

# Financial Results Briefing Materials for the Third Quarter Ending March 31, 2024

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February 14, 2024(WED) SHIN-NIHON TATEMONO CO., LTD.

## Business Environment

- In Japan, the economy recovered moderately due to further normalization of economic activities and a pickup in consumer spending and inbound demand. On the other hand, the economic outlook remains uncertain due to prolonged global monetary tightening, concerns about the China's economy, unstable international conditions, and rising resource prices and logistics costs associated with the weak yen and other factors.
- Although the real estate industry continues to face a difficult business environment due to soaring construction and labor costs, the real estate investment market remained strong in the Tokyo metropolitan area, where the excess of people moving into the city due to the return of people to the city center following the end of the coronavirus outbreak, due in part to rising demand, especially for rental housing, and higher rents.

## Business Performance

- [P/L] Solid sales of land for development to other developers, logistics facilities, and asset-managed condominiums led to sales of 20,650 million yen, recurring profit of 2,167 million yen, and net income of 1,497 million yen for the quarter. Sales reached 87.3% of the company's FY03/2024 forecast of 23,660 million yen.
- [B/S] Steady accumulation of profits increased shareholders' equity by 914 million yen from the end of the previous fiscal year to 10,010 million yen.

## Business Management

- Decided to integrate management with TASUKI Inc. TASUKI Holdings Inc. to be established as a wholly owning parent company on April 1, 2024. Further expansion of the business base is expected through synergies.
- On February 7, 2024, the company signed a contract for the bulk sale of 9 asset-managed condominiums. The sale of the inventory is progressing well.

# Balance Sheet

| (Unit: Millions of yen)                     | March 31, 2023 | March 31, 2024 |                |
|---|----------------|----------------|----------------|
|   | Year End       | End of 3Q      | Change         |
| Cash and deposits                           | 6,920          | 7,222          | 301            |
| Real estate for sale                        | 3,212          | ● 1,420        | (1,791)        |
| Real estate for sale in process             | 13,895         | ● 14,501       | 606            |
| Others                                      | 538            | 745            | 207            |
| <b>Total current assets</b>                 | <b>24,565</b>  | <b>23,889</b>  | <b>(676)</b>   |
| <b>Total noncurrent assets</b>              | <b>1,744</b>   | <b>2,084</b>   | <b>340</b>     |
| <b>Total deferred assets</b>                | <b>2</b>       | <b>2</b>       | <b>(0)</b>     |
| <b>Total assets</b>                         | <b>26,313</b>  | <b>25,976</b>  | <b>(336)</b>   |
| Accounts payable for construction contracts | 391            | 261            | (130)          |
| Short-term loans payable                    | 6,509          | ● 7,059        | 549            |
| Current portion of bonds                    | 50             | ● 50           | –              |
| Others                                      | 1,464          | 663            | (800)          |
| <b>Total current liabilities</b>            | <b>8,416</b>   | <b>8,034</b>   | <b>(381)</b>   |
| Bonds                                       | 150            | ● 100          | (50)           |
| Long-term loans payable                     | 8,455          | ● 7,576        | (879)          |
| Others                                      | 194            | 254            | 60             |
| <b>Total noncurrent liabilities</b>         | <b>8,800</b>   | <b>7,931</b>   | <b>(869)</b>   |
| <b>Total liabilities</b>                    | <b>17,216</b>  | <b>15,965</b>  | <b>(1,250)</b> |
| Capital stock                               | 854            | 854            | –              |
| Capital surplus                             | 40             | 40             | –              |
| Retained earnings                           | 8,080          | 8,981          | 900            |
| Others                                      | 119            | ● 134          | 14             |
| <b>Total net assets</b>                     | <b>9,096</b>   | <b>10,010</b>  | <b>914</b>     |
| <b>Total liabilities and net assets</b>     | <b>26,313</b>  | <b>25,976</b>  | <b>(336)</b>   |

