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# Reference Material for Presentation on Operating Performance During the Fiscal Year Ended March 31, 2013

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May 10 (Friday), 2013

Shin-Nihon Tatemono Co., Ltd.

SHIN-NIHON TATEMONO CO., LTD.



Stock Code : 8893



I. Overview of Operating Performance During the  
Fiscal Year Ended March 31, 2013

## Balance Sheet

- Promoted inventory build-up in anticipation of sales next fiscal year
- Improved the financial base  
=> The equity ratio improved to 22.6% (up 2.9 points year on year)

## Profit and Loss Statement

- Achieved targeted profitability for two consecutive terms (achieved profitability in all segments)
- Substantial rise in segment-based profit for the residential housing sales business
- Secured appropriate profit levels in the liquidation business/condominium unit sales business
- Cost-cutting improved profitability (cut in advertising expenses, interest expenses, etc.)

## Other

- Shift from consolidated to the parent-only settlement of accounts (\*)

\* As of the end of June 2012, the Company withdrew from the serviced office business, operated by Step Up Co., Ltd., which had been the Company's consolidated subsidiary.

# Balance Sheet

(Unit: million yen)	Year ended March 31, 2012		Year ended March 31, 2013		
	Actual	% of total	Actual	% of total	Change
Cash and deposits	1,639	24.0%	901	11.6%	-737
Real estate for sale	577	8.5%	● 1,446	18.6%	869
Real estate for sale in process	3,626	53.2%	● 4,829	62.0%	1,203
Other	162	2.4%	135	1.7%	-26
<b>Total current assets</b>	<b>6,005</b>	<b>88.1%</b>	<b>7,313</b>	<b>93.9%</b>	<b>1,308</b>
<b>Total noncurrent assets</b>	<b>807</b>	<b>11.9%</b>	<b>471</b>	<b>6.1%</b>	<b>-336</b>
<b>Total assets</b>	<b>6,812</b>	<b>100.0%</b>	<b>7,784</b>	<b>100.0%</b>	<b>972</b>
Notes and accounts payable-trade	103	1.5%	112	1.4%	8
Loans payable (short-term loans payable and current portion of long-term loans payable)	2,474	36.3%	2,665	34.2%	● 190
Other	567	8.4%	230	3.0%	-338
<b>Total current liabilities</b>	<b>3,145</b>	<b>46.2%</b>	<b>3,007</b>	<b>38.6%</b>	<b>-138</b>
Long-term loans payable	2,256	33.1%	2,946	37.9%	● 689
Other	67	1.0%	72	0.9%	5
<b>Total noncurrent liabilities</b>	<b>2,324</b>	<b>34.1%</b>	<b>3,019</b>	<b>38.8%</b>	<b>695</b>
<b>Total liabilities</b>	<b>5,470</b>	<b>80.3%</b>	<b>6,026</b>	<b>77.4%</b>	<b>556</b>
Capital stock	854	12.5%	854	11.0%	—
Capital surplus	40	0.6%	40	0.5%	—
Retained earnings	444	6.5%	862	11.1%	417
Other	2	0.1%	0	0.0%	-2
<b>Total net assets</b>	<b>1,342</b>	<b>19.7%</b>	<b>1,757</b>	<b>● 22.6%</b>	<b>415</b>
<b>Total liabilities and net assets</b>	<b>6,812</b>	<b>100.0%</b>	<b>7,784</b>	<b>100.0%</b>	<b>972</b>

## ● Increase of real estate for sale

Breakdown at the end of FY 13/3

Liquidation	:	— million yen	— property
Condominium unit sales	:	1,115 million yen	38 units
Residential housing sales	:	331 million yen	9 houses
<b>Total</b>	:	<b>1,446 million yen</b>	

## ● Increase of real estate for sale in process

Breakdown at the end of FY 13/3

Liquidation	:	2,903 million yen
Condominium unit sales	:	790 million yen
Residential housing sales	:	1,136 million yen
<b>Total</b>	:	<b>4,829 million yen</b>

## ● Status of interest-bearing liabilities

Year ended March 31, 2012	4,731 million yen
Year ended March 31, 2013	5,611 million yen
<b>Change</b>	<b>880 million yen</b>

