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Presentation Material on Operating Performance during the First Quarter of the Fiscal Year ending March 31, 2015

August 8 (Friday), 2014
Shin-Nihon Tatemono Co., Ltd.



SHIN-NIHON TATEMONO CO., LTD.

JASDAQ

Stock Code : 8893

Business environment topics

- During the first quarter (from April to June), new condominium sales decreased 26.3% year-on-year to 10,276 units in the Tokyo metropolitan area, reflecting a fall in demand after consumption tax increase. *The statistics above is quoted from the market information released by Real Estate Economic Institute Co., Ltd.
- Land acquisition, labor and material costs hover at a high level, reflecting an expectation for economic recovery and the boom in construction demand.
- Uncertainty about household income growth after consumption tax increase made consumer to be careful in their home buying.

Performance topics

- [B/S] The equity ratio rose to 28.2% up 0.7 points from the end of the previous fiscal year.
- [P/L] The Achieved gross profit of 209 million yen and profit ratio rose 6.2 points (year-on-year) to 18.4%. On the other hand, decrease of deliveries in the residential housing sales business due to construction delay and deferment of sales in the liquidation business to the subsequent quarters resulted in net sales of 1,138 million yen down 59.1% (year-on-year) and operating loss of 107 million yen.

Management topics

- Newly established *Information Development Section* in the operational headquarters aiming to collect and analyze various R.E. related information for our cross-sectional business deployment.

Balance Sheet

(Unit: million yen)	Fiscal Year ended March 31, 2014		Fiscal Year ending March 31, 2015	
	End of Q1	Year end	End of Q1	Change
Cash and deposits	693	1,581	1,156	-425
Real estate for sale	790	2,516	● 2,381	-134
Real estate for sale in process	4,351	3,268	● 3,027	-241
Others	148	176	214	38
Total current assets	5,984	7,544	6,781	-763
Total noncurrent assets	487	428	427	-0
Total assets	6,472	7,972	7,208	-764
Notes and accounts payable-trade	51	189	120	-69
Loans payable (short-term loans payable and current portion of long-term loans payable)	2,520	4,687	4,235	● -452
Others	253	167	176	9
Total current liabilities	2,824	5,044	4,531	-512
Long-term loans payable	1,833	671	582	● -88
Others	71	66	63	-2
Total noncurrent liabilities	1,904	737	646	-91
Total liabilities	4,729	5,781	5,178	-603
Capital stock	854	854	854	-
Capital surplus	40	40	40	-
Retained earnings	846	1,294	1,133	-160
Others	0	0	0	0
Total net assets	1,742	2,190	2,029	-160
Total liabilities and net assets	6,472	7,972	● 7,208	-764

● Decrease of real estate for sale

Breakdown of the balance at the end of Q1 of FY15/3

Liquidation	:	- million yen	- property
Condominium unit sales	:	1,727 million yen	65 units
Residential housing sales	:	654 million yen	18 houses
Total	:	2,381 million yen	

● Decrease of real estate for sale in process

Breakdown of the balance at the end of Q1 of FY15/3

Liquidation	:	1,691 million yen
Condominium unit sales	:	23 million yen
Residential housing sales	:	1,312 million yen
Total	:	3,027 million yen

● Status of interest-bearing liabilities

End of FY 14/3 (March 31, 2014)	5,359 million yen
End of Q1 of FY 15/3 (June 30, 2014)	4,817 million yen
Change	-541 million yen

● The equity ratio rose to 28.2% up 0.7 points from 27.5% of the end of FY 14/3.

