

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 (Non-Consolidated) for the First Quarter of the Fiscal Year Ending March 31, 2013 (Japanese Standard)

August 6, 2012

Shin-Nihon Tatemono Co., Ltd.

Code Number: 8893

Stock Exchange: Osaka

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

Representative: Tomohiko Ikeda, President and Chief Executive Officer

Attn.: Hiroaki Sato, Director, Executive Officer, Administrative Department Manager and Group Corporate Development Department Manager Tel: +81-3-5962-0775

Scheduled date of filing of Quarterly Report:

August 10, 2012

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. Business Results (April 1, 2012 through June 30, 2012)

(1) 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	%
Three months ended June 30, 2012	2,690	—	142	—	98	—	97	—
Three months ended June 30, 2011	—	—	—	—	—	—	—	—

	Net income per share		Net income per share (fully diluted)	
	Yen		Yen	
Three months ended June 30, 2012	0.98		0.82	
Three months ended June 30, 2011	—		—	

(Note) The Company disclosed results on a consolidated basis for the first three months of the fiscal year ended March 31, 2012. Starting from the first three months of the fiscal year ending March 31, 2013, however, it has disclosed results on a non-consolidated basis. As a result, the results of operations or year-on-year changes for the first three months of the fiscal year ended March 31, 2012 were not presented in these statements.

(2) Financial Condition

	Total assets	Net assets	Ratio of shareholders' equity to assets
As of June 30, 2012	Million yen 6,566	Million yen 1,439	% 21.9
As of March 31, 2012	6,812	1,342	19.7

(Reference) Shareholders' equity:

As of June 30, 2012:

1,439 million yen

As of March 31, 2012:

1,342 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
Year ended March 31, 2012	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Year ending March 31, 2013	—	—	—	—	—
(Forecast) Year ending March 31, 2013	—	0.00	—	0.00	0.00

(Note) Revisions to dividend forecasts published most recently: None

3. Forecast of 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	14.5	380	8.4	190	(13.4)	180	(17.5)	1.81
Annual	17,580	27.6	880	19.8	470	2.1	460	3.4	4.62

(Note) Revisions to earnings forecasts published most recently: Yes

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* Notes

(1) Application of Specific Accounting Treatment to the Preparation of Quarterly Financial Statements: Not applicable

(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 June 30, 2012:	99,573,086 shares
As of March 31, 2012:	99,573,086 shares

(ii) Total number of treasury stock as of the end of each period:

As of June 30, 2012:	725 shares
As of March 31, 2012:	725 shares

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

As of June 30, 2012:	99,572,361 shares
As of June 30, 2011:	99,572,361 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 quarterly review of the quarterly financial statements is currently being undertaken.

(Cautionary note regarding use of the Forecast of Financial Results, and other special notations)

- The forecasts and other statements on future performance described in these statements are based on information available to the Company at the time of the announcement, as well as certain assumptions that are deemed to be reasonable by the Company. As a result, the Company makes no warranty as to the achievability of these forecasts. 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 August 6, 2012.
- As at the end of June 2012, the Company withdrew from the Service Office business, which had been managed by STEP UP CO., LTD., its consolidated subsidiary. Consequently, the Company has determined that the significance of STEP UP CO., LTD. has diminished to the extent that it no longer affects the Company's reasonable judgment on the financial situation and results of operations of the Shin-Nihon Tatemono Group. As a result, the Company has excluded STEP UP CO., LTD. from the scope of consolidation. Consequently, starting from the summary of financial statements for the first quarter of the fiscal year ending March 31, 2013, the Company discloses statements on a non-consolidated basis.

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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, 2012	—	—	—	—	—	—
Year ending March 31, 2013	—	—	—	—	—	—
(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.

Financial Statements

(1) Balance Sheets

(Thousand yen)

