

Reference Material for Presentation on Operating Performance During the First Three Quarters of the Fiscal Year Ending March 31, 2011

February 4 (Friday), 2011
Shin-Nihon Tatemono Co., Ltd.

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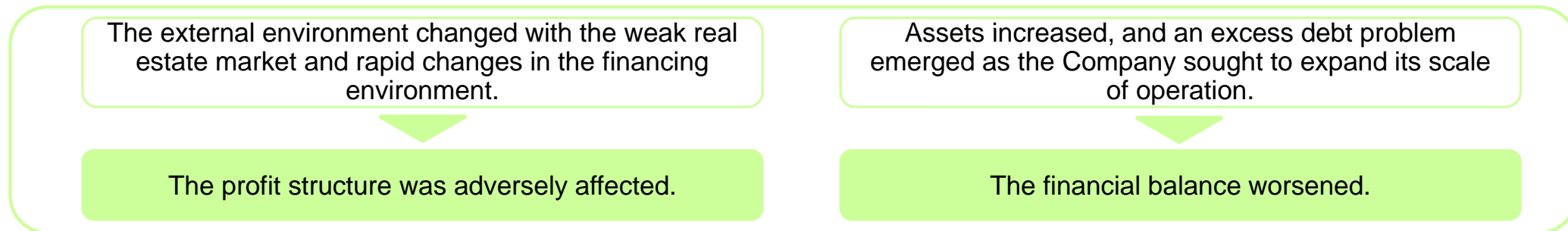
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I. Outline of the Turnaround Plan

Establishment of Turnaround ADR Procedure

✓ A turnaround ADR procedure was established on November 25, 2010.

Background and developments



September 3, 2010	Application for and acceptance of a turnaround ADR procedure Shin-Nihon Tatemono aimed for business reconstruction through a turnaround ADR procedure to establish a robust profit-earning structure and to radically improve its financial strength.
September 10, 2010	First creditors' meeting Shin-Nihon Tatemono outlined a turnaround plan. The suspension of repayment of the principal of loans was confirmed. DIP finance was approved.
October 28, 2010	Second creditors' meeting Shin-Nihon Tatemono explained the turnaround plan.
November 25, 2010	Third creditors' meeting All relevant creditors gave their consent to the turnaround plan, which includes financial assistance initiatives such as a debt waiver and a debt equity swap, and a turnaround ADR procedure was established.

Implementation of financial assistance	=>	December 21, 2010	•••	A debt waiver implemented
	=>	December 22, 2010	•••	A debt equity swap implemented

Capital Reinforcement Plan 1

- ✓ Capital reinforcement through financial assistance from correspondent financial institutions and the issuing of new shares

Financial assistance

Item	Amount	Remarks
1. Debt waiver	¥2,828 million	Four correspondent financial institutions
2. Debt equity swap	¥599 million	Four correspondent financial institutions
3. Easing terms of repayment	¥8,916 million	11 correspondent financial institutions
Total	¥12,344 million	

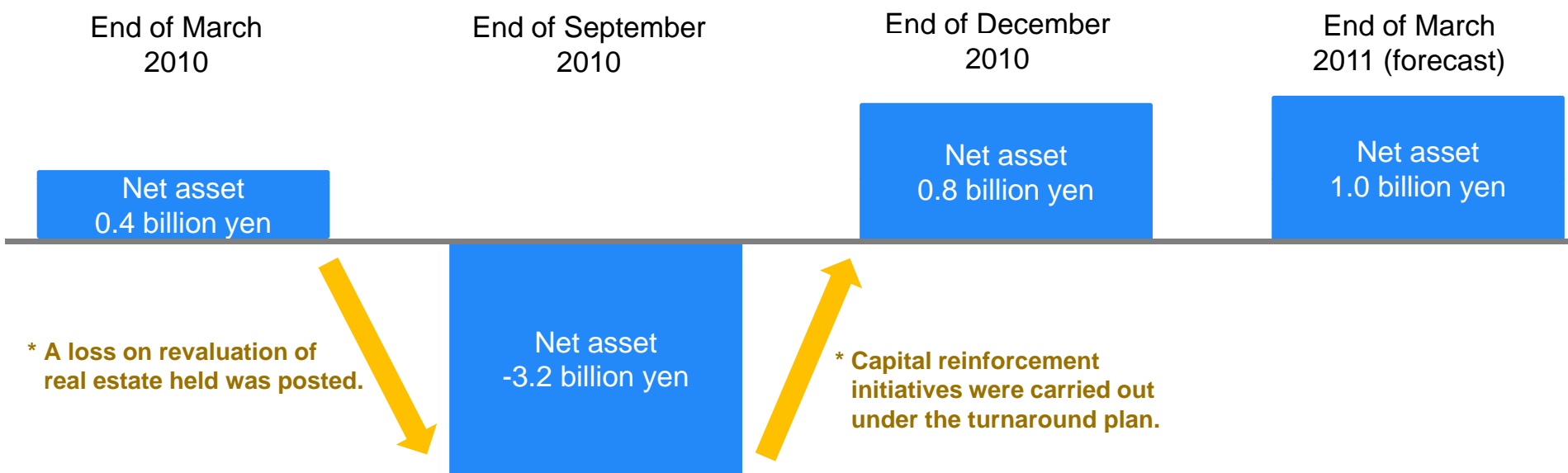
Capital increase through private placement

Item	Amount	Remarks
1. Issuing of common shares	¥1,060 million	17 investors
2. Issuing of restricted stock	¥50 million	Saburo Murakami (Company advisor)
Total	¥1,110 million	

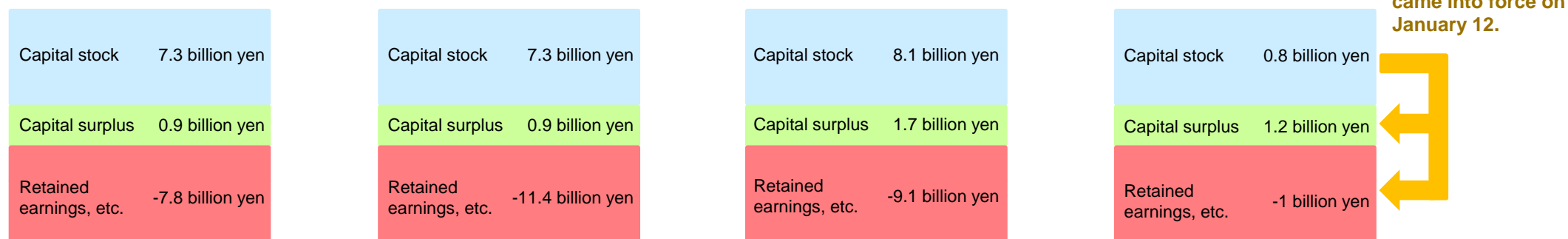
Capital Reinforcement Plan 2

- ✓ Declines in excess liabilities through capital reinforcement and falls in cumulative losses through a capital reduction

Trends in (consolidated) net assets



(Breakdown)



1. Management responsibility

- Company founder Saburo Murakami resigned as a representative director and director.
- Directors who have resigned receive no retirement bonuses or merit rewards.
- Directors who have remained receive no retirement bonuses or merit rewards for the period from the time they took office until the end of March 2013.
- Additional reductions in officers' remuneration: A 74.5% reduction from monthly remuneration in March 2009.

