

**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, 2012 (Japanese Standard)

August 2, 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 Filing of Quarterly Report: August 12, 2011

Scheduled date for commencing payment of dividend: —

Preparation of explanatory materials for quarterly 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 Business Results (April 1, 2011 through June 30, 2011)

## (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, 2011	4,706	128.6	262	—	207	—	230	—
Three months ended June 30, 2010	2,058	(68.5)	(271)	—	(328)	—	(399)	—

(Note) Comprehensive income:

Three months ended June 30, 2011: 230 million yen(—%)

Three months ended June 30, 2010: (404) million yen(—%)

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Three months ended June 30, 2011	2.32	—
Three months ended June 30, 2010	(6.52)	—

## (2) Consolidated Financial condition

	Total assets	Net assets	Ratio of shareholders' equity to assets
	Million yen	Million yen	%
As of June 30, 2011	8,125	1,120	13.8
As of March 31, 2011	8,849	889	10.1

(Reference) Shareholders' equity:

As of June 30, 2011: 1,120 million yen

As of March 31, 2011: 889 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, 2011	—	0.00	—	0.00	0.00
Year ending March 31, 2012	—				
(Forecast) Year ending March 31, 2012		0.00	—	0.00	0.00

(Note) Revisions to dividend forecasts published most recently: None

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

(Note) Revisions to earnings forecasts published most recently: None

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4. Other

(1) Important Changes in Subsidiaries During this Quarter

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

New: —

Exception: —

(2) Application of Specific Accounting Treatment to the Preparation of Quarterly Consolidated Financial Statements: Applicable

(3) Changes in Accounting Principles and Changes or Restatement of Accounting Estimates

(i) Changes in accounting principles due to amendment of accounting standard, etc.: Not applicable

(ii) Changes in accounting principles other than (i): Not applicable

(iii) Changes in accounting estimates: Not applicable

(iv) Restatement: Not applicable

(4) Number of Shares Outstanding (Common Stock)

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

As of June 30, 2011: 99,573,086 shares

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

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

As of June 30, 2011: 725 shares

As of March 31, 2011: 725 shares

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

As of June 30, 2011: 99,572,361 shares

As of June 30, 2010: 61,347,034 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.

Common stock in the calculation of net income per share includes common stock and restricted stock.

The number of shares outstanding (common stock) in "(4) Number of Shares Outstanding (Common Stock)" of "4. Other" includes common shares and restricted shares. The number of shares issued as of the end of June 2011 includes 98,695,886 shares of common stock and 877,200 shares of restricted stock.

Reference material for a presentation on operating performance will be posted on the website of the Company on August 2, 2011.

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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, 2011	— Yen	— Yen	— Yen	— Yen	— Yen	—
Year ending March 31, 2012	—	—	—	—	—	—
(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, 2011	— Yen	— Yen	— Yen	Yen 0.00	Yen 0.00	—
Year ending March 31, 2012	—	—	—	—	—	—
(Forecast) Year ending March 31, 2012	—	0.00	—	0.00	0.00	—

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Thousand yen)

	Previous consolidated fiscal year (March 31, 2011)	Consolidated first quarter (June 30, 2011)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	1,331,196	1,378,209
Notes and accounts receivable-trade	5,881	2,300
Real estate for sale	529,196	688,631
Real estate for sale in process	6,297,361	5,264,827
Advance payments-trade	—	52,244
Other	96,588	157,114
Allowance for doubtful accounts	(1,325)	(739)
<b>Total current assets</b>	<b>8,258,899</b>	<b>7,542,590</b>
<b>Noncurrent assets</b>		
Property, plant and equipment	179,648	178,890
Intangible assets	19,591	16,907
<b>Investments and other assets</b>		
Investment securities	389,868	388,877
Other	870,672	868,057
Allowance for doubtful accounts	(869,531)	(869,471)
<b>Total investments and other assets</b>	<b>391,009</b>	<b>387,462</b>
<b>Total noncurrent assets</b>	<b>590,248</b>	<b>583,260</b>
<b>Total assets</b>	<b>8,849,148</b>	<b>8,125,850</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	97,587	80,524
Short-term loans payable	640,000	723,000
Current portion of long-term loans payable	1,190,983	484,935
Income taxes payable	4,890	—
Advances received	362,716	490,167
Deposits received	20,584	29,218
Provision for bonuses	16,571	8,732
Provision for loss on business liquidation	99,691	144,465
Other	191,038	223,685
<b>Total current liabilities</b>	<b>2,624,066</b>	<b>2,184,729</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	5,143,258	4,714,048
Provision for retirement benefits	49,333	51,679
Provision for directors' retirement benefits	10,343	—
Provision for loss on business liquidation	67,619	—
Other	65,137	55,080
<b>Total noncurrent liabilities</b>	<b>5,335,691</b>	<b>4,820,808</b>
<b>Total liabilities</b>	<b>7,959,758</b>	<b>7,005,538</b>