## ● The equity ratio improved to 22.6% (up 2.9 points year on year)

# Profit and Loss Statement

(Unit: million yen)	Year ended March 31, 2012		Year ended March 31, 2013			
	Whole fiscal year		Whole fiscal year		Year-on-year	
	Actual	% of total	Actual	% of total	Change	Change (%)
<b>Net sales</b>	13,781	100.0%	● 10,891	100.0%	-2,889	-21.0%
Cost of sales	11,419	82.9%	8,859	81.3%	-2,560	-22.4%
<b>Gross profit</b>	<b>2,361</b>	<b>17.1%</b>	<b>2,032</b>	<b>18.7%</b>	<b>-329</b>	<b>-13.9%</b>
Selling, general and administrative expenses	1,627	11.8%	● 1,507	13.8%	-119	-7.4%
<b>Operating income</b>	<b>734</b>	<b>5.3%</b>	<b>525</b>	<b>4.8%</b>	<b>-209</b>	<b>-28.5%</b>
Non-operating income	46	0.3%	● 120	1.1%	74	161.7%
Non-operating expenses	320	2.3%	● 227	2.1%	-92	-28.9%
<b>Ordinary income</b>	<b>460</b>	<b>3.3%</b>	<b>417</b>	<b>3.8%</b>	<b>-42</b>	<b>-9.2%</b>
Extraordinary income	7	0.1%	4	0.0%	-3	-43.3%
Extraordinary loss	17	0.1%	—	—	-17	-100.0%
<b>Income before income taxes</b>	<b>450</b>	<b>3.3%</b>	<b>422</b>	<b>3.8%</b>	<b>-28</b>	<b>-6.2%</b>
Income taxes	5	0.1%	4	0.0%	-1	-15.1%
<b>Net income</b>	<b>444</b>	<b>3.2%</b>	<b>417</b>	<b>3.8%</b>	<b>-27</b>	<b>-6.1%</b>

## ● Figures

	FY 12/3	FY 13/3	Change
Liquidation	8 properties	6 properties	-2 properties
Condominium unit sales	170 units	150 units	-20 units
Residential housing sales	23 houses	94 houses	71 houses

## ● Details of selling, general and administrative expenses

(Unit: million yen)	FY 12/3	FY 13/3	Change
Personnel expenses	439	476	37
Sales commission	195	208	13
Advertising expenses	513	377	-135
Other	480	446	-34
<b>Total</b>	<b>1,627</b>	<b>1,507</b>	<b>-120</b>

## ● Details of non-operating income

(Unit: million yen)	FY 12/3	FY 13/3	Change
Land and house rent received	30	46	16
Penalty income	2	20	18
Other	14	54	40
<b>Total</b>	<b>46</b>	<b>120</b>	<b>74</b>

## ● Details of non-operating expenses

(Unit: million yen)	FY 12/3	FY 13/3	Change
Interest expenses	290	220	-70
Other	30	7	-23
<b>Total</b>	<b>320</b>	<b>227</b>	<b>-93</b>

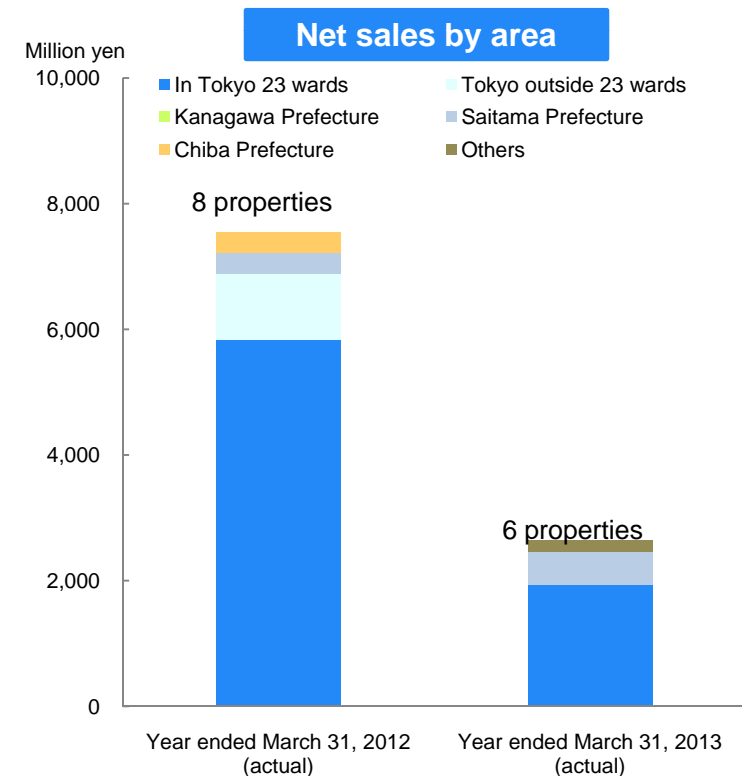
# Net Sales and Operating Income by Segment

