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東証JASDAQ上場

Stock Code : 8893

# Presentation Material on Operating Performance during the Fiscal Year ended March 31, 2017

May 8 (Monday), 2017

Shin-Nihon Tatemono Co., Ltd.

A large, light gray, stylized 'A' shape that serves as a background graphic for the lower half of the slide. It has a thick, blocky appearance with a slightly distressed or textured look at the bottom edge.

SHIN-NIHON TATEMONO CO., LTD.

## Business environment topics

- In the residential real-estate market, rise in land price, intensified competition for acquisition of lands and high construction cost caused the market to be under difficult condition.
- In the investment real-estate market, high motivation for investment under good financing environment steadily boosted aggressive transactions.

## Performance topics

- [B/S] Aggressive acquisition of future profit making properties.  
Increase of real-estate for sale and real-estate for sale in progress from the end of previous fiscal year.
- [P/L] Achieved an increase in operating income, ordinary income and net income, and posted operating income in all segments.

## Management topics

- Buying back and retirement of the remaining class A preferred shares.  
⇒ Scheduled on May 29, 2017.

# Balance sheets

(Unit: million yen)	Fiscal Year ended March 31, 2016		Fiscal Year ended March 31, 2017		
	Actual	% of total	Actual	% of total	Change
Cash and deposits	2,745	34.1%	2,881	28.9%	135
Real estate for sale	329	4.1%	999	10.0%	670
Real estate for sale in process	4,215	52.3%	4,790	48.1%	574
Others	322	4.0%	486	4.9%	163
<b>Total current assets</b>	<b>7,612</b>	<b>94.5%</b>	<b>9,157</b>	<b>91.9%</b>	<b>1,544</b>
<b>Total noncurrent assets</b>	<b>447</b>	<b>5.5%</b>	<b>800</b>	<b>8.0%</b>	<b>353</b>
<b>Total deferred asset</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>0.1%</b>	<b>6</b>
<b>Total assets</b>	<b>8,059</b>	<b>100.0%</b>	<b>9,964</b>	<b>100.0%</b>	<b>1,904</b>
Accounts payable for construction contracts	155	1.9%	163	1.6%	7
Loans payable (short-term loans payable and current portion of long-term loans payable)	2,266	28.1%	2,389	24.0%	123
Others	335	4.2%	363	3.7%	28
<b>Total current liabilities</b>	<b>2,757</b>	<b>34.2%</b>	<b>2,917</b>	<b>29.3%</b>	<b>159</b>
Bonds	-	-	250	2.5%	250
Long-term loans payable	1,936	24.1%	3,064	30.7%	1,127
Others	97	1.2%	97	1.0%	-0
<b>Total noncurrent liabilities</b>	<b>2,034</b>	<b>25.3%</b>	<b>3,411</b>	<b>34.2%</b>	<b>1,377</b>
<b>Total liabilities</b>	<b>4,792</b>	<b>59.5%</b>	<b>6,328</b>	<b>63.5%</b>	<b>1,536</b>
Capital stock	854	10.6%	854	8.6%	-
Capital surplus	40	0.5%	40	0.4%	-
Retained earnings	2,372	29.4%	2,741	27.5%	368
Others	-0	-0.0%	-1	-0.0%	-0
<b>Total net assets</b>	<b>3,267</b>	<b>40.5%</b>	<b>3,635</b>	<b>36.5%</b>	<b>367</b>
<b>Total liabilities and net assets</b>	<b>8,059</b>	<b>100.0%</b>	<b>9,964</b>	<b>100.0%</b>	<b>1,904</b>

## Details of real estate for sale

(Unit: million yen)	FY 16/3	FY 17/3	Change
Liquidation	-	-	-
Condominium unit sales	260	511	251
Residential housing sales	68	487	418
<b>Total</b>	<b>329</b>	<b>999</b>	<b>670</b>

## Details of real estate for sale in process

(Unit: million yen)	FY 16/3	FY 17/3	Change
Liquidation	1,284	2,740	1,455
Condominium unit sales	1,629	980	-649
Residential housing sales	1,300	1,069	-231
<b>Total</b>	<b>4,215</b>	<b>4,790</b>	<b>574</b>

## Details of interest-bearing debts

(Unit: million yen)	FY 16/3	FY 17/3	Change
Short-term	2,266	2,389	123
Long-term	1,936	3,314	1,377
<b>Total</b>	<b>4,203</b>	<b>5,704</b>	<b>1,501</b>