2. Cooperation of shareholders

- Columbus, Co., Ltd., the largest shareholder, transferred 9,386,500 shares to the Company for no consideration.
- The officers of the Company who held shares in the Company transferred all shares they held (a total of 6,265,300 shares) to the Company for no consideration.
- On December 21, 2010, the Company wrote off the treasury stock that it had acquired.
- The Company diluted its existing shares by issuing common shares, restricted stock, and preferred stock through debt-equity swaps.

Outlook of the Operating Environment

Operating environment in the Tokyo area

- ✓ The retail condominium market is continuing to recover, backed by a small number of units sold, low interest rates, housing incentives policy, and prices appearing to have bottomed out.
- ✓ Competition for acquiring land for business is intensifying in the 23 wards of Tokyo, while transactions remain sluggish in suburban areas partly due to declining numbers of specialized developers.
- ✓ Demand for home buying is firm among first-time buyers, although consumer confidence is declining due to the current economic downturn.
- ✓ In the retail condominium market, condominiums are in short supply in some suburban areas as supply has been falling since 2007.



Challenges Facing the Company

Rebuilding a business structure that can endure changes in the business environment for revitalization and regrowth.

- Establish competitive superiority in suburban areas in the Tokyo area.
- Enhance risk management and the ability to make forecasts to respond to changes in the market.
- Develop a financial strategy that will support a stable business cycle.
- Bolster the managerial and administrative functions for optimizing and streamlining management resources.



Basic policy of the turnaround plan

Strengths of the Group

A unique organizational structure to strengthen and integrate in-house operations in each section and to promote projects

1 Ability to purchase

Have a range of purchase routes through the community-based activities of our staff and close ties with land information providers.
Develop business plans for ourselves to respond to information on properties appropriately and promptly.

2 Adjusting power for redevelopment

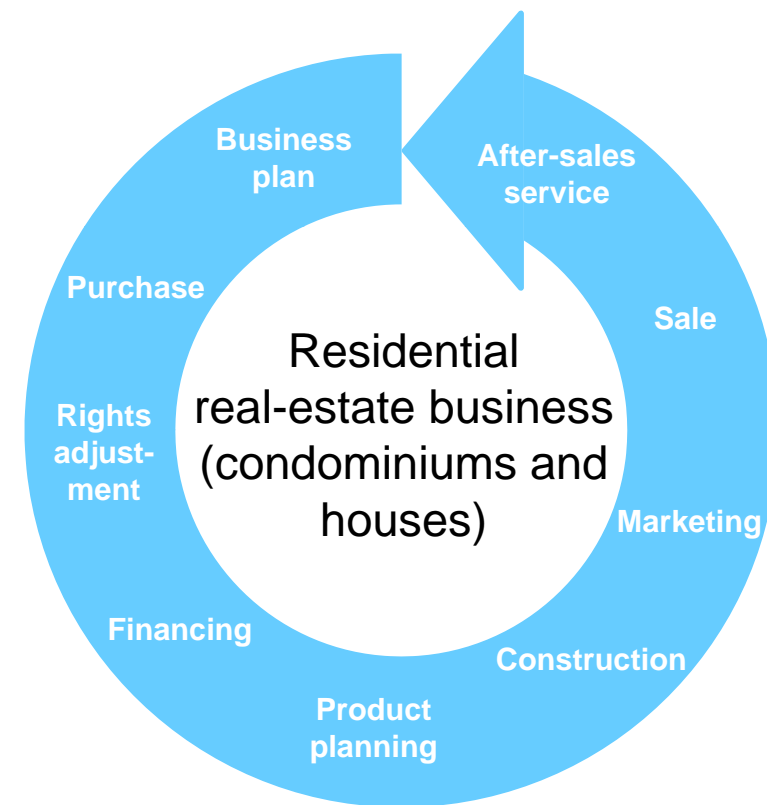
Have extensive experience in the cumbersome procedures required for creating land for developing condominiums and houses, including rights adjustments with land owners, consulting for equivalent exchanges, and land readjustments.
Adjust rights to achieve compliance and cut costs.

3 Construction capability

Establish a competitive edge with an in-house construction function, maintaining high quality and cutting costs through streamlining.
Advance the difficult commercialization of incomplete properties in the condominium purchase/resale business.

4 Potential for sustainable growth

Take steps for continuous business improvement through an integrated supply system from purchase to after-sales services.
Reflect customer feedback obtained through after-sales services in future projects.



Basic Policy of the Turnaround Plan

Basic policy

Operations based 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 market fluctuations

Strategy

Strengths of the Company

X

Changes in the external environment

=>

Establishment of an optimal growth model

Future core businesses

Condominium Purchase/Resale Business

High profitability and certain returns on investment are expected in the short term. We will leverage our ability to investigate and assess properties, to coordinate interests, and to sell as a developer.

