

Reference Material for Presentation on Operating Performance During the First Quarter of the Fiscal Year Ending March 31, 2012

August 2 (Tuesday), 2011
Shin-Nihon Tatemono Co., Ltd.

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 **新日本建物**

(JASDAQ : 8893)

Business environment topics

- The markets for new condominiums and residential housing for first-time buyers in the Tokyo area were solid.
- The postponement of transactions and delays in the supply of building materials associated with the earthquake are being corrected.

Performance topics

- [B/S] The Company stepped up the replacement of inventory assets through active property sales and acquisitions.
- [P/L] Operating income, ordinary income, and net income moved into positive territory.

Management topics

- Significant events regarding the going concern premise were omitted.
 - => (1) New loans were extended to projects by financial institutions.
 - => (2) Profitability became achievable in association with the acquisition of new properties.

Consolidated Balance Sheet

(Unit: million yen)	Year ended March 31, 2011		Year ending March 31, 2012	
	End of Q1	Year end	End of Q1	Change
Cash and deposits	634	1,331	1,378	47
Real estate for sale	332	529	688	159
Real estate for sale in process	9,810	6,297	5,264	-1,032
Others	1,456	101	210	109
Total current assets	12,234	8,258	7,542	-716
Total noncurrent assets	1,832	590	583	-6
Total assets	14,067	8,849	8,125	-723
Notes and account payable-trade	101	97	80	-17
Loans payable (short-term loans payable and long-term loans payable within one year)	10,894	1,830	1,207	-623
Current portion of bonds	100	-	-	-
Others	548	695	896	200
Total current liabilities	11,644	2,624	2,184	-439
Long-term loans payable	1,862	5,143	4,714	-429
Others	537	192	106	-85
Total noncurrent liabilities	2,399	5,335	4,820	-514
Total liabilities	14,044	7,959	7,005	-954
Capital stock	7,338	854	854	-
Capital surplus	901	1,246	40	-1,205
Retained earnings	-8,218	-1,203	233	1,436
Others	1	-8	-8	0
Total net assets	23	889	1,120	230
Total liabilities and net assets	14,067	8,849	8,125	-723

● Increase of real estate for sale

Breakdown at the end of Q1 of FY12/3

Liquidation : - million yen - property
 Condominium unit sales : 688 million yen 28 units
 Residential housing sales: - million yen - house

● Decrease of real estate for sale in process

Breakdown at the end of Q1 of FY12/3

Liquidation : 4,294 million yen
 Condominium unit sales : 562 million yen
 Residential housing sales : 408 million yen

 Total : 5,264 million yen

● Status of interest-bearing liabilities

Year ended March 31, 2011 6,974 million yen
 Q1 ended June 30, 2011 5,921 million yen

 Change -1,052 million yen

● Current ratio increased to 345.2%.

● Deficit disposition (1,200 million yen)

● Net worth ratio rose to 13.8%

Consolidated Profit and Loss Statement

(Unit: million yen)	Year ended March 31, 2011		Year ending March 31, 2012				
	Q1		Q1		Year-on-year		Whole fiscal year
	Actual	% of total	Actual	% of total	Change	Change (%)	Plan
Net sales	2,058	100.0%	● 4,706	100.0%	2,647	128.6%	21,500
Cost of sales	1,826	88.7%	4,058	86.2%	2,231	122.2%	–
Gross profit	231	11.3%	647	13.8%	415	179.4%	–
Selling, general and administrative expenses	503	24.5%	● 385	8.2%	-117	-23.4%	–
Operating income	-271	-13.2%	262	5.6%	533	–	1,020
Non-operating income	64	3.1%	9	0.2%	-54	-84.6%	–
Non-operating expenses	121	5.9%	● 64	1.4%	-56	-46.5%	–
Ordinary income	-328	-16.0%	207	4.4%	535	–	730
Extraordinary income	63	3.1%	● 24	0.5%	-38	-61.2%	–
Extraordinary loss	128	6.2%	0	0.0%	-127	-99.3%	–
Income before income taxes	-393	-19.1%	230	4.9%	624	–	–
Income taxes	6	0.3%	–	–	-6	-100.0%	–
Net income	-399	-19.4%	230	4.9%	630	–	820

● Figures

	FY 11/3 Q1	FY 12/3 Q1	Change
Liquidation	2 properties	2 properties	– property
Condominium unit sales	24 units	47 units	23 units
Residential housing sales	– house	– house	– house

