

**ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT.**

This document has been translated from the original Japanese-language document as a guide for non-Japanese investors. In all cases, the Japanese-language original shall take precedence.

## SUMMARY OF FINANCIAL STATEMENTS (Non-Consolidated) for the Second Quarter Ending March 31, 2024 (Japanese Standard)



November 7, 2023

Company name : SHIN-NIHON TATEMONO CO., LTD.  
 Stock exchange listing : Tokyo Stock Exchange  
 Code Number : 8893 URL <https://www.kksnt.co.jp/>  
 Representative : Manabu Kondo, President and Chief Executive Officer  
 IR Contact : Takahiro Motegi, Director and Executive Officer, Division Director of Administration Department  
 Tel : (81) 3-5962-0776  
 Scheduled date to file Quarterly Securities Report : November 8, 2023  
 Scheduled date to commence dividend payments : -  
 Preparation of supplementary materials of quarterly financial statement : Yes  
 Holding of quarterly financial results briefing : None

(Amounts are rounded down to the nearest million yen)

### 1. Financial Results for the Second Quarter Ending March 31, 2024 (April 1, 2023~ September 30, 2023)

#### (1) Operating Result (cumulative)

(% represent the year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second Quarter Ending March 31, 2024	17,743	—	1,985	—	1,915	—	1,328	—
Second Quarter Ended March 31, 2023	—	—	—	—	—	—	—	—

	Earnings per share	Diluted Earnings per Share
	Yen	Yen
Second Quarter Ending March 31, 2024	66.76	—
Second Quarter Ended March 31, 2023	—	—

(Notes) Information regarding the former year is not stated because the financial statement of Second Quarter Ended March 31, 2023 was consolidated.

#### (2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Second Quarter Ending March 31, 2024	23,082	9,853	42.7
Year Ended March 31, 2023	26,313	9,096	34.6

(Reference) Equity: Second Quarter Ending March 31, 2024: 9,853 million yen March 31, 2023: 9,096 million yen

### 2. Dividends

	Dividend per share				
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2023	—	0.00	—	30.00	30.00
Year ending Mar. 31, 2024	—	0.00			
Year ending Mar. 31, 2024 (Forecast)			—	30.00	30.00

(Notes) Revisions of the dividend forecast most recently announced: None

### 3. Business Forecasting for the fiscal year ending March 2024 (April 1, 2023~March 31, 2024)

(% represent the year on year changes)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	23,660	12.1	2,680	33.8	2,430	33.8	1,680	(10.9)	84.41

(Notes) Revisions of the business forecast most recently announced: None

#### ※ Notes

- (1) Application of special accounting methods in preparation of quarterly financial statements : No
- (2) Changes in accounting policies, changes in accounting estimates, and restatements.
- ① Changes in accounting policies due to revisions of accounting standards, etc. : No
- ② Changes in accounting policies other than stated in ① : No
- ③ Changes in accounting estimates : No
- ④ Restatements : No

#### (3) Number of issued shares (common stock)

##### ① Number of issued shares at the end of the period (including treasury shares)

2Q Ending March 31, 2024	19,914,617 shares
Year Ended March 31, 2023	19,914,617 shares

##### ② Number of shares of treasury at the end of the period

2Q Ending March 31, 2024	14,576 shares
Year Ended March 31, 2023	13,956 shares

##### ③ Average number of shares during the period (cumulative)

2Q Ending March 31, 2024	19,900,432 shares
2Q Ended March 31, 2023	19,901,224 shares

※ Summary of the quarterly financial statements is not subject to quarterly reviews by certified public accountants or audit corporations.

#### ※ Explanation as to appropriate use of business forecasts and other special instructions

• The forward-looking statements in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable. Accordingly, the statements in this document are not the promise intended in respect of the actual results by the company. Actual financial results may differ significantly due to various factors. Regarding the precautions of using the data of financial forecasts and the premises and conditions, please refer to “(3) Explanation of forecast information such as business forecasts” on page 4 of the attachment.