## ● Breakdown of Real estate for sale

| (Unit: Millions of yen) | Mar. 2023    | Mar.2024 3Q  | Change         |
|-------------------------|--------------|--------------|----------------|
| Asset solution          | –            | –            | –              |
| Condominium unit        | 3,212        | 1,420        | (1,791)        |
| <b>Total</b>            | <b>3,212</b> | <b>1,420</b> | <b>(1,791)</b> |

## ● Breakdown of Real estate for sale in process

| (Unit: Millions of yen) | Mar. 2023     | Mar.2024 3Q   | Change     |
|-------------------------|---------------|---------------|------------|
| Asset solution          | 6,056         | 6,306         | 250        |
| Condominium unit        | 7,839         | 8,194         | 355        |
| <b>Total</b>            | <b>13,895</b> | <b>14,501</b> | <b>606</b> |

## ● The balance of Interest-bearing debt

| (Unit: Millions of yen) | Mar. 2023     | Mar.2024 3Q   | Change       |
|-------------------------|---------------|---------------|--------------|
| Short-term              | 6,559         | 7,109         | 549          |
| Long-term               | 8,605         | 7,676         | (929)        |
| <b>Total</b>            | <b>15,165</b> | <b>14,785</b> | <b>(379)</b> |

## ● Shareholders' equity ratio

|              | Mar. 2023 | Mar.2024 3Q | Change |
|--------------|-----------|-------------|--------|
| Equity ratio | 34.6%     | 38.5%       | +3.9   |

# Income Statement

| (Unit: Millions of yen)                      | March 31, 2023 (consolidated) |              | March 31, 2024 (non-consolidated) |              |              |                  |
|--|-------------------------------|--------------|-----------------------------------|--------------|--------------|------------------|
|  | 3Q                            |              | 3Q                                |              | Full year    |                  |
|  | Actual                        | % of Total   | Actual                            | % of Total   | Forecast     | Rate of progress |
| Net sales                                    | 15,169                        | 100.0%       | ● 20,650                          | 100.0%       | 23,660       | 87.3%            |
| Cost of sales                                | 12,249                        | 80.8%        | 16,891                            | 81.8%        | -            | -                |
| <b>Gross profit</b>                          | <b>2,919</b>                  | <b>19.2%</b> | <b>3,758</b>                      | <b>18.2%</b> | -            | -                |
| Selling, general and administrative expenses | 1,623                         | 10.7%        | ● 1,480                           | 7.2%         | -            | -                |
| <b>Operating income</b>                      | <b>1,296</b>                  | <b>8.5%</b>  | <b>2,277</b>                      | <b>11.0%</b> | <b>2,680</b> | <b>85.0%</b>     |
| Non-operating income                         | 38                            | 0.3%         | 62                                | 0.3%         | -            | -                |
| Non-operating expenses                       | 176                           | 1.2%         | ● 172                             | 0.8%         | -            | -                |
| <b>Ordinary income</b>                       | <b>1,158</b>                  | <b>7.6%</b>  | <b>2,167</b>                      | <b>10.5%</b> | <b>2,430</b> | <b>89.2%</b>     |
| Extraordinary income                         | -                             | -            | 20                                | 0.1%         | -            | -                |
| Extraordinary loss                           | 97                            | 0.6%         | 17                                | 0.1%         | -            | -                |
| <b>Income before income taxes</b>            | <b>1,061</b>                  | <b>7.0%</b>  | <b>2,170</b>                      | <b>10.5%</b> | -            | -                |
| Income tax                                   | 291                           | 1.9%         | 673                               | 3.3%         | -            | -                |
| <b>Net income</b>                            | <b>769</b>                    | <b>5.1%</b>  | <b>1,497</b>                      | <b>7.3%</b>  | <b>1,680</b> | <b>89.1%</b>     |

## ● Number of sales

|                        | Mar.2023 3Q<br>(consolidated) | Mar.2024 3Q<br>(non-consolidated) |
|------------------------|-------------------------------|-----------------------------------|
| Asset solution         | 11projects                    | 16projects                        |
| Condominium unit       | 162units                      | 167units                          |
| Asset-Holding Business | 2buildings                    | 3buildings                        |

