

**ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT.**

This document has been translated from the original Japanese-language document as a guide for non-Japanese investors. In all cases, the Japanese-language original shall take precedence.

## SUMMARY OF FINANCIAL STATEMENTS (Non-Consolidated) for the First Half of the Fiscal Year ending March 31, 2014 (Japanese Standard)

November 8, 2013

**Shin-Nihon Tatemono Co., Ltd.**

Code Number: 8893

Stock Exchange: Tokyo

URL: <http://www.kksnt.co.jp/>

Representative: Tomohiko Ikeda, President and Chief Executive Officer

IR Contacts: Hiroaki Sato, Director, Executive Officer, Administrative Department Manager and Accounting Division Manager

Tel: +81-3-5962-0775

Scheduled date of filing of Quarterly Report:

November 11, 2013

Scheduled date for commencing payment of dividend:

—

Preparation of explanatory materials for quarterly financial results: Yes

Information meetings arranged relating to financial results:

None

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

## 1. Business Results (April 1 to September 30, 2013)

## (1) Results of Operations (cumulative)

(Figures in percentages represent the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2013	5,230	35.3	82	(25.8)	6	(82.9)	4	(87.6)
Six months ended September 30, 2012	3,864	—	111	—	38	—	35	—

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended September 30, 2013	0.04		0.04	
Six months ended September 30, 2012	0.36		0.30	

## (2) Financial Condition

	Total assets	Net assets	Ratio of shareholders' equity to total assets
	Million yen	Million yen	%
September 30, 2013	6,640	1,762	26.6
March 31, 2013	7,784	1,757	22.6

(Reference) Shareholders' equity:

September 30, 2013:

1,762 million yen

March 31, 2013:

1,757 million yen

## 2. Dividends

(Declared Date)	Dividend per share				
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2013	—	0.00	—	0.00	0.00
Fiscal Year ending March 31, 2014	—	0.00	—	0.00	0.00
(Forecast) Fiscal Year ending March 31, 2014	—	—	—	0.00	0.00

(Note) Revisions to the dividend forecast published most recently: None

The information in the above table is only for dividends on common stocks. Please refer to "Dividends on preferred stocks" with regard to dividends on other types of stocks (unlisted) issued by us.

## 3. Forecast of Business Results (April 1, 2013 to March 31, 2014)

(Figures in percentages represent 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
Annual	12,700	16.6	620	18.0	405	(3.1)	400	(4.2)	4.02

(Note) Revisions to the business results forecast published most recently: None

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\* Notes

- (1) Application of specific accounting treatment to the preparation of Quarterly Financial Statements: Not applicable
- (2) Changes in accounting principles and changes or restatement of accounting estimates
  - (i) Changes in accounting principles due to the amendment of accounting standards, etc.: Not applicable
  - (ii) Changes in accounting principles other than (i): Not applicable
  - (iii) Changes in accounting estimates: Not applicable
  - (iv) Restatement: Not applicable
- (3) Number of Shares Outstanding (Common Stock)
  - (i) Total number of shares outstanding (including treasury stock):

September 30, 2013:	99,573,086 shares
March 31, 2013:	99,573,086 shares
  - (ii) Total number of treasury stock:

September 30, 2013:	725 shares
March 31, 2013:	725 shares
  - (iii) Average number of issued shares (cumulative period):

Six months ended September 30, 2013:	99,572,361 shares
Six months ended September 30, 2012:	99,572,361 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 release of this document, a quarterly review of the quarterly financial statements is currently undertaken.

(Cautionary note regarding use of the forecast of financial results, and other special notations)

- The forecasts and other statements on future performance described in this summary are based on information available to the Company at the time of the announcement, as well as certain assumptions that are deemed to be reasonable by the Company. The Company makes no warrantee as to the achievability of these forecasts, and please note that actual results may differ materially from forecasts due to various factors.
- Presentation material on operating performance will be posted on the website of the Company on November 8, 2013.

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Dividends on preferred stocks

Dividends per share relating to preferred stocks are as follows:

Class A preferred shares

(Declared Date)	Dividend per share					Total amount of dividends (annual) Million yen
	End of the 1st quarter	End of 2nd quarter	End of the 3rd quarter	Year end	Annual	
	Yen	Yen	Yen	Yen	Yen	
Fiscal Year ended March 31, 2013	—	—	—	—	—	—
Fiscal Year ending March 31, 2014	—	—	—	—	—	—
(Forecast) Fiscal Year ending March 31, 2014	—	—	—	—	—	—

(Note) The Company will not make any dividend payments until the fiscal year ending March 31, 2018, in accordance with the Articles of Incorporation.