## Equity

(Unit: million yen)	FY 16/3	FY 17/3	Change
Equity	3,267	3,635	367

# Profit and Loss Statements

(Unit: million yen)	Fiscal Year ended March 31, 2016		Fiscal Year ended March 31, 2017			
	Whole Year		Whole Year		Year-on-year	
	Actual	% of total	Actual	% of total	Change	Change (%)
Net sales	9,627	100.0%	● 11,301	100.0%	1,674	17.4%
Cost of sales	7,662	79.6%	9,172	81.2%	1,510	19.7%
<b>Gross profit</b>	<b>1,964</b>	<b>20.4%</b>	<b>2,128</b>	<b>18.8%</b>	<b>164</b>	<b>8.3%</b>
Selling, general and administrative expenses	1,298	13.5%	● 1,292	11.4%	-5	-0.4%
<b>Operating income</b>	<b>666</b>	<b>6.9%</b>	<b>835</b>	<b>7.4%</b>	<b>169</b>	<b>25.4%</b>
Non-operating income	32	0.4%	● 15	0.1%	-16	-52.4%
Non-operating expenses	96	1.0%	● 120	1.0%	23	24.7%
<b>Ordinary income</b>	<b>601</b>	<b>6.3%</b>	<b>730</b>	<b>6.5%</b>	<b>128</b>	<b>21.4%</b>
Extraordinary income	-	-	-	-	-	-
Extraordinary loss	50	0.6%	59	0.6%	9	18.6%
<b>Income before income taxes</b>	<b>551</b>	<b>5.7%</b>	<b>670</b>	<b>5.9%</b>	<b>119</b>	<b>21.6%</b>
Income taxes	1	0.0%	1	0.0%	-0	-3.2%
<b>Net income</b>	<b>550</b>	<b>5.7%</b>	<b>669</b>	<b>5.9%</b>	<b>119</b>	<b>21.7%</b>

## ● Number of sales

	FY 16/3	FY 17/3	Change
Liquidation	12 properties	16 properties	4 properties
Condominium unit sales	113 units	178 units	65 units
Residential housing sales	35 houses	34 houses	-1 house

## ● Details of selling, general and administrative expenses

(Unit: million yen)	FY 16/3	FY 17/3	Change
Personnel expenses	515	562	47
Sales commission	87	73	-13
Advertising expenses	188	124	-63
Others	506	531	24
<b>Total</b>	<b>1,298</b>	<b>1,292</b>	<b>-5</b>

## ● Details of non-operating income

(Unit: million yen)	FY 16/3	FY 17/3	Change
Land and house rent received	16	12	-3
Others	16	2	-13
<b>Total</b>	<b>32</b>	<b>15</b>	<b>-16</b>

## ● Details of non-operating expenses

(Unit: million yen)	FY 16/3	FY 17/3	Change
Interest expenses	95	118	22
Others	1	2	1
<b>Total</b>	<b>96</b>	<b>120</b>	<b>23</b>

# Net Sales and Operating Income by Segment

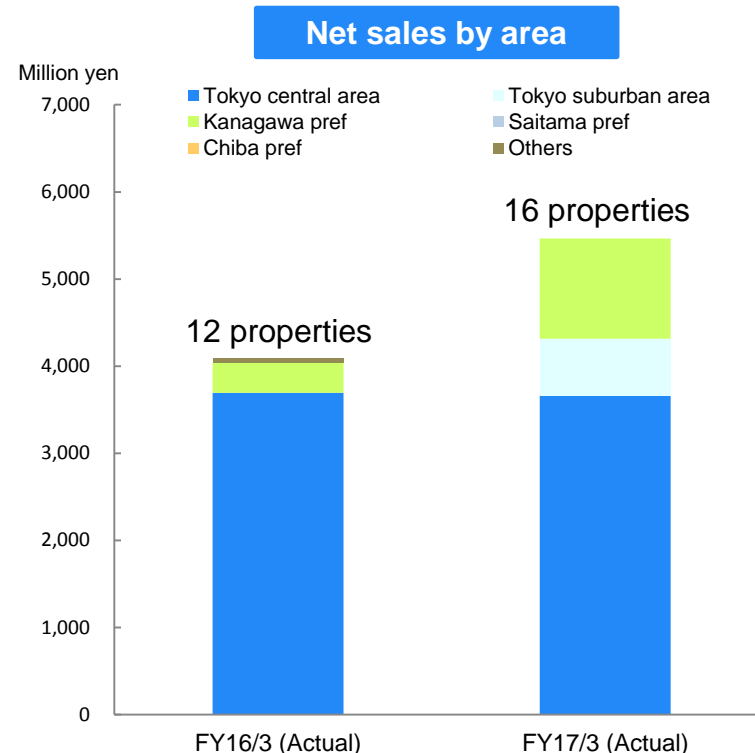
- ✓ With liquidation and condominium units sales business being profitable, stable earnings and profits were secured.
- ✓ In the residential housing business, number of delivered houses decreased (-1 year-on-year) yet achieved income growth with improvement of profit margin by 2.5pt.

