

**Reference Material for Presentation on
Operating Performance During
the First Quarter of the Fiscal Year
Ending March 31, 2011**

August 6 (Friday), 2010 Shin-Nihon Tatemono Co., Ltd.

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 **新日本建物**

(JASDAQ : 8893)

Business environment topics

- The contract rate remained steady in the housing market, given the increasing activities of actual home buyers.
- Some overseas investors have apparently begun to invest in real estate in Japan.

Performance topics

- Net sales for the first quarter under review declined year on year, but losses decreased, reflecting an improvement in the earnings structure.
- The Company continued to focus on balance-sheet streamlining and comprehensive cost cutting.

Business topics

- The Company actively commercialized properties that were likely to generate sound income.
=> Condominium purchase/resale business: Sagamino Project, Hiratsuka Project and other projects.

Consolidated Balance Sheet

(Unit: million yen)	Year ended March 31, 2010		Year ending March 31, 2011	
	End of Q1	Year end	End of Q1	Change
Cash and deposits	1,088	768	634	-134
Real estate for sale	5,486	855	332	● -522
Real estate for sale in process	14,514	9,913	9,810	● -102
Others	3,394	1,458	1,456	-1
Total current assets	24,483	12,995	12,234	-761
Total noncurrent assets	2,370	2,249	1,832	-416
Total assets	26,853	15,244	14,067	-1,177
Notes and account payable-trade	4,559	230	101	-128
Short-term loans payable	15,485	8,829	10,894	● 2,065
Current portion of bonds	130	100	100	● -
Others	761	771	548	-223
Total current liabilities	20,936	9,931	11,644	1,712
Bonds payable	100	-	-	● -
Long-term loans payable	4,576	4,323	1,862	● -2,461
Others	755	560	537	-22
Total noncurrent liabilities	5,431	4,883	2,399	-2,484
Total liabilities	26,368	14,815	14,044	-771
Capital stock	6,414	7,338	7,338	-
Capital surplus	-	901	901	-
Retained earnings	-5,928	-7,816	-8,218	-401
Others	-0	5	1	-4
Total net assets	485	429	23	-406
Total liabilities and net assets	26,853	15,244	14,067	-1,177

● **Decrease of real estate for sale**

[Breakdown at the end of Q1 of FY11/3]

Liquidation	:	- million yen	- property
Condominium unit sales	:	332 million yen	10 units
Residential housing sales	:	- million yen	- house

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

[Breakdown at the end of Q1 of FY11/3]

Liquidation	:	5,353 million yen
Condominium unit sales	:	4,243 million yen
Residential housing sales	:	212 million yen
Total	:	9,810 million yen

● **Status of interest-bearing liabilities**

Year ended March 31, 2010	13,253 million yen
Q1 ended June 30, 2010	12,856 million yen
Change	-396 million yen

Consolidated Profit and Loss Statement

(Unit: million yen)	Year ended March 31, 2010		Year ending March 31, 2011				
	Q1		Q1		Year-on-year		Whole fiscal year
	Actual	% of Total	Actual	% of Total	Change	Change (%)	Plan
Net sales	6,537	100.0%	● 2,058	100.0%	-4,478	-68.5%	19,600
Cost of sales	6,029	92.2%	1,826	88.7%	-4,202	-69.7%	—
Gross profit	507	7.8%	231	11.3%	-276	-54.4%	—
Selling, general and administrative expenses	892	13.7%	● 503	24.5%	-389	-43.6%	—
Operating income	-384	-5.9%	-271	-13.2%	112	—	1,030
Non-operating income	113	1.7%	64	3.1%	-48	-43.1%	—
Non-operating expenses	238	3.6%	● 121	5.9%	-117	-49.1%	—
Ordinary income	-509	-7.8%	-328	-16.0%	181	—	550
Extraordinary income	12	0.2%	63	3.1%	51	414.6%	—
Extraordinary loss	—	—	● 128	6.2%	128	—	—
Income before income taxes	-497	-7.6%	-393	-19.1%	103	—	—
Income taxes	24	0.4%	6	0.3%	-18	-75.8%	—
Net income	-522	-8.0%	-399	-19.4%	122	—	500

● Figures

	FY 10/3 Q1	FY 11/3 Q1	Change
Liquidation	3 properties	2 properties	-1 property
Condominium unit sales	83 units	24 units	-59 units
Residential housing sales	127 houses	— house	-127 houses

