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# Reference Material for Presentation on Operating Performance During the Fiscal Year Ended March 31, 2012

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May 11, 2012 (Friday)

Shin-Nihon Tatemono Co., Ltd.

A large, light gray, stylized 'A' shape that serves as a background graphic for the right side of the slide. It has a textured, brush-like appearance at its base.

SHIN-NIHON TATEMONO CO., LTD.

**JASDAQ**

Stock Code: 8893

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# I. Overview of Consolidated Operating Performance During the Fiscal Year Ended March 31, 2012

## Balance Sheet

- The soundness of the financial base was enhanced.  
=> The equity ratio increased to 20.3%.
  1. The balance sheet was downsized with long-held inventory sold outside.
  2. Funds on hand were secured for growth.
  3. The full amount of loss carried forward was eliminated.

## Profit and Loss Statement

- A profit was posted for the first time in four years.
- Income improved in the liquidation business and condominium unit sales business.
- Cost cutting improved profitability.

# Consolidated Balance Sheet

(Unit: million yen)	Year ended March 31, 2011		Year ended March 31, 2012		
	Actual	% of total	Actual	% of total	Change
Cash and deposits	1,331	15.0%	1,656	25.1%	325
Real estate for sale	529	6.0%	● 577	8.7%	48
Real estate for sale in process	6,297	71.2%	● 3,626	54.8%	-2,671
Others	101	1.1%	161	2.4%	60
<b>Total current assets</b>	<b>8,258</b>	<b>93.3%</b>	<b>6,021</b>	<b>91.0%</b>	<b>-2,237</b>
<b>Total noncurrent assets</b>	<b>590</b>	<b>6.7%</b>	<b>592</b>	<b>9.0%</b>	<b>1</b>
<b>Total assets</b>	<b>8,849</b>	<b>100.0%</b>	<b>6,613</b>	<b>100.0%</b>	<b>-2,235</b>
Notes and account payable-trade	97	1.1%	104	1.6%	6
Loans payable (short-term loans payable and long-term loans payable within one year)	1,830	20.7%	2,474	37.4%	● 643
Others	695	7.8%	356	5.4%	-338
<b>Total current liabilities</b>	<b>2,624</b>	<b>29.6%</b>	<b>2,935</b>	<b>44.4%</b>	<b>311</b>
Long-term loans payable	5,143	58.1%	2,256	34.1%	● -2,886
Others	192	2.2%	76	1.2%	-116
<b>Total noncurrent liabilities</b>	<b>5,335</b>	<b>60.3%</b>	<b>2,332</b>	<b>35.3%</b>	<b>-3,002</b>
<b>Total liabilities</b>	<b>7,959</b>	<b>89.9%</b>	<b>5,268</b>	<b>79.7%</b>	<b>-2,691</b>
Capital stock	854	9.7%	854	12.9%	-
Capital surplus	1,246	14.1%	40	0.6%	● -1,205
Retained earnings	-1,203	-13.6%	447	6.8%	● 1,650
Others	-8	-0.1%	2	0.0%	11
<b>Total net assets</b>	<b>889</b>	<b>10.1%</b>	<b>1,345</b>	<b>● 20.3%</b>	<b>455</b>
<b>Total liabilities and net assets</b>	<b>8,849</b>	<b>100.0%</b>	<b>6,613</b>	<b>100.0%</b>	<b>-2,235</b>

## ● Increase of real estate for sale

Breakdown at the end of FY 12/3

Liquidation	:	- million yen	- property
Condominium unit sales	:	497 million yen	21 units
Residential housing sales	:	79 million yen	2 houses
<b>Total</b>	:	<b>577 million yen</b>	

## ● Decrease of real estate for sale in process

Breakdown at the end of FY 12/3

Liquidation	:	1,728 million yen
Condominium unit sales	:	1,226 million yen
Residential housing sales	:	670 million yen
<b>Total</b>	:	<b>3,626 million yen</b>

## ● Status of interest-bearing liabilities

End of FY 11/3	6,974 million yen
End of FY 12/3	4,731 million yen
<b>Change</b>	<b>-2,242 million yen</b>

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

## ● Net worth ratio rose to 20.3%.

# Consolidated Profit and Loss Statement

(Unit: million yen)	Year ended March 31, 2011		Year ended March 31, 2012			
	Whole fiscal year		Whole fiscal year		Year-on-year	
	Actual	% of total	Actual	% of total	Change	Change (%)
Net sales	9,736	100.0%	● 13,795	100.0%	4,058	41.7%
Cost of sales	9,922	101.9%	11,511	83.4%	1,589	16.0%
<b>Gross profit</b>	<b>-185</b>	<b>-1.9%</b>	<b>2,283</b>	<b>16.6%</b>	<b>2,469</b>	–
Selling, general and administrative expenses	2,170	22.3%	● 1,544	11.2%	-626	-28.9%
<b>Operating income</b>	<b>-2,356</b>	<b>-24.2%</b>	<b>739</b>	<b>5.4%</b>	<b>3,096</b>	–
Non-operating income	162	1.7%	41	0.2%	-121	-74.6%
Non-operating expenses	348	3.6%	● 320	2.3%	-27	-8.0%
<b>Ordinary income</b>	<b>-2,542</b>	<b>-26.1%</b>	<b>460</b>	<b>3.3%</b>	<b>3,003</b>	–
Extraordinary income	3,310	34.0%	7	0.0%	-3,302	-99.8%
Extraordinary loss	1,899	19.5%	● 17	0.1%	-1,881	-99.1%
<b>Income before income taxes</b>	<b>-1,131</b>	<b>-11.6%</b>	<b>450</b>	<b>3.2%</b>	<b>1,581</b>	–
Income taxes	103	1.1%	5	0.0%	-97	-94.7%
<b>Net income</b>	<b>-1,235</b>	<b>-12.7%</b>	<b>444</b>	<b>3.2%</b>	<b>1,679</b>	–

## ● Figures

	FY 11/3	FY 12/3	Change
Liquidation	7 properties	8 properties	1 property
Condominium unit sales	154 units	170 units	16 units
Residential housing sales	9 houses	23 houses	14 houses

