

**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 Fiscal Year Ended March 31, 2013 (Japanese Standard)

May 10, 2013

**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 the ordinary general meeting of shareholders: June 26, 2013

Scheduled date of submission of the annual securities report: June 27, 2013

Scheduled date for commencing payment of dividend: —

Preparation of explanatory materials for 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 March 31, 2013)

## (1) 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, 2013	10,891	(21.0)	525	(28.5)	417	(9.2)	417	(6.1)
Year ended March 31, 2012	13,781	54.1	734	—	460	—	444	—

	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, 2013	4.19	3.53	26.9	5.7	4.8
Year ended March 31, 2012	4.47	3.90	39.9	5.9	5.3

(Reference) Equity in net income of affiliates:

Year ended March 31, 2013:

— million yen

Year ended March 31, 2012:

— million yen

## (2) 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, 2013	7,784	1,757	22.6	11.64
Year ended March 31, 2012	6,812	1,342	19.7	7.47

(Reference) Shareholders' equity:

As of March 31, 2013:

1,757 million yen

As of March 31, 2012:

1,342 million yen

## (3) 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, 2013	(1,631)	13	880	901
Year ended March 31, 2012	—	—	—	—

(Note) The Company prepared consolidated financial statements until the fiscal year ended March 2012, and non-consolidated cash flows in the year ended March 2012 are not presented in these statements.

## 2. Dividends

(Record Date)	Dividends per share					Total amount of dividends (annual)	Payout ratio	Dividends on equity
	End of the 1st quarter	Interim period end	End of the 3rd quarter	Year end	Annual			
Year ended March 31, 2012	—	0.00	—	0.00	0.00	—	—	—
Year ended March 31, 2013	—	0.00	—	0.00	0.00	—	—	—
(Forecast) Year ending March 31, 2014	—	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 Business Results (April 1, 2013 through March 31, 2014)

(Figures in percentages denote the year-on-year change)

Annual	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	12,700	16.6	620	18.0	405	(3.1)	400	(4.2)	4.02

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\* Notes

(1) 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 |

(2) 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, 2013:   | 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 March 31, 2013:   | 725 shares        |
| As of March 31, 2012:   | 725 shares        |
| (iii) Average number of issued shares for each period:  |                   |
| As of March 31, 2013:   | 99,572,361 shares |
| As of March 31, 2012:   | 99,572,361 shares |

(Status of auditing procedures)

- This brief report of financial results is not subject to the audit procedures under the Financial Instruments and Exchange Act, and the audit of the financial statements is underway at the time of its disclosure.

(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 May 10, 2013.
- 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 ended March 31, 2013	—	—	—	—	—	—
(Forecast) Year ending March 31, 2014	—	—	—	—	—	

(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 (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	1,639,523	901,682
Accounts receivable–trade	4,041	1,596
Real estate for sale	577,325	1,446,438
Real estate for sale in process	3,626,202	4,829,526
Raw materials and supplies	1,172	602
Advance payments–trade	97,900	87,700
Prepaid expenses	42,686	25,510
Advances paid	522	4
Other	17,161	20,451
Allowance for doubtful accounts	(1,478)	(133)
<b>Total current assets</b>	<b>6,005,059</b>	<b>7,313,379</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings	126,087	147,809
Accumulated depreciation	(80,298)	(84,507)
Buildings, net	45,789	63,301
Structures	22,259	22,259
Accumulated depreciation	(15,064)	(15,848)
Structures, net	7,194	6,410
Tools, furniture and fixtures	10,250	15,412
Accumulated depreciation	(9,906)	(9,407)
Tools, furniture and fixtures, net	344	6,005
Land	110,008	110,008
<b>Total property, plant and equipment</b>	<b>163,336</b>	<b>185,725</b>
<b>Intangible assets</b>		
Software	24,356	17,149
Other	1,299	382
<b>Total intangible assets</b>	<b>25,655</b>	<b>17,531</b>
<b>Investments and other assets</b>		
Investment securities	395,259	60,494
Stocks of subsidiaries and affiliates	0	0
Investments in other securities of subsidiaries and affiliates	2,952	55
Investments in capital	22,040	15,540
Long-term loans receivable from subsidiaries and affiliates	400,000	—
Claims provable in bankruptcy, claims provable in rehabilitation and other	11,275	10,968
Long-term prepaid expenses	55	—
Long-term accounts receivable–other	1,365,198	—
Guarantee deposits	169,095	189,577
Other	4,030	2,509
Allowance for doubtful accounts	(1,751,275)	(10,968)
<b>Total investments and other assets</b>	<b>618,632</b>	<b>268,176</b>
<b>Total noncurrent assets</b>	<b>807,624</b>	<b>471,433</b>
<b>Total assets</b>	<b>6,812,684</b>	<b>7,784,813</b>