- ✓ Achieved profitability in all segments
- ✓ Substantial rise in profit margin in the residential housing sales business

[Net sales]		Year ended March 31, 2012		Year ended March 31, 2013			
		Whole fiscal year		Whole fiscal year		Year-on-year	
		Actual	% of total	Actual	% of total	Change	Change (%)
(Unit: million yen)							
	Liquidation business	7,553	54.8%	2,643	24.3%	-4,909	-65.0%
	Condominium unit sales business	5,271	38.2%	5,336	49.0%	65	1.2%
	Residential housing sales business	922	6.7%	2,825	25.9%	1,903	206.4%
	Other business	35	0.3%	85	0.8%	50	144.6%
	Elimination or corporate	—	—	—	—	—	—
<b>Net sales total</b>		<b>13,781</b>	<b>100.0%</b>	<b>10,891</b>	<b>100.0%</b>	<b>-2,889</b>	<b>-21.0%</b>

[Operating income]		Year ended March 31, 2012		Year ended March 31, 2013			
		Whole fiscal year		Whole fiscal year		Year-on-year	
		Actual	Operating income (%)	Actual	Operating income (%)	Change	Change (%)
(Unit: million yen)							
	Liquidation business	858	11.4%	269	10.2%	-589	-68.6%
	Condominium unit sales business	374	7.1%	433	8.1%	58	15.7%
	Residential housing sales business	-10	-1.2%	277	9.8%	288	—
	Other business	-4	-13.6%	24	29.1%	29	—
	Elimination or corporate	-483	—	-480	—	3	0.6%
<b>Operating income total</b>		<b>734</b>	<b>5.3%</b>	<b>525</b>	<b>4.8%</b>	<b>-209</b>	<b>-28.5%</b>

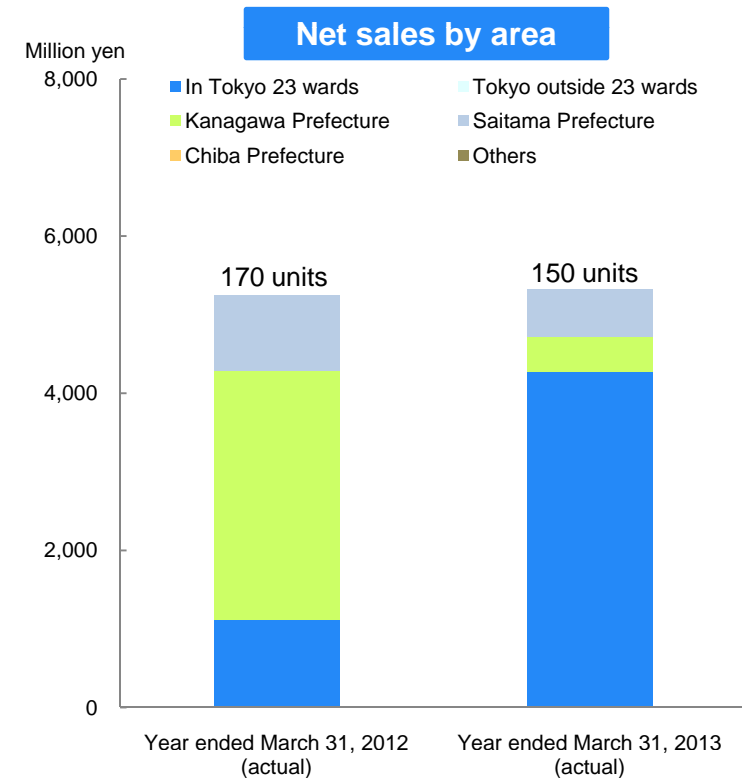
(Unit: million yen)	Year ended March 31, 2012	Year ended March 31, 2013		
	Actual	Actual	Change	Change (%)
Net sales	7,553	2,643	-4,909	-65.0%
Operating income	858	269	-589	-68.6%
Operating income (%)	11.4%	10.2%	-1.2pt	—