## ● Breakdown of selling, general and administrative expenses

| (Unit: Millions of yen) | Mar.2023 3Q<br>(consolidated) | Mar.2024 3Q<br>(non-consolidated) |
|-------------------------|-------------------------------|-----------------------------------|
| Personal expenses       | 712                           | 500                               |
| Sales commission        | 315                           | 180                               |
| Advertising expenses    | 98                            | 27                                |
| Others                  | 496                           | 771                               |
| <b>Total</b>            | <b>1,623</b>                  | <b>1,480</b>                      |

## ● Breakdown of non-operating expenses

| (Unit: Millions of yen) | Mar.2023 3Q<br>(consolidated) | Mar.2024 3Q<br>(non-consolidated) |
|-------------------------|-------------------------------|-----------------------------------|
| Interest expenses       | 175                           | 169                               |
| Other                   | 0                             | 2                                 |
| <b>Total</b>            | <b>176</b>                    | <b>172</b>                        |

# Sales and profit by reportable segments

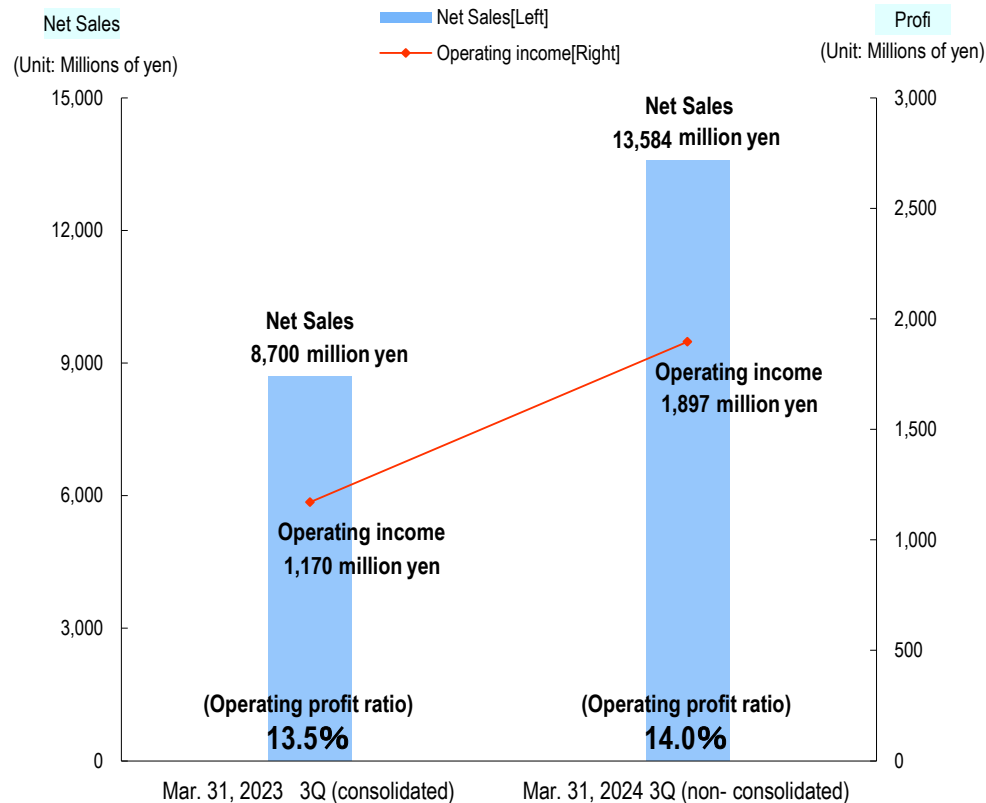
- Steady sales of condominium development sites for other developers and asset management condominiums resulted in net sales of 20,650 million yen and operating income of 2,277 million yen. Compared to the third quarter sales and operating income in the previous fiscal year's consolidated financial results, the Company achieved a significant increase in both sales and income. In addition, the operating profit margin improved significantly.