## ● Details of selling, general and administrative expenses

(Unit: million yen)	FY 11/3	FY 12/3	Change
Personnel expenses	558	439	-118
Sales commission	181	195	13
Advertising expenses	438	513	74
Other	992	396	-595
<b>Total</b>	<b>2,170</b>	<b>1,544</b>	<b>-626</b>

## ● Details of non-operating expenses

(Unit: million yen)	FY 11/3	FY 12/3	Change
Interest expenses	319	290	-28
Other	29	30	0
<b>Total</b>	<b>348</b>	<b>320</b>	<b>-27</b>

## ● Major items of extraordinary loss in the year ended March 31, 2012

Impairment losses 13 million yen

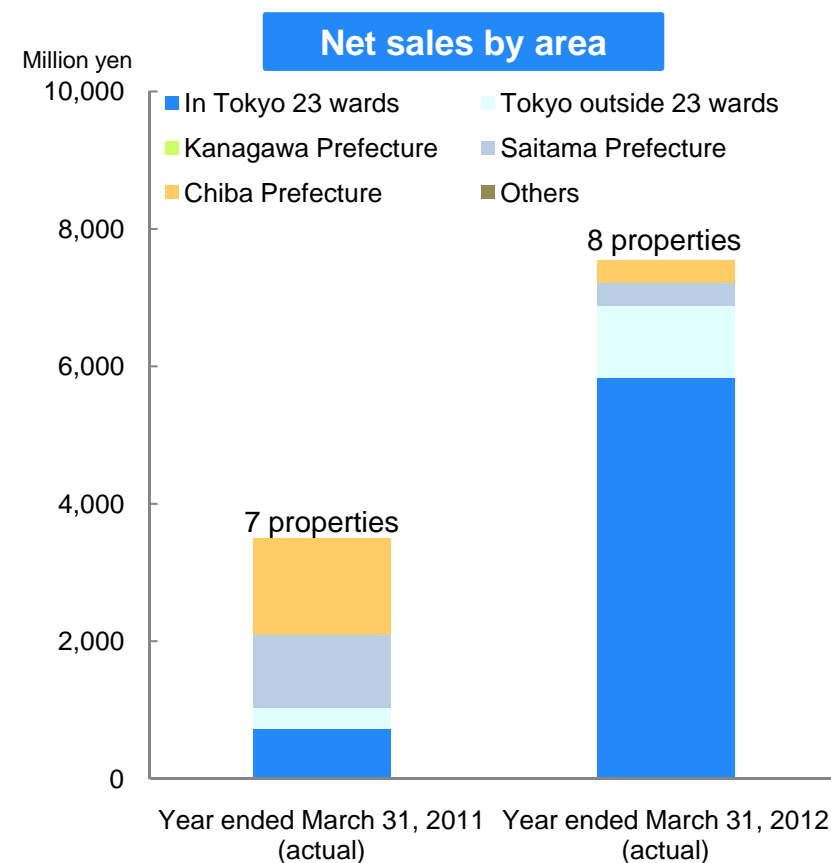
# Net Sales and Operating Income by Segment

- ✓ Sales increased in the core businesses.
- ✓ Profit margins improved significantly in the liquidation business and condominium unit sales business.

[Net sales]		Year ended March 31, 2011		Year ended March 31, 2012			
		Whole fiscal year		Whole fiscal year		Year-on-year	
		Actual	% of total	Actual	% of total	Change	Change (%)
(Unit: million yen)							
	Liquidation business	3,493	35.9%	7,553	54.7%	4,059	116.2%
	Condominium unit sales business	5,265	54.1%	5,271	38.2%	5	0.1%
	Residential housing sales business	392	4.0%	922	6.7%	529	134.7%
	Other business	584	6.0%	48	0.4%	-535	-91.6%
	Elimination or corporate	—	—	—	—	—	—
<b>Net sales total</b>		<b>9,736</b>	<b>100.0%</b>	<b>13,795</b>	<b>100.0%</b>	<b>4,058</b>	<b>41.7%</b>

[Operating income]		Year ended March 31, 2011		Year ended March 31, 2012			
		Whole fiscal year		Whole fiscal year		Year-on-year	
		Actual	Operating income (%)	Actual	Operating income (%)	Change	Change (%)
(Unit: million yen)							
	Liquidation business	-1,548	-44.3%	858	11.4%	2,406	—
	Condominium unit sales business	218	4.2%	374	7.1%	156	71.5%
	Residential housing sales business	-92	-23.6%	-10	-1.2%	81	—
	Other business	-36	-6.3%	-85	-175.7%	-49	—
	Elimination or corporate	-898	—	-397	—	500	—
<b>Operating income total</b>		<b>-2,356</b>	<b>-24.2%</b>	<b>739</b>	<b>5.4%</b>	<b>3,096</b>	<b>—</b>

(Unit: million yen)	Year ended March 31, 2011	Year ended March 31, 2012		
	Actual	Actual	Change	Change (%)
		Net sales	3,493	7,553
Gross Profit	-1,381	1,017	2,398	—
Gross profit (%)	-39.5%	13.5%	—	—
Operating income	-1,548	858	2,406	—
Operating income (%)	-44.3%	11.4%	—	—

