

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 Fiscal Year Ended March 31, 2011 (Japanese Standard)

May 13, 2011

Shin-Nihon Tatemono Co., Ltd.

Code Number: 8893

Representative: Yasuharu Suzuki, President and Chief Executive Officer

Attn.: Hiroaki Sato,

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

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Scheduled date of the ordinary general meeting of shareholders: June 28, 2011

Scheduled date of submission of the annual securities report: June 29, 2011

Scheduled date for commencing payment of dividend: —

Preparation of explanatory materials for financial results: Yes

Information meetings arranged related to financial results: None

Stock Exchange: Osaka

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

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

1. Consolidated Financial Results (April 1, 2010 through March 31, 2011)

(1) Consolidated Results of Operations

(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	%
Year ended March 31, 2011	9,736	(57.3)	(2,356)	—	(2,542)	—	(1,235)	—
Year ended March 31, 2010	22,808	(59.5)	(232)	—	(754)	—	(2,410)	—

(Note) Comprehensive income:

Year ended March 31, 2011: (1,243) million yen(—%)

Year ended March 31, 2010: (2,404) million yen(—%)

	Net income per share	Net income per share (fully diluted)	Return on equity	Ratio of ordinary income to total assets	Operating income margin
	Yen	Yen	%	%	%
Year ended March 31, 2011	(17.21)	—	(187.3)	(21.1)	(24.2)
Year ended March 31, 2010	(51.65)	—	(344.2)	(3.1)	(1.0)

(Reference) Equity in net income of affiliates:

Year ended March 31, 2011: — million yen

Year ended March 31, 2010: — million yen

(2) Consolidated Financial condition

	Total assets	Net assets	Ratio of shareholders' equity to assets	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2011	8,849	889	10.1	2.92
Year ended March 31, 2010	15,244	429	2.8	7.00

(Reference) Shareholders' equity:

As of March 31, 2011: 889 million yen

As of March 31, 2010: 429 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of term
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2011	1,721	627	(1,658)	1,331
Year ended March 31, 2010	4,691	129	(6,514)	631

2. Dividends

(Record Date)	Dividends per share					Total amount of dividends (annual)	Payout ratio (consolidated)	Dividends on equity (consolidated)
	End of the 1st quarter	Interim period end	End of the 3rd quarter	Year end	Annual			
Year ended March 31, 2010	—	0.00	—	0.00	0.00	—	—	—
Year ended March 31, 2011	—	0.00	—	0.00	0.00	—	—	—
(Forecast) Year ending March 31, 2012	—	0.00	—	0.00	0.00	—	—	—

(Note) The information in the above table is only for dividends on common stocks. Please refer to "Dividends on preferred stocks" with regard to dividends on other type of (unlisted) stocks issued by us.

3. Forecast of Consolidated Business Results (April 1, 2011 through March 31, 2012)

(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
First half	7,200	66.2	250	—	120	—	160	—	1.61
Annual	21,500	120.8	1,020	—	730	—	820	—	8.24

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4. Other

(1) Important Changes in Subsidiaries During the Fiscal Period

(Changes in specified subsidiaries resulting in change in scope of consolidation): Not applicable

New: —

Exception: —

(2) Changes to Accounting Principles and Procedures and Representation Method, Etc.

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

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

(3) Number of Shares Outstanding (Common Stock)

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

As of March 31, 2011: 99,573,086 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 March 31, 2011: 725 shares

As of March 31, 2010: 652 shares

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

As of March 31, 2011: 71,776,811 shares

As of March 31, 2010: 46,672,359 shares

(For reference) Outline of non-consolidated financial results

1. Non-consolidated financial results (April 1, 2010 through March 31, 2011)

(1) Non-consolidated results of operations

(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	%
Year ended March 31, 2011	8,945	(55.8)	(2,228)	—	(2,399)	—	(1,205)	—
Year ended March 31, 2010	20,257	(58.2)	(10)	—	(462)	—	(2,391)	—

	Net income per share		Net income per share (fully diluted)	
	Yen		Yen	
Year ended March 31, 2011	(16.80)		—	
Year ended March 31, 2010	(51.25)		—	

(2) Non-consolidated financial position

	Total assets		Net assets		Ratio of shareholders' equity to assets		Net assets per share	
	Million yen		Million yen		%		Yen	
Year ended March 31, 2011	8,916		886		9.9		2.89	
Year ended March 31, 2010	14,918		398		2.7		6.49	

(Reference) Shareholders' equity:

As of March 31, 2011:

886 million yen

As of March 31, 2010:

398 million yen

(Status of auditing procedures)

This brief report of financial results is not subject to the audit procedures under the financial instruments and exchange law, and the audit of the financial statements has not been completed at the time of its disclosure.