- ✓ Completed the delivery of five properties under development and one wholesale property, mostly in the Tokyo 23 wards, in the fiscal year under review
- ✓ Existing and new projects achieved appropriate profit levels despite a fall in net sales as the scale of each project was reduced due to a review of the business portfolio

# Overview of Condominium Unit Sales Business

(Unit: million yen)	Year ended March 31, 2012	Year ended March 31, 2013		
	Actual	Actual	Change	Change (%)
Net sales	5,271	5,336	65	1.2%
Operating income	374	433	58	15.7%
Operating income (%)	7.1%	8.1%	1.0pt	—

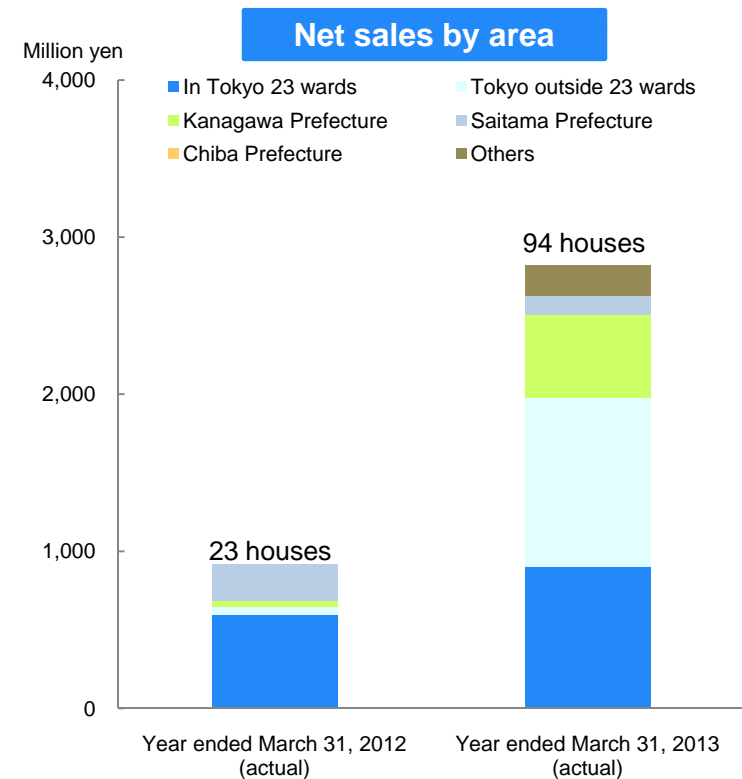


- ✓ Completed the delivery of 6 buildings/150 units (up 3 buildings/down 20 units year on year) in the fiscal year under review
  - => 51 self-developed units, 99 purchase/resale units
- ✓ Shifted management resources to the Tokyo 23 wards through careful screening while keeping a close eye on market trends by area
  - => Secured appropriate profit levels as sales were strong overall, with all units sold early in some buildings.



# Overview of Residential Housing Sales Business

(Unit: million yen)	Year ended March 31, 2012	Year ended March 31, 2013		
	Actual	Actual	Change	Change (%)
Net sales	922	2,825	1,903	206.4%
Operating income	-10	277	288	—
Operating income (%)	-1.2%	9.8%	—	—



- ✓ Completed delivery of 94 houses (including housing lots) in the fiscal year under review (a rise of 71 houses year on year).
- ✓ Expanded the number of properties handled in Tokyo outside 23 wards/Kanagawa Prefecture areas  
 => Contributed to a substantial rise in segment-based profit
- ✓ The number of new purchasing projects rose in association with an increase in the number of staff in charge of purchases



