

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT.

This document has been translated from the original Japanese-language document 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, 2015 (Japanese Standard)

August 8, 2014

Shin-Nihon Tatemono Co., Ltd.

Code Number: 8893

Representative: Tomohiko Ikeda, President and Chief Executive Officer

IR Contacts: Hiroaki Sato, Director, Senior Executive Officer, Administrative Department Manager

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Scheduled date of filing of Quarterly Report:

August 11, 2014

Scheduled date for commencing payment of dividend:

—

Preparation of explanatory materials for quarterly financial results: Yes

Information meetings arranged relating to financial results:

None

Stock Exchange: Tokyo

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

(Note that all amounts have been rounded down to the nearest million yen)

1. Business Results (April 1 to June 30, 2014)

(1) Results of Operations (cumulative)

(Figures in percentages represent 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, 2014	1,138	(59.1)	(107)	—	(159)	—	(160)	—
Three months ended June 30, 2013	2,780	3.3	11	(91.7)	(14)	—	(15)	—

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended June 30, 2014	(1.62)		—	
Three months ended June 30, 2013	(0.16)		—	

(2) Financial Condition

	Total assets		Net assets		Ratio of shareholders' equity to total assets	
	Million yen		Million yen		%	
June 30, 2014	7,208		2,029		28.2	
March 31, 2014	7,972		2,190		27.5	

(Reference) Shareholders' equity:

June 30, 2014:

2,029 million yen

March 31, 2014:

2,190 million yen

2. Dividends

(Declared Date)	Dividend per share				
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2014	—	0.00	—	0.00	0.00
Fiscal Year ending March 31, 2015	—				
(Forecast) Fiscal Year ending March 31, 2015		0.00	—	0.00	0.00

(Note) Revisions to the dividend forecast 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 types of stocks (unlisted) issued by us.

3. Forecast of Business Results (April 1, 2014 to March 31, 2015)

(Figures in percentages represent 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	12,300	14.4	670	1.2	405	(7.5)	400	(7.5)	4.02

(Note) Revisions to the business results forecast 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 the amendment of accounting standards, 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): | |
| June 30, 2014: | 99,573,086 shares |
| March 31, 2014: | 99,573,086 shares |
| (ii) Total number of treasury stock: | |
| June 30, 2014: | 725 shares |
| March 31, 2014: | 725 shares |
| (iii) Average number of issued shares (cumulative period): | |
| Three months ended June 30, 2014: | 99,572,361 shares |
| Three months ended June 30, 2013: | 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 release of this document, a quarterly review of the quarterly financial statements is currently 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 this summary 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. The Company makes no warrantee as to the achievability of these forecasts, and please note that actual results may differ materially from forecasts due to various factors.
- Presentation material on operating performance will be posted on the website of the Company on August 8, 2014.

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Dividends on preferred stocks

Dividends per share relating to preferred stocks are as follows:

Class A preferred shares

(Declared Date)	Dividend per share				
	End of the 1st quarter	End of 2nd quarter	End of the 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2014	—	—	—	—	—
Fiscal Year ending March 31, 2015	—				
(Forecast) Fiscal Year ending March 31, 2015		—	—	—	—

(Note) The Company will not make any dividend payments until the fiscal year ending March 31, 2018, in accordance with the Articles of Incorporation.

Financial Statements

(1) Balance Sheets

(Thousand yen)

	March 31, 2014	June 30, 2014
Assets		
Current assets		
Cash and deposits	1,581,935	1,156,480
Accounts receivable–trade	4,116	977
Real estate for sale	2,516,548	2,381,727
Real estate for sale in process	3,268,948	3,027,937
Raw materials and supplies	1,466	2,241
Advance payments–trade	59,050	137,181
Prepaid expenses	59,984	56,850
Advances paid	5,134	8,880
Others	47,670	9,531
Allowance for doubtful accounts	(561)	(715)
Total current assets	7,544,292	6,781,091
Noncurrent assets		
Property, plant and equipment		
Buildings	148,218	148,218
Accumulated depreciation	(88,685)	(89,656)
Buildings, net	59,533	58,561
Structures	22,259	22,259
Accumulated depreciation	(16,547)	(16,703)
Structures, net	5,711	5,556
Tools, furniture and fixtures	15,843	15,843
Accumulated depreciation	(11,285)	(11,620)
Tools, furniture and fixtures, net	4,558	4,222
Land	110,008	110,008
Total property, plant and equipment	179,811	178,349
Intangible assets		
Software	14,863	18,824
Others	–	–
Total intangible assets	14,863	18,824
Investments and other assets		
Investment securities	60,585	60,136
Stocks of subsidiaries and affiliates	20,000	20,000
Investments in other securities of subsidiaries and affiliates	0	0
Investments in capital	15,510	15,510
Claims provable in bankruptcy, claims provable in rehabilitation and others	10,728	10,668
Guarantee deposits	135,855	133,467
Others	1,588	962
Allowance for doubtful accounts	(10,728)	(10,668)
Total investments and other assets	233,539	230,076
Total noncurrent assets	428,214	427,249
Total assets	7,972,507	7,208,341

