

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 Three Quarters of the Fiscal Year Ending March 31, 2011 (Japanese Standard)

February 4, 2011

Shin-Nihon Tatemono Co., Ltd.

Stock Exchange: Osaka

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 Corporate Development Department Manager

Tel: +81-3-5962-0775

Scheduled date of Filing of Quarterly Report: February 14, 2011

Scheduled date for commencing payment of dividend: —

Preparation of explanatory materials for quarterly financial results: Yes

Information meetings arranged related to financial results: None

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

1. Consolidated Business Results (April 1, 2010 through December 31, 2010)

(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	%
Nine months ended December 31, 2010	5,734	(68.5)	(2,633)	—	(2,776)	—	(1,286)	—
Nine months ended December 31, 2009	18,206	(56.7)	(78)	—	(440)	—	(595)	—

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Nine months ended December 31, 2010	(20.52)	—
Nine months ended December 31, 2009	(14.23)	—

(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 December 31, 2010	9,142	842	9.2	8.47
As of March 31, 2010	15,244	429	2.8	7.00

(Reference) Shareholders' equity:

As of December 31, 2010:

842 million yen

As of March 31, 2010:

429 million yen

2. Dividends

(Record Date)	Dividends per share				
	End of the 1st quarter	Interim period end	End of the 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2010	—	0.00	—	0.00	0.00
Year ending March 31, 2011	—	0.00	—		
(Forecast) Year ending March 31, 2011				0.00	0.00

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

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

(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
	14,103	(38.2)	(2,172)	—	(2,445)	—	(1,051)	—	(14.69)

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

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4. Other

(1) Important changes in subsidiaries during period under review: Not applicable

(Note) This refers to the existence of changes in specific subsidiaries resulting in changes in the scope of consolidation during this quarter.

(2) Application of simplified or specified accounting methods: Applicable

(Note) This refers to the existence of simplified accounting method or accounting method specific to preparation of quarterly consolidated financial statements.

(3) Changes to accounting principles procedures, and representation method:

(i) Changes due to amendment of accounting standard, etc.: Not applicable

(ii) Changes other than (i): Not applicable

(Note) This refers to the existence of changes to accounting principles procedures, and representation method pertaining to preparation of quarterly consolidated financial statements, stated in "Changes in major items fundamental to quarterly consolidated financial statements".

(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 December 31, 2010: 99,573,086 shares

As of March 31, 2010: 61,347,686 shares

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

As of December 31, 2010: 725 shares

As of March 31, 2010: 652 shares

(iii) Average number of issued shares for each period (consolidated cumulative period):

Nine months ended December 31, 2010: 62,680,086 shares

Nine months ended December 31, 2009: 41,869,738 shares

(Implementation status of quarterly review processes)

This summary of financial statements is not subject to quarterly review processes under the Financial Products and Exchange Law.

At the time of this document's release, a review of the quarterly financial statements under the financial Products and Exchange Law had not been completed.

(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 Three Quarters (December 31, 2010)	Condensed consolidated balance sheets at the end of previous fiscal year (March 31, 2010)
Assets		
Current assets		
Cash and deposits	1,091,787	768,576
Notes and accounts receivable, trade	39,759	52,427
Real estate for sale	533,201	855,390
Real estate for sale in process	6,564,904	9,913,181
Uncompleted construction expenditure	968	18,453
Advance payments-trade	30,000	1,100,000
Other	248,512	297,787
Allowance for doubtful accounts	(598)	(10,155)
Total current assets	8,508,533	12,995,661
Noncurrent assets		
Property, plant and equipment	182,141	1,154,782
Intangible assets	30,165	48,300
Investments and other assets		
Investment securities	394,874	564,831
Other	896,083	1,254,519
Allowance for doubtful accounts	(869,591)	(773,250)
Total investments and other assets	421,365	1,046,100
Total noncurrent assets	633,673	2,249,183
Total assets	9,142,206	15,244,845
Liabilities		
Current liabilities		
Notes and accounts payable - trade	131,606	230,221
Short-term loans payable	1,768,000	8,829,604
Current portion of bonds	—	100,000
Income taxes payable	2,710	8,513
Advances received	472,459	94,360
Deposits received	25,960	135,711
Provision for cost of head office transfer	—	133,170
Provision for loss on store closing	—	24,452
Other	446,878	375,689
Total current liabilities	2,847,614	9,931,723
Noncurrent liabilities		
Long-term loans payable	5,302,971	4,323,405
Provision for retirement benefits	54,567	52,229
Provision for directors' retirement benefits	11,297	382,121
Other	82,756	125,897
Total noncurrent liabilities	5,451,592	4,883,653
Total liabilities	8,299,207	14,815,376

(Thousand yen)

	At the end of first Three Quarters (December 31, 2010)	Condensed consolidated balance sheets at the end of previous fiscal year (March 31, 2010)
Net assets		
Shareholders' equity		
Capital stock	8,193,207	7,338,707
Capital surplus	1,756,268	901,768
Retained earnings	(9,102,713)	(7,816,856)
Treasury stock	(388)	(385)
Total shareholders' equity	846,374	423,233
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(3,374)	6,235
Total valuation and translation adjustments	(3,374)	6,235
Total net assets	842,999	429,469
Total liabilities and net assets	9,142,206	15,244,845

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

(Thousand yen)

