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



Stock Code : 8893

Nov 13, 2020(FRI) SHIN-NIHON TATEMONO CO., LTD.

SHIN-NIHON TATEMONO CO., LTD.

## Business Environment

- The Japanese Economy shifted harshly under the influence of the continuous spread of COVID-19, because of the decline in capital investment and the lower levels of employment and income, which were both caused by the deterioration in corporate results, even though the gradual resume of economic activities resulted in the recovery of consumer spending and the export trades.
- In the real estate industry, when it comes to the condominium market, demands on properties remained strong especially in the Greater Tokyo Area. On the other hand, the commercial building market got hit by the slow rise in land prices which resulted from the dampening demands in tourism, and the office building market suffered from the downward pressure on rent caused by the trend of working from home.

## Business Performance

- [P/L] By promoting land sales to other developers diligently and by handing over Compact Condominium Buildings for Investment-Purpose and commercial buildings as planned, SNT achieved the total net sales of 7,500 million yen (up 3.0% year-on-year), the ordinary income of 571 million yen (down 34.4% year-on-year), and the net income of 473 million yen (down 34.7% year-on-year)
- [B/S] Carefully screening land acquisition by location in Central Tokyo, the amount of real estate for sale and the real estate for sale in progress decreased by 2,676 million yen from the end of the previous fiscal year. Counted up net income of 473 million yen.

## Business Management

- Our capital ratio was 31.2%, increased by 4.1 points from the end of the previous fiscal year.

# Balance Sheet

(Unit:Millions of yen)	March 31, 2020		March 31, 2021	
	End of 2Q	Year End	End of 2Q	Year End
Cash and deposits	5,122	4,947	4,309	(638)
Real estate for sale	789	4,535	● 3,744	(791)
Real estate for sale in process	12,449	11,990	● 10,105	(1,885)
Others	141	136	109	(26)
<b>Total current assets</b>	<b>18,502</b>	<b>21,610</b>	<b>18,268</b>	<b>(3,341)</b>
<b>Total noncurrent assets</b>	<b>1,620</b>	<b>1,641</b>	<b>1,888</b>	<b>246</b>
<b>Total deferred assets</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>(0)</b>
<b>Total assets</b>	<b>20,126</b>	<b>23,254</b>	<b>20,158</b>	<b>(3,095)</b>
Accounts payable for construction contracts	141	363	108	(255)
Short-term loans payable	5,453	6,834	● 7,023	189
Current portion of bonds	-	-	● 250	250
Others	827	690	313	(377)
<b>Total current liabilities</b>	<b>6,422</b>	<b>7,888</b>	<b>7,694</b>	<b>(193)</b>
Bonds	250	250	-	(250)
Long-term loans payable	7,591	8,596	● 5,937	(2,659)
Others	160	219	226	(6)
<b>Total noncurrent liabilities</b>	<b>8,001</b>	<b>9,066</b>	<b>6,164</b>	<b>(2,902)</b>
<b>Total liabilities</b>	<b>14,424</b>	<b>16,955</b>	<b>13,858</b>	<b>(3,096)</b>
Capital stock	854	854	854	-
Capital surplus	40	40	40	-
Retained earnings	4,755	5,358	5,334	(24)
Others	51	44	69	25
<b>Total net assets</b>	<b>5,701</b>	<b>6,298</b>	● <b>6,299</b>	<b>0</b>
<b>Total liabilities and net assets</b>	<b>20,126</b>	<b>23,254</b>	<b>20,158</b>	<b>(3,095)</b>

## ● Breakdown of Real estate for sale

(Unit:Millions of yen)	Mar. 2020	Mar.2021 1Q	Change
Asset solution	2,465	2,493	27
Condominium unit	1,676	1,013	(662)
Residential housing	393	237	(156)
<b>Total</b>	<b>4,535</b>	<b>3,744</b>	<b>(791)</b>

## ● Breakdown of Real estate for sale in process

(Unit:Millions of yen)	Mar. 2020	Mar.2021 1Q	Change
Asset solution	5,949	4,231	(1,718)
Condominium unit	6,041	5,873	(167)
Residential housing	0	0	-
<b>Total</b>	<b>11,990</b>	<b>10,105</b>	<b>(1,885)</b>

