

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 Fiscal Year Ended March 31, 2012 (Japanese Standard)

May 11, 2012

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 the ordinary general meeting of shareholders: June 27, 2012

Scheduled date of submission of the annual securities report: June 28, 2012

Scheduled date for commencing payment of dividend: —

Preparation of explanatory materials for 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 Financial Results (April 1, 2011 through March 31, 2012)

(1) Consolidated Results of Operations

(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	%
Year ended March 31, 2012	13,795	41.7	739	—	460	—	444	—
Year ended March 31, 2011	9,736	(57.3)	(2,356)	—	(2,542)	—	(1,235)	—

(Note) Comprehensive income:

Year ended March 31, 2012:

455 million yen(—%)

Year ended March 31, 2011:

(1,249) million yen(—%)

	Net income per share	Net income per share (fully diluted)	Return on equity	Ratio of ordinary income to total assets	Operating income margin
	Yen	Yen	%	%	%
Year ended March 31, 2012	4.47	3.90	39.8	6.0	5.4
Year ended March 31, 2011	(17.21)	—	(187.3)	(21.1)	(24.2)

(Reference) Equity in net income of affiliates:

Year ended March 31, 2012:

— million yen

Year ended March 31, 2011:

— million yen

(2) Consolidated Financial condition

	Total assets	Net assets	Ratio of shareholders' equity to assets	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2012	6,613	1,345	20.3	7.50
Year ended March 31, 2011	8,849	889	10.1	2.92

(Reference) Shareholders' equity:

As of March 31, 2012:

1,345 million yen

As of March 31, 2011:

889 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of term
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2012	2,560	2	(2,237)	1,656
Year ended March 31, 2011	1,721	627	(1,658)	1,331

2. Dividends

(Record Date)	Dividends per share					Total amount of dividends (annual) (Million yen)	Payout ratio (consolidated) (%)	Dividends on equity (consolidated) (%)
	End of the 1st quarter	Interim period end	End of the 3rd quarter	Year end	Annual			
Year ended March 31, 2011	—	0.00	—	0.00	0.00	—	—	—
Year ended March 31, 2012	—	0.00	—	0.00	0.00	—	—	—
(Forecast) Year ending March 31, 2013	—	0.00	—	0.00	0.00	—	—	—

(Note) 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, 2012 through March 31, 2013)

(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	7,940	14.4	390	10.5	190	(13.4)	180	(17.5)	1.81
Annual	17,580	27.4	880	19.0	470	2.1	460	3.4	4.62

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*** Notes****(1) Important Changes in Subsidiaries During the Fiscal Period**

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

New: —

Exception: —

(2) 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

(3) Number of Shares Outstanding (Common Stock)

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

As of March 31, 2012: 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 March 31, 2012: 725 shares

As of March 31, 2011: 725 shares

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

As of March 31, 2012: 99,572,361 shares

As of March 31, 2011: 71,776,811 shares

(For reference) Outline of non-consolidated financial results

1. Non-consolidated financial results (April 1, 2011 through March 31, 2012)**(1) Non-consolidated results of operations**

(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	%
Year ended March 31, 2012	13,781	54.1	734	—	460	—	444	—
Year ended March 31, 2011	8,945	(55.8)	(2,228)	—	(2,399)	—	(1,205)	—

	Net income per share		Net income per share (fully diluted)	
	Yen		Yen	
Year ended March 31, 2012	4.47		3.90	
Year ended March 31, 2011	(16.80)		—	

(2) Non-consolidated financial position

	Total assets		Net assets		Ratio of shareholders' equity to assets		Net assets per share	
	Million yen		Million yen		%		Yen	
Year ended March 31, 2012	6,812		1,342		19.7		7.47	
Year ended March 31, 2011	8,916		886		9.9		2.89	

(Reference) Shareholders' equity:

As of March 31, 2012:

1,342 million yen

As of March 31, 2011:

886 million yen

(Status of auditing procedures)

This brief report of financial results is not subject to the audit procedures under the financial instruments and exchange law, and the audit of the financial statements has not been completed at the time of its disclosure.

