

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

November 7 (Monday), 2011
Shin-Nihon Tatemono Co., Ltd.

I. Overview of Consolidated Operating Performance During the First Half of the Fiscal Year Ending March 31, 2012	— P. 2
II. Business Environment Data	— P. 10
III. Operations in the Fiscal Year Ending March 2012	— P. 14
IV. Overview of Shin-Nihon Tatemono	— P. 18

**I. Overview of Consolidated Operating Performance
During the First Half of the Fiscal Year
Ending March 31, 2012**

Business environment topics

- The housing sales market in the Tokyo area recovered steadily.
- The cooling of the markets caused by reduced purchases and sales following the earthquake was only temporary.

Performance topics

- [B/S] Inventory assets rose with active property acquisitions.
- [P/L] Income exceeded the plan and was in positive territory.

Management topics

- The Company continued to acquire new properties in the housing sales market.
=> Profitability became achievable.

Consolidated Balance Sheet

(Unit: million yen)	Year ended March 31, 2011		Year ending March 31, 2012	
	End of H1	Year end	End of H1	Change
Cash and deposits	1,606	1,331	1,106	-224
Real estate for sale	273	529	● 65	-463
Real estate for sale in process	7,105	6,297	● 7,454	1,157
Others	312	101	196	95
Total current assets	9,298	8,258	8,823	564
Total noncurrent assets	1,121	590	608	18
Total assets	10,419	8,849	9,432	583
Notes and account payable-trade	139	97	82	-15
Loans payable (short-term loans payable and long-term loans payable within one year)	11,992	1,830	2,428	● 597
Current portion of bonds	100	—	—	—
Others	707	695	901	205
Total current liabilities	12,940	2,624	3,412	788
Long-term loans payable	573	5,143	4,816	● -326
Others	170	192	93	-99
Total noncurrent liabilities	743	5,335	4,910	-425
Total liabilities	13,683	7,959	8,322	363
Capital stock	7,338	854	854	—
Capital surplus	901	1,246	40	● -1,205
Retained earnings	-11,497	-1,203	220	● 1,424
Others	-7	-8	-6	2
Total net assets	-3,264	889	● 1,109	220
Total liabilities and net assets	10,419	8,849	9,432	583

● Decrease of real estate for sale

Breakdown at the end of H1 of FY12/3

Liquidation : — million yen — property

Condominium unit sales : 65 million yen 3 units

Residential housing sales : — million yen — house

● Increase of real estate for sale in process

Breakdown at the end of H1 of FY12/3

Liquidation : 5,506 million yen

Condominium unit sales : 1,324 million yen

Residential housing sales : 623 million yen

Total : 7,454 million yen

● Status of interest-bearing liabilities

Year ended March 31, 2011 6,974 million yen

H1 ended September 30, 2011 7,245 million yen

Change 271 million yen

● Deficit disposition (1,200 million yen)

● Net worth ratio rose to 11.8%

Consolidated Profit and Loss Statement

(Unit: million yen)	Year ended March 31, 2011		Year ending March 31, 2012				
	H1		H1	H1		Year-on-year	
	Actual	% of total	Initial plan	Actual	% of total	Change	Change (%)
Net sales	4,331	100.0%	7,200	● 6,942	100.0%	2,611	60.3%
Cost of sales	5,440	125.6%	–	5,815	83.8%	375	6.9%
Gross profit	-1,109	-25.6%	–	1,127	16.2%	2,236	–
Selling, general and administrative expenses	1,082	25.0%	–	● 774	11.1%	-308	-28.5%
Operating income	-2,191	-50.6%	250	352	5.1%	2,544	–
Non-operating income	102	2.4%	–	20	0.3%	-82	-80.5%
Non-operating expenses	235	5.4%	–	● 153	2.2%	-82	-35.0%
Ordinary income	-2,325	-53.6%	120	219	3.2%	2,544	–
Extraordinary income	465	10.7%	–	2	0.0%	-463	-99.6%
Extraordinary loss	1,717	39.7%	–	0	0.0%	-1,717	-99.9%
Income before income taxes	-3,577	-82.6%	–	220	3.2%	3,798	–
Income taxes	100	2.3%	–	2	0.1%	-98	-97.6%
Net income	-3,678	-84.9%	160	218	3.1%	3,896	–

● Figures

	FY 11/3 H1	FY 12/3 H1	Change
Liquidation	5 properties	2 properties	-3 properties
Condominium unit sales	39 units	99 units	60 units
Residential housing sales	5 houses	9 houses	4 houses

● Details of selling, general and administrative expenses

(Unit: million yen)	FY 11/3 H1	FY 12/3 H1	Change
Personnel expenses	342	222	-119
Sales commission	38	84	46
Advertising expenses	190	294	104
Other	512	172	-339
Total	1,082	774	-308

● Details of non-operating expenses

(Unit: million yen)	FY 11/3 H1	FY 12/3 H1	Change
Interest expenses	220	131	-88
Other	15	21	6
Total	235	153	-82

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.
- ✓ Results exceeded the initial plan and the year-ago results.