## ● The balance of Interest-bearing debt

(Unit:Millions of yen)	Mar. 2020	Mar.2021 1Q	Change
Short-term	6,834	7,273	439
Long-term	8,846	5,937	(2,909)
<b>Total</b>	<b>15,681</b>	<b>13,210</b>	<b>(2,470)</b>

## ● Shareholders' equity ratio

	Mar. 2020	Mar.2021 1Q	Change
Equity ratio	27.1%	31.2%	+4.1pt

# Income Statement

(Unit:Millions of yen)	March 31, 2020		March 31, 2021				
	2Q		2Q		Year-on -year		Full year
	Actual	% of Total	Actual	% of Total	Change	Change (%)	Forecast
Net sales	7,285	100.0%	● 7,500	100.0%	215	3.0%	19,830
Cost of sales	5,377	73.8%	6,114	81.5%	737	13.7%	-
<b>Gross profit</b>	<b>1,907</b>	<b>26.2%</b>	<b>1,385</b>	<b>18.5%</b>	(521)	(27.4%)	-
Selling, general and administrative expenses	931	12.8%	● 651	8.7%	(279)	(30.0%)	-
<b>Operating income</b>	<b>976</b>	<b>13.4%</b>	<b>734</b>	<b>9.8%</b>	(242)	(24.8%)	<b>2,010</b>
Non-operating income	22	0.3%	7	0.1%	(15)	(68.3%)	-
Non-operating expenses	127	1.8%	● 169	2.3%	41	32.6%	-
<b>Ordinary income</b>	<b>871</b>	<b>12.0%</b>	<b>571</b>	<b>7.6%</b>	(299)	(34.4%)	<b>1,730</b>
Extraordinary income	-	-	-	-	-	-	-
Extraordinary loss	-	-	-	-	-	-	-
<b>Income before income taxes</b>	<b>871</b>	<b>12.0%</b>	<b>571</b>	<b>7.6%</b>	(299)	(34.4%)	-
Income tax - current	145	2.0%	98	1.3%	(47)	(32.5%)	-
<b>Net income</b>	<b>725</b>	<b>10.0%</b>	<b>473</b>	<b>6.3%</b>	(251)	(34.7%)	<b>1,450</b>

## ● Number of sales

	Mar. 2020 2Q	Mar.2021 2Q	Change
Asset solution	5projects	7projects	2projects
Condominium unit	99units	73units	(26units)
Residential housing	3buildings	2buildings	(1building)

## ● Breakdown of selling, general and administrative expenses

(Unit:Millions of yen)	Mar. 2020 2Q	Mar.2021 2Q	Change
Personnel expenses	331	282	(49)
Sales commission	267	113	(153)
Advertising expenses	17	17	0
Others	315	237	(77)
<b>Total</b>	<b>931</b>	<b>651</b>	<b>(279)</b>

## ● Breakdown of non-operating expenses

(Unit:Millions of yen)	Mar. 2020 2Q	Mar.2021 2Q	Change
Interest expenses	115	119	4
Other	12	49	36
<b>Total</b>	<b>127</b>	<b>169</b>	<b>41</b>

