

Business environment topics

- In the residential real-estate market, sales price increased due to the high acquisition and construction cost.
⇒ Consequently, consumer behavior partially became weak.
- Active trading in the investment real-estate market, reflecting foreign and domestic investor's large appetite.
- Possible demand increase in real-estate market stemming from the introduction of negative interest rate.

Performance topics

- [B/S] Enhanced financial strength.
⇒ Balance of real estate for sale in process is 3.5 times as large as that of the end of the last fiscal year.
- [P/L] Improved net sales and net income on a year-on-year basis.
In addition, achieved operating income in all segments.

Management topics

- Buying back and retirement of 50% of class A preferred shares.
⇒ Scheduled on July 29, 2016.

Balance Sheets

(Unit: million yen)	Fiscal Year ended March 31, 2015		Fiscal Year ended March 31, 2016		
	Actual	% of total	Actual	% of total	Change
Cash and deposits	2,532	41.5%	2,745	34.1%	212
Real estate for sale	1,897	31.1%	329	4.1%	-1,568
Real estate for sale in process	1,208	19.8%	4,215	52.3%	3,007
Others	84	1.4%	322	4.0%	237
Total current assets	5,723	93.8%	7,612	94.5%	1,889
Total noncurrent assets	377	6.2%	447	5.5%	69
Total assets	6,100	100.0%	8,059	100.0%	1,958
Accounts payable for construction contracts	72	1.2%	155	1.9%	83
Loans payable (short-term loans payable and current portion of long-term loans payable)	2,527	41.5%	2,266	28.1%	-261
Others	215	3.5%	335	4.2%	120
Total current liabilities	2,815	46.2%	2,757	34.2%	-58
Long-term loans payable	489	8.0%	1,936	24.1%	1,447
Others	78	1.3%	97	1.2%	19
Total noncurrent liabilities	567	9.3%	2,034	25.3%	1,467
Total liabilities	3,383	55.5%	4,792	59.5%	1,408
Capital stock	854	14.0%	854	10.6%	-
Capital surplus	40	0.6%	40	0.5%	-
Retained earnings	1,822	29.9%	2,372	29.4%	550
Others	-0	-0.0%	-0	-0.0%	-0
Total net assets	2,717	44.5%	3,267	40.5%	549
Total liabilities and net assets	6,100	100.0%	8,059	100.0%	1,958

Description of real estate for sale

(Unit: million yen)	FY 15/3	FY 16/3	Change
Liquidation	-	-	-
Condominium unit sales	1,214	260	-954
Residential housing sales	683	68	-614
Total	1,897	329	-1,568

Description of real estate for sale in process

(Unit: million yen)	FY 15/3	FY 16/3	Change
Liquidation	463	1,284	821
Condominium unit sales	613	1,629	1,016
Residential housing sales	131	1,300	1,169
Total	1,208	4,215	3,007

Status of interest-bearing debts

(Unit: million yen)	FY 15/3	FY 16/3	Change
Short-term	2,527	2,266	-261
Long-term	489	1,936	1,447
Total	3,017	4,203	1,185

Equity

(Unit: million yen)	FY 15/3	FY 16/3	Change
Equity	2,717	3,267	549

Profit and Loss Statements

(Unit: million yen)	Fiscal Year ended March 31, 2015		Fiscal Year ended March 31, 2016			
	Whole Year		Whole Year		Year-on-year	
	Actual	% of total	Actual	% of total	Change	Change (%)
Net sales	9,230	100.0%	● 9,627	100.0%	396	4.3%
Cost of sales	7,145	77.4%	7,662	79.6%	517	7.2%
Gross profit	2,085	22.6%	1,964	20.4%	-120	-5.8%
Selling, general and administrative expenses	1,404	15.2%	● 1,298	13.5%	-105	-7.5%
Operating income	681	7.4%	666	6.9%	-14	-2.1%
Non-operating income	89	0.9%	● 32	0.3%	-57	-64.1%
Non-operating expenses	223	2.4%	● 96	1.0%	-127	-56.7%
Ordinary income	546	5.9%	601	6.3%	55	10.1%
Extraordinary income	36	0.4%	-	-	-36	-100.0%
Extraordinary loss	49	0.5%	50	0.6%	0	1.8%
Income before income taxes	534	5.8%	551	5.7%	17	3.2%
Income taxes	6	0.1%	1	0.0%	-5	-81.3%
Net income	527	5.7%	550	5.7%	22	4.2%