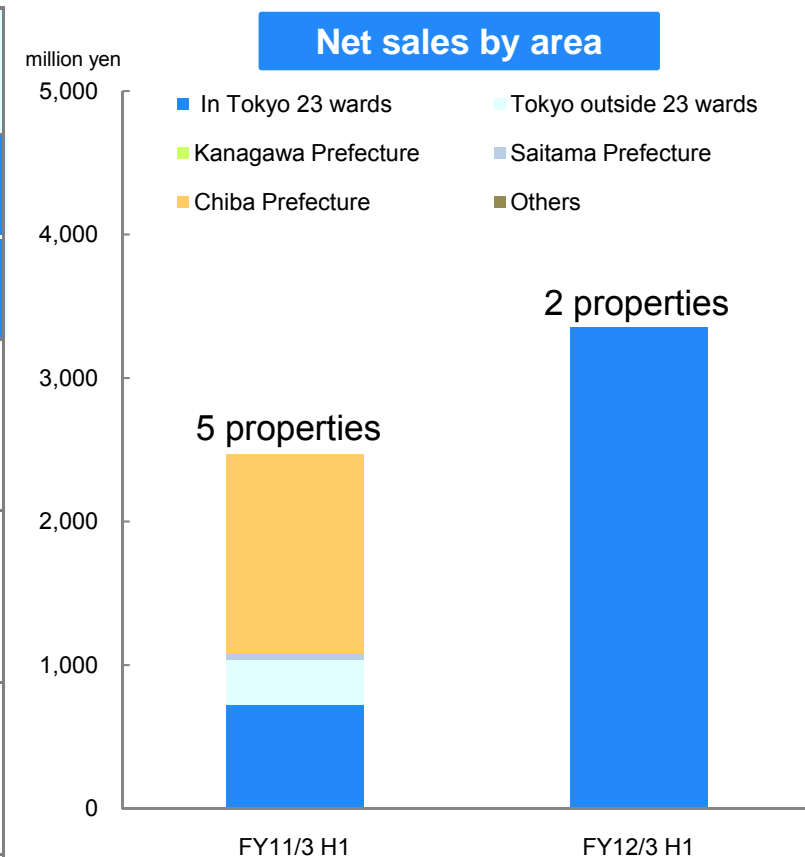
[Net sales]		Year ended March 31, 2011		Year ending March 31, 2012				
		H1		H1	H1		Year-on-year	
		Actual	% of total	Initial plan	Actual	% of total	Change	Change (%)
(Unit: million yen)								
	Liquidation business	2,473	57.1%	3,350	3,353	48.3%	879	35.6%
	Condominium unit sales business	1,308	30.2%	3,470	3,192	46.0%	1,883	143.9%
	Residential housing sales business	204	4.7%	360	368	5.3%	163	80.1%
	Other business	344	8.0%	20	29	0.4%	-315	-91.5%
	Elimination or corporate	—	—	—	—	—	—	—
Net sales total		4,331	100.0%	7,200	6,942	100.0%	2,611	60.3%

[Operating income]		Year ended March 31, 2011		Year ending March 31, 2012				
		H1		H1	H1		Year-on-year	
		Actual	Operating income (%)	Initial plan	Actual	Operating income (%)	Change	Change (%)
(Unit: million yen)								
	Liquidation business	-1,579	-63.9%	360	365	10.9%	1,945	—
	Condominium unit sales business	-59	-4.6%	290	212	6.7%	272	—
	Residential housing sales business	-45	-22.3%	-10	-8	-2.3%	37	—
	Other business	-30	-9.0%	-130	-40	-138.1%	-9	—
	Elimination or corporate	-476	—	-260	-176	—	299	—
Operating income total		-2,191	-50.6%	250	352	5.1%	2,544	—

Situation of Liquidation Business

- ✓ Two properties for development were sold. Net sales rose 35.6% year on year.
- ✓ The business moved into the black with profit margins improving significantly.

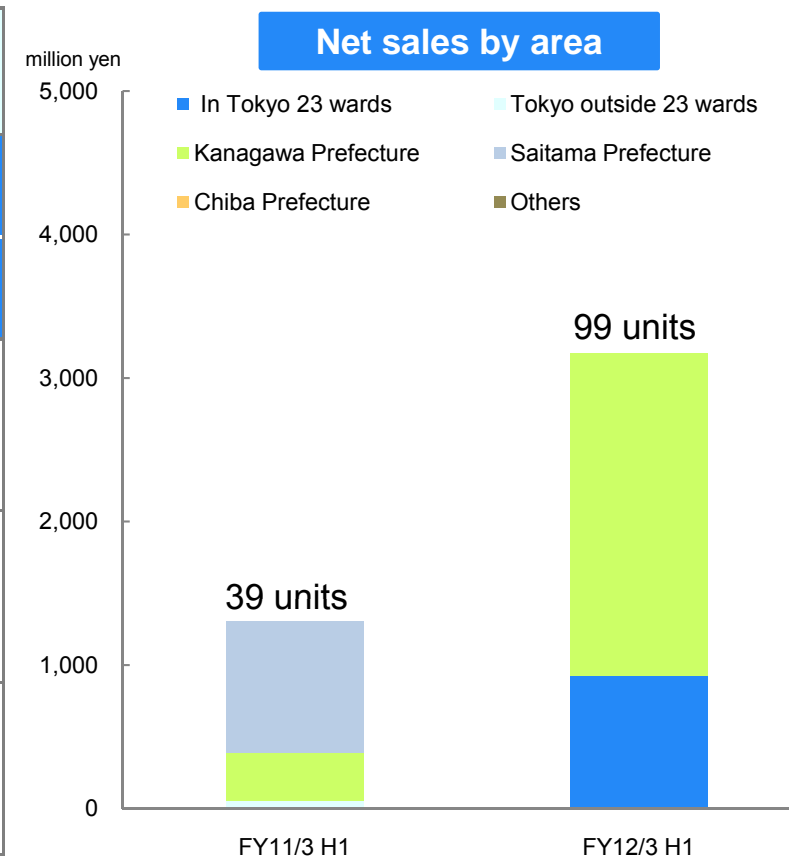
(Unit: million yen)	Year ended March 31, 2011	Year ending March 31, 2012			
	H1	H1	H1		
	Actual	Initial plan	Actual	Year-on-year	Comparison with plan
Net sales	2,473	3,350	3,353	35.6%	0.1%
Gross profit	-1,440	420	408	—	-2.8%
Operating income	-1,579	360	365	—	1.5%