● Details of selling, general and administrative expenses

(Unit: million yen)	FY 11/3 Q1	FY 12/3 Q1	Change
Personnel expenses	173	105	-67
Sales commission	20	30	9
Advertising expenses	109	173	64
Other	200	76	-123
Total	503	385	-117

● Details of non-operating expenses

(Unit: million yen)	FY 11/3 Q1	FY 12/3 Q1	Change
Interest expenses	112	64	-48
Other	9	0	-8
Total	121	64	-56

● Major items of extraordinary income in the first quarter of the fiscal year ending March 31, 2012

Reversal of provision for loss on business liquidation 22 million yen

Net Sales and Operating Income by Segment

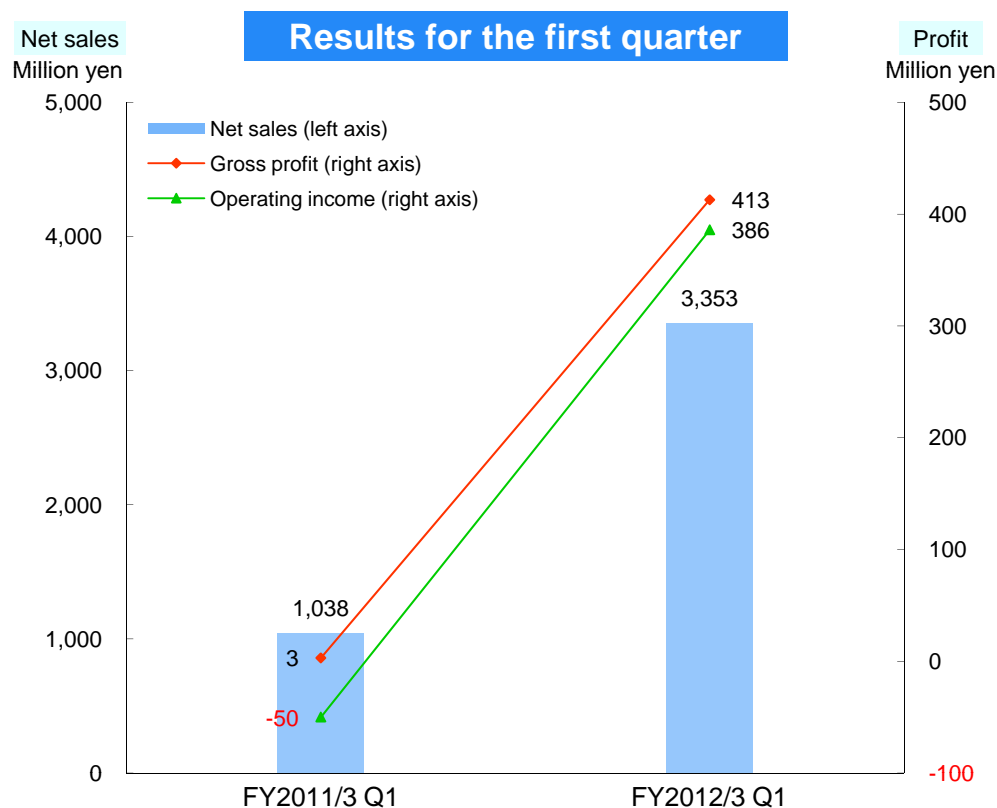
- ✓ Both net sales and operating income rose, driven by the liquidation business and the condominium unit sales business.
- ✓ The liquidation business became profitable with profit margins improving significantly.

[Net sales]		Year ended March 31, 2011		Year ending March 31, 2012				
		Q1		Q1		Year-on-year		Whole fiscal year
		(Unit: million yen)		Actual	% of total	Actual	% of total	Change
	Liquidation business	1,038	50.5%	3,353	71.2%	2,314	222.9%	11,910
	Condominium unit sales business	809	39.3%	1,335	28.4%	525	64.9%	7,040
	Residential housing sales business	0	0.0%	0	0.0%	-0	-74.6%	2,520
	Other business	209	10.2%	17	0.4%	-192	-91.8%	30
	Elimination or corporate	–	–	–	–	–	–	–
	Net sales total	2,058	100.0%	4,706	100.0%	2,647	128.6%	21,500