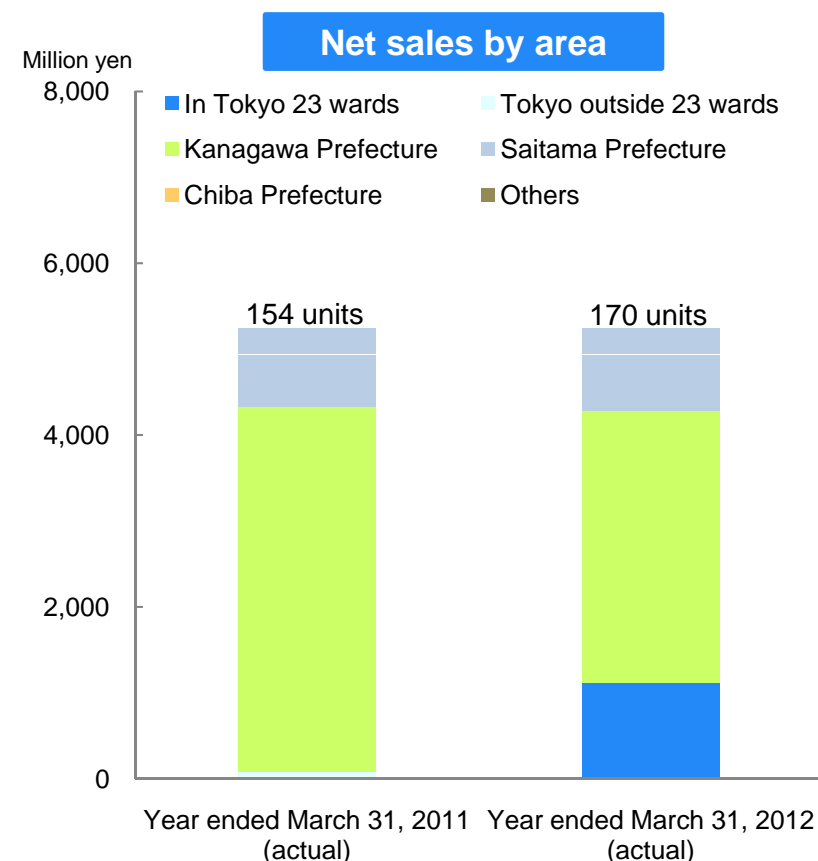


- ✓ Completed the delivery of eight properties for development, mostly in the Tokyo 23 wards, in the fiscal year under review.
- ✓ Secured solid profits in both new and existing projects. As a result, the bottom line improved markedly, moving into the black.
- ✓ Reduced assets and liabilities 2.1 billion yen through sales of long-held inventory to outside buyers.



# Overview of Condominium Unit Sales Business

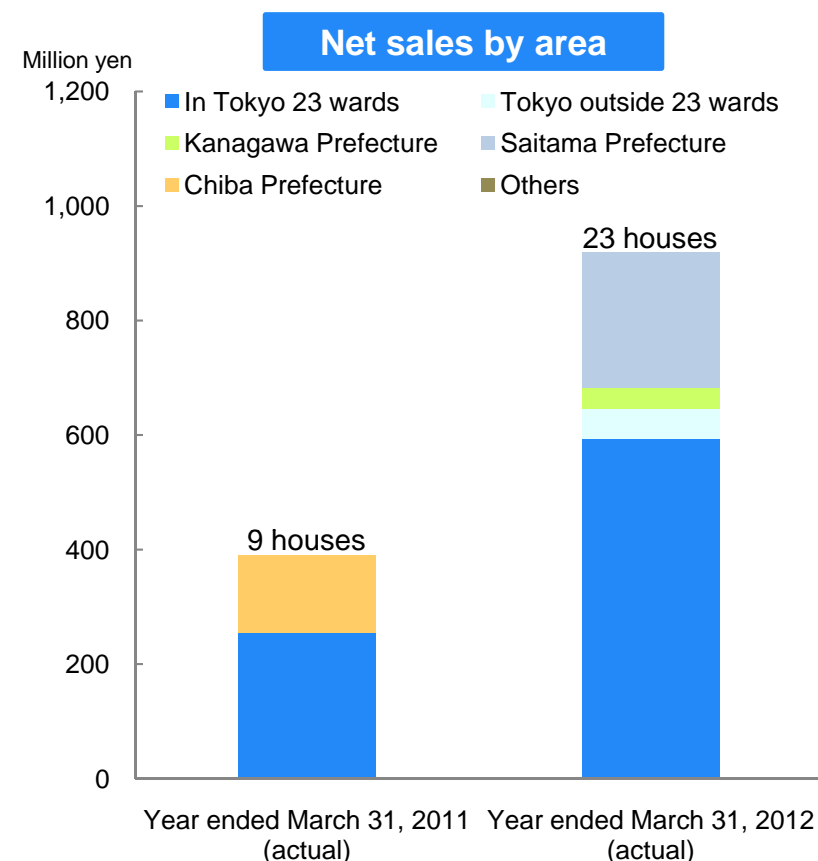
(Unit: million yen)	Year ended March 31, 2011	Year ended March 31, 2012		
	Actual	Actual	Change	Change (%)
Net sales	5,265	5,271	5	0.1%
Gross Profit	1,032	1,202	169	16.4%
Gross profit (%)	19.6%	22.8%	3.2 pt	—
Operating income	218	374	156	71.5%
Operating income (%)	4.2%	7.1%	2.9 pt	—



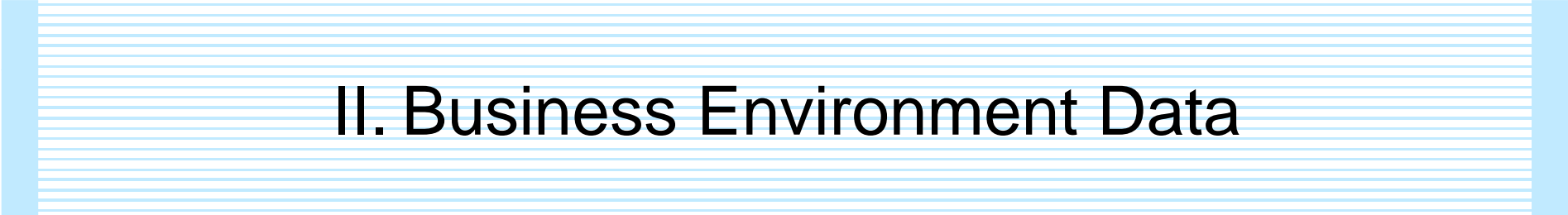
- ✓ A total of three buildings (down one year on year) and 170 units (up 16 year on year) were delivered in the fiscal year under review.
  - => 61 self-developed units and 109 purchase/resale units
- ✓ Sales were strong overall. At some buildings, all units were sold early.
  - => Profit margins improved at projects.

# Overview of Residential Housing Sales Business

(Unit: million yen)	Year ended March 31, 2011	Year ended March 31, 2012		
	Actual	Actual	Change	Change (%)
Net sales	392	922	529	134.7%
Gross Profit	77	117	40	52.8%
Gross profit (%)	19.6%	12.8%	-6.8 pt	—
Operating income	-92	-10	81	—
Operating income (%)	-23.6%	-1.2%	—	—



- ✓ A total of 23 houses (including housing lots) were delivered in the fiscal year under review (a rise of 14 houses year on year).
- ✓ The net loss narrowed as a result of an increase in sales and a reduction in general, selling, and administrative expenses.