● Details of selling, general and administrative expenses

(Unit: million yen)	FY 10/3 Q1	FY 11/3 Q1	Change
Personnel expenses	235	173	-62
Sales commission	127	20	-106
Advertising expenses	257	109	-148
Other	271	200	-71
Total	892	503	-389

● Details of Non-operating expenses

(Unit: million yen)	FY 10/3 Q1	FY 11/3 Q1	Change
Interest expenses	172	112	-60
Other	66	9	-57
Total	238	121	-117

● Significant factor in the extraordinary loss in the first quarter of the fiscal year ending March 31, 2011

Loss on valuation of investment securities 128 million yen

Net Sales and Operating Income by Segment

- ✓ The liquidation business concentrated on the sale of properties, in light of the market conditions.
- ✓ The condominium unit sales business posted operating income for the fourth consecutive quarterly period by promoting purchase/resale projects.

Net Sales (Unit: million yen)	Year ended March 31, 2010		Year ending March 31, 2011				
	Q1		Q1		Year-on-year		Whole fiscal year
	Actual	% of Total	Actual	% of Total	Change	Change (%)	Plan
Liquidation business	2,714	41.5%	1,038	50.5%	-1,675	-61.7%	4,000
Condominium unit sales business	2,410	36.9%	809	39.3%	-1,601	-66.4%	13,250
Residential housing sales business	1,251	19.2%	0	0.0%	-1,250	-99.9%	1,500
Other business	159	2.4%	209	10.2%	49	30.9%	850
Elimination or corporate	—	—	—	—	—	—	—
Net sales total	6,537	100.0%	2,058	100.0%	-4,478	-68.5%	19,600

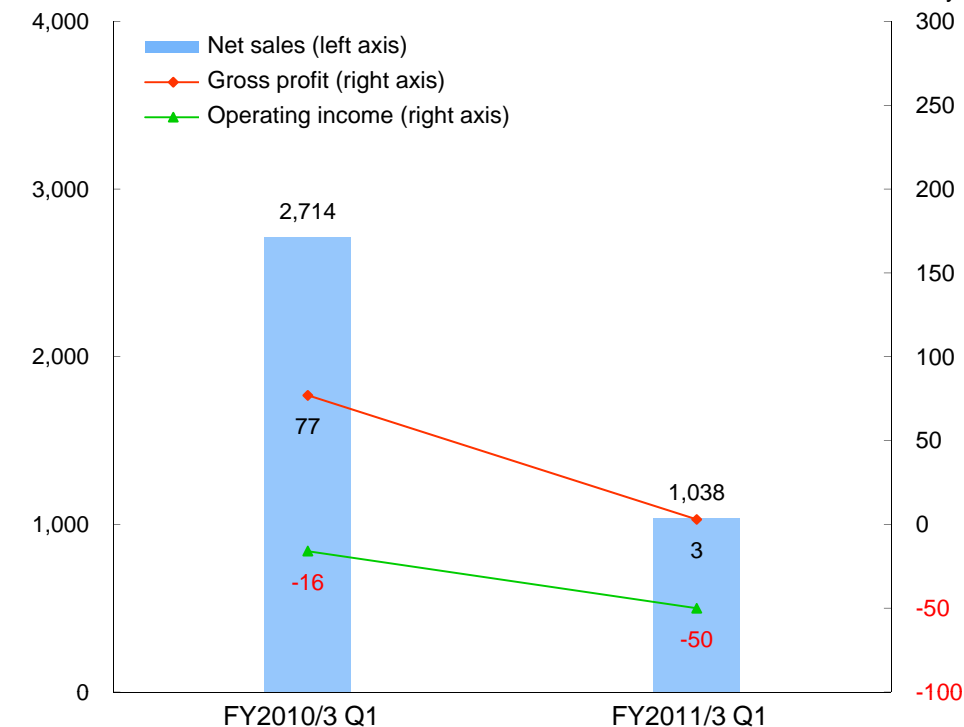
Operating Income (Unit: million yen)	Year ended March 31, 2010		Year ending March 31, 2011				
	Q1		Q1		Year-on-year		Whole fiscal year
	Actual	% of Total	Actual	% of Total	Change	Change (%)	Plan
Liquidation business	-16	-0.6%	-50	-4.9%	-34	—	190
Condominium unit sales business	-232	-9.6%	9	1.1%	241	—	1,450
Residential housing sales business	65	5.2%	-40	—	-105	—	10
Other business	3	2.5%	-10	-4.9%	-14	—	60
Elimination or corporate	-204	—	-179	—	25	—	-680
Operating income total	-384	-5.9%	-271	-13.2%	112	—	1,030

Situation of Liquidation Business

- ✓ The Company sold one property for investment and one property for development, in light of the market environment.
- ✓ Net sales for the first quarter under review declined 61.7% year on year, to 1,038 million yen.