(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.

Reference material for a presentation on operating performance will be posted on the website of the Company on May 11, 2012.

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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	
	Yen	Yen	Yen	Yen	Yen	
Year ended March 31, 2011	—	—	—	—	—	—
Year ended March 31, 2012	—	—	—	—	—	—
(Forecast) Year ending March 31, 2013	—	—	—	—	—	

(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	
	Yen	Yen	Yen	Yen	Yen	
Year ended March 31, 2011	—	—	—	0.00	0.00	—
Year ended March 31, 2012	—	0.00	—	—	0.00	—
(Forecast) Year ending March 31, 2013	—	—	—	—	—	

As described in the “Notice on the Completion of Conversion of All Restricted Shares into Common Shares and Retirement of Treasury Stock (Restricted Shares)” announced on February 3, 2012, the put option of all restricted shares was exercised, and their conversion into common shares. The restricted shares acquired by the Company were cancelled by resolution of the Board of Directors adopted on the same date.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	Previous consolidated fiscal year (As of March 31, 2011)	Current consolidated fiscal year (As of March 31, 2012)
Assets		
Current assets		
Cash and deposits	1,331,196	1,656,590
Notes and accounts receivable-trade	5,881	5,039
Real estate for sale	529,196	577,325
Real estate for sale in process	6,297,361	3,626,202
Advance payments-trade	—	97,900
Other	96,588	60,223
Allowance for doubtful accounts	(1,325)	(1,478)
Total current assets	8,258,899	6,021,802
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	162,524	157,387
Accumulated depreciation	(101,934)	(104,403)
Buildings and structures, net	60,590	52,984
Land	118,043	110,008
Other	17,110	13,446
Accumulated depreciation	(16,096)	(13,101)
Other, net	1,013	344
Total property, plant and equipment	179,648	163,336
Intangible assets	19,591	25,655
Investments and other assets		
Investment securities	389,868	398,212
Other	870,672	316,174
Allowance for doubtful accounts	(869,531)	(311,275)
Total investments and other assets	391,009	403,111
Total noncurrent assets	590,248	592,104
Total assets	8,849,148	6,613,906

(Thousand yen)

	Previous consolidated fiscal year (As of March 31, 2011)	Current consolidated fiscal year (As of March 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	97,587	104,272
Short-term loans payable	640,000	1,788,500
Current portion of long-term loans payable	1,190,983	685,983
Income taxes payable	4,890	5,479
Advances received	362,716	104,106
Deposits received	20,584	17,575
Provision for bonuses	16,571	17,083
Provision for loss on business liquidation	99,691	74,215
Other	191,038	138,421
Total current liabilities	2,624,066	2,935,637
Noncurrent liabilities		
Long-term loans payable	5,143,258	2,256,884
Provision for retirement benefits	49,333	51,745
Provision for directors' retirement benefits	10,343	—
Provision for loss on business liquidation	67,619	—
Deferred tax liabilities	—	1,577
Other	65,137	22,707
Total noncurrent liabilities	5,335,691	2,332,914
Total liabilities	7,959,758	5,268,551
Net assets		
Shareholders' equity		
Capital stock	854,500	854,500
Capital surplus	1,246,952	40,983
Retained earnings	(1,203,293)	447,411
Treasury stock	(388)	(388)
Total shareholders' equity	897,770	1,342,506
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(8,379)	2,848
Total accumulated other comprehensive income	(8,379)	2,848
Total net assets	889,390	1,345,354
Total liabilities and net assets	8,849,148	6,613,906

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
 Consolidated Statements of Income