## II. Progress of the Turnaround Plan

## Pursue a business strategy emphasizing cash flows based on a plan to revitalize as an all-round player in the housing market

### Actively secure land for new projects

Give priority to the condominium purchase/resale business, the wholesale business and the residential housing sales business, where investment efficiency is high, in the allocation of management resources

### Strengthen relations with financial institutions

Strengthen relations with financial institutions that have established ties with the Company and with financial institutions that have begun dealing with the Company only recently (flexibly meet the financial requirements of a range of projects)

### Increase earnings strength by cutting costs

Cut costs through comprehensive budget control under the turnaround plan

Aiming to shift to a business structure that can generate stable profits

**Thirty-five new properties were purchased in the fiscal year ended March 31, 2013, with planned sales from these properties of 15 billion yen.**

## Status of the Company in fiscal year ended March 2013

- (1) Good relations with financial institutions => Loans were extended for projects from financial institutions with established relations with the Company and that began dealing with the Company only recently.
- (2) The number of staff in charge of purchases increased.



## Status of new purchases

### ■ By business

Segment	Year ended March 2012	Year ended March 2013	
	Properties purchased	Properties purchased	Net sales (plan)
Liquidation	7 properties	5 properties	4.0 billion yen
Condominium unit sales	4 properties (108 units)	7 properties (207 units)	7.3 billion yen
Residential housing sales	12 properties (80 lots)	23 properties (100 lots)	3.7 billion yen
Total	23 properties	35 properties	15 billion yen

### ■ By area for year ended March 2013

Area	Properties purchased
In Tokyo 23 wards	16 properties
Tokyo outside 23 wards	4 properties
Kanagawa prefecture	13 properties
Saitama prefecture	2 properties
Total	35 properties

**Secure land for new projects in the Tokyo metropolitan area where the demand is steady**

■ Performance forecast for the fiscal year ending March 31, 2014 and comparison with performance for the fiscal year ended March 2013

(Unit: million yen)	Year ended March 31, 2013	Year ending March 31, 2014	
	Actual	Latest plan	Difference
Net sales	10,891	12,700	1,809
Operating income	525	620	95
Ordinary income	417	405	-12
Net income	417	400	-17

**Main factors**

- ✓ The main factor expected to contribute to net sales is an increase of 2.0 billion yen in the liquidation business.
- ✓ The main factors underlying the income figures are an increase in the aforementioned net sales, along with the impact of distribution of investment into projects with a high rate of capital efficiency.

### Renaissance Kudanshita The Residence

#### [Overview]

Location: Iidabashi 2-chome, Chiyoda-ku, Tokyo  
Access: 4 minutes' walk from the Kudanshita station on the Tokyo Metro Tozai Line  
Total number of units: 35 unit  
Start of sales: March 2013  
Completion: May 2013 (plan)  
Start of delivery: June 2013 (plan)

#### Point 1

Access possible to four stations, including the Kudanshita station, and eight lines. The surrounding area is full of convenient facilities, including commercial facilities.

#### Point 2

A plan that pursues comfort and with excellent specifications and facilities, such as 100% of the apartments are corner units, interior hallway design, wide balconies.



### Renaissance Yokohama Bandobashi ~Idai Dori~

#### [Overview]

Location : Shirotaecho 3-chome, Minami-ku, Yokohama, Kanagawa Prefecture  
Access: 4 minutes' walk from the Bandobashi Station on the Yokohama municipal subway Blue Line  
Total number of units: 29 units  
Start of sales: October 2012  
Completion: August 2012  
Start of delivery: December 2012

#### Point 1

A 4-minute walk and level access to the Bandobashi Station. A space with a high level of safety as interlocking pavement is used for sidewalks, which are clearly separated from roads.

#### Point 2

Realized land planning that provides both openness, with 100% of the apartments are corner units, and a sense of privacy.



[For Inquiries]

IR Division: Corporate Development Division

TEL: 03-5962-0775      FAX: 03-5962-0774

E-mail: [ir@kksnt.co.jp](mailto:ir@kksnt.co.jp)      URL: <http://www.kksnt.co.jp/>



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