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Stock Code : 8893

# Presentation Material on Operating Performance during the First Half of the Fiscal Year ending March 31, 2017

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November 7 (Monday), 2016  
Shin-Nihon Tatemono Co., Ltd.

A large, light gray, stylized letter 'A' is centered on the page. It has a thick, blocky appearance with a slightly distressed or textured look at the bottom. The 'A' is the primary graphic element of the presentation.

SHIN-NIHON TATEMONO CO., LTD.

## Business environment topics

- In the residential real-estate market, rise in construction cost caused the price of condominium in Tokyo metropolitan area to increase. As a result, number of new home sales and contract ratio were rather low.
- In the investment real-estate market, aggressive lending policy of financial institutions and low interest rate boosted transactions.

## Performance topics

- 〔B/S〕 Aggressive acquisition of profit making lands.  
=> Steady increase of real-estate for sale in process.
- 〔P/L〕 Successful results in the liquidation business.  
=> Sales and income in the first half were at the same level on a year-on-year basis.

## Management topics

- Enhanced financial strength => Issued 8th unsecured private bond on 30 September, 2016.

# Balance Sheet

( Unit : million yen )	Fiscal Year ended March 31, 2016		Fiscal Year ending March 31, 2017	
	End of Q2	Year end	End of Q2	Change
Cash and deposits	1,795	2,745	2,389	-356
Real estate for sale	799	329	266	● -62
Real estate for sale in process	3,729	4,215	4,798	● 583
Other	162	322	411	88
<b>Total current assets</b>	<b>6,488</b>	<b>7,612</b>	<b>7,865</b>	<b>253</b>
<b>Total noncurrent assets</b>	<b>377</b>	<b>447</b>	<b>602</b>	<b>155</b>
<b>Total deferred assets</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>6</b>
<b>Total assets</b>	<b>6,865</b>	<b>8,059</b>	<b>8,475</b>	<b>415</b>
Accounts payable for construction contracts	666	155	324	168
Loans payable (short-term loans payable and current portion of long-term loans payable)	1,584	2,266	3,038	● 772
Other	139	335	173	-162
<b>Total current liabilities</b>	<b>2,390</b>	<b>2,757</b>	<b>3,535</b>	<b>777</b>
Bonds	-	-	250	● 250
Long-term loans payable	1,504	1,936	1,497	● -439
Others	88	97	87	-9
<b>Total noncurrent liabilities</b>	<b>1,592</b>	<b>2,034</b>	<b>1,834</b>	<b>-199</b>
<b>Total liabilities</b>	<b>3,983</b>	<b>4,792</b>	<b>5,370</b>	<b>578</b>
Capital stock	854	854	854	-
Capital surplus	40	40	40	-
Retained earnings	1,987	2,372	2,210	-162
Others	-0	-0	-0	-0
<b>Total net assets</b>	<b>2,882</b>	<b>3,267</b>	<b>3,104</b>	<b>● -162</b>
<b>Total liabilities and net assets</b>	<b>6,865</b>	<b>8,059</b>	<b>8,475</b>	<b>415</b>

## ● Details of real estate for sale

( Unit : million yen )	FY 16/3	FY 17/3 Q2	Change
Liquidation	-	-	-
Condominium unit sales	260	-	-260
Residential housing sales	68	266	198
<b>Total</b>	<b>329</b>	<b>266</b>	<b>-62</b>

## ● Details of real estate for sale in process

( Unit : million yen )	FY 16/3	FY 17/3 Q2	Change
Liquidation	1,284	1,388	103
Condominium unit sales	1,629	2,136	506
Residential housing sales	1,300	1,274	-26
<b>Total</b>	<b>4,215</b>	<b>4,798</b>	<b>583</b>

## ● Details of interest-bearing debts

( Unit : million yen )	FY 16/3	FY 17/3 Q2	Change
Short-term	2,266	3,038	772
Long-term	1,936	1,747	-189
	<b>4,203</b>	<b>4,785</b>	<b>582</b>