• The supplementary material on financial results will be posted on our company’s website on November 7, 2023.

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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

During the second quarter of the current fiscal year, in the domestic economy, economic normalization in wide range of business areas has boosted to recovery, initiated by the service industries like travels and restaurants which got benefits from the demand in rebound, while continued price rises mainly due to the depreciation of the yen, prolonged monetary tightening in western countries, and China's economic uncertainty make concerns about the future impact on the economy.

In the real estate industry, to which our company belongs, with the background of the relative interest rate difference with overseas and the attractiveness of the city in Japan, assets of real estate investment is on the rise in the Tokyo metropolitan area. In addition to rental housing and offices, land for logistic facilities has become very popular for overseas investors entering the Japan's market. As a result, the asset scale of real estate investment is growing at a higher rate than the previous year.

Under such a business environment, the Company executed the plans in the Asset Solution Business by successfully providing land for condominium development to other developers and delivering logistics facilities as intended. Additionally, in the Condominium Unit Sales Business, the Company adhered to the scheduled progress, ensuring the collective sales of investment properties with previously established sale agreements proceeded according to plan, and the contract for the sale of a newly launched property has also progressed smoothly.

As a result, net sales were 17,743 million yen, operating income was 1,985 million yen, ordinary income was 1,915 million yen, and quarterly net income was 1,328 million yen.

	Current 2 <sup>nd</sup> quarter cumulative period	
	Amount	Net Sales (millions of yen)
Asset Solution Business	13 projects	12,514
Condominium Unit Sales Business	148 units	5,193
Asset-Holding Business	—	33
Others	—	1
Total Net Sales	—	17,743
Operating income (loss)	—	1,985

Results by segment are as follows.

#### (Asset Solution Business)

In the second quarter of this fiscal year, the Company sold the land for condominium development to other developers mainly in the 23 wards of Tokyo while also meeting our delivery commitments for the Iruma Project, a distribution facility located in Iruma City, Saitama Prefecture as originally planned. As a result, net sales reached 12,514 million yen, and operating income achieved 1,815 million yen.

(Condominium Unit Sales Business)

During the second quarter of this fiscal year, the Company executed its planned strategy successfully, achieving the collective sales of investment properties in Tokyo's 23 wards, including properties like "Renaissance Court Bunkyo Hakusan (30 units)" in Bunkyo Ward, Tokyo, "Renaissance Court Higashinakano (19 units)" in Nakano Ward, Tokyo, and "Renaissance Court Takadanobaba Calm (22 units)" in Shinjuku Ward, Tokyo. As a result, net sales reached 5,193 million yen, and operating income achieved 692 million yen.

(Asset-Holding Business)

In the second quarter of this fiscal year, the Company maintained its ownership and operation of two rental properties, which yielded net sales of 33 million yen and operating income achieved 4 million yen.

(Others)

During the second quarter of the current fiscal year, Net sales for the second quarter were 1 million yen, and operating income was 0 million yen.

(2) Explanation of Financial Position

Status of Assets, Liabilities, and Net assets

(Assets)

Total assets decreased by 3,230 million yen (a decrease of 12.3% compared to the previous period) to 23,082 million yen at the end of the second quarter of the current fiscal year. Current assets decreased by 3,593 million yen (a decrease of 14.6%) to 20,971 million yen, and noncurrent assets increased by 363 million yen (an increase of 20.8%) to 2,107 million yen.

The decrease in current assets was primarily attributed to a decrease of 1,905 million yen (a decrease of 59.3%) in real estate for sale and a decrease of 1,889 million yen (a decrease of 13.6%) in real estate for sale in process by the delivery of properties.

The increase in noncurrent assets was primarily attributed to a significant rise of 669 million yen (an increase of 110.3%) in cash and deposits by the acquisition of a new rental property in the Asset-Holding business.

