

**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 Half of the Fiscal Year Ending March 31, 2011 (Japanese Standard)

November 5, 2010

**Shin-Nihon Tatemono Co., Ltd.**

Stock Exchange: Osaka

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: November 12, 2010

Scheduled date for commencing payment of dividend: —

Preparation of explanatory materials for quarterly financial results: None

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 September 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	%
Six months ended September 30, 2010	4,331	(68.8)	(2,191)	—	(2,325)	—	(3,678)	—
Six months ended September 30, 2009	13,899	(30.2)	(29)	—	(218)	—	(220)	—

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Six months ended September 30, 2010	(59.96)	—
Six months ended September 30, 2009	(6.37)	—

### (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 September 30, 2010	10,419	(3,264)	(31.3)	(53.21)
As of March 31, 2010	15,244	429	2.8	7.00

(Reference) Shareholders' equity: As of September 30, 2010: (3,264) 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	—	0.00	—	0.00	0.00
(Forecast) Year ending March 31, 2011	—	—	—	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
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: Not applicable

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

(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.: Not 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 September 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 September 30, 2010: 725 shares

As of March 31, 2010: 652 shares

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

Six months ended September 30, 2010: 61,347,000 shares

Six months ended September 30, 2009: 34,567,395 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)

We have not revised our forecast of consolidated business results announced in the "Summary of Financial Statements (Consolidated) for the First Quarter of the Fiscal Year Ending March 31, 2011 (Japanese Standard)," which was published on August 6, 2010, since we are unable to make a reasonable results forecasts for the fiscal year ending March 31, 2010 at this point in time, as we explained in the "Notice of Recording Loss on Valuation of Inventories, Extraordinary Gains and Extraordinary Losses and Revisions to Results Forecasts" published on October 28, 2010. We will disclose our results forecasts as soon as we are able to make a reasonable forecast.

## 5. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	At the end of first half (September 30, 2010)	Condensed consolidated balance sheets at the end of previous fiscal year (March 31, 2010)
<b>Assets</b>		
Current assets		
Cash and deposits	1,606,679	768,576
Notes and accounts receivable, trade	40,581	52,427
Real estate for sale	273,850	855,390
Real estate for sale in process	7,105,291	9,913,181
Uncompleted construction expenditure	1,864	18,453
Advance payments-trade	59,078	1,100,000
Other	211,905	297,787
Allowance for doubtful accounts	(915)	(10,155)
<b>Total current assets</b>	<b>9,298,334</b>	<b>12,995,661</b>
Noncurrent assets		
Property, plant and equipment	533,515	1,154,782
Intangible assets	33,836	48,300
Investments and other assets		
Investment securities	389,980	564,831
Other	1,033,366	1,254,519
Allowance for doubtful accounts	(869,591)	(773,250)
<b>Total investments and other assets</b>	<b>553,755</b>	<b>1,046,100</b>
<b>Total noncurrent assets</b>	<b>1,121,107</b>	<b>2,249,183</b>
<b>Total assets</b>	<b>10,419,442</b>	<b>15,244,845</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	139,888	230,221
Short-term loans payable	11,992,604	8,829,604
Current portion of bonds	100,000	100,000
Income taxes payable	18,740	8,513
Advances received	387,365	94,360
Deposits received	36,014	135,711
Provision for cost of head office transfer	—	133,170
Provision for loss on store closing	—	24,452
Other	265,609	375,689
<b>Total current liabilities</b>	<b>12,940,222</b>	<b>9,931,723</b>
Noncurrent liabilities		
Long-term loans payable	573,670	4,323,405
Provision for retirement benefits	54,234	52,229
Provision for directors' retirement benefits	12,762	382,121
Other	103,034	125,897
<b>Total noncurrent liabilities</b>	<b>743,701</b>	<b>4,883,653</b>
<b>Total liabilities</b>	<b>13,683,923</b>	<b>14,815,376</b>

(Thousand yen)

	At the end of first half (September 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	(11,497,299)	(7,816,856)
Treasury stock	(388)	(385)
Total shareholders' equity	(3,257,212)	423,233
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(7,268)	6,235
Total valuation and translation adjustments	(7,268)	6,235
Total net assets	(3,264,481)	429,469
Total liabilities and net assets	10,419,442	15,244,845

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

(Thousand yen)

	Cumulative period for consolidated first half (from April 1, 2009 to September 30, 2009)	Cumulative period for consolidated first half (from April 1, 2010 to September 30, 2010)
Net sales	13,899,066	4,331,199
Cost of sales	12,220,395	5,440,527
Gross profit/loss	1,678,671	(1,109,327)
Selling, general and administrative expenses		
Sales commission	247,299	38,055
Advertising expenses	497,379	190,347
Provision of allowance for doubtful accounts	—	87,101
Directors' compensations	77,084	65,666
Salaries and allowances	266,944	196,718
Provision for bonuses	41,019	19,154
Provision for directors' retirement benefits	6,035	5,248
Depreciation	15,108	9,504
Other	557,623	470,781
Total selling, general and administrative expenses	1,708,493	1,082,578
Operating loss	(29,821)	(2,191,906)
Non-operating income		
Interest income	1,090	1,353
Dividends income	2,287	1,314
Land and house rent received	189,984	54,621
Penalty income	7,495	1,000
Other	85,335	44,257
Total non-operating income	286,193	102,546
Non-operating expenses		
Interest expenses	347,059	220,340
Other	127,516	15,638
Total non-operating expenses	474,576	235,979
Ordinary loss	(218,204)	(2,325,339)
Extraordinary income		
Reversal of allowance for doubtful accounts	27,092	—
Gain on sales of noncurrent assets	—	39,370
Gain on sales of investment securities	999	8,666
Reversal of provision for bonuses	—	23,011
Reversal of provision for cost of head office transfer	—	19,581
Reversal of provision for directors' retirement benefits	8,250	374,929
Total extraordinary income	36,342	465,559
Extraordinary loss		
Impairment loss	—	508,858
Loss on sales of investment securities	—	6,030
Loss on valuation of investment securities	119	129,244
Loss on valuation of advance payments-trade	—	1,050,000
Bad debts written off	—	23,791
Total extraordinary losses	119	1,717,924
Loss before income taxes	(181,981)	(3,577,704)
Income taxes - current	11,584	10,164
Income taxes - deferred	26,641	90,490
Total income taxes	38,226	100,654
Loss before minority interests	—	(3,678,359)
Net loss	(220,208)	(3,678,359)