## ● Equity

( Unit : million yen )	FY 16/3	FY 17/3 Q2	Change
Equity	3,267	3,104	-162

# Profit and Loss Statements

(Unit: million yen)	Fiscal Year ended March 31, 2016		Fiscal Year ending March 31, 2017				
	Q2		Q2		Year-on-year		12months
	Actual	% of total	Actual	% of total	Change	Change (%)	Plan
Net sales	3,954	100.0%	● 4,243	100.0%	289	7.3%	11,900
Cost of sales	3,129	79.1%	3,493	82.3%	363	11.6%	-
<b>Gross profit</b>	<b>824</b>	<b>20.9%</b>	<b>750</b>	<b>17.7%</b>	<b>-74</b>	<b>-9.0%</b>	-
Selling, general and administrative expenses	621	15.7%	● 544	12.8%	-76	-12.3%	-
<b>Operating income</b>	<b>203</b>	<b>5.2%</b>	<b>205</b>	<b>4.9%</b>	<b>2</b>	<b>1.1%</b>	<b>810</b>
Non-operating income	9	0.2%	8	0.1%	-1	-12.0%	-
Non-operating expenses	44	1.1%	● 51	1.2%	7	17.6%	-
<b>Ordinary income</b>	<b>168</b>	<b>4.3%</b>	<b>161</b>	<b>3.8%</b>	<b>-6</b>	<b>-4.0%</b>	<b>710</b>
Extraordinary income	-	-	-	-	-	-	-
Extraordinary loss	-	-	22	0.5%	22	-	-
<b>Income before income taxes</b>	<b>168</b>	<b>4.3%</b>	<b>139</b>	<b>3.3%</b>	<b>-29</b>	<b>-17.3%</b>	-
Income taxes	3	0.1%	0	0.0%	-2	-82.2%	-
<b>Net income</b>	<b>164</b>	<b>4.2%</b>	<b>138</b>	<b>3.3%</b>	<b>-26</b>	<b>-16.1%</b>	<b>700</b>

## ● Number of sales

	FY 16/3 Q2	FY 17/3 Q2	Change
Liquidation	5 properties	9 properties	4 properties
Condominium unit sales	60 units	10 units	-50 units
Residential housing sales	14 houses	19 houses	5 houses

## ● Details of selling, general and administrative expenses

(Unit : million yen)	FY 16/3 Q2	FY 17/3 Q2	Change
Personnel expenses	246	266	20
Sales commission	37	30	-6
Advertising expenses	121	42	-78
Others	217	205	-11
<b>Total</b>	<b>621</b>	<b>544</b>	<b>-76</b>

## ● Details of non-operating expenses

(Unit : million yen)	FY 16/3 Q2	FY 17/3 Q2	Change
Interest expenses	43	51	8
Others	0	0	-0
<b>Total</b>	<b>44</b>	<b>51</b>	<b>7</b>

