

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 First Quarter of the Fiscal Year Ending March 31, 2011 (Japanese Standard)

August 6, 2010

Shin-Nihon Tatemono Co., Ltd.

Stock Exchange: JASDAQ

Code Number: 8893

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

Representative: Yasuharu Suzuki, President and Chief Executive Officer

Attn.: Hiroaki Sato,

Executive Officer, Administrative Department Manager and Group Corporate Development Department Manager

Tel: +81-3-5962-0775

Scheduled date of Filing of Quarterly Report: August 12, 2010

Scheduled date for commencing payment of dividend: —

Preparation of explanatory materials for quarterly financial results: Yes

Information meetings arranged related to financial results: None

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

1. Consolidated Business Results (April 1, 2010 through June 30, 2010)

(1) Consolidated Results of Operations (cumulative)

(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	%
Three months ended June 30, 2010	2,058	(68.5)	(271)	—	(328)	—	(399)	—
Three months ended June 30, 2009	6,537	(2.2)	(384)	—	(509)	—	(522)	—

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Three months ended June 30, 2010	(6.52)	—
Three months ended June 30, 2009	(15.61)	—

(2) Consolidated Financial condition

	Total assets	Net assets	Ratio of shareholders' equity to assets	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2010	14,067	23	0.2	0.38
As of March 31, 2010	15,244	429	2.8	7.00

(Reference) Shareholders' equity:

As of June 30, 2010:

23 million yen

As of March 31, 2010:

429 million yen

2. Dividends

(Record Date)	Dividends per share				
	End of the 1st quarter	Interim period end	End of the 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2010	—	0.00	—	0.00	0.00
Year ending March 31, 2011	—	—	—	—	—
(Forecast) Year ending March 31, 2011	—	0.00	—	0.00	0.00

(Note) Revision to forecast of dividends during this quarter: None

3. Forecast of Consolidated Business Results (April 1, 2010 through March 31, 2011)

(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
Interim	6,100	(56.1)	(140)	—	(330)	—	(360)	—	(5.87)
Annual	19,600	(14.1)	1,030	—	550	—	500	—	8.15

(Note) Revisions to forecast of consolidated business results during this quarter: None

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4. Other

(1) Important changes in subsidiaries during period under review: Applicable

New: 1 subsidiary (Company name : S·T ENGINEERING CO., LTD.)

Exception: -

(Note) This refers to the existence of changes in specific subsidiaries resulting in changes in the scope of consolidation.

(2) Application of simplified or specified accounting methods: Applicable

(Note) This refers to the existence of simplified accounting method or accounting method specific to preparation of quarterly consolidated financial statements.

(3) Changes to accounting principles procedures, and representation method:

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

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

(Note) This refers to the existence of changes to accounting principles procedures, and representation method pertaining to preparation of quarterly consolidated financial statements, stated in "Changes in major items fundamental to quarterly consolidated financial statements".

(4) Number of issued shares (Common stock)

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

As of June 30, 2010: 61,347,686 shares

As of March 31, 2010: 61,347,686 shares

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

As of June 30, 2010: 652 shares

As of March 31, 2010: 652 shares

(iii) Average number of issued shares for each period (consolidated cumulative period):

Three months ended June 30, 2010: 61,347,686 shares

Three months ended June 30, 2009: 33,463,014 shares

(Implementation status of quarterly review processes)

This summary of financial statements is not subject to quarterly review processes under the Financial Products and Exchange Law. At the time of this document's release, a review of the quarterly financial statements under the financial Products and Exchange Law had not been completed.

(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.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	At the end of first quarter (June 30, 2010)	Condensed consolidated balance sheets at the end of previous fiscal year (March 31, 2010)
Assets		
Current assets		
Cash and deposits	634,399	768,576
Notes and accounts receivable, trade	33,505	52,427
Real estate for sale	332,606	855,390
Real estate for sale in process	9,810,408	9,913,181
Uncompleted construction expenditure	1,763	18,453
Advance payments-trade	1,115,500	1,100,000
Other	315,176	297,787
Allowance for doubtful accounts	(8,996)	(10,155)
Total current assets	12,234,362	12,995,661
Noncurrent assets		
Property, plant and equipment	1,099,224	1,154,782
Intangible assets	36,974	48,300
Investments and other assets		
Investment securities	425,582	564,831
Other	1,044,382	1,254,519
Allowance for doubtful accounts	(773,250)	(773,250)
Total investments and other assets	696,714	1,046,100
Total noncurrent assets	1,832,913	2,249,183
Total assets	14,067,276	15,244,845
Liabilities		
Current liabilities		
Notes and accounts payable - trade	101,797	230,221
Short-term loans payable	10,894,604	8,829,604
Current portion of bonds	100,000	100,000
Income taxes payable	6,002	8,513
Advances received	149,114	94,360
Deposits received	90,749	135,711
Provision for cost of head office transfer	133,170	133,170
Provision for loss on store closing	24,452	24,452
Other	144,719	375,689
Total current liabilities	11,644,610	9,931,723
Noncurrent liabilities		
Long-term loans payable	1,862,004	4,323,405
Provision for retirement benefits	53,817	52,229
Provision for directors' retirement benefits	384,985	382,121
Other	98,739	125,897
Total noncurrent liabilities	2,399,547	4,883,653
Total liabilities	14,044,157	14,815,376

