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

February 3, 2012 Shin-Nihon Tatemono Co., Ltd.

SHIN-NIHON TATEMONO CO., LTD.

JASDAQ

Stock Code : 8893

Business environment topics

- The housing market in the Tokyo metropolitan area was strong, reflecting a better balance between supply and demand.
- A rising tendency to focus on environmental protection and safe and secure residential environments.

Performance topics

- [B/S] Comprehensive inventory control => Zero finished goods inventory (real estate for sale)
- [P/L] A net loss was recorded as a result of fewer property deliveries.

Management topics

- The Company promoted the sale of long-held inventory. => Additional financial support was provided by financial institutions.
- The Company stepped up efforts to rebuild its business, as an all-round player in the housing market.

Consolidated Balance Sheet

(Unit: million yen)	Year ended March 31, 2011		Year ending March 31, 2012	
	End of Q3	Year end	End of Q3	Change
Cash and deposits	1,091	1,331	956	-375
Real estate for sale	533	529	● –	-529
Real estate for sale in process	6,564	6,297	● 7,239	941
Others	318	101	267	166
Total current assets	8,508	8,258	8,462	203
Total noncurrent assets	633	590	601	11
Total assets	9,142	8,849	9,064	215
Notes and account payable-trade	131	97	136	38
Loans payable (short-term loans payable and long-term loans payable within one year)	1,768	1,830	2,737	● 906
Others	948	695	889	194
Total current liabilities	2,847	2,624	3,764	1,140
Long-term loans payable	5,302	5,143	4,328	● -815
Others	148	192	83	-109
Total noncurrent liabilities	5,451	5,335	4,411	-924
Total liabilities	8,299	7,959	8,175	215
Capital stock	8,193	854	854	–
Capital surplus	1,756	1,246	40	● -1,205
Retained earnings	-9,102	-1,203	-2	● 1,200
Others	-3	-8	-3	4
Total net assets	842	889	888	-0
Total liabilities and net assets	9,142	8,849	9,064	215

● **Decrease of real estate for sale**

● **Increase of real estate for sale in process**

Breakdown at the end of Q3 of FY 12/3

Liquidation	:	4,901 million yen
Condominium unit sales	:	1,555 million yen
Residential housing sales	:	782 million yen
Total	:	7,239 million yen

● **Status of interest-bearing liabilities**

Year ended March 31, 2011	6,974 million yen
Q3 ended December 31, 2011	7,066 million yen
Change	91 million yen

● **Deficit disposition (1,200 million yen)**

Consolidated Profit and Loss Statement

(Unit: million yen)	Year ended March 31, 2011		Year ending March 31, 2012			
	Q3 (cumulative)		Q3 (cumulative)		Year-on-year	
	Actual	% of total	Actual	% of total	Change	Change (%)
Net sales	5,734	100.0%	● 7,959	100.0%	2,225	38.8%
Cost of sales	6,716	117.1%	6,743	84.7%	27	0.4%
Gross profit	-982	-17.1%	1,215	15.3%	2,197	-
Selling, general and administrative expenses	1,650	28.8%	● 1,015	12.8%	-635	-38.5%
Operating income	-2,633	-45.9%	199	2.5%	2,832	-
Non-operating income	133	2.3%	29	0.4%	-104	-78.2%
Non-operating expenses	277	4.8%	● 238	3.0%	-38	-14.1%
Ordinary income	-2,776	-48.4%	-9	-0.1%	2,767	-
Extraordinary income	3,308	57.7%	7	0.1%	-3,301	-99.8%
Extraordinary loss	1,717	30.0%	0	0.0%	-1,717	-99.9%
Income before income taxes	-1,185	-20.7%	-3	-0.0%	1,182	-
Income taxes	100	1.7%	2	0.0%	-98	-97.6%
Net income	-1,286	-22.4%	-5	-0.0%	1,280	-

● Figures

	FY 11/3 Q3 (cumulative)	FY 12/3 Q3 (cumulative)	Change
Liquidation	7 properties	4 properties	-3 properties
Condominium unit sales	41 units	107 units	66 units
Residential housing sales	8 houses	9 houses	1 house

● Details of selling, general and administrative expenses

(Unit: million yen)	FY 11/3 Q3 (cumulative)	FY 12/3 Q3 (cumulative)	Change
Personnel expenses	452	330	-121
Sales commission	74	92	18
Advertising expenses	297	360	62
Other	826	232	-594
Total	1,650	1,015	-635

