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

February 6 (Friday), 2015

Shin-Nihon Tatemono Co., Ltd.

SHIN-NIHON TATEMONO CO., LTD.



Stock Code : 8893

Business environment topics

- During the first three quarters (from April to December), a decreasing demand after consumption tax increase was relieved, however, new condominium sales decreased 22.4% year-on-year to 35,795 units in the Tokyo metropolitan area. *The statistics above is quoted from the market information released by Real Estate Economic Institute Co., Ltd.
- A gradual economic recovery and a boom in construction demand keep on increasing land acquisition and construction costs.

Performance topics

- (B/S) Reduced interest-bearing debts of 728 million yen from the end of FY 14/3 and maintained the equity ratio of 26.9%.
- (P/L) Secured gross profit margin of 16.0% at the same level as the corresponding period in the FY 14/3, however, deferment of sales in the liquidation business to the last quarter and decreasing number of deliveries in the condominium unit sales business resulted in net sales of 4,622 million yen and operating loss of 215 million yen.

Management topics

- In the liquidation business, a big contract was made, and its delivery is scheduled in the last quarter.
- Focused on new land acquisition and continuing recruitment of talented and market sophisticated personnel.

Balance Sheet

(Unit: million yen)	Fiscal Year ended March 31, 2014		Fiscal Year ending March 31, 2015	
	End of Q3	Year end	End of Q3	Change
Cash and deposits	891	1,581	1,228	-353
Real estate for sale	850	2,516	● 2,824	307
Real estate for sale in process	4,935	3,268	● 2,600	-668
Others	445	176	102	-74
Total current assets	7,123	7,544	6,755	-788
Total noncurrent assets	528	428	377	-51
Total assets	7,652	7,972	7,132	-839
Notes and accounts payable-trade	127	189	81	-107
Loans payable (short-term loans payable and current portion of long-term loans payable)	3,738	4,687	● 3,715	-972
Others	298	167	437	269
Total current liabilities	4,164	5,044	4,234	-810
Long-term loans payable	1,578	671	● 915	244
Others	77	66	66	0
Total noncurrent liabilities	1,655	737	982	244
Total liabilities	5,819	5,781	5,216	-565
Capital stock	854	854	854	-
Capital surplus	40	40	40	-
Retained earnings	935	1,294	1,021	-273
Others	1	0	0	1
Total net assets	1,832	2,190	● 1,916	-273
Total liabilities and net assets	7,652	7,972	7,132	-839

● Increase of real estate for sale

Breakdown of the balance at the end of Q3 of FY15/3

Liquidation	:	- million yen	- property
Condominium unit sales	:	1,761 million yen	66 units
Residential housing sales	:	1,062 million yen	29 houses
Total	:	2,824 million yen	

● Decrease of real estate for sale in process

Breakdown of the balance at the end of Q3 of FY15/3

Liquidation	:	1,847 million yen
Condominium unit sales	:	501 million yen
Residential housing sales	:	251 million yen
Total	:	2,600 million yen

● Status of interest-bearing liabilities

End of FY 14/3 (March 31, 2014)	5,359 million yen
End of Q3 of FY 15/3 (December 31, 2014)	4,631 million yen
Change	-728 million yen

● Maintained equity ratio of 26.9% at the same level as the end of the FY 14/3.

Profit and Loss Statement

(Unit: million yen)	Fiscal Year ended March 31, 2014		Fiscal Year ending March 31, 2015				
	Q3 (Cumulative)		Q3 (Cumulative)		Year-on-year		12months
	Actual	% of total	Actual	% of total	Change	Change (%)	Plan
Net sales	7,399	100.0%	● 4,622	100.0%	-2,776	-37.5%	12,300
Cost of sales	6,208	83.9%	3,883	84.0%	-2,324	-37.4%	-
Gross profit	1,190	16.1%	738	16.0%	-452	-38.0%	-
Selling, general and administrative expenses	952	12.9%	● 953	20.6%	1	0.1%	-
Operating income	238	3.2%	-215	-4.7%	-453	-	670
Non-operating income	39	0.5%	85	1.9%	45	114.7%	-
Non-operating expenses	201	2.7%	● 176	3.8%	-24	-12.3%	-
Ordinary income	76	1.0%	-306	-6.6%	-382	-	405
Extraordinary income	0	0.0%	36	0.8%	36	-	-
Extraordinary loss	0	0.0%	-	-	-0	-100.0%	-
Income before income taxes	76	1.0%	-269	-5.8%	-346	-	-
Income taxes	3	0.0%	3	0.1%	0	-	-
Net income	73	1.0%	-273	-5.9%	-346	-	400

