

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, 2017 (Japanese Standard)

August 5, 2016

Shin-Nihon Tatemono Co., Ltd.

Code Number: 8893

Representative: Tomohiko Ikeda, President and Chief Executive Officer

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

Tel: +81-3-5962-0775

Scheduled date of filing of Quarterly Report:

August 8, 2016

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, 2016)

(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, 2016	1,247	(51.0)	(30)	—	(50)	—	(50)	—
Three months ended June 30, 2015	2,547	123.8	178	—	155	—	154	—

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended June 30, 2016	(2.56)		—	
Three months ended June 30, 2015	7.74		6.79	

(Note) The company conducted a one-for-five reverse stock split of common stock, with the effective date of October 1, 2015. For the purpose of comparison, net income per share and diluted net income per share for the period of previous fiscal year are retroactively adjusted assuming that the reverse stock split was conducted at the beginning of the previous fiscal year.

(2) Financial Condition

	Total assets		Net assets		Ratio of shareholders' equity to total assets	
	Million yen		Million yen		%	
June 30, 2016	8,083		3,216		39.8	
March 31, 2016	8,059		3,267		40.5	

(Reference) Shareholders' equity: June 30, 2016: 3,216 million yen
March 31, 2016: 3,267 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, 2016	—	0.00	—	0.00	0.00
Fiscal Year ending March 31, 2017	—				
(Forecast) Fiscal Year ending March 31, 2017		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, 2016 to March 31, 2017)

(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	11,900	23.6	810	21.5	710	18.0	700	27.2	35.15

(Note) Revisions to the business results forecast published most recently: None
Forecast of business results of the first half are not made.

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.

* 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.: 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, 2016: 19,914,617 shares
March 31, 2016: 19,914,617 shares

(ii) Total number of treasury stock:

June 30, 2016: 3,016 shares
March 31, 2016: 2,136 shares

(iii) Average number of issued shares (cumulative period):

Three months ended June 30, 2016: 19,912,278 shares
Three months ended June 30, 2015: 19,914,472 shares

(Note) The company conducted a one-for-five reverse stock split of common stock, with the effective date of October 1, 2015. For the purpose of comparison, average number of issued shares (cumulative period) are retroactively adjusted assuming that the reverse stock split was conducted at the beginning of the previous fiscal year.

(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 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 5, 2016.

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.

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
Fiscal Year ended March 31, 2016	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal Year ending March 31, 2017	—				
(Forecast) Fiscal Year ending March 31, 2017		0.00	—	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, 2016	June 30, 2016
Assets		
Current assets		
Cash and deposits	2,745,425	2,384,258
Accounts receivable–trade	3,780	-
Real estate for sale	329,154	133,047
Real estate for sale in process	4,215,492	4,674,657
Raw materials and supplies	1,633	2,169
Advance payments–trade	55,250	85,850
Prepaid expenses	21,668	21,101
Short-term loans receivable to affiliated companies	-	30,000
Advances paid	157,761	156,522
Others	82,379	92,969
Allowance for doubtful accounts	(20)	-
Total current assets	7,612,525	7,580,576
Noncurrent assets		
Property, plant and equipment		
Buildings	148,218	148,818
Accumulated depreciation	(96,006)	(96,792)
Buildings, net	52,211	52,025
Structures	22,259	22,259
Accumulated depreciation	(17,724)	(17,848)
Structures, net	4,534	4,411
Tools, furniture and fixtures	15,843	15,843
Accumulated depreciation	(13,531)	(13,704)
Tools, furniture and fixtures, net	2,311	2,138
Land	110,008	110,008
Construction in progress	85,891	121,371
Total property, plant and equipment	254,957	289,955
Intangible assets		
Software	8,900	7,482
Total intangible assets	8,900	7,482
Investments and other assets		
Investment securities	8,802	8,802
Stocks of subsidiaries and affiliates	30,000	40,000
Investments in other securities of subsidiaries and affiliates	0	0
Investments in capital	15,610	15,630
Claims provable in bankruptcy, claims provable in rehabilitation and others	7,940	7,880
Guarantee deposits	120,261	124,073
Others	8,690	17,125
Allowance for doubtful accounts	(7,940)	(7,880)
Total investments and other assets	183,364	205,631
Total noncurrent assets	447,222	503,069
Total assets	8,059,747	8,083,646

(Thousand yen)

	March 31, 2016	June 30, 2016
Liabilities		
Current liabilities		
Accounts payable for construction contracts	155,985	158,981
Short-term loans payable	738,600	1,058,600
Current portion of long-term loans payable	1,527,700	1,564,800
Accounts payable—other	8,437	21,190
Accrued expenses	77,400	57,164
Income taxes payable	1,831	1,640
Advances received	195,714	73,698
Deposits received	14,030	15,680
Provision for bonuses	30,320	14,723
Others	7,441	-
Total current liabilities	2,757,461	2,966,479
Noncurrent liabilities		
Long-term loans payable	1,936,800	1,807,800
Provision for retirement benefits	56,278	46,690
Provision for directors' retirement benefits	18,892	20,745
Others	22,717	25,393
Total noncurrent liabilities	2,034,689	1,900,628
Total liabilities	4,792,150	4,867,108
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	2,372,831	2,321,938
Total retained earnings	2,372,831	2,321,938
Treasury stock	(717)	(884)
Total shareholders' equity	3,267,597	3,216,537
Total net assets	3,267,597	3,216,537
Total liabilities and net assets	8,059,747	8,083,646

(2) Statements of Income

(Thousand yen)

	Three months ended June 30, 2015 (April 1 to June 30, 2015)	Three months ended June 30, 2016 (April 1 to June 30, 2016)
Net sales		
Net sales from the liquidation business	831,870	505,669
Net sales from the condominium unit sales business	1,157,267	153,341
Net sales from the residential housing sales business	552,373	583,962
Others	5,785	4,278
Total net sales	2,547,296	1,247,250
Cost of sales		
Cost of sales of the liquidation business	635,300	401,468
Cost of sales of the condominium unit sales business	898,016	128,183
Cost of sales of the residential housing sales business	506,673	497,185
Others	1,374	131
Total cost of sales	2,041,364	1,026,968
Gross profit	505,932	220,281
Selling, general and administrative expenses		
Sales commission	25,614	7,143
Advertising expenses	73,511	23,974
Provision of allowance for doubtful accounts	(245)	(80)
Directors' compensations	19,830	22,230
Salaries and allowances	71,844	70,812
Provision for bonuses	7,417	13,390
Retirement benefit expenses	2,777	4,915
Provision for directors' retirement benefits	1,600	1,852
Legal welfare expenses	10,881	11,568
Welfare expenses	2,362	2,364
Entertainment expenses	19,082	13,895
Commission fee	23,005	14,057
Rent expenses	3,402	3,393
Taxes and dues	7,830	14,825
Rents	12,749	12,819
Depreciation	3,220	3,098
Others	42,559	30,263
Total selling, general and administrative expenses	327,444	250,526
Operating income (loss)	178,487	(30,244)
Non-operating income		
Interest income	302	285
Dividends income	-	1
Land and house rent received	2,590	3,425
Others	11	22
Total non-operating income	2,904	3,733
Non-operating expenses		
Interest expenses	25,738	23,997
Others	-	102
Total non-operating expenses	25,738	24,100
Ordinary income (loss)	155,654	(50,611)
Income (loss) before income taxes	155,654	(50,611)
Income taxes—current	1,601	281
Total income taxes	1,601	281
Net income (loss)	154,052	(50,892)