

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, 2012 (Japanese Standard)

November 7, 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
Tel: +81-3-5962-0775

Stock Exchange: Osaka

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

Scheduled date of filing of Quarterly Report:

November 11, 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

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

1. Consolidated Business Results (April 1, 2011 through September 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	%
Six months ended September 30, 2011	6,942	60.3	352	—	219	—	218	—
Six months ended September 30, 2010	4,331	(68.8)	(2,191)	—	(2,325)	—	(3,678)	—

(Note) Comprehensive income:

Six months ended September 30, 2011: 220 million yen (—%)

Six months ended September 30, 2010: (3,682) million yen (—%)

	Net income per share		Net income per share (fully diluted)	
	Yen		Yen	
Six months ended September 30, 2011	2.19		—	
Six months ended September 30, 2010	(59.96)		—	

(2) Consolidated Financial Condition

	Total assets		Net assets		Ratio of shareholders' equity to assets	
	Million yen		Million yen		%	
As of September 30, 2011	9,432		1,109		11.8	
As of March 31, 2011	8,849		889		10.1	

(Reference) Shareholders' equity:

As of September 30, 2011:

1,109 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	—	0.00	—	0.00	0.00
(Forecast) Year ending March 31, 2012	—	—	—	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
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 September 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 September 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 September 30, 2011: 99,572,361 shares
As of September 30, 2010: 61,347,000 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 September 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 November 7, 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	—	0.00	—	—	—	—
(Forecast) Year ending March 31, 2012	—	—	—	0.00	0.00	—

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	Previous consolidated fiscal year (March 31, 2011)	Consolidated first half (September 30, 2011)
Assets		
Current assets		
Cash and deposits	1,331,196	1,106,581
Notes and accounts receivable-trade	5,881	3,565
Real estate for sale	529,196	65,480
Real estate for sale in process	6,297,361	7,454,997
Advance payments-trade	—	19,000
Other	96,588	175,127
Allowance for doubtful accounts	(1,325)	(927)
Total current assets	8,258,899	8,823,824
Noncurrent assets		
Property, plant and equipment	179,648	178,132
Intangible assets	19,591	14,223
Investments and other assets		
Investment securities	389,868	390,976
Other	870,672	894,828
Allowance for doubtful accounts	(869,531)	(869,411)
Total investments and other assets	391,009	416,394
Total noncurrent assets	590,248	608,749
Total assets	8,849,148	9,432,574
Liabilities		
Current liabilities		
Notes and accounts payable-trade	97,587	82,405
Short-term loans payable	640,000	1,929,000
Current portion of long-term loans payable	1,190,983	499,935
Income taxes payable	4,890	3,972
Advances received	362,716	520,930
Deposits received	20,584	10,045
Provision for bonuses	16,571	17,502
Provision for loss on business liquidation	99,691	121,694
Other	191,038	227,278
Total current liabilities	2,624,066	3,412,764
Noncurrent liabilities		
Long-term loans payable	5,143,258	4,816,790
Provision for retirement benefits	49,333	49,027
Provision for directors' retirement benefits	10,343	—
Provision for loss on business liquidation	67,619	—
Other	65,137	44,233
Total noncurrent liabilities	5,335,691	4,910,051
Total liabilities	7,959,758	8,322,815

(Thousand yen)

	Previous consolidated fiscal year (March 31, 2011)	Consolidated first half (September 30, 2011)
Net assets		
Shareholders' equity		
Capital stock	854,500	854,500
Capital surplus	1,246,952	40,983
Retained earnings	(1,203,293)	220,936
Treasury stock	(388)	(388)
Total shareholders' equity	897,770	1,116,030
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(8,379)	(6,272)
Total accumulated other comprehensive income	(8,379)	(6,272)
Total net assets	889,390	1,109,758
Total liabilities and net assets	8,849,148	9,432,574

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

(Thousand yen)

	Cumulative period for previous consolidated first half (From April 1, 2010 to September 30, 2010)	Cumulative period for consolidated first half under review (From April 1, 2011 to September 30, 2011)
Net sales	4,331,199	6,942,948
Cost of sales	5,440,527	5,815,666
Gross profit (loss)	(1,109,327)	1,127,281
Selling, general and administrative expenses		
Sales commission	38,055	84,390
Advertising expenses	190,347	294,854
Provision of allowance for doubtful accounts	87,101	(518)
Directors' compensations	65,666	23,582
Salaries and allowances	196,718	148,434
Provision for bonuses	19,154	14,973
Provision for directors' retirement benefits	5,248	—
Depreciation	9,504	6,886
Commission fee	154,623	73,946
Other	316,158	127,893
Total selling, general and administrative expenses	1,082,578	774,441
Operating income (loss)	(2,191,906)	352,839
Non-operating income		
Interest income	1,353	235
Dividends income	1,314	1,216
Land and house rent received	54,621	15,860
Penalty income	1,000	180
Other	44,257	2,536
Total non-operating income	102,546	20,028
Non-operating expenses		
Interest expenses	220,340	131,687
Other	15,638	21,675
Total non-operating expenses	235,979	153,363
Ordinary income (loss)	(2,325,339)	219,504
Extraordinary income		
Gain on sales of noncurrent assets	39,370	—
Gain on sales of investment securities	8,666	917
Reversal of provision for bonuses	23,011	—
Reversal of provision for head office transfer cost	19,581	—
Reversal of provision for directors' retirement benefits	374,929	1,176
Total extraordinary income	465,559	2,093
Extraordinary loss		
Impairment loss	508,858	—
Loss on sales of investment securities	6,030	—
Loss on valuation of investment securities	129,244	917
Valuation loss on advance payments-trade	1,050,000	—
Bad debts written off	23,791	—
Total extraordinary losses	1,717,924	917