● Number of sales

	FY 15/3	FY 16/3	Change
Liquidation	2 properties	12 properties	10 properties
Condominium unit sales	65 units	113 units	48 units
Residential housing sales	97 houses	35 houses	-62 houses

● Details of selling, general and administrative expenses

(Unit: million yen)	FY 15/3	FY 16/3	Change
Personnel expenses	482	515	32
Sales commission	182	87	-94
Advertising expenses	295	188	-106
Others	443	506	63
Total	1,404	1,298	-105

● Details of non-operating income

(Unit: million yen)	FY 15/3	FY 16/3	Change
Land and house rent received	84	16	-68
Others	5	16	10
Total	89	32	-57

● Details of non-operating expenses

(Unit: million yen)	FY 15/3	FY 16/3	Change
Interest expenses	206	95	-110
Others	17	1	-16
Total	223	96	-127

Net Sales and Operating Income by Segment

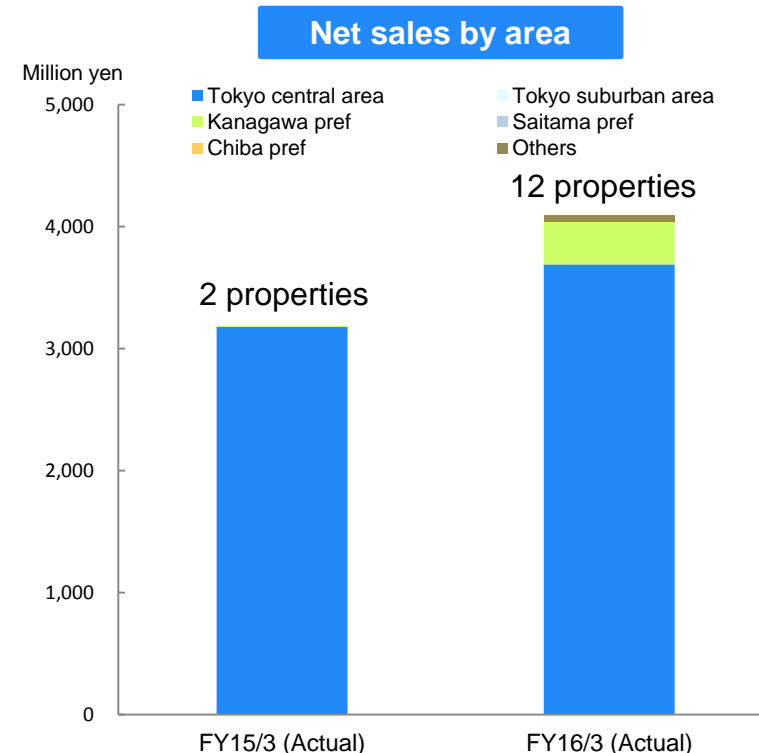
- ✓ With liquidation and condominium units sales business being profitable, stable earnings were secured.
- ✓ Residential housing sales business resulted in decreased sales due to the delivery of some property being postponed to the next fiscal year.