● Number of sales

	FY 14/3 Q3 (Cumulative)	FY 15/3 Q3 (Cumulative)	Change
Liquidation	5 properties	0 properties	-5 property
Condominium unit sales	79 units	46 units	-33 units
Residential housing sales	67 houses	75 houses	8 houses

● Details of selling, general and administrative expenses

(Unit: million yen)	FY 14/3 Q3 (Cumulative)	FY 15/3 Q3 (Cumulative)	Change
Personnel expenses	366	348	-17
Sales commission	115	93	-22
Advertising expenses	224	234	10
Other	246	277	30
Total	952	953	1

● Details of non-operating expenses

(Unit: million yen)	FY 14/3 Q3 (Cumulative)	FY 15/3 Q3 (Cumulative)	Change
Interest expenses	201	175	-25
Other	0	1	1
Total	201	176	-24

Net Sales and Operating Income by Segment

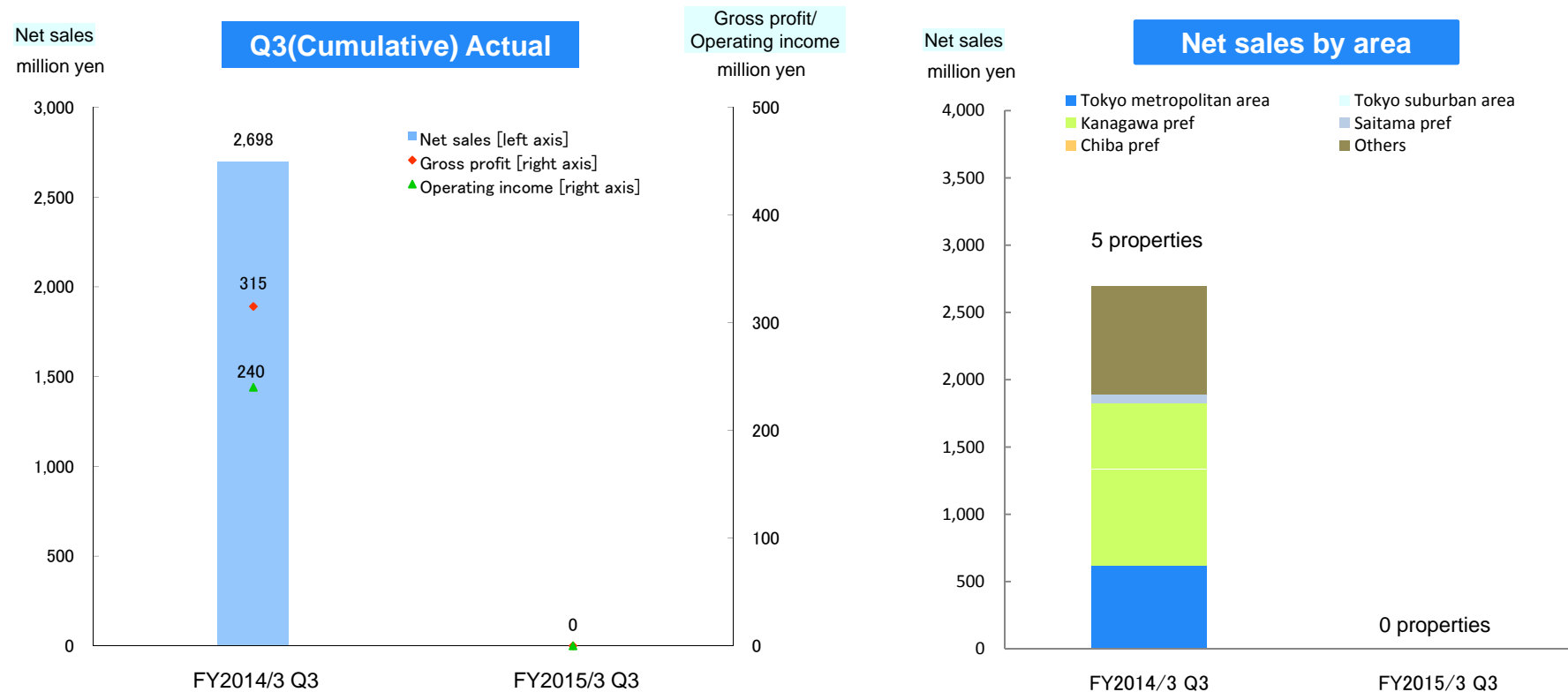
- ✓ In the liquidation business, a big contract was made, and its delivery is scheduled in the last quarter.
- ✓ In the condominium unit sales business, gross profit margin improved 1.4 points year-on-year to 20.3%. The burden of sales expenses resulted in operating loss of 32 million yen.
- ✓ In the residential housing sales business, achieved operating profit of 31 million yen during the last three months (from October to December), and secured operating profit of 120 million yen in spite of the burden of sales promotion expenses.