Residential housing sales business

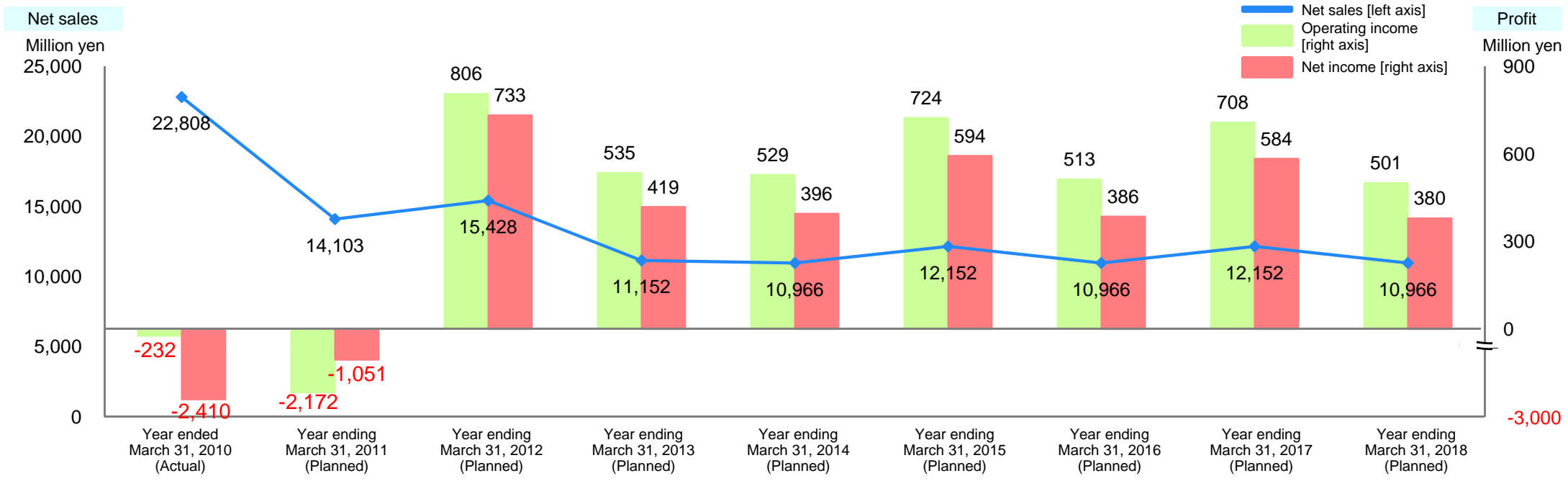
The business that we have operated since our founding has generated stable earnings. We have established a unique position in terms of areas of properties and product planning.

Wholesale business

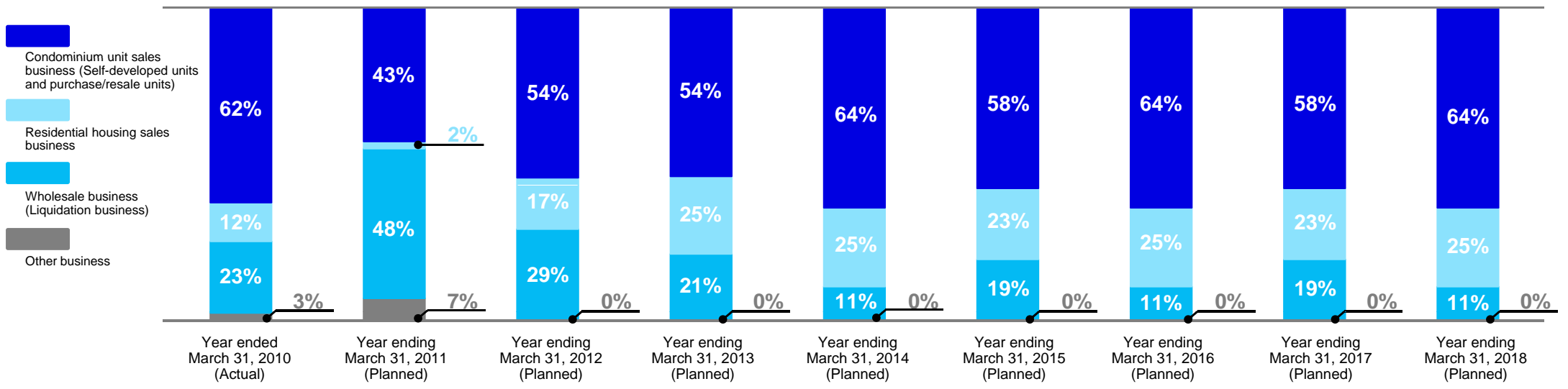
The business has many achievements in the past 20 years. The business has earned a reputation reliability based on our work with major developers.

Management Figures in the Turnaround Plan (Consolidated)

Income plan

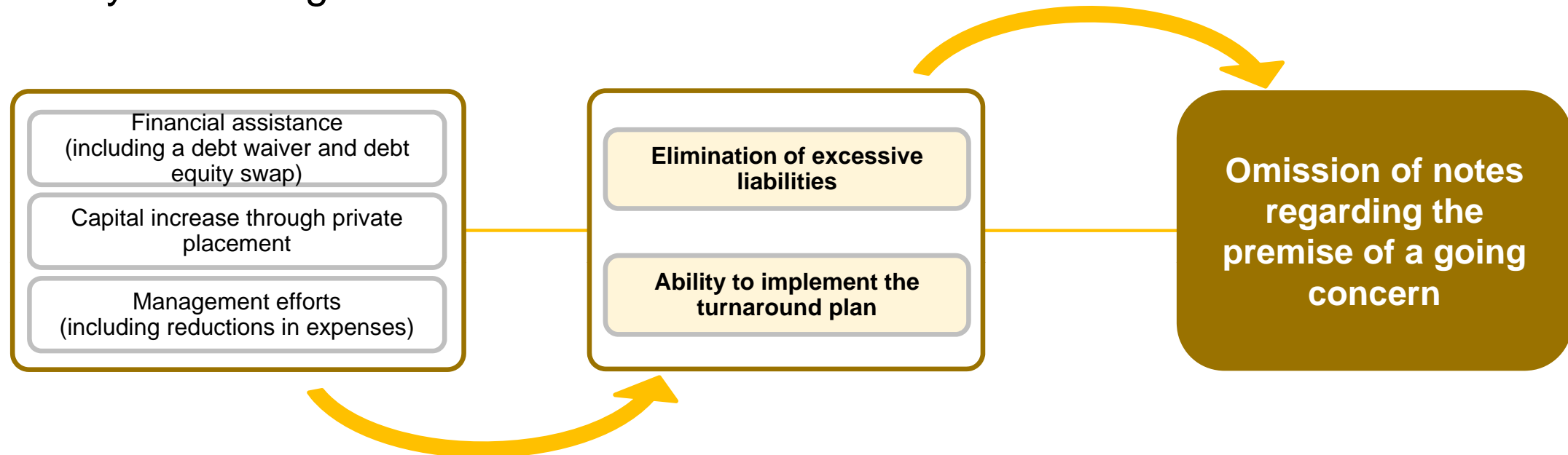


Breakdown of sales



II. Topics

- ✓ Notes regarding the premise of a going concern were omitted in the summary of financial statements for the first three quarters for the fiscal year ending March 2011.



Background and developments

- Notes regarding the premise of a going concern were included in the summaries of financial statements for the fiscal year ended March 2009 and periods thereafter because of continued large net losses and necessary changes in loan maturities.
- The Company has omitted notes regarding the premise of a going concern, determining that significant uncertainty regarding the premise of a going concern has been eliminated because of concrete actions, including capital reinforcement initiatives, in the turnaround plan and the rebuilding of a profit structure in which the Group focuses on its strengths.
- The Company expects substantial positive effects from the omission on its operations → The Company will pursue more aggressive operations, including the purchases of new properties.