# Sales and profit by reportable segments

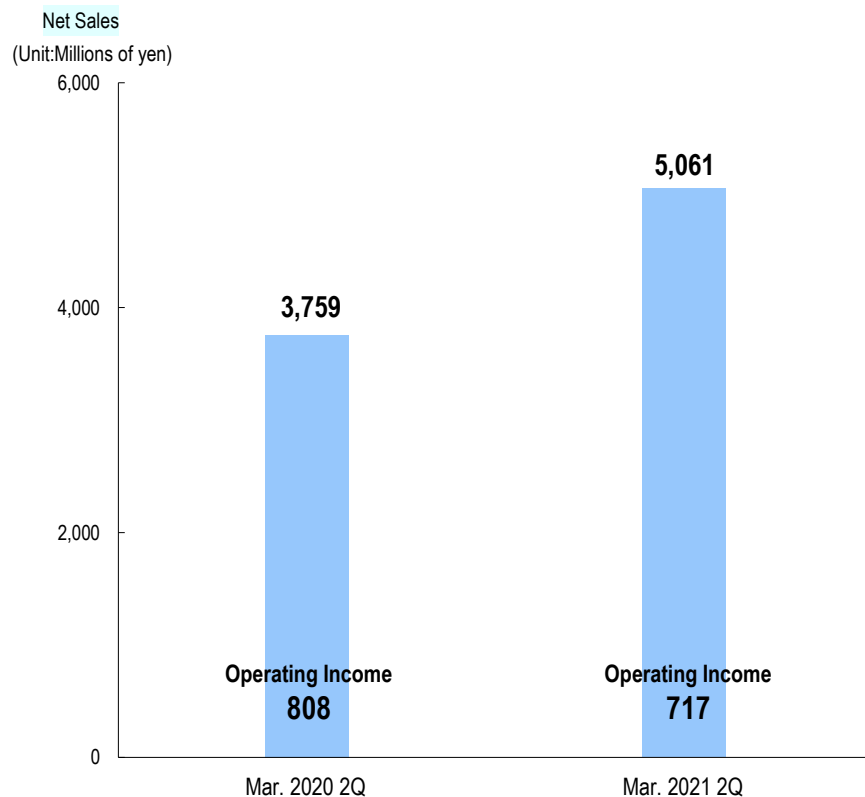
- In the 2nd quarter cumulative period, as a result of a diligent promotion on land sales toward developers and handing over Compact Condominium Buildings for Investment-Purpose and commercial buildings as planned, SNT recorded a total net sales of 7,500 million yen (up 3.0% year-on-year) and an operating income of 734million yen (down 24.8% year-on-year).

【Net Sales】 (Unit:Millions of yen)		March 31, 2020		March 31, 2021			
		2Q		2Q		Year-on-year	
		Actual	% of Total	Actual	% of Total	Change	Change (%)
Asset Solution Business	3,759	51.6%	5,061	67.5%	1,301	34.6%	
Condominium Unit Sales Business	3,183	43.7%	2,202	29.4%	(980)	(30.8%)	
Residential Housing Sales business	307	4.2%	203	2.7%	(103)	(33.8%)	
