	2 months (Sold out)	Approx. ¥1.1bn	Completed	—	
		35 units					
3	Villa Kohoku NT Indy 8 (Yokohama, Kanagawa)	8 units	2 months	Approx. ¥0.3bn	Incomplete	The existing construction company continues to take on construction work.	
		8 units					
4	Renaissance Fuchinobe Manor House (Sagamihara, Kanagawa)	52 units	5 months	Approx. ¥1.4bn	Incomplete	The existing construction company continues to take on construction work.	
		52 units					
5	Shiraoka Project (tentative name) (Shiraoka-machi, Saitama)	54 units	5 months	Approx. ¥1.0bn	Incomplete	The Company takes on construction work.	
		54 units					

# Topics for “Project to Reinforce the Management Base”

- 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.

## Raise 1.8 billion yen through equity financing.

### ■ Issue of new shares and equity warrants

I. Payment date	=>	July 10 2009
II. Amount of financing by new shares	=>	Approx. 0.1 billion yen
III. Amount of financing by equity warrants	=>	Approx. 0.4 billion yen
(Total amount of equity warrants issued	=>	Approx. 1.5 billion yen)

### ■ Issue of new shares

I. Payment date	=>	October 21 2009
II. Amount of financing by new shares	=>	Approx. 1.3 billion yen

**Strengthen the capital base in the short term, as a financing method that is replacing financing using equity warrants.**

Procedures to acquire and retire all remaining equity warrants were completed on November 12, 2009.

## 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

[FinTech Global Incorporated]

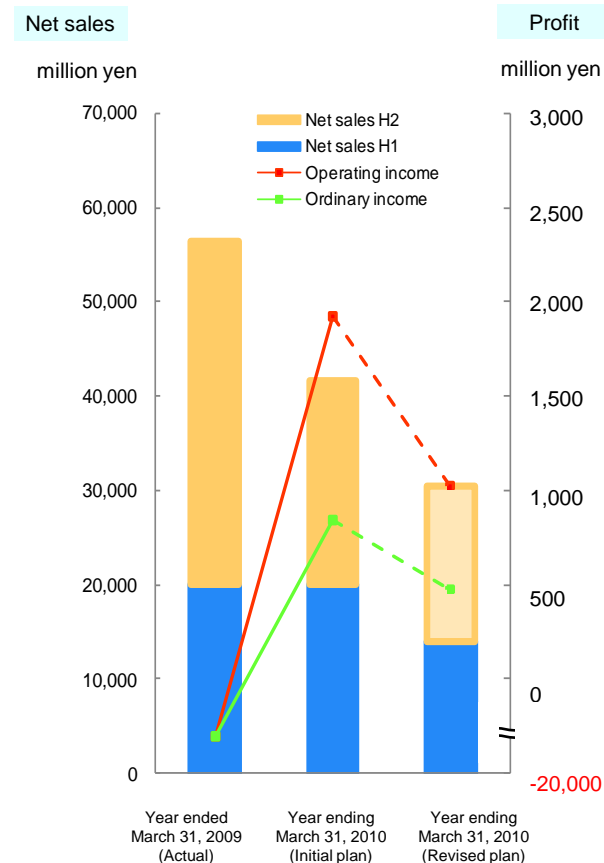
A company listed on the Mothers market of the Tokyo Stock Exchange that operates investment banking, reinsurance, and real estate-related businesses. In the financing market, FGI provides financial arrangements through structured financing, commanding sophisticated financial technologies, including a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

**Financial base and financing channels that support business growth**

# Revision of Full-Year Plan for Fiscal Year Ending March 2010

- The Company has revised the full-year plan as it sought to acquire incomplete condominiums as well as completed condominiums in the condominium purchase/resale business. It has also conservatively reviewed the number of properties that it will be able to sell in the current fiscal year.

(Unit: million yen)	Year ended March 31, 2009	Year ending March 31, 2010				
	Actual	Initial plan	Revised plan	Vs. initial plan		Year-on-year
				Change	Change (%)	
Net sales	56,337	41,600	30,400	-11,200	-26.9%	-46.0%
Operating income	-16,420	1,920	1,020	-900	-46.9%	—
Ordinary income	-16,177	840	470	-370	-44.0%	—
Net income	-18,909	800	450	-350	-43.8%	—



## IV. Overview of Shin-Nihon Tatemono

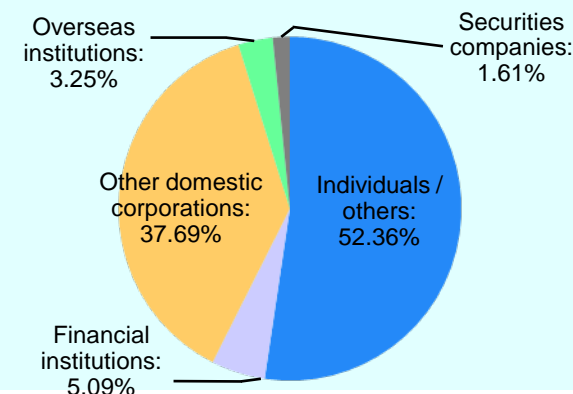
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# Corporate Outline