(Liabilities)

Total liabilities at the end of the second quarter decreased by 3,987 million yen (a decrease of 23.2% compared to the previous period) to 13,228 million yen. Current liabilities decreased by 1,890 million yen (a decrease of 22.5%) to 6,526 million yen, and noncurrent liabilities decreased by 2,097 million yen (a decrease of 23.8%) to 6,702 million yen.

The principal factors contributing to the decrease in liabilities were a substantial decrease of 2,089 million yen in long term loans payable (a decrease of 24.7%), a decrease of 884 million yen in short term loans payable (a decrease of 40.3%), a decrease of 241 million yen in long term loans payable within a year (a decrease of

5.6%), and a decrease of 898 million yen in advances received (a decrease of 79.9%) due to a progress in handing over properties.

(Net assets)

Total net assets increased by 757 million yen (an increase of 8.3% compared to the previous period) to 9,853 million yen at the end of the second quarter of the current fiscal year. The main factors were an increase of 1,328 million yen due to quarterly net income and a decrease of 597 million yen due to dividends from surplus.

② Overview of Cash flow positions for the second quarter ending March 31, 2024

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the second quarter increased by 139 million yen from the end of the first quarter to 7,060 million yen.

The status and the factors in each cash flow in the second quarter ending March 31, 2024, are as follows.

(Cash flow from operating activities)

Cash flow from operating activities at the end of the second quarter increased by 4,602 million yen. This was due to posted quarterly net income before income taxes of 1,918 million yen, the decrease in inventories of 3,793 million yen due to the sales of logistic facilities and compact condominium buildings for investment purpose.

(Cash flow from investing activities)

Cash flow from investment activities at the end of the second quarter decreased by 623 million yen. It was mainly attributable to payments of 681 million yen for purchase of tangible fixed assets due to the purchase of a new rental housing in the Asset-Holding Business.

(Cash flow from financing activities)

Cash flow from financing activities at the end of the second quarter recorded a decrease of 3,839 million yen due to the decline in loans payable of 3,214 million yen by handing over properties and the decline of 597 million yen by a dividend payment.

(3) Explanation of forecast information such as business forecasts

For the year ending March 31, 2024, there are no changes to the forecasts announced on May 15, 2023. If any matter that should be publicized arises, the Company will announce it promptly.

## 2. Financial statements and main notes

### (1) Quarterly Balance Sheet

(Thousands of yen)

	Previous Fiscal Year (March 31, 2023)	2 <sup>nd</sup> Quarter Ending March 31, 2024 (September 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	6,920,669	7,060,297
Real estate for sale	3,212,035	1,306,933
Real estate for sale in process	13,895,131	12,006,036
Raw materials and supplies	1,130	1,689
Advance payments—trade	172,100	400,200
Prepaid expenses	30,289	49,803
Others	334,483	147,012
Total current assets	24,565,840	20,971,972
Noncurrent assets		
Property, plant and equipment		
Buildings	622,831	732,795
Accumulated depreciation	(116,149)	(127,359)
Buildings, net	506,682	605,435
Structures	14,192	14,192
Accumulated depreciation	(7,545)	(8,254)
Structures, net	6,646	5,937
Tools, furniture and fixtures	53,562	65,145
Accumulated depreciation	(39,582)	(38,969)
Tools, furniture and fixtures, net	13,980	26,175
Land	79,594	639,131
Leased assets	18,506	18,506
Accumulated depreciation	(18,347)	(18,427)
Leased assets, net	158	79
Total property, plant and equipment	607,063	1,276,759
Intangible assets		
Leasehold right	1,465	1,465
Software	282	1,847
Leased assets	4,771	2,907
Total intangible assets	6,518	6,220
Investments and other assets		
Investment securities	690,102	686,560
Stocks of subsidiaries and affiliates	20,389	5,363
Investments in capital	31,630	31,630
Claims provable in bankruptcy, claims provable in rehabilitation and others	6,937	6,808
Long-term prepaid expenses	5,169	4,960
Guarantee deposits	76,376	76,342
Deferred tax assets	287,116	-
Others	27,770	27,770
Allowance for doubtful accounts	(14,807)	(14,678)
Total investments and other assets	1,130,684	824,756
Total noncurrent assets	1,744,266	2,107,736
Deferred assets		
Bond issuance cost	2,925	2,526
Total deferred assets	2,925	2,526
<b>Total assets</b>	<b>26,313,031</b>	<b>23,082,235</b>

