

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

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

## SUMMARY OF FINANCIAL STATEMENTS (Consolidated) for the Fiscal Year Ended March 31, 2008

May 15, 2008

**Shin-Nihon Tatemono Co., Ltd.**

Stock Exchange: JASDAQ

Code Number: 8893

URL: <http://www.kksnt.co.jp/>

Representative: Saburo Murakami, President and Chief Executive Officer

Attn.: Yasuharu Suzuki, Senior Executive Director, Senior Executive Officer, Administrative Department Manager and  
Finance Department Manager Tel: +81-3-6205-0705

Scheduled date of the ordinary general meeting of shareholders: June 26, 2008

Scheduled date for commencing payment of dividend: June 27, 2008

Scheduled date of submission of the annual securities report: June 27, 2008

(Note that all amounts have been rounded down to the nearest million yen.)

### 1. Consolidated Financial Results (April 1, 2007 through March 31, 2008)

#### (1) Consolidated Results of Operations

(Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2008	82,217	12.3	5,110	(22.0)	3,977	(13.6)	2,017	(10.5)
Year ended March 31, 2007	73,200	37.1	6,548	98.4	4,602	98.0	2,253	86.7

	Net income per share	Net income per share (fully diluted)	Return on equity	Ratio of ordinary income to total assets	Operating income margin
	Yen	Yen	%	%	%
Year ended March 31, 2008	60.28	60.26	10.1	4.4	6.2
Year ended March 31, 2007	88.58	85.75	16.8	6.0	8.9

(Reference) Equity in net income of affiliates  
Year ended March 31, 2008: — million yen  
Year ended March 31, 2007: — million yen

#### (2) Consolidated Financial Position

	Total assets	Net assets	Ratio of shareholders' equity to assets	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2008	88,374	20,590	23.3	614.31
Year ended March 31, 2007	90,427	19,403	21.4	578.92

(Reference) Shareholders' equity:  
As of March 31, 2008: 20,556 million yen  
As of March 31, 2007: 19,371 million yen

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of term
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2008	(1,473)	(84)	(2,097)	14,470
Year ended March 31, 2007	(4,322)	444	15,804	18,126

### 2. Dividends

(Record Date)	Dividends per share			Total amount of dividends (annual)	Payout ratio (consolidated)	Dividends on equity (consolidated)
	Interim period end	Year end	Annual			
	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2007	—	20.00	20.00	669	22.6	3.9
Year ended March 31, 2008	—	20.00	20.00	669	33.2	3.4
(Forecast) Year ending March 31, 2009	—	20.00	20.00	—	37.6	—

### 3. Forecast of Consolidated Financial Results (April 1, 2008 through March 31, 2009)

(Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	34,500	(21.6)	160	(96.7)	(160)	—	(90)	—	(2.69)
Annual	85,800	4.4	4,740	(7.2)	3,040	(23.6)	1,780	(11.8)	53.19

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## 4. Other

## (1) Important Changes in Subsidiaries During the Fiscal Period

(Changes in specified subsidiaries resulting in change in scope of consolidation): Applicable

New: three companies

(company name: Mistral 1 Silent Partnership (TK))

(company name: Mistral 2 Silent Partnership (TK))

(company name: Mistral 3 Silent Partnership (TK))

Exception: two companies

(company name: SN Finance Silent Partnership (TK))

(company name: SN Property Silent Partnership (TK))

## (2) Changes in Accounting Principles and Procedures and Representation Method, Etc. Regarding Preparation of Quarterly Consolidated Financial Statements (Changes Presented as Changes in Important Items, Etc. That Are Used as Basic Materials for Preparation of Quarterly Consolidated Financial Statements)

(i) Changes due to amendment of accounting standards, etc.:

Applicable

(ii) Changes other than (i):

Not applicable

## (3) Number of Shares Outstanding (Common Stock)

(i) Total number of shares outstanding (including treasury stock) as of the end of each period:

As of March 31, 2008: 33,463,666 shares

As of March 31, 2007: 33,461,666 shares

(ii) Total number of treasury stock as of the end of each period:

As of March 31, 2008: 566 shares

As of March 31, 2007: 566 shares

(For reference) Outline of non-consolidated financial results

## 1. Non-consolidated financial results (April 1, 2007 through March 31, 2008)

## (1) Non-consolidated results of operations

(Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2008	69,037	(4.8)	4,850	(20.8)	4,314	(1.1)	2,032	(9.2)
Year ended March 31, 2007	72,538	36.6	6,126	90.6	4,364	90.1	2,237	75.5

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Year ended March 31, 2008	60.75	60.73
Year ended March 31, 2007	87.99	85.18

## (2) Non-consolidated financial position

	Total assets	Net assets	Ratio of shareholders' equity to assets	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2008	81,153	20,435	25.2	610.69
Year ended March 31, 2007	80,983	19,234	23.8	574.83

(Reference) Shareholders' equity:

As of March 31, 2008:

20,435 million yen

As of March 31, 2007:

19,234 million yen

## 2. Forecast of non-consolidated financial results (April 1, 2008 through March 31, 2009)

(Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	29,000	(22.6)	(230)	—	(470)	—	(410)	—	(12.25)
Annual	76,900	11.4	4,430	(8.7)	2,920	(32.3)	1,530	(24.7)	45.72

(Cautionary note regarding use of the Forecast of Financial Results, and other special notations)

The forecasts herein are calculated based on information available to the Company as of the date of publication of this document as well as assumptions made as of the date of publication that are dependent on uncertain factors that affect the Company's future results. Please note that actual results may differ materially from forecasts due to various factors.

**4. Consolidated Financial Statements**

## (1) Consolidated Balance Sheets

(Thousand yen)

Category	Year ended March 31, 2007		Year ended March 31, 2008		Change
	Amount	% of total	Amount	% of total	Amount
<b>Assets</b>					
<b>I. Current assets</b>					
1. Cash and deposits	18,480,841		14,677,370		(3,803,471)
2. Deposits in trust	—		236,890		236,890
3. Notes and accounts receivable - trade	208,217		475,804		267,587
4. Real estate for sale	3,447,909		16,048,258		12,600,349
5. Real estate for sale in process	60,222,863		47,640,674		(12,582,189)
6. Deferred tax assets	545,489		1,330,686		785,196
7. Other	3,531,970		4,492,416		960,446
Allowance for doubtful accounts	(6,707)		(8,031)		(1,323)
<b>Total current assets</b>	<b>86,430,584</b>	<b>95.6</b>	<b>84,894,069</b>	<b>96.1</b>	<b>(1,536,514)</b>
<b>II. Noncurrent assets</b>					
<b>1. Property, plant and equipment</b>					
(1) Buildings and structures	1,112,354		971,089		
Accumulated depreciation	569,496	542,858	533,440	437,648	(105,209)
(2) Land		1,978,711		1,171,741	(806,969)
(3) Other	45,366		57,424		
Accumulated depreciation	29,614	15,751	26,337	31,087	15,335
<b>Total property, plant and equipment</b>		<b>2,537,321</b>		<b>1,640,477</b>	<b>(896,844)</b>
2. Intangible assets		30,678		69,994	39,316
3. Investments and other assets					
(1) Investment securities		923,665		778,401	(145,264)
(2) Long-term loans receivable		685		266	(418)
(3) Deferred tax assets		94,636		76,345	(18,291)
(4) Other		413,375		918,295	504,919
Allowance for doubtful accounts		(3,494)		(3,494)	—
<b>Total investments and other assets</b>		<b>1,428,868</b>	<b>1.6</b>	<b>1,769,813</b>	<b>340,945</b>
<b>Total noncurrent assets</b>		<b>3,996,868</b>	<b>4.4</b>	<b>3,480,286</b>	<b>(516,582)</b>
<b>Total assets</b>		<b>90,427,453</b>	<b>100.0</b>	<b>88,374,356</b>	<b>(2,053,097)</b>

(Thousand yen)