【Net sales】 (Unit: million yen)		Fiscal Year ended March 31, 2015		Fiscal Year ended March 31, 2016			
		Whole Year		Whole Year		Year-on-year	
		Actual	% of total	Actual	% of total	Change	Change(%)
Liquidation business	3,188	34.5%	4,095	42.5%	907	28.5%	
Condominium unit sales business	2,348	25.5%	3,695	38.4%	1,346	57.3%	
Residential housing sales business	3,677	39.8%	1,813	18.8%	-1,863	-50.7%	
Other business	17	0.2%	23	0.3%	6	37.4%	
Elimination or corporate	—	—	—	—	—	—	
Net sales total	9,230	100.0%	9,627	100.0%	396	4.3%	

【Operating income】 (Unit: million yen)		Fiscal Year ended March 31, 2015		Fiscal Year ended March 31, 2016			
		Whole Year		Whole Year		Year-on-year	
		Actual	Profit margin (%)	Actual	Profit margin (%)	Change	Change (%)
Liquidation business	1,029	32.3%	831	20.3%	-198	-19.3%	
Condominium unit sales business	6	0.3%	292	7.9%	285	—	
Residential housing sales business	133	3.6%	75	4.2%	-57	-43.3%	
Other business	13	76.3%	14	63.2%	1	13.8%	
Elimination or corporate	-502	—	-547	—	-45	—	
Operating income total	681	7.4%	666	6.9%	-14	-2.1%	

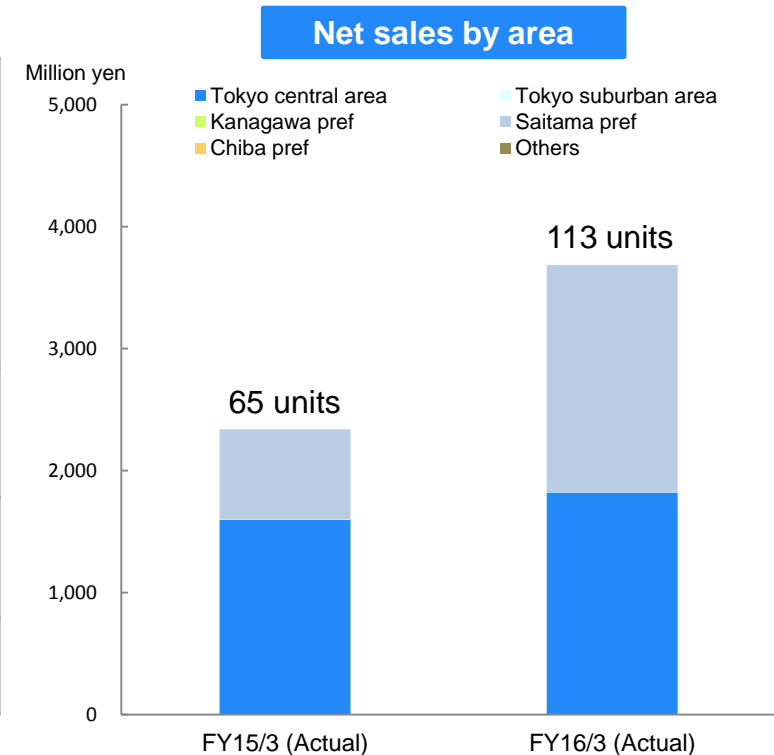
Overview of Liquidation Business

(Unit: million yen)	Fiscal Year ended March 31, 2015	Fiscal Year ended March 31, 2016		
	Actual	Actual	Change	Change (%)
Net sales	3,188	4,095	907	28.5%
Operating income	1,029	831	-198	-19.3%
Profit margin (%)	32.3%	20.3%	-12.0Pt	—