Others	34	0.5%	32	0.4%	(1)	(5.6%)	
Elimination and/or corporate	-	-	-	-	-	-	
<b>Net sales total</b>	<b>7,285</b>	<b>100.0%</b>	<b>7,500</b>	<b>100.0%</b>	<b>215</b>	<b>3.0%</b>	

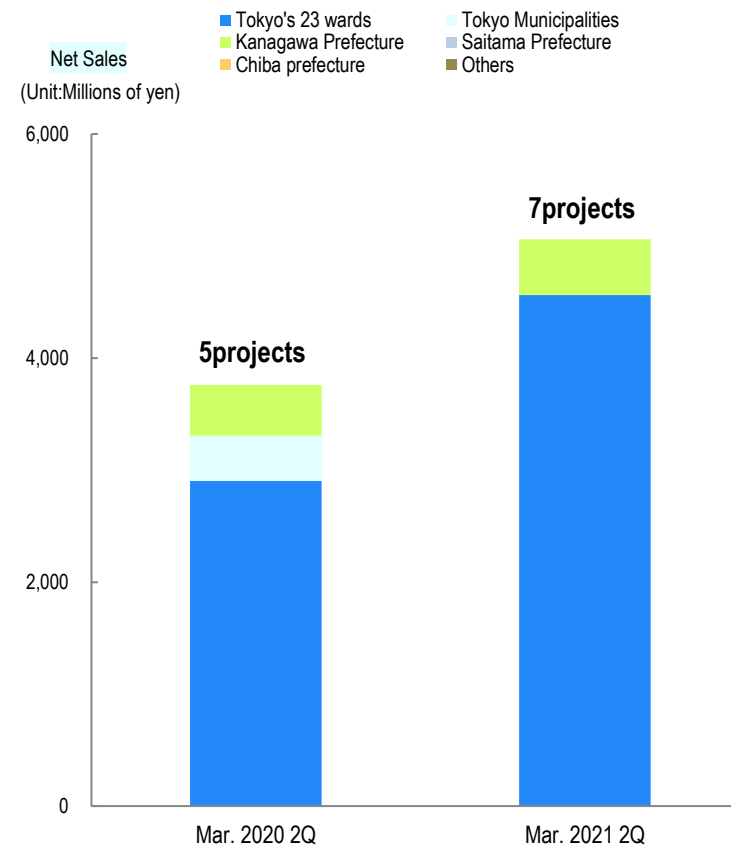
【Operating Income】 (Unit:Millions of yen)		March 31, 2020		March 31, 2021			
		2Q		2Q		Year-on-year	
		Actual	% of Total	Actual	% of Total	Change	Change (%)
Asset Solution Business	808	21.5%	717	14.2%	(90)	(11.3%)	
Condominium Unit Sales Business	489	15.4%	262	11.9%	(227)	(46.4%)	
Residential Housing Sales business	53	17.4%	39	19.2%	(14)	(26.9%)	
Others	11	32.6%	9	31.0%	(1)	(10.4%)	
Elimination and/or corporate	(385)	-	(294)	-	91	-	
<b>Operating income total</b>	<b>976</b>	<b>13.4%</b>	<b>734</b>	<b>9.8%</b>	<b>(242)</b>	<b>(24.8%)</b>	