【Net sales】 (Unit: million yen)		Fiscal Year ended March 31, 2016		Fiscal Year ended March 31, 2017			
		Whole Year		Whole Year		Year-on-year	
		Actual	% of total	Actual	% of total	Change	Change(%)
Liquidation business	4,095	42.5%	5,487	48.6%	1,392	34.0%	
Condominium unit sales business	3,695	38.4%	4,027	35.6%	332	9.0%	
Residential housing sales business	1,813	18.8%	1,769	15.7%	-44	-2.5%	
Other business	23	0.3%	17	0.1%	-6	-27.1%	
Elimination or corporate	—	—	—	—	—	—	
<b>Net sales total</b>	<b>9,627</b>	<b>100.0%</b>	<b>11,301</b>	<b>100.0%</b>	<b>1,674</b>	<b>17.4%</b>	

【Operating income】 (Unit: million yen)		Fiscal Year ended March 31, 2016		Fiscal Year ended March 31, 2017			
		Whole Year		Whole Year		Year-on-year	
		Actual	Profit margin (%)	Actual	Profit margin (%)	Change	Change (%)
Liquidation business	831	20.3%	780	14.2%	-51	-6.2%	
Condominium unit sales business	292	7.9%	535	13.3%	243	83.3%	
Residential housing sales business	75	4.2%	118	6.7%	42	56.5%	
Other business	14	63.2%	13	76.1%	-1	-12.2%	
Elimination or corporate	-547	—	-611	—	-63	—	
<b>Operating income total</b>	<b>666</b>	<b>6.9%</b>	<b>835</b>	<b>7.4%</b>	<b>169</b>	<b>25.4%</b>	

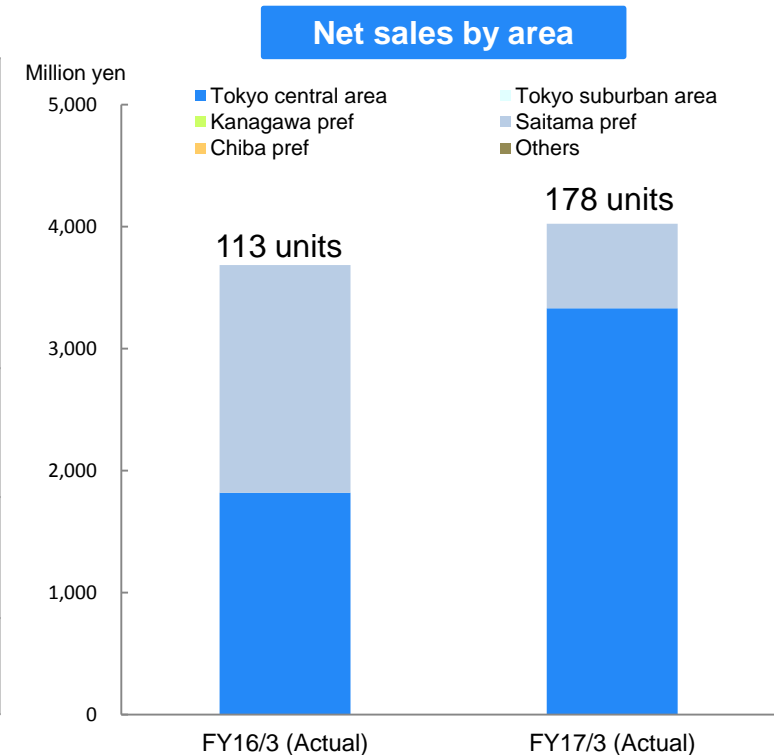
# Overview of Liquidation Business

(Unit: million yen)	Fiscal Year ended March 31, 2016	Fiscal Year ended March 31, 2017		
	Actual	Actual	Change	Change (%)
Net sales	4,095	5,487	1,392	34.0%
Operating income	831	780	-51	-6.2%
Profit margin (%)	20.3%	14.2%	-6.1Pt	—



- ✓ Completed delivery of 16 properties for development in Tokyo central, Kanagawa and Tokyo suburban area.
- ✓ Keep aggressive acquisition and sellout of those highly liquid properties reflecting the needs of developers.