● Details of non-operating expenses

(Unit: million yen)	FY 11/3 Q3 (cumulative)	FY 12/3 Q3 (cumulative)	Change
Interest expenses	253	210	-42
Other	24	27	3
Total	277	238	-38

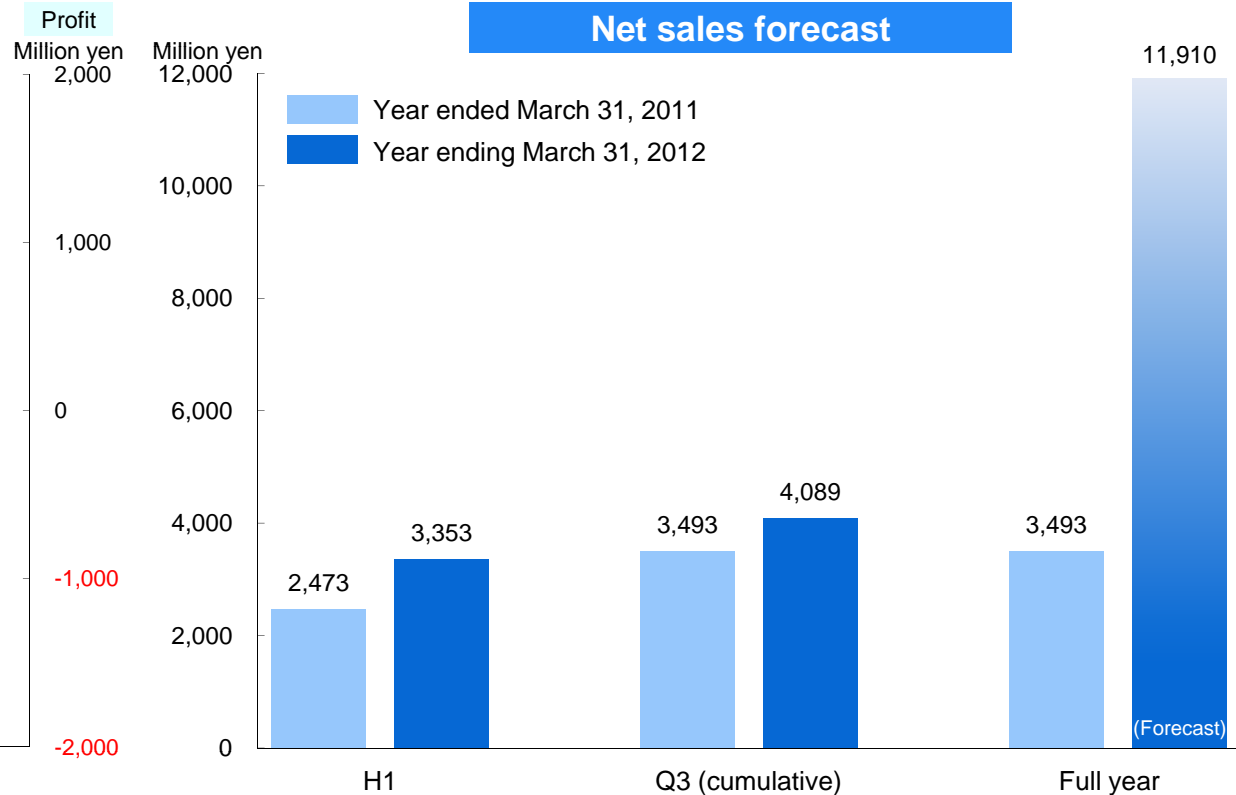
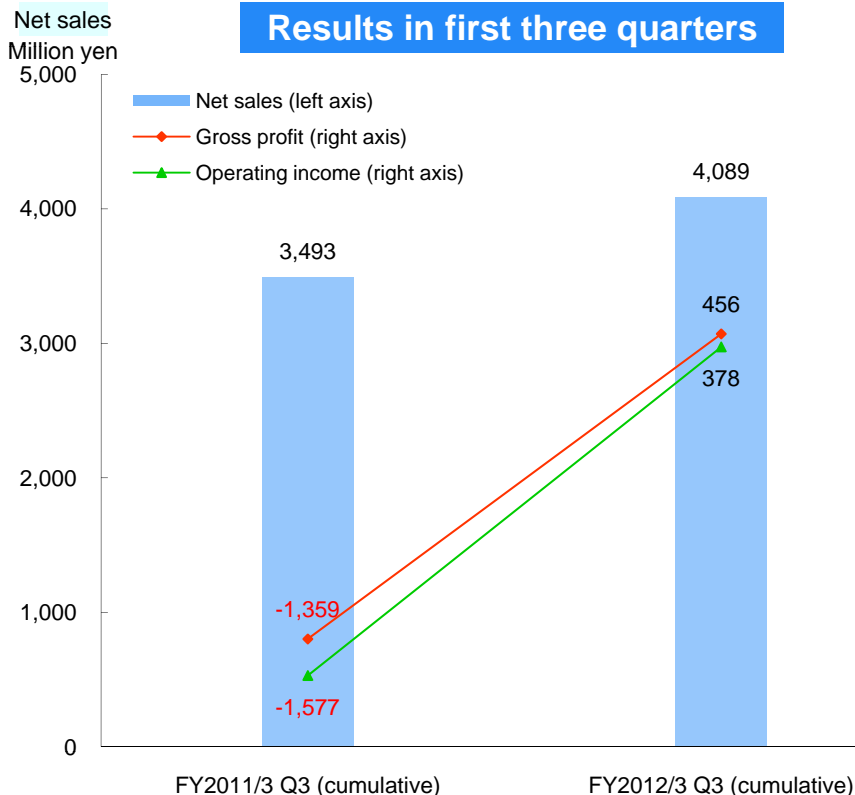
Net Sales and Operating Income by Segment

