

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 Half of the Fiscal Year Ending March 31, 2013 (Japanese Standard)

November 9, 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 Corporate Development
Division Manager Tel: +81-3-5962-0775

Scheduled date of filing of Quarterly Report:

November 12, 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 September 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	%
Six months ended September 30, 2012	3,864	—	111	—	38	—	35	—
Six months ended September 30, 2011	—	—	—	—	—	—	—	—

	Net income per share		Net income per share (fully diluted)	
	Yen		Yen	
Six months ended September 30, 2012	0.36		0.30	
Six months ended September 30, 2011	—		—	

(Note) The Company disclosed results on a consolidated basis for the first half 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 half 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 September 30, 2012	Million yen 6,088	Million yen 1,378	% 22.6
As of March 31, 2012	6,812	1,342	19.7

(Reference) Shareholders' equity:

As of September 30, 2012:

1,378 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	—	0.00	—	0.00	0.00
(Forecast) Year ending March 31, 2013	—	0.00	—	0.00	0.00

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

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 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
Annual	Million yen 12,280	% (10.9)	Million yen 540	% (26.5)	Million yen 410	% (10.9)	Million yen 400	% (10.1)	Yen 4.02

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

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

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

As of September 30, 2012:	99,572,361 shares
As of September 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 November 9, 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 half (September 30, 2012)
Assets		
Current assets		
Cash and deposits	1,639,523	1,248,377
Accounts receivable–trade	4,041	831
Real estate for sale	577,325	453,217
Real estate for sale in process	3,626,202	3,296,061
Costs on uncompleted construction contracts	—	24,682
Raw materials and supplies	1,172	912
Advance payments–trade	97,900	176,048
Prepaid expenses	42,686	26,458
Advances paid	522	1,152
Other	17,161	67,964
Allowance for doubtful accounts	(1,478)	(76)
Total current assets	6,005,059	5,295,628
Noncurrent assets		
Property, plant and equipment		
Buildings	126,087	147,809
Accumulated depreciation	(80,298)	(82,276)
Buildings, net	45,789	65,532
Structures	22,259	22,259
Accumulated depreciation	(15,064)	(15,456)
Structures, net	7,194	6,802
Tools, furniture and fixtures	10,250	11,764
Accumulated depreciation	(9,906)	(8,489)
Tools, furniture and fixtures, net	344	3,275
Land	110,008	110,008
Total property, plant and equipment	163,336	185,619
Intangible assets		
Software	24,356	21,264
Other	1,299	840
Total intangible assets	25,655	22,105
Investments and other assets		
Investment securities	395,259	394,474
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	—
Claims provable in bankruptcy, claims provable in rehabilitation and other	11,275	11,155
Long-term prepaid expenses	55	22
Long-term accounts receivable–other	1,365,198	286,503
Guarantee deposits	169,095	175,912
Other	4,030	3,489
Allowance for doubtful accounts	(1,751,275)	(311,155)
Total investments and other assets	618,632	585,394
Total noncurrent assets	807,624	793,118
Total assets	6,812,684	6,088,747

(Thousand yen)

	Previous fiscal year (March 31, 2012)	First half (September 30, 2012)
Liabilities		
Current liabilities		
Accounts payable–trade	1,000	1,000
Accounts payable for construction contracts	102,301	199,614
Short-term loans payable	1,788,500	992,000
Current portion of long-term loans payable	685,983	503,128
Accounts payable–other	22,528	4,888
Accrued expenses	125,081	73,236
Income taxes payable	5,409	3,005
Advances received	103,981	95,103
Deposits received	17,315	8,267
Provision for bonuses	17,083	17,089
Provision for loss on liquidation of subsidiaries and affiliates	275,413	275,413
Other	1,029	71,069
Total current liabilities	3,145,629	2,243,817
Noncurrent liabilities		
Long-term loans payable	2,256,884	2,396,135
Provision for retirement benefits	51,745	55,745
Deferred tax liabilities	1,577	1,297
Other	14,168	13,648
Total noncurrent liabilities	2,324,376	2,466,827
Total liabilities	5,470,005	4,710,644
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	480,665
Total retained earnings	444,735	480,665
Treasury stock	(388)	(388)
Total shareholders' equity	1,339,830	1,375,759
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,848	2,343
Total valuation and translation adjustments	2,848	2,343
Total net assets	1,342,679	1,378,103
Total liabilities and net assets	6,812,684	6,088,747

(2) Statements of Income

Cumulative period for first half

(Thousand yen)

	Cumulative period for first half under review (From April 1, 2012 to September 30, 2012)
Net sales	
Net sales from the liquidation business	696,908
Net sales from the condominium unit sales business	2,421,333
Net sales from the residential housing sales business	705,259
Other	41,300
Total net sales	3,864,802
Cost of sales	
Cost of sales of the liquidation business	637,584
Cost of sales of the condominium unit sales business	1,860,167
Cost of sales of the residential housing sales business	576,281
Other	28,892
Total cost of sales	3,102,925
Gross profit	761,877
Selling, general and administrative expenses	
Sales commission	87,197
Advertising expenses	126,340
Provision of allowance for doubtful accounts	(1,521)
Directors' compensations	25,713
Salaries and allowances	155,978
Provision for bonuses	14,524
Retirement benefit expenses	7,303
Legal welfare expenses	25,195
Welfare expenses	4,333
Entertainment expenses	15,016
Commission fee	57,344
Rent expenses	9,372
Taxes and dues	13,198
Rents	18,598
Depreciation	11,155
Other	80,362
Total selling, general and administrative expenses	650,113
Operating income	111,763
Non-operating income	
Interest income	212
Dividends income	1,216
Land and house rent received	12,562
Fiduciary obligation fee	1,200
Other	2,425
Total non-operating income	17,616
Non-operating expenses	
Interest expenses	87,440
Other	3,299
Total non-operating expenses	90,740
Ordinary income	38,639
Income before income taxes	38,639
Income taxes—current	2,710
Total income taxes	2,710
Net income	35,929

(3) Quarterly Statements of Cash Flows

(Thousand yen)

	Cumulative period for first half under review (From April 1, 2012 to September 30, 2012)
Net cash provided by (used in) operating activities	
Income before income taxes	38,639
Depreciation and amortization	11,173
Increase (decrease) in allowance for doubtful accounts	(1,441,521)
Bad debts written off	1,440,000
Increase (decrease) in provision for retirement benefits	4,000
Interest and dividends income	(1,428)
Interest expenses	87,440
Decrease (increase) in notes and accounts receivable-trade	3,210
Decrease (increase) in inventories	429,566
Decrease (increase) in advance payments	(78,148)
Increase (decrease) in notes and accounts payable-trade	97,313
Increase (decrease) in advances received	(8,878)
Increase (decrease) in deposits received	(9,048)
Other, net	(6,793)
Subtotal	565,525
Interest and dividends income received	1,428
Interest expenses paid	(88,539)
Income taxes paid	(5,113)
Net cash provided by (used in) operating activities	473,300
Net cash provided by (used in) investing activities	
Purchase of property, plant and equipment	(25,032)
Collection of long-term loans receivable	120
Other, net	570
Net cash provided by (used in) investing activities	(24,341)
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	(796,500)
Proceeds from long-term loans payable	444,000
Repayment of long-term loans payable	(487,604)
Net cash provided by (used in) financing activities	(840,104)
Net increase (decrease) in cash and cash equivalents	(391,146)
Cash and cash equivalents at beginning of period	1,639,523
Cash and cash equivalents at end of period	1,248,377