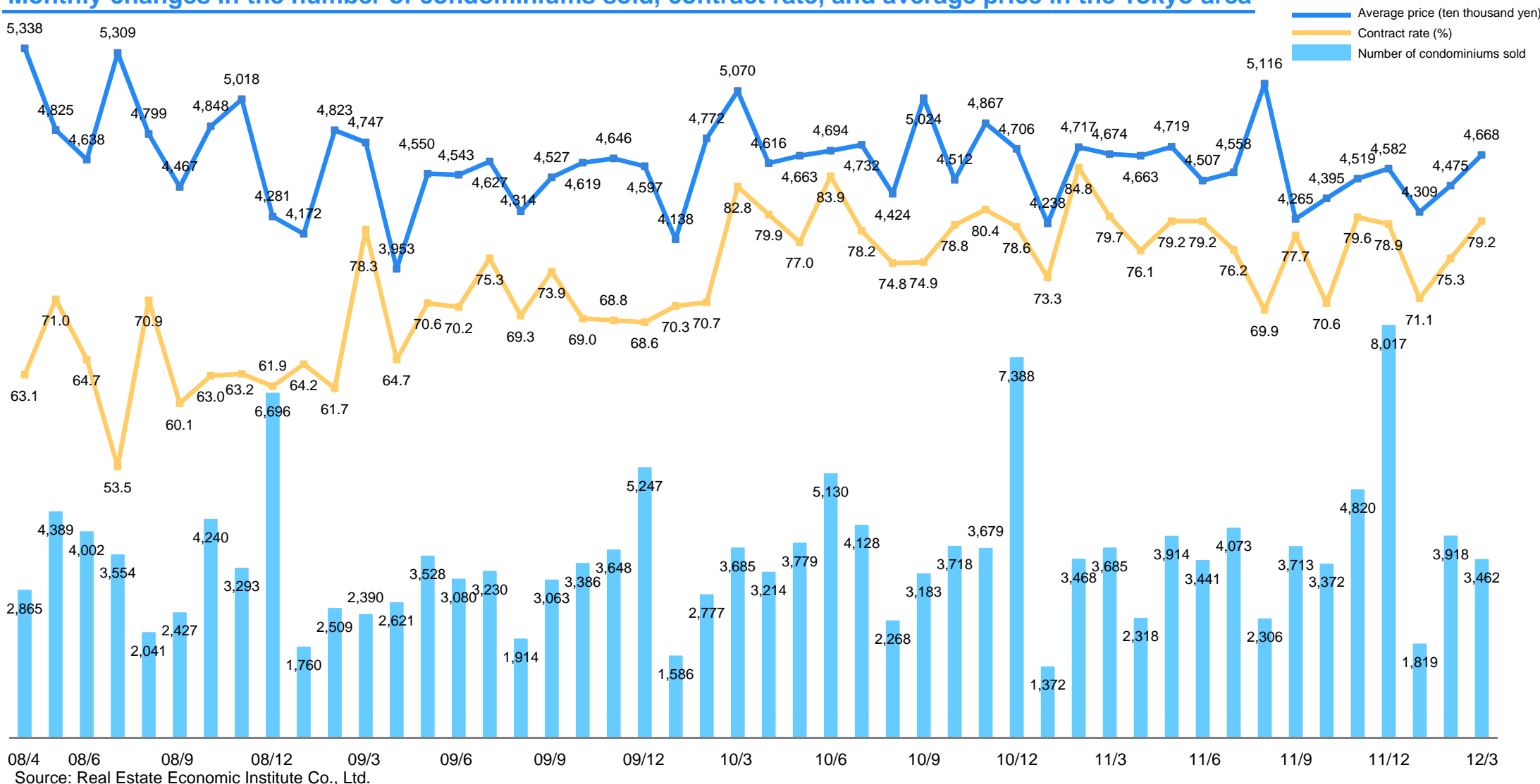


## II. Business Environment Data

# Trends in Condominium Market in Tokyo Area (1)

- The contract rate remained above 70%, believed to be the dividing line between a strong and a weak market. The rate clearly indicates a recovery in the market.
- The number of condominiums to be supplied in 2012 is expected to be 53,000, up 19.1% year on year (in January 2012).