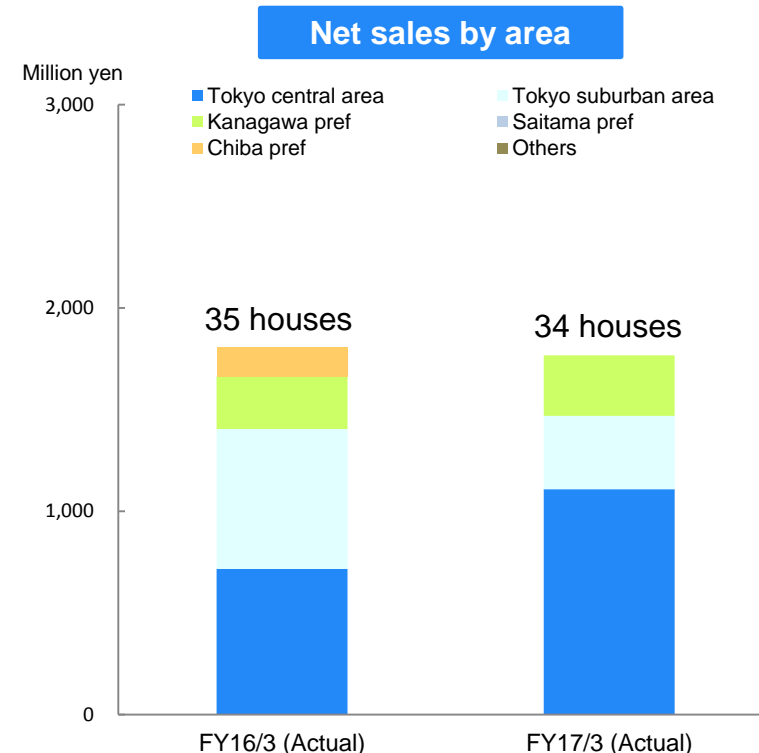
(Unit: million yen)	Fiscal Year ended March 31, 2016	Fiscal Year ended March 31, 2017		
	Actual	Actual	Change	Change (%)
Net sales	3,695	4,027	332	9.0%
Operating income	292	535	243	83.3%
Profit margin (%)	7.9%	13.3%	5.4Pt	—



- ✓ Completed delivery of 178 units (+65 units year-on-year) in Tokyo central and Saitama area, and achieved 4,027 million yen of sales (up 9.0% year-on-year).
- ✓ Significant income growth with improvement in profit margin.

# Overview of Residential Housing Sales Business

(Unit : million yen)	Fiscal Year ended March 31, 2016	Fiscal Year ended March 31, 2017		
	Actual	Actual	Change	Change (%)
Net sales	1,813	1,769	-44	-2.5%
Operating income	75	118	42	56.5%
Profit margin (%)	4.2%	6.7%	2.5Pt	—



- ✓ Completed delivery of 34 houses ( -1house year-on-year) in Tokyo central, Kanagawa and Tokyo suburban are, and posted sales of 1,769 million yen (down 2.5% year-on-year).
- ✓ Secured operating income of 118 million yen (up 42 million yen year-on-year)

