

Reference Material for Presentation on
Operating Performance During the First Three
Quarters of the Fiscal Year Ending March 31, 2010

February 5 (Friday), 2010 Shin-Nihon Tatemono Co., Ltd.

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 **新日本建物**
(JASDAQ : 8893)

Business environment topic

- Demand rebounded to a certain extent in the housing market, aided by policy support.
- Particularly in the Tokyo suburbs, demand expanded following a decline in condominium supply.

Performance topics

- The Company posted an operating loss in the third quarter (October to December), primarily attributable to a small number of properties that were recorded as sales.
- Further progress in balance-sheet streamlining
 - => Assets reduced by 3.5 billion yen in the third quarter (October to December)
 - Assets reduced by 14.2 billion yen from the end of the previous fiscal year
- The full-year plan is revised down in light of recent business performance.

Business topics

- Aggressively operated the condominium purchase/resale business as core operations.
 - => In the third quarter (October to December), two properties were sold out.
- Began the condominium development business in an alliance with corporate landowners.

Consolidated Balance Sheet

(Unit: million yen)	Year ended March 31, 2009		Year ending March 31, 2010	
	End of Q3	Year end	End of Q3	Change
Cash and deposits	3,640	2,618	1,022	-1,596
Real estate for sale	10,987	8,231	1,231	● -7,000
Real estate for sale in process	34,083	16,498	11,317	● -5,180
Others	9,386	3,514	2,908	-606
Total current assets	58,098	30,863	16,479	-14,383
Total noncurrent assets	2,939	2,441	2,583	142
Total assets	61,037	33,304	19,063	-14,240
Notes and account payable-trade	7,414	5,971	1,525	-4,446
Short-term loans payable	24,871	17,564	10,046	● -7,518
Current portion of bonds	220	130	100	● -30
Others	2,992	1,430	796	-633
Total current liabilities	35,498	25,096	12,468	-12,628
Bonds payable	100	100	—	● -100
Long-term loans payable	6,384	6,328	3,783	● -2,544
Others	733	808	570	-238
Total noncurrent liabilities	7,218	7,236	4,354	-2,882
Total liabilities	42,716	32,333	16,822	-15,510
Capital stock	6,414	6,414	7,338	923
Capital surplus	6,328	6,328	901	-5,427
Retained earnings	5,574	-11,735	-6,002	5,733
Others	1	-37	2	39
Total net assets	18,320	971	2,240	1,269
Total liabilities and net assets	61,037	33,304	19,063	-14,240

● **Decrease of real estate for sale**

[Breakdown at the end of Q3 of FY10/3]

Liquidation	:	0.3 billion yen	1 property
(of which consolidated SPC	:	— billion yen	— properties)
Condominium unit sales	:	0.8 billion yen	41 units
Residential housing sales	:	— billion yen	— houses

● **Decrease of real estate for sale in process**

[Breakdown at the end of Q3 of FY10/3]

Liquidation	:	5.6 billion yen
(of which consolidated SPC	:	— yen)
Condominium unit sales	:	5.7 billion yen
Residential housing sales	:	- billion yen

● **Status of interest-bearing liabilities**

Year ended March 31, 2009	24.1 billion yen
	(of which consolidated SPC: 2.8 billion yen)
Q3 ended	13.9 billion yen
December 31, 2009	(of which consolidated SPC: — billion yen)
Change	-10.1 billion yen