- ✓ A net gain in operating income was secured, driven by the liquidation business and the condominium unit sales business.
- ✓ Profit margins in the liquidation business improved significantly.

[Net sales]		Year ended March 31, 2011		Year ending March 31, 2012			
		Q3 (cumulative)		Q3 (cumulative)		Year-on-year	
		Actual	% of total	Actual	% of total	Change	Change (%)
(Unit: million yen)							
	Liquidation business	3,493	61.0%	4,089	51.4%	595	17.1%
	Condominium unit sales business	1,366	23.8%	3,460	43.5%	2,093	153.2%
	Residential housing sales business	356	6.2%	368	4.6%	11	3.2%
	Other business	516	9.0%	40	0.5%	-475	-92.1%
	Elimination or corporate	—	—	—	—	—	—
Net sales total		5,734	100.0%	7,959	100.0%	2,225	38.8%

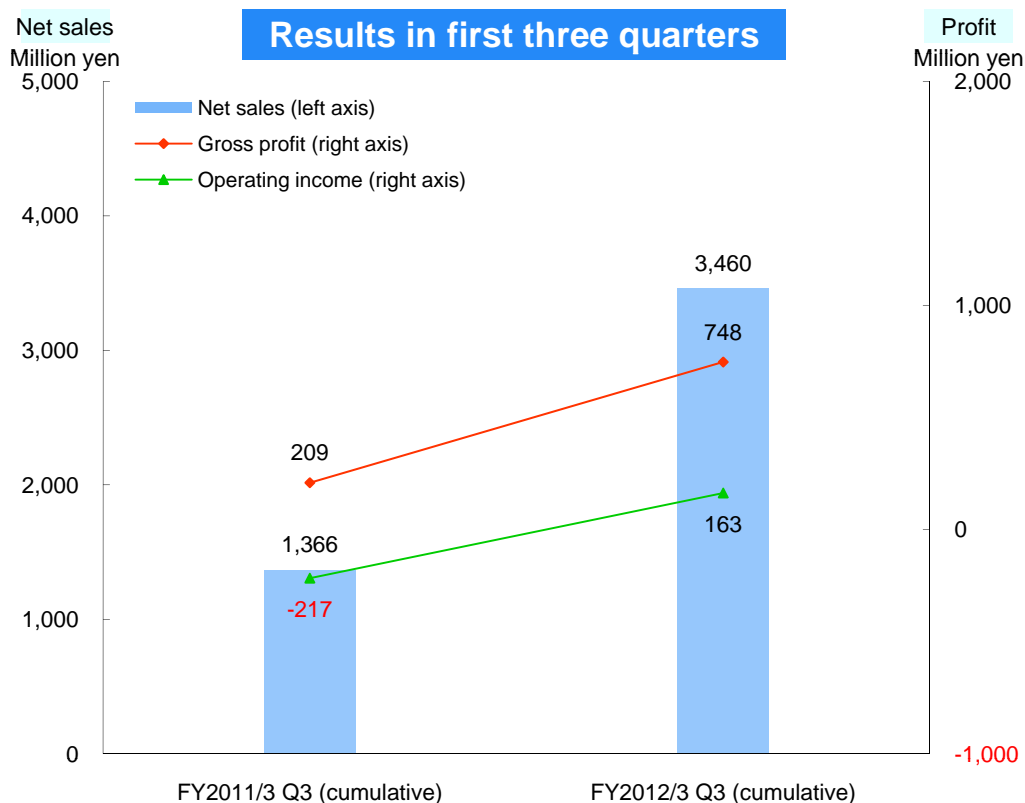
[Operating income]		Year ended March 31, 2011		Year ending March 31, 2012			
		Q3 (cumulative)		Q3 (cumulative)		Year-on-year	
		Actual	% of total	Actual	% of total	Change	Change (%)
(Unit: million yen)							
	Liquidation business	-1,577	-45.1%	378	9.3%	1,956	—
	Condominium unit sales business	-217	-16.0%	163	4.7%	381	—
	Residential housing sales business	-69	-19.4%	-36	-9.9%	32	—
	Other business	-9	-1.9%	-62	-152.3%	-52	—
	Elimination or corporate	-758	—	-243	—	515	—
Operating income total		-2,633	-45.9%	199	2.5%	2,832	—

