

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, 2010

May 14, 2010

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, Administrative Department Manager and Group Corporate Development Department Manager

Tel: +81-3-6205-0705

Scheduled date of the ordinary general meeting of shareholders: June 25, 2010

Scheduled date of submission of the annual securities report: June 28, 2010

Scheduled date for commencing payment of dividend: —

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

1. Consolidated Financial Results (April 1, 2009 through March 31, 2010)

(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, 2010	22,808	(59.5)	(232)	—	(754)	—	(2,410)	—
Year ended March 31, 2009	56,337	(31.5)	(16,420)	—	(16,177)	—	(18,909)	—

	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, 2010	(51.65)	—	(344.2)	(3.1)	(1.0)
Year ended March 31, 2009	(565.08)	—	(175.7)	(26.6)	(29.1)

(Reference) Equity in net income of affiliates

Year ended March 31, 2010: — million yen

Year ended March 31, 2009: — 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, 2010	15,244	429	2.8	7.00
Year ended March 31, 2009	33,304	971	2.9	29.02

(Reference) Shareholders' equity:

As of March 31, 2010: 429 million yen

As of March 31, 2009: 971 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, 2010	4,691	129	(6,514)	631
Year ended March 31, 2009	11,686	210	(24,042)	2,324

2. Dividends

(Record Date)	Dividends per share					Total amount of dividends (annual)	Payout ratio (consolidated)	Dividends on equity (consolidated)
	End of the 1st quarter	Interim period end	End of the 3rd quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million 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, 2011	—	0.00	—	0.00	0.00		—	

3. Forecast of Consolidated Financial Results (April 1, 2010 through March 31, 2011)

(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	6,100	(56.1)	(140)	—	(330)	—	(360)	—	(5.87)
Annual	19,600	(14.1)	1,030	—	550	—	500	—	8.15

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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: —

Exception: 3 subsidiaries (Anonymous Association Mistral No.1, Anonymous Association Mistral No.2

Anonymous Association Mistral No.3)

(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, 2010: 61,347,686 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 March 31, 2010: 652 shares

As of March 31, 2009: 652 shares

(For reference) Outline of non-consolidated financial results

1. Non-consolidated financial results (April 1, 2009 through March 31, 2010)

(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, 2010	20,257	(58.2)	(10)	—	(462)	—	(2,391)	—
Year ended March 31, 2009	48,480	(29.8)	(15,834)	—	(15,649)	—	(18,838)	—

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Year ended March 31, 2010	(51.25)	—
Year ended March 31, 2009	(562.95)	—

(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, 2010	14,918	398	2.7	6.49
Year ended March 31, 2009	28,672	921	3.2	27.54

(Reference) Shareholders' equity:

As of March 31, 2010: 398 million yen

As of March 31, 2009: 921 million yen

2. Forecast of non-consolidated financial results (April 1, 2010 through March 31, 2011)

(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	4,800	(59.1)	(130)	—	(280)	—	(290)	—	(4.73)
Annual	16,800	(17.1)	840	—	450	—	360	—	5.87

(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)

	Year ended March 31, 2009	Year ended March 31, 2010
Assets		
Current assets		
Cash and deposits	2,618,661	768,576
Deposits in trust	239,423	—
Notes and accounts receivable, trade	87,259	52,427
Real estate for sale	8,231,960	855,390
Real estate for sale in process	16,498,128	9,913,181
Uncompleted construction expenditure	7,820	18,453
Advance payments-trade	2,000,000	1,100,000
Deferred tax assets	78,820	23,530
Other	1,147,833	274,257
Allowance for doubtful accounts	(46,703)	(10,155)
Total current assets	30,863,205	12,995,661
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	800,665	771,778
Accumulated depreciation	(569,583)	(581,166)
Buildings and structures (net)	231,082	190,612
Land	960,444	960,444
Other	39,713	33,137
Accumulated depreciation	(27,041)	(29,412)
Other, net	12,671	3,725
Total property, plant and equipment	1,204,197	1,154,782
Intangible assets	60,890	48,300
Investments and other assets		
Investment securities	312,981	564,831
Long-term loans receivable	—	90,811
Deferred tax assets	11,090	66,960
Other	1,234,505	1,096,748
Allowance for doubtful accounts	(382,439)	(773,250)
Total investments and other assets	1,176,138	1,046,100
Total noncurrent assets	2,441,226	2,249,183
Total assets	33,304,431	15,244,845

(Thousand yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,971,866	230,221
Short-term loans payable	17,564,884	8,829,604
Current portion of bonds	130,000	100,000
Income taxes payable	14,699	8,513
Advances received	869,268	94,360
Deposits received	156,277	135,711
Provision for cost of head office transfer	—	133,170
Provision for loss on store closing	—	24,452
Other	389,796	375,689
Total current liabilities	25,096,792	9,931,723
Noncurrent liabilities		
Bonds payable	100,000	—
Long-term loans payable	6,328,009	4,323,405
Provision for retirement benefits	62,080	52,229
Provision for directors' retirement benefits	378,755	382,121
Other	367,574	125,897
Total noncurrent liabilities	7,236,419	4,883,653
Total liabilities	32,333,211	14,815,376
Net assets		
Shareholders' equity		
Capital stock	6,414,933	7,338,707
Capital surplus	6,328,905	901,768
Retained earnings	(11,735,367)	(7,816,856)
Treasury stock	(385)	(385)
Total shareholders' equity	1,008,085	423,233
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,708	6,235
Deferred gains or losses on hedges	(39,574)	—
Total valuation and translation adjustments	(36,865)	6,235
Total net assets	971,220	429,469
Total liabilities and net assets	33,304,431	15,244,845