- ✓ An alliance between the Company and J.S.B. Co., Ltd. a pioneer in the condominium business for students

Synergies of the alliance

Shin-Nihon Tatemono

A track record in real estate development and sales

New expertise and new systems

- 1 Establishment of an alliance project team
- 2 Personnel exchanges including the dispatching of officers and employees
- 3 Exchange of real estate information
- 4 Joint development, planning, and construction of properties
- 5 Establishment of a joint operation system by specialized organizations

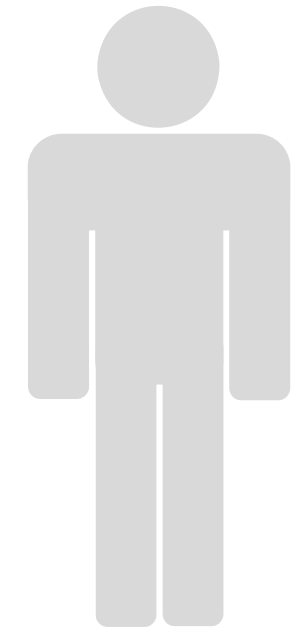
J.S.B.

A track record in real estate rental

Proposing development and sale
Capital gains

Expanding profit-earning opportunities, responding to diversifying needs of real estate owners

Proposing asset utilization
Income gains



Real estate owner

J.S.B. Co., Ltd.

J.S.B. has established its operating base as a company producing apartments for students in a comprehensive manner, engaging in planning, development, designing, acting as an agency for, and managing apartments for students and developing housing equipment. The company is expanding the number of apartments that it operates or manages based on a business model in which it rents more than 99% of approximately 45,000 apartments for students nationwide that it operates or manages every spring.

III. Overview of Consolidated Operating Performance During the First Three Quarters of the Fiscal Year Ending March 31, 2011

Key Results from the First Three Quarters

Balance Sheet

- The balance sheet was downsized with assets sold.
 - => Total assets at the end of the third quarter were ¥9,142 million down (¥6,102 million from the end of the previous fiscal year).
- Excessive liabilities were eliminated.
 - => Consolidated net assets at the end of the third quarter were ¥842 million. (Consolidated net assets at the end of the second quarter were minus ¥3,264 million.)

Profit and Loss Statement

- Both sales and income in the first three quarters declined year on year, reflecting fewer properties sold.
- The gross profit percentage improved in the condominium unit sales business and in the residential housing sales business.
- Losses associated with the turnaround were posted.
 - => Loss on valuation of inventory, loss on valuation of advance payments, and impairment losses in fixed assets.

Consolidated Balance Sheet

(Unit: million yen)	Year ended March 31, 2010		Year ending March 31, 2011	
	End of Q3	Year end	End of Q3	Change
Cash and deposits	1,022	768	1,091	323
Real estate for sale	1,231	855	533	● -322
Real estate for sale in process	11,317	9,913	6,564	● -3,348
Others	2,908	1,458	318	-1,139
Total current assets	16,479	12,995	8,508	-4,487
Total noncurrent assets	2,583	2,249	633	-1,615
Total assets	19,063	15,244	9,142	-6,102
Notes and account payable-trade	1,525	230	131	-98
Short-term loans payable	10,046	8,829	1,768	● -7,061
Current portion of bonds	100	100	—	● -100
Others	796	771	948	176
Total current liabilities	12,468	9,931	2,847	-7,084
Bonds payable	—	—	—	—
Long-term loans payable	3,783	4,323	5,302	● 979
Others	570	560	148	-411
Total noncurrent liabilities	4,354	4,883	5,451	567
Total liabilities	16,822	14,815	8,299	-6,516
Capital stock	7,338	7,338	8,193	● 854
Capital surplus	901	901	1,756	● 854
Retained earnings	-6,002	-7,816	-9,102	-1,285
Others	2	5	-3	-9
Total net assets	2,240	429	842	413
Total liabilities and net assets	19,063	15,244	9,142	-6,102

● Decrease of real estate for sale

Breakdown at the end of Q3 of FY 11/3

Liquidation	:	- million yen	- property
Condominium unit sales	:	506 million yen	22 units
Residential housing sales	:	26 million yen	1 house

● Decrease of real estate for sale in process

Breakdown at the end of Q3 of FY 11/3

Liquidation	:	5,504 million yen
Condominium unit sales	:	873 million yen
Residential housing sales	:	186 million yen
Total	:	6,564 million yen

● Status of interest-bearing liabilities

Year ended March 31, 2010	13,253 million yen
Q3 ended December 31, 2010	7,070 million yen
Change	-6,182 million yen

● Capital increase through private placement

Common shares	1,060 million yen
Restricted stock	50 million yen
Preferred stock (DES)	599 million yen
Total	1,709 million yen

Consolidated Profit and Loss Statement

(Unit: million yen)	Year ended March 31, 2010		Year ending March 31, 2011			
	Q3 (cumulative)		Q3 (cumulative)		Year-on-year	
	Actual	% of Total	Actual	% of Total	Change	Change (%)
Net sales	18,206	100.0%	5,734	100.0%	-12,472	-68.5%
Cost of sales	15,901	87.3%	6,716	117.1%	-9,185	-57.8%
Gross profit	2,304	12.7%	-982	-17.1%	-3,286	—
Selling, general and administrative expenses	2,383	13.1%	1,650	28.8%	-732	-30.7%
Operating income	-78	-0.4%	-2,633	-45.9%	-2,554	—
Non-operating income	336	1.8%	133	2.3%	-202	-60.3%
Non-operating expenses	698	3.8%	277	4.8%	-421	-60.3%
Ordinary income	-440	-2.4%	-2,776	-48.4%	-2,336	—
Extraordinary income	27	0.1%	3,308	57.7%	3,281	—
Extraordinary loss	106	0.6%	1,717	30.0%	1,611	—
Income before income taxes	-519	-2.9%	-1,185	-20.7%	-666	—
Income taxes	76	0.4%	100	1.7%	24	31.5%
Net income	-595	-3.3%	-1,286	-22.4%	-690	—

Loss on valuation of inventory
¥1,688 million
 (first three quarters of year ending March 2011)

Details of selling, general and administrative expenses

(Unit: million yen)	FY 10/3 Q3 (cumulative)	FY 11/3 Q3 (cumulative)	Change
Personnel expenses	631	452	-179
Sales commission	351	74	-277
Advertising expenses	625	297	-327
Other	774	826	52
Total	2,383	1,650	-732

Details of Non-operating expenses

(Unit: million yen)	FY 10/3 Q3 (cumulative)	FY 11/3 Q3 (cumulative)	Change
Interest expenses	528	253	-275
Other	170	24	-146
Total	698	277	-421

Major items of extraordinary income in the first three quarters

Gain from debt waivers	2,828 million yen
Reversal of provision for directors' retirement benefits	374 million yen

Major items of extraordinary loss in the first three quarters

Loss on valuation of advance payments	1,050 million yen
Impairment losses	508 million yen

Net Sales and Operating Income by Segment

- ✓ Net sales in the other business rose, driven by an increase in construction projects.
- ✓ Operating income declined sharply in the liquidation business, primarily reflecting a loss on valuation of inventory.