# Financial Statements

## (1) Balance Sheets

(Thousand yen)

	March 31, 2013	September 30, 2013
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	901,682	563,918
Accounts receivable–trade	1,596	563
Real estate for sale	1,446,438	415,621
Real estate for sale in process	4,829,526	4,676,499
Raw materials and supplies	602	393
Advance payments–trade	87,700	339,472
Prepaid expenses	25,510	48,681
Advances paid	4	960
Others	20,451	77,784
Allowance for doubtful accounts	(133)	(56)
<b>Total current assets</b>	<b>7,313,379</b>	<b>6,123,838</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings	147,809	147,809
Accumulated depreciation	(84,507)	(86,539)
Buildings, net	63,301	61,269
Structures	22,259	22,259
Accumulated depreciation	(15,848)	(16,198)
Structures, net	6,410	6,061
Tools, furniture and fixtures	15,412	15,412
Accumulated depreciation	(9,407)	(10,328)
Tools, furniture and fixtures, net	6,005	5,083
Land	110,008	110,008
<b>Total property, plant and equipment</b>	<b>185,725</b>	<b>182,423</b>
<b>Intangible assets</b>		
Software	17,149	17,304
Others	382	191
<b>Total intangible assets</b>	<b>17,531</b>	<b>17,495</b>
<b>Investments and other assets</b>		
Investment securities	60,494	61,197
Stocks of subsidiaries and affiliates	0	20,000
Investments in other securities of subsidiaries and affiliates	55	0
Investments in capital	15,540	15,510
Claims provable in bankruptcy, claims provable in rehabilitation and others	10,968	10,848
Guarantee deposits	189,577	217,764
Others	2,509	2,049
Allowance for doubtful accounts	(10,968)	(10,848)
<b>Total investments and other assets</b>	<b>268,176</b>	<b>316,521</b>
<b>Total noncurrent assets</b>	<b>471,433</b>	<b>516,440</b>
<b>Total assets</b>	<b>7,784,813</b>	<b>6,640,279</b>

(Thousand yen)

	March 31, 2013	September 30, 2013
<b>Liabilities</b>		
Current liabilities		
Accounts payable–trade	1,000	1,000
Accounts payable for construction contracts	111,139	215,499
Short-term loans payable	1,241,000	1,053,100
Current portion of long-term loans payable	1,424,128	1,329,112
Accounts payable–other	4,888	5,888
Accrued expenses	114,580	70,352
Income taxes payable	4,885	2,476
Advances received	53,068	36,939
Deposits received	13,492	8,359
Provision for bonuses	17,858	19,837
Others	21,320	105,001
Total current liabilities	3,007,362	2,847,566
Noncurrent liabilities		
Long-term loans payable	2,946,619	1,955,963
Provision for retirement benefits	59,081	59,828
Deferred tax liabilities	303	554
Others	13,596	13,596
Total noncurrent liabilities	3,019,600	2,029,941
<b>Total liabilities</b>	<b>6,026,962</b>	<b>4,877,508</b>
Net assets		
Shareholders' equity		
Capital stock	854,500	854,500
Capital surplus		
Legal capital surplus	40,983	40,983
Total capital surplus	40,983	40,983
Retained earnings		
Other retained earnings		
Retained earnings brought forward	862,207	866,675
Total retained earnings	862,207	866,675
Treasury stock	(388)	(388)
Total shareholders' equity	1,757,302	1,761,769
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	548	1,001
Total valuation and translation adjustments	548	1,001
<b>Total net assets</b>	<b>1,757,850</b>	<b>1,762,770</b>
<b>Total liabilities and net assets</b>	<b>7,784,813</b>	<b>6,640,279</b>

## (2) Statements of Income

(Thousand yen)

