

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 First Half of the Fiscal Year Ending March 31, 2010

November 6, 2009

Shin-Nihon Tatemono Co., Ltd.

Stock Exchange: JASDAQ

Code Number: 8893

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

Representative: Yasuharu Suzuki, President and Chief Executive Officer

Attn.: Hiroaki Sato,

Executive Officer, Administrative Department Manager and Group Administration Department Manager

Tel: +81-3-6205-0705

Scheduled date of Filing of Quarterly Report: November 12, 2009

Scheduled date for commencing payment of dividend: —

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

1. Consolidated Business Results (April 1, 2009 through September 30, 2009)**(1) Consolidated Results of Operations (cumulative)**

(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	%
Six months ended September 30, 2009	13,899	(30.2)	(29)	—	(218)	—	(220)	—
Six months ended September 30, 2008	19,925	—	(1,659)	—	(1,640)	—	(1,468)	—

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Six months ended September 30, 2009	(6.37)	—
Six months ended September 30, 2008	(43.88)	—

(2) Consolidated Financial condition

	Total assets	Net assets	Ratio of shareholders' equity to assets	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2009	22,649	1,133	5.0	29.49
As of March 31, 2009	33,304	971	2.9	29.02

(Reference) Shareholders' equity:

As of September 30, 2009:

1,127 million yen

As of March 31, 2009:

971 million yen

2. Dividends

(Record Date)	Dividends per share				
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2009	—	0.00	—	0.00	0.00
Year ended March 31, 2010	—	0.00	—	0.00	0.00
(Forecast) Year ending March 31, 2010	—	—	—	0.00	0.00

(Note) Revision to forecast of dividends during this quarter: None

3. Forecast of Consolidated Business Results (April 1, 2009 through March 31, 2010)

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

Annual	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	30,400	(46.0)	1,020	—	470	—	450	—	9.64

(Note) Revisions to forecast of consolidated business results during this quarter: None

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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): Not applicable
New: -
Exception: -
- (2) Adoption of simplified accounting method and accounting method specific to preparation of quarterly consolidated financial statements: Applicable
- (3) 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 standard, etc.: Not applicable
(ii) Changes other than (i): Not applicable
- (4) Number of issued shares (Common stock)
- | | |
|--------------------------------------------------------------------------------------------|-------------------|
| (i) Total number of issued shares (including treasury stock) as of the end of each period: | |
| As of September 30, 2009: | 38,233,566 shares |
| As of March 31, 2009: | 33,463,666 shares |
| (ii) Total number of treasury stock as of the end of each period: | |
| As of September 30, 2009: | 652 shares |
| As of March 31, 2009: | 652 shares |
| (iii) Average number of issued shares for each period (consolidated cumulative period): | |
| Six months ended September 30, 2009: | 34,567,395 shares |
| Six months ended September 30, 2008: | 33,463,100 shares |

(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.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	At the end of first half (September 30, 2009)	Condensed consolidated balance sheets at the end of previous fiscal year (March 31, 2009)
Assets		
Current assets		
Cash and deposits	1,222,991	2,618,661
Deposits in trust	250,299	239,423
Notes and accounts receivable, trade	3,302	87,259
Real estate for sale	4,137,740	8,231,960
Real estate for sale in process	12,028,868	16,498,128
Uncompleted construction expenditure	6,353	7,820
Other	2,692,326	3,226,654
Allowance for doubtful accounts	(19,692)	(46,703)
Total current assets	20,322,190	30,863,205
Noncurrent assets		
Property, plant and equipment	1,188,396	1,204,197
Intangible assets	54,595	60,890
Investments and other assets		
Investment securities	305,825	312,981
Other	1,160,967	1,245,595
Allowance for doubtful accounts	(382,439)	(382,439)
Total investments and other assets	1,084,354	1,176,138
Total noncurrent assets	2,327,345	2,441,226
Total assets	22,649,536	33,304,431
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,234,636	5,971,866
Short-term loans payable	13,494,604	17,564,884
Current portion of bonds	100,000	130,000
Income taxes payable	24,844	14,699
Advances received	123,308	869,268
Deposits received	115,392	156,277
Provision for bonuses	45,372	—
Other	492,528	389,796
Total current liabilities	17,630,686	25,096,792
Noncurrent liabilities		
Bonds payable	—	100,000
Long-term loans payable	3,144,207	6,328,009
Provision for retirement benefits	54,053	62,080
Provision for directors' retirement benefits	376,906	378,755
Other	309,805	367,574
Total noncurrent liabilities	3,884,972	7,236,419
Total liabilities	21,515,659	32,333,211

(Thousand yen)