Consolidated Profit and Loss Statement

(Unit: million yen)	Year ended March 31, 2009		Year ending March 31, 2010			
	Q3 (cumulative)		Q3 (cumulative)		Year-on-year	
	Actual	% of Total	Actual	% of Total	Change	Change (%)
Net sales	42,054	100.0%	● 18,206	100.0%	-23,847	-56.7%
Cost of sales	37,987	90.3%	15,901	87.3%	-22,086	-58.1%
Gross profit	4,066	9.7%	2,304	12.7%	-1,761	-43.3%
Selling, general and administrative expenses	5,732	13.7%	● 2,383	13.1%	-3,348	-58.4%
Operating income	-1,665	-4.0%	-78	-0.4%	1,587	—
Non-operating income	1,524	3.6%	336	1.8%	-1,187	-77.9%
Non-operating expenses	1,318	3.1%	● 698	3.8%	-619	-47.0%
Ordinary income	-1,459	-3.5%	-440	-2.4%	1,018	—
Extraordinary income	36	0.1%	27	0.1%	-9	-25.0%
Extraordinary loss	939	2.2%	106	0.6%	-833	-88.7%
Income before income taxes	-2,362	-5.6%	-519	-2.9%	1,843	—
Income taxes	-763	-1.8%	76	0.4%	839	—
Net income	-1,599	-3.8%	-595	-3.3%	1,003	—

● Figures for first three quarters of FY10/3

Liquidation	5 properties
Condominium unit sales	322 units
Residential housing sales	186 houses

● Details of selling, general and administrative expenses

(Unit: million yen)	FY 09/3 Q3 (cumulative)	FY 10/3 Q3 (cumulative)	Change
Personnel expenses	1,194	631	-562
Sales commission	967	351	-615
Advertising expenses	2,205	625	-1,580
Other	1,365	774	-590
Total	5,732	2,383	-3,348

● Details of Non-operating expenses

(Unit: million yen)	FY 09/3 Q3 (cumulative)	FY 10/3 Q3 (cumulative)	Change
Interest expenses	1,010	528	-481
Other	308	170	-137
Total	1,318	698	-619

Net Sales and Operating Income by Segment

- ✓ Operating income was also achieved in major businesses in the third quarter on a cumulative basis.
- ✓ The liquidation business moved into the black on an operating income basis with improved profitability.

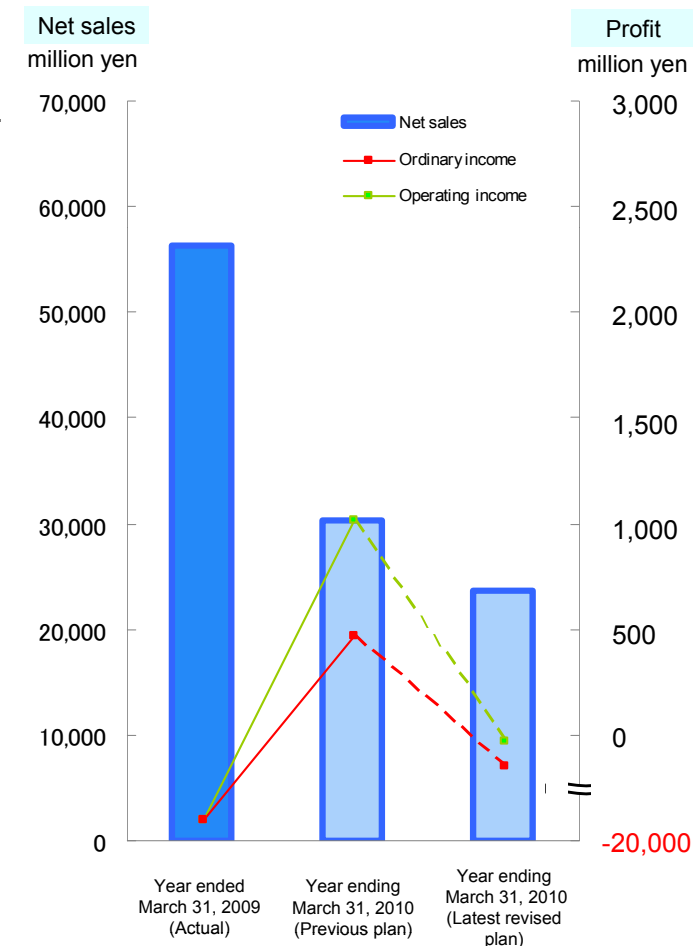
[Net sales]		Year ended March 31, 2009		Year ending March 31, 2010			
		Q3 (cumulative)		Q3 (cumulative)		Year-on-year	
		(Unit: million yen)		Actual	% of Total	Actual	% of Total
	Liquidation business	13,202	31.4%	4,634	25.5%	-8,568	-64.9%
	Condominium unit sales business	19,176	45.6%	10,373	57.0%	-8,803	-45.9%
	Residential housing sales business	9,445	22.5%	2,827	15.5%	-6,618	-70.1%
	Other business	229	0.5%	371	2.0%	141	61.8%
	Elimination or corporate	—	—	—	—	—	—
	Net sales total	42,054	100.0%	18,206	100.0%	-23,847	-56.7%