	Previous fiscal year (March 31, 2012)	First quarter (June 30, 2012)
Assets		
Current assets		
Cash and deposits	1,639,523	1,269,717
Accounts receivable–trade	4,041	1,599
Real estate for sale	577,325	840,381
Real estate for sale in process	3,626,202	3,367,058
Costs on uncompleted construction contracts	—	10,738
Raw materials and supplies	1,172	1,622
Advance payments–trade	97,900	162,025
Prepaid expenses	42,686	30,603
Advances paid	522	571
Other	17,161	50,873
Allowance for doubtful accounts	(1,478)	(234)
Total current assets	6,005,059	5,734,958
Noncurrent assets		
Property, plant and equipment		
Buildings	126,087	147,809
Accumulated depreciation	(80,298)	(81,161)
Buildings, net	45,789	66,647
Structures	22,259	22,259
Accumulated depreciation	(15,064)	(15,260)
Structures, net	7,194	6,998
Tools, furniture and fixtures	10,250	13,561
Accumulated depreciation	(9,906)	(10,056)
Tools, furniture and fixtures, net	344	3,504
Land	110,008	110,008
Total property, plant and equipment	163,336	187,159
Intangible assets		
Software	24,356	24,050
Other	1,299	1,069
Total intangible assets	25,655	25,120
Investments and other assets		
Investment securities	395,259	394,100
Stocks of subsidiaries and affiliates	0	0
Investments in other securities of subsidiaries and affiliates	2,952	2,952
Investments in capital	22,040	22,040
Long-term loans receivable from subsidiaries and affiliates	400,000	400,000
Claims provable in bankruptcy, claims provable in rehabilitation and other	11,275	11,215
Long-term prepaid expenses	55	38
Long-term accounts receivable–other	1,365,198	1,366,453
Guarantee deposits	169,095	170,185
Other	4,030	3,759
Allowance for doubtful accounts	(1,751,275)	(1,751,215)
Total investments and other assets	618,632	619,531
Total noncurrent assets	807,624	831,811
Total assets	6,812,684	6,566,770

(Thousand yen)

	Previous fiscal year (March 31, 2012)	First quarter (June 30, 2012)
Liabilities		
Current liabilities		
Accounts payable–trade	1,000	1,000
Accounts payable for construction contracts	102,301	147,366
Short-term loans payable	1,788,500	1,524,000
Current portion of long-term loans payable	685,983	499,032
Accounts payable–other	22,528	7,938
Accrued expenses	125,081	107,166
Income taxes payable	5,409	1,502
Advances received	103,981	20,286
Deposits received	17,315	18,566
Provision for bonuses	17,083	8,716
Provision for loss on liquidation of subsidiaries and affiliates	275,413	275,413
Other	1,029	45,616
Total current liabilities	3,145,629	2,656,606
Noncurrent liabilities		
Long-term loans payable	2,256,884	2,401,489
Provision for retirement benefits	51,745	54,537
Deferred tax liabilities	1,577	1,164
Other	14,168	13,909
Total noncurrent liabilities	2,324,376	2,471,101
Total liabilities	5,470,005	5,127,708
Net assets		
Shareholders' equity		
Capital stock	854,500	854,500
Capital surplus		
Legal capital surplus	40,983	40,983
Total capital surplus	40,983	40,983
Retained earnings		
Other retained earnings		
Retained earnings brought forward	444,735	541,864
Total retained earnings	444,735	541,864
Treasury stock	(388)	(388)
Total shareholders' equity	1,339,830	1,436,959
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,848	2,102
Total valuation and translation adjustments	2,848	2,102
Total net assets	1,342,679	1,439,062
Total liabilities and net assets	6,812,684	6,566,770

(2) Statements of Income

Cumulative period for first quarter

(Thousand yen)

	Cumulative period for first quarter under review (From April 1, 2012 to June 30, 2012)
Net sales	
Net sales from the liquidation business	696,908
Net sales from the condominium unit sales business	1,754,332
Net sales from the residential housing sales business	229,882
Other	9,319
Total net sales	2,690,443
Cost of sales	
Cost of sales of the liquidation business	637,584
Cost of sales of the condominium unit sales business	1,339,602
Cost of sales of the residential housing sales business	207,177
Other	3,951
Total cost of sales	2,188,315
Gross profit	502,127
Selling, general and administrative expenses	
Sales commission	52,700
Advertising expenses	88,068
Provision of allowance for doubtful accounts	(1,303)
Directors' compensations	12,870
Salaries and allowances	77,806
Provision for bonuses	7,434
Retirement benefit expenses	2,930
Legal welfare expenses	11,576
Welfare expenses	2,200
Entertainment expenses	7,732
Commission fee	22,116
Rent expenses	5,277
Taxes and dues	15,879
Rents	17,064
Depreciation	4,767
Other	32,042
Total selling, general and administrative expenses	359,163
Operating income	142,963
Non-operating income	
Interest income	59
Dividends income	751
Land and house rent received	6,281
Fiduciary obligation fee	1,200
Other	2,044
Total non-operating income	10,335
Non-operating expenses	
Interest expenses	51,547
Other	3,268
Total non-operating expenses	54,815
Ordinary income	98,484
Income before income taxes	98,484
Income taxes—current	1,355
Total income taxes	1,355
Net income	97,129