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

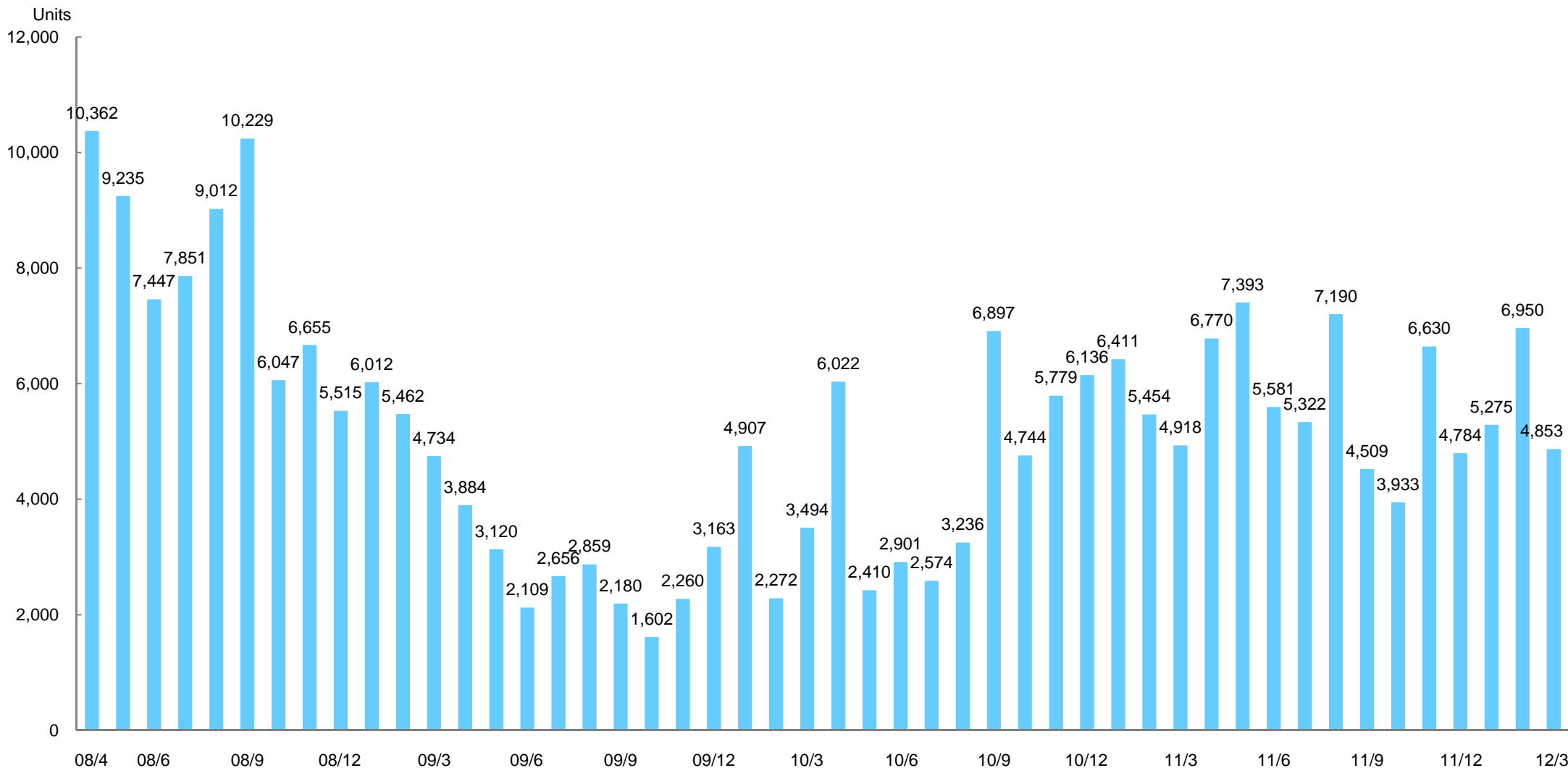


Source: Real Estate Economic Institute Co., Ltd.

# Trends in Condominium Market in Tokyo Area (2)

■ The number of condominium starts in the Tokyo area is recovering, and, in 2011 (January – December), rose for the second consecutive year, to 68,895 units.

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

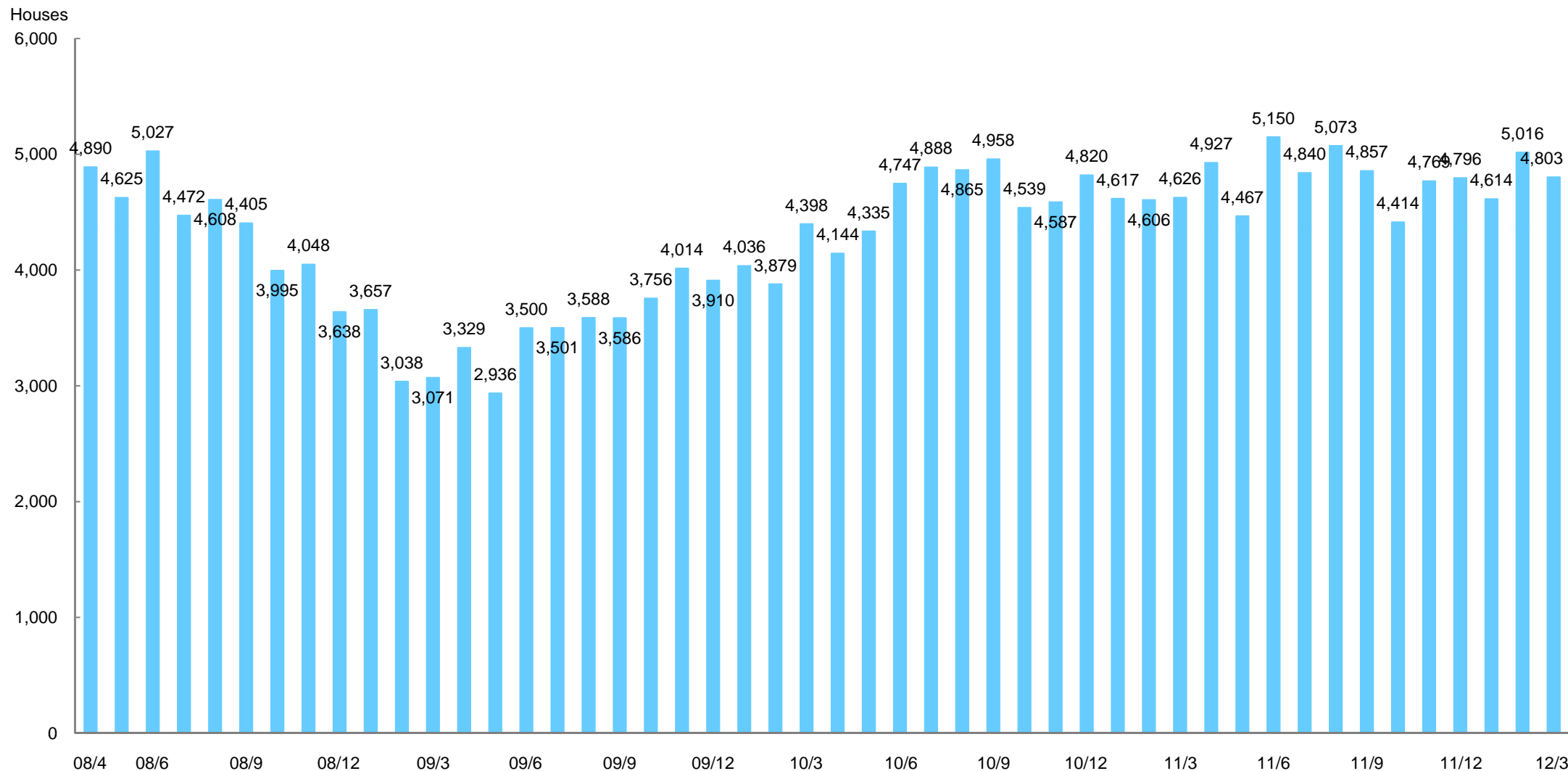


Source: "Statistics of Building Construction Starts" by the Ministry of Land, Infrastructure, Transport and Tourism

# Trends in Residential Housing Market in Tokyo Area

■ Residential housing starts in the Tokyo area recovered to pre-Lehman levels, and in 2011 (January – December), climbed for the second consecutive year, to 57,142.