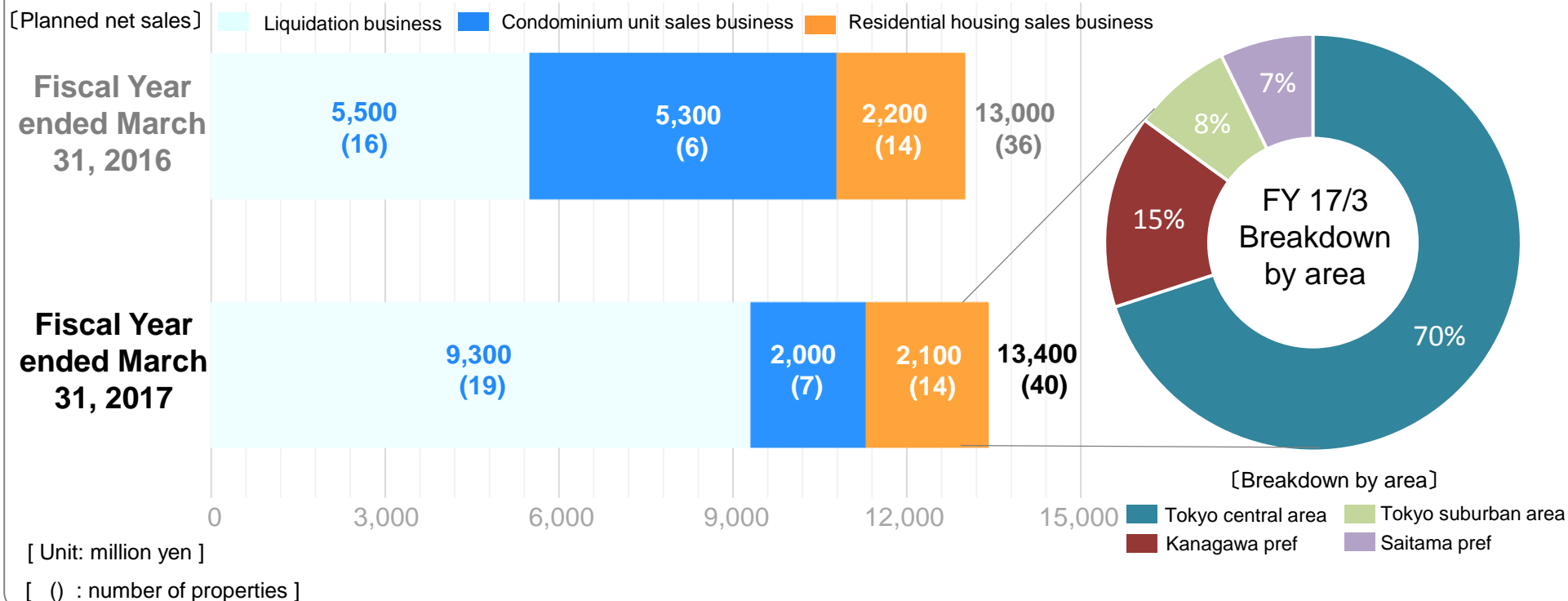


# Acquisition of New Properties

Acquisition of 40 new properties with planned sales of 13.4 billion yen

Number of acquisitions was 1.1 times and its planned sales was 400 million yen larger compared to the last fiscal year

## Summary of land acquisition



# Forecast for the Fiscal Year ending March 31, 2018

## Forecast for the fiscal year ending March 31, 2018 and comparison with the figures for the fiscal year ended March 31, 2017

(Unit: million yen)	Fiscal Year ended March 31, 2017	Fiscal Year ended March 31, 2018	
	Actual	Forecast	Diff
Net sales	11,301	13,430	2,129
Operating income	835	880	45
Ordinary income	730	810	80
Net income	669	690	21