| 【Net Sales】<br>(Unit: Millions of yen) |               | March 31, 2023 (consolidated) |               | March 31, 2024 (non-consolidated) |            |
|--|---------------|-------------------------------|---------------|-----------------------------------|------------|
|  |               | 3Q                            |               | 3Q                                |            |
|  |               | Actual                        | % of Total    | Actual                            | % of Total |
| Asset Solution Business                | 8,700         | 57.4%                         | 13,584        | 65.8%                             |            |
| Condominium Unit Sales Business        | 6,421         | 42.3%                         | 7,006         | 33.9%                             |            |
| Asset-Holding Business                 | 47            | 0.3%                          | 57            | 0.3%                              |            |
| Others                                 | 0             | 0.0%                          | 2             | 0.0%                              |            |
| Elimination and/or corporate           | –             | –                             | –             | –                                 |            |
| <b>Net sales total</b>                 | <b>15,169</b> | <b>100.0%</b>                 | <b>20,650</b> | <b>100.0%</b>                     |            |

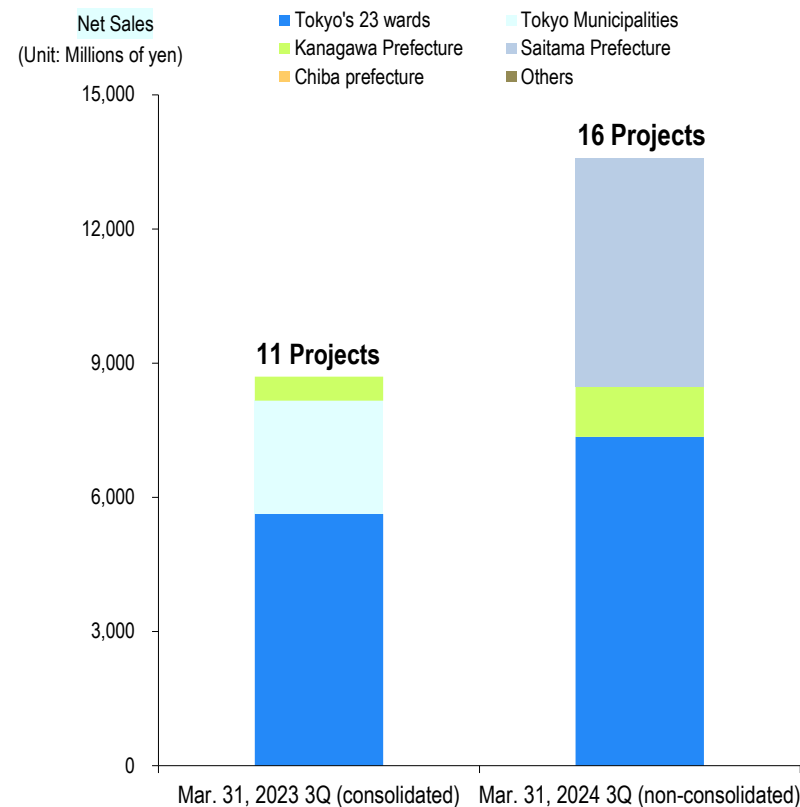
| 【Operating Income】<br>(Unit: Millions of yen) |              | March 31, 2023 (consolidated) |                        | March 31, 2024 (non-consolidated) |                        |
|---|--------------|-------------------------------|------------------------|-----------------------------------|------------------------|
|   |              | 3Q                            |                        | 3Q                                |                        |
|   |              | Actual                        | Operating Margin Ratio | Actual                            | Operating Margin Ratio |
| Asset Solution Business                       | 1,170        | 13.5%                         | 1,897                  | 14.0%                             |                        |
| Condominium Unit Sales Business               | 847          | 13.2%                         | 1,103                  | 15.7%                             |                        |
| Asset-Holding Business                        | 15           | 32.4%                         | 11                     | 20.8%                             |                        |
| Others  | 0            | 98.3%                         | 0                      | 13.8%                             |                        |
| Elimination and/or corporate                  | (737)        | –                             | (735)                  | –                                 |                        |
| <b>Operating income total</b>                 | <b>1,296</b> | <b>8.5%</b>                   | <b>2,277</b>           | <b>11.0%</b>                      |                        |

- Delivery of condominium development sites for other developers in Tokyo's 23 wards progressed smoothly.
- Delivered 16 projects including condominium development sites and the "Iruma Project" logistics facility, recording sales of 13,584 million yen and operating income of 1,897 million yen. The company achieved a significant increase in both sales and profit.