Situation of Condominium Unit Sales Business

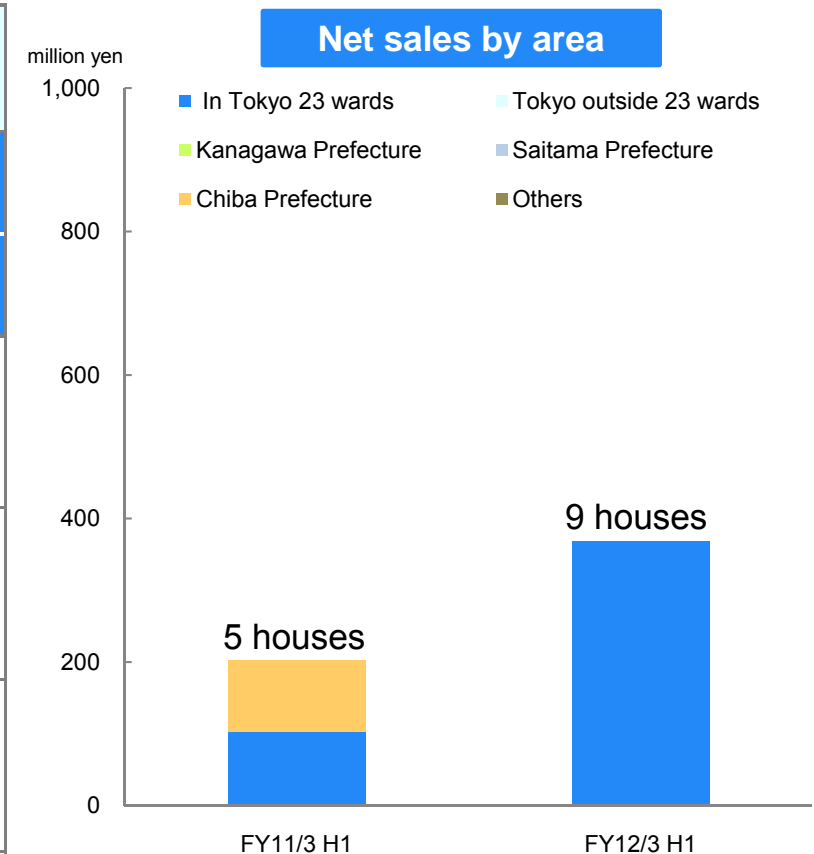
- ✓ 99 units were delivered, an increase of 60 units from a year ago.
=> 22 self-developed units and 77 purchase-resale units
- ✓ Operating income moved into positive territory, reflecting an improvement in the gross margin. => Up 4.1 pt year on year, to 21.8%

(Unit: million yen)	Year ended March 31, 2011	Year ending March 31, 2012			
	H1	H1	H1		
	Actual	Initial plan	Actual	Year-on-year	Comparison with plan
Net sales	1,308	3,470	3,192	143.9%	-8.0%
Gross profit	231	770	694	199.9%	-9.8%
Operating income	-59	290	212	-	-26.6%



- ✓ A total of nine houses were delivered in the first half under review (an increase of 4 houses year on year).
- ✓ The Company lowered sales costs and fixed costs by selling properties on its own account and reduced its operating loss.

(Unit: million yen)	Year ended March 31, 2011	Year ending March 31, 2012			
	H1	H1	H1		
	Actual	Initial plan	Actual	Year-on-year	Comparison with plan
Net sales	204	360	368	80.1%	2.3%
Gross profit	45	60	48	7.9%	-18.9%
Operating income	-45	-10	-8	-	-