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (From April 1, 2011 to March 31, 2012)
Net sales	9,736,621	13,795,552
Cost of sales	9,922,415	11,511,932
Gross profit (loss)	(185,793)	2,283,620
Selling, general and administrative expenses		
Sales commission	181,755	195,144
Advertising expenses	438,946	513,039
Provision of allowance for doubtful accounts	87,451	218
Directors' compensations	103,800	46,995
Salaries and allowances	350,945	310,156
Provision for bonuses	15,169	14,820
Provision for directors' retirement benefits	6,235	—
Retirement benefit expenses	12,909	10,436
Commission fee	441,246	116,541
Depreciation	20,113	13,735
Other	512,408	323,036
Total selling, general and administrative expenses	2,170,983	1,544,124
Operating income (loss)	(2,356,777)	739,495
Non-operating income		
Interest income	1,481	748
Dividends income	1,803	1,705
Land and house rent received	76,930	30,186
Penalty income	5,680	1,860
Other	76,585	6,758
Total non-operating income	162,482	41,259
Non-operating expenses		
Interest expenses	319,070	290,177
Other	29,156	30,094
Total non-operating expenses	348,227	320,271
Ordinary income (loss)	(2,542,522)	460,483

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (From April 1, 2011 to March 31, 2012)
Extraordinary income		
Gain on sales of noncurrent assets	39,370	—
Gain on sales of investment securities	8,666	917
Reversal of provision for directors' retirement benefits	376,117	1,176
Gain on sales of subsidiaries and affiliates' stocks	14,846	—
Reversal of provision for bonuses	23,011	—
Reversal of provision for head office transfer cost	19,581	—
Gain on forgiveness of debts	2,828,509	5,370
Total extraordinary income	3,310,103	7,463
Extraordinary loss		
Loss on retirement of noncurrent assets	3,133	168
Impairment loss	508,858	13,172
Loss on sales of investment securities	6,030	—
Loss on valuation of investment securities	129,244	4,380
Bad debts written off	23,791	—
Loss on valuation of advance payments-trade	1,050,000	—
Provision for loss on business liquidation	167,311	—
Other	10,954	—
Total extraordinary losses	1,899,323	17,721
Income (loss) before income taxes and minority interests	(1,131,742)	450,226
Income taxes – current	12,848	5,490
Income taxes – deferred	90,490	—
Total income taxes	103,338	5,490
Income (loss) before minority interests	(1,235,080)	444,735
Net income (loss)	(1,235,080)	444,735

Consolidated Statements of Comprehensive Income

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (From April 1, 2011 to March 31, 2012)
Income (loss) before minority interests	(1,235,080)	444,735
Other comprehensive income		
Valuation difference on available-for-sale securities	(14,615)	11,228
Total other comprehensive income	(14,615)	11,228
Comprehensive income	(1,249,696)	455,964
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,249,696)	455,964
Comprehensive income attributable to minority interests	—	—

(3) Consolidated Statements of Changes in Net Assets

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (From April 1, 2011 to March 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	7,338,707	854,500
Changes of items during the period		
Issuance of new shares	854,500	—
Transfer to other capital surplus from capital stock	(7,338,707)	—
Total changes of items during the period	(6,484,207)	—
Balance at the end of current period	854,500	854,500
Capital surplus		
Balance at the beginning of current period	901,768	1,246,952
Changes of items during the period		
Issuance of new shares	854,500	—
Transfer to other capital surplus from capital stock	7,338,707	—
Deficit disposition	(7,848,023)	(1,205,969)
Total changes of items during the period	345,184	(1,205,969)
Balance at the end of current period	1,246,952	40,983
Retained earnings		
Balance at the beginning of current period	(7,816,856)	(1,203,293)
Changes of items during the period		
Deficit disposition	7,848,023	1,205,969
Net income (loss)	(1,235,080)	444,735
Change of scope of consolidation	620	—
Total changes of items during the period	6,613,563	1,650,705
Balance at the end of current period	(1,203,293)	447,411
Treasury stock		
Balance at the beginning of current period	(385)	(388)
Changes of items during the period		
Purchase of treasury stock	(3)	—
Total changes of items during the period	(3)	—
Balance at the end of current period	(388)	(388)
Total shareholders' equity		
Balance at the beginning of current period	423,233	897,770
Changes of items during the period		
Issuance of new shares	1,709,000	—
Transfer to other capital surplus from capital stock	—	—
Deficit disposition	—	—
Net income (loss)	(1,235,080)	444,735
Purchase of treasury stock	(3)	—
Change of scope of consolidation	620	—
Total changes of items during the period	474,536	444,735
Balance at the end of current period	897,770	1,342,506