(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.

Common stock used to calculate net income per share and net assets per share include common shares and restricted shares.

The number of shares outstanding (common stock) in "(3) Number of Shares Outstanding (Common Stock)" of "4. Other" includes common shares and restricted shares. The number of shares outstanding at the end of the fiscal year ended March 31, 2011 was 98,695,886 common shares and 877,200 restricted shares.

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Dividends on preferred stocks

Dividends per share relating to preferred stocks are as follows:

Class A preferred shares

(Record Date)	Dividends per share					Total amount of dividends (annual) Million yen
	End of the 1st quarter	Interim period end	End of the 3rd quarter	Year end	Annual	
Year ended March 31, 2010	— Yen	— Yen	— Yen	— Yen	— Yen	—
Year ended March 31, 2011	—	—	—	—	—	—
(Forecast) Year ending March 31, 2012	—	—	—	—	—	

(Note) The Company has decided not to pay dividends until the fiscal year ending March 31, 2018, in accordance with the Articles of Incorporation.

Restricted shares

(Record Date)	Dividends per share					Total amount of dividends (annual) Million yen
	End of the 1st quarter	Interim period end	End of the 3rd quarter	Year end	Annual	
Year ended March 31, 2010	— Yen	— Yen	— Yen	— Yen	— Yen	—
Year ended March 31, 2011	—	—	—	0.00	0.00	—
(Forecast) Year ending March 31, 2012	—	0.00	—	0.00	0.00	

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	Previous consolidated fiscal year (As of March 31, 2010)	Current consolidated fiscal year (As of March 31, 2011)
Assets		
Current assets		
Cash and deposits	768,576	1,331,196
Notes and accounts receivable-trade	52,427	5,881
Real estate for sale	855,390	529,196
Real estate for sale in process	9,913,181	6,297,361
Costs on uncompleted construction contracts	18,453	—
Advance payments-trade	1,100,000	—
Deferred tax assets	23,530	—
Other	274,257	96,588
Allowance for doubtful accounts	(10,155)	(1,325)
Total current assets	12,995,661	8,258,899
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	771,778	162,524
Accumulated depreciation	(581,166)	(101,934)
Buildings and structures, net	190,612	60,590
Land	960,444	118,043
Other	33,137	17,110
Accumulated depreciation	(29,412)	(16,096)
Other, net	3,725	1,013
Total property, plant and equipment	1,154,782	179,648
Intangible assets	48,300	19,591
Investments and other assets		
Investment securities	564,831	389,868
Long-term loans receivable	90,811	—
Deferred tax assets	66,960	—
Other	1,096,748	870,672
Allowance for doubtful accounts	(773,250)	(869,531)
Total investments and other assets	1,046,100	391,009
Total noncurrent assets	2,249,183	590,248
Total assets	15,244,845	8,849,148

(Thousand yen)

	Previous consolidated fiscal year (As of March 31, 2010)	Current consolidated fiscal year (As of March 31, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	230,221	97,587
Short-term loans payable	8,829,604	640,000
Current portion of bonds	100,000	—
Current portion of long-term loans payable	—	1,190,983
Income taxes payable	8,513	4,890
Advances received	94,360	362,716
Deposits received	135,711	20,584
Provision for cost of head office transfer	133,170	—
Provision for loss on store closing	24,452	—
Provision for loss on business liquidation	—	99,691
Other	375,689	207,610
Total current liabilities	9,931,723	2,624,066
Noncurrent liabilities		
Long-term loans payable	4,323,405	5,143,258
Provision for retirement benefits	52,229	49,333
Provision for directors' retirement benefits	382,121	10,343
Provision for loss on business liquidation	—	67,619
Other	125,897	65,137
Total noncurrent liabilities	4,883,653	5,335,691
Total liabilities	14,815,376	7,959,758
Net assets		
Shareholders' equity		
Capital stock	7,338,707	854,500
Capital surplus	901,768	1,246,952
Retained earnings	(7,816,856)	(1,203,293)
Treasury stock	(385)	(388)
Total shareholders' equity	423,233	897,770
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,235	(8,379)
Total accumulated other comprehensive income	6,235	(8,379)
Total net assets	429,469	889,390
Total liabilities and net assets	15,244,845	8,849,148