[Net sales]		Fiscal Year ended March 31, 2014		Fiscal Year ending March 31, 2015			
		Q3(Cumulative)		Q3(Cumulative)		Year-on-year	
		Actual	% of total	Actual	% of total	Change	Change (%)
(Unit: million yen)							
	Liquidation business	2,698	36.5%	-	-	-2,698	-100.0%
	Condominium unit sales business	2,756	37.2%	1,731	37.5%	-1,024	-37.2%
	Residential housing sales business	1,909	25.8%	2,877	62.2%	967	50.7%
	Other business	34	0.5%	12	0.3%	-21	-62.5%
	Elimination or corporate	-	-	-	-	-	-
Net sales total		7,399	100.0%	4,622	100.0%	-2,776	-37.5%

[Operating income]		Fiscal Year ended March 31, 2014		Fiscal Year ending March 31, 2015			
		Q3(Cumulative)		Q3(Cumulative)		Year-on-year	
		Actual	Profit margin (%)	Actual	Profit margin (%)	Change	Change (%)
(Unit: million yen)							
	Liquidation business	240	8.9%	-	-	-240	-100.0%
	Condominium unit sales business	70	2.6%	-32	-1.9%	-102	-
	Residential housing sales business	211	11.1%	120	4.2%	-90	-42.8%
	Other business	3	11.1%	9	76.2%	5	158.0%
	Elimination or corporate	-288	-	-313	-	-25	-
Operating income total		238	3.2%	-215	-	-453	-