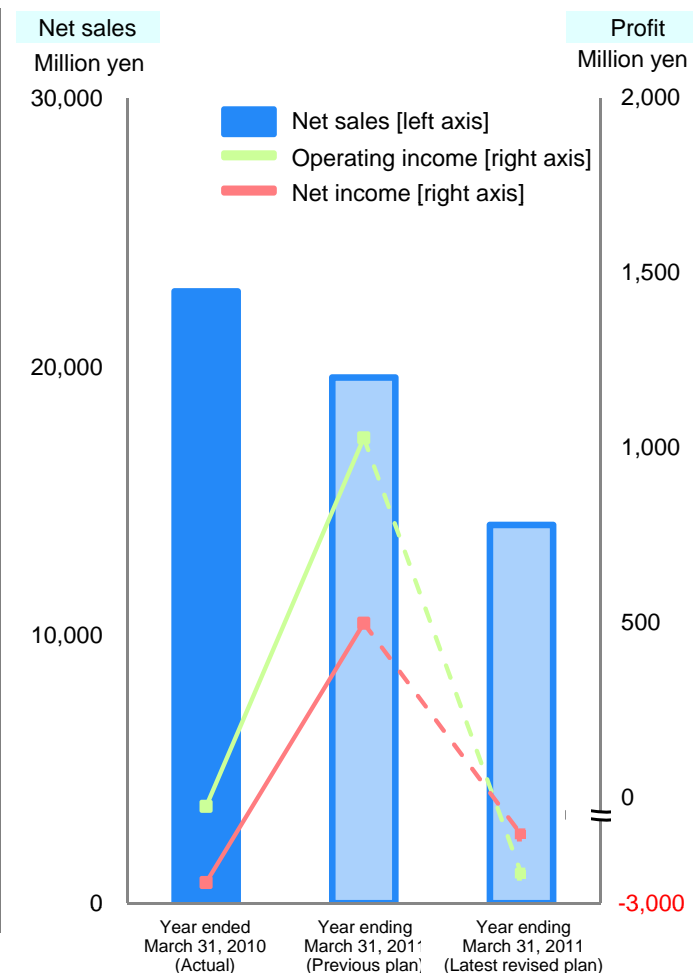
[Net sales]		Year ended March 31, 2010		Year ending March 31, 2011			
		Q3 (cumulative)		Q3 (cumulative)		Year-on-year	
		(Unit: million yen)		Actual	% of Total	Actual	% of Total
	Liquidation business	4,634	25.5%	3,493	61.0%	-1,140	-24.6%
	Condominium unit sales business	10,373	57.0%	1,366	23.8%	-9,007	-86.8%
	Residential housing sales business	2,827	15.5%	356	6.2%	-2,470	-87.4%
	Other business	371	2.0%	516	9.0%	145	39.1%
	Elimination or corporate	—	—	—	—	—	—
	Net sales total	18,206	100.0%	5,734	100.0%	-12,472	-68.5%

[Operating income]		Year ended March 31, 2010		Year ending March 31, 2011			
		Q3 (cumulative)		Q3 (cumulative)		Year-on-year	
		(Unit: million yen)		Actual	% of Total	Actual	% of Total
	Liquidation business	287	6.2%	-1,577	-45.1%	-1,865	—
	Condominium unit sales business	330	3.2%	-217	-16.0%	-548	—
	Residential housing sales business	107	3.8%	-69	-19.4%	-176	—
	Other business	-134	-36.2%	-9	-1.9%	124	—
	Elimination or corporate	-669	—	-758	—	-89	—
	Operating income total	-78	-0.4%	-2,633	-45.9%	-2,554	—

Revision to Full-Year Plan for Year Ending March 2011

- ✓ Both net sales and income were revised downward.
 - => Net sales declined, reflecting changes in the purchases and sales plan in the condominium purchase/resale business.
 - => A loss on revaluation of inventory and a gain from debt waivers were posted under the turnaround plan.

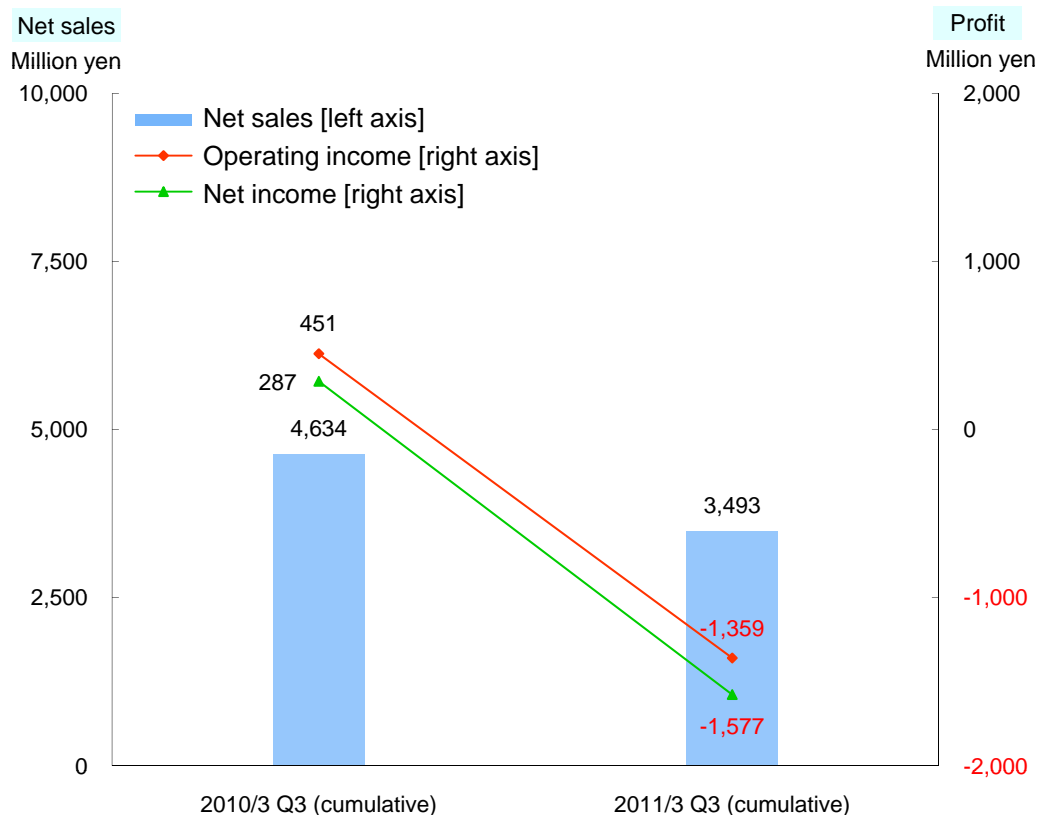
(Unit: million yen)	Year ended March 31, 2010	Year ending March 31, 2011				
	Actual	Previous plan	Latest revised plan	Compared with the previous plan		Year-on-year
				Change	Change (%)	
Net sales	22,808	19,600	14,103	-5,497	-28.0%	-38.2%
Operating income	-232	1,030	-2,172	-3,202	—	—
Ordinary income	-754	550	-2,445	-2,995	—	—
Net income	-2,410	500	-1,051	-1,551	—	—