Profit and Loss Statement

(Unit: million yen)	Fiscal Year ended March 31, 2014		Fiscal Year ending March 31, 2015				
	Q1		Q1		Year-on-year		12months
	Actual	% of total	Actual	% of total	Change	Change (%)	Plan
Net sales	2,780	100.0%	● 1,138	100.0%	-1,641	-59.1%	12,300
Cost of sales	2,440	87.8%	928	81.6%	-1,512	-62.0%	-
Gross profit	339	12.2%	209	18.4%	-129	-38.3%	-
Selling, general and administrative expenses	327	11.8%	● 317	27.9%	-10	-3.1%	-
Operating income	11	0.4%	-107	-9.5%	-119	-	670
Non-operating income	30	1.1%	3	0.3%	-27	-87.5%	-
Non-operating expenses	57	2.1%	● 55	4.9%	-1	-3.1%	-
Ordinary income	-14	-0.5%	-159	-14.0%	-145	-	405
Extraordinary income	0	0.0%	-	-	-0	-100.0	-
Extraordinary loss	-	-	-	-	-	-	-
Income before income taxes	-14	-0.5%	-159	-14.0%	-145	-	-
Income taxes	1	0.0%	1	0.1%	0	21.8%	-
Net income	-15	-0.6%	-160	-14.1%	-145	-	400

● Number of sales

	FY 14/3 Q1	FY 15/3 Q1	Change
Liquidation	1 properties	0 properties	-1 property
Condominium unit sales	35 units	15 units	-20 units
Residential housing sales	27 houses	12 houses	-15 houses

● Details of selling, general and administrative expenses

(Unit: million yen)	FY 14/3 Q1	FY 15/3 Q1	Change
Personnel expenses	122	116	-6
Sales commission	48	27	-20
Advertising expenses	74	78	4
Other	82	94	12
Total	327	317	-10

● Details of non-operating expenses

(Unit: million yen)	FY 14/3 Q1	FY 15/3 Q1	Change
Interest expenses	57	54	-2
Other	0	1	1
Total	57	55	-1

Net Sales and Operating Income by Segment

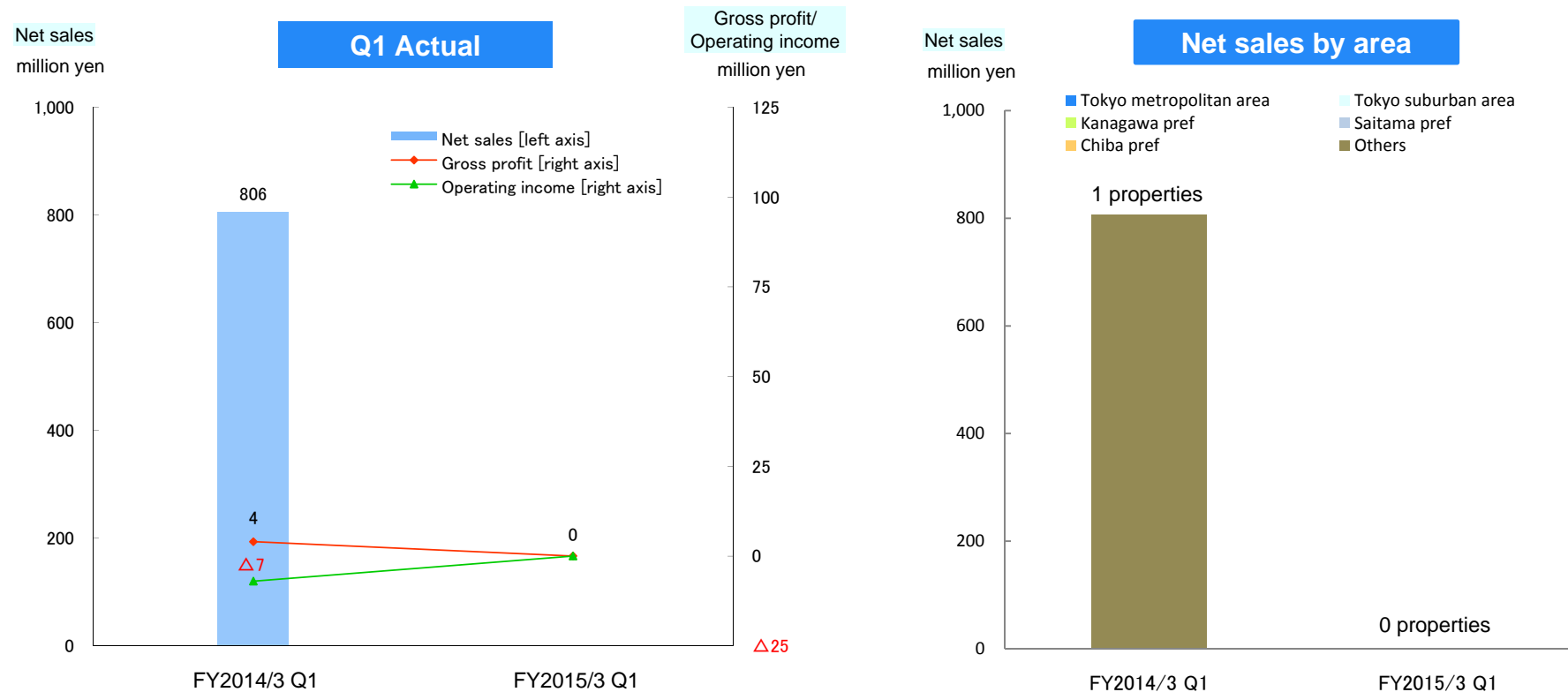
- ✓ In the liquidation business, there were no sales and no operating income booked due to deferment of sales to the subsequent quarters.
- ✓ In the condominium unit sales business, gross profit margin of 21.6% up 3.2 points (year-on-year) was secured, but the burden of future advertising expenses resulted in operating loss of 23 million yen.
- ✓ In the residential housing sales business, operating profit of 16 million yen with gross profit margin of 14.7% up 0.4 points (year-on-year) was acquired despite decrease of delivery of properties due to construction delay.