[Operating income]		Year ended March 31, 2009		Year ending March 31, 2010			
		Q3 (cumulative)		Q3 (cumulative)		Year-on-year	
		(Unit: million yen)		Actual	Operating income (%)	Actual	Operating income (%)
	Liquidation business	-1,960	-14.8%	287	6.2%	2,248	—
	Condominium unit sales business	1,071	5.6%	330	3.2%	-740	-69.1%
	Residential housing sales business	220	2.3%	107	3.8%	-113	-51.4%
	Other business	-277	-120.8%	-134	-36.2%	143	—
	Elimination or corporate	-719	—	-669	—	50	—
	Operating income total	-1,665	-4.0%	-78	-0.4%	1,587	—

Revision of Full-Year Plan for Fiscal Year Ending March 2010

■ The Company has revised its full-year plan downward, mainly because the purchase of properties that could be delivered in the current fiscal year did not proceed as planned in the condominium purchase/resale business.

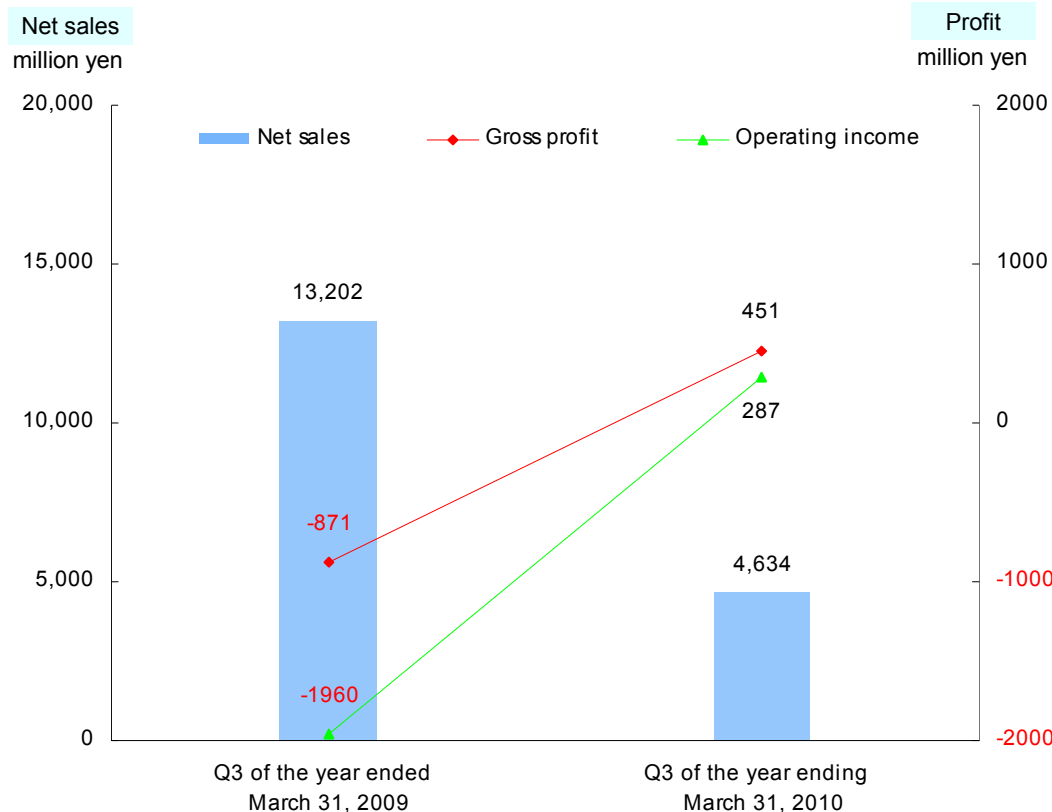
(Unit: million yen)	Year ended March 31, 2009	Year ending March 31, 2010				
	Actual	Previous plan	Latest revised plan	Compared with the previous plan		Year-on-year
				Change	Change (%)	
Net sales	56,337	30,400	23,700	-6,700	-22.0%	-57.9%
Operating income	-16,420	1,020	-150	-1,170	—	—
Ordinary income	-16,177	470	-650	-1,120	—	—
Net income	-18,909	450	-800	-1,250	—	—