- ✓ Four properties for development were sold. Net sales rose 17.1% year on year.
- ✓ By securing adequate profits, the bottom line was strongly enhanced.



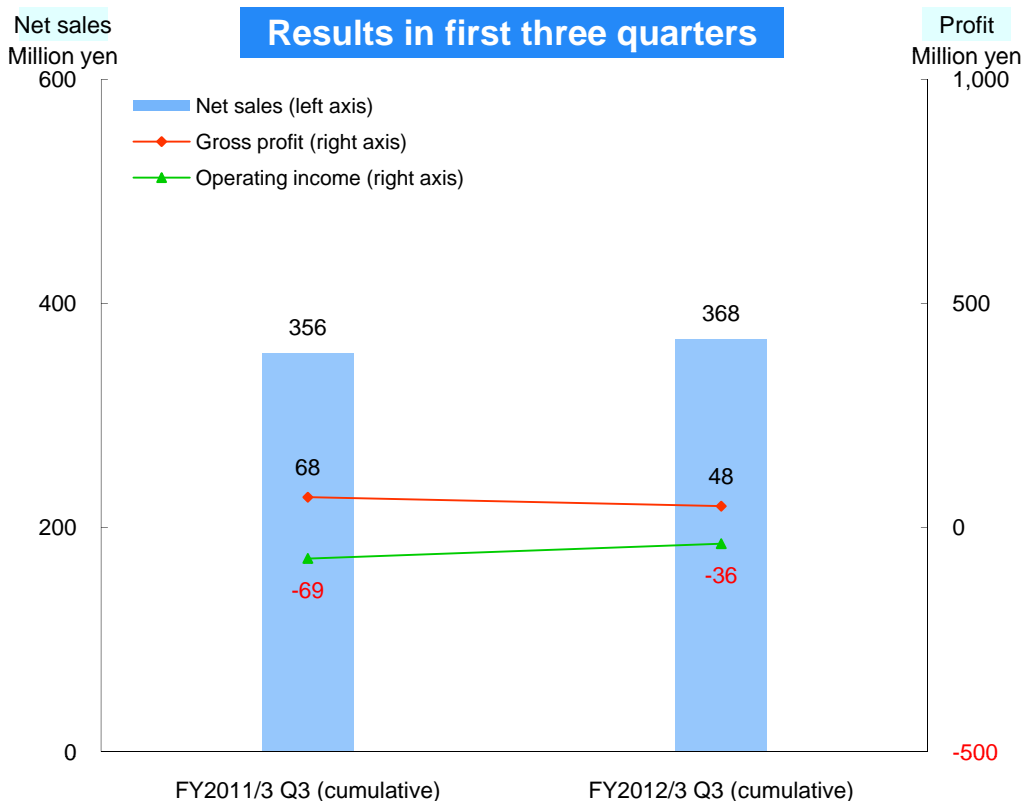
Situation of Condominium Unit Sales Business

- ✓ 107 units were delivered, an increase of 66 units from a year ago.
=> 27 self-developed units and 80 purchase-resale units
- ✓ An improvement in the gross margin => Up 6.3 pt year on year, to 21.6%