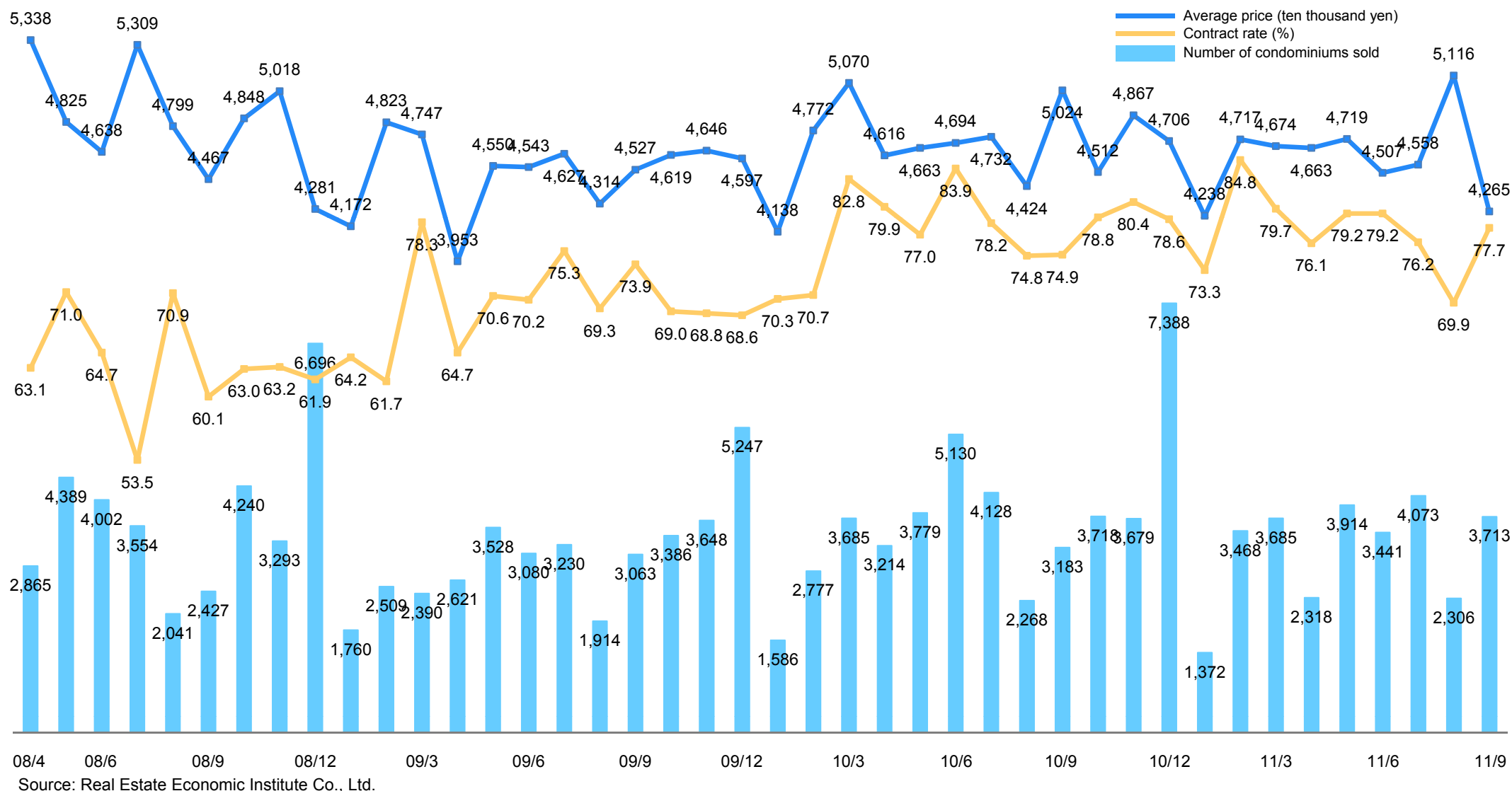


II. Business Environment Data

Trends in Condominium Market in Tokyo Area (1)

- The contract rate has recently topped 70%, believed to be the dividing line between a strong and a weak market, providing clear evidence of a recovering market.
- Approximately 45,000 units, roughly the same as the year-ago level (44,535 units), are expected to be supplied in FY2011 (as of July 2011).

Monthly changes in the number of condominium sold, contract rate, and average price in the Tokyo area