(Thousand yen)

	Previous fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
<b>Liabilities</b>		
Current liabilities		
Accounts payable–trade	1,000	1,000
Accounts payable for construction contracts	102,301	111,139
Short-term loans payable	1,788,500	1,241,000
Current portion of long-term loans payable	685,983	1,424,128
Accounts payable–other	22,528	4,888
Accrued expenses	125,081	114,580
Income taxes payable	5,409	4,885
Advances received	103,981	53,068
Deposits received	17,315	13,492
Provision for bonuses	17,083	17,858
Provision for loss on liquidation of subsidiaries and affiliates	275,413	—
Other	1,029	21,320
<b>Total current liabilities</b>	<b>3,145,629</b>	<b>3,007,362</b>
Noncurrent liabilities		
Long-term loans payable	2,256,884	2,946,619
Provision for retirement benefits	51,745	59,081
Deferred tax liabilities	1,577	303
Other	14,168	13,596
<b>Total noncurrent liabilities</b>	<b>2,324,376</b>	<b>3,019,600</b>
<b>Total liabilities</b>	<b>5,470,005</b>	<b>6,026,962</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	854,500	854,500
Capital surplus		
Legal capital surplus	40,983	40,983
<b>Total capital surplus</b>	<b>40,983</b>	<b>40,983</b>
Retained earnings		
Other retained earnings		
Retained earnings brought forward	444,735	862,207
<b>Total retained earnings</b>	<b>444,735</b>	<b>862,207</b>
Treasury stock	(388)	(388)
<b>Total shareholders' equity</b>	<b>1,339,830</b>	<b>1,757,302</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,848	548
<b>Total valuation and translation adjustments</b>	<b>2,848</b>	<b>548</b>
<b>Total net assets</b>	<b>1,342,679</b>	<b>1,757,850</b>
<b>Total liabilities and net assets</b>	<b>6,812,684</b>	<b>7,784,813</b>

## (2) Statements of Income

(Thousand yen)

	Previous fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Net sales		
Net sales from the liquidation business	7,553,376	2,643,905
Net sales from the condominium unit sales business	5,271,109	5,336,729
Net sales from the residential housing sales business	922,197	2,825,461
Other	35,007	85,644
Total net sales	13,781,691	10,891,741
Cost of sales		
Cost of sales of the liquidation business	6,536,093	2,307,588
Cost of sales of the condominium unit sales business	4,068,994	4,185,907
Cost of sales of the residential housing sales business	804,361	2,307,601
Other	10,471	57,950
Total cost of sales	11,419,921	8,859,047
Gross profit	2,361,770	2,032,694
Selling, general and administrative expenses		
Sales commission	195,144	208,119
Advertising expenses	513,039	377,274
Provision of allowance for doubtful accounts	218	(1,584)
Directors' compensations	46,995	48,169
Salaries and allowances	310,156	342,567
Provision for bonuses	14,820	15,371
Retirement benefit expenses	10,436	12,211
Legal welfare expenses	47,507	48,858
Welfare expenses	9,366	9,311
Entertainment expenses	23,602	37,920
Commission fee	115,326	110,530
Rent expenses	21,494	15,607
Taxes and dues	110,189	89,271
Rents	94,344	33,804
Depreciation	13,735	22,295
Other	100,732	137,744
Total selling, general and administrative expenses	1,627,110	1,507,475
Operating income	734,659	525,219
Non-operating income		
Interest income	747	505
Dividends income	1,705	1,705
Land and house rent received	30,186	46,324
Penalty income	1,860	20,000
Fiduciary obligation fee	4,800	1,200
Reversal of provision for loss on liquidation of subsidiaries and affiliates	—	14,145
Other	6,725	36,565
Total non-operating income	46,025	120,447
Non-operating expenses		
Interest expenses	290,177	220,550
Other	30,094	7,272
Total non-operating expenses	320,271	227,822
Ordinary income	460,413	417,844

(Thousand yen)

	Previous fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Extraordinary income		
Gain on sales of investment securities	917	4,229
Reversal of provision for directors' retirement benefits	1,176	—
Gain on forgiveness of debts	5,370	—
Total extraordinary income	7,463	4,229
Extraordinary loss		
Loss on retirement of noncurrent assets	168	—
Impairment loss	13,172	—
Loss on valuation of investment securities	4,380	—
Total extraordinary loss	17,721	—
Income before income taxes	450,155	422,073
Income taxes—current	5,420	4,601
Total income taxes	5,420	4,601
Net income	444,735	417,472

## (3) Statements of Changes in Net Assets

(Thousand yen)