## 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. Progress of the Turnaround Plan

## Pursue a business strategy emphasizing cash flows based on a plan to revitalize as an all-round player in the housing market.

### Actively secure land for new projects.

Give priority to the condominium purchase/resale business, residential housing sales business, and wholesale business, where investment efficiency is high, in the allocation of management resources.

### 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 ties with the Company and with financial institutions that have begun dealing with the Company only recently.

### Increase earnings strength 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



# Purchases of new properties

**Twenty-three new properties were purchased in the fiscal year ended March 31, 2012. Planned sales from these properties are 11 billion yen.**

## Status of the Company in fiscal year ended March 2012

1. Good relations with financial institutions => Loans were extended for projects from financial institutions with established relations with the Company and that began dealing with the Company only recently.
2. The number of staff in charge of purchases increased.



## Purchased in fiscal year ended March 2012

### ■ By business

Segment	Properties purchased	Net sales (plan)
Liquidation	7 properties	4.0 billion yen
Condominium unit sales	4 properties/ 108 units	3.8 billion yen
Residential housing sales	12 properties/ 80 lots	3.2 billion yen

### ■ By area

Area	Properties purchased
In Tokyo 23 wards	11 properties
Tokyo outside 23 wards	5 properties
Kanagawa Prefecture	4 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 plan announced on November 25, 2010 was revised in light of the recent business environment.

	Year ended March 31, 2012	Year ending March 31, 2013		
	Actual	Plan Announced Nov. 25, 2010	Latest plan	Difference
(Unit: million yen)				
Net sales	13,795	11,152	17,580	6,428
Gross Profit	2,283	2,397	2,920	523
Operating income	739	535	880	345
Ordinary income	460	424	470	46
Net income	444	419	460	41

### Main Factors

- ✓ The main factors expected to contribute to net sales are a decline of 130 million yen in the condominium unit sales business and an increases of 5,878 million yen in the liquidation business and of 628 million yen in residential housing sales business.
- ✓ The main factors underlying the income figures are a rise in net sales, an increase in gross profit because of a provision for losses of consolidated subsidiaries factored into the plan announced November 25, 2010, which the Company made in the fiscal year ended March 31, 2011, interest expenses relating to financing for new projects that will contribute to sales for the fiscal year ending March 31, 2014, and a climb in SG&A expenses associated with the projects.

# Consolidated Performance Plan by Segment for the Fiscal Year Ending March 31, 2013

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[Net sales]		Year ended March 31, 2012		Year ending March 31, 2013 (plan)			
		Whole fiscal year		Whole fiscal year		Year-on-year	
		Actual	% of total	Planned	% of total	Change	Change (%)
(Unit: million yen)							
	Liquidation business	7,553	54.7%	8,250	46.9%	696	9.2%
	Condominium unit sales business	5,271	38.2%	5,870	33.4%	598	11.4%
	Residential housing sales business	922	6.7%	3,390	19.3%	2,467	267.6%
	Other business	48	0.4%	70	0.4%	21	43.2%
	Elimination or corporate	—	—	—	—	—	—
<b>Net sales total</b>		<b>13,795</b>	<b>100.0%</b>	<b>17,580</b>	<b>100.0%</b>	<b>3,784</b>	<b>27.4%</b>

[Operating income]		Year ended March 31, 2012		Year ending March 31, 2013 (plan)			
		Whole fiscal year		Whole fiscal year		Year-on-year	
		Actual	Operating income (%)	Planned	Operating income (%)	Change	Change (%)
(Unit: million yen)							
	Liquidation business	858	11.4%	860	10.4%	1	0.2%
	Condominium unit sales business	374	7.1%	350	6.0%	-24	-6.7%
	Residential housing sales business	-10	-1.2%	280	8.3%	290	—
	Other business	-85	-175.7%	-10	-14.3%	75	—
	Elimination or corporate	-397	—	-600	—	-202	—
<b>Operating income total</b>		<b>739</b>	<b>5.4%</b>	<b>880</b>	<b>5.0%</b>	<b>140</b>	<b>19.0%</b>

## Renaissance Futakotamagawa

[Overview]

Location: Kamata 2-chome, Setagaya-ku, Tokyo  
 Access: 22 minutes' walk from Futakotamagawa Station on the Tokyu Den-en-toshi Line  
 Total number of units: 31 units  
 Start of sales: January 2012  
 Completion: June 2012 (plan)  
 Start of delivery: June 2012 (plan)

**Point 1**

Highly convenient access to central Tokyo, close to Futakotamagawa Station in a vibrant area with rows of large commercial facilities where redevelopment is underway.

**Point 2**

Comfortable living in a rich natural environment of water and greenery

**Point 3**

A lot of apartments on a corner, a variety of condominium units, such as those with a "sky roof" balcony or a garden, or those with excellent specifications and facilities.

**Sold out**



## Renaissance Koiwa South Arena

[Overview]

Location: Higashikoiwa 5-chome, Edogawa-ku, Tokyo  
 Access: Nine minutes' walk from Koiwa Station on the JR Sobu Line  
 Total number of units: 22 units  
 Start of sales: May 2012  
 Completion: January 2012  
 Start of delivery: June 2012 (plan)

**Point 1**

Nine minutes' walk from Koiwa Station through a safe shopping avenue.

**Point 2**

All units on a corner and facing southeast. Comfortable design features, including wide balconies, and excellent specifications and facilities

**Point 3**

The residential location consisting primarily of detached houses gives the apartments an extensive view.



## Renatown Fuchu Hachimancho II

### [Overview]

Location: Hachimancho 2-chome, Fuchu, Tokyo  
Access: Six minutes' walk from Higashi-Fuchu Station on the Keio Line  
Total number of houses: 4 houses  
Start of sales: April 2012  
Completion: September 2012 (plan)  
Start of delivery: September 2012 (plan)

### Point 1

Located in a residential area having convenient access to Higashi-Fuchu Station, where two lines can be used.

