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Stock Code : 8893

# Financial Results Briefing Materials for the First Quarter Ending March 31, 2021

Aug 7, 2020 (FRI)

SHIN-NIHON TATEMONO CO., LTD.

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SHIN-NIHON TATEMONO CO., LTD.

## Business Environment

- The Japan's economy was contained in an extremely severe situation due to the spread of COVID-19, the announcement of the emergency situation, which led to the decline in company performance, and the deterioration of the business environment. Having said that, with the Japanese government's Emergency Economic Measures and the dampening economic environment, the Japan's economy is expected to recover after the infectious are alleviated and the pandemic shall start to calm down.
- In the rental property market, the demands of housing departments and logistics facilities were remained firm and the demands from investors remained high in the Greater Tokyo Area even with the national emergency declaration which affected the real estate transactions by restricting the movement of people.

## Business Performance

- [P/L] By promoting the project of commercial building development and compact condominium buildings for investment-purpose as planned, SNT achieved the total net sales of 3,564 million yen (down 7.1% year-on-year), the ordinary income of 347 million yen (down 36.9% year on year), and the net income of 282 million yen (down 37.7% year on year).
- [B/S] Under the market uncertainty and the result of being extra careful in purchasing new sites, the amount of real estate for sale and the real estate for sale in progress decreased by 1,523 million yen from the end of the previous fiscal year. The equity ratio was 28.7%, up 1.6 points from the end of the previous fiscal year.

## Business Management

- Dividend increased from 18 yen to 25 yen compare to the previous fiscal year (Including 5 yen of the commemorative dividend for the 45th anniversary.)
- The first commercial building development project, the Suidobashi Project, has been completed and handed over.

# Balance Sheet

(Unit:Millions of yen)	March 31, 2020		March 31, 2021	
	End of 1Q	Year End	End of 1Q	Change
Cash and deposits	4,803	4,947	4,350	(597)
Real estate for sale	2,512	4,535	4,629	94
Real estate for sale in process	9,910	11,990	10,373	(1,617)
Others	70	136	99	(36)
<b>Total current assets</b>	<b>17,297</b>	<b>21,610</b>	<b>19,453</b>	<b>(2,157)</b>
<b>Total noncurrent assets</b>	<b>1,592</b>	<b>1,641</b>	<b>1,771</b>	<b>130</b>
<b>Total deferred assets</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>(0)</b>
<b>Total assets</b>	<b>18,893</b>	<b>23,254</b>	<b>21,226</b>	<b>(2,027)</b>
Accounts payable for construction contracts	163	363	352	(11)
Short-term loans payable	7,318	6,834	8,267	1,433
Others	680	690	444	(246)
<b>Total current liabilities</b>	<b>8,163</b>	<b>7,888</b>	<b>9,064</b>	<b>1,176</b>
Bonds	250	250	250	—
Long-term loans payable	4,907	8,596	5,584	(3,012)
Others	145	219	227	7
<b>Total noncurrent liabilities</b>	<b>5,302</b>	<b>9,066</b>	<b>6,061</b>	<b>(3,005)</b>
<b>Total liabilities</b>	<b>13,465</b>	<b>16,955</b>	<b>15,125</b>	<b>(1,829)</b>
Capital stock	854	854	854	—
Capital surplus	40	40	40	—
Retained earnings	4,483	5,358	5,143	(214)
Others	48	44	61	17
<b>Total net assets</b>	<b>5,427</b>	<b>6,298</b>	<b>6,100</b>	<b>(197)</b>
<b>Total liabilities and net assets</b>	<b>18,893</b>	<b>23,254</b>	<b>21,226</b>	<b>(2,027)</b>

## Breakdown of Real estate for sale

(Unit:Millions of yen)	Mar. 2020	Mar.2021 1Q	Change
Asset solution	2,465	2,493	28
Condominium unit	1,676	1,740	64
Residential housing	393	395	2
<b>Total</b>	<b>4,535</b>	<b>4,629</b>	<b>94</b>