	At the end of first half (September 30, 2009)	Condensed consolidated balance sheets at the end of previous fiscal year (March 31, 2009)
Net assets		
Shareholders' equity		
Capital stock	6,590,340	6,414,933
Capital surplus	174,036	6,328,905
Retained earnings	(5,626,670)	(11,735,367)
Treasury stock	(385)	(385)
Total shareholders' equity	1,137,320	1,008,085
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,138	2,708
Deferred gains or losses on hedges	(13,841)	(39,574)
Total valuation and translation adjustments	(9,703)	(36,865)
Subscription rights to shares	6,259	—
Total net assets	1,133,876	971,220
Total liabilities and net assets	22,649,536	33,304,431

(2) Quarterly Consolidated Statements of Income
(First six months)

(Thousand yen)

	Cumulative period for consolidated first half (from April 1, 2008 to September 30, 2008)	Cumulative period for consolidated first half (from April 1, 2009 to September 30, 2009)
Net sales	19,925,415	13,899,066
Cost of sales	17,826,859	12,220,395
Gross profit/loss	2,098,555	1,678,671
Selling, general and administrative expenses		
Sales commission	509,587	247,299
Advertising expenses	1,431,892	497,379
Provision of allowance for doubtful accounts	379,260	—
Directors' compensations	165,077	77,084
Salaries and allowances	483,240	266,944
Provision for bonuses	—	41,019
Provision for directors' retirement benefits	12,166	6,035
Depreciation	16,693	15,108
Other	760,326	557,623
Total selling, general and administrative expenses	3,758,244	1,708,493
Operating loss	(1,659,688)	(29,821)
Non-operating income		
Interest income	11,850	1,090
Dividends income	8,108	2,287
Land and house rent received	233,208	189,984
Penalty income	522,719	7,495
Other	75,780	85,335
Total non-operating income	851,667	286,193
Non-operating expenses		
Interest expenses	695,765	347,059
Other	136,975	127,516
Total non-operating expenses	832,741	474,576
Ordinary loss	(1,640,761)	(218,204)
Extraordinary income		
Reversal of allowance for doubtful accounts	120	27,092
Gain on sales of investment securities	28,780	999
Gain on sales of golf club memberships	2,938	—
Gain on reversal of subscription rights to shares	5,280	—
Reversal of provision for directors' retirement benefits	—	8,250
Total extraordinary income	37,118	36,342
Extraordinary loss		
Loss on sales of investment securities	38,560	—
Loss on valuation of investment securities	36,278	119
Loss on sales of golf club memberships	35,366	—
Loss on project suspension	523,562	—
Total extraordinary losses	633,767	119
Loss before income taxes	(2,237,411)	(181,981)
Income taxes - current	167,651	11,584
Income taxes - deferred	(953,249)	26,641
Total income taxes	(785,597)	38,226
Minority interests in income	16,698	—
Net loss	(1,468,512)	(220,208)

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	Cumulative period for consolidated first half (from April 1, 2008 to September 30, 2008)	Cumulative period for consolidated first half (from April 1, 2009 to September 30, 2009)
Net cash provided by (used in) operating activities		
Loss before income taxes	(2,237,411)	(181,981)
Depreciation	34,469	18,973
Increase (decrease) in provision for retirement benefits	12,481	(8,027)
Increase (decrease) in provision for directors' retirement benefits	12,252	(1,848)
Interest and dividends income	(19,958)	(3,378)
Interest expenses	695,765	347,059
Decrease (increase) in notes and accounts receivable - trade	278,693	83,956
Decrease (increase) in inventories	6,874,034	8,564,946
Decrease (increase) in advance payments	145,227	(17,050)
Increase (decrease) in notes and accounts payable - trade	(8,512,946)	(2,737,229)
Increase (decrease) in advances received	231,393	(745,960)
Increase (decrease) in deposits received	(79,201)	(40,884)
Other	84,534	646,668
Sub-total	(2,480,665)	5,925,243
Interest and dividends received	17,170	11,542
Interest expenses paid	(722,390)	(302,859)
Income taxes paid	(1,732,305)	10,144
Net cash provided by (used in) operating activities	(4,918,190)	5,644,071
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	68,900	233,268
Purchases of property, plant and equipment	(698)	(644)
Proceeds from sales of property, plant and equipment	1,219	(1,033)
Proceeds from sales of investment securities	369,019	1,000
Payments of short-term loans receivable	(80,000)	—
Collection of short-term loans receivable	1,500	100
Collection of long-term loans receivable	262	—
Other	33,343	90
Net cash provided by (used in) investing activities	393,547	232,781
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,338,640)	(1,790,280)
Proceeds from long-term loans payable	4,785,000	—
Repayment of long-term loans payable	(9,710,914)	(5,463,802)
Redemption of bonds	(60,000)	(130,000)
Proceeds from issuance of common stock	—	349,443
Cash dividends paid	(669,262)	—
Other	—	6,259
Net cash provided by (used in) financing activities	(6,993,816)	(7,028,378)
Net increase (decrease) in cash and cash equivalents	(11,518,459)	(1,151,525)
Cash and cash equivalents at the beginning of period	14,470,804	2,324,409
Cash and cash equivalents at end of period	2,952,344	1,172,883