

Financial Results Briefing Materials for the Fiscal Year Ended March 31, 2023

May 15, 2023 (MON) SHIN-NIHON TATEMONO CO., LTD.

Business Environment

- Japanese economy showed signs of recovery from COVID-19 impact with increased consumer spending and inbound demand recovery. However, risks remain due to the situation in Ukraine, global monetary tightening, and yen depreciation.
- Real estate industry experienced decreased cumulative investment in the market. The newly-built condominiums market saw a decrease in available units for the first time in two years while the Company made notable progress in acquiring and selling development sites and high-quality investment properties in Tokyo's 23 wards.

Business Performance

- [P/L] In the Asset Solution Business, the Company focused on acquiring and selling development sites to other developers. Significant progress was made in selling investment properties of reinforced concrete whole buildings and collective sales of investment properties in the Greater Tokyo Area. This resulted in a growth in net sales of 21,105 million yen (up 8.4% YoY), ordinary income of 1,815 million yen (up 19.8% YoY), and net income of 1,886 million yen (up 52.6% YoY), reflecting increased sales and income.
- [B/S] Inventories increased by 5,144 million yen compared to the previous fiscal year-end to 17,108 million yen due to the acquisition of well-located sites in central Tokyo and the ongoing construction projects.

Business Management

- Sold all shares of subsidiary Yell Co., Ltd. and recorded a gain of 340 million yen from the sale of shares as extraordinary income.
- Planned dividend per share of 30 yen (an increase of 8 yen).

Balance Sheet

(Unit: Millions of yen)	March 31, 2022		March 31, 2023		
	Actual	% of Total	Actual	% of Total	Change
Cash and deposits	7,029	34.4%	6,920	26.3%	(109)
Real estate for sale	1,724	8.4%	● 3,212	12.2%	1,487
Real estate for sale in process	10,238	50.1%	● 13,895	52.8%	3,656
Others	152	0.7%	538	2.0%	385
Total current assets	19,145	93.8%	24,565	93.4%	5,420
Total noncurrent assets	1,270	6.2%	1,744	6.6%	473
Total deferred assets	3	0.0%	2	0.0%	(0)
Total assets	20,419	100.0%	26,313	100.0%	5,893
Accounts payable for construction contracts	296	1.5%	391	1.5%	94
Short-term loans payable	4,423	21.7%	● 6,509	24.7%	2,086
Current portion of bonds	50	0.2%	● 50	0.2%	-
Others	467	2.3%	1,464	5.6%	997
Total current liabilities	5,237	25.7%	8,416	32.0%	3,178
Bonds	200	1.0%	● 150	0.6%	(50)
Long-term loans payable	7,157	35.1%	● 8,455	32.1%	1,298
Others	211	1.0%	194	0.7%	(16)
Total noncurrent liabilities	7,568	37.1%	8,800	33.4%	1,231
Total liabilities	12,806	62.7%	17,216	65.4%	4,409
Capital stock	854	4.2%	854	3.2%	-
Capital surplus	40	0.2%	40	0.2%	-
Retained earnings	6,632	32.5%	8,080	30.7%	1,448
Others	84	0.4%	119	0.5%	35
Total net assets	7,612	37.3%	9,096	34.6%	1,483
Total liabilities and net assets	20,419	100.0%	26,313	100.0%	5,893

● Breakdown of Real estate for sale

(Unit:Millions of yen)	Mar. 2022	Mar.2023	Change
Asset solution	-	-	-
Condominium unit	1,724	3,212	1,487
Total	1,724	3,212	1,487

● Breakdown of Real estate for sale in process

(Unit:Millions of yen)	Mar. 2022	Mar.2023	Change
Asset solution	2,942	6,056	3,113
Condominium unit	7,296	7,839	542
Total	10,238	13,895	3,656

● The balance of Interest-bearing debt

(Unit:Millions of yen)	Mar. 2022	Mar.2023	Change
Short-term	4,473	6,559	2,086
Long-term	7,357	8,605	1,248
Total	11,831	15,165	3,334

● Shareholders' equity

(Unit:Millions of yen)	Mar. 2022	Mar.2023	Change
Equity	7,612	9,096	1,483

(Unit:Millions of yen)	March 31, 2022		March 31, 2023			
	Full year		Full year		Year-on -year	
	Actual	% of Total	Actual	% of Total	Change	Change (%)
Net sales	19,468	100.0%	● 21,105	100%	1,637	8.4%
Cost of sales	15,798	81.1%	17,148	81.3%	1,350	8.5%
Gross profit	3,669	18.9%	3,956	18.7%	286	7.8%
Selling, general and administrative expenses	1,935	9.9%	● 1,954	9.3%	18	0.9%
Operating income	1,734	8.9%	2,002	9.5%	268	15.5%
Non-operating income	29	0.2%	55	0.3%	25	84.4%
Non-operating expenses	248	1.3%	● 241	1.1%	(7)	(2.8)%
Ordinary income	1,515	7.8%	1,815	8.6%	300	19.8%
Extraordinary income	27	0.1%	340	1.6%	312	1118.8%
Extraordinary loss	136	0.7%	52	0.2%	(83)	(61.5)%
Income before income taxes	1,406	7.2%	2,103	10.0%	696	49.5%
Income tax - current	215	1.1%	294	1.4%	79	36.8%
Income tax-deferred	(45)	(0.2)%	(77)	(0.4)%	(32)	(73.0)%
Net income	1,236	6.3%	1,886	8.9%	650	52.6%