(Thousand yen)

	Cumulative period for previous consolidated first half (From April 1, 2010 to September 30, 2010)	Cumulative period for consolidated first half under review (From April 1, 2011 to September 30, 2011)
Income (loss) before income taxes and minority interests	(3,577,704)	220,680
Income taxes – current	10,164	2,420
Income taxes – deferred	90,490	—
Total income taxes	100,654	2,420
Income (loss) before minority interests	(3,678,359)	218,260
Net income (loss)	(3,678,359)	218,260

Consolidated Statements of Comprehensive Income
Cumulative period for consolidated first half

(Thousand yen)

	Cumulative period for previous consolidated first half (From April 1, 2010 to September 30, 2010)	Cumulative period for consolidated first half under review (From April 1, 2011 to September 30, 2011)
Income (loss) before minority interests	(3,678,359)	218,260
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,188)	2,107
Total other comprehensive income	(4,188)	2,107
Comprehensive income	(3,682,547)	220,368
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(3,682,547)	220,368
Comprehensive income attributable to minority interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	Cumulative period for previous consolidated first half (From April 1, 2010 to September 30, 2010)	Cumulative period for consolidated first half under review (From April 1, 2011 to September 30, 2011)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(3,577,704)	220,680
Depreciation and amortization	13,624	6,916
Impairment loss	508,858	—
Loss (gain) on sales and retirement of noncurrent assets	(39,370)	—
Increase (decrease) in allowance for doubtful accounts	87,101	(518)
Increase (decrease) in provision for retirement benefits	1,921	(305)
Increase (decrease) in provision for directors' retirement benefits	(369,358)	(10,343)
Increase (decrease) in provision for cost of head office transfer	(72,741)	—
Increase (decrease) in provision for loss on store closing	(24,452)	—
Increase (decrease) in provision for loss on business liquidation	—	(45,617)
Interest and dividends income	(2,667)	(1,451)
Interest expenses	220,340	131,687
Loss (gain) on valuation of investment securities	129,244	917
Decrease (increase) in notes and accounts receivable-trade	11,845	2,316
Decrease (increase) in inventories	3,406,019	(693,919)
Decrease (increase) in advance payments	1,040,922	(19,000)
Increase (decrease) in notes and accounts payable-trade	(90,333)	(15,182)
Increase (decrease) in advances received	293,004	158,213
Increase (decrease) in deposits received	(99,940)	(10,538)
Other, net	(11,741)	(69,749)
Subtotal	1,424,573	(345,893)
Interest and dividends income received	3,365	1,451
Interest expenses paid	(123,213)	(148,510)
Income taxes paid	(4,626)	(4,890)
Net cash provided by (used in) operating activities	1,300,098	(497,843)
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,085,054)	—
Proceeds from withdrawal of time deposits	13,900	—
Purchase of property, plant and equipment	(7,806)	—
Proceeds from sales of property, plant and equipment	101,031	—
Purchase of investment securities	(4,000)	—
Proceeds from sales of investment securities	28,738	1,000
Collection of long-term loans receivable	64	120
Other, net	(1,850)	624
Net cash provided by (used in) investing activities	(954,977)	1,744

(Thousand yen)

	Cumulative period for previous consolidated first half (From April 1, 2010 to September 30, 2010)	Cumulative period for consolidated first half under review (From April 1, 2011 to September 30, 2011)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(366,000)	1,289,000
Proceeds from long-term loans payable	465,000	403,000
Repayment of long-term loans payable	(685,735)	(1,420,516)
Other, net	(3)	—
Net cash provided by (used in) financing activities	(586,738)	271,484
Net increase (decrease) in cash and cash equivalents	(241,616)	(224,614)
Cash and cash equivalents at beginning of period	631,926	1,331,196
Increase in cash and cash equivalents from newly consolidated subsidiary	8,564	—
Cash and cash equivalents at end of period	398,875	1,106,581