- In the 2nd quarter cumulative period, carefully paying attention to the market trends, SNT promoted land sales to other developers diligently and handed over commercial buildings as planned. As a result, SNT recorded a total net sales of 5,061 million yen (up 34.6% year-on-year) and an operating income of 717million yen (down 11.3% year-on-year).

Actual Result of 2Q

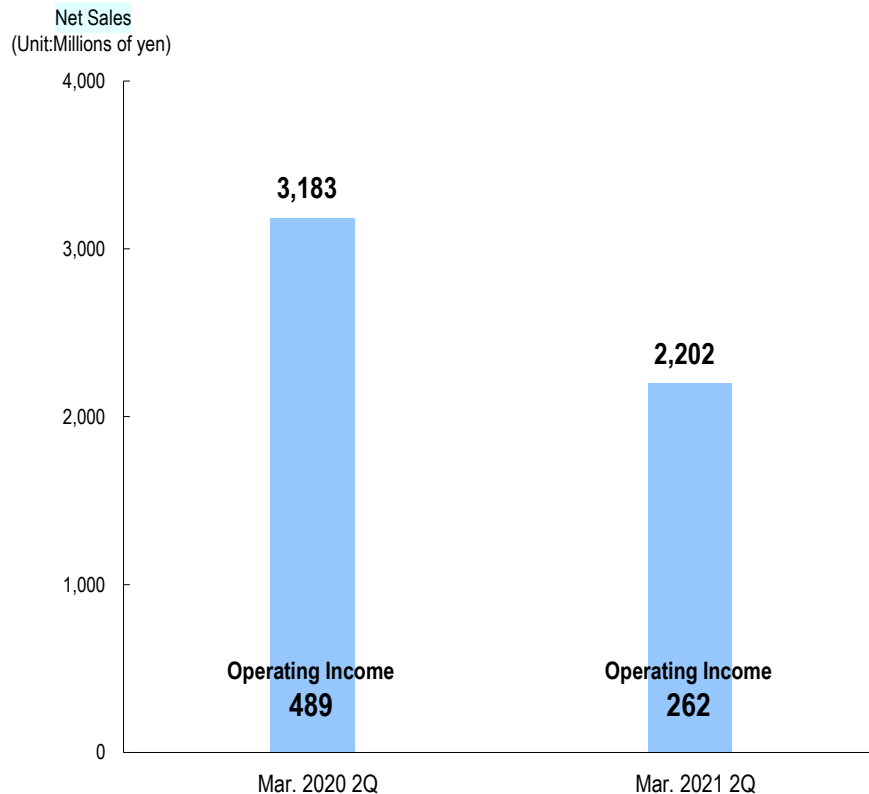


Net sales by area

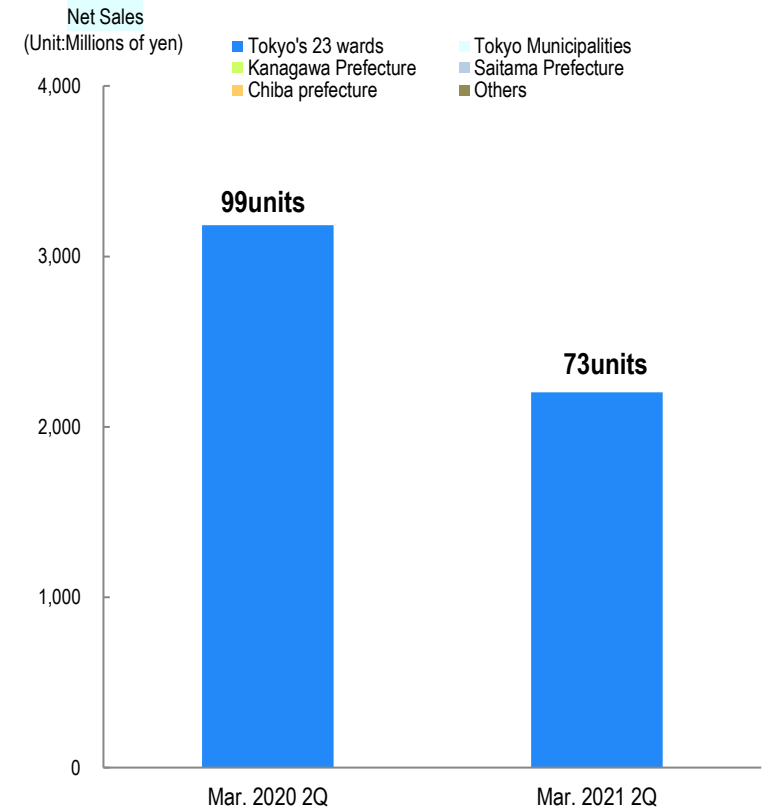


- In the 2nd quarter cumulative period, SNT carefully accomplished the selling of Compact Condominium Buildings for Investment-Purpose and recorded a total net sales of 2,202 million yen (down 30.8% year-on-year), and an operating income of 262 million yen (down 46.4% year-on-year).

