

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, 2014 (Japanese Standard)

August 9, 2013

Shin-Nihon Tatemono Co., Ltd.

Code Number: 8893

Stock Exchange: Tokyo

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

Representative: Tomohiko Ikeda, President and Chief Executive Officer

Attn.: Hiroaki Sato, Director, Executive Officer, Administrative Department Manager and Accounting Division Manager

Tel: +81-3-5962-0775

Scheduled date of filing of Quarterly Report:

August 12, 2013

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, 2013 through June 30, 2013)

(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, 2013	2,780	3.3	11	(91.7)	(14)	—	(15)	—
Three months ended June 30, 2012	2,690	—	142	—	98	—	97	—

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Three months ended June 30, 2013	(0.16)	—
Three months ended June 30, 2012	0.98	0.82

(2) Financial Condition

	Total assets	Net assets	Ratio of shareholders' equity to assets
	Million yen	Million yen	%
As of June 30, 2013	6,472	1,742	26.9
As of March 31, 2013	7,784	1,757	22.6

(Reference) Shareholders' equity:

As of June 30, 2013:

1,742 million yen

As of March 31, 2013:

1,757 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
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2013	—	0.00	—	0.00	0.00
Year ending March 31, 2014	—				
(Forecast) Year ending March 31, 2014		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, 2013 through March 31, 2014)

(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
Annual	12,700	16.6	620	18.0	405	(3.1)	400	(4.2)	4.02

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

The Company is not publishing earnings forecasts for the first half of the fiscal year ending March 31, 2014.

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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, 2013:	99,573,086 shares
As of March 31, 2013:	99,573,086 shares
 - (ii) Total number of treasury stock as of the end of each period:

As of June 30, 2013:	725 shares
As of March 31, 2013:	725 shares
 - (iii) Average number of issued shares for each period (cumulative period):

As of June 30, 2013:	99,572,361 shares
As of June 30, 2012:	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 9, 2013.

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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	
Year ended March 31, 2013	— Yen	— Yen	— Yen	— Yen	— Yen	—
Year ending March 31, 2014	—	—	—	—	—	—
(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 (March 31, 2013)	First quarter (June 30, 2013)
Assets		
Current assets		
Cash and deposits	901,682	693,485
Accounts receivable–trade	1,596	910
Real estate for sale	1,446,438	790,788
Real estate for sale in process	4,829,526	4,351,930
Raw materials and supplies	602	2,254
Advance payments–trade	87,700	85,000
Prepaid expenses	25,510	20,251
Advances paid	4	365
Other	20,451	40,102
Allowance for doubtful accounts	(133)	(129)
Total current assets	7,313,379	5,984,958
Noncurrent assets		
Property, plant and equipment		
Buildings	147,809	147,809
Accumulated depreciation	(84,507)	(85,523)
Buildings, net	63,301	62,285
Structures	22,259	22,259
Accumulated depreciation	(15,848)	(16,023)
Structures, net	6,410	6,235
Tools, furniture and fixtures	15,412	15,412
Accumulated depreciation	(9,407)	(9,867)
Tools, furniture and fixtures, net	6,005	5,544
Land	110,008	110,008
Total property, plant and equipment	185,725	184,074
Intangible assets		
Software	17,149	16,051
Other	382	286
Total intangible assets	17,531	16,337
Investments and other assets		
Investment securities	60,494	61,044
Stocks of subsidiaries and affiliates	0	0
Investments in other securities of subsidiaries and affiliates	55	55
Investments in capital	15,540	15,510
Claims provable in bankruptcy, claims provable in rehabilitation and other	10,968	10,908
Guarantee deposits	189,577	208,391
Other	2,509	2,279
Allowance for doubtful accounts	(10,968)	(10,908)
Total investments and other assets	268,176	287,281
Total noncurrent assets	471,433	487,693
Total assets	7,784,813	6,472,652

(Thousand yen)

	Previous fiscal year (March 31, 2013)	First quarter (June 30, 2013)
Liabilities		
Current liabilities		
Accounts payable–trade	1,000	1,000
Accounts payable for construction contracts	111,139	50,482
Short-term loans payable	1,241,000	802,300
Current portion of long-term loans payable	1,424,128	1,718,108
Accounts payable–other	4,888	10,051
Accrued expenses	114,580	91,845
Income taxes payable	4,885	1,238
Advances received	53,068	47,752
Deposits received	13,492	14,427
Provision for bonuses	17,858	27,405
Other	21,320	60,343
Total current liabilities	3,007,362	2,824,955
Noncurrent liabilities		
Long-term loans payable	2,946,619	1,833,861
Provision for retirement benefits	59,081	56,977
Deferred tax liabilities	303	499
Other	13,596	13,596
Total noncurrent liabilities	3,019,600	1,904,934
Total liabilities	6,026,962	4,729,889
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	862,207	846,765
Total retained earnings	862,207	846,765
Treasury stock	(388)	(388)
Total shareholders' equity	1,757,302	1,741,859
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	548	902
Total valuation and translation adjustments	548	902
Total net assets	1,757,850	1,742,762
Total liabilities and net assets	7,784,813	6,472,652

(2) Statements of Income

Cumulative period for first quarter

(Thousand yen)

	Cumulative period for previous first quarter (From April 1, 2012 to June 30, 2012)	Cumulative period for first quarter under review (From April 1, 2013 to June 30, 2013)
Net sales		
Net sales from the liquidation business	696,908	806,814
Net sales from the condominium unit sales business	1,754,332	1,218,671
Net sales from the residential housing sales business	229,882	746,024
Other	9,319	8,652
Total net sales	2,690,443	2,780,163
Cost of sales		
Cost of sales of the liquidation business	637,584	802,336
Cost of sales of the condominium unit sales business	1,339,602	995,066
Cost of sales of the residential housing sales business	207,177	639,128
Other	3,951	4,124
Total cost of sales	2,188,315	2,440,655
Gross profit	502,127	339,508
Selling, general and administrative expenses		
Sales commission	52,700	48,317
Advertising expenses	88,068	74,371
Provision of allowance for doubtful accounts	(1,303)	(64)
Directors' compensations	12,870	10,001
Salaries and allowances	77,806	86,789
Provision for bonuses	7,434	8,167
Retirement benefit expenses	2,930	2,656
Legal welfare expenses	11,576	11,352
Welfare expenses	2,200	3,231
Entertainment expenses	7,732	8,656
Commission fee	22,116	25,088
Rent expenses	5,277	2,222
Taxes and dues	15,879	7,173
Rents	17,064	7,485
Depreciation	4,767	3,460
Other	32,042	28,663
Total selling, general and administrative expenses	359,163	327,574
Operating income	142,963	11,933
Non-operating income		
Interest income	59	46
Dividends income	751	71
Land and house rent received	6,281	21,157
Penalty income	–	8,796
Fiduciary obligation fee	1,200	–
Other	2,044	813
Total non-operating income	10,335	30,884
Non-operating expenses		
Interest expenses	51,547	57,258
Other	3,268	11
Total non-operating expenses	54,815	57,269
Ordinary income (loss)	98,484	(14,451)
Extraordinary income		
Gain on sales of investment securities	–	99
Total extraordinary income	–	99
Income (loss) before income taxes	98,484	(14,351)
Income taxes—current	1,355	1,090
Total income taxes	1,355	1,090
Net income (loss)	97,129	(15,442)