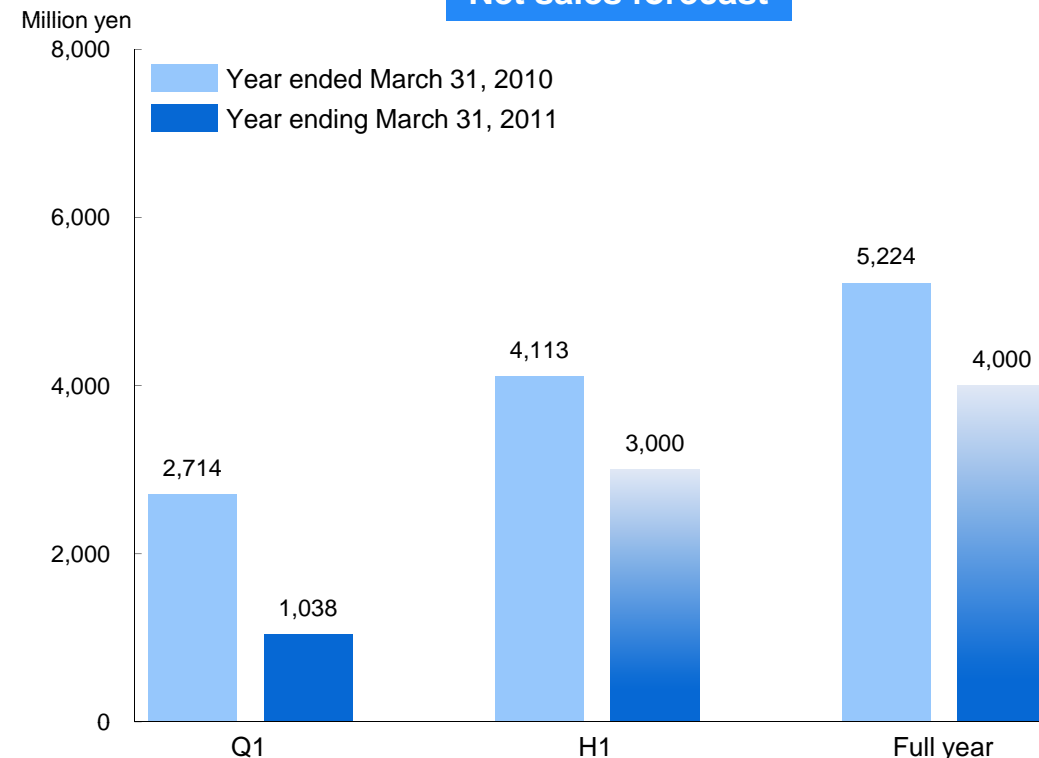
Net sales
Million yen

Results for the first quarter