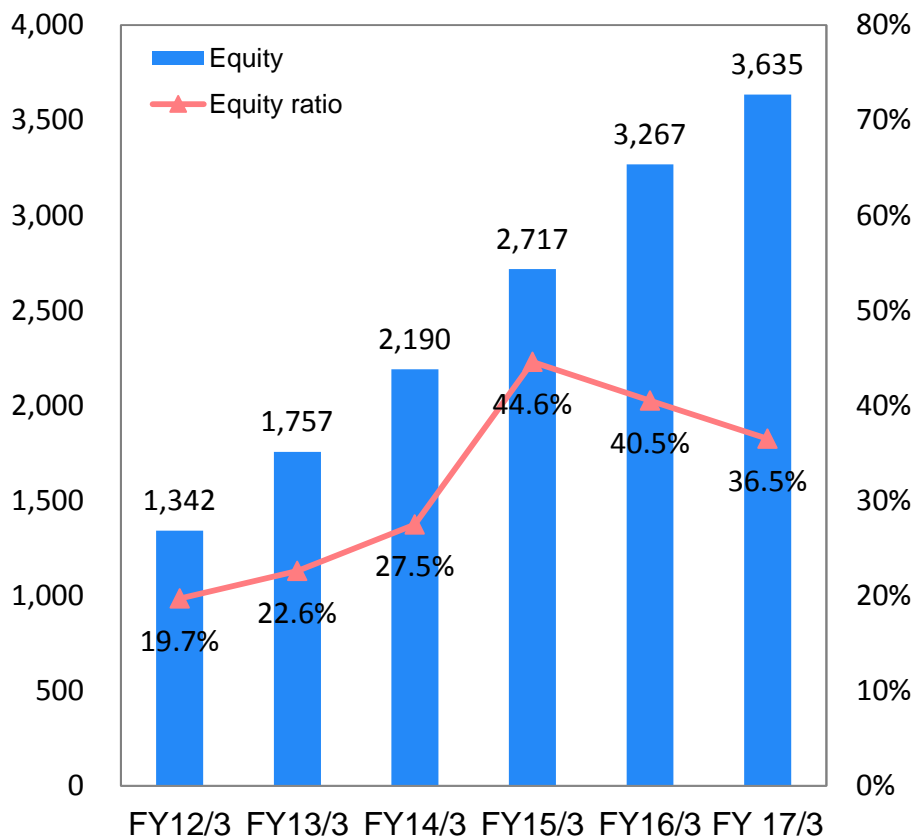
### Main factors

- ✓ Sales of 5 new condominium projects, real estates for development and investment apartment are expected to achieve net sales of 13.43 billion yen and revenue growth of 2,129 million yen.
- ✓ Operating income of 880 million yen, ordinary income of 810 million yen and net income of 690 million yen (over FY 16/3 actual results) are set as a profit target.

# Achievement of the management strategy

## Steady enhancement of financial strength

(Unit: Million yen)



### Achievement ①

Improved financial strength by establishing stable profit structure. Substantial rise in equity due to an increase in retained earning with steady profit.

⇒ Equity drastically increased to 3,600 million yen (FY 17/3)

### Achievement ②

Buying back and retirement of remaining class A preferred shares reflecting stable profit structure and improved financial strength.

⇒ Scheduled on 29 May, 2017  
 #No. of acquiring shares : 298 shares  
 Purchase price : 298 million yen

**We aim for highly strategic capital policy by continuing improvement of financial strength and profit structure**

# Projects in progress

## RENAISSANCECOURT SAGINOMIYA (Investment condominium)

### 【Overview】

- Location : Saginomiya 3-chome, Nakano-ku, Tokyo
- Access : 5 minutes' walk from Toritsu-Kasei station and 8 minutes' walk from Saginomiya station on the Seibu-Shinjuku line.
- Total number of units : 21 units
- Structure : 8-story reinforced concrete structure
- Completion : December 2017 (scheduled)

### Point 1

5 minutes' walk to Toritsu-kasei station, 8 minutes' walk to Saginomiya station and 2 local shopping streets are within the area.

### Point 2

Investment condominium with stylish appearance and great access to Shinjuku station.



## OSHIAGE 3-Chome Project (Investment condominium)

### 【Overview】

- Location : Oshiage 3-chome, Sumida-ku Tokyo
- Access : 6 minutes' walk from Oshiage station on the Toei Asakusa and Tokyo metro Hanzomon line.
- Total number of units : 24 units
- Structure : 9-story reinforced concrete structure
- Completion : Mid January 2018 (scheduled)

### Point 1

Great combination of “Modern”, such as Tokyo Skytree and Tokyo Soramachi and “Traditional”, such as Asakusa and Ryogoku area with classic atmosphere.

### Point 2

Investment condominium with simple and modern appearance.



# Projects in progress

## RENATOWN SHINOZAKI (Residential housing)

### 【Overview】

- Location : Shishibone 5-chome, Edogawa-ku, Tokyo
- Access : 11 minutes' busride to Shinozaki station on the Toei Shinjuku line and 4 minutes' walk from the bus stop.
- Total number of houses : 7 houses
- Completion : House no.5-6 March, 2017  
House no. 7 April, 2017  
House no.1-4 End of June, 2017 (scheduled)

### Point 1

Shinozaki park which includes playground and barbeque area and some cultural facilities are in the area. Great area for child-raising with a lot of greens around.

### Point 2

Heat insulating house with the latest ecological equipment built in. Roof balcony and hobby room plan is also available.



## RENACOURT SHINKOIWA (Investment apartment)

### 【Overview】

- Location : Shinkoiwa 2-chome, Katsushika-ku, Tokyo
- Access : 6 minutes' walk from Shinkoiwa station on the JR Soubu-Kaisoku line
- Total number of units : 6 units
- Structure : 3 story-wooden apartment
- Completion : March 2017

### Point 1

6 minutes' walk to Shinkoiwa station on the JR Soubu-Kaisoku line. Great access to Tokyo and Shinagawa station.

### Point 2

Shopping malls and university facilities are in the walking distance. Kinshicho and Akihabara, with many facilities and restaurants are in the region.



【For Inquiries】

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