## Breakdown of Real estate for sale in process

(Unit:Millions of yen)	Mar. 2020	Mar.2021 1Q	Change
Asset solution	5,949	3,923	(2,026)
Condominium unit	6,041	6,450	409
Residential housing	0	0	0
<b>Total</b>	<b>11,990</b>	<b>10,373</b>	<b>(1,617)</b>

## The balance of Interest-bearing debt

(Unit:Millions of yen)	Mar. 2020	Mar.2021 1Q	Change
Short-term	6,834	8,267	1,433
Long-term	8,846	5,834	(3,012)
<b>Total</b>	<b>15,681</b>	<b>14,101</b>	<b>(1,579)</b>

## Shareholders' equity ratio

	Mar. 2020	Mar.2021 1Q	Change
Equity ratio	27.1%	28.7%	+1.6%

# Income Statement

(Unit:Millions of yen)	March 31, 2020		March 31, 2021				
	1Q		1Q		Year-on -year		Full year
	Actual	% of Total	Actual	% of Total	Change	Change (%)	Forecast
Net sales	3,835	100.0%	● 3,564	100.0%	(270)	(7.1%)	19,830
Cost of sales	2,758	71.9%	2,792	78.4%	34	1.3%	-
<b>Gross profit</b>	<b>1,076</b>	<b>28.1%</b>	<b>771</b>	<b>21.6%</b>	<b>(305)</b>	<b>(28.4%)</b>	-
Selling, general and administrative expenses	456	11.9%	● 356	10.0%	(99)	(21.9%)	-
<b>Operating income</b>	<b>620</b>	<b>16.2%</b>	<b>414</b>	<b>11.6%</b>	<b>(205)</b>	<b>(33.2%)</b>	<b>2,010</b>
Non-operating income	6	0.2%	3	0.1%	(3)	(45.0%)	-
Non-operating expenses	76	2.0%	● 70	2.0%	(5)	(6.9%)	-
<b>Ordinary income</b>	<b>550</b>	<b>14.4%</b>	<b>347</b>	<b>9.7%</b>	<b>(203)</b>	<b>(36.9%)</b>	<b>1,730</b>
Extraordinary income	-	-	-	-	-	-	-
Extraordinary loss	-	-	-	-	-	-	-
<b>Income before income taxes</b>	<b>550</b>	<b>14.4%</b>	<b>347</b>	<b>9.7%</b>	<b>(203)</b>	<b>(36.9%)</b>	-
Income tax-current	97	2.5%	64	1.8%	(32)	(33.6%)	-
<b>Net income</b>	<b>453</b>	<b>11.8%</b>	<b>282</b>	<b>7.9%</b>	<b>(170)</b>	<b>(37.7%)</b>	<b>1,450</b>

## ● Number of sales

	Mar. 2020 1Q	Mar.2021 1Q	Change
Asset solution	3projects	3projects	0
Condominium unit	22units	14units	(8)units
Residential housing	2buildings	0	(2)buildings

## ● Breakdown of selling, general and administrative expenses

(Unit:Millions of yen)	Mar. 2020 1Q	Mar.2021 1Q	Change
Personal expenses	136	138	2
Sales commission	146	88	(58)
Advertising expenses	8	8	(0)
Others	164	120	(43)
<b>Total</b>	<b>456</b>	<b>356</b>	<b>(99)</b>

## ● Breakdown of non-operating expenses

(Unit:Millions of yen)	Mar. 2020 1Q	Mar.2021 1Q	Change
Interest expenses	63	61	(1)
Other	12	9	(3)
<b>Total</b>	<b>76</b>	<b>70</b>	<b>(5)</b>

# Sales and profit by reportable segments

- In the 1<sup>st</sup> quarter cumulative period, as the result of monitoring the market trend carefully and promoting the project of commercial building development and compact condominium buildings for investment-purpose as planned, the total net sales decreased to 3,564 million yen (down 7.1% year-on-year) while the operating income decreased to 414 million yen (down 33.2% year on year).