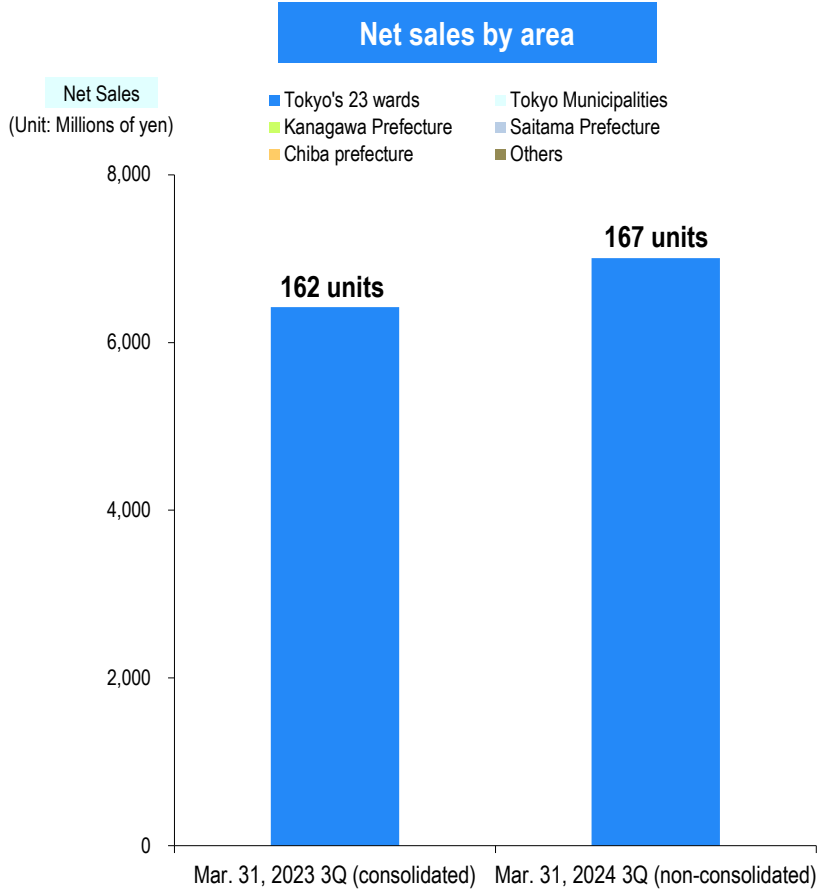
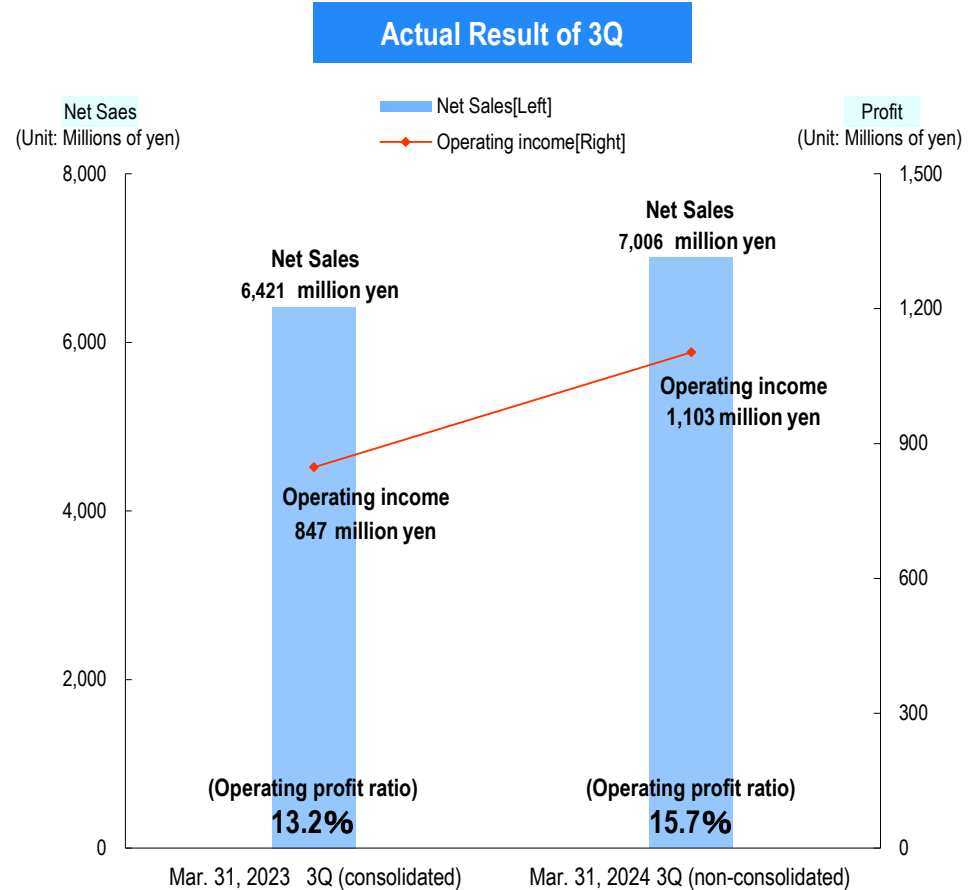
**Actual Result of 3Q**