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Current consolidated fiscal year (From April 1, 2010 to March 31, 2011)
Net sales	22,808,573	9,736,621
Cost of sales	19,895,888	9,922,415
Gross profit (loss)	2,912,684	(185,793)
Selling, general and administrative expenses		
Sales commission	470,383	181,755
Advertising expenses	781,342	438,946
Provision of allowance for doubtful accounts	—	87,451
Directors' compensations	141,593	103,800
Salaries and allowances	533,698	366,115
Provision for directors' retirement benefits	11,178	6,235
Commission fee	335,430	441,246
Depreciation	27,325	20,113
Other	844,517	525,318
Total selling, general and administrative expenses	3,145,470	2,170,983
Operating loss	(232,785)	(2,356,777)
Non-operating income		
Interest income	32,300	1,481
Dividends income	2,777	1,803
Land and house rent received	297,199	76,930
Penalty income	7,945	5,680
Other	104,603	76,585
Total non-operating income	444,826	162,482
Non-operating expenses		
Interest expenses	729,020	319,070
Other	237,499	29,156
Total non-operating expenses	966,519	348,227
Ordinary loss	(754,479)	(2,542,522)
Extraordinary income		
Reversal of allowance for doubtful accounts	36,590	—
Gain on sales of noncurrent assets	—	39,370
Gain on sales of investment securities	999	8,666
Reversal of provision for directors' retirement benefits	8,250	376,117
Gain on sales of subsidiaries and affiliates' stocks	—	14,846
Reversal of provision for bonuses	—	23,011
Reversal of provision for cost of head office transfer	—	19,581
Gain on forgiveness of debts	—	2,828,509
Total extraordinary income	45,840	3,310,103

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Current consolidated fiscal year (From April 1, 2010 to March 31, 2011)
Extraordinary loss		
Loss on sales of noncurrent assets	12,546	—
Loss on retirement of noncurrent assets	78,848	3,133
Impairment loss	—	508,858
Loss on sales of investment securities	106,168	6,030
Loss on valuation of investment securities	119	129,244
Provision of allowance for doubtful accounts	390,811	—
Bad debts written off	—	23,791
Loss on valuation of advance payments-trade	950,000	1,050,000
Provision for cost of head office transfer	133,170	—
Provision for loss on store closing	24,452	—
Provision for loss on business liquidation	—	167,311
Other	—	10,954
Total extraordinary losses	1,696,118	1,899,323
Loss before income taxes and minority interests	(2,404,756)	(1,131,742)
Income taxes – current	6,216	12,848
Income taxes – deferred	(579)	90,490
Total income taxes	5,637	103,338
Loss before minority interests	—	(1,235,080)
Net loss	(2,410,394)	(1,235,080)

Consolidated Statements of Comprehensive Income

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Current consolidated fiscal year (From April 1, 2010 to March 31, 2011)
Loss before minority interests	—	(1,235,080)
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(8,379)
Total other comprehensive income	—	(8,379)
Comprehensive income	—	(1,243,460)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	—	(1,243,460)
Comprehensive income attributable to minority interests	—	—

(3) Consolidated Statements of Changes in Net Assets

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Current consolidated fiscal year (From April 1, 2010 to March 31, 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	6,414,933	7,338,707
Changes of items during the period		
Issuance of new shares	923,773	854,500
Transfer to other capital surplus from capital stock	—	(7,338,707)
Total changes of items during the period	923,773	(6,484,207)
Balance at the end of current period	7,338,707	854,500
Capital surplus		
Balance at the end of previous period	6,328,905	901,768
Changes of items during the period		
Issuance of new shares	901,768	854,500
Transfer to other capital surplus from capital stock	—	7,338,707
Deficit disposition	(6,328,905)	(7,848,023)
Total changes of items during the period	(5,427,136)	345,184
Balance at the end of current period	901,768	1,246,952
Retained earnings		
Balance at the end of previous period	(11,735,367)	(7,816,856)
Changes of items during the period		
Deficit disposition	6,328,905	7,848,023
Net loss	(2,410,394)	(1,235,080)
Change of scope of consolidation	—	620
Total changes of items during the period	3,918,510	6,613,563
Balance at the end of current period	(7,816,856)	(1,203,293)
Treasury stock		
Balance at the end of previous period	(385)	(385)
Changes of items during the period		
Purchase of treasury stock	—	(3)
Total changes of items during the period	—	(3)
Balance at the end of current period	(385)	(388)
Total shareholders' equity		
Balance at the end of previous period	1,008,085	423,233
Changes of items during the period		
Issuance of new shares	1,825,542	1,709,000
Deficit disposition	—	—
Net loss	(2,410,394)	(1,235,080)
Purchase of treasury stock	—	(3)
Change of scope of consolidation	—	620
Total changes of items during the period	(584,852)	474,536
Balance at the end of current period	423,233	897,770