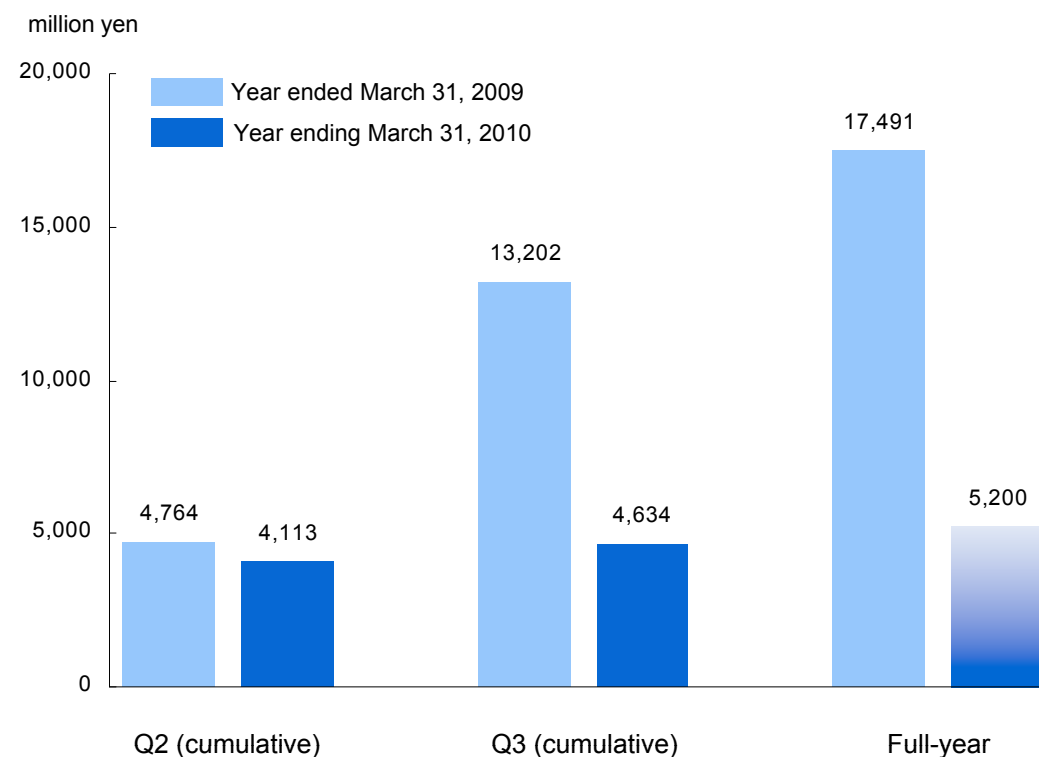
Situation of Liquidation Business

- ✓ Completed the delivery of two properties for investment and three properties for development.
- ✓ Sold a number of properties at prices higher than their book values based on the revaluation made at the end of the previous fiscal year.

Actual results for Q3 (cumulative)