Actual Result of 2Q



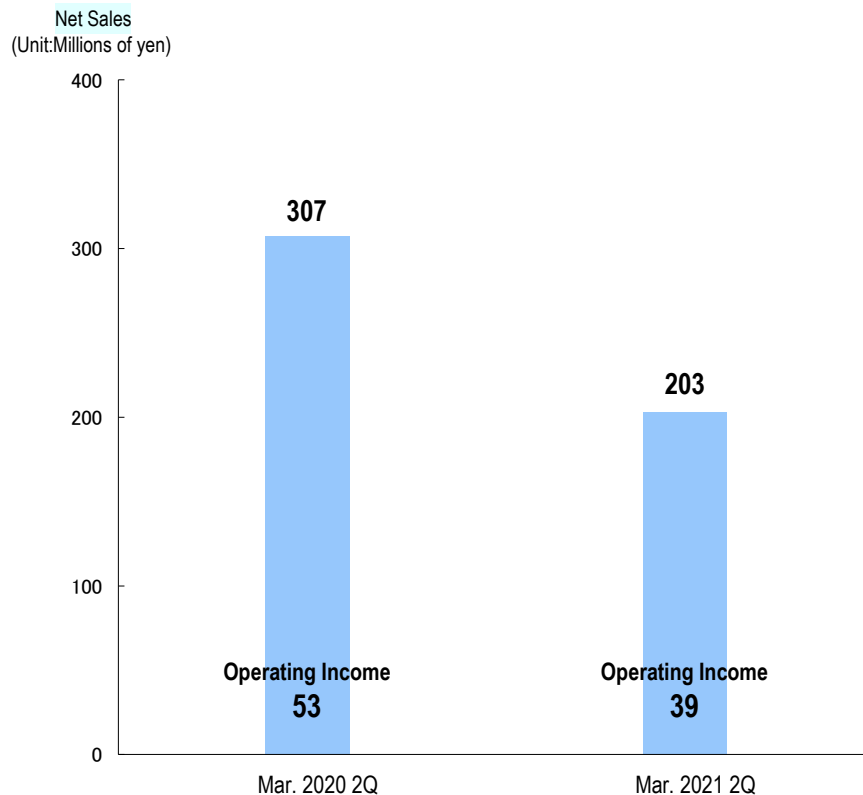
Net sales by area



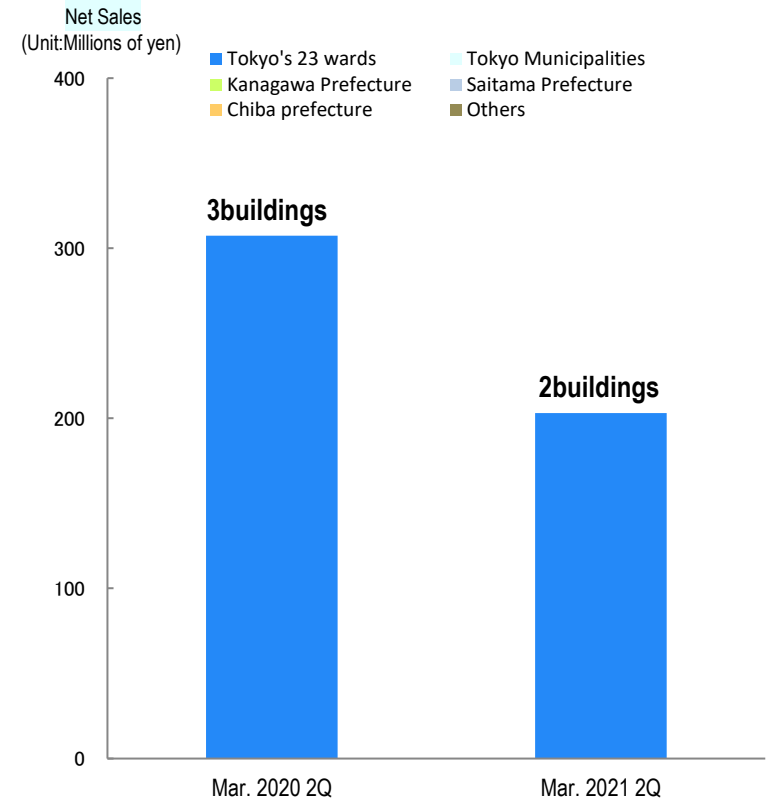
# Overview of Residential Housing Sales Business

- In the 2nd quarter cumulative period, SNT completed 2 handovers of the Wooden Apartment Building for Investment-Purpose as planned.
- SNT recorded net sales of 203 million yen and an operating income of 39 million yen.