[Net sales]		Fiscal Year ended March 31, 2014		Fiscal Year ending March 31, 2015			
		Q1		Q1		Year-on-year	
		Actual	% of total	Actual	% of total	Change	Change (%)
(Unit: million yen)							
	Liquidation business	806	29.0%	-	-	-806	-
	Condominium unit sales business	1,218	43.9%	560	49.3%	-658	-54.0%
	Residential housing sales business	746	26.8%	573	50.4%	-172	-23.1%
	Other business	8	0.3%	4	0.4%	-4	-50.6%
	Elimination or corporate	-	-	-	-	-	-
Net sales total		2,780	100.0%	1,138	100.0%	-1,641	-59.1%

[Operating income]		Fiscal Year ended March 31, 2014		Fiscal Year ending March 31, 2015			
		Q1		Q1		Year-on-year	
		Actual	Profit margin (%)	Actual	Profit margin (%)	Change	Change (%)
(Unit: million yen)							
	Liquidation business	-7	-0.9%	-	-	7	-
	Condominium unit sales business	53	4.4%	-23	-	-77	-
	Residential housing sales business	63	8.6%	16	2.9%	-47	-74.1%
	Other business	0	7.4%	3	84.4%	3	465.7%
	Elimination or corporate	-99	-	-104	-	-6	-
Operating income total		11	0.4%	-107	-%	-119	-