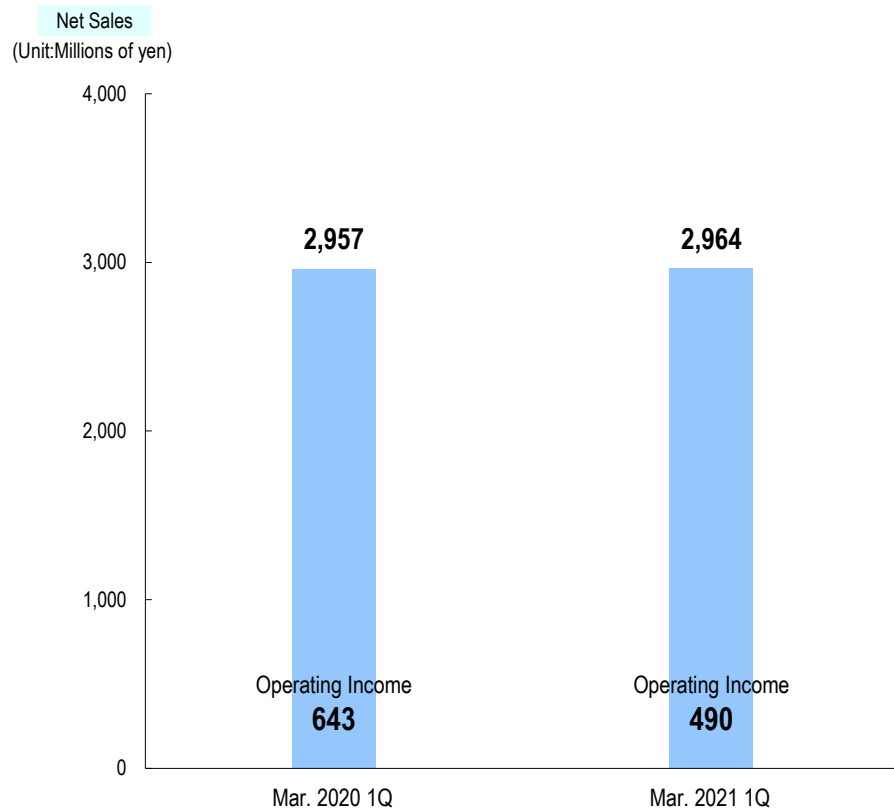
【Net Sales】 (Unit:Millions of yen)		March 31, 2020		March 31, 2021			
		1Q		1Q		Year-on-year	
		Actual	% of Total	Actual	% of Total	Change	Change (%)
Asset Solution Business	2,957	77.1%	2,964	83.2%	6	0.2%	
Condominium Unit Sales Business	707	18.5%	574	16.1%	(133)	(18.8%)	
Residential Housing Sales business	153	4.0%	8	0.2%	(145)	(94.6%)	
Others	16	0.4%	16	0.5%	0	2.6%	
Elimination and/or corporate	-	-	-	-	-	-	
<b>Net sales total</b>	<b>3,835</b>	<b>100.0%</b>	<b>3,564</b>	<b>100.0%</b>	<b>(270)</b>	<b>(7.1%)</b>	

【Operating Income】 (Unit:Millions of yen)		March 31, 2020		March 31, 2021			
		1Q		1Q		Year-on-year	
		Actual	% of Total	Actual	% of Total	Change	Change (%)
Asset Solution Business	643	21.7%	490	16.5%	(153)	(23.8%)	
Condominium Unit Sales Business	132	18.8%	63	11.1%	(68)	(51.8%)	
Residential Housing Sales business	30	20.1%	3	46.5%	(26)	(87.5%)	
Others	4	27.9%	5	31.2%	0	14.8%	
Elimination and/or corporate	(190)	-	(148)	-	42	-	
<b>Operating income total</b>	<b>620</b>	<b>16.2%</b>	<b>414</b>	<b>11.6%</b>	<b>(205)</b>	<b>(33.2%)</b>	