**Net sales by area**

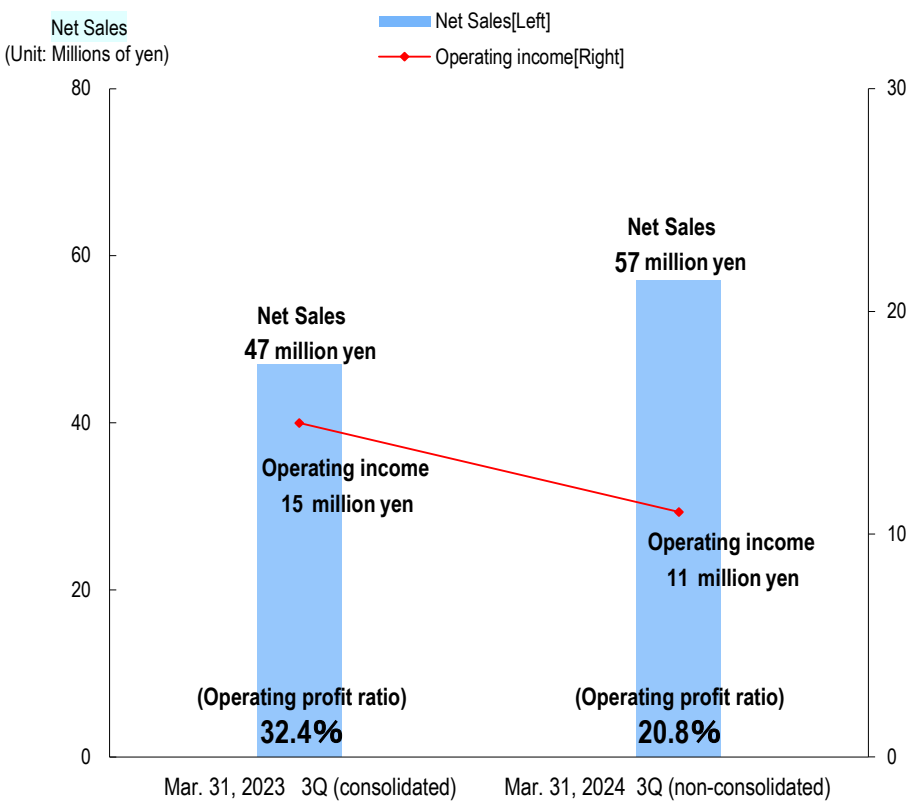


- In Minato-ku, the Company took delivery of "Renaissance Nishiazabu Premium Court," the highest grade of the Company's asset management condominium "Premium Court" series. The number of units delivered in the first nine months of the fiscal year increased to 167 units.
- Achieved sales and profit growth with sales of 7,006 million yen and operating income of 1,103 million yen.