	Cumulative period for consolidated first Three Quarters (from April 1, 2009 to December 31, 2009)	Cumulative period for consolidated first Three Quarters (from April 1, 2010 to December 31, 2010)
Net sales	18,206,789	5,734,073
Cost of sales	15,901,975	6,716,108
Gross profit/loss	2,304,813	(982,035)
Selling, general and administrative expenses		
Sales commission	351,422	74,175
Advertising expenses	625,482	297,914
Provision of allowance for doubtful accounts	—	86,784
Directors' compensations	109,048	88,759
Salaries and allowances	404,763	275,692
Provision for bonuses	10,277	8,438
Provision for directors' retirement benefits	8,609	6,001
Depreciation	22,018	14,198
Commission fee	—	398,559
Other	851,545	400,451
Total selling, general and administrative expenses	2,383,167	1,650,976
Operating loss	(78,354)	(2,633,011)
Non-operating income		
Interest income	8,775	1,566
Dividends income	2,777	1,803
Land and house rent received	229,122	69,086
Penalty income	7,595	3,680
Other	88,110	57,490
Total non-operating income	336,381	133,627
Non-operating expenses		
Interest expenses	528,372	253,303
Other	170,455	24,124
Total non-operating expenses	698,827	277,427
Ordinary loss	(440,799)	(2,776,812)
Extraordinary income		
Reversal of allowance for doubtful accounts	18,508	—
Gain on sales of noncurrent assets	—	39,370
Gain on sales of subsidiaries and affiliates' stocks	—	14,846
Gain on sales of investment securities	999	8,666
Reversal of provision for bonuses	—	23,011
Reversal of provision for cost of head office transfer	—	19,581
Reversal of provision for directors' retirement benefits	8,250	374,929
Gain on forgiveness of debts	—	2,828,509
Total extraordinary income	27,758	3,308,915
Extraordinary loss		
Impairment loss	—	508,858
Loss on sales of investment securities	106,168	6,030
Loss on valuation of investment securities	119	129,244
Loss on valuation of advance payments-trade	—	1,050,000
Bad debts written off	—	23,791
Total extraordinary losses	106,288	1,717,924
Loss before income taxes	(519,330)	(1,185,821)

	(Thousand yen)	
	Cumulative period for consolidated first Three Quarters (from April 1, 2009 to December 31, 2009)	Cumulative period for consolidated first Three Quarters (from April 1, 2010 to December 31, 2010)
Income taxes - current	3,719	10,164
Income taxes - deferred	72,800	90,490
Total income taxes	76,520	100,654
Loss before minority interests	—	(1,286,476)
Net loss	(595,850)	(1,286,476)

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	Cumulative period for consolidated first Three quarters (from April 1, 2009 to December 31, 2009)	Cumulative period for consolidated first Three quarters (from April 1, 2010 to December 31, 2010)
Net cash provided by (used in) operating activities		
Loss before income taxes	(519,330)	(1,185,821)
Depreciation	28,221	18,323
Gain on forgiveness of debts	—	(2,828,509)
Impairment loss	—	508,858
Loss (gain) on sales and retirement of noncurrent assets	—	(39,370)
Increase (decrease) in provision for retirement benefits	(9,729)	4,061
Increase (decrease) in provision for directors' retirement benefits	796	(368,575)
Increase (decrease) in provision for cost of head office transfer	—	(72,741)
Increase (decrease) in provision for loss on store closing	—	(24,452)
Interest and dividends income	(11,553)	(3,370)
Interest expenses	528,372	253,303
Loss (gain) on valuation of investment securities	—	129,244
Decrease (increase) in notes and accounts receivable - trade	(5,353)	(39,678)
Decrease (increase) in inventories	9,310,505	3,687,361
Decrease (increase) in advance payments	(50,000)	1,050,000
Increase (decrease) in notes and accounts payable - trade	(4,446,114)	(47,070)
Increase (decrease) in advances received	(654,613)	378,099
Increase (decrease) in deposits received	(78,603)	(102,529)
Other	664,265	226,034
Sub-total	4,756,863	1,543,166
Interest and dividends received	12,493	4,067
Interest expenses paid	(463,351)	(159,107)
Income taxes paid	(10,979)	(4,626)
Net cash provided by (used in) operating activities	4,295,025	1,383,500
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	232,068	—
Payments into time deposits	—	(2,789,589)
Proceeds from withdrawal of time deposits	—	2,926,239
Purchases of property, plant and equipment	(617)	(8,023)
Proceeds from sales of property, plant and equipment	(1,033)	451,248
Purchase of investment securities	(9,000)	(4,000)
Proceeds from sales of investment securities	1,000	28,738
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	(119,816)	31,271
Collection of short-term loans receivable	300	—
Payments of long-term loans receivable	—	(4,300)
Collection of long-term loans receivable	—	64
Other	190	(1,850)
Net cash provided by (used in) investing activities	103,091	629,799
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,597,280)	(356,000)
Proceeds from long-term loans payable	931,000	967,000
Repayment of long-term loans payable	(6,866,203)	(3,265,528)
Redemption of bonds	(130,000)	(10,000)
Proceeds from issuance of common stock	1,825,542	1,102,527
Other	—	(3)
Net cash provided by (used in) financing activities	(5,836,940)	(1,562,003)

(Thousand yen)

	Cumulative period for consolidated first Three quarters (from April 1, 2009 to December 31, 2009)	Cumulative period for consolidated first Three quarters (from April 1, 2010 to December 31, 2010)
Net increase (decrease) in cash and cash equivalents	(1,438,823)	(451,295)
Cash and cash equivalents at the beginning of period	2,324,409	631,926
Increase in cash and cash equivalents from newly consolidated subsidiary	—	8,564
Cash and cash equivalents at end of period	885,585	1,091,787