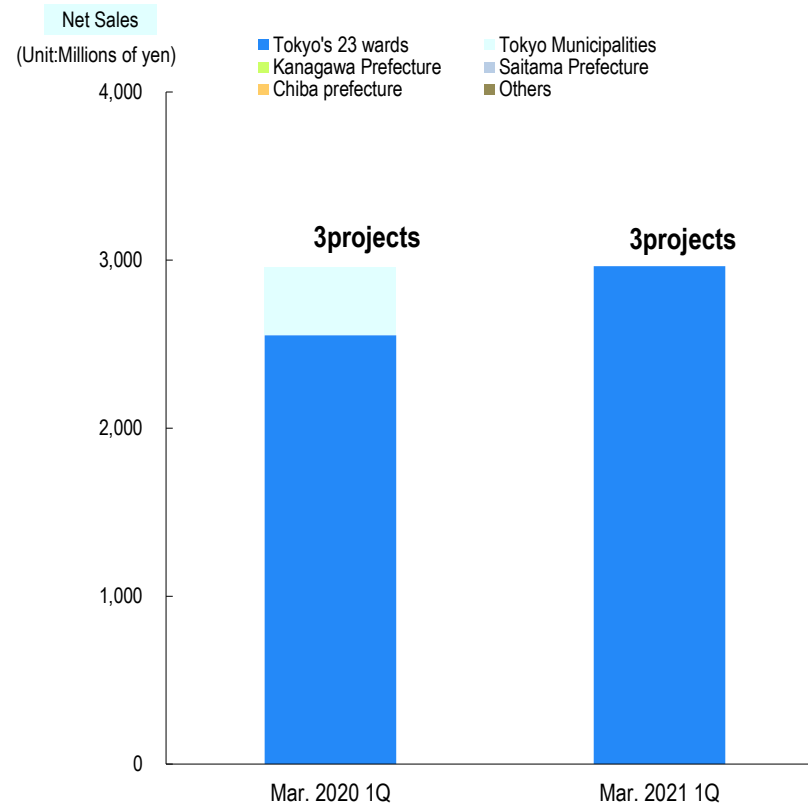
# Overview of Asset Solution Business

- Including the commercial building development project of Suidobashi Project, there are a total of 3 commercial buildings that have been handed over, same as the previous year.
- The net sales increased to 2,964 million yen (up 0.2% year-on-year) while the operating income decreased to 490 million yen (down 23.8% year-on-year).