(Thousand yen)

	March 31, 2014	June 30, 2014
Liabilities		
Current liabilities		
Accounts payable–trade	1,000	1,000
Accounts payable for construction contracts	188,303	119,224
Short-term loans payable	2,575,800	2,394,400
Current portion of long-term loans payable	2,112,032	1,840,832
Accounts payable–other	11,955	20,879
Accrued expenses	93,984	78,211
Income taxes payable	5,599	1,475
Advances received	6,795	18,107
Deposits received	9,251	19,183
Provision for bonuses	18,837	8,943
Others	20,800	29,737
Total current liabilities	5,044,360	4,531,995
Noncurrent liabilities		
Long-term loans payable	671,387	582,629
Provision for retirement benefits	52,312	49,609
Deferred tax liabilities	336	532
Others	13,596	13,596
Total noncurrent liabilities	737,631	646,367
Total liabilities	5,781,991	5,178,363
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	1,294,813	1,133,921
Total retained earnings	1,294,813	1,133,921
Treasury stock	(388)	(388)
Total shareholders' equity	2,189,908	2,029,016
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	607	961
Total valuation and translation adjustments	607	961
Total net assets	2,190,515	2,029,978
Total liabilities and net assets	7,972,507	7,208,341

(2) Statements of Income

(Thousand yen)

	Three months ended June 30, 2013 (April 1 to June 30, 2013)	Three months ended June 30, 2014 (April 1 to June 30, 2014)
Net sales		
Net sales from the liquidation business	806,814	–
Net sales from the condominium unit sales business	1,218,671	560,565
Net sales from the residential housing sales business	746,024	573,343
Others	8,652	4,278
Total net sales	2,780,163	1,138,186
Cost of sales		
Cost of sales of the liquidation business	802,336	–
Cost of sales of the condominium unit sales business	995,066	439,583
Cost of sales of the residential housing sales business	639,128	488,840
Others	4,124	127
Total cost of sales	2,440,655	928,551
Gross profit	339,508	209,634
Selling, general and administrative expenses		
Sales commission	48,317	27,974
Advertising expenses	74,371	78,723
Provision of allowance for doubtful accounts	(64)	93
Directors' compensations	10,001	15,433
Salaries and allowances	86,789	74,687
Provision for bonuses	8,167	7,623
Retirement benefit expenses	2,656	3,988
Legal welfare expenses	11,352	11,048
Welfare expenses	3,231	3,267
Entertainment expenses	8,656	11,105
Commission fee	25,088	19,151
Rent expenses	2,222	2,769
Taxes and dues	7,173	11,312
Rents	7,485	11,035
Depreciation	3,460	3,289
Others	28,663	36,048
Total selling, general and administrative expenses	327,574	317,552
Operating income (loss)	11,933	(107,918)
Non-operating income		
Interest income	46	42
Dividends income	71	91
Land and house rent received	21,157	2,901
Penalty income	8,796	–
Others	813	824
Total non-operating income	30,884	3,860
Non-operating expenses		
Interest expenses	57,258	54,330
Others	11	1,175
Total non-operating expenses	57,269	55,505
Ordinary income (loss)	(14,451)	(159,563)
Extraordinary income		
Gain on sales of investment securities	99	–
Total extraordinary income	99	–
Income (loss) before income taxes	(14,351)	(159,563)
Income taxes—current	1,090	1,328
Total income taxes	1,090	1,328
Net income (loss)	(15,442)	(160,891)