Category	Year ended March 31, 2007		Year ended March 31, 2008		Change
	Amount	% of total	Amount	% of total	Amount
<b>Liabilities</b>					
<b>I. Current liabilities</b>					
1. Notes and accounts payable - trade	11,833,307		11,959,532		126,225
2. Short-term loans payable	32,359,930		26,606,828		(5,753,102)
3. Current portion of bonds	828,000		50,000		(778,000)
4. Income taxes payable	1,873,617		1,759,319		(114,297)
5. Advances received	2,139,270		2,205,506		66,236
6. Deposits received	4,720,010		2,771,828		(1,948,181)
7. Other	947,238		874,961		(72,277)
Total current liabilities	54,701,374	60.5	46,227,976	52.3	(8,473,397)
<b>II. Noncurrent liabilities</b>					
1. Bonds payable	280,000		330,000		50,000
2. Long-term loans payable	15,454,067		20,509,687		5,055,620
3. Provision for retirement benefits	70,549		79,815		9,265
4. Provision for directors' retirement benefits	332,433		352,183		19,750
5. Other	185,688		284,605		98,917
Total noncurrent liabilities	16,322,738	18.0	21,556,291	24.4	5,233,553
Total liabilities	71,024,112	78.5	67,784,267	76.7	(3,239,844)
<b>Net assets</b>					
<b>I. Shareholders' equity</b>					
1. Capital stock	6,414,463		6,414,933		470
2. Capital surplus	6,328,437		6,328,905		468
3. Retained earnings	6,495,192		7,843,117		1,347,924
4. Treasury stock	(379)		(379)		—
Total shareholders' equity	19,237,714	21.3	20,586,576	23.3	1,348,862
<b>II. Valuation and translation adjustments</b>					
1. Valuation difference on available-for-sale securities	162,223		(155)		(162,378)
2. Deferred gains or losses on hedges	(28,760)		(29,809)		(1,049)
Total valuation and translation adjustments	133,462	0.2	(29,964)	0.0	(163,427)
III. Subscription rights to shares	5,280	0.0	5,280	0.0	—
IV. Minority interests	26,883	0.0	28,195	0.0	1,312
Total net assets	19,403,340	21.5	20,590,088	23.3	1,186,747
Total liabilities and net assets	90,427,453	100.0	88,374,356	100.0	(2,053,097)

## (2) Consolidated Statements of Income

(Thousand yen)

Category	Year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)		Percentage	Year ended March 31, 2008 (From April 1, 2007 to March 31, 2008)		Change Amount	
	Amount	Percentage		Amount	Percentage		
I. Net sales		73,200,089	100.0		82,217,638	100.0	9,017,549
II. Cost of sales		58,223,553	79.6		68,178,537	82.9	9,954,983
Gross profit		14,976,535	20.4		14,039,101	17.1	(937,434)
III. Selling, general and administrative expenses							
1. Sales commission	1,821,840			1,841,909			
2. Advertising expenses	3,098,915			3,509,967			
3. Provision of allowance for doubtful accounts	9,006			1,323			
4. Directors' compensations	259,460			323,900			
5. Salaries and allowances	1,194,124			1,114,232			
6. Provision for directors' retirement benefits	18,976			22,994			
7. Depreciation	31,242			36,140			
8. Other	1,994,734	8,428,301	11.5	2,078,614	8,929,082	10.9	500,781
Operating income		6,548,234	8.9		5,110,018	6.2	(1,438,216)
IV. Non-operating income							
1. Interest income	8,037			28,489			
2. Dividends income	13,198			13,239			
3. Land and house rent received	207,599			470,166			
4. Cancellation penalty	34,048			242,952			
5. Other	29,911	292,794	0.4	40,511	795,359	1.0	502,564
V. Non-operating expenses							
1. Interest expenses	1,757,130			1,674,392			
2. Bond issuance cost	195,766			—			
3. Stock issuance cost	166,339			—			
4. Other	118,871	2,238,108	3.0	253,194	1,927,587	2.4	(310,520)
Ordinary income		4,602,921	6.3		3,977,790	4.8	(625,131)
VI. Extraordinary income							
1. Reversal of allowance for doubtful accounts	49,328			—			
2. Gain on sales of fixed assets	—			3,979			
3. Gain on sales of investment securities	21,043			48,448			
4. Gain on sales of golf club memberships	9,929	80,301	0.1	—	52,427	0.1	(27,874)
VII. Extraordinary loss							
1. Loss on sales of noncurrent assets	147,694			6,703			
2. Impairment loss	189,558			—			
3. Loss on valuation of investment securities	15,847			78,760			
4. Loss on sales of subsidiaries' stocks	45,345			—			
5. Loss on sales of golf club memberships	771	399,217	0.5	—	85,463	0.1	(313,754)
Income before income taxes		4,284,004	5.9		3,944,754	4.8	(339,250)
Income taxes - current	2,039,780			2,586,591			
Income taxes - deferred	(31,478)	2,008,302	2.8	(660,396)	1,926,195	2.3	(82,107)
Minority interests in income		22,683	0.0		1,412	0.0	(21,271)
Net income		2,253,018	3.1		2,017,146	2.5	(235,872)