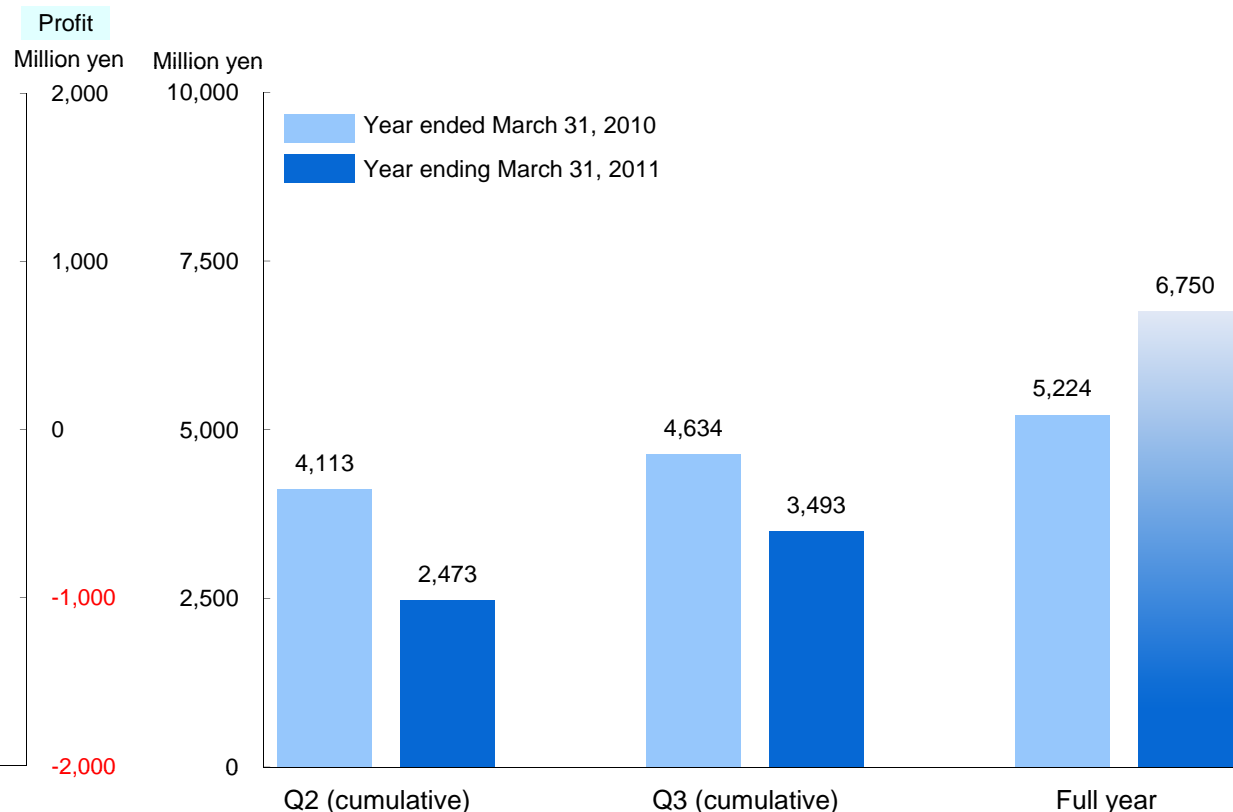
Overview of Liquidation Business

- ✓ Completed the delivery of a property for investment and six properties for development for the first three quarters under review.
- ✓ A loss on valuation of inventory of 1,630 million yen was posted in the first three quarters under review.