● Number of sales

	Mar. 2022	Mar.2023	Change
Asset solution	16 projects	16 projects	-
Condominium unit	221 units	318 units	97 units

● Breakdown of selling, general and administrative expenses

(Unit:Millions of yen)	Mar. 2022	Mar.2023	Change
Personnel expenses	692	756	63
Sales commission	596	324	(271)
Advertising expenses	51	104	52
Others	595	768	173
Total	1,935	1,954	18

● Breakdown of non-operating expenses

(Unit:Millions of yen)	Mar. 2022	Mar.2023	Change
Interest expenses	244	239	(4)
Other	4	2	(2)
Total	248	241	(7)

Sales and profit by reportable segments

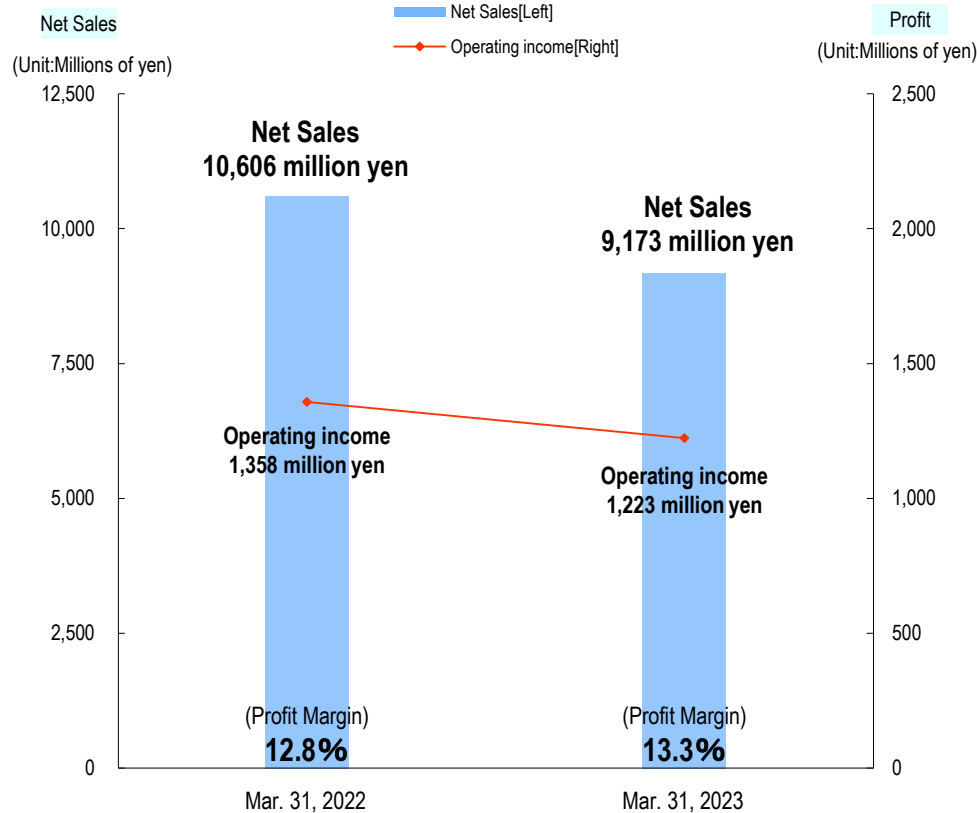
- Leveraging our procurement planning expertise, we successfully sold development sites to other developers and made significant progress in selling high-quality investment properties near train stations.
- Achieved net sales of 21,105 million yen (up 8.4% YoY) and operating income of 2,002 million yen (up 15.5% YoY), reflecting increased sales and income.

【Net Sales】 (Unit:Millions of yen)		March 31, 2022		March 31, 2023			
		Full year		Full year		Year-on-year	
		Actual	% of Total	Actual	% of Total	Change	Change (%)
Asset Solution Business	10,606	54.5%	9,173	43.5%	(1,433)	(13.5)%	
Condominium Unit Sales Business	8,797	45.2%	11,847	56.1%	3,050	34.7%	
Asset Holding Business	63	0.3%	62	0.3%	(1)	(1.9)%	
Others	0	0.0%	20	0.1%	20	4,467.6%	
Elimination and/or corporate	-	-	-	-	-	-	
Net sales total	19,468	100.0%	21,105	100%	1,637	8.4%	