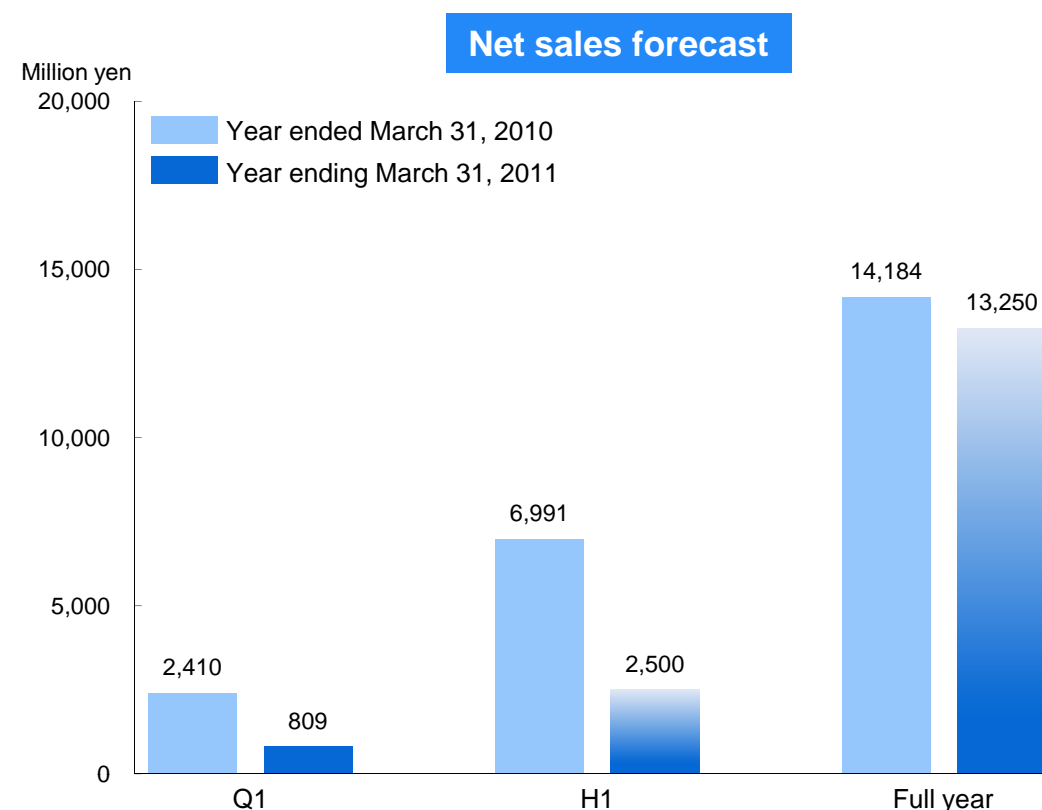
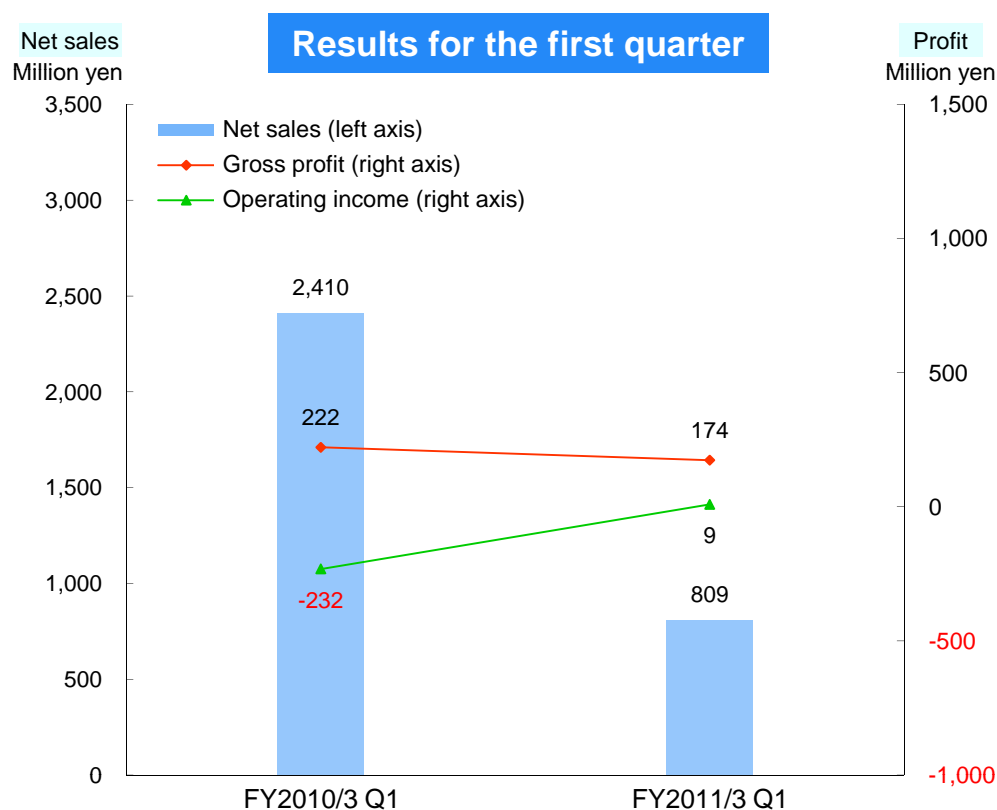
Profit
Million yen