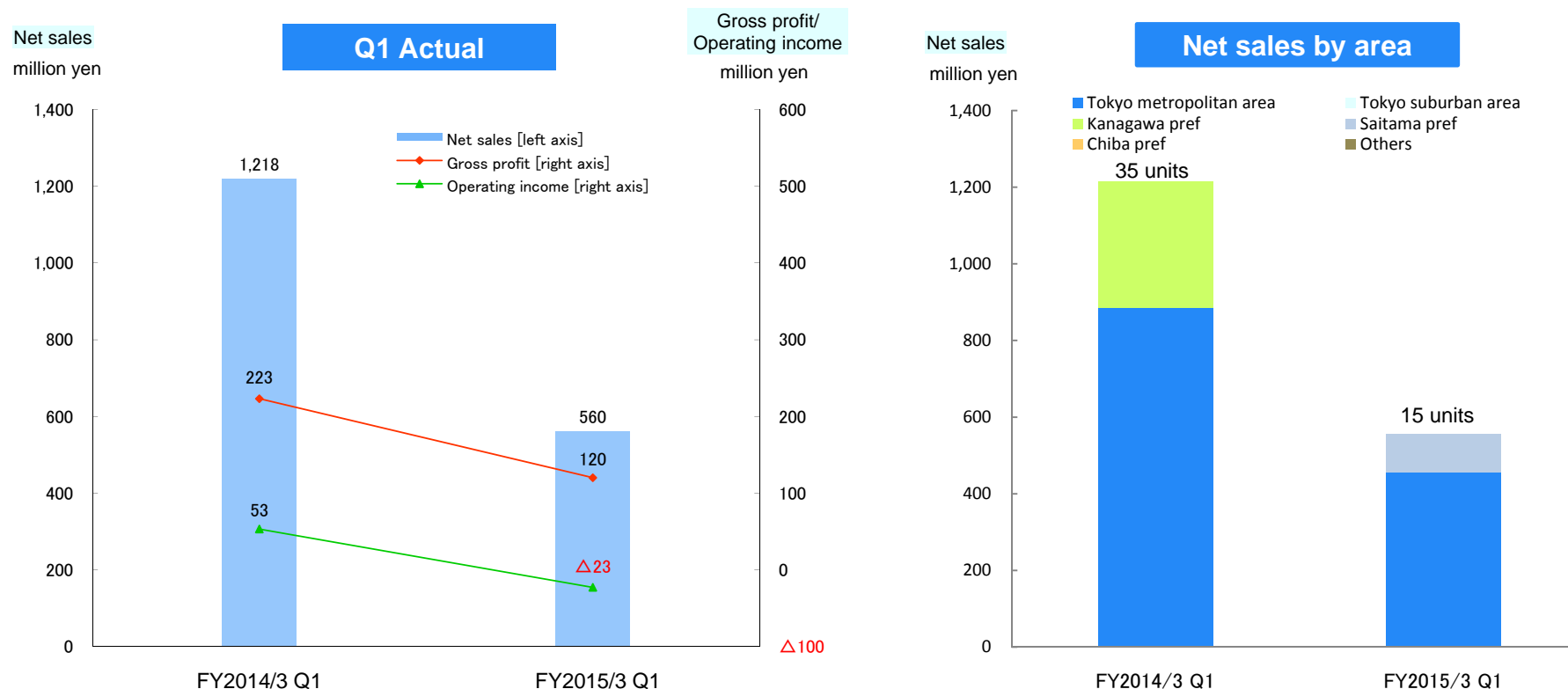
Situation of Liquidation Business

- ✓ In the liquidation business, there were no sales and no operating income booked due to deferment of sales to the subsequent quarters.