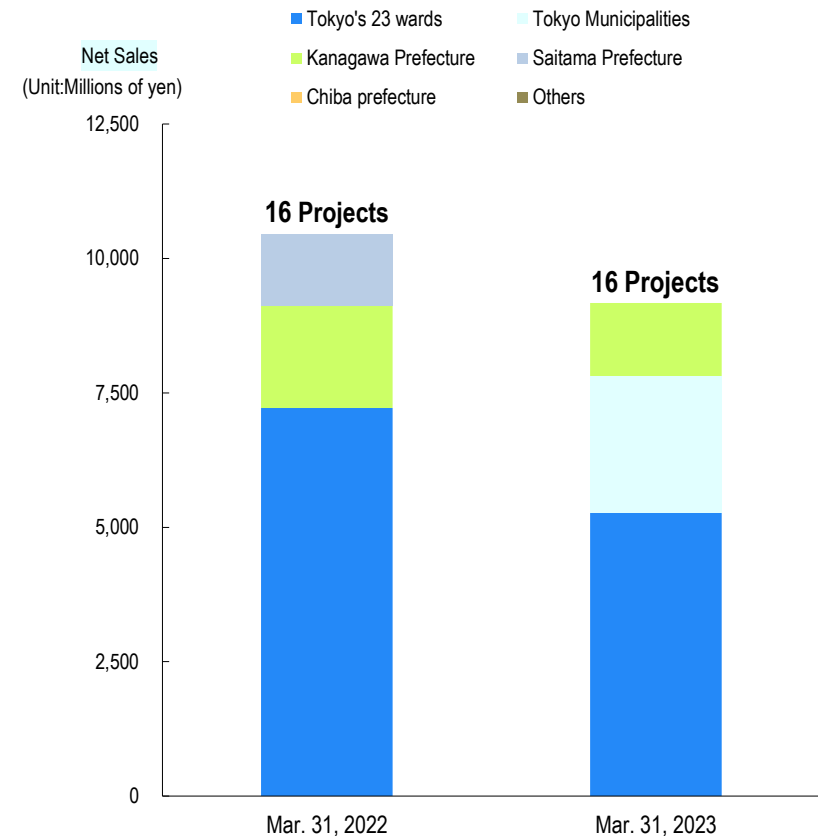
【Operating Income】 (Unit:Millions of yen)		March 31, 2022		March 31, 2023			
		Full year		Full year		Year-on-year	
		Actual	% of Total	Actual	% of Total	Change	Change (%)
Asset Solution Business	1,358	12.8%	1,223	13.3%	(134)	(9.9)%	
Condominium Unit Sales Business	1,072	12.2%	1,654	14.0%	582	54.3%	
Asset Holding Business	19	30.9%	20	32.7%	0	3.7%	
Others	0	98.1%	11	52.7%	10	2,352.5%	
Elimination and/or corporate	(716)	-	(907)	-	(190)	-	
Operating income total	1,734	8.9%	2,002	9.5%	268	15.5%	

- Delivered 16 projects by purchasing and selling development sites for other developers in Tokyo including the Roppongi Project (Minato-ku, Tokyo), the Ochanomizu Project (Bunkyo-ku, Tokyo), and the Nakagawara Project (Fuchu City, Tokyo).
- Recorded net sales of 9,173 million yen (down 13.5% YoY) and operating income of 1,223 million yen (down 9.9% YoY).