Actual Result of 1Q

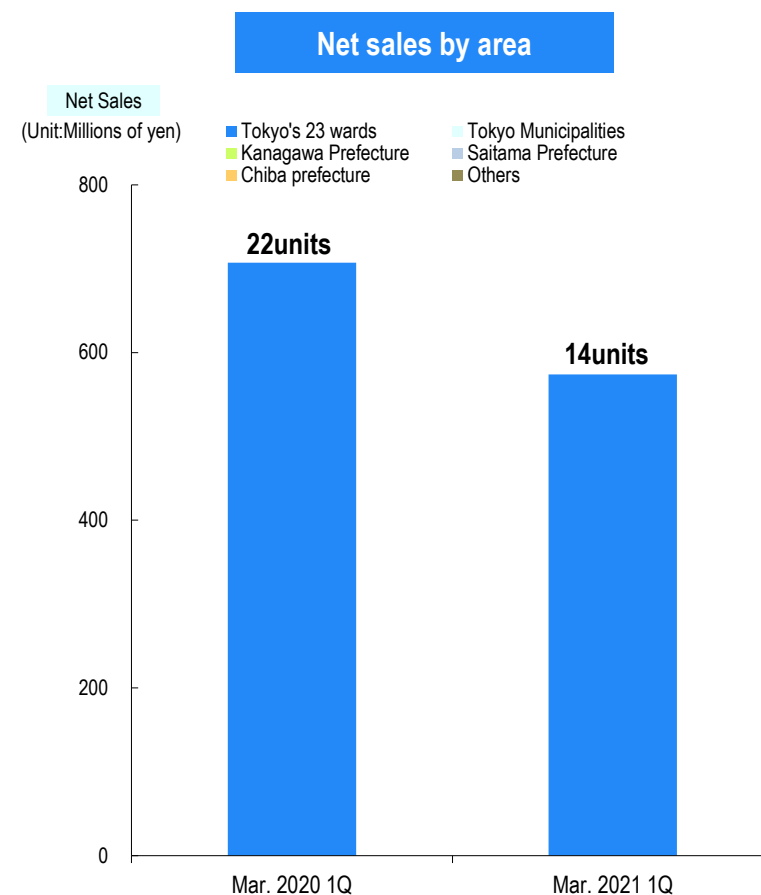
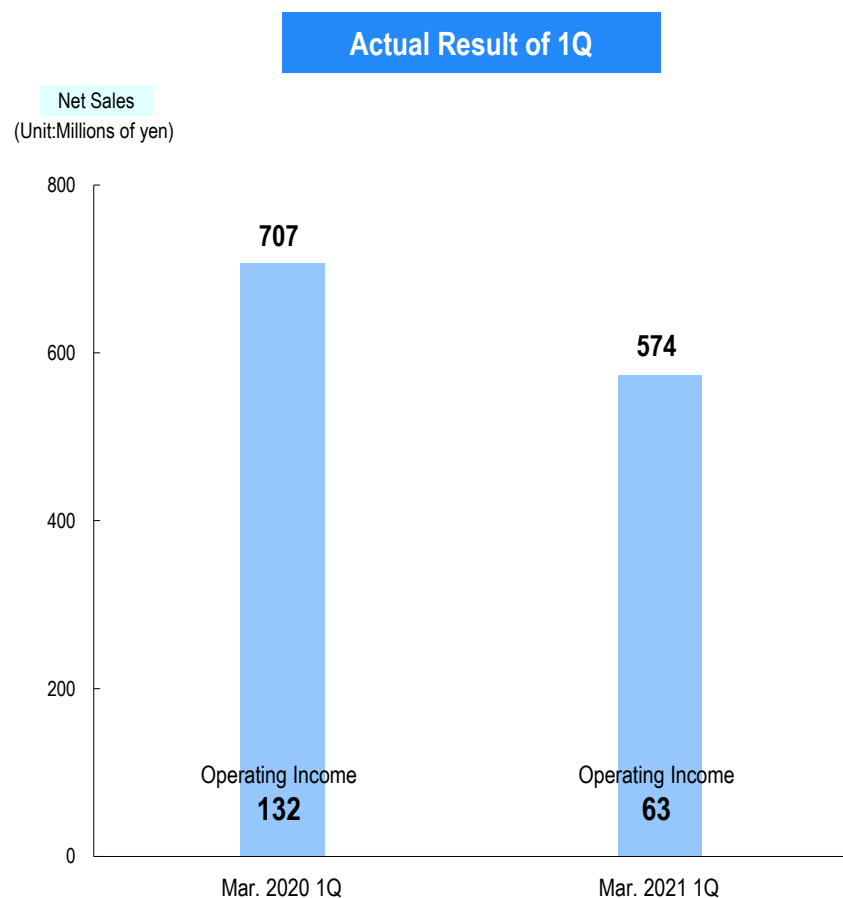