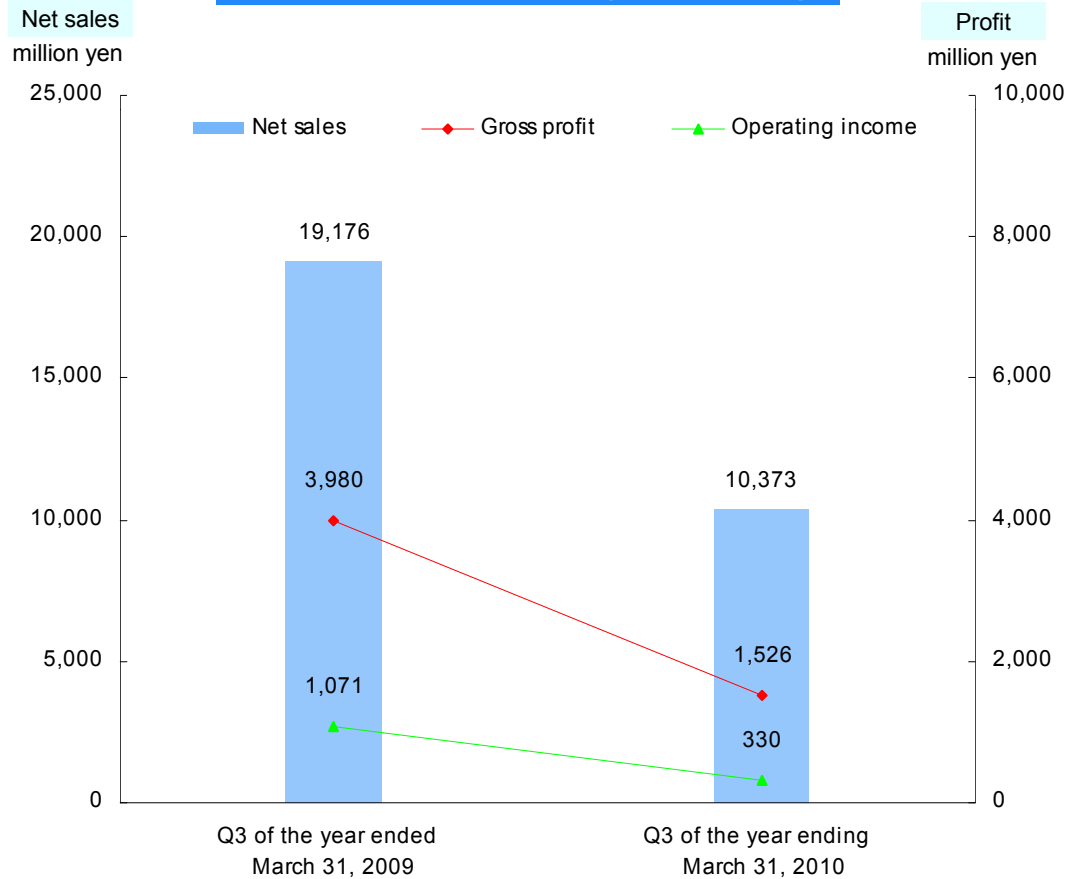
Net sales plan



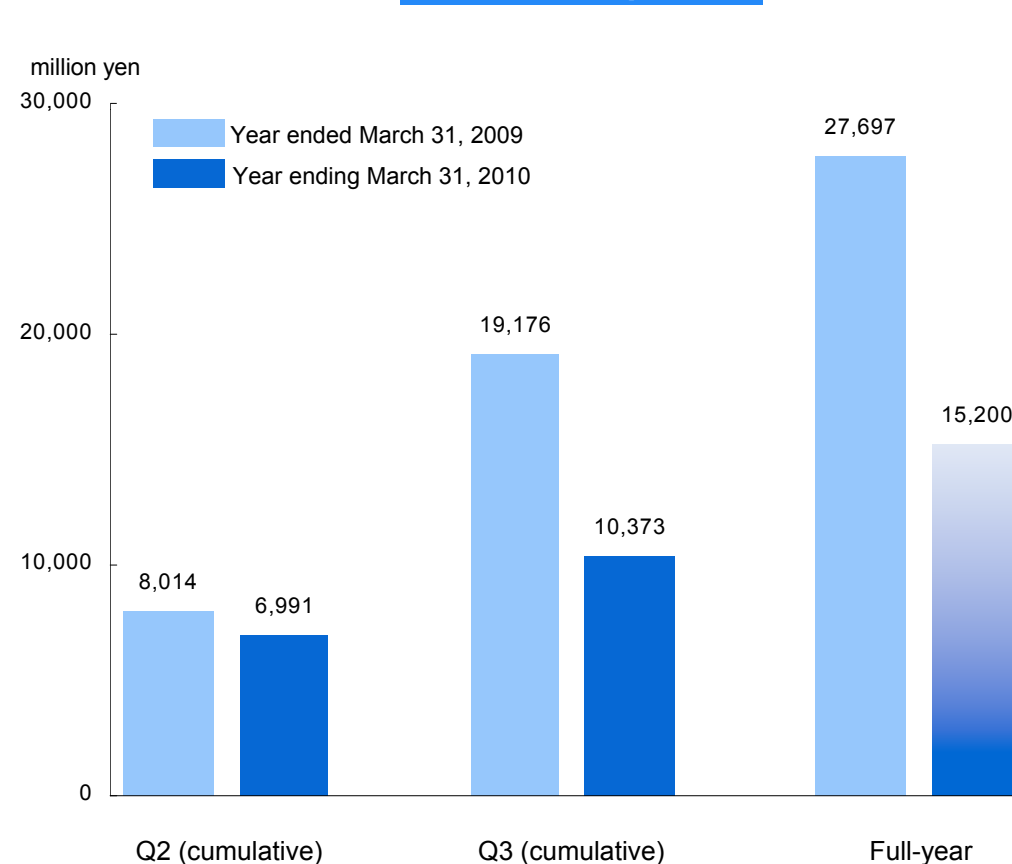
Situation of Condominium Unit Sales Business