Corporate name	SHIN-NIHON TATEMONO CO., Ltd.	
Established	April 8, 1975	
Listed on	JASDAQ (stock code 8893)	
Capital	6,590,340,000 yen	
Representative	President and Chief Executive Officer Yasuharu Suzuki	
Businesses	Liquidation, condominium unit sales, residential housing sales, other	
Settlement	March 31	
Employees	49 people [non-consolidated] and 99 people [consolidated]	
Location	Headquarters	Kasumigaseki Common Gate West Tower 20F., 3-2-1 Kasumigaseki, Chiyoda-ku, Tokyo
	Kita-Kanto Branch	Sonic City Building 18F., 1-7-5 Sakuragi-cho Omiya-ku Saitamas-shi, Saitama
	Tachikawa Sales Office	Tachihi Building No.1-8F., 6-1-1 Sakae-cho Tachikawa-shi, Tokyo
Issued shares	38,233,566 shares (61,347,686 shares, as of November 12, 2009)	
Shareholders	11,927	

Columbus, Co., Ltd	11,043,000 shares	28.88%
Saburo Murakami	3,202,400 shares	8.38%
High Village, Co., Ltd.	1,700,000 shares	4.45%
Japan Securities Finance Co., Ltd.	1,401,200 shares	3.66%
RBC DEXIA INVESTOR SERVICES TRUST LONDON-CLIENTS ACCOUNT	860,600 shares	2.25%

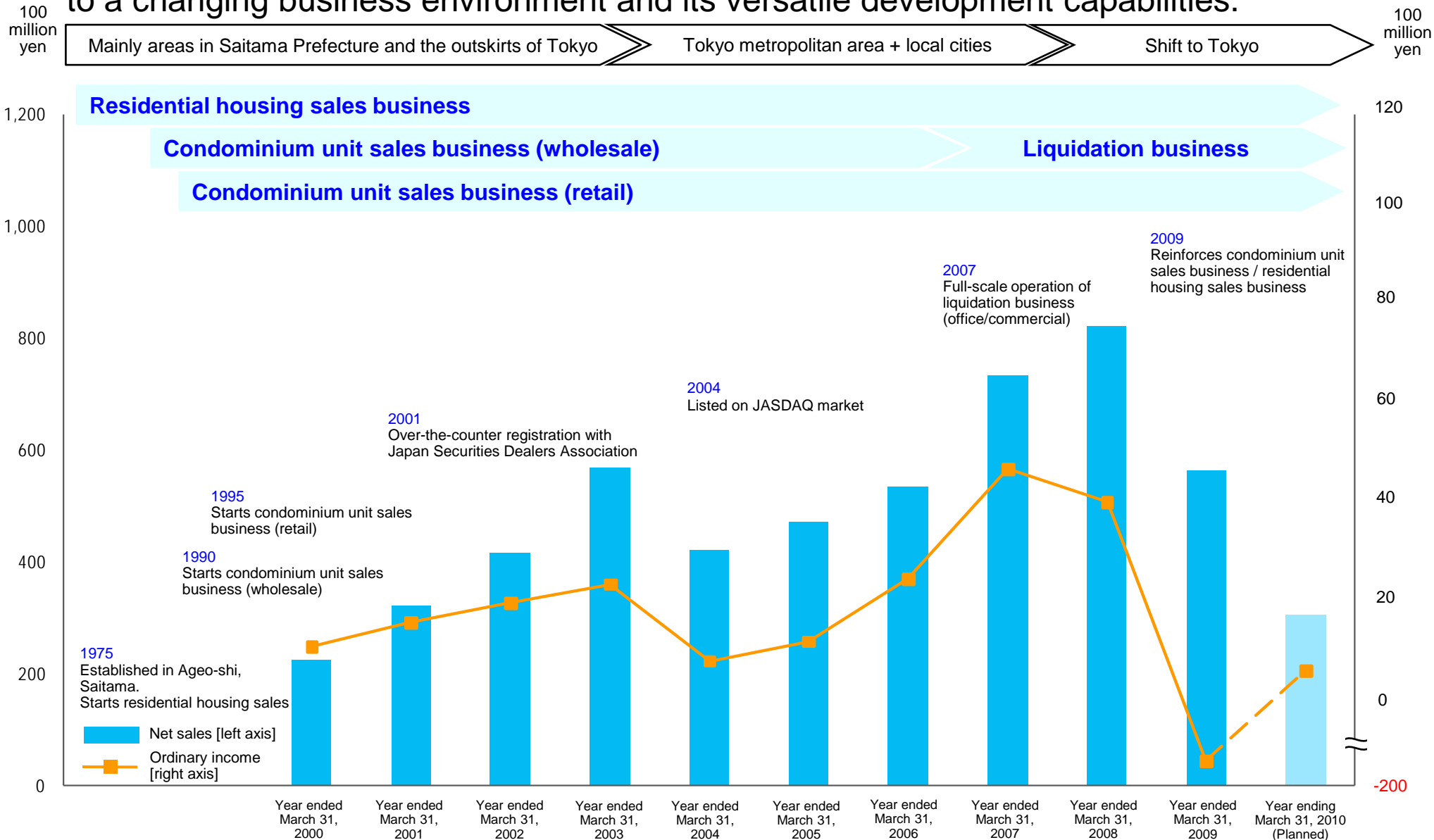
[Shareholder breakdown by number of shares]



\*As of September 30, 2009

# Business History

Shin-Nihon Tatemono has sought to increase earnings using its ability to flexibly adapt to a changing business environment and its versatile development capabilities.