Net sales by area



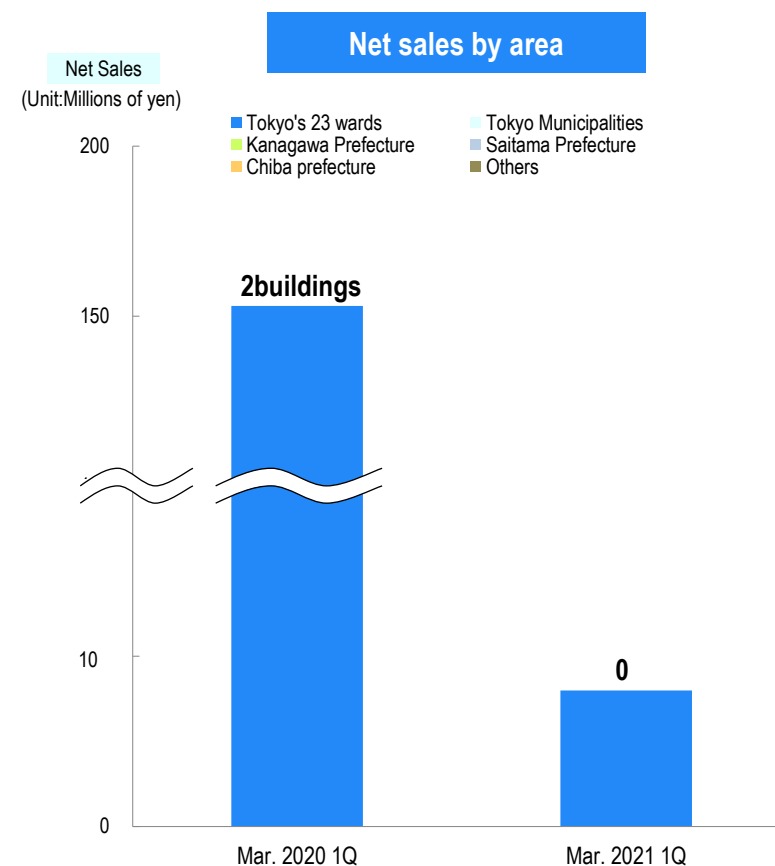
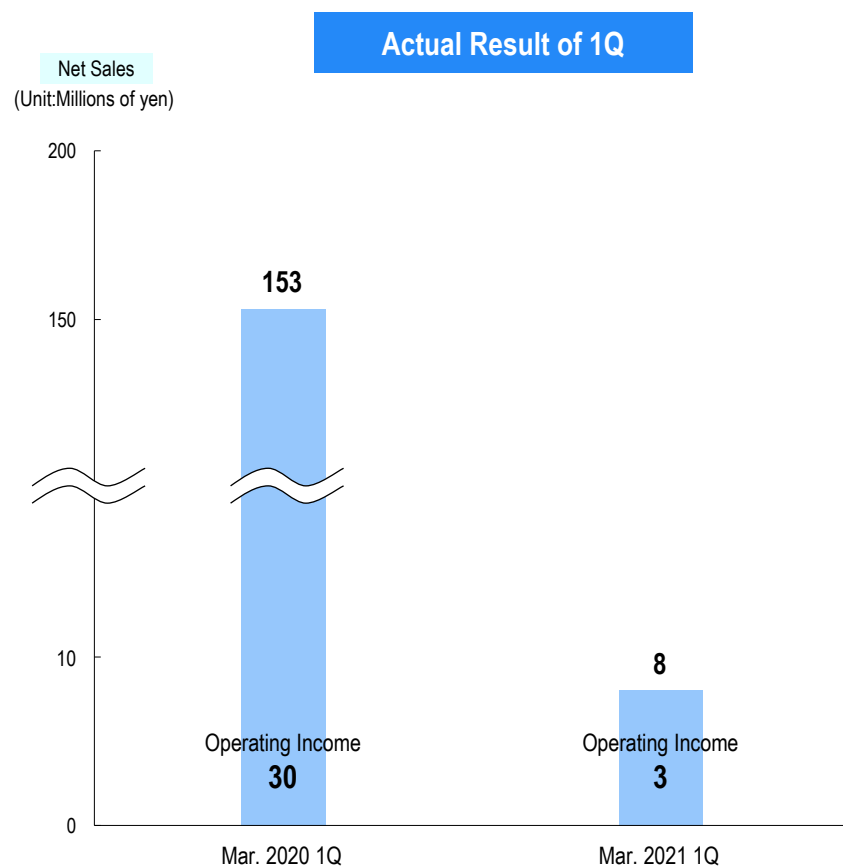
# Overview of Condominium Unit Sales Business