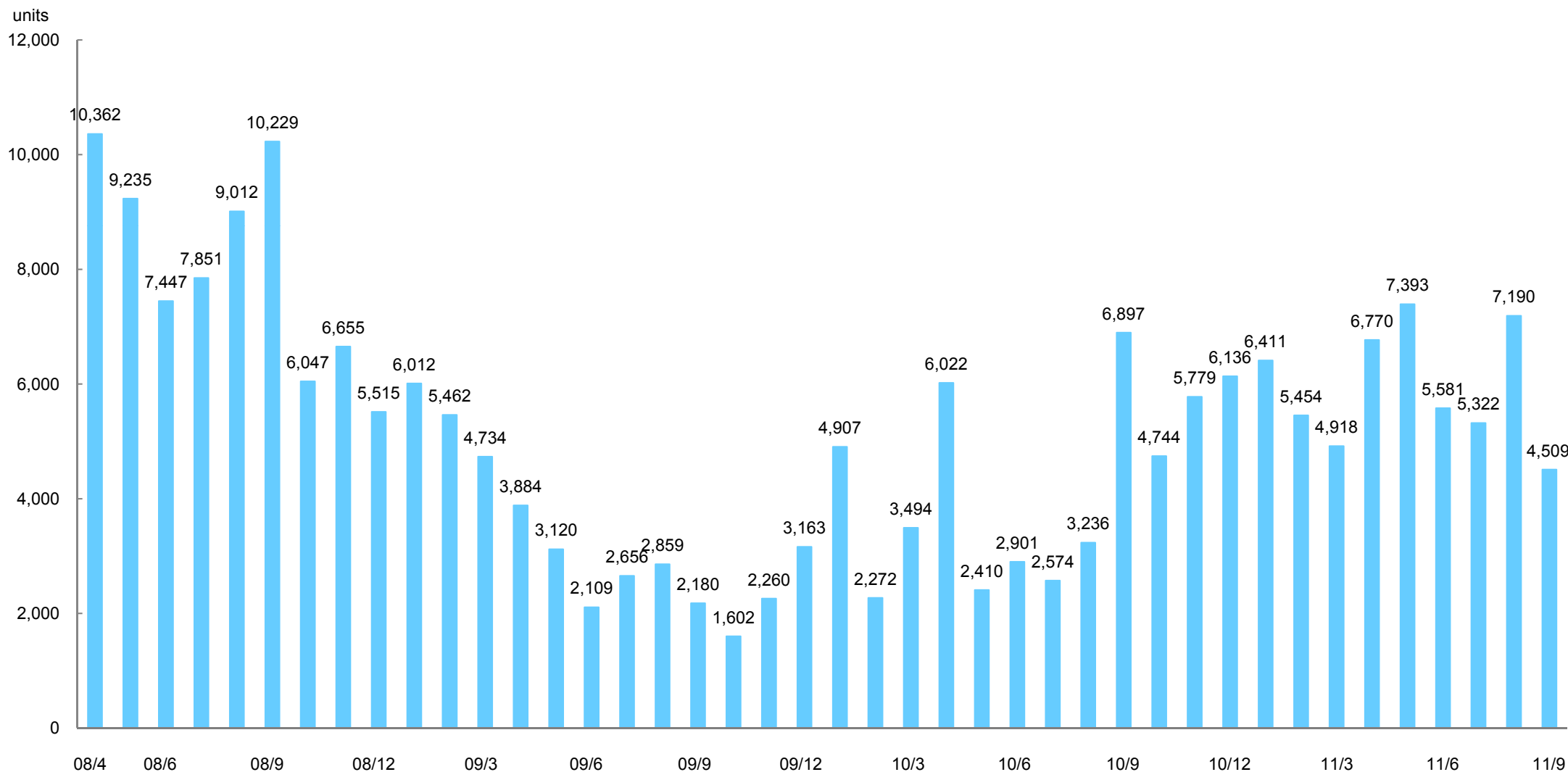


Source: Real Estate Economic Institute Co., Ltd.

Trends in Condominium Market in Tokyo Area (2)

■ The number of condominium starts in the Tokyo area is recovering, and, in the first half of 2011 (January – June), rose 66.0% year on year.