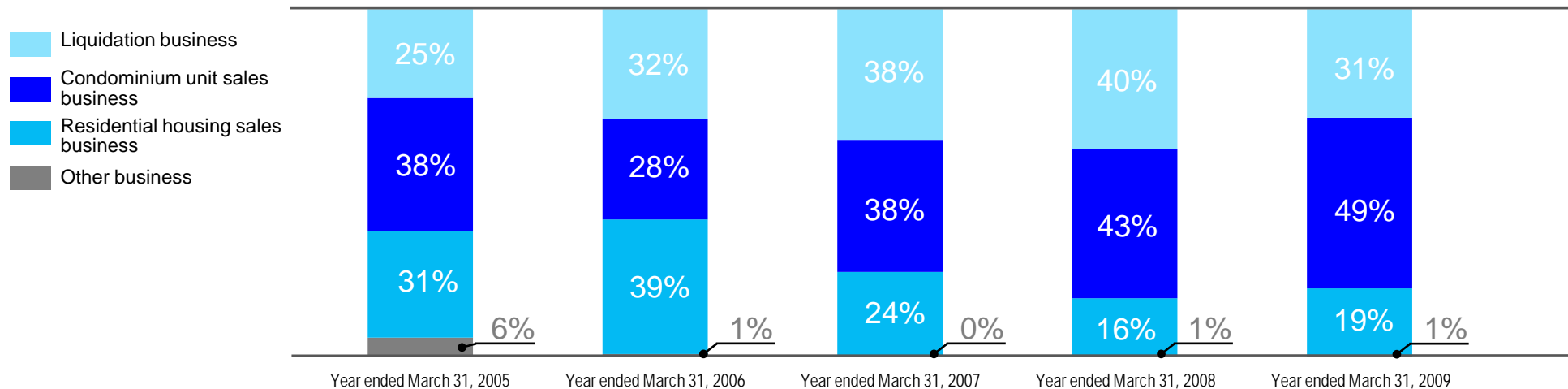




# Business Model

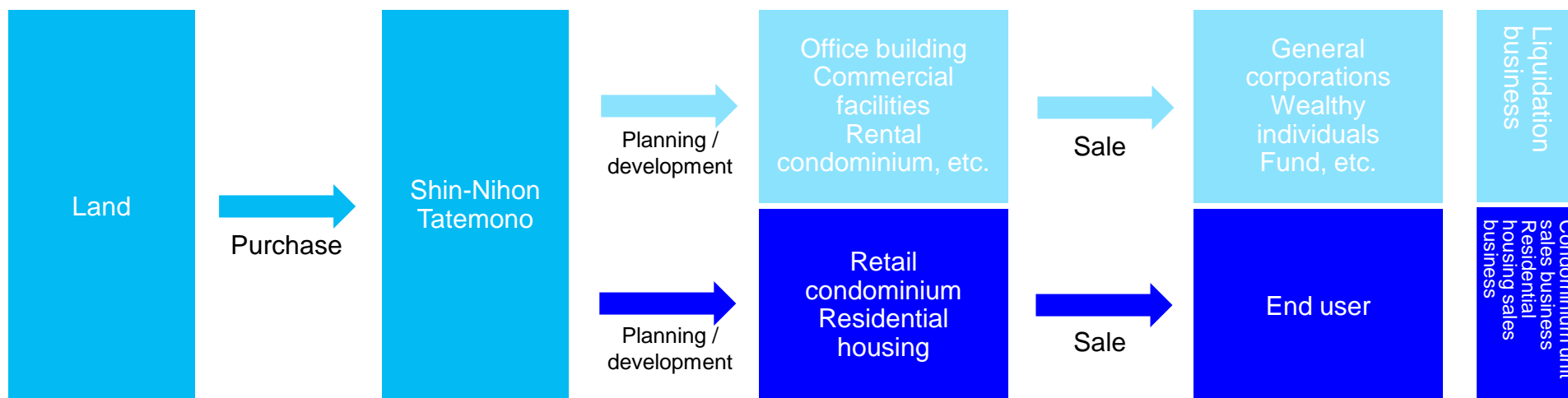
Shin-Nihon Tatemono has tailored its portfolio management to concentrate its resources on promising areas.

## Net sales % of total



\* The year ended March 31, 2005 and the year ended March 31, 2006 are shown based on the current business classification.

## Business flow chart



[For Inquiries]

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This material is intended for providing information about the operating performance of our Company during the first half of the fiscal year ending March 31, 2010 and is not intended for soliciting investment for the shares issued by the Company.

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