

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 Three Quarters of the Fiscal Year ending March 31, 2015 (Japanese Standard)

February 6, 2015

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

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

Tel: +81-3-5962-0775

Scheduled date of filing of Quarterly Report:

February 9, 2015

Scheduled date for commencing payment of dividend: —

Preparation of explanatory materials for quarterly financial results: Yes

Information meetings arranged relating to financial results: None

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

1. Business Results (April 1 to December 31, 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	%
Nine months ended December 31, 2014	4,622	(37.5)	(215)	—	(306)	—	(273)	—
Nine months ended December 31, 2013	7,399	21.5	238	1.5	76	(31.0)	73	(34.0)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended December 31, 2014	(2.74)		—	
Nine months ended December 31, 2013	0.74		0.64	

(2) Financial Condition

	Total assets		Net assets		Ratio of shareholders' equity to total assets	
	Million yen		Million yen		%	
December 31, 2014	7,132		1,916		26.9	
March 31, 2014	7,972		2,190		27.5	

(Reference) Shareholders' equity:

December 31, 2014:

1,916 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				
Fiscal Year ended March 31, 2014	—	0.00	—	0.00	0.00
Fiscal Year ending March 31, 2015	—	0.00	—		
(Forecast)				0.00	0.00
Fiscal Year ending March 31, 2015					

(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):
 - December 31, 2014: 99,573,086 shares
 - March 31, 2014: 99,573,086 shares
 - (ii) Total number of treasury stock:
 - December 31, 2014: 725 shares
 - March 31, 2014: 725 shares
 - (iii) Average number of issued shares (cumulative period):
 - Nine months ended December 31, 2014: 99,572,361 shares
 - Nine months ended December 31, 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 February 6, 2015.

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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	—	0.00	—	0.00	0.00
Fiscal Year ending March 31, 2015	—	0.00	—		
(Forecast) Fiscal Year ending March 31, 2015				0.00	0.00

(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	December 31, 2014
Assets		
Current assets		
Cash and deposits	1,581,935	1,228,494
Accounts receivable–trade	4,116	-
Real estate for sale	2,516,548	2,824,211
Real estate for sale in process	3,268,948	2,600,285
Raw materials and supplies	1,466	1,978
Advance payments–trade	59,050	37,280
Prepaid expenses	59,984	48,291
Advances paid	5,134	3,562
Others	47,670	11,788
Allowance for doubtful accounts	(561)	(169)
Total current assets	7,544,292	6,755,721
Noncurrent assets		
Property, plant and equipment		
Buildings	148,218	148,218
Accumulated depreciation	(88,685)	(91,599)
Buildings, net	59,533	56,618
Structures	22,259	22,259
Accumulated depreciation	(16,547)	(17,014)
Structures, net	5,711	5,244
Tools, furniture and fixtures	15,843	15,843
Accumulated depreciation	(11,285)	(12,291)
Tools, furniture and fixtures, net	4,558	3,551
Land	110,008	110,008
Total property, plant and equipment	179,811	175,424
Intangible assets		
Software	14,863	15,988
Total intangible assets	14,863	15,988
Investments and other assets		
Investment securities	60,585	8,802
Stocks of subsidiaries and affiliates	20,000	30,000
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	10,548
Guarantee deposits	135,855	130,737
Others	1,588	661
Allowance for doubtful accounts	(10,728)	(10,548)
Total investments and other assets	233,539	185,711
Total noncurrent assets	428,214	377,124
Total assets	7,972,507	7,132,846

(Thousand yen)

	March 31, 2014	December 31, 2014
Liabilities		
Current liabilities		
Accounts payable–trade	1,000	1,000
Accounts payable for construction contracts	188,303	80,639
Short-term loans payable	2,575,800	2,448,300
Current portion of long-term loans payable	2,112,032	1,267,032
Accounts payable–other	11,955	8,767
Accrued expenses	93,984	62,437
Income taxes payable	5,599	4,132
Advances received	6,795	329,181
Deposits received	9,251	12,666
Provision for bonuses	18,837	8,747
Others	20,800	11,200
Total current liabilities	5,044,360	4,234,104
Noncurrent liabilities		
Long-term loans payable	671,387	915,843
Provision for retirement benefits	52,312	52,669
Deferred tax liabilities	336	-
Others	13,596	13,596
Total noncurrent liabilities	737,631	982,109
Total liabilities	5,781,991	5,216,213
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	1,021,538
Total retained earnings	1,294,813	1,021,538
Treasury stock	(388)	(388)
Total shareholders' equity	2,189,908	1,916,633
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	607	-
Total valuation and translation adjustments	607	-
Total net assets	2,190,515	1,916,633
Total liabilities and net assets	7,972,507	7,132,846

(2) Statements of Income

(Thousand yen)

	Nine months ended December 31, 2013 (April 1 to December 31, 2013)	Nine months ended December 31, 2014 (April 1 to December 31, 2014)
Net sales		
Net sales from the liquidation business	2,698,800	-
Net sales from the condominium unit sales business	2,756,470	1,731,994
Net sales from the residential housing sales business	1,909,637	2,877,415
Others	34,265	12,834
Total net sales	7,399,175	4,622,243
Cost of sales		
Cost of sales of the liquidation business	2,382,877	-
Cost of sales of the condominium unit sales business	2,235,438	1,379,798
Cost of sales of the residential housing sales business	1,570,771	2,502,705
Others	19,459	1,428
Total cost of sales	6,208,546	3,883,932
Gross profit	1,190,628	738,311
Selling, general and administrative expenses		
Sales commission	115,784	93,692
Advertising expenses	224,080	234,839
Provision of allowance for doubtful accounts	279	(571)
Directors' compensations	33,043	55,312
Salaries and allowances	270,767	232,242
Provision for bonuses	7,961	7,428
Retirement benefit expenses	7,466	8,353
Legal welfare expenses	38,209	36,367
Welfare expenses	8,555	8,538
Entertainment expenses	32,350	33,614
Commission fee	57,767	64,219
Rent expenses	7,243	8,563
Taxes and dues	26,533	24,268
Rents	25,737	33,065
Depreciation	10,688	10,089
Others	85,994	103,776
Total selling, general and administrative expenses	952,463	953,800
Operating income (loss)	238,164	(215,488)
Non-operating income		
Interest income	259	250
Dividends income	607	726
Land and house rent received	23,773	81,884
Penalty income	9,111	223
Others	6,140	2,564
Total non-operating income	39,892	85,649
Non-operating expenses		
Interest expenses	201,028	175,137
Others	79	1,175
Total non-operating expenses	201,108	176,312
Ordinary income (loss)	76,949	(306,152)
Extraordinary income		
Gain on sales of investment securities	99	1,861
Compensation income for damage	-	35,000
Total extraordinary income	99	36,861
Extraordinary loss		
Loss on valuation of investment securities	55	-
Total extraordinary loss	55	-
Income (loss) before income taxes	76,994	(269,290)
Income taxes-current	3,271	3,984
Total income taxes	3,271	3,984
Net income (loss)	73,722	(273,275)