Changes in the monthly number of condominiums started in the Tokyo area

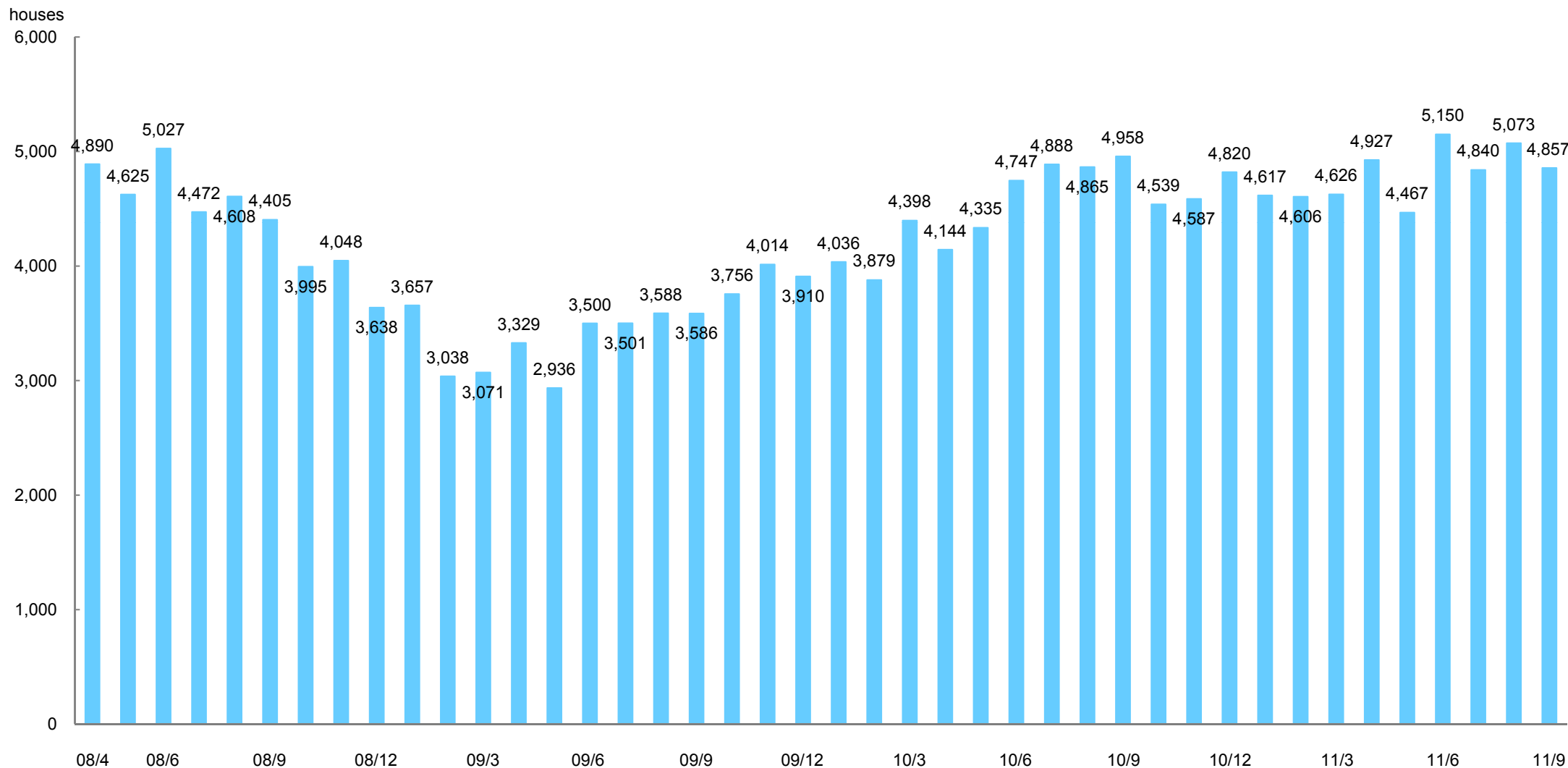


Source: "Statistics of Building Construction Starts" by the Ministry of Land, Infrastructure, Transport and Tourism

Trends in Residential Housing Market in Tokyo Area

■ Residential housing starts in the Tokyo area recovered to pre-Lehman levels, and in the first half of 2011 (January – June), climbed 11.2% year on year.

Changes in monthly residential housing starts in the Tokyo area



Source: "Statistics of Building Construction Starts" by the Ministry of Land, Infrastructure, Transport and Tourism

III. Operations in the Fiscal Year Ending March 2012

- Bolster the Company's capacity to generate cash flows to revitalize it as an all-round player in the housing market.

Actively secure land for new projects.

=> Concentrate management resources on businesses where funds can be collected in the short term, including the condominium purchase/resale business, residential housing sales business, and wholesale business.

Strengthen relations with financial institutions.

=> Build a system that can flexibly meet the financial requirements of a range of projects by strengthening relations with financial institutions that have established relations with the Company and financial institutions that have begun dealing with the Company only recently.

Enhance profitability by cutting costs.

=> Cut costs through comprehensive budget control under the turnaround plan.

Aiming to shift to a business structure that can generate stable profits

15 properties, expected to generate sales of ¥6.6 billion, were purchased from April to September, 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 September 2011

■ By business

Segment	Properties purchased	Net sales (plan)
Liquidation	5 properties	2.9 billion yen
Condominium unit sales	2 properties/ 61 units	2.1 billion yen
Residential housing sales	8 properties/ 46 lots	1.6 billion yen

■ By area

Area	Properties purchased
In Tokyo 23 wards	5 properties
Tokyo outside 23 wards	4 properties
Kanagawa Prefecture	3 properties
Saitama Prefecture	2 properties
Chiba Prefecture	1 property

=> Secure land for new projects in the Tokyo area, where the market is enjoying a remarkable recovery.

- ✓ The consolidated performance plan for the fiscal year ending March 2012 that was announced on May 13, 2011 has not been changed.

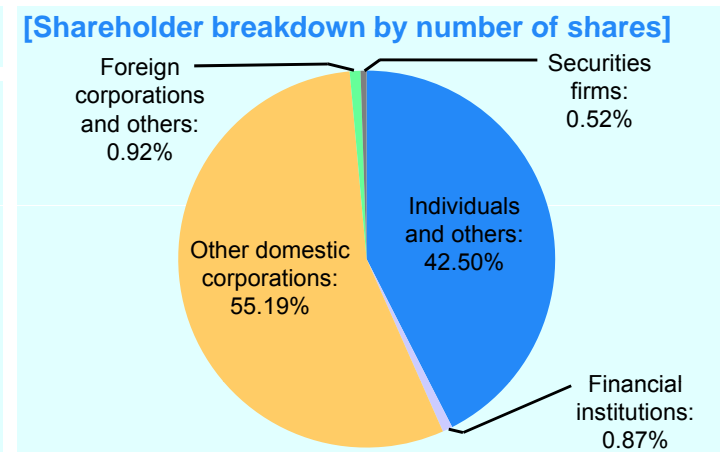
(Unit: million yen)	H1			Whole fiscal year
	Plan Announced May 13, 2011	Actual	Difference	Plan Announced May 13, 2011
Net sales	7,200	6,942	-257	21,500
Gross profit	1,180	1,127	-52	3,110
Operating income	250	352	102	1,020
Ordinary income	120	219	99	730
Net income	160	218	58	820