Actual Result

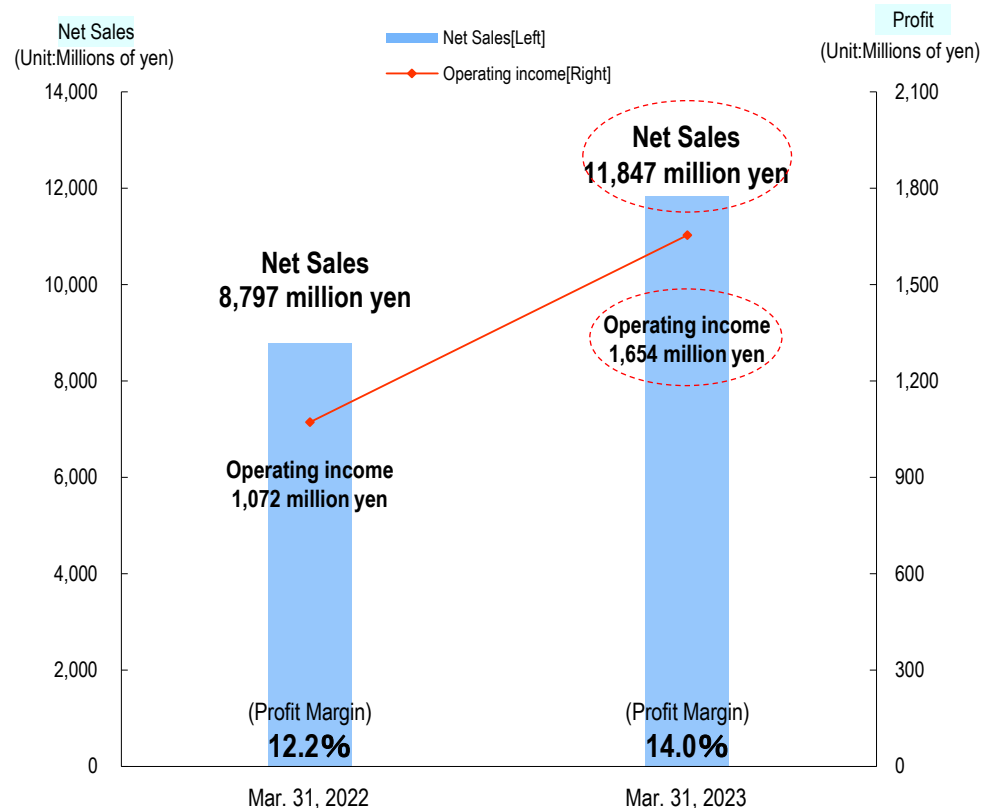


Net sales by area

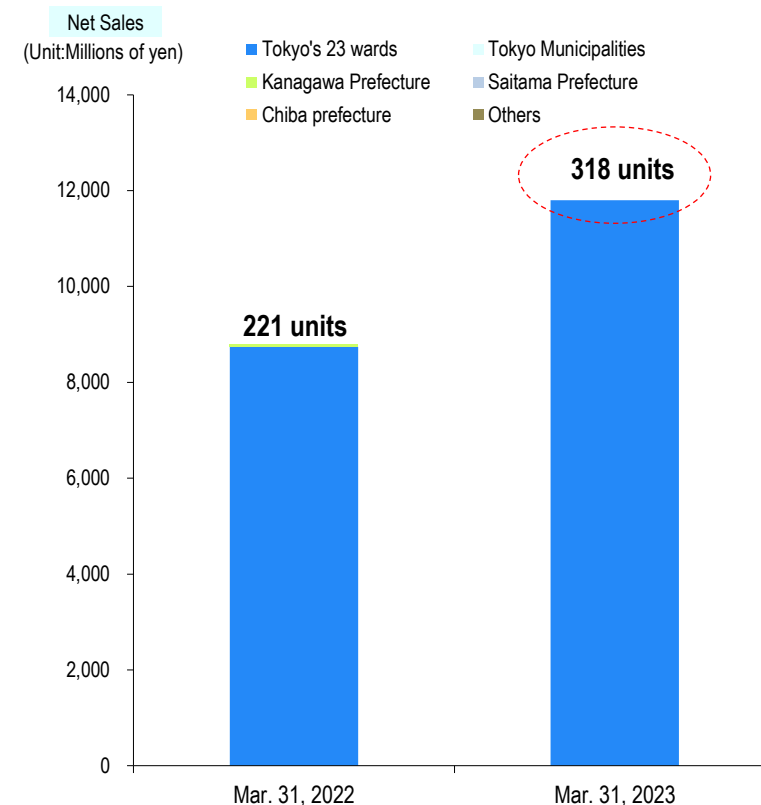


- Starting with the top-grade “Renaissance Premium Court” series, we delivered 14 buildings (318 units) of high-quality investment reinforced concrete whole-building properties and collective sales of investment properties in prime locations of central Tokyo, including Shibuya, Chuo, and Shinjuku wards.
- Achieved net sales of 11,847 million yen (up 34.7% YoY) and operating income of 1,654 million yen (up 54.3% YoY), reflecting increased sales and income.