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Current consolidated fiscal year (From April 1, 2010 to March 31, 2011)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	2,708	6,235
Changes of items during the period		
Net changes of items other than shareholders' equity	3,527	(14,615)
Total changes of items during the period	3,527	(14,615)
Balance at the end of current period	6,235	(8,379)
Deferred gains or losses on hedges		
Balance at the end of previous period	(39,574)	—
Changes of items during the period		
Net changes of items other than shareholders' equity	39,574	—
Total changes of items during the period	39,574	—
Balance at the end of current period	—	—
Total accumulated other comprehensive income		
Balance at the end of previous period	(36,865)	6,235
Changes of items during the period		
Net changes of items other than shareholders' equity	43,101	(14,615)
Total changes of items during the period	43,101	(14,615)
Balance at the end of current period	6,235	(8,379)
Total net assets		
Balance at the end of previous period	971,220	429,469
Changes of items during the period		
Issuance of new shares	1,825,542	1,709,000
Deficit disposition	—	—
Net loss	(2,410,394)	(1,235,080)
Purchase of treasury stock	—	(3)
Change of scope of consolidation	—	620
Net changes of items other than shareholders' equity	43,101	(14,615)
Total changes of items during the period	(541,750)	459,921
Balance at the end of current period	429,469	889,390

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Current consolidated fiscal year (From April 1, 2010 to March 31, 2011)
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(2,404,756)	(1,131,742)
Depreciation and amortization	35,855	25,120
Gain on forgiveness of debt	—	(2,828,509)
Impairment loss	—	508,858
Loss (gain) on sales and retirement of noncurrent assets	91,395	(38,217)
Increase (decrease) in allowance for doubtful accounts	354,263	87,451
Increase (decrease) in provision for retirement benefits	(9,850)	(1,172)
Increase (decrease) in provision for directors' retirement benefits	3,365	(369,530)
Increase (decrease) in provision for cost of head office transfer	133,170	(72,741)
Increase (decrease) in provision for loss on store closing	24,452	(24,452)
Increase (decrease) in provision for loss on business liquidation	—	167,311
Interest and dividends income	(35,077)	(3,285)
Interest expenses	729,020	319,070
Loss (gain) on valuation of investment securities	—	129,244
Decrease (increase) in notes and accounts receivable - trade	34,832	(5,801)
Decrease (increase) in inventories	11,090,883	3,959,877
Decrease (increase) in advance payments	900,000	1,080,000
Increase (decrease) in notes and accounts payable - trade	(5,741,644)	(81,089)
Increase (decrease) in advances received	(756,640)	268,356
Increase (decrease) in deposits received	(11,116)	(107,905)
Other, net	920,866	95,590
Subtotal	5,359,020	1,976,434
Interest and dividends income received	32,935	4,166
Interest expenses paid	(693,906)	(253,619)
Income taxes paid	(6,185)	(5,129)
Net cash provided by (used in) operating activities	4,691,863	1,721,851
Net cash provided by (used in) investing activities		
Payments into time deposits	(802,466)	(2,989,589)
Proceeds from withdrawal of time deposits	1,223,610	3,126,239
Purchase of property, plant and equipment	(4,117)	(8,023)
Proceeds from sales of property, plant and equipment	—	451,248
Payments for retirement of property, plant and equipment	(58,993)	—
Purchase of investment securities	(19,000)	(4,000)
Proceeds from sales of investment securities	1,000	28,738
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(119,816)	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	31,271
Payments of short-term loans receivable	(380,000)	—
Collection of short-term loans receivable	380,600	—
Payments of long-term loans receivable	(90,811)	—
Other, net	(9)	(8,298)
Net cash provided by (used in) investing activities	129,995	627,586

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Current consolidated fiscal year (From April 1, 2010 to March 31, 2011)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2,730,280)	(265,000)
Proceeds from long-term loans payable	2,031,000	1,441,271
Repayment of long-term loans payable	(7,510,604)	(3,927,528)
Redemption of bonds	(130,000)	(10,000)
Proceeds from issuance of common stock	1,823,425	1,102,527
Other, net	2,117	(3)
Net cash provided by (used in) financing activities	(6,514,341)	(1,658,732)
Net increase (decrease) in cash and cash equivalents	(1,692,482)	690,705
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	631,926	1,331,196