Net sales forecast



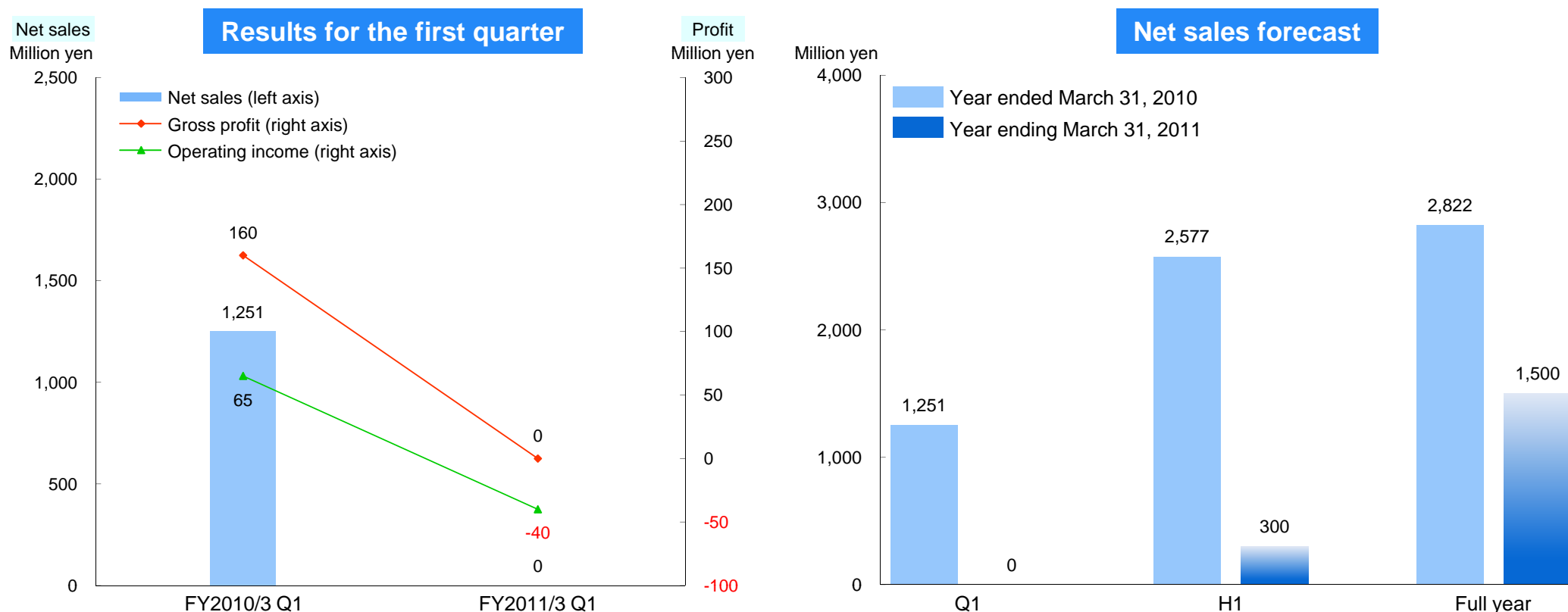
Situation of Condominium Unit Sales Business

- ✓ The Company focused on sales of the purchase/resale projects in the first quarter under review, and completed delivery of 24 units (a decline of 59 units compared with the same period of the previous fiscal year).
- ✓ The gross profit margin for the first quarter under review rose a significant 12.3 % points compared with the same period of the previous fiscal year, when the principal focus was on inventory sales.
- ✓ There are still a number of parties who are seeking to sell uncompleted properties and currently operated yield products.



Situation of Residential Housing Sales Business

- ✓ The completion and delivery of properties in the fiscal year under review are mostly concentrated in the second and subsequent quarters.
- ✓ The Company focused on commercializing new properties, including the Monzennakacho Project (Koto-ku, Tokyo) and the Higashi-matsudo Project (Matsudo, Chiba) in the first quarter under review.



Projects in Progress (Condominium Unit and Residential Housing Sales Business)

Renaissance Odawara Joshi Koen (condominium)

[Overview]

Location	: Sakaecho 1-chome, Odawara, Kanagawa
Access	: Five minutes' walk from Odawara station of the JR Tokaido Line
Total number of units	: 53 units
Rooms	: 3LDK to 4LDK
Planned completion date	: February 2011



Renaissance Shonan Hiratsuka (condominium)

[Overview]

Location	: Mitsukecho, Hiratsuka, Kanagawa
Access	: Nine minutes' walk from Hiratsuka station of the JR Tokaido Line
Total number of units	: 27 units
Rooms	: 3LDK
Completed	: May 2010



Matrix Court Itabashi Nakamarucho (house)

[Overview]

Location	: Nakamarucho, Itabashi-ku, Tokyo
Access	: Eight minutes' walk from Oyama station of the Tobu Tojo Line
Total number of houses	: 4 houses
Planned completion date	: September 2010



Higashi-matsudo Project (house)

[Overview]

Location	: Susukiura, Kamishiki, matsudo, Chiba
Access	: Nine minutes' walk from Higashi-matsudo station of the Musashino Line
Total number of houses	: 4 houses
Planned completion date	: September 2010



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