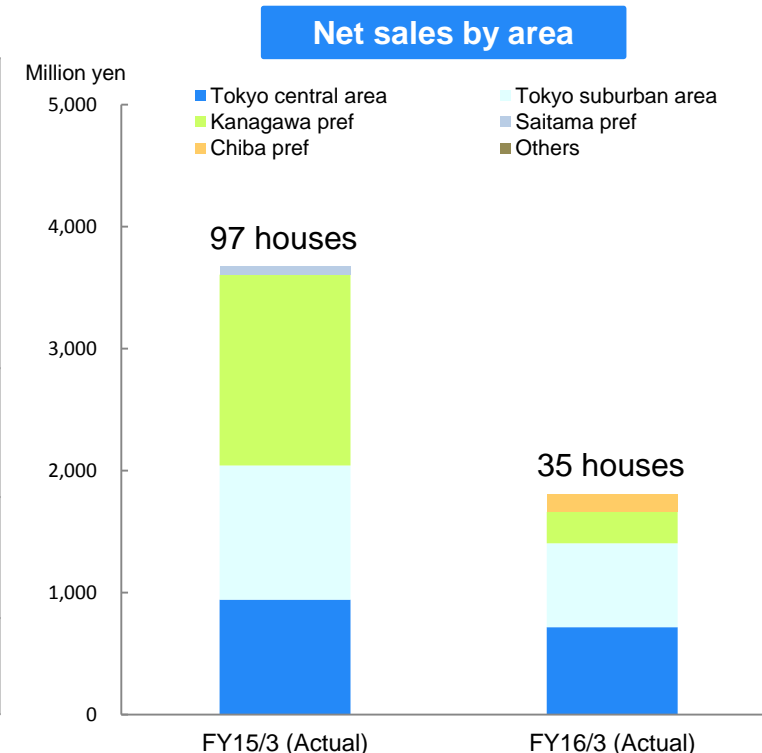
- ✓ Completed delivery of 12 properties for development in Tokyo central and Kanagawa area.
- ✓ Boosted aggressive acquisition and sellout of those highly liquid properties on an ongoing basis reflecting the needs of developers.

(Unit: million yen)	Fiscal Year ended March 31, 2015	Fiscal Year ended March 31, 2016		
	Actual	Actual	Change	Change (%)
Net sales	2,348	3,695	1,346	57.3%
Operating income	6	292	285	—
Profit margin (%)	0.3%	7.9%	7.6Pt	—



- ✓ Completed delivery of 113 units (+48 units year-on-year) in Tokyo central and Saitama area, and achieved 3,695 million yen of sales (up 57.3% year-on-year).
- ✓ Securing desirable level of operating income.

(Unit : million yen)	Fiscal Year ended March 31, 2015	Fiscal Year ended March 31, 2016		
	Actual	Actual	Change	Change (%)
Net sales	3,677	1,813	-1,863	-50.7%
Operating income	133	75	-57	-43.3%
Profit margin (%)	3.6%	4.2%	0.6Pt	—



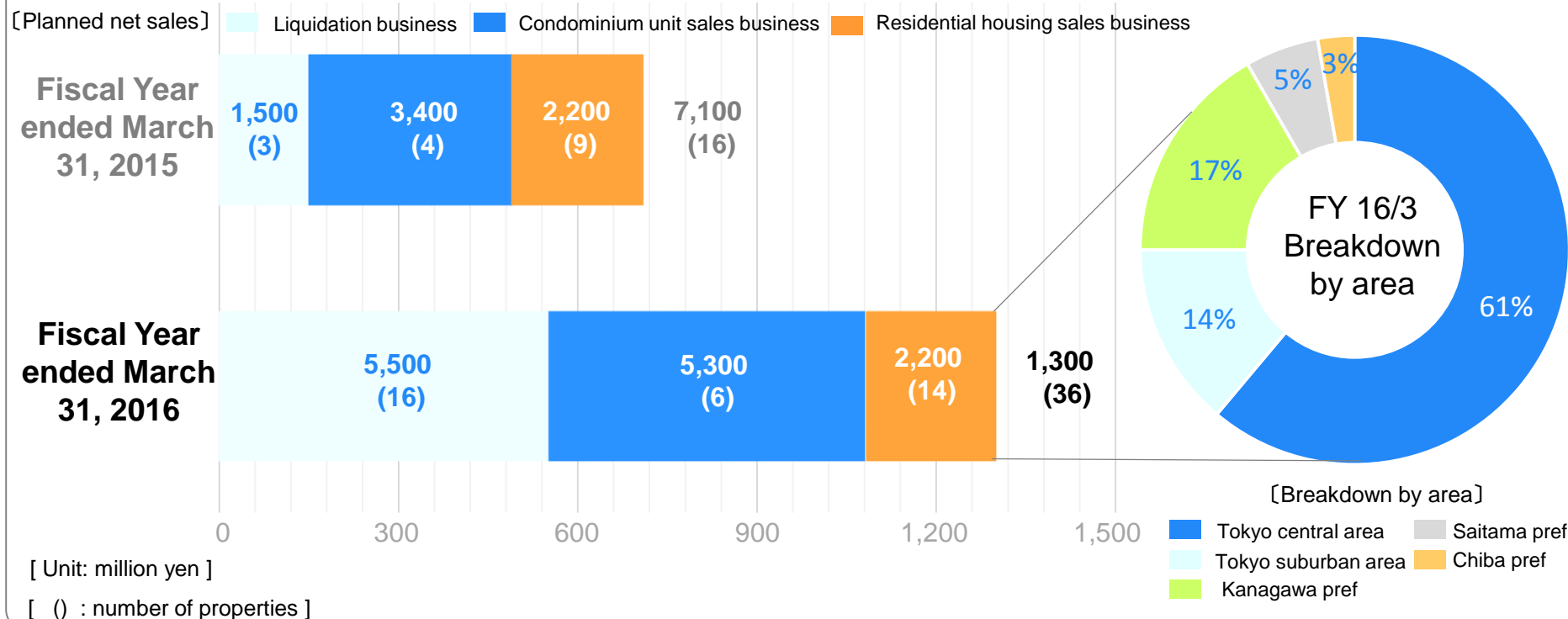
- ✓ Completed delivery of 35 houses (-62houses year-on-year) in Tokyo area, and posted sales of 1,813 million yen (down 50.7% year-on-year).
- ✓ Completed delivery of 8 houses of investment apartment.
- ✓ Due to the construction delay, some deliveries of housing lot are postponed to the next fiscal year.