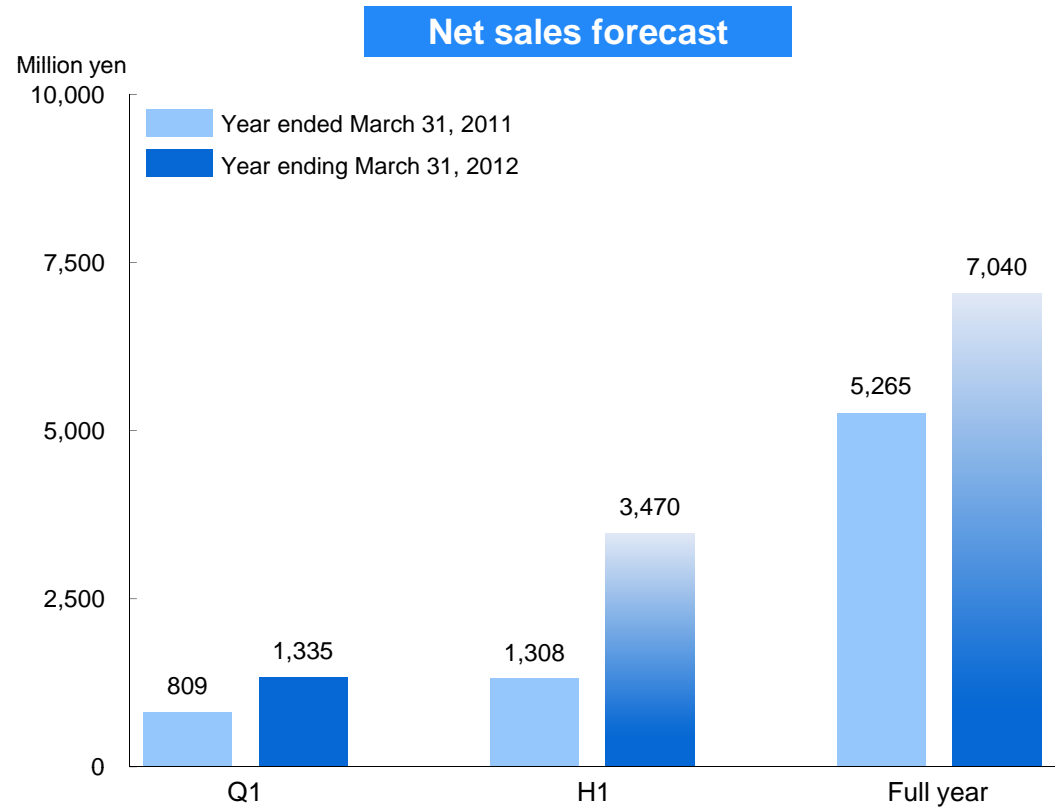
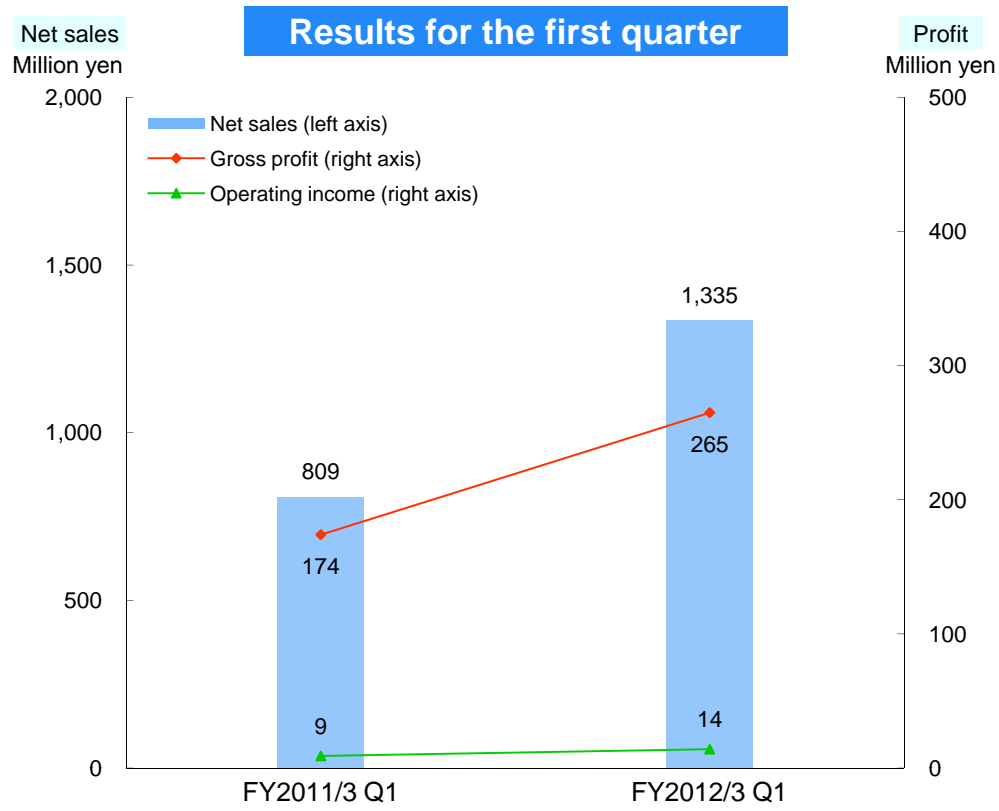
[Operating income]		Year ended March 31, 2011		Year ending March 31, 2012				
		Q1		Q1		Year-on-year		Whole fiscal year
		(Unit: million yen)		Actual	Operating income (%)	Actual	Operating income (%)	Change
	Liquidation business	-50	-4.9%	386	11.5%	437	–	770
	Condominium unit sales business	9	1.1%	14	1.1%	5	60.9%	800
	Residential housing sales business	-40	–	-23	–	17	–	230
	Other business	-10	-4.9%	-39	-233.5%	-29	–	-160
	Elimination or corporate	-179	–	-75	–	103	–	-620
	Operating income total	-271	-13.2%	262	5.6%	533	–	1,020