	Previous fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
<b>Shareholders' equity</b>		
Capital stock		
Balance at the beginning of period	854,500	854,500
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of period	854,500	854,500
Capital surplus		
Legal capital surplus		
Balance at the beginning of period	854,500	40,983
Changes of items during the period		
Transfer to other capital surplus from legal capital surplus	(813,517)	—
Total changes of items during the period	(813,517)	—
Balance at the end of period	40,983	40,983
Other capital surplus		
Balance at the beginning of period	392,452	—
Changes of items during the period		
Transfer to other capital surplus from legal capital surplus	813,517	—
Deficit disposition	(1,205,969)	—
Total changes of items during the period	(392,452)	—
Balance at the end of period	—	—
Total capital surplus		
Balance at the beginning of period	1,246,952	40,983
Changes of items during the period		
Transfer to other capital surplus from legal capital surplus	—	—
Deficit disposition	(1,205,969)	—
Total changes of items during the period	(1,205,969)	—
Balance at the end of period	40,983	40,983
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Balance at the beginning of period	(1,205,969)	444,735
Changes of items during the period		
Deficit disposition	1,205,969	—
Net income	444,735	417,472
Total changes of items during the period	1,650,705	417,472
Balance at the end of period	444,735	862,207
Total retained earnings		
Balance at the beginning of period	(1,205,969)	444,735
Changes of items during the period		
Deficit disposition	1,205,969	—
Net income	444,735	417,472
Total changes of items during the period	1,650,705	417,472
Balance at the end of period	444,735	862,207



(Thousand yen)

	Previous fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
<b>Treasury stock</b>		
Balance at the beginning of period	(388)	(388)
<b>Changes of items during the period</b>		
Total changes of items during the period	—	—
Balance at the end of period	(388)	(388)
<b>Total shareholders' equity</b>		
Balance at the beginning of period	895,094	1,339,830
<b>Changes of items during the period</b>		
Transfer to other capital surplus from legal capital surplus	—	—
Deficit disposition	—	—
Net income	444,735	417,472
Total changes of items during the period	444,735	417,472
Balance at the end of period	1,339,830	1,757,302
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities		
Balance at the beginning of period	(8,379)	2,848
<b>Changes of items during the period</b>		
Net changes of items other than shareholders' equity	11,228	(2,300)
Total changes of items during the period	11,228	(2,300)
Balance at the end of period	2,848	548
<b>Total valuation and translation adjustments</b>		
Balance at the beginning of period	(8,379)	2,848
<b>Changes of items during the period</b>		
Net changes of items other than shareholders' equity	11,228	(2,300)
Total changes of items during the period	11,228	(2,300)
Balance at the end of period	2,848	548
<b>Total net assets</b>		
Balance at the beginning of period	886,714	1,342,679
<b>Changes of items during the period</b>		
Transfer to other capital surplus from legal capital surplus	—	—
Deficit disposition	—	—
Net income	444,735	417,472
Net changes of items other than shareholders' equity	11,228	(2,300)
Total changes of items during the period	455,964	415,171
Balance at the end of period	1,342,679	1,757,850

(4) Statements of Cash Flows	(Thousand yen)
	Current fiscal year (From April 1, 2012 to March 31, 2013)
Net cash provided by (used in) operating activities	
Income before income taxes	422,073
Depreciation and amortization	22,295
Increase (decrease) in allowance for doubtful accounts	(1,441,650)
Write-off of doubtful accounts	1,719,505
Increase (decrease) in provision for retirement benefits	7,335
Increase (decrease) in provision for loss on liquidation of subsidiaries and affiliates	(275,413)
Interest and dividends income	(2,211)
Interest expenses	220,550
Loss (gain) on sales of investment securities	(4,229)
Decrease (increase) in notes and accounts receivable - trade	2,445
Decrease (increase) in inventories	(2,072,436)
Decrease (increase) in advance payments	10,200
Increase (decrease) in notes and accounts payable - trade	8,838
Increase (decrease) in advances received	(50,913)
Increase (decrease) in deposits received	(3,823)
Other, net	35,760
Subtotal	(1,401,674)
Interest and dividends income received	2,211
Interest expenses paid	(227,376)
Income taxes paid	(5,125)
Net cash provided by (used in) operating activities	(1,631,965)
Net cash provided by (used in) investing activities	
Purchase of property, plant and equipment	(29,013)
Purchase of investment securities	(3,000)
Proceeds from sales of investment securities	40,419
Collection of long-term loans receivable	240
Other, net	5,097
Net cash provided by (used in) investing activities	13,744
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	(547,500)
Proceeds from long-term loans payable	2,830,000
Repayment of long-term loans payable	(1,402,120)
Net cash provided by (used in) financing activities	880,379
Net increase (decrease) in cash and cash equivalents	(737,841)
Cash and cash equivalents at the beginning of period	1,639,523
Cash and cash equivalents at the end of period	901,682