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (From April 1, 2011 to March 31, 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	6,235	(8,379)
Changes of items during the period		
Net changes of items other than shareholders' equity	(14,615)	11,228
Total changes of items during the period	(14,615)	11,228
Balance at the end of current period	(8,379)	2,848
Total accumulated other comprehensive income		
Balance at the beginning of current period	6,235	(8,379)
Changes of items during the period		
Net changes of items other than shareholders' equity	(14,615)	11,228
Total changes of items during the period	(14,615)	11,228
Balance at the end of current period	(8,379)	2,848
Total net assets		
Balance at the beginning of current period	429,469	889,390
Changes of items during the period		
Issuance of new shares	1,709,000	—
Transfer to other capital surplus from capital stock	—	—
Deficit disposition	—	—
Net income (loss)	(1,235,080)	444,735
Purchase of treasury stock	(3)	—
Change of scope of consolidation	620	—
Net changes of items other than shareholders' equity	(14,615)	11,228
Total changes of items during the period	459,921	455,964
Balance at the end of current period	889,390	1,345,354

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (From April 1, 2011 to March 31, 2012)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(1,131,742)	450,226
Depreciation and amortization	25,120	13,797
Gain on forgiveness of debt	(2,828,509)	(5,370)
Impairment loss	508,858	13,172
Loss (gain) on sales and retirement of noncurrent assets	(38,217)	168
Increase (decrease) in allowance for doubtful accounts	87,451	(558,103)
Increase (decrease) in provision for bonuses	(5,922)	511
Increase (decrease) in provision for retirement benefits	(1,172)	2,412
Increase (decrease) in provision for directors' retirement benefits	(369,530)	(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	167,311	(93,095)
Interest and dividends income	(3,285)	(2,454)
Interest expenses	319,070	290,177
Loss (gain) on valuation of investment securities	129,244	4,380
Decrease (increase) in notes and accounts receivable - trade	(5,801)	842
Decrease (increase) in inventories	3,959,877	2,623,030
Decrease (increase) in advance payments	1,080,000	(97,900)
Increase (decrease) in notes and accounts payable - trade	(81,089)	6,684
Increase (decrease) in advances received	268,356	(258,610)
Increase (decrease) in deposits received	(107,905)	(3,008)
Other, net	101,513	505,203
Subtotal	1,976,434	2,881,720
Interest and dividends income received	4,166	2,454
Interest expenses paid	(253,619)	(319,176)
Income taxes paid	(5,129)	(4,901)
Net cash provided by (used in) operating activities	1,721,851	2,560,096
Net cash provided by (used in) investing activities		
Payments into time deposits	(2,989,589)	—
Proceeds from withdrawal of time deposits	3,126,239	—
Purchase of property, plant and equipment	(8,023)	—
Proceeds from sales of property, plant and equipment	451,248	—
Purchase of investment securities	(4,000)	—
Proceeds from sales of investment securities	28,738	1,000
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	31,271	—
Payments of short-term loans receivable	—	(10,000)
Collection of short-term loans receivable	—	10,000
Collection of long-term loans receivable	—	240
Other, net	(8,298)	1,560
Net cash provided by (used in) investing activities	627,586	2,800

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (From April 1, 2011 to March 31, 2012)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(265,000)	1,148,500
Proceeds from long-term loans payable	1,441,271	935,000
Repayment of long-term loans payable	(3,927,528)	(4,321,003)
Redemption of bonds	(10,000)	—
Proceeds from issuance of common stock	1,102,527	—
Other, net	(3)	—
Net cash provided by (used in) financing activities	(1,658,732)	(2,237,503)
Net increase (decrease) in cash and cash equivalents	690,705	325,393
Cash and cash equivalents at the 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	1,331,196	1,656,590