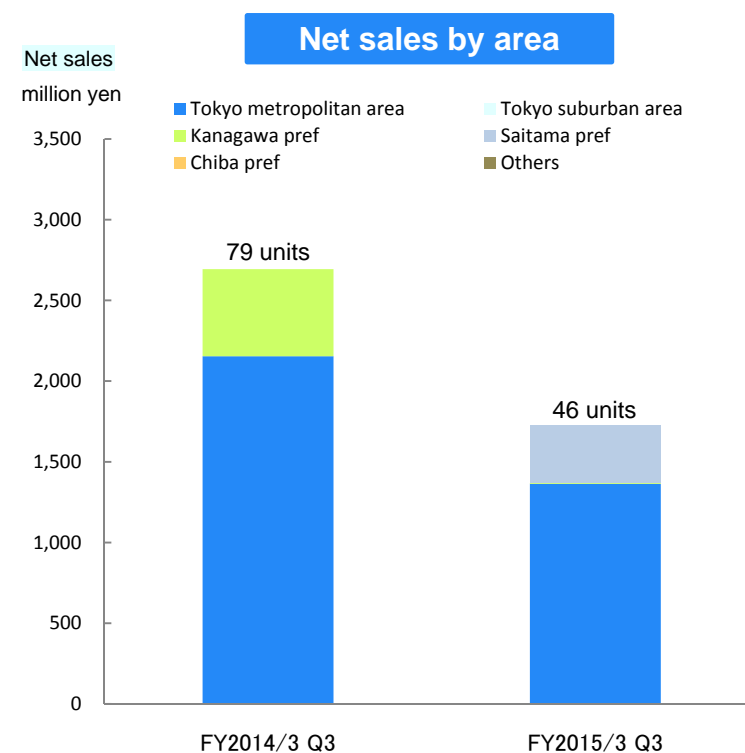
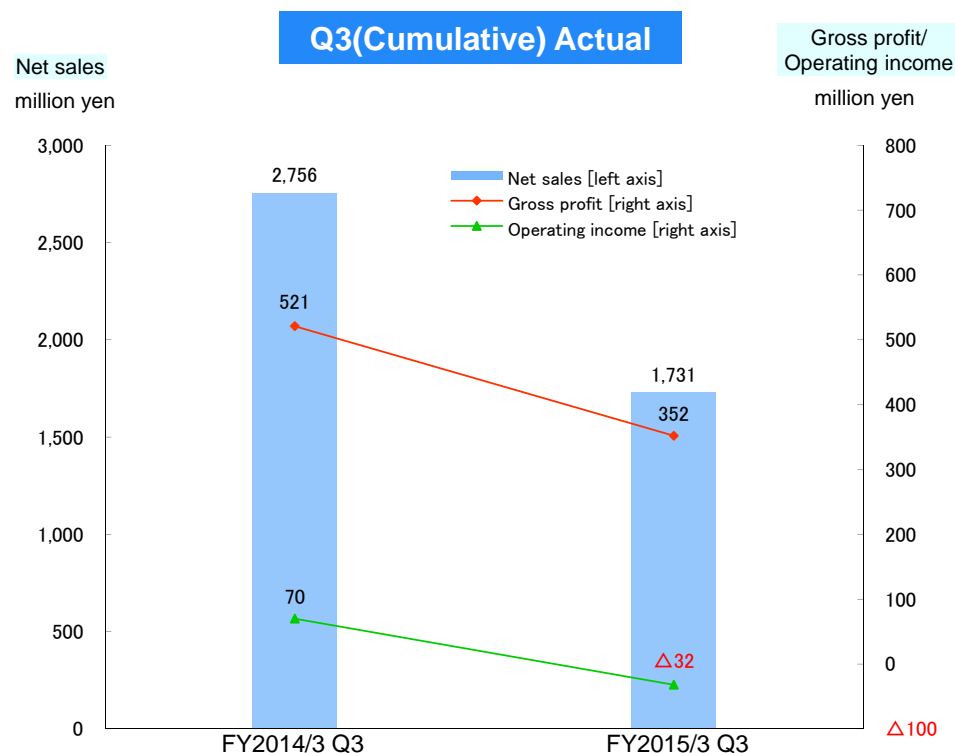
Situation of Liquidation Business

- ✓ In the liquidation business, a big contract was made, and its delivery is scheduled in the last quarter.