	(Thousands of yen)	
	Previous Fiscal Year	2 <sup>nd</sup> Quarter Ending
	(March 31, 2023)	March 31, 2024 (September 30, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts	391,676	357,456
Short-term loans payable	2,194,000	1,310,000
Current portion of long-term loans payable	4,315,793	4,074,299
Current portion of bonds	50,000	50,000
Lease obligations	4,196	2,910
Accounts payable—other	10,027	17,820
Accrued expenses	82,662	55,069
Income taxes payable	175,034	330,499
Advances received	1,125,217	226,262
Deposits received	10,292	12,851
Provision for bonuses	56,872	42,031
Others	269	46,808
Total current liabilities	8,416,042	6,526,010
Noncurrent liabilities		
Bonds payable	150,000	125,000
Long-term loans payable	8,455,973	6,366,852
Lease obligations	1,127	-
Asset retirement obligation	26,212	26,331
Provision for retirement benefits	51,926	54,556
Provision for directors' retirement benefits	79,766	94,910
Deferred tax liabilities	-	11,592
Others	35,627	23,517
Total noncurrent liabilities	8,800,633	6,702,760
Total liabilities	17,216,676	13,228,770
<b>Net assets</b>		
Shareholders' equity		
Capital stock	854,500	854,500
Capital surplus		
Legal capital surplus	40,983	40,983
Total capital surplus	40,983	40,983
Retained earnings		
Legal retained earnings	172,641	172,641
Other retained earnings		
Retained earnings brought forward	7,908,265	8,639,871
Total retained earnings	8,080,907	8,812,513
Treasury stock	(4,502)	(4,850)
Total shareholders' equity	8,971,887	9,703,146
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	124,467	150,318
Total valuation and translation adjustments	124,467	150,318
Total net assets	9,096,355	9,853,464
Total liabilities and net assets	26,313,031	23,082,235

## (2) Quarterly Income Statement

## Second Quarter Cumulative Period

(Thousands of yen)

	2 <sup>nd</sup> Quarter Ending March 31, 2024 (April 1, 2023 to September 30, 2023)
Net sales	
Net sales from the Asset solution business	12,514,184
Net sales from the condominium unit sales business	5,193,419
Net sales from the asset-holding business	33,601
Others	1,860
Total net sales	17,743,064
Cost of sales	
Cost of sales of the Asset solution business	10,382,859
Cost of sales of the condominium unit sales business	4,237,756
Cost of sales of the asset-holding business	24,562
Total cost of sales	14,645,178
Gross profit	3,097,886
Selling, general and administrative expenses	1,112,873
Operating income (loss)	1,985,012
Non-operating income	
Interest income	6,487
Dividends income	20,193
Land and house rent received	21,836
Others	975
Total non-operating income	49,492
Non-operating expenses	
Interest expenses	116,434
Others	2,224
Total non-operating expenses	118,659
Ordinary income (loss)	1,915,846
Extraordinary income	
Gain on sales of property	48
Gain on sales of investment securities	20,197
Gain on sales of shares of subsidiaries	432
Total extraordinary income	20,678
Extraordinary loss	
Gain on sales of investment securities	12,727
Total extraordinary income	5,026
Total extraordinary loss	17,753
Income (loss) before income taxes	1,918,771
Income tax-current	302,845
Income tax-deferred	287,299
Total income taxes	590,145
Net income (loss)	1,328,626