IV. Overview of Shin-Nihon Tatemono

Corporate Outline

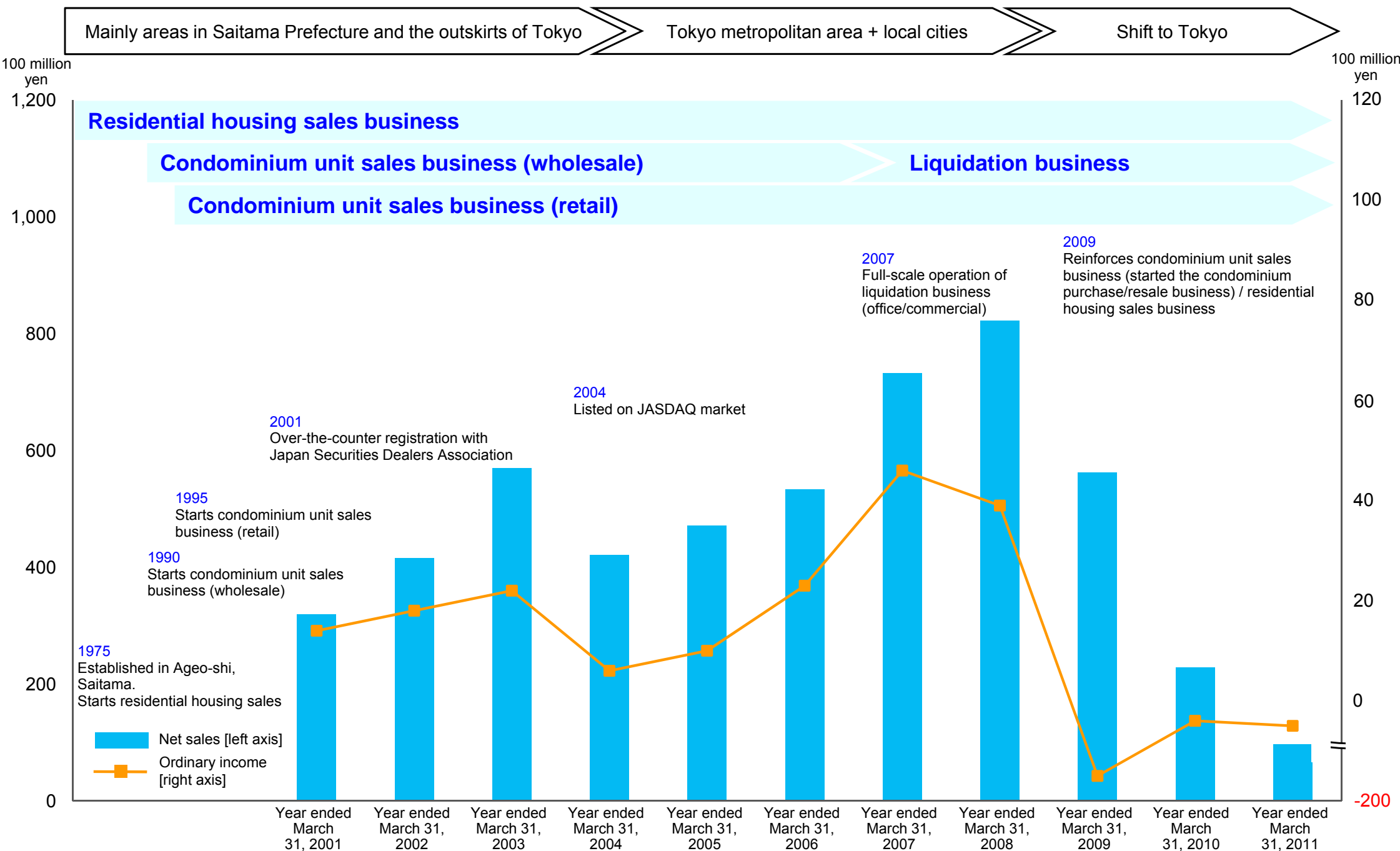
Corporate name	SHIN-NIHON TATEMONO CO., Ltd.
Established	April 8, 1975
Listed on	JASDAQ Standard (stock code 8893)
Capital	854,500,000 yen
Representative	Yasuharu Suzuki, President and Chief Executive Officer
Businesses	Condominium unit sales, residential housing sales, liquidation, other
Settlement	March 31
Employees	Employees 54 people [non-consolidated] and 56 people [consolidated]
Location	Headquarters Shinjuku Maynds Tower 18F., 2-1-1 Yoyogi, Shibuya-ku, Tokyo Kita-Kanto Branch Omiya Otaka Building 2F., 1-103 Kishikicho, Omiya-ku, Saitama-shi, Saitama Tachikawa Sales Office Tachihi Building No. 1-8F., 6-1-1 Sakae-cho, Tachikawa-shi, Tokyo
Issued shares	98,695,886 common shares, 877,200 restricted shares, 599 class A preferred shares

Shareholders (common shares)	9,591
Tokyo Weld Co., Ltd.	15,238,000 shares 15.44%
J.S.B. Co., Ltd.	15,000,000 shares 15.20%
Masato Oka	6,500,000 shares 6.59%
ASQ Corporation	4,950,000 shares 5.02%
Koshiro Onishi	3,758,000 shares 3.81%