## (3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	1,401,995	1,321,225	4,577,894	(153)	7,300,962
Change during the fiscal year					
Issuance of new shares	5,012,468	5,007,211			10,019,679
Dividends paid			(334,016)		(334,016)
Net income			2,253,018		2,253,018
Purchase of treasury stock				(226)	(226)
Decrease in retained earnings resulting from exclusion of subsidiaries from consolidation			(1,705)		(1,705)
Changes in items other than shareholders' equity during the fiscal year					
Total change during the fiscal year	5,012,468	5,007,211	1,917,297	(226)	11,936,751
Balance as of March 31, 2007	6,414,463	6,328,437	6,495,192	(379)	19,237,714

	Valuation and translation adjustments			Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments			
Balance as of March 31, 2006	228,276	—	228,276	—	—	7,529,239
Change during the fiscal year						
Issuance of new shares						10,019,679
Dividends paid						(334,016)
Net income						2,253,018
Purchase of treasury stock						(226)
Decrease in retained earnings resulting from exclusion of subsidiaries from consolidation						(1,705)
Changes in items other than shareholders' equity during the fiscal year	(66,053)	(28,760)	(94,813)	5,280	26,883	(62,649)
Total change during the fiscal year	(66,053)	(28,760)	(94,813)	5,280	26,883	11,874,101
Balance as of March 31, 2007	162,223	(28,760)	133,462	5,280	26,883	19,403,340

Year ended March 31, 2008 (from April 1, 2007 to March 31, 2008)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2007	6,414,463	6,328,437	6,495,192	(379)	19,237,714
Change during the fiscal year					
Issuance of new shares	470	468			938
Dividends paid			(669,222)		(669,222)
Net income			2,017,146		2,017,146
Changes in items other than shareholders' equity during the fiscal year					
Total change during the fiscal year	470	468	1,347,924	—	1,348,862
Balance as of March 31, 2008	6,414,933	6,328,905	7,843,117	(379)	20,586,576

	Valuation and translation adjustments			Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments			
Balance as of March 31, 2007	162,223	(28,760)	133,462	5,280	26,883	19,403,340
Change during the fiscal year						
Issuance of new shares						938
Dividends paid						(669,222)
Net income						2,017,146
Changes in items other than shareholders' equity during the fiscal year	(162,378)	(1,049)	(163,427)		1,312	(162,115)
Total change during the fiscal year	(162,378)	(1,049)	(163,427)	—	1,312	1,186,747
Balance as of March 31, 2008	(155)	(29,809)	(29,964)	5,280	28,195	20,590,088

## (4) Consolidated Statements of Cash Flows

(Thousand yen)