# Net Sales and Operating Income by Segment

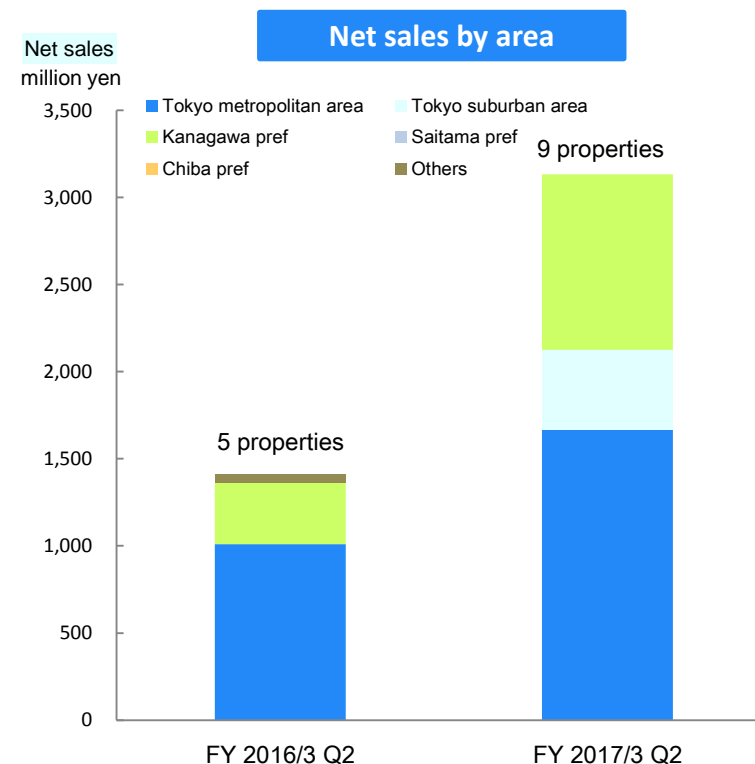
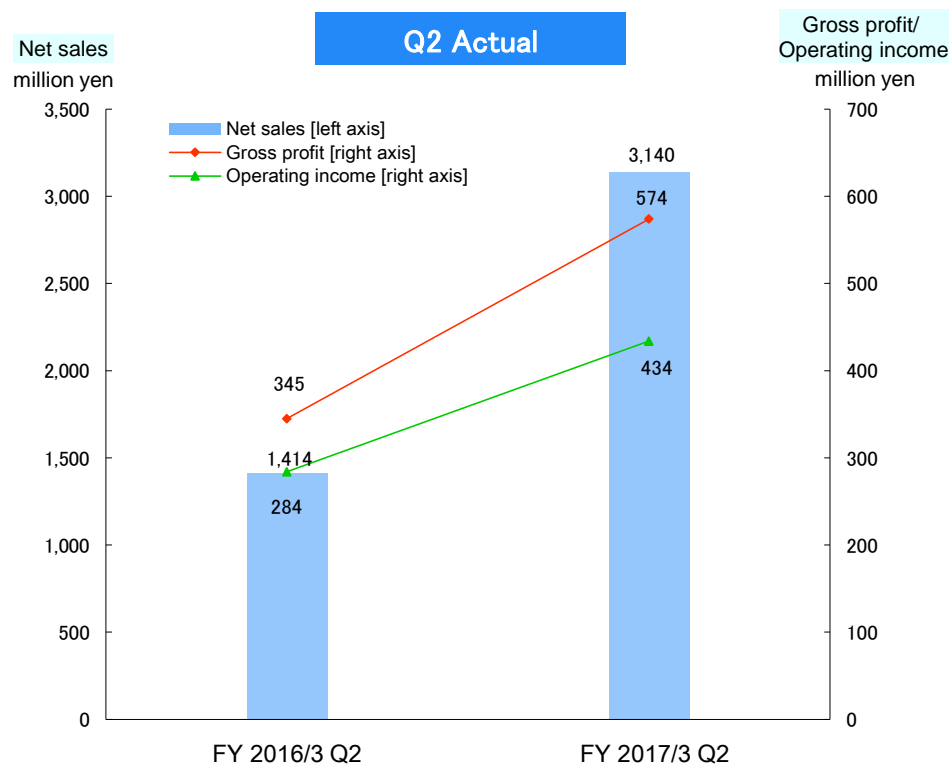
- ✓ Significant sales increase in the liquidation business and the turnaround in the residential housing sales business secured operating income.
- ✓ In the condominium unit sales business, sales and income declined due to the concentration of projects delivery in the later half of this fiscal year.

【Net sales】 ( Unit : million yen )		Fiscal Year ended March 31, 2016		Fiscal Year ending March 31, 2017			
		Q2		Q2		Year-on-year	
		Actual	% of total	Actual	% of total	Change	Change(%)
Liquidation business	1,414	35.8%	3,140	74.0%	1,726	122.0%	
Condominium unit sales business	1,929	48.8%	306	7.2%	-1,622	-84.1%	
Residential housing sales business	594	15.0%	787	18.6%	192	32.3%	
Other business	14	0.4%	8	0.2%	-6	-42.8%	
Elimination or corporate	-	-	-	-	-	-	
<b>Net sales total</b>	<b>3,954</b>	<b>100.0%</b>	<b>4,243</b>	<b>100.0%</b>	<b>289</b>	<b>7.3%</b>	