Purchases of New Properties

36 new properties with planned sales of 13 billion were purchased

Number of purchase was 2.3 times and its planned sales was 1.8 times larger compared to the last fiscal year

Summary of land acquisition



Forecast for the Fiscal Year ending March 31, 2017

■ Forecast for the fiscal year ending March 31, 2017 and comparison with the figures for the fiscal year ended March 31, 2016

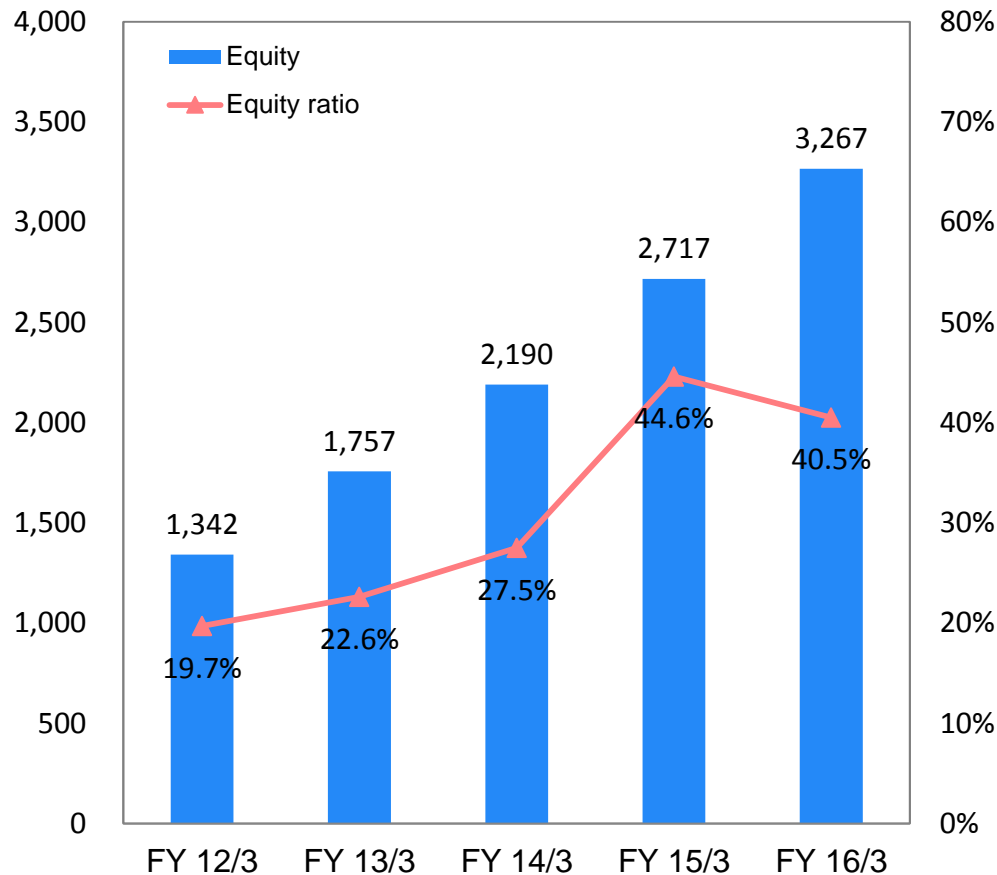
(Unit: million yen)	Fiscal Year ended March 31, 2016	Fiscal Year ended March 31, 2017	
	Actual	Forecast	Diff
Net sales	9,627	11,900	2,273
Operating income	666	810	144
Ordinary income	601	710	109
Net income	550	700	150