Actual Result



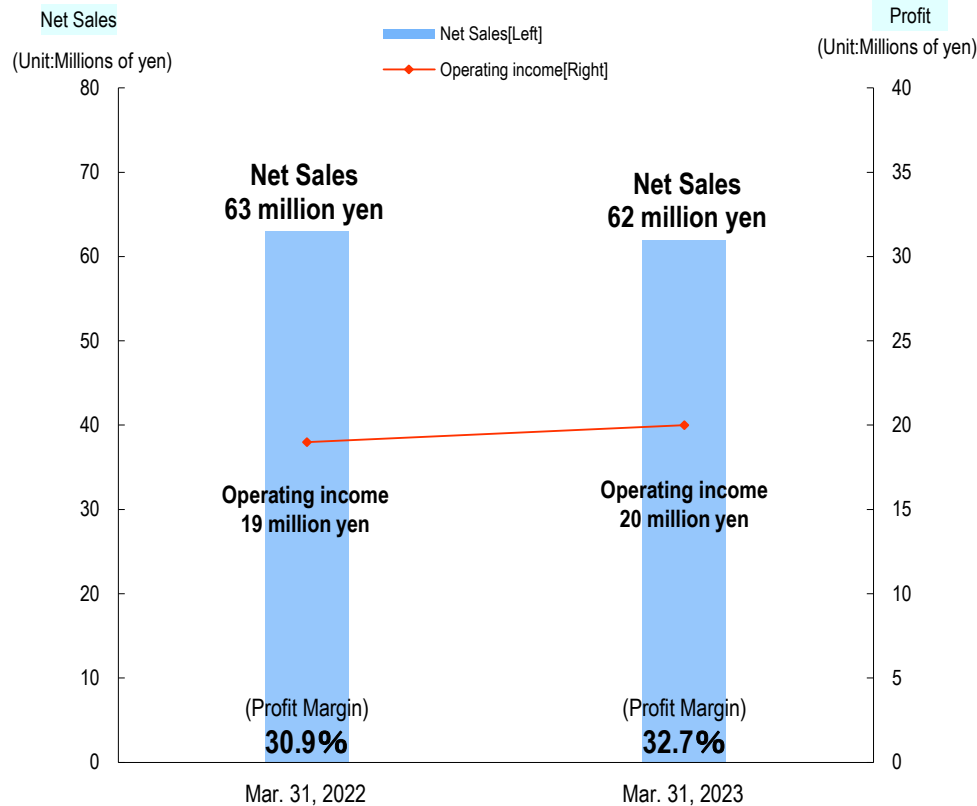
Net sales by area



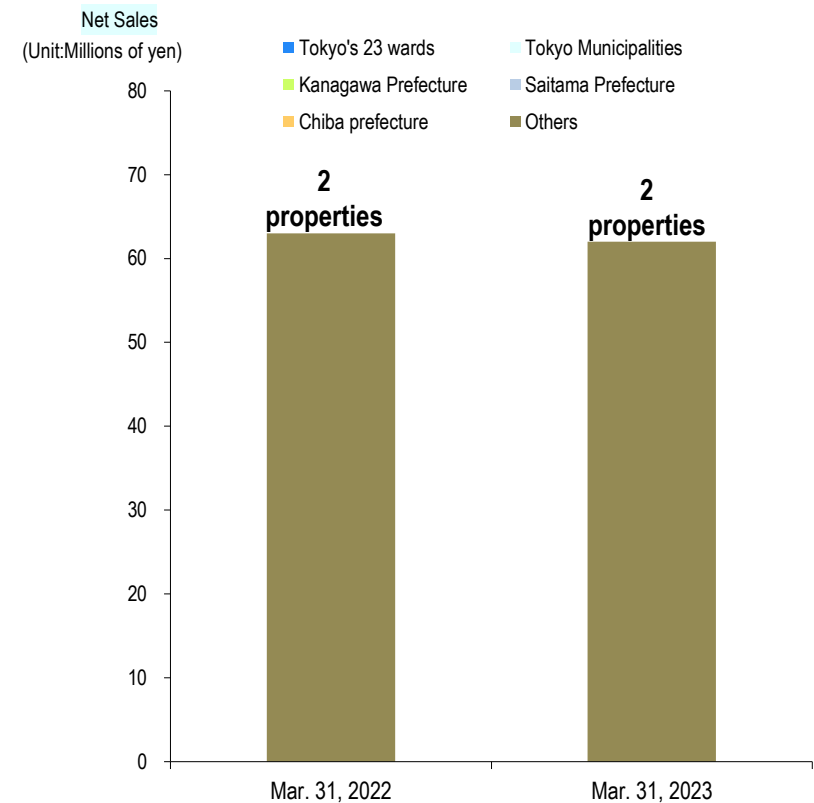
Overview of Asset Holding Business

- Operates two rental properties owned.
- Recorded net sales of 62 million yen and operating income of 20 million yen.

Actual Result



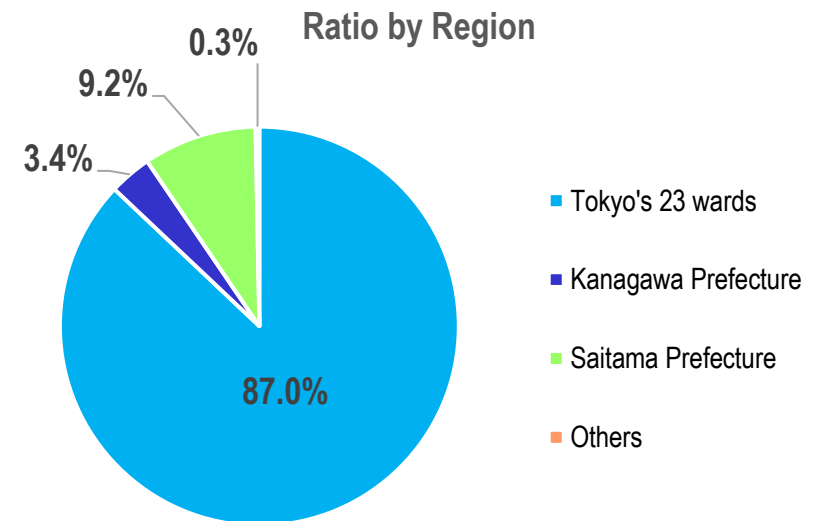
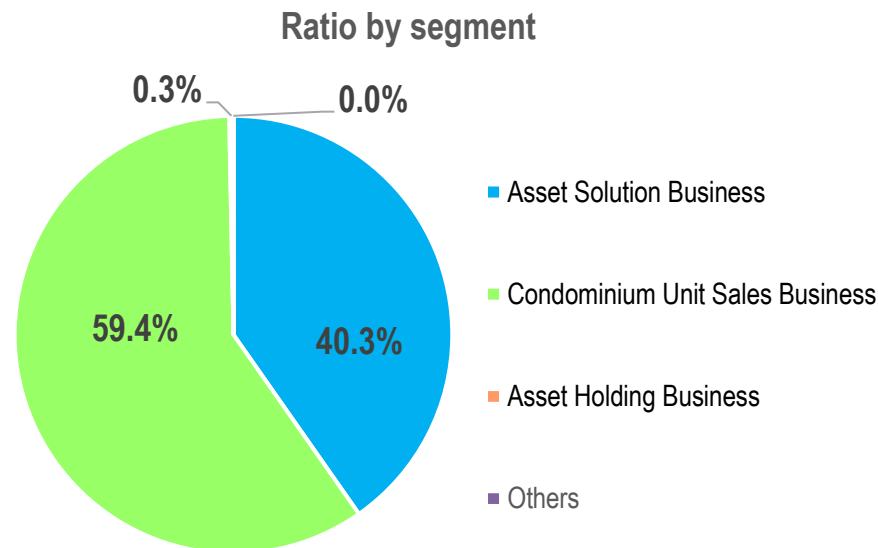
Net sales by area



- With the solid domestic and international demand for real estate in Tokyo's 23 wards, our company actively engaged in purchasing activities by leveraging our expertise in business planning and land procurement.
- As of the end of the current fiscal year, a purchase agreement with planned sales of approximately 41.9 billion yen had been concluded.