(Thousand yen)

	At the end of first quarter (June 30, 2010)	Condensed consolidated balance sheets at the end of previous fiscal year (March 31, 2010)
Net assets		
Shareholders' equity		
Capital stock	7,338,707	7,338,707
Capital surplus	901,768	901,768
Retained earnings	(8,218,617)	(7,816,856)
Treasury stock	(385)	(385)
Total shareholders' equity	21,472	423,233
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,647	6,235
Total valuation and translation adjustments	1,647	6,235
Total net assets	23,119	429,469
Total liabilities and net assets	14,067,276	15,244,845

(2) Quarterly Consolidated Statements of Income
(First three months)

(Thousand yen)

	Cumulative period for consolidated first quarter (from April 1, 2009 to June 30, 2009)	Cumulative period for consolidated first quarter (from April 1, 2010 to June 30, 2010)
Net sales	6,537,094	2,058,553
Cost of sales	6,029,283	1,826,804
Gross profit/loss	507,811	231,749
Selling, general and administrative expenses		
Sales commission	127,500	20,640
Advertising expenses	257,655	109,397
Directors' compensations	47,977	33,398
Salaries and allowances	138,018	101,966
Provision for directors' retirement benefits	3,716	2,667
Provision for bonuses	17,104	11,019
Depreciation	8,558	4,729
Other	291,872	219,551
Total selling, general and administrative expenses	892,404	503,369
Operating loss	(384,592)	(271,620)
Non-operating income		
Interest income	508	1,071
Dividends income	881	849
Land and house rent received	92,497	32,499
Penalty income	2,395	1,000
Other	17,136	29,072
Total non-operating income	113,419	64,492
Non-operating expenses		
Interest expenses	172,360	112,346
Other	66,259	9,079
Total non-operating expenses	238,620	121,426
Ordinary loss	(509,793)	(328,554)
Extraordinary income		
Reversal of allowance for doubtful accounts	3,097	1,158
Gain on sales of investment securities	999	—
Reversal of provision for directors' retirement benefits	8,250	—
Gain on sales of noncurrent assets	—	39,370
Reversal of provision for bonuses	—	23,011
Total extraordinary income	12,347	63,540
Extraordinary loss		
Loss on valuation of investment securities	—	128,660
Total extraordinary losses	—	128,660
Loss before income taxes	(497,445)	(393,674)
Income taxes - current	—	6,002
Income taxes - deferred	24,765	—
Total income taxes	24,765	6,002
Loss before minority interests	—	(399,677)
Net loss	(522,211)	(399,677)

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	Cumulative period for consolidated first quarter (from April 1, 2009 to June 30, 2009)	Cumulative period for consolidated first quarter (from April 1, 2010 to June 30, 2010)
Net cash provided by (used in) operating activities		
Loss before income taxes	(497,445)	(393,674)
Depreciation	10,111	6,789
Loss (gain) on sales and retirement of noncurrent assets	—	(39,370)
Increase (decrease) in provision for retirement benefits	(812)	1,504
Increase (decrease) in provision for directors' retirement benefits	(4,328)	2,864
Interest and dividends income	(1,390)	(1,920)
Interest expenses	172,360	112,346
Loss (gain) on valuation of investment securities	—	128,660
Decrease (increase) in notes and accounts receivable - trade	80,774	18,921
Decrease (increase) in inventories	4,737,350	642,247
Decrease (increase) in advance payments	—	(15,500)
Increase (decrease) in notes and accounts payable - trade	(1,412,201)	(128,423)
Increase (decrease) in advances received	(622,951)	54,754
Increase (decrease) in deposits received	(74,152)	(45,205)
Other	75,014	(88,345)
Sub-total	2,462,327	255,648
Interest and dividends received	9,620	961
Interest expenses paid	(156,958)	(88,749)
Income taxes paid	(14,572)	(8,519)
Net cash provided by (used in) operating activities	2,300,417	159,341
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	64,100	—
Payments into time deposits	—	(3,050)
Proceeds from withdrawal of time deposits	—	13,900
Purchases of property, plant and equipment	—	(812)
Proceeds from sales of property, plant and equipment	—	100,979
Purchase of investment securities	—	(4,000)
Proceeds from sales of investment securities	1,000	—
Other	—	(1,850)
Net cash provided by (used in) investing activities	65,100	105,167
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	104,720	(442,000)
Proceeds from long-term loans payable	—	465,000
Repayment of long-term loans payable	(3,935,401)	(419,401)
Net cash provided by (used in) financing activities	(3,830,681)	(396,401)
Net increase (decrease) in cash and cash equivalents	(1,465,163)	(131,892)
Cash and cash equivalents at the beginning of period	2,324,409	631,926
Increase in cash and cash equivalents from newly consolidated subsidiary	—	8,564
Cash and cash equivalents at end of period	859,246	508,599