(Three months ended September 30, 2010)

(Thousand yen)

	Cumulative period for consolidated second quarter (from July 1, 2009 to September 30, 2009)	Cumulative period for consolidated second quarter (from July 1, 2010 to September 30, 2010)
Net sales	7,361,971	2,272,646
Cost of sales	6,191,111	3,613,722
Gross profit/loss	1,170,859	(1,341,076)
Selling, general and administrative expenses		
Sales commission	119,798	17,415
Advertising expenses	239,723	80,950
Provision of allowance for doubtful accounts	—	88,259
Directors' compensations	29,106	32,268
Salaries and allowances	128,925	94,752
Provision for bonuses	23,914	8,135
Provision for directors' retirement benefits	2,319	2,581
Depreciation	6,549	4,774
Other	265,751	251,230
Total selling, general and administrative expenses	816,089	580,367
Operating loss	(354,770)	(1,921,444)
Non-operating income		
Interest income	582	282
Dividends income	1,405	465
Land and house rent received	97,487	22,121
Penalty income	5,100	—
Other	68,199	15,185
Total non-operating income	172,774	38,053
Non-operating expenses		
Interest expenses	174,699	107,993
Other	61,256	6,558
Total non-operating expenses	235,955	114,552
Ordinary loss	291,589	(1,997,942)
Extraordinary income		
Reversal of allowance for doubtful accounts	23,994	—
Gain on sales of investment securities	—	8,666
Reversal of provision for cost of head office transfer	—	19,581
Reversal of provision for directors' retirement benefits	—	374,929
Total extraordinary income	23,994	403,176
Extraordinary loss		
Impairment loss	—	508,858
Loss on sales of investment securities	—	6,030
Loss on valuation of investment securities	119	583
Loss on valuation of advance payments-trade	—	1,050,000
Bad debts written off	—	23,791
Total extraordinary losses	119	1,589,263
Loss before income taxes	(315,464)	(3,184,029)
Income taxes - current	11,584	4,162
Income taxes - deferred	1,876	90,490
Total income taxes	13,461	94,652
Loss before minority interests	—	(3,278,681)
Net loss	(302,002)	(3,278,681)

## (3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	Cumulative period for consolidated first half (from April 1, 2009 to September 30, 2009)	Cumulative period for consolidated first half (from April 1, 2010 to September 30, 2010)
Net cash provided by (used in) operating activities		
Loss before income taxes	(181,981)	(3,577,704)
Depreciation	18,973	13,624
Impairment loss	—	508,858
Loss (gain) on sales and retirement of noncurrent assets	—	(39,370)
Increase (decrease) in provision for retirement benefits	(8,027)	1,921
Increase (decrease) in provision for directors' retirement benefits	(1,848)	(369,358)
Increase (decrease) in provision for cost of head office transfer	—	(72,741)
Increase (decrease) in provision for loss on store closing	—	(24,452)
Interest and dividends income	(3,378)	(2,667)
Interest expenses	347,059	220,340
Loss (gain) on valuation of investment securities	—	129,244
Decrease (increase) in notes and accounts receivable - trade	83,956	11,845
Decrease (increase) in inventories	8,564,946	3,406,019
Decrease (increase) in advance payments	(17,050)	1,040,922
Increase (decrease) in notes and accounts payable - trade	(2,737,229)	(90,333)
Increase (decrease) in advances received	(745,960)	293,004
Increase (decrease) in deposits received	(40,884)	(99,940)
Other	646,668	75,360
Sub-total	5,925,243	1,424,573
Interest and dividends received	11,542	3,365
Interest expenses paid	(302,859)	(123,213)
Income taxes paid	10,144	(4,626)
Net cash provided by (used in) operating activities	5,644,071	1,300,098
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	233,268	—
Payments into time deposits	—	(1,085,054)
Proceeds from withdrawal of time deposits	—	13,900
Purchases of property, plant and equipment	(644)	(7,806)
Proceeds from sales of property, plant and equipment	(1,033)	101,031
Purchase of investment securities	—	(4,000)
Proceeds from sales of investment securities	1,000	28,738
Collection of short-term loans receivable	100	—
Collection of long-term loans receivable	—	64
Other	90	(1,850)
Net cash provided by (used in) investing activities	232,781	(954,977)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,790,280)	(366,000)
Proceeds from long-term loans payable	—	465,000
Repayment of long-term loans payable	(5,463,802)	(685,735)
Redemption of bonds	(130,000)	—
Proceeds from issuance of common stock	349,443	—
Other	6,259	(3)
Net cash provided by (used in) financing activities	(7,028,378)	(586,738)
Net increase (decrease) in cash and cash equivalents	(1,151,525)	(241,616)
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	1,172,883	398,875