- ✓ A total of 322 units were delivered (a decline of 280 units year on year), including units sold from the Company's inventory and units sold from properties for purchase/resale.
- ✓ In the third quarter (October to December), four properties including Renaissance Makuhari Colors (a total of 35 units) were sold out.

Actual results for Q3 (cumulative)



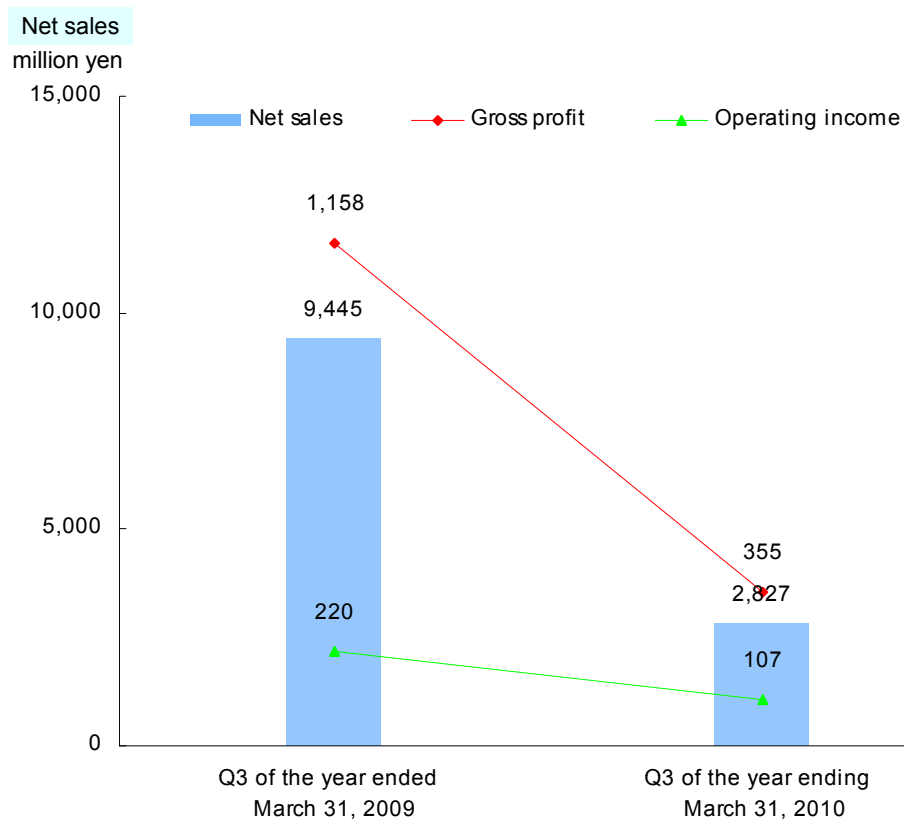
Net sales plan



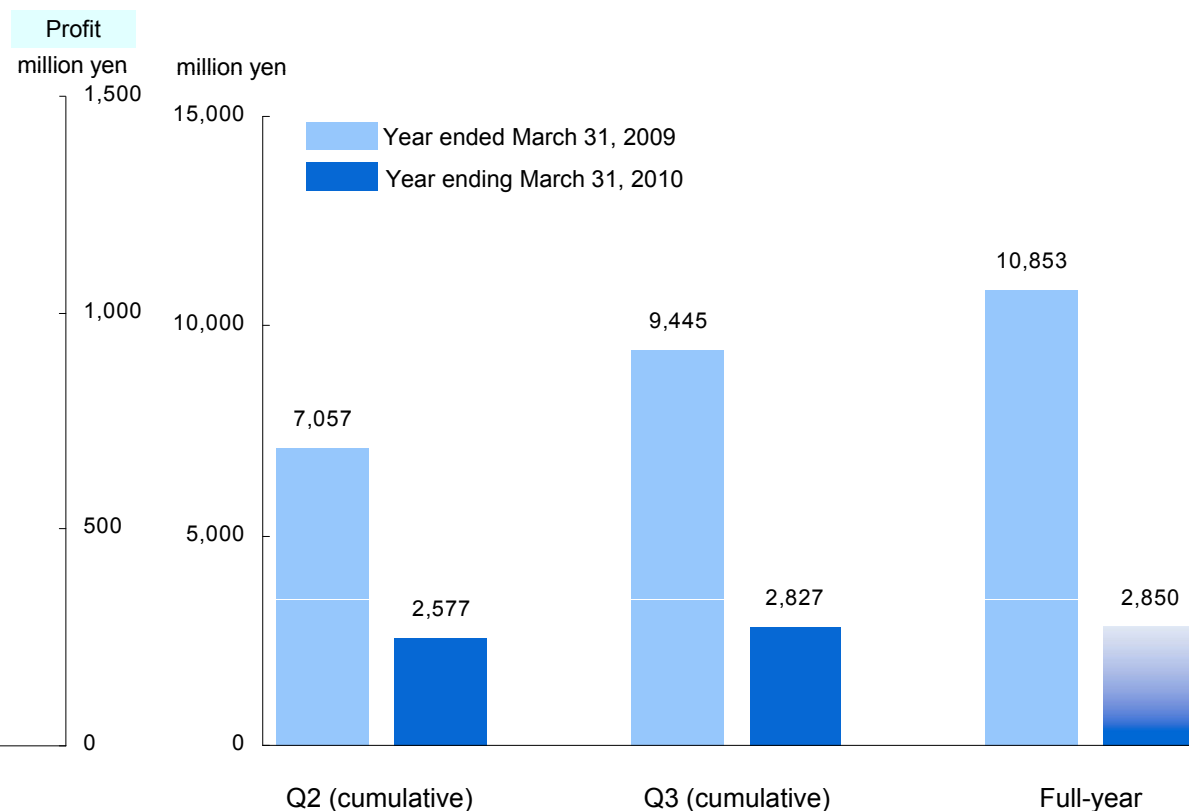
Situation of Residential Housing Sales Business

- ✓ Delivered 186 houses (a decline of 74 houses year on year) in the third quarter on a cumulative basis.
 - => Unit sales price declined as a result of promoting the sale of housing sites.
- ✓ Sought to improve profitability by conducting direct sales.
 - => The operating income margin was up 1.5 percentage points.

Actual results for Q3 (cumulative)



Net sales plan



Luichatelet Todakoen Celesta

Overview

- ✓ A completed condominium with some units already delivered to users was purchased.
- ✓ All units were sold out in two months by setting prices appropriate to the area.
- ✓ High investment efficiency was achieved with a total business period of five months by beginning to collect funds from the second month after the purchase agreement.