【Operating income】 ( Unit : million yen )		Fiscal Year ended March 31, 2016		Fiscal Year ending March 31, 2017			
		Q2		Q2		Year-on-year	
		Actual	Profit margin (%)	Actual	Profit margin (%)	Change	Change (%)
Liquidation business	284	20.1%	434	13.8%	150	52.9%	
Condominium unit sales business	202	10.5%	-13	-4.3%	-216	-	
Residential housing sales business	-55	-9.3%	36	4.6%	91	-	
Other business	9	61.0%	7	84.6%	-1	-20.7%	
Elimination or corporate	-237	-	-259	-	-21	-	
<b>Operating income total</b>	<b>203</b>	<b>5.2%</b>	<b>205</b>	<b>4.9%</b>	<b>2</b>	<b>1.1%</b>	

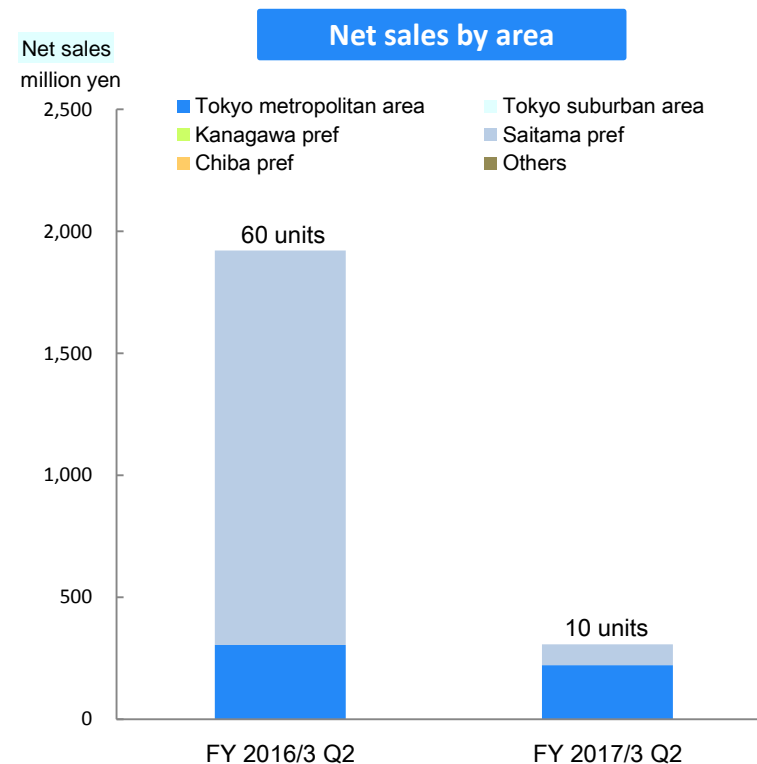
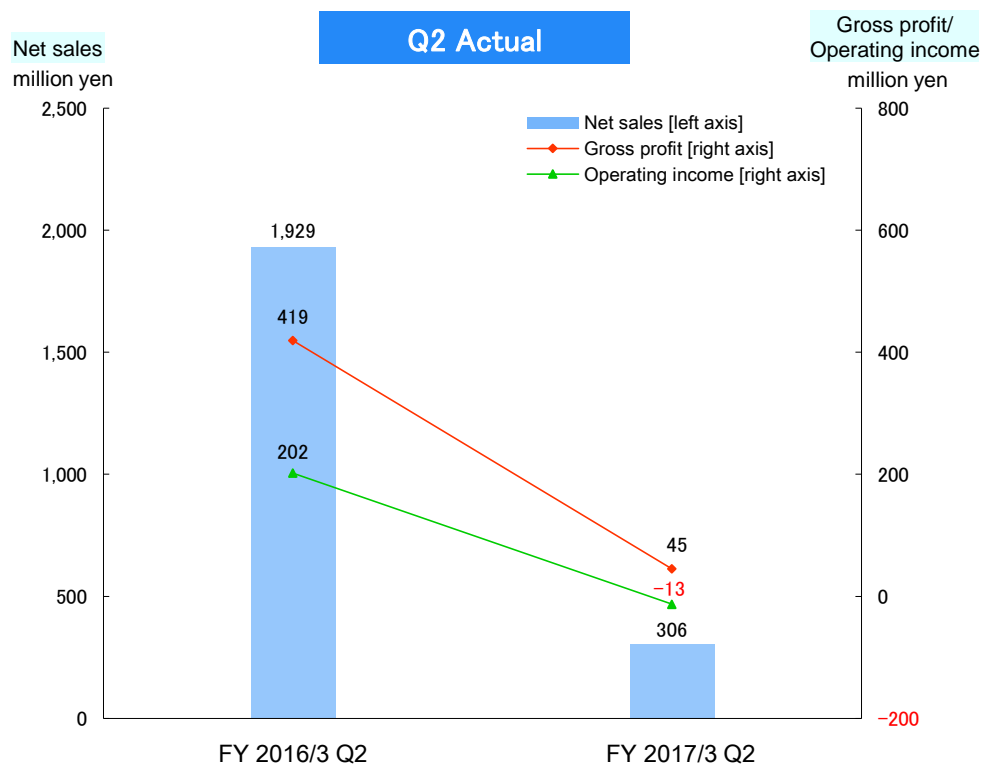
# Situation of Liquidation Business