- A total of 14 units of Compact Condominium Buildings for Investment-Purpose located in Tokyo's 23 wards have been handed over as planned.
- The net sales was 574 million yen (down 18.8% year-on-year) and operating income was 63 million yen (down 51.8% year-on-year).



# Overview of Residential Housing Sales business

- The handover of the Wooden Apartment Building for Investment-Purpose is planned to be completed in the 2<sup>nd</sup> quarter cumulative period. Hence, there was no sales contribution in the 1<sup>st</sup> quarter cumulative period.
- The net sales came from the rent income was 8 million yen (down 94.6% year-on-year) and operating income was 3 million yen (down 87.5% year-on-year).



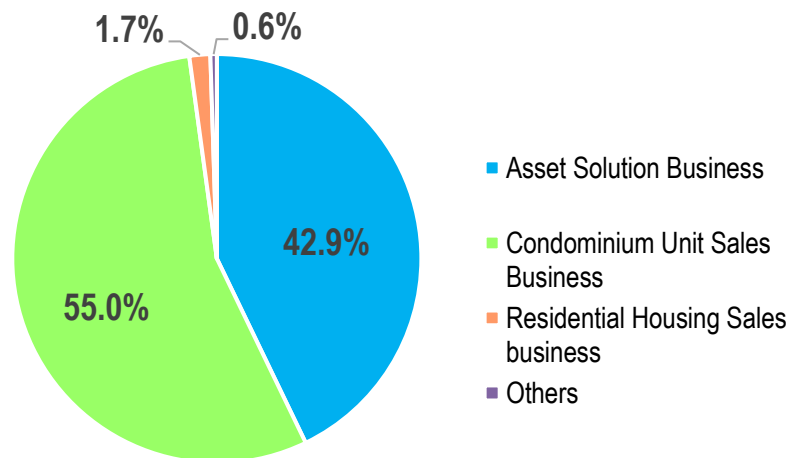


# Property Acquisitions

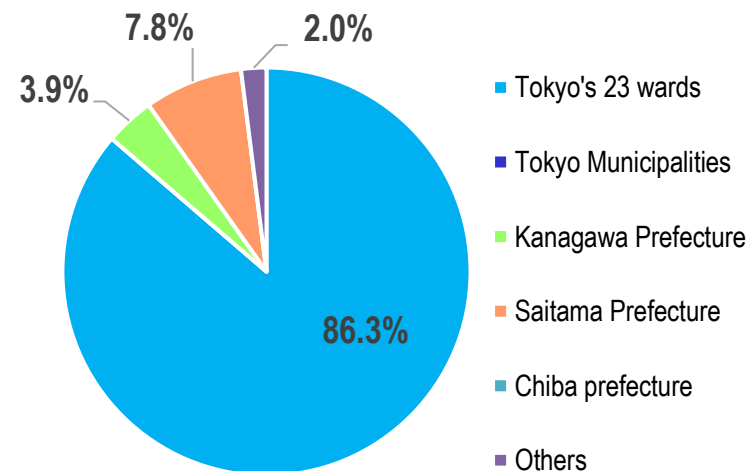
- Under the market uncertainty caused by the effect of COVID-19, the process of property acquisitions were being extra careful.
- As of the end of June 2020, the land purchase agreements worth approximately 29.8 billion yen of net sales were formed.