[Overview]

Location	: Shimomae 1-chome, Toda-shi, Saitama
Access	: 12-minute walk from the Todakoen Station of JR Saikyo Line
Total number of units	: 70 units
Number of units sold	: 35 units
Room arrangement	: 3LDK ~ 4LDK
Construction completed	: November 2008
Sales commenced	: September 2009
Delivery commenced	: September 2009



Villa Kohoku NT Indy 8

Overview

- ✓ Acquired an incomplete condominium whose construction was halted, and resumed the project
- ✓ The safety of the building was ensured based on internal evaluation standards through an examination by the Company's construction team.
- ✓ All units were sold out in two weeks using a sales method geared to local characteristics.

[Overview]

Location	: Higashiyamada 1-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa
Access	: 11-minute walk from the Kitayamada Station of Yokohama Municipal Subway Green Line
Total number of units	: 8 units
Number of units sold	: 8 units
Room arrangement	: 3LDK
New	: August 2009
Sales commenced	: November 2009
Delivery commenced	: December 2009



Alliance-Based Condominium Development Business

Odawara Project

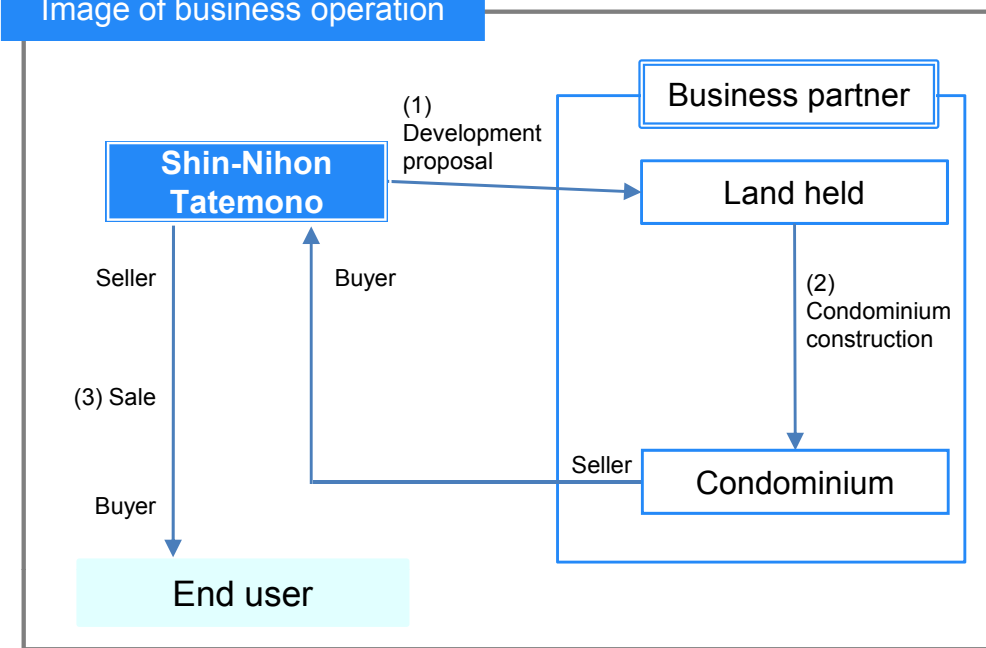
Overview

- ✓ The development of condominiums in an alliance with a construction company has begun.
- ✓ The development business was commercialized with a scheme that will benefit both parties.
 - Advantage for Shin-Nihon Tatemono
 - => The Company is able to generate revenues efficiently with a relatively small outlay by purchasing a condominium completed by its business partner after construction.
 - Advantage for the business partner
 - => It can not only collect funds for the land purchase, but also ensure revenues by constructing a condominium.

[Overview]

Location	: Sakaecho 1-chome, Odawara-shi, Kanagawa
Access	: 5-minute walk from the Odawara Station of JR Tokaido Line
Total number of units	: 53 units
Room arrangement	: 3LDK ~ 4LDK
Sales commence (planned)	: April 2010
Construction completed (planned)	: February 2011
Delivery commences (planned)	: March 2011

Image of business operation



[For Inquiries]

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