Results in first three quarters



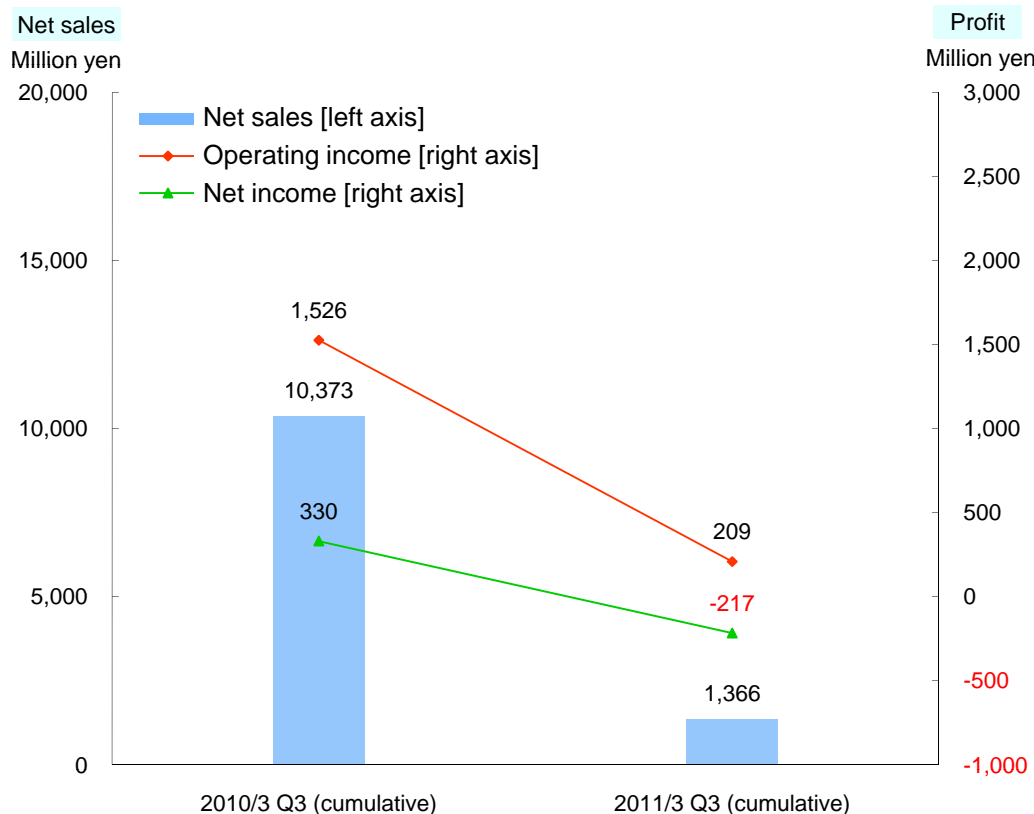
Net sales plan



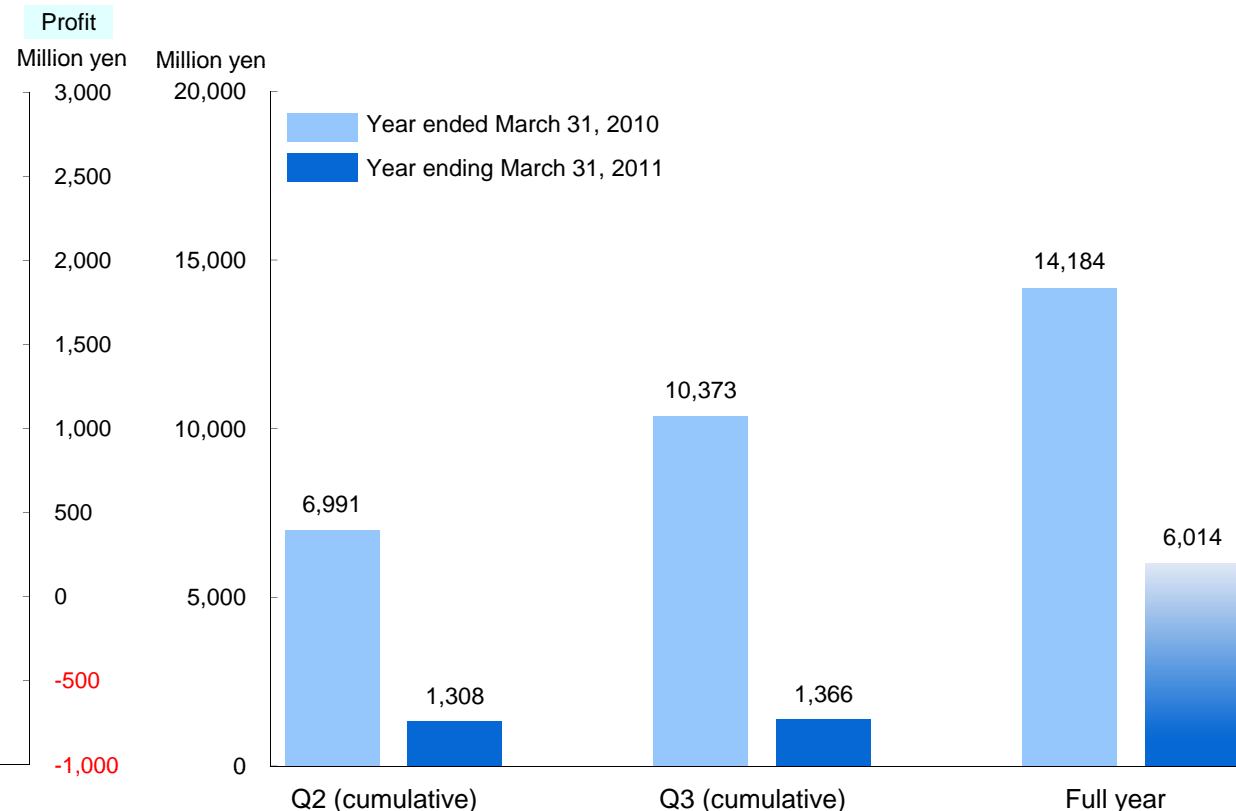
Overview of Condominium Unit Sales Business

- ✓ A total of 41 units were delivered in the first three quarters under review (down 281 units year on year).
- ✓ The gross profit percentage improved. => Up 0.6 pt year on year, to 15.3%