### (3) Quarterly Cash Flow Statement

#### Second Quarter Cumulative Period

	(Thousands of yen)
	2 <sup>nd</sup> Quarter Ending March 31, 2024 (April 1, 2023 to September 30, 2023)
Net cash flow from operating activities	
Net income before taxes	1,918,771
Depreciation and amortization	17,880
Increase (decrease) in allowance for doubtful accounts	(129)
Increase (decrease) in provision for retirement benefits	2,629
Increase (decrease) in provision for directors' retirement benefits	15,144
Interest and dividends income	(26,680)
Interest expenses	116,434
Decrease (increase) in inventories	3,793,638
Decrease (increase) in advance payments	(228,100)
Increase (decrease) in notes and accounts payable-trade	(34,219)
Loss (gain) on sales of investment securities	(7,470)
Gain (gain) on sales of subsidiaries and affiliates' stocks	(432)
Loss on valuation of stocks of subsidiaries and affiliates	5,026
Increase (decrease) in advances received	(898,955)
Increase (decrease) in deposits received	2,559
Others	155,044
Subtotal	4,831,142
Interest and dividends income received	26,680
Interest expenses paid	(104,004)
Income taxes paid	(151,388)
Net cash from operating activities	4,602,429
Net cash from investing activities	
Purchase of property, plant, and equipment	(681,509)
Proceeds from sales of property, plant, and equipment	1,491
Purchase of intangible assets	(1,800)
Proceeds from sales of investment securities	48,272
Proceeds from sales of shares of subsidiaries and affiliates	3,000
Proceeds from the reduction of capital in shares of affiliated companies	7,432
Others	(293)
Net cash from investing activities	(623,406)
Net cash from financing activities	
Net increase (decrease) in short-term loans payable	(884,000)
Proceeds from long-term loans payable	2,982,200
Repayment of long-term loans payable	(5,312,815)
Expenditures due to the redemption of corporate bonds	(25,000)
Repayments of lease obligations	(2,413)
Cash dividends paid	(597,019)
Others	(347)
Net cash from financing activities	(3,839,395)
Net increase (decrease) in cash and cash equivalents	139,627
Cash and cash equivalents at the beginning of the period	6,920,669
Cash and cash equivalents at the end of the period	7,060,297

(4) Notes on quarterly financial statements

(Notes for the going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Segment information, etc.)

[Segment information]

Previous cumulative second quarter (from April 1, 2023, to September 30, 2023)

Information on sales and profit /loss by reportable segments

(Thousands of yen)

	Reportable Segment				Others (Note) 1	Total	Adjustment (Note) 2	Recorded amount in quarterly income statement (Note)3
	Asset solution business	Condominium unit sales business	Asset-holding business	Total				
Net sales								
Goods transferred at a point in time	12,514,184	5,152,209	27	17,666,421	1,860	17,668,282	—	17,668,282
Goods transferred over time	—	—	—	—	—	—	—	—
Revenue from contracts with customers	12,514,184	5,152,209	27	17,666,421	1,860	17,668,282	—	17,668,282
Other income (Note 4)	—	41,209	33,573	74,782	—	74,782	—	74,782
Sales to external customers	12,514,184	5,193,419	33,601	17,741,204	1,860	17,743,064	—	17,743,064
Intersegment sales	—	—	—	—	—	—	—	—
Total	12,514,184	5,193,419	33,601	17,741,204	1,860	17,743,064	—	17,743,064
Segment margin	1,815,516	692,663	4,745	2,512,925	223	2,513,148	(528,136)	1,985,012

- (Notes)
1. “Other” is a business segment not included in the reportable segment, and includes construction contracting business, brokerage business, consulting business, etc.
  2. The segment margin adjustment of -528,136 thousand yen is corporate expenses that are not allocated to each reportable segment and are mainly general administrative expenses that do not belong to any reportable segment.
  3. The segment margin is adjusted with operating income in the quarterly income statement.
  4. “Other income” includes income based on the accounting standard for lease transactions.

(Revenue Recognition)

Information on the revenue breakdown of contracts with customers has stated in the “Notes (Segment Information, etc.)” section.