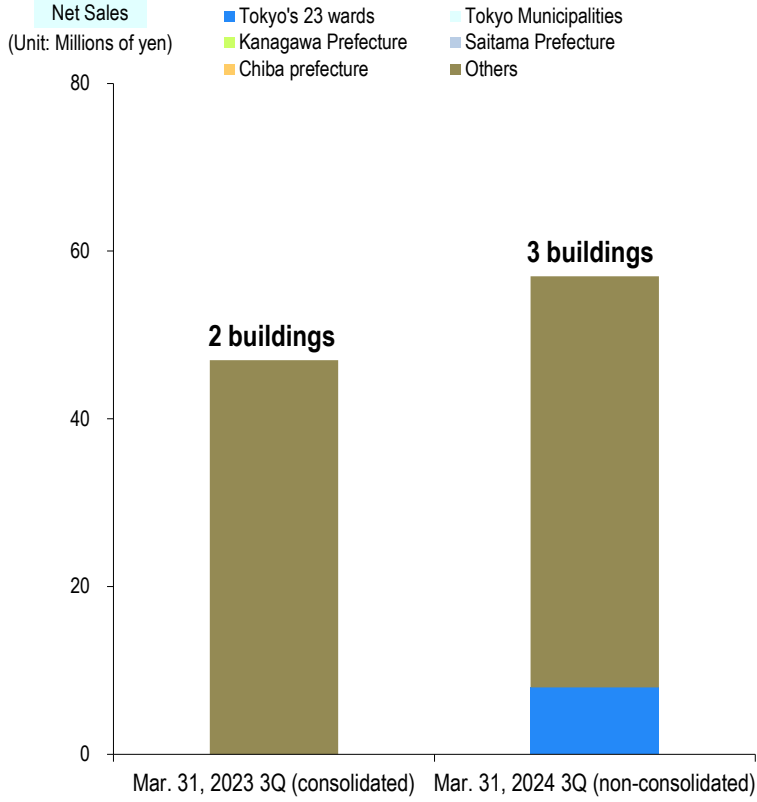


■ A new property in Sugunami-ku, Tokyo, newly acquired in the second quarter ended March 31, 2024, contributed to the overall earnings of the asset holding business throughout the nine months of this Fiscal year. Net sales of 57 million yen and operating income of 11 million yen were recorded.