### Point 2

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



## Renatown Machida Kiso-Higashi

### [Overview]

Location: Kiso-Higashi 3-chome, Machida, Tokyo  
Access: 13 minutes' walk from Kobuchi Station on the JR Yokohama Line  
Total number of houses: 13 houses  
Start of sales: April 2012  
Completion: September 2012 (plan)  
Start of delivery: September 2012 (plan)

### Point 1

Houses face south and are built on a gentle slope so that each house can enjoy sunshine and wind.

### Point 2

The houses are certified as meeting energy savings labeling standards. Equipped with energy-saving facilities, an outlet for charging electronic vehicles, LED lighting, and an ecojozu water heater.



## Head office relocated as part of cost-cutting initiatives

As the lease contract for the head office has expired, we have relocated to reduce the rent and improve business efficiency.

Reduction in rent through relocation  
(consolidated)

=> **Rent to be one-fourth of the former level**

### Notice

#### New address

4th floor, daVinci Shinjuku,  
4-3-17 Shinjuku, Shinjuku-ku, Tokyo

#### Business start date

Monday, May 21, 2012

### MAP



**SHIN-NIHON TATEMONO CO.,LTD.**  
Head Office  
4th floor, daVinci Shinjuku

## IV. Overview of Shin-Nihon Tatemono

# Corporate Outline

Corporate name	SHIN-NIHONTATEMONO 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 53 people [non-consolidated] and 55 people [consolidated]
Location	<p>Headquarters 18th floor, Shinjuku Maynds Towe, 2-1-1 Yoyogi, Shibuya-ku, Tokyo</p> <p>Kita-Kanto Branch 2nd floor, Omiya Otaka Building, 1-103 Kishikicho, Omiya-ku, Saitama-shi, Saitama</p> <p>Tachikawa Sales Office 8th floor, Tachihi Building No.1, 6-1-1 Sakae-cho Tachikawa-shi, Tokyo</p>

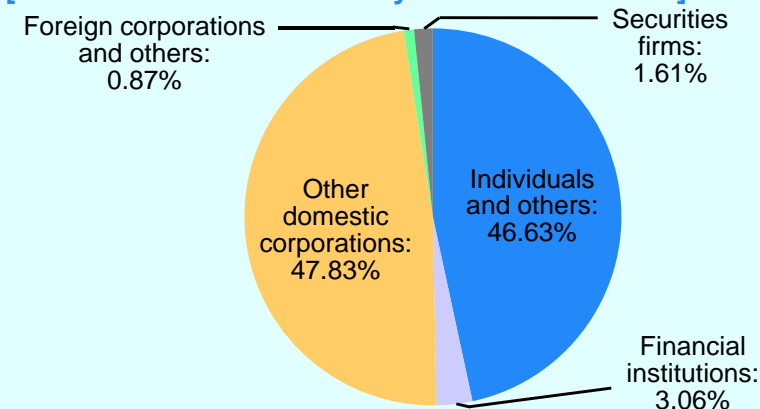
Issued shares 99,573,086 common shares, 599 class A preferred shares

Shareholders (common shares)

9,802

Tokyo Weld Co., Ltd.	15,238,000 shares	15.30%
J.S.B. Co., Ltd.	15,000,000 shares	15.06%
Masato Oka	6,500,000 shares	6.53%
ASQ Corporation	4,882,300 shares	4.90%
Koshiro Onishi	3,678,000 shares	3.69%

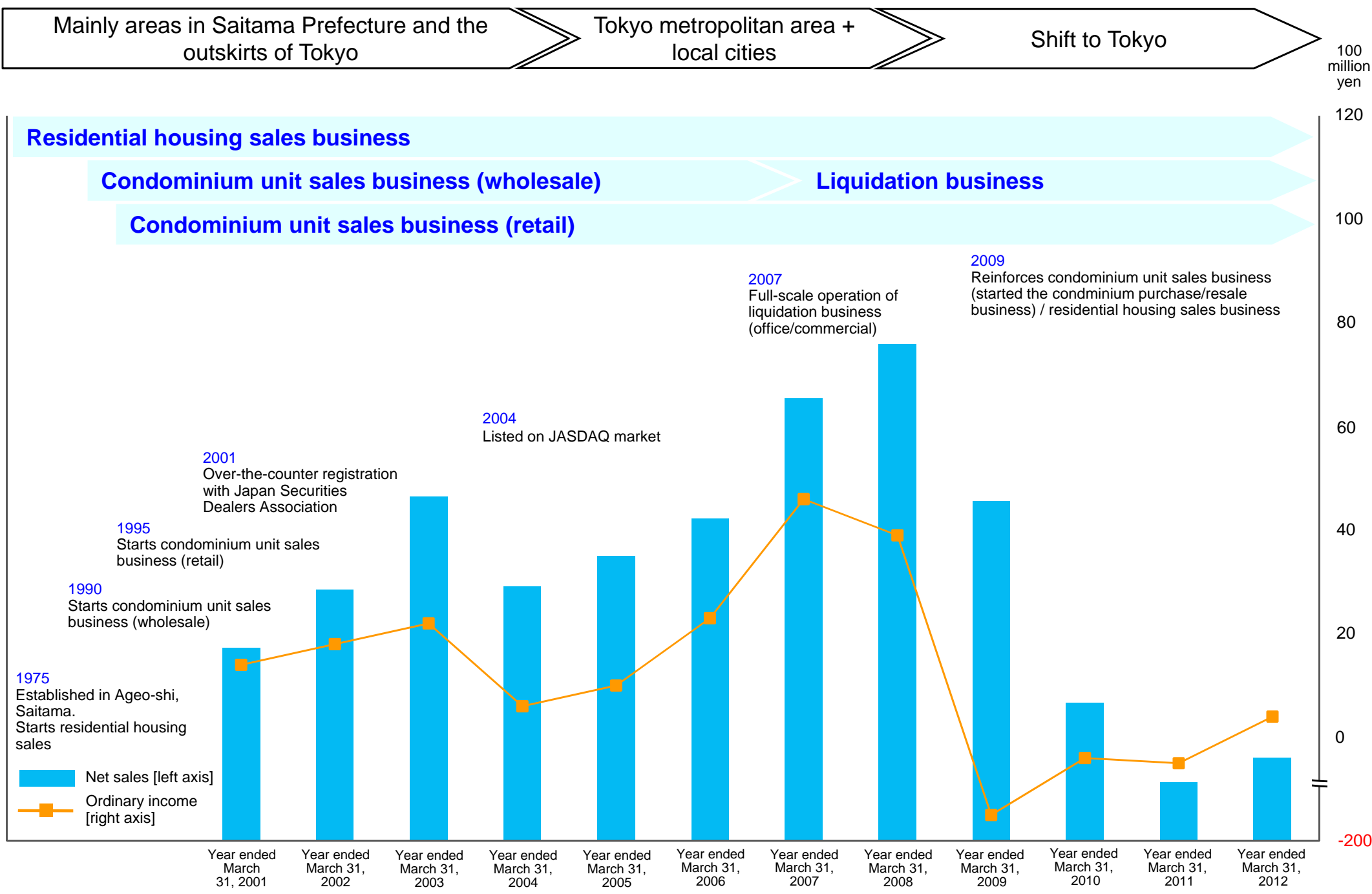
[Shareholder breakdown by number of shares]