* As of September 30, 2011

Business History

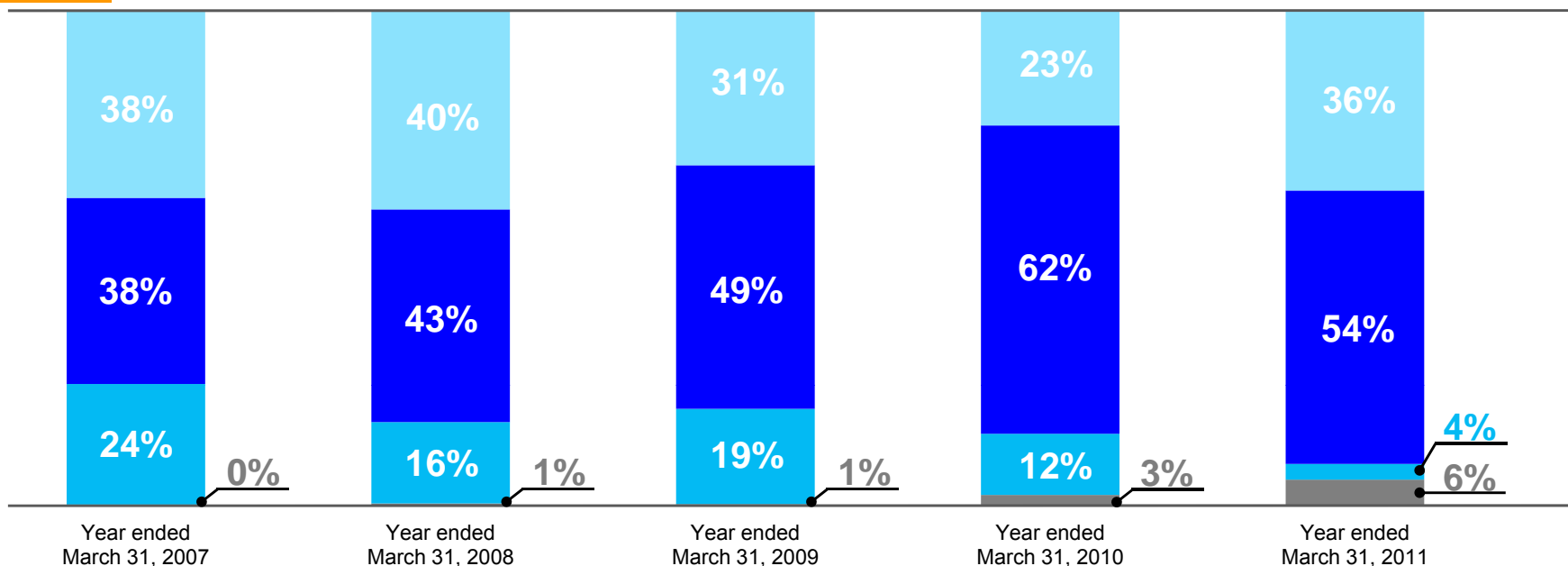


Business Model

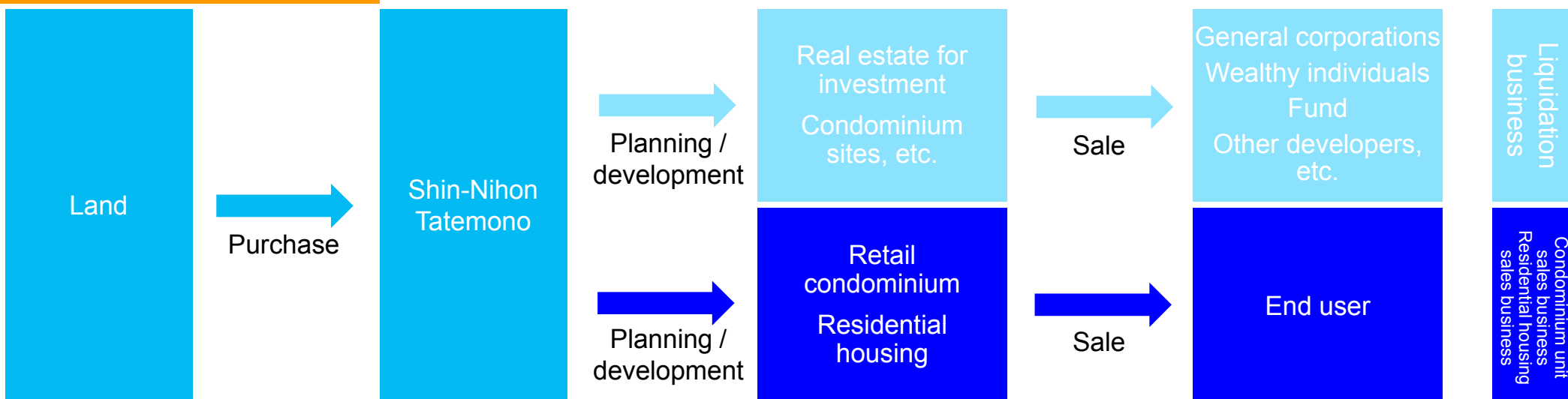
Shin-Nihon Tatemono has tailored its portfolio management to concentrate its resources on promising.

Net sales % of total

- Liquidation business
- Condominium unit sales business
- Residential housing sales business
- Other business



Business flow chart



[For Inquiries]

IR Division: Group Corporate Development Team

TEL: 03-5962-0775 FAX: 03-5962-0774

E-mail: ir@kksnt.co.jp URL: <http://www.kksnt.co.jp/>

変わること、変わらないこと。



This material is intended for providing information about the operating performance of our Company during the first half of the fiscal year ending March 31, 2012 and is not intended for soliciting investment for the shares issued by the Company.

This material has been prepared with information available as at the time of publication. Any opinion, plan, forecast, or other forward-looking statement that appears in this material is based on the Company's judgment at the time of writing, and should not be construed as a guarantee or promise of accuracy or completeness. Information in this material is subject to change without notice in the future, for instance, due to changes in the business environment.