## Overview of the net sales of 29.8 billion yen planned

By reportable segments



By area



# Project in progress

## 【Condominium Unit Sales Business】(Tentative)Renaissance Court NAKANO (Compact Condominium Buildings for Investment-Purpose)

### Overview

Location : 1 Chome Arai, Nakano City, Tokyo  
 Access : 8-min. walk from NAKANO station on JR Chuo line, JR Sobu line, and Tokyo Metro Tozai line  
 Total No. of Units : 19 units  
 Structure : Reinforced Concrete(RC)  
 : 8 stories above ground  
 Completion : Dec 2020 (Scheduled)

### Point 1

Located in an 8-min walking distance to Nakano Station, drawing wide attention as a new cultural center. It is also known as the nearest station from Nakano Sunplaza, Nakano Broadway, and many unique stores.

### Point 2

Achieving privacy-friendly design with only 3 housing units on each floor and available with the smart entry system using the hands-free key. Considering convenience, comfort, and safety for living, 24hr delivery box and Wi-Fi network are available in all housing units.



## 【Condominium Unit Sales Business】(Tentative) Renaissance Court IKEBUKURO(Compact Condominium Buildings for Investment-Purpose)

### Overview

Location : 3 Chome Ikebukuro, Toshima City, Tokyo  
 Access : 5-min. walk from IKEBUKURO station on JR Yamanote Line and Tokyo Metro Fukutoshin Line  
 Total No. of Units : 22 units  
 Structure : Reinforced Concrete(RC)  
 : 4 stories above ground  
 Completion : Jan 2021 (Scheduled)

### Point 1

A 5-min walk to a huge terminal station - Ikebukuro Station, where it has been a popular spot due to a redevelopment. In 2019, Ikebukuro was the most popular place where people want to live in the Tokyo metropolitan area.

### Point 2

24hr delivery box, auto-lock with a camera, Wi-Fi network, and the smart entry system with the hands-free key are available in all housing units to offer convenience, comfort, and safe living experience.



# Project in progress

## 【Condominium Unit Sales Business】(Tentative)Renaissance Court SENDAGAYA I・II (Compact Condominium Buildings for Investment-Purpose)

### Overview

Location : 5 Chome Sendagaya, Shibuya City, Tokyo

Access : 4-min. walk from SENDAGAYA station on JR SOBU line  
10-min. walk from YOYOGI station on JR YAMANOTE line  
6-min. walk from KOKURITSU-KYOGIJO station on TOEI OEDO line

Total No. of Units : 23 units

Structure : Reinforced Concrete(RC)  
4 stories above ground

Completion : Sep 2020 (Scheduled)

### Point 1

Located next to the Shinjuku Gyoen National Garden and the National Stadium with a favorable location inside the Yamanote Line loop, only takes 5 minutes to Shinjuku Station and 15 minutes to Tokyo Station, which can satisfy the needs of convenience, good living environment and future potential.

### Point 2

Achieving privacy-friendly design by the interior corridor, auto-lock with a camera, and security camera. Wi-Fi, home delivery lockers, 24-hour garbage storage are also available to provide a safe and convenient daily life.



## 【Residential Housing Sales business】Rena Court MIZUE (Wooden Apartment Building for Investment-Purpose)

### Overview

Location : 1 Chome Higashimizue, Edogawa City, Tokyo

Access : 6-min. walk from MIZUE station on TOEI SHINJUKU line

Total No. of Units : 9 units

Structure : Wooden structure  
3 stories above ground

Completion : Mar 2020

### Point 1

Convenient access to Central Tokyo with a direct link to SHINJUKU Station and able to reach OTEMACHI Station in 22 minutes. Located in a Spacious area at the Southeast corner plot and adjacent to a public park in the southwest side. Supermarkets, convenience stores, and medical facilities are all located in a 3-min walking distance.

### Point 2

Certified as "Degradation countermeasure class 3" which is capable of applying for a 30-year mortgage. Offer a comfortable living experience with a bright space design with Walk-In Closet and Private Balcony in each housing unit. Resident facilities including auto-lock with a camera, 24hr delivery box, and Wi-Fi network are available for convenience, comfort, and safe living.



## For Inquiries

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