(An increase of 11.1 billion yen from the end of March 2022)

Overview of planned sales of 41.9 billion yen

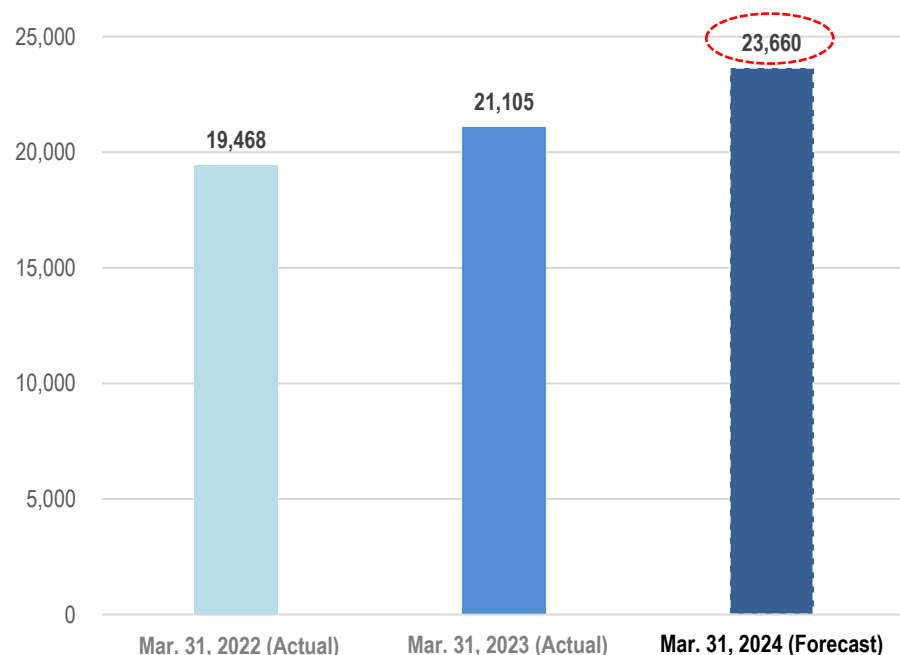


■ Comparison of previous year's results and business outlook for the FY2024

For the fiscal year ending March 2024, we anticipate sales of 23.66 billion yen and operating income of 2.68 billion yen which is attributed to the smooth progress of sales contracts for asset management condominiums, distribution facilities, and development sites for other developers as planned.

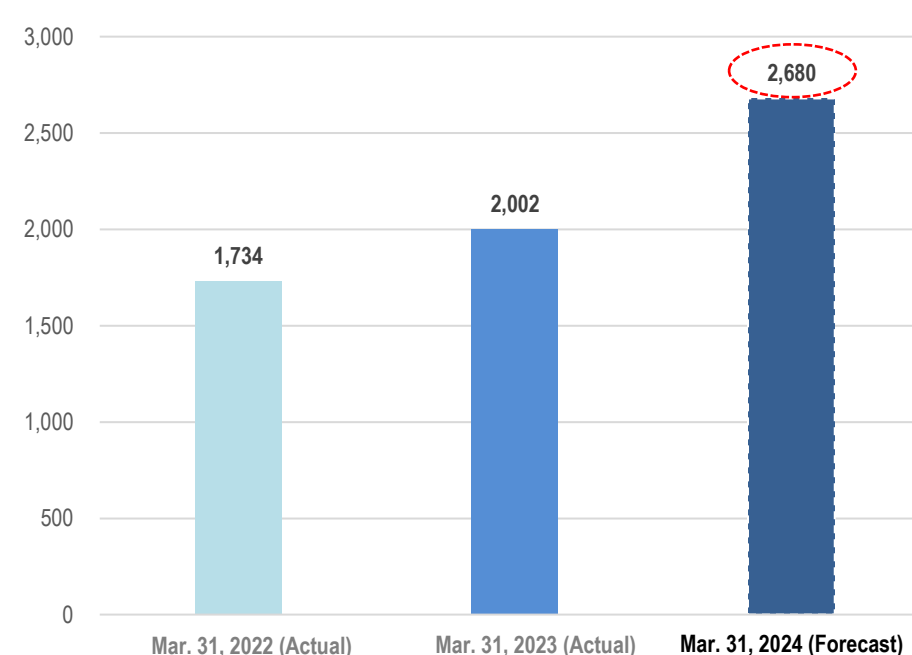
Net Sales

(Unit:Millions of yen)



Operating income

(Unit:Millions of yen)