	Year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)	Year ended March 31, 2008 (From April 1, 2007 to March 31, 2008)	Change
Category	Amount	Amount	Amount
I. Net cash provided by (used in) operating activities			
1. Income before income taxes	4,284,004	3,944,754	(339,250)
2. Depreciation	52,573	61,535	8,961
3. Impairment loss	189,558	—	(189,558)
4. Loss (gain) on sales and retirement of noncurrent assets	147,694	2,724	(144,970)
5. Increase (decrease) in provision for retirement benefits	(328)	9,265	9,593
6. Increase (decrease) in provision for directors' retirement benefits	(7,349)	19,750	27,100
7. Interest and dividends income	(21,236)	(41,728)	(20,492)
8. Interest expenses	1,757,130	1,674,392	(82,737)
9. Bond issuance cost	195,766	—	(195,766)
10. Stock issuance cost	166,339	—	(166,339)
11. Decrease (increase) in notes and accounts receivable - trade	143,792	(267,587)	(411,379)
12. Decrease (increase) in inventories	(15,732,238)	811,146	16,543,385
13. Decrease (increase) in advance payments	(574,886)	(667,793)	(92,907)
14. Increase (decrease) in notes and accounts payable - trade	3,531,906	126,225	(3,405,681)
15. Increase (decrease) in advances received	1,233,711	66,236	(1,167,475)
16. Increase (decrease) in deposits received	3,213,591	(1,948,181)	(5,161,773)
17. Other	(47,814)	(920,070)	(872,256)
Sub-total	(1,467,782)	2,870,668	4,338,451
18. Interest and dividends received	20,152	32,413	12,261
19. Interest expenses paid	(1,730,621)	(1,677,803)	52,817
20. Income taxes paid	(1,144,202)	(2,699,057)	(1,554,855)
Net cash provided by (used in) operating activities	(4,322,453)	(1,473,778)	2,848,675
II. Net cash provided by (used in) investing activities			
1. Decrease (increase) in time deposits	(16,150)	75,550	91,700
2. Purchases of property, plant and equipment	(32,878)	(231,769)	(198,890)
3. Proceeds from sales of property, plant and equipment	336,000	242,882	(93,117)
4. Purchases of investment securities	(40,564)	(223,000)	(182,435)
5. Proceeds from sales of investment securities	157,650	62,683	(94,967)
6. Proceeds from capital reduction of shares of subsidiaries	30,000	—	(30,000)
7. Purchase of investments in subsidiaries resulting in change in scope of consolidation	(8,933)	—	8,933
8. Sale of investments in subsidiaries resulting in change in scope of consolidation	65,608	—	(65,608)
9. Payments of short-term loans receivable	(68,000)	(1,211,500)	(1,143,500)
10. Collection of short-term loans receivable	15,000	1,253,000	1,238,000
11. Collection of long-term loans receivable	1,088	418	(669)
12. Other	6,146	(52,577)	(58,724)
Net cash provided by (used in) investing activities	444,966	(84,312)	(529,279)
III. Net cash provided by (used in) financing activities			
1. Net increase (decrease) in short-term loans payable	4,351,590	(2,501,500)	(6,853,090)
2. Proceeds from long-term loans payable	28,295,000	28,948,000	653,000
3. Repayment of long-term loans payable	(26,357,455)	(27,143,982)	(786,526)
4. Proceeds from issuance of bonds	494,760	96,684	(398,075)
5. Redemption of bonds	(316,000)	(828,000)	(512,000)
6. Proceeds from issuance of bonds with subscription rights to shares	5,809,473	—	(5,809,473)
7. Proceeds from issuance of common stock	3,853,340	878	(3,852,462)
8. Cash dividends paid	(334,016)	(669,222)	(335,206)
9. Proceeds from minority interests for additional shares	3,200	—	(3,200)
10. Other	4,260	(405)	(4,665)
Net cash provided by (used in) financing activities	15,804,153	(2,097,546)	(17,901,700)
IV. Net increase (decrease) in cash and cash equivalents	11,926,666	(3,655,637)	(15,582,304)
V. Cash and cash equivalents at the beginning of period	6,199,774	18,126,441	11,926,666
VI. Cash and cash equivalents at the end of period	18,126,441	14,470,804	(3,655,637)