Main factors

- ✓ Sales of 5 new condominium projects and real estates for development are expected to contribute to the revenue growth of 2,273 million yen.
- ✓ Operating income of 810 million yen, ordinary income of 710 million yen and net income of 700 million yen (over FY 16/3 actual results) are set as a profit target.

Successful results in enhancing financial strength

(Unit: Million yen)



Policy ①

Securing sufficient retained earnings and financial strength.

⇒ Increasing profit.

Policy ②

Buying back and retirement of class A preferred shares.

⇒ 50% of above is scheduled on 29 July, 2016.

We aim for a flexible capital strategy by early buying back of the last half of class A preferred shares.

RENAISSANCECOURT Tabata (Investment condominium)

【Overview】

- Location : Nishi-ogu 1-chome, Arakawa-ku,
Tokyo
- Access : 13 minutes' walk from Tabata station
on the JR Yamanote line
- Total number
of units : 29 units
- Structure : 8-Story reinforced concrete structure
- Completion : End of October 2016 (scheduled)

Point 1

Investment condominium with 5 lines and 3 stations available.

Point 2

Easy commute, and easy access to urban leisure area.



RENAISSANCECOURT Nishi-Kawaguchi (Investment condominium)

【Overview】

- Location : Namiki, 3-chome Kawaguchi-shi,
Saitama
- Access : 5 minutes' walk from Nishi-kawaguchi
station on the JR Keihin Tohoku line
- Total number
of units : 40 units
- Structure : 11-story reinforced concrete structure
- Completion : End of November 2016 (scheduled)

Point 1

Very close to the station (5 minutes' walk).

Point 2

Good access to central Tokyo, and highly convenient location for commuting leisure activities, and shopping.



RENATOWN Tama (Residential housing)

【Overview】

- Location : Momijigaoka, 1-chome,
Fuchu-shi, Tokyo
- Access : 7 minutes' walk from Tama station
on the Seibu Tamagawa line
- Total number
of houses : 3 houses
- Completion : End of June 2016 (scheduled)

Point 1

7 minutes' walk to Tama station,
and good access to Musashi sakai station
on the Chuou line.

Point 2

Precious environment with many cherry
blossom trees on the front road and
spacious floor plan.



RENACOURT Kanamachi (Investment apartment)

【Overview】

- Location : Kanamachi, 5 chome, Katsushika-ku,
Tokyo
- Access : 7minutes' walk from Kanamachi station
on the JR Jyouban line
- Total number
of units : Unit A: 8 units
Unit B: 8 units
- Structure : 2 story-wooden apartment
- Completion : End of July 2016 (scheduled)

Point 1

7 minutes' walk to Kanamachi station which
has good access to central Tokyo area.
Convenient area with a lot of community
facilities around.

Point 2

With opening of a new university, high rental
demand could be expected.



【For Inquiries】

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変わること、変わらないこと。



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