Situation of Liquidation Business

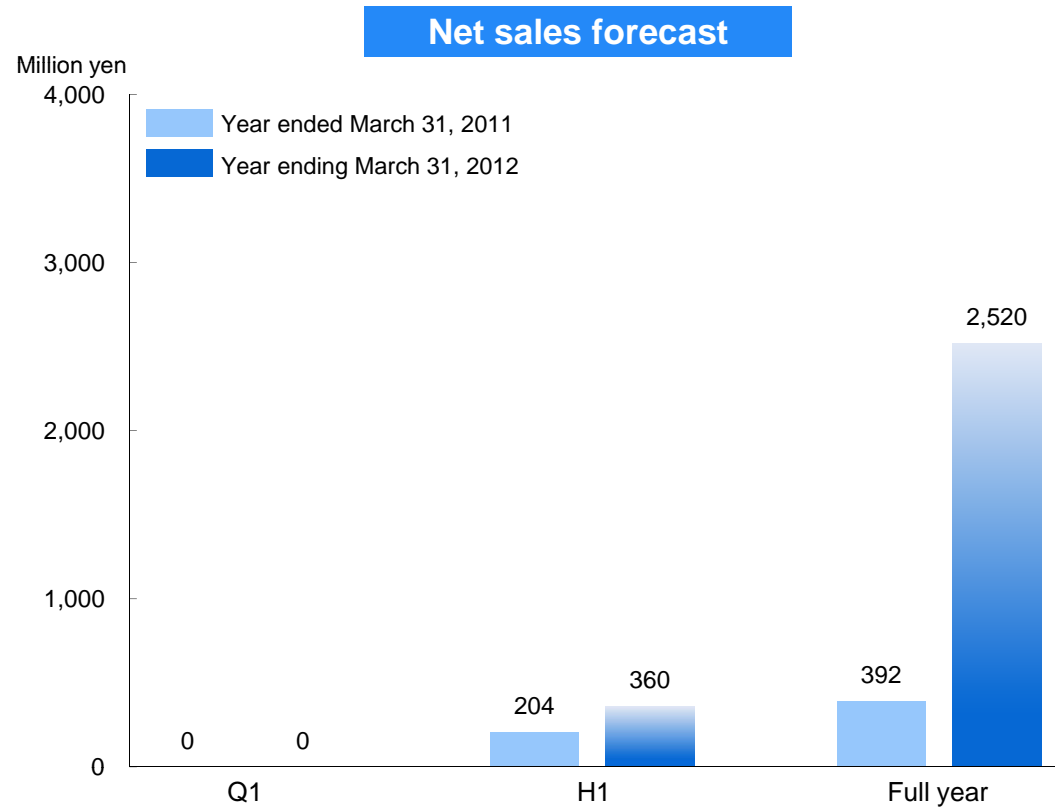
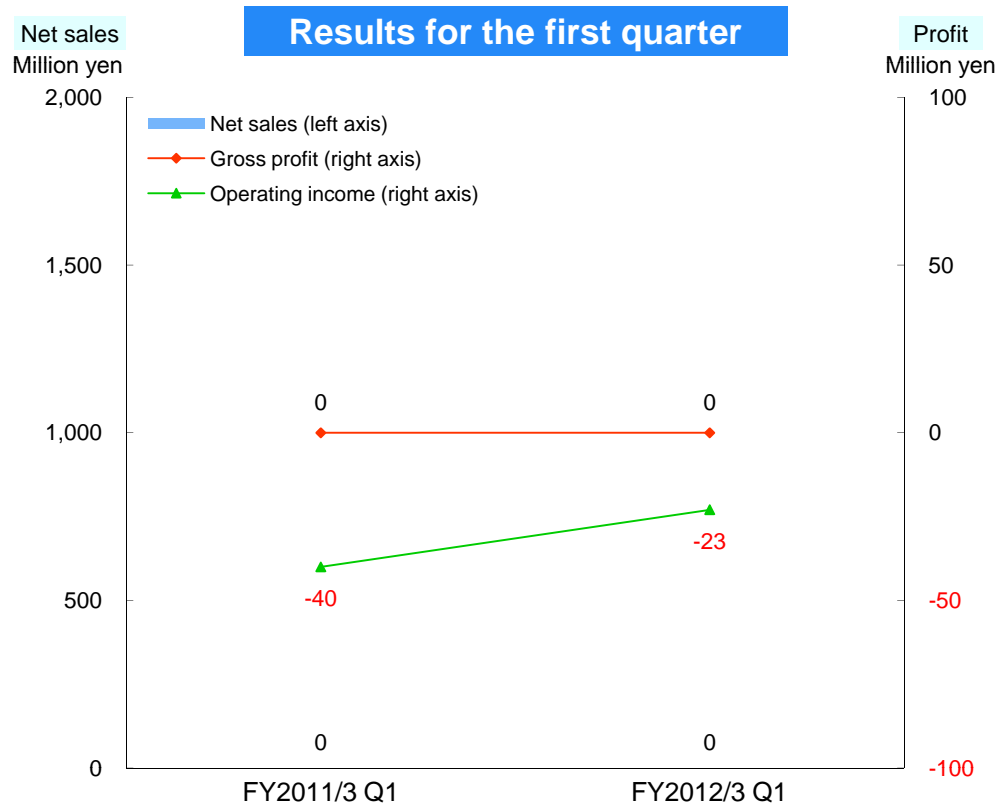
- ✓ Two properties for development were sold. Net sales rose 222.9% year on year.
- ✓ The business moved into the black with profit margins improving significantly.



- ✓ Forty-seven units (an increase of 23 units from a year ago), especially in the condominium purchase/resale business, were delivered. Net sales increased 64.9% year on year.
- ✓ Operating income was posted, as in the same quarter of the previous fiscal year.



- ✓ Deliveries will be concentrate in the second quarter and beyond.
- ✓ The Company sold houses in Renatown Koto Kameido and sought to commercialize new properties, especially properties in the Koto Morishita Project, in the first quarter.



Nine properties, expected to generate sales of ¥4.8 billion, were purchased from April to June, 2011.

Good relations with financial institutions

- ✓ Loans were extended for projects from financial institutions that have established relations with the Company and from financial institutions that have begun dealing with the Company only recently.



Purchased from April to June 2011

■ By business

Segment	Properties purchased	Net sales (plan)
Liquidation	3 properties	1.5 billion yen
Condominium unit sales	2 properties/ 61 units	2.1 billion yen
Residential housing sales	4 properties/ 30 lots	1.2 billion yen

■ By area

Area	Properties purchased
In Tokyo 23 wards	3 properties
Tokyo outside 23 wards	1 property
Kanagawa Prefecture	2 properties
Saitama Prefecture	2 properties
Chiba Prefecture	1 property



Significant events regarding the going concern premise were omitted.

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