	Six months ended September 30, 2012 (April 1 to September 30, 2012)	Six months ended September 30, 2013 (April 1 to September 30, 2013)
<b>Net sales</b>		
Net sales from the liquidation business	696,908	1,428,703
Net sales from the condominium unit sales business	2,421,333	2,133,450
Net sales from the residential housing sales business	705,259	1,643,709
Others	41,300	24,631
<b>Total net sales</b>	<b>3,864,802</b>	<b>5,230,495</b>
<b>Cost of sales</b>		
Cost of sales of the liquidation business	637,584	1,403,850
Cost of sales of the condominium unit sales business	1,860,167	1,755,496
Cost of sales of the residential housing sales business	576,281	1,343,298
Others	28,892	14,490
<b>Total cost of sales</b>	<b>3,102,925</b>	<b>4,517,136</b>
<b>Gross profit</b>	<b>761,877</b>	<b>713,358</b>
<b>Selling, general and administrative expenses</b>		
Sales commission	87,197	104,186
Advertising expenses	126,340	124,913
Provision of allowance for doubtful accounts	(1,521)	(197)
Directors' compensations	25,713	21,643
Salaries and allowances	155,978	168,252
Provision for bonuses	14,524	17,079
Retirement benefit expenses	7,303	5,116
Legal welfare expenses	25,195	26,940
Welfare expenses	4,333	5,903
Entertainment expenses	15,016	19,761
Commission fee	57,344	40,575
Rent expenses	9,372	4,572
Taxes and dues	13,198	12,876
Rents	18,598	14,971
Depreciation	11,155	7,010
Others	80,362	56,782
<b>Total selling, general and administrative expenses</b>	<b>650,113</b>	<b>630,389</b>
<b>Operating income</b>	<b>111,763</b>	<b>82,969</b>
<b>Non-operating income</b>		
Interest income	212	142
Dividends income	1,216	536
Land and house rent received	12,562	22,413
Penalty income	–	9,111
Fiduciary obligation fee	1,200	–
Others	2,425	4,674
<b>Total non-operating income</b>	<b>17,616</b>	<b>36,878</b>
<b>Non-operating expenses</b>		
Interest expenses	87,440	113,220
Others	3,299	23
<b>Total non-operating expenses</b>	<b>90,740</b>	<b>113,244</b>
<b>Ordinary income (loss)</b>	<b>38,639</b>	<b>6,603</b>
<b>Extraordinary income</b>		
Gain on sales of investment securities	–	99
<b>Total extraordinary income</b>	<b>–</b>	<b>99</b>
<b>Extraordinary loss</b>		
Loss on valuation of investment securities	–	55
<b>Total extraordinary loss</b>	<b>–</b>	<b>55</b>
<b>Income (loss) before income taxes</b>	<b>38,639</b>	<b>6,648</b>
<b>Income taxes—current</b>	<b>2,710</b>	<b>2,181</b>
<b>Total income taxes</b>	<b>2,710</b>	<b>2,181</b>
<b>Net income (loss)</b>	<b>35,929</b>	<b>4,467</b>

## (3) Statements of Cash Flows

(Thousand yen)

	Six months ended September 30, 2012 (April 1 to September 30, 2012)	Six months ended September 30, 2013 (April 1 to September 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	38,639	6,648
Depreciation and amortization	11,173	7,010
Increase (decrease) in allowance for doubtful accounts	(1,441,521)	(197)
Bad debts written off	1,440,000	–
Increase (decrease) in provision for retirement benefits	4,000	747
Interest and dividends income	(1,428)	(678)
Interest expenses	87,440	113,220
Gain on sales of investment securities	–	(99)
Loss on valuation of investment securities	–	55
Decrease (increase) in notes and accounts receivable-trade	3,210	1,032
Decrease (increase) in inventories	429,566	1,183,843
Decrease (increase) in advance payments	(78,148)	(251,772)
Increase (decrease) in notes and accounts payable-trade	97,313	104,360
Increase (decrease) in advances received	(8,878)	(16,129)
Increase (decrease) in deposits received	(9,048)	(5,132)
Others, net	(6,793)	(66,553)
Subtotal	565,525	1,076,354
Interest and dividends income received	1,428	678
Interest expenses paid	(88,539)	(115,855)
Income taxes paid	(5,113)	(4,590)
Net cash provided by (used in) operating activities	473,300	956,587
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(25,032)	–
Purchase of intangible assets	–	(1,490)
Purchase of stocks of subsidiaries and affiliates	–	(20,000)
Proceeds from sales of investment securities	–	100
Collection of long-term loans receivable	120	120
Others, net	570	490
Net cash provided by (used in) investing activities	(24,341)	(20,779)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(796,500)	(187,900)
Proceeds from long-term loans payable	444,000	887,000
Repayment of long-term loans payable	(487,604)	(1,972,672)
Net cash provided by (used in) financing activities	(840,104)	(1,273,572)
Net increase (decrease) in cash and cash equivalents	(391,146)	(337,763)
Cash and cash equivalents at beginning of period	1,639,523	(901,682)
Cash and cash equivalents at end of period	1,248,377	563,918