\*As of March 31, 2012

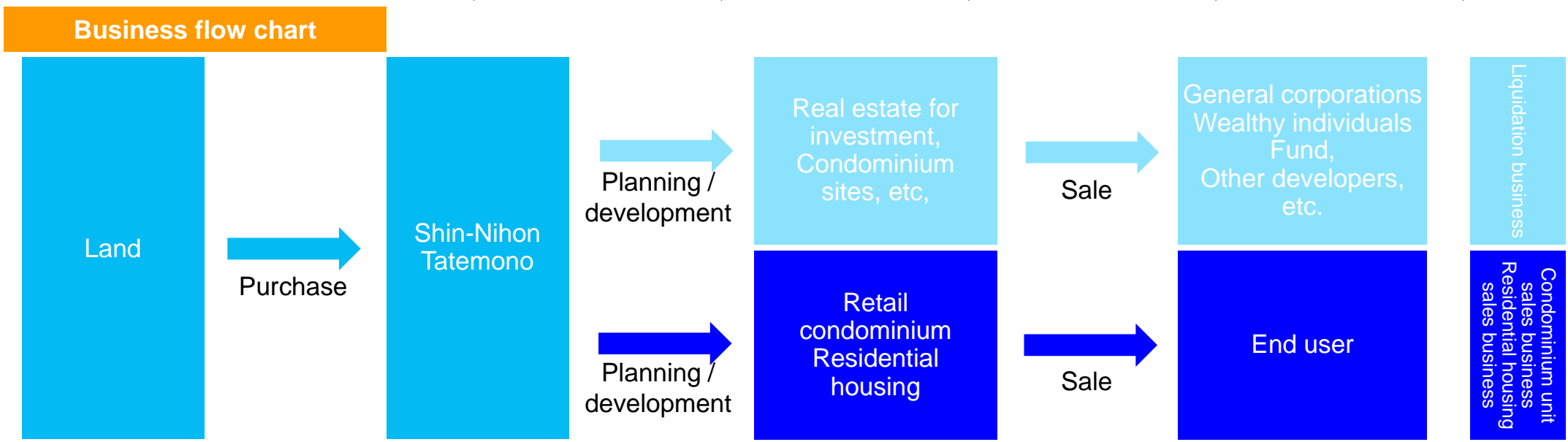
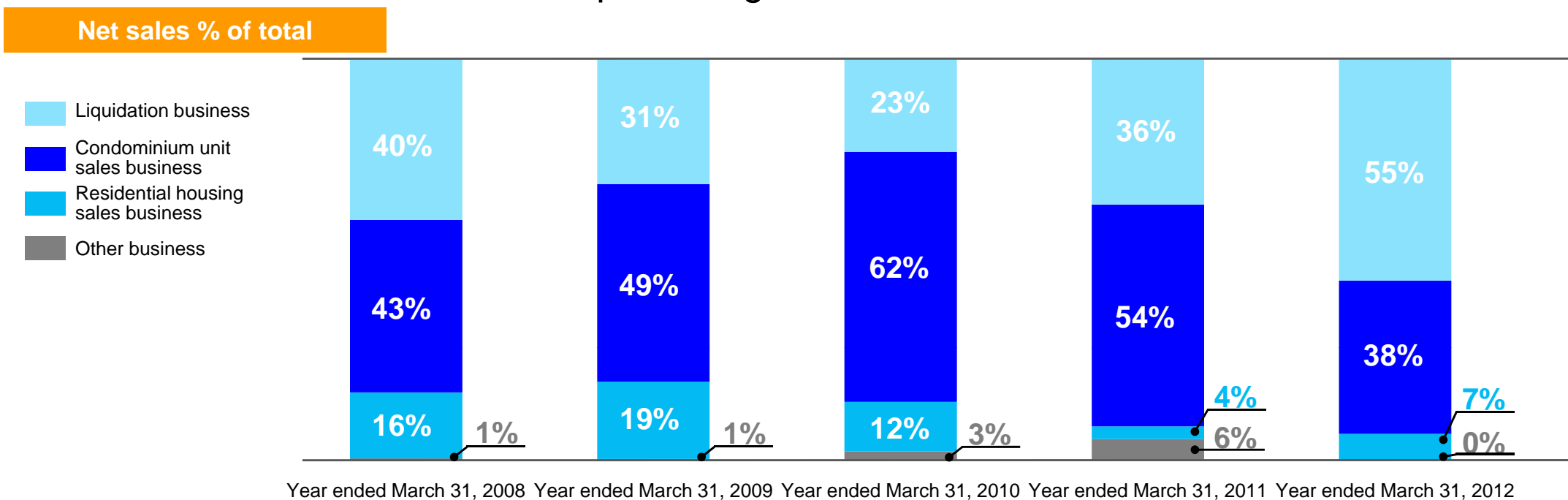


# Business History



# Business Model

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



[For Inquiries]

IR Division: Group Corporate Development Team

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

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This material is intended for providing information about the operating performance of our Company during the fiscal year ended 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.