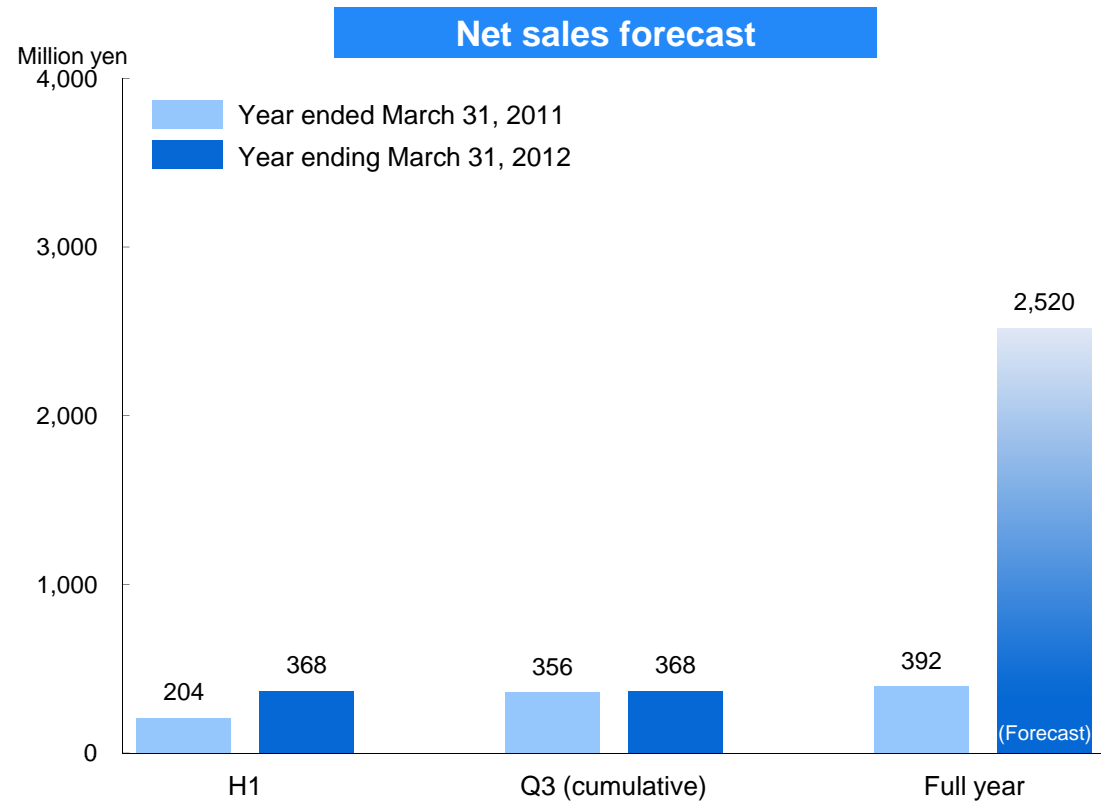


- ✓ A total of nine houses were delivered in the first three quarters under review (an increase of one house year on year).
- ✓ The net loss narrowed as a result of ongoing efforts to reduce selling and fixed costs.

Results in first three quarters



Net sales forecast



■ 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

Progress in the Turnaround Plan (ii)

■ Purchases of new properties

=> 16 properties, expected to generate sales of ¥7.5 billion, were purchased from April to December, 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 December 2011

■ By business

Segment	Properties purchased	Net sales (plan)
Liquidation	5 properties	2.9 billion yen
Condominium unit sales	3 properties/ 83 units	3.0 billion yen
Residential housing sales	8 properties/ 46 lots	1.6 billion yen

■ By area

Area	Properties purchased
In Tokyo 23 wards	6 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.

Projects in Progress

Renaissance Futakotamagawa (Condominium Unit Sales Business)

[Overview]

Location: Kamata 2-chome, Setagaya-ku, Tokyo
 Access: 22 minutes' walk from Futakotamagawa station of the Tokyu Den-en-toshi Line
 Total number of units: 31 units
 Planned completion date: June 2012

Point 1

Highly convenient access to central Tokyo via Futako-Tamagawa Station.

Point 2

Located in vibrant Futako-Tamagawa with rows of large commercial facilities.

Point 3

Comfortable living in Setagaya Ward in a rich natural environment near the banks of the Tamagawa River.



Rendering

Renatown Koto Morishita (Residential Housing Sales Business)

[Overview]

Location: Morishita 5-chome, Koto-ku, Tokyo
 Access: Five minutes' walk from Kikukawa station of the Toei Shinjuku Line
 Total number of houses: 4 houses
 Planned completion date: March 2012

Point 1

Serviced by three lines, including Kikukawa Station. Located on a residential street with excellent access.

Point 2

The buildings meet energy savings labeling standards for third-party certification, with energy saving performance exceeding next-generation standards.



Rendering

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