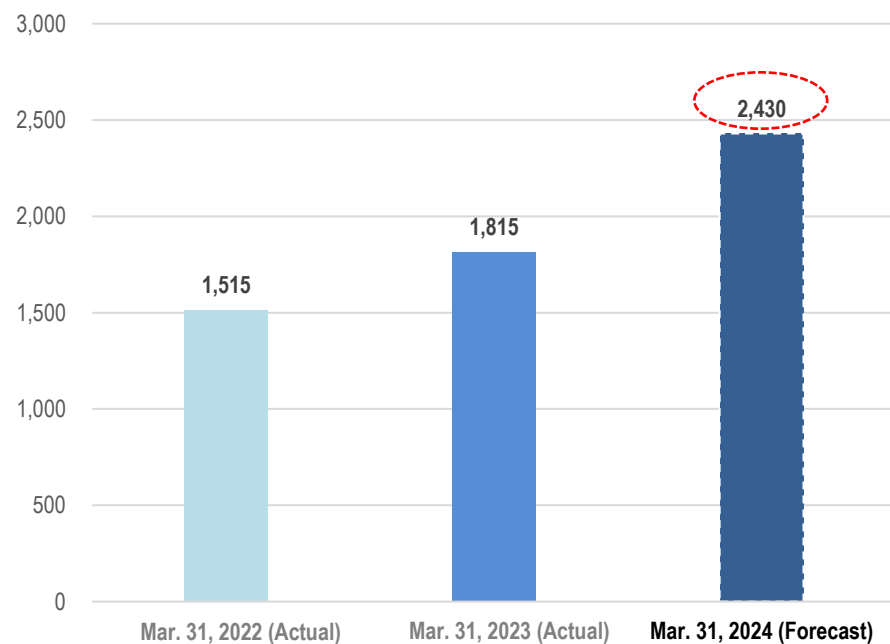


■ Comparison of previous year's results and business outlook for the FY2024

For the fiscal year ending March 2024, we expect ordinary income of 2.43 billion yen and net income of 1.68 billion yen.

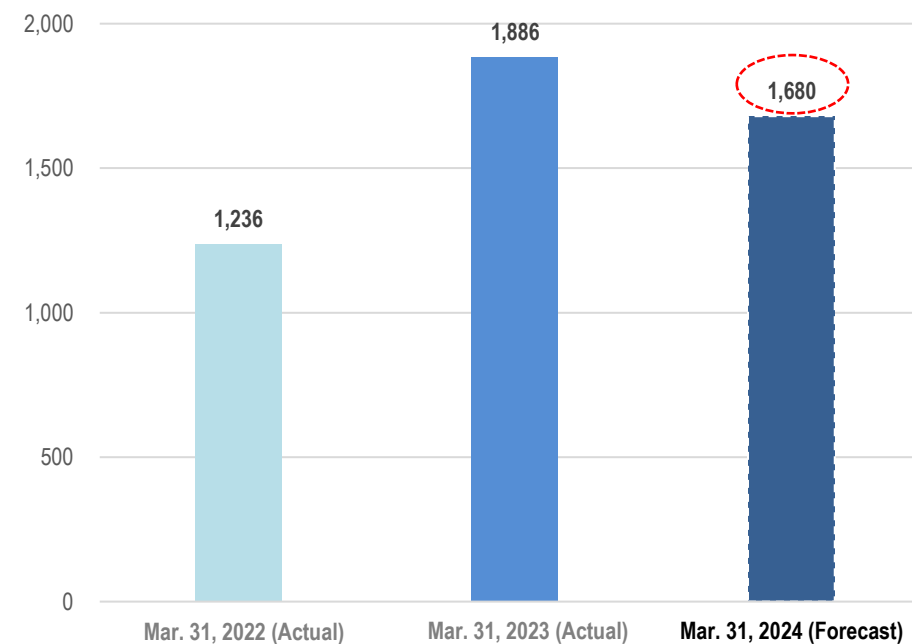
Ordinary income

(Unit: Millions of yen)