(2) Consolidated Statements of Income

(Thousand yen)

	Year ended March 31, 2009 (From April 1, 2008 to March 31, 2009)	Year ended March 31, 2010 (From April 1, 2009 to March 31, 2010)
Net sales	56,337,932	22,808,573
Cost of sales	65,337,119	19,895,888
Gross profit/loss	(8,999,186)	2,912,684
Selling, general and administrative expenses		
Sales commission	1,228,441	470,383
Advertising expenses	2,798,370	781,342
Provision of allowance for doubtful accounts	417,076	—
Directors' compensations	327,374	141,593
Salaries and allowances	983,803	533,698
Provision for directors' retirement benefits	26,015	11,178
Commission fees	—	335,430
Depreciation	34,395	27,325
Other	1,605,847	844,517
Total selling, general and administrative expenses	7,421,324	3,145,470
Operating loss	(16,420,511)	(232,785)
Non-operating income		
Interest income	11,411	32,300
Dividends income	8,608	2,777
Land and house rent received	448,000	297,199
Penalty income	1,260,489	7,945
Other	132,326	104,603
Total non-operating income	1,860,835	444,826
Non-operating expenses		
Interest expenses	1,236,541	729,020
Other	381,705	237,499
Total non-operating expenses	1,618,246	966,519
Ordinary loss	(16,177,922)	(754,479)
Extraordinary income		
Reversal of allowance for doubtful accounts	—	36,590
Gain on sales of investment securities	28,780	999
Reversal of provision for directors' retirement benefits	—	8,250
Gain on sales of golf club memberships	2,938	—
Gain on reversal of subscription rights to shares	5,280	—
Total extraordinary income	36,998	45,840

(Thousand yen)

	Year ended March 31, 2009 (From April 1, 2008 to March 31, 2009)	Year ended March 31, 2010 (From April 1, 2009 to March 31, 2010)
Extraordinary loss		
Loss on sales of noncurrent assets	3,534	12,546
Loss on disposals of noncurrent assets	24,018	78,848
Impairment loss	493,969	—
Loss on sales of investment securities	38,560	106,168
Loss on valuation of investment securities	74,353	119
Provision of allowance for doubtful accounts	—	390,811
Loss on sales of golf club memberships	40,194	—
Loss on project suspension	789,479	—
Loss on valuation of advance payments-trade	—	950,000
Provision for cost of head office transfer	—	133,170
Provision for loss on store closing	—	24,452
Total extraordinary losses	1,464,111	1,696,118
Loss before income taxes	(17,605,036)	(2,404,756)
Income taxes – current	21,169	6,216
Income taxes – deferred	1,293,865	(579)
Total income taxes	1,315,034	5,637
Minority interests in loss	(10,847)	—
Net loss	(18,909,222)	(2,410,394)

(3) Consolidated Statements of Changes in Net Assets

(Thousand yen)

	Year ended March 31, 2009 (From April 1, 2008 to March 31, 2009)	Year ended March 31, 2010 (From April 1, 2009 to March 31, 2010)
Shareholders' equity		
Capital stock		
Balance at end of previous fiscal year	6,414,933	6,414,933
Change during the fiscal year		
Issuance of new shares	—	923,773
Total change during the fiscal year	—	923,773
Balance at end of the fiscal year	6,414,933	7,338,707
Capital surplus		
Balance at end of previous fiscal year	6,328,905	6,328,905
Change during the fiscal year		
Issuance of new shares	—	901,768
Deficit disposition	—	(6,328,905)
Total change during the fiscal year	—	(5,427,136)
Balance at end of the fiscal year	6,328,905	901,768
Retained earnings		
Balance at end of previous fiscal year	7,843,117	(11,735,367)
Change during the fiscal year		
Dividends paid	(669,262)	—
Deficit disposition	—	6,328,905
Net loss	(18,909,222)	(2,410,394)
Total change during the fiscal year	(19,578,484)	3,918,510
Balance at end of the fiscal year	(11,735,367)	(7,816,856)
Treasury stock		
Balance at end of previous fiscal year	(379)	(385)
Change during the fiscal year		
Purchase of treasury stock	(6)	—
Total change during the fiscal year	(6)	—
Balance at end of the fiscal year	(385)	(385)
Total shareholders' equity		
Balance at end of previous fiscal year	20,586,576	1,008,085
Change during the fiscal year		
Issuance of new shares	—	1,825,542
Dividends paid	(669,262)	—
Deficit disposition	—	—
Net loss	(18,909,222)	(2,410,394)
Purchase of treasury stock	(6)	—
Total change during the fiscal year	(19,578,491)	(584,852)
Balance at end of the fiscal year	1,008,085	423,233