**Actual Result of 3Q**



**Net sales by area**

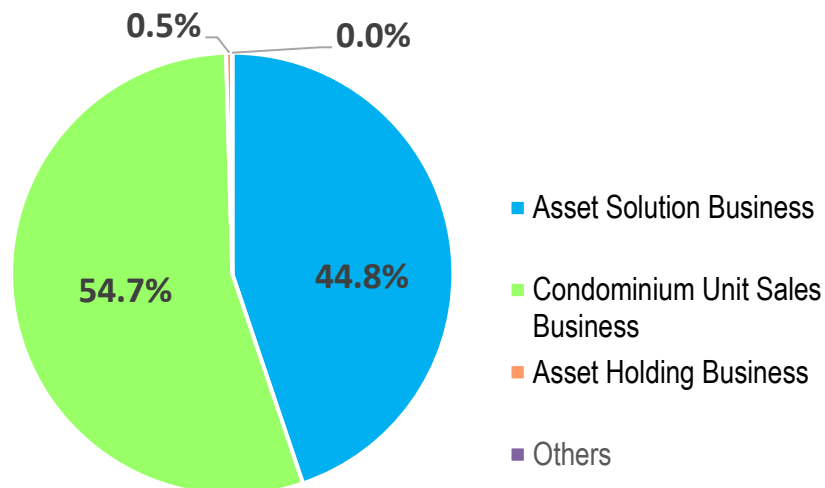




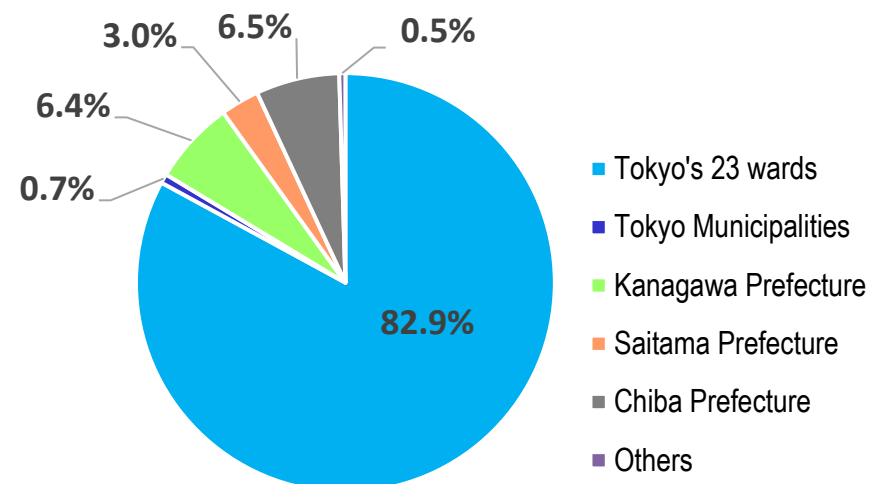
- Active in purchasing carefully selected properties in favorable locations, mainly in the 23 wards of Tokyo, which are favored by investors in Japan and abroad..
- As of the end of the third quarter of the current fiscal year, purchase contracts with a face value of approximately 44.2 billion yen have already been concluded (an increase of 4.8 billion yen from the end of the second quarter).

## Breakdown of the 44.2 billion yen purchase agreements

### By reportable segments



### By area



## 【 Condominium Unit Sales Business 】



### (Tentative) Renaissance Court Gakugei Daigaku (Compact Condominium Buildings for Investment-Purpose)

#### Overview

Location : Megurohoncho, Meguro-ku, Tokyo

Access : 13-min. walk from Gakugeidaigaku station on Tokyu Toyoko Line

No. of Units : 12 units (Planned)

Structure : RC 4 stories above ground

Completion : Aug 2024 (Scheduled)

#### Point 1

The Gakugei Daigaku area is an attractive and comfortable place to live that is popular with men and women of all ages. The lively shopping district is crowded with a wide variety of stores, from popular chain stores to sensitive individual stores, in the food, fashion, and hobby genres, which add color to daily life.

#### Point 2

The chic monotone-based exterior of the building. A wide variety of unit plans and spacious layouts, including walk-in closets in all units, allow residents to choose the layout that best suits their family structure and lifestyle, contributing to a fulfilling lifestyle.



## 【 Condominium Unit Sales Business 】



### (Tentative) Renaissance Court Tabata II (Compact Condominium Buildings for Investment-Purpose)

#### Overview

Location : Tabata, Kita-ku, Tokyo

Access : 6-min. walk from Tabata station on JR Yamanote Line and Keihin-Tohoku Line

No. of Units : 21 units (Planned)

Structure : RC 7 stories above ground

Completion : Jun 2024 (Scheduled)

#### Point 1

Tabata is known as a town where many writers and artists, including Ryunosuke Akutagawa, lived, and the Tabata Ginza shopping street and Azalea Street are lined with charming stores, where you can feel the warmth of a downtown area with its culture and humanity.

#### Point 2

With a warm exterior that blends in with the atmosphere of the Tabata area and energy-saving performance certified by BELS★★★★, this property is in harmony with the surrounding environment. The road facing the property has no power poles, allowing residents to enjoy the scenic beauty of the area.



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