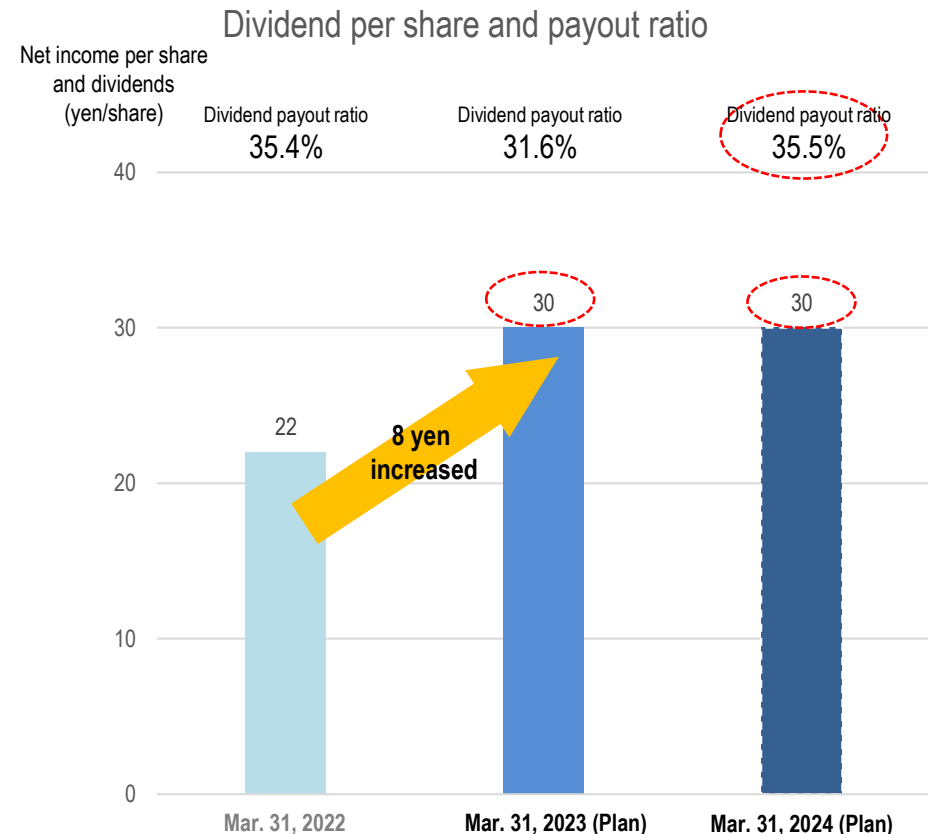
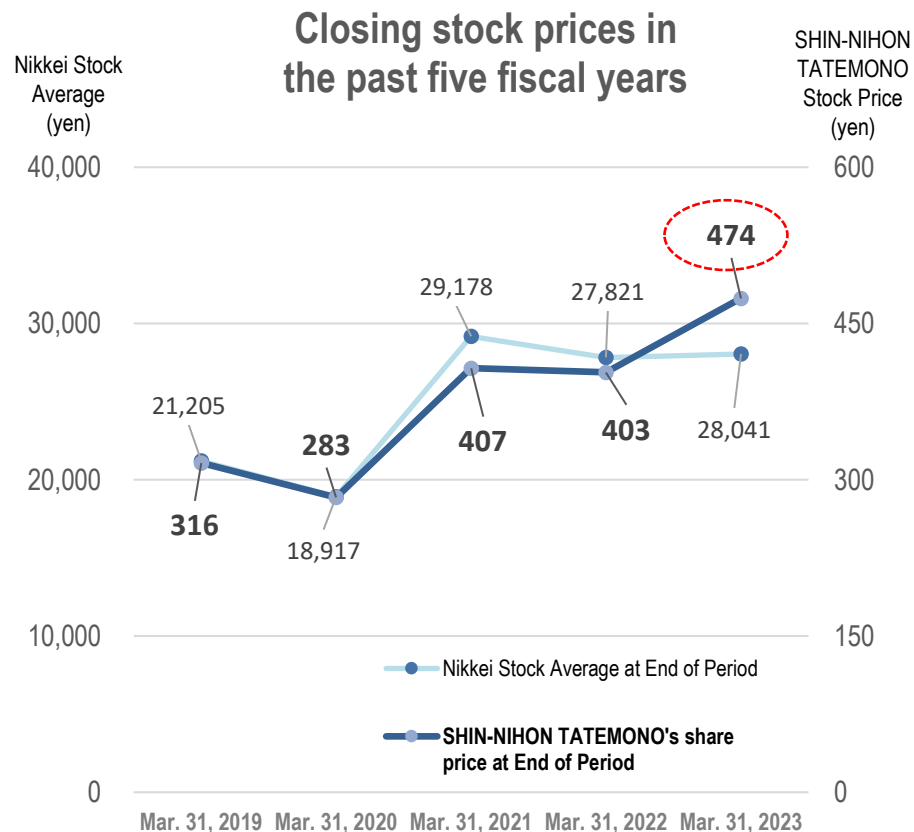
Net income

(Unit: Millions of yen)



- Record 150% increase in share price since end of March 2019.
- Plans to pay an ordinary dividend of 30 yen per share, an increase of 8 yen from the fiscal year ended March 2022.

Changes in net income per share and dividends



【Condominium Unit Sales Business】 Renaissance Court Bunkyo Hakusan (Investment properties of reinforced concrete whole buildings)



Overview

- Location : Hakusan, Bunkyo-ku, Tokyo
- Access : 9-min. walk from Korakuen station on Tokyo Metro Marunouchi Line and Namboku Line
9-min. walk from Kasuga station on Toei Mita Line and Oedo Line
- Total No. of Units : 30 units
- Structure : Reinforced Concrete (RC) 7 stories above ground
- Completion : Jun 2023 (Scheduled)

Point 1

Located in a convenient transportation area with two stations and four routes available. It is surrounded by attractions like Koishikawa Botanical Garden, Harimazaka, and Tokyo Dome, providing a vibrant living environment with abundant green spaces in the heart of the city.

Point 2

“BELS★★★★” Certified property.
BELS, short for "Building-Housing Energy-efficiency Labeling System," is a third-party evaluation program that assesses and certifies the energy-saving performance of buildings, ensuring high standards of energy efficiency.



【Condominium Unit Sales Business】 Renaissance Court Takadanobaba Calme (Investment properties of reinforced concrete whole buildings)

Overview

- Location : Takadanobaba, Shinjuku-ku, Tokyo
- Access : 7-min. walk from Takadanobaba station on JR Yamanote line
7-min. walk from Takadanobaba station on Seibu Shinjuku Line
10-min. walk from Takadanobaba station on Tokyo Metro Tozai Line
- Total No. of Units : 22 units
- Structure : Reinforced Concrete (RC) 4 stories above ground
- Completion : May 2023

Point 1

Situated in an incredibly convenient area, with easy access to three train lines and just two stops away from the bustling terminal stations of Shinjuku and Ikebukuro. It's a sought-after location known for its vibrant atmosphere and proximity to multiple universities.

Point 2

Offering top-notch security and convenience, this property features a secure indoor corridor that ensures privacy from outside views. It is equipped with modern amenities like a smartphone-compatible intercom, hands-free keys, and convenient delivery lockers. The flexible layout with movable partitions allows for versatile room arrangements, catering to different living situations.



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This information is presented to provide an overview of the business results for the fiscal year ending on March 31, 2023. It is important to note that this material is not intended as an invitation or recommendation to invest in the Company's securities. The content of this material is based on the information available at the time of preparation, and any opinions, plans, or forecasts expressed here reflect the Company's judgment at that time. However, it is essential to understand that the accuracy and completeness of this information cannot be guaranteed, and future changes in the business environment may cause the content to be modified without prior notice.