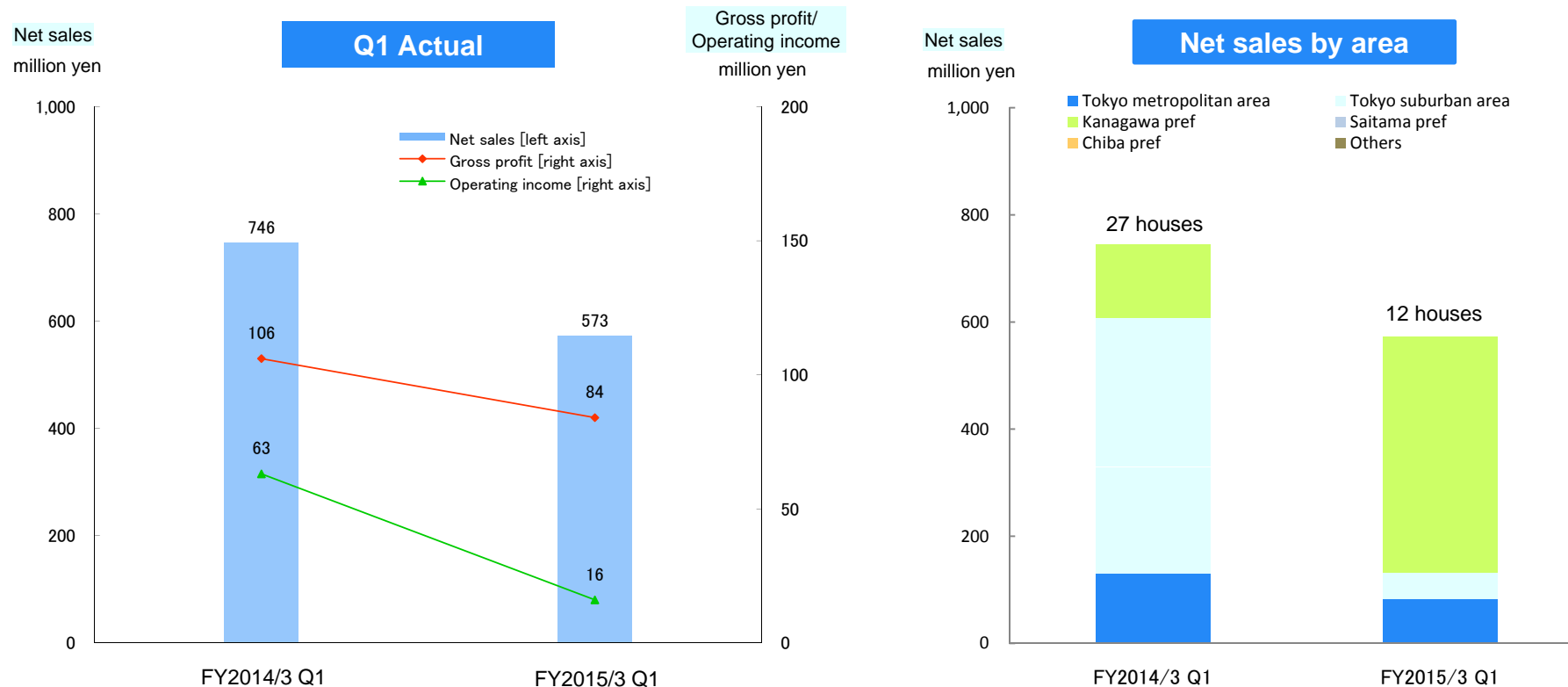
Situation of Condominium Unit Sales Business

- ✓ 15 units in Tokyo metropolitan area and Saitama prefecture were delivered (down 20 units year-on-year), and net sales of 560 million yen (down 54.0% year-on-year).
- ✓ Operating profit was secured in 2 projects, but burden of future advertising expenses resulted in segmental operating loss of 23 million yen.
- ✓ In the following quarters, we focus on sales promotion appealing lower price of our existing products to consumers, against new condominiums with high price reflecting high land acquisition and construction cost.



Situation of Residential Housing Sales Business 変わること、変わらないこと。

- ✓ 12 houses in Tokyo metropolitan area and Kanagawa prefecture were delivered (down 15 houses year-on-year), and net sales of 573 million yen (down 23.1% year-on-year).
- ✓ Operating profit was secured in all projects delivered, and segmental profit of 16 million yen (down 74.1% year-on-year) was acquired.



Renaissance Katsushika Mizumoto-koen

[Overview]

Location: Higashikanamachi 4-chome, Katsushika-ku, Tokyo

Access: 13 minutes' walk from Kanamachi station on the JR Joban line and 15 minutes' walk from Keisei-Kanamachi station on the Keisei Kanamachi line

Total number of units: 32 units

Start of sales: May 2014

Completion: August 2014 (scheduled)

Start of delivery: August 2014 (scheduled)

Point 1

Located in a rich natural environment, e.g. Mizumoto-koen within five minutes' walk

Point 2

Plans for comfortable living with space efficiency, e.g. frame construction and sliding doors



Renatown Minami-machida

[Overview]

Location: Turuma 1051-1, Machida-shi, Tokyo

Access: 11 minutes' walk from Minami-machida station on the Tokyu Denentoshi line

Total number of units: 16 houses

Start of sales: July 2014

Completion: September 2014 (scheduled)

Start of delivery: September 2014 (scheduled)

Point 1

11 minutes' walk from Minami-machida station with some commercial facilities, such as Cranberry Mall.

Point 2

Spacious living room, dining room and kitchen, and a wide variety of plans for families.



[For Inquiries]

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