- ✓ Completed 9 deliveries of lands for development and investment buildings (+4 properties year-on-year) in the first half of this fiscal year.
- ✓ Substantial increase in sales with the delivery of large scale projects.  
=> Secured desirable level of income.



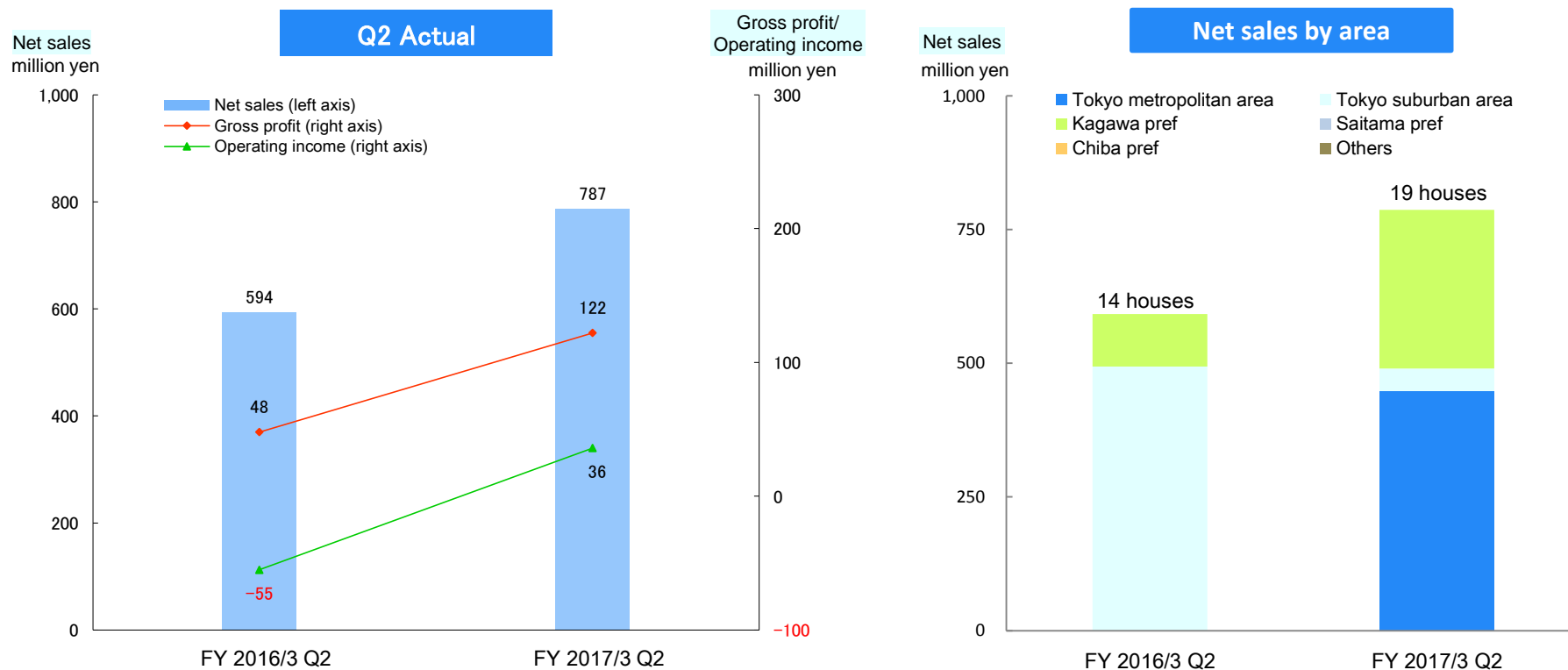
# Situation of Condominium Unit Sales Business