Results in first three quarters



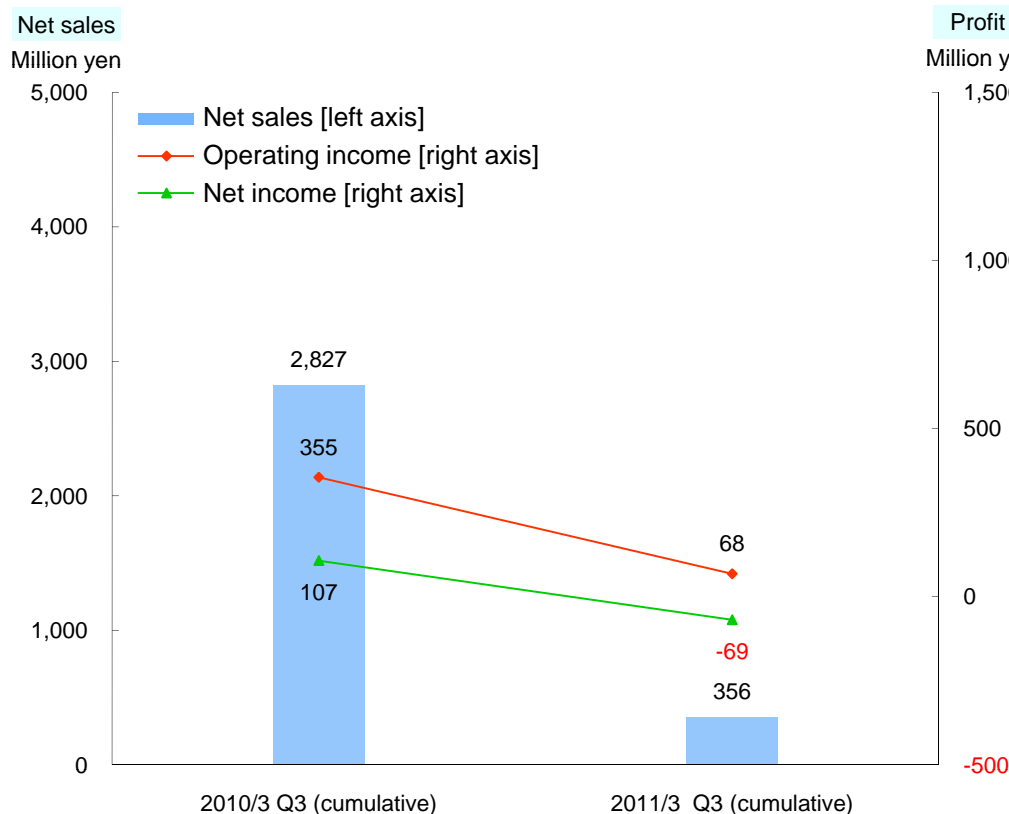
Net sales plan



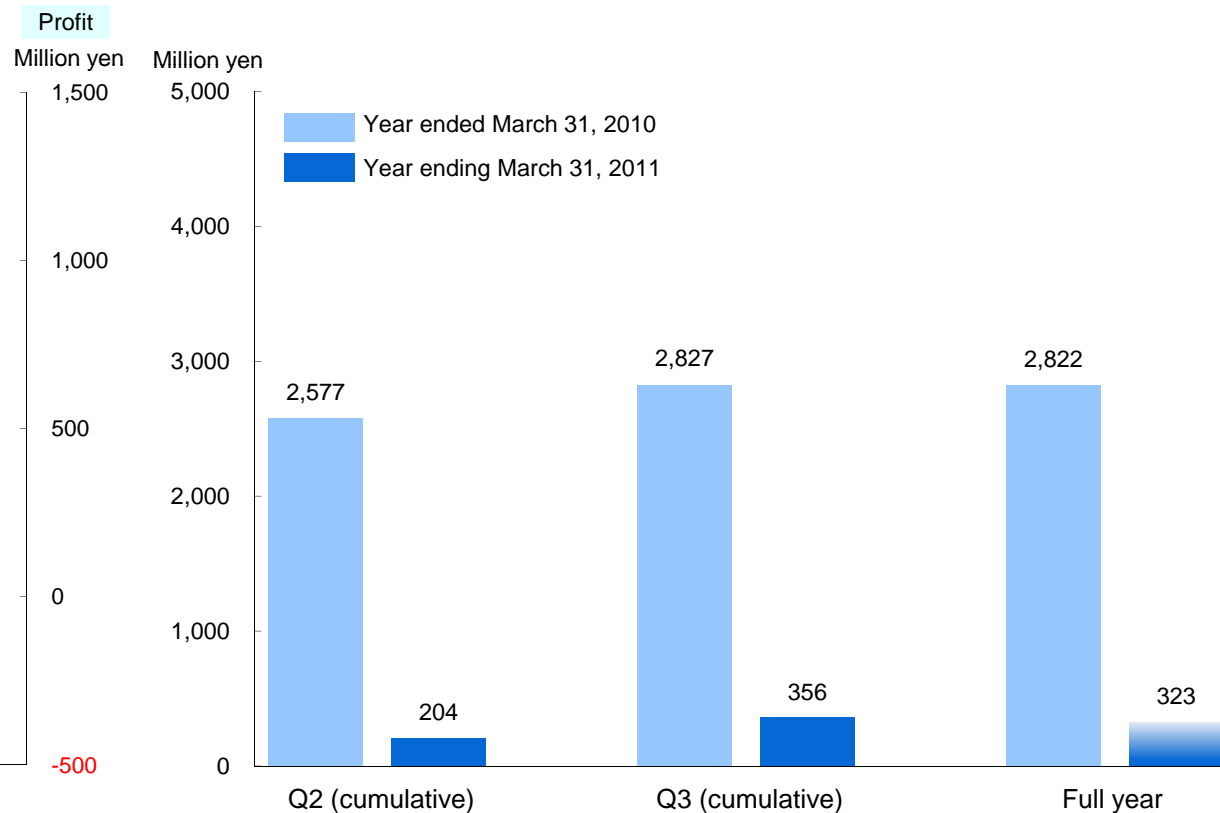
Overview of Residential Housing Sales Business

- ✓ Eight houses were delivered in the first three quarters under review (down 178 houses year on year).
- ✓ The gross profit percentage improved. => Up 6.5 pt year on year, to 19.1%

Results in first three quarters



Net sales plan



IV. Projects in Progress

Projects in Progress (Condominium Unit Sales Business)

Renaissance Totsuka Terrace

[Overview]
 Location : Kamiyabecho, Totsuka-ku, Yokohama, Kanagawa
 Access : Four minutes' walk from a bus station that is 10 minutes away from Totsuka station of the JR Tokaido Line
 Total number of units : 93 units
 Rooms : 3LDK to 4LDK
 Planned completion date : March 2011



Renaissance Sagamino

[Overview]
 Location : Sagamino 1-chome, Zama, Kanagawa
 Access : Nine minutes' walk from Sagamino station of the Sotetsu Honsen Line
 Total number of units : 25 units
 Rooms : 1LDK to 3LDK
 Completed : January 2011



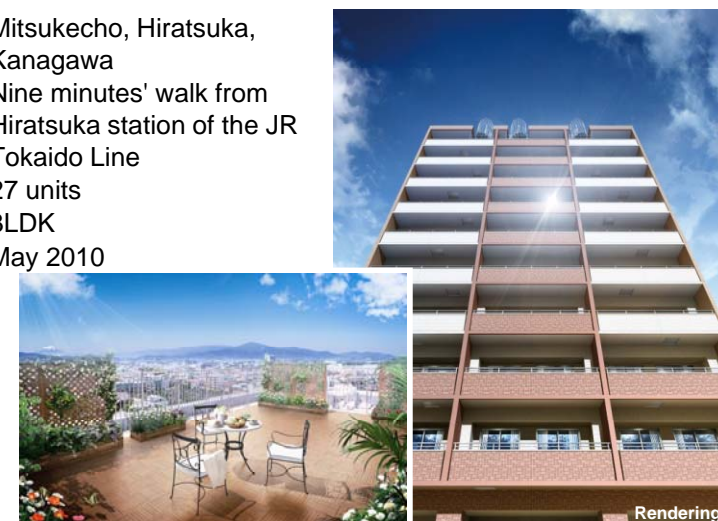
Renaissance Odawara Joshi Koen

[Overview]
 Location : Sakaecho 1-chome, Odawara, Kanagawa
 Access : Five minutes' walk from Odawara station of the JR Tokaido Line
 Total number of units : 53 units
 Rooms : 3LDK to 4LDK
 Planned completion date : February 2011



Renaissance Shonan Hiratsuka

[Overview]
 Location : Mitsukecho, Hiratsuka, Kanagawa
 Access : Nine minutes' walk from Hiratsuka station of the JR Tokaido Line
 Total number of units : 27 units
 Rooms : 3LDK
 Completed : May 2010



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