(Thousand yen)

	Previous consolidated fiscal year (March 31, 2011)	Consolidated first quarter (June 30, 2011)
Net assets		
Shareholders' equity		
Capital stock	854,500	854,500
Capital surplus	1,246,952	40,983
Retained earnings	(1,203,293)	233,671
Treasury stock	(388)	(388)
Total shareholders' equity	897,770	1,128,766
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(8,379)	(8,454)
Total accumulated other comprehensive income	(8,379)	(8,454)
Total net assets	889,390	1,120,312
Total liabilities and net assets	8,849,148	8,125,850

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
Consolidated Statements of Income  
Cumulative period for consolidated first quarter

(Thousand yen)

	Cumulative period for previous consolidated first quarter (From April 1, 2010 to June 30, 2010)	Cumulative period for consolidated first quarter under review (From April 1, 2011 to June 30, 2011)
Net sales	2,058,553	4,706,088
Cost of sales	1,826,804	4,058,479
Gross profit	231,749	647,608
Selling, general and administrative expenses		
Sales commission	20,640	30,351
Advertising expenses	109,397	173,677
Directors' compensations	33,398	11,670
Salaries and allowances	101,966	71,934
Provision for directors' retirement benefits	2,667	—
Provision for bonuses	11,019	7,214
Depreciation	4,729	3,443
Commission fee	68,916	30,768
Other	150,635	56,321
Total selling, general and administrative expenses	503,369	385,380
Operating income (loss)	(271,620)	262,228
Non-operating income		
Interest income	1,071	61
Dividends income	849	751
Land and house rent received	32,499	8,090
Penalty income	1,000	—
Other	29,072	1,042
Total non-operating income	64,492	9,945
Non-operating expenses		
Interest expenses	112,346	64,018
Other	9,079	910
Total non-operating expenses	121,426	64,929
Ordinary income (loss)	(328,554)	207,244
Extraordinary income		
Reversal of allowance for doubtful accounts	1,158	646
Gain on sales of noncurrent assets	39,370	—
Reversal of provision for bonuses	23,011	—
Reversal of provision for loss on business liquidation	—	22,846
Other	—	1,176
Total extraordinary income	63,540	24,669
Extraordinary loss		
Loss on valuation of investment securities	128,660	917
Total extraordinary losses	128,660	917
Income (loss) before income taxes and minority interests	(393,674)	230,995
Income taxes – current	6,002	—
Total income taxes	6,002	—
Income (loss) before minority interests	(399,677)	230,995
Net income (loss)	(399,677)	230,995

Consolidated Statements of Comprehensive Income  
 Cumulative period for consolidated first quarter

(Thousand yen)

	Cumulative period for previous consolidated first quarter (From April 1, 2010 to June 30, 2010)	Cumulative period for consolidated first quarter under review (From April 1, 2011 to June 30, 2011)
Income (loss) before minority interests	(399,677)	230,995
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,588)	(74)
Total other comprehensive income	(4,588)	(74)
Comprehensive income	(404,265)	230,921
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(404,265)	230,921
Comprehensive income attributable to minority interests	—	—