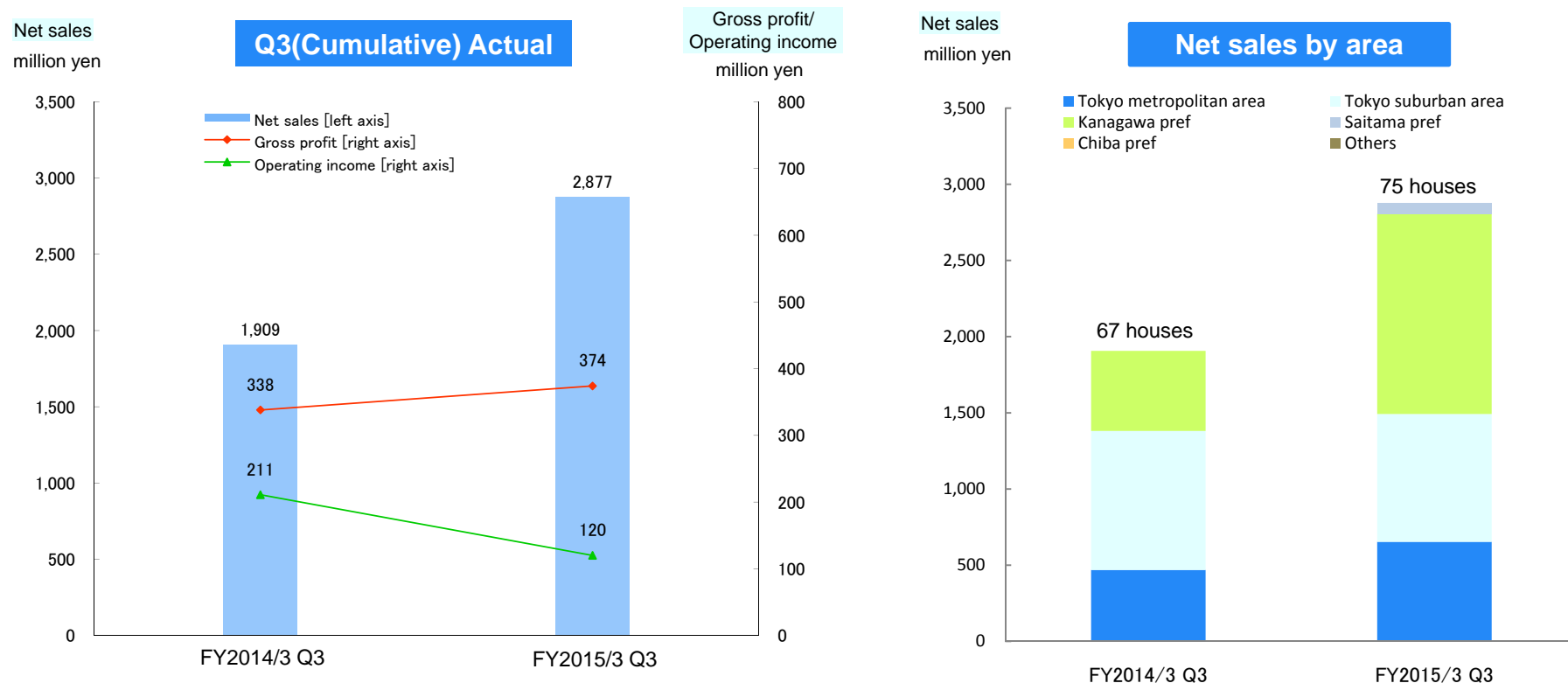
Situation of Condominium Unit Sales Business

- ✓ 46 units in Tokyo metropolitan area and Saitama prefecture were delivered and net sales of 1,731 million yen was recorded.
- ✓ Gross profit margin improved 1.4 points year-on-year to 20.3%. The burden of sales expenses resulted in operating loss of 32 million yen.
- ✓ Purchase contracts of lands for three projects were made, and the aggregate sales of the projects are expected to 4.0 billion yen.



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

- ✓ 75 houses in Tokyo metropolitan area, Kanagawa and Saitama prefecture were delivered, and net sales of 2,877 million yen was recorded.
- ✓ Achieved operating profit of 31 million yen during the last three months (from October to December), and secured operating profit of 120 million yen in spite of the burden of sales promotion expenses.
- ✓ Purchase contracts of lands for five projects were made, and the aggregate sales of the projects are expected to 1.6 billion yen.



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

Start of
delivery: August 2014

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 Tsurukawa

[Overview]

Location: Hirobakama 4,
Machida-shi, Tokyo

Access: 6 minutes' bus ride from
Tsurukawa station on the
Odakyu line and 6 minutes'
walk from the nearest bus stop

Total number
of units: 5 houses

Start of sales: December 2014

Completion: December 2014

Start of
delivery: December 2014

Point 1

Located in a quiet readjusted residential area
with an affluent natural environment

Point 2

Over 100 sq m floor space with wide lounge



[For Inquiries]

IR Division: Corporate Development Division

TEL: 03-5962-0775 FAX: 03-5962-0774

E-mail: ir@kksnt.co.jp URL: <http://www.kksnt.co.jp/>



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