Actual Result of 2Q



Net sales by area



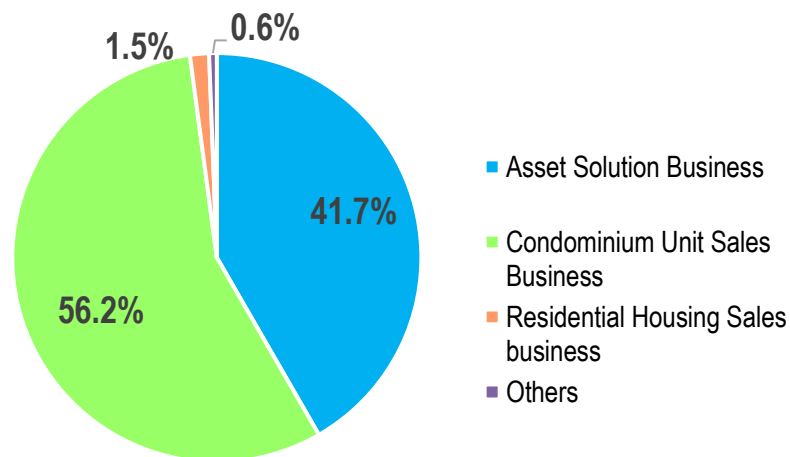


# Property Acquisitions

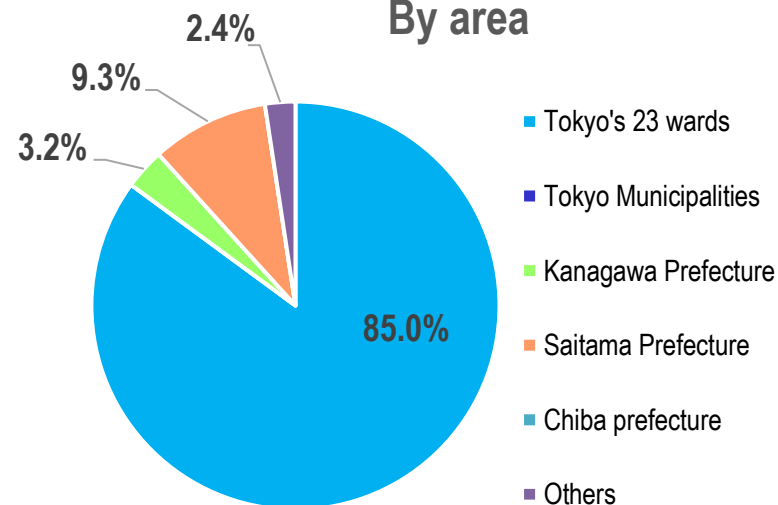
- Business activities were hardly confined by the effect of COVID-19, SNT carefully screened property acquisitions and only acquired properties that satisfy our conditions, “in the Tokyo metropolitan area, near a train station”.
- As of the end of September 2020, property purchase agreements worth approximately 24.8 billion yen of net sales were formed.

## Overview of the net sales of 24.8 billion yen planned

By reportable segments



By area



# Project in Progress

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

Overview	
Location	: Yochoumachi, Shinjuku City, Tokyo
Access	: 6-min. walk from WAKAMATUKAWADA station on Toei Oedo line 10-min. walk from AKEBONOBASHI station on Toei Shinjuku line
Total No. of Units	: 35 Units
Structure	: Reinforced Concrete (RC) 4 stories above ground
Completion	: Jan 2021 (Scheduled)

### Point 1

Within a walking distance from SHINJUKU Station, a huge terminal in the Tokyo metropolitan area, and from KAGURAZAKA Station, a well-known “City of Gastronomy”, the surrounding circumstance is quiet and relaxing.

### Point 2

Installing a hands-free key, able to walk through smart and contactless. Full of comfortable facilities are also available with 24-hour delivery box and Wi-Fi. In addition, 1LDK type unit is open-wide and with natural lights on 2 sides.



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

Overview	
Location	: Nakasato, Kita City, Tokyo
Access	: 3-min. walk from KOMAGOME station on JR Yamanote line 5-min. walk from KOMAGOME station on Tokyo Metro Nanboku line
Total No. of Units	: 15 units
Structure	: Reinforced Concrete (RC) 6 stories above ground
Completion	: Jan 2021 (Scheduled)

### Point 1

3-min. walk from KOMAGOME Station, which is accessible to TOKYO Station and SHINJUKU Station within 20-min. Adjacent to Komagome Azarea St. shopping district, and within a walking distance from Tachikomagomehigasi Park, the location of this property under construction is comfortable and convenient.

### Point 2

Various functional facilities like 24-hour delivery box and self-locking doors with cameras, Wi-Fi, hands-free key, etc., are available. Also, 1R type unit has a counter kitchen and a nice living environment.



# Sub-divided Real Estate for Investment-Purpose

## Renaissance Court SANGENJAYA CALME **(SOLD OUT for the 1st term)**

### Overview

Location	: 1 Chome Wakabayashi, Setagaya City, Tokyo
Access	: 3-min. walk from WAKABAYASHI station on Tokyu Setagaya line 11-min. walk from SANGENJAYA station on Tokyu Denentoshi line
Total No. of Units	: 15 Units
Structure	: Reinforced Concrete (RC) 4 stories above ground
Completion	: Mar 2019

### Point 1

The first project of “**Joint Owners**”, Sub-divided Real Estate for Investment-Purpose.

### Point 2

Sangenjaya is nowadays a hot spot in Setagaya City. This condominium has commercial facilities, parks, medical facilities, and public offices within a walking distance. Comfortability and convenience are well-balanced here.



## Joint Owners

An investment product which sub-divided the land and the building of blue-chip properties in Central Tokyo which usually demands a large amount of funds and made it reasonable.

Acquisitions are available from 1 increment for 100 million yen. Tax benefits, risk mitigation, no need for management.

Details and document requests are available in the link below. **2nd term selling is scheduled. Contact us for details!**

**Joint Owners URL** : <https://www.kksnt.co.jp/jointowners/>

## For Inquiries

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