- ✓ Sales and operating income declined due to the concentration of projects delivery in the later half of this fiscal year.
- ✓ Completed the inventory clearance.  
=> Revenue from new completed projects are expected in the third quarter.



# Situation of Residential Housing Sales Business

- ✓ Completed delivery of 19 houses (+5 houses year-on-year), and posted sales of 787 million yen (up 192million yen year-on-year) in the first half of this fiscal year.
- ✓ Investment apartments contributed to the substantial income growth.  
=> 7.4 points up in profit margin.





# Enhanced financial strength

## WHAT WE'VE DONE

Rise in equity ratio by building up retained earnings



**40.5%**  
(end of FY 2016)

Purchase and retirement of 50% of class A preferred shares



**29 July, 2016**

Increase of credit capability based on the recent accomplishment



Number of correspondent financial institutions increased

**Successful results in enhancing financial health  
=> push the strategic financing activities forward**

**Issued the unsecured private bond to one of correspondent financial institutions**

**【Details】**

Date of issue	: 30 September, 2016	Term	: 5 years
Amount of issue	: 250 million yen	Redemption	: The bonds will be fully redeemed upon maturity

**Develop flexible fund-raising activities for future projects**

## RENAISSANCECOURT AXAS Kamikitazawa

### 【Overview】

- Location : Shimotakaido, 5-chome, Suginami-ku, Tokyo  
Access : 6 minutes' walk from Kamikitazawa station on the Keio line  
Total number of units : 73 units  
Structure : 7-story reinforced concrete structure  
Completion : End of December 2016 (scheduled)

### Point 1

Beautiful investment condominium with modernly designed appearance.  
Good access to world's busiest transport hub Shinjuku station which is a great location for shopping.



## RENAISSAN COURT Sangenjaya

### 【Overview】

- Location : Taishidou, 2-chome, Setagaya-ku, Tokyo  
Access : 6 minutes' walk from Sangenjaya station on the Tokyu Denentoshi line  
Total number of units : 16 units  
Structure : 4-story reinforced concrete structure  
Completion : Mid February 2017 (scheduled)

### Point 1

Located in a very popular area with good old fashioned local shopping street. 6 min walk to Sangenjaya station which enables a direct access to Shibuya station.



# Projects in progress (Investment apartment and residence)

## RENACOURT Senjuohashi

### 【Overview】

- Location : Senjumidoricho, 2-chome, Adachi-ku, Tokyo
- Access : 9 minuts' walk from Senjuohashi station on Keiseihonsen line
- Total number of units : 6 units in block A  
6 units in block B
- Structure : Three-story wooden apartment
- Completion : End of November 2016 (scheduled)

### Point 1

9 min walk from Senjuohashi station. Investment apartment with self-locking entrance door. All roomes are equipped with balcony, walk in closet, air conditioner and lightings.

### Point 2

Close to energetic and lively area, Kitasenju and Ueno. Also Sumida river, famous for its firework festival, and Sakura park are in surroundings.



## RENATOWN Kokuryou

### 【Overview】

- Location : Kokuryocho, 6-chome, Chofu-shi, Tokyo
- Access : 10 minutes' walk from Kokuryo station on the Keio line
- Total number of houses : 3 houses
- Completion : Mid January 2017 (scheduled)

### Point 1

Kokuryo is very popular amongst families with children with the recent redevelopment. It is located in a quiet residential area with parenting facilities, parks and green spaces around.

### Point 2

RENATOWN Kokuryo offers south-facing , over 95m<sup>2</sup>, wide span 4LDK, and very bright and comfortable design with spacious storage for all houses. Number of rooms can be changed as customer wishes.



【For Inquiries】

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