(Thousand yen)

	Year ended March 31, 2009 (From April 1, 2008 to March 31, 2009)	Year ended March 31, 2010 (From April 1, 2009 to March 31, 2010)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at end of previous fiscal year	(155)	2,708
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year	2,863	3,527
Total change during the fiscal year	2,863	3,527
Balance at end of the fiscal year	2,708	6,235
Deferred gains or losses on hedges		
Balance at end of previous fiscal year	(29,809)	(39,574)
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year	(9,764)	39,574
Total change during the fiscal year	(9,764)	39,574
Balance at end of the fiscal year	(39,574)	—
Total valuation and translation adjustments		
Balance at end of previous fiscal year	(29,964)	(36,865)
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year	(6,901)	43,101
Total change during the fiscal year	(6,901)	43,101
Balance at end of the fiscal year	(36,865)	6,235
Subscription rights to shares		
Balance at end of previous fiscal year	5,280	—
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year	(5,280)	—
Total change during the fiscal year	(5,280)	—
Balance at end of the fiscal year	—	—
Minority interests		
Balance at end of previous fiscal year	28,195	—
Change during the fiscal year		
Changes in items other than shareholders' equity during the fiscal year	(28,195)	—
Total change during the fiscal year	(28,195)	—
Balance at end of the fiscal year	—	—
Total net assets		
Balance at end of previous fiscal year	20,590,088	971,220
Change during the fiscal year		
Issuance of new shares	—	1,825,542
Dividends paid	(669,262)	—
Deficit disposition	—	—
Net loss	(18,909,222)	(2,410,394)
Purchase of treasury stock	(6)	—
Changes in items other than shareholders' equity during the fiscal year	(40,376)	43,101
Total change during the fiscal year	(19,618,868)	(541,750)
Balance at end of the fiscal year	971,220	429,469

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	Year ended March 31, 2009 (From April 1, 2008 to March 31, 2009)	Year ended March 31, 2010 (From April 1, 2009 to March 31, 2010)
Net cash provided by (used in) operating activities		
Loss before income taxes	(17,605,036)	(2,404,756)
Depreciation	68,953	35,855
Impairment loss	493,969	—
Loss (gain) on sales and retirement of noncurrent assets	27,553	91,395
Increase (decrease) in allowance for doubtful accounts	417,616	354,263
Increase (decrease) in provision for retirement benefits	(17,735)	(9,850)
Increase (decrease) in provision for directors' retirement benefits	26,572	3,365
Increase (decrease) in provision for cost of head office transfer	—	133,170
Increase (decrease) in provision for loss on store closing	—	24,452
Interest and dividends income	(20,019)	(35,077)
Interest expenses	1,236,541	729,020
Decrease (increase) in notes and accounts receivable – trade	388,545	34,832
Decrease (increase) in inventories	38,951,023	11,090,883
Decrease (increase) in advance payments	1,030,447	900,000
Increase (decrease) in notes and accounts payable – trade	(5,987,666)	(5,741,644)
Increase (decrease) in advances received	(1,336,237)	(756,640)
Increase (decrease) in deposits received	(2,615,551)	(11,116)
Other	(377,834)	920,866
Sub-total	14,681,142	5,359,020
Interest and dividends received	11,318	32,935
Interest expenses paid	(1,239,731)	(693,906)
Income taxes paid	(1,766,273)	(6,185)
Net cash provided by (used in) operating activities	11,686,455	4,691,863
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	(90,218)	—
Payments into time deposits	—	(802,466)
Proceeds from withdrawal of time deposits	—	1,223,610
Purchases of property, plant and equipment	(10,626)	(4,117)
Proceeds from sales of property, plant and equipment	1,219	—
Payments for retirement of property, plant and equipment	—	(58,993)
Purchases of investment securities	—	(19,000)
Proceeds from sales of investment securities	369,019	1,000
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	—	(119,816)
Payments of short-term loans receivable	(80,000)	(380,000)
Collection of short-term loans receivable	1,500	380,600
Payments of long-term loans receivable	—	(90,811)
Collection of long-term loans receivable	266	—
Other	18,878	(9)
Net cash provided by (used in) investing activities	210,039	129,995

(Thousand yen)

	Year ended March 31, 2009 (From April 1, 2008 to March 31, 2009)	Year ended March 31, 2010 (From April 1, 2009 to March 31, 2010)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(5,193,920)	(2,730,280)
Proceeds from long-term loans payable	5,131,000	2,031,000
Repayment of long-term loans payable	(23,160,702)	(7,510,604)
Redemption of bonds	(150,000)	(130,000)
Proceeds from issuance of common stock	—	1,823,425
Cash dividends paid	(669,262)	—
Other	(6)	2,117
Net cash provided by (used in) financing activities	(24,042,890)	(6,514,341)
Net increase (decrease) in cash and cash equivalents	(12,146,394)	(1,692,482)
Cash and cash equivalents at the beginning of period	14,470,804	2,324,409
Cash and cash equivalents at the end of period	2,324,409	631,926