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# Presentation Material on Operating Performance during the First Half of the Fiscal Year ending March 31, 2014

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November 8 (Friday), 2013  
Shin-Nihon Tatemono Co., Ltd.

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SHIN-NIHON TATEMONO CO., LTD.

**JASDAQ**

Stock Code: 8893

## Business environment topics

- During the first half (from April to September), new condominium sales increased 35.6% year-on-year to approximately 29,000 units in the Tokyo metropolitan area, reflecting a steady demand in the real-estate market. \*The statistics above is quoted from the market information released by Real Estate Economic Institute Co., Ltd.
- Competition to acquire lands for condominiums and residential housings has been intensified, and the cost of construction, such as material price, has been gone up.

## Performance topics

- [B/S] The equity ratio was improved to 26.5% up 3.9percentage points from the end of the previous fiscal year, reducing approximately 1.3 billion yen interest-bearing debt.
- [P/L] Net sales and operating income for the residential housing sales business rose substantially year-on-year basis.  
In the condominium unit sales business, profit margin declined due to a burden of future sales expenses for condominium units which would be delivered to customers in subsequent quarters, but operating income was secured.

## Management topics

- The company established two subsidiaries to satisfy various customers' needs. One is for real-estate brokerage and distribution businesses, and the other is for condominium management business.

# Balance Sheet

(Unit: million yen)	Fiscal Year ended March 31, 2013		Fiscal Year ending March 31, 2014	
	End of H1	Year end	End of H1	Change
Cash and deposits	1,248	901	563	-337
Real estate for sale	453	1,446	● 415	-1,030
Real estate for sale in process	3,296	4,829	● 4,676	-153
Others	297	135	467	332
<b>Total current assets</b>	<b>5,295</b>	<b>7,313</b>	<b>6,123</b>	<b>-1,189</b>
<b>Total noncurrent assets</b>	<b>793</b>	<b>471</b>	<b>516</b>	<b>45</b>
<b>Total assets</b>	<b>6,088</b>	<b>7,784</b>	<b>6,640</b>	<b>-1,144</b>
Notes and accounts payable-trade	200	112	216	104
Loans payable (short-term loans payable and current portion of long-term loans payable)	1,495	2,665	2,382	● -282
Others	548	230	248	18
<b>Total current liabilities</b>	<b>2,243</b>	<b>3,007</b>	<b>2,847</b>	<b>-159</b>
Long-term loans payable	2,396	2,946	1,955	● -990
Others	70	72	73	0
<b>Total noncurrent liabilities</b>	<b>2,466</b>	<b>3,019</b>	<b>2,029</b>	<b>-989</b>
<b>Total liabilities</b>	<b>4,710</b>	<b>6,026</b>	<b>4,877</b>	<b>-1,149</b>
Capital stock	854	854	854	-
Capital surplus	40	40	40	-
Retained earnings	480	862	866	4
Others	1	0	1	0
<b>Total net assets</b>	<b>1,378</b>	<b>1,757</b>	<b>1,762</b>	<b>4</b>
<b>Total liabilities and net assets</b>	<b>6,088</b>	<b>7,784</b>	<b>6,640</b>	<b>-1,144</b>

● **Decrease of real estate for sale**  
(from the end of FY 13/3)

Breakdown of the balance at the end of H1 of FY14/3

Liquidation	:	- million yen	- property
Condominium unit sales	:	325 million yen	11 units
Residential housing sales	:	90 million yen	2 houses
<b>Total</b>	:	<b>415 million yen</b>	

● **Decrease of real estate for sale in process**  
(from the end of FY 13/3)

Breakdown of the balance at the end of H1 of FY14/3

Liquidation	:	2,301 million yen
Condominium unit sales	:	1,261 million yen
Residential housing sales	:	1,113 million yen
<b>Total</b>	:	<b>4,676 million yen</b>

● **Status of interest-bearing liabilities**

End of FY 13/3 (March 31, 2013)	5,611 million yen
End of H1 of FY 14/3 (September 30, 2013)	4,338 million yen
<b>Change</b>	<b>-1,273 million yen</b>

● **The equity ratio improved to 26.5%**  
\*3.9 percentage points up from the end of FY 13/3

# Profit and Loss Statement

(Unit: million yen)	Fiscal Year ended March 31, 2013		Fiscal Year ending March 31, 2014			
	H1		H1		Year-on-year	
	Actual	% of total	Actual	% of total	Change	Change (%)
<b>Net sales</b>	3,864	100.0%	● 5,230	100.0%	1,365	35.3%
Cost of sales	3,102	80.3%	4,517	86.4%	1,414	45.6%
<b>Gross profit</b>	<b>761</b>	<b>19.7%</b>	<b>713</b>	<b>13.6%</b>	<b>-48</b>	<b>-6.4%</b>
Selling, general and administrative expenses	650	16.8%	● 630	12.1%	-19	-3.0%
<b>Operating income</b>	<b>111</b>	<b>2.9%</b>	<b>82</b>	<b>1.6%</b>	<b>-28</b>	<b>-25.8%</b>
Non-operating income	17	0.5%	36	0.7%	19	109.3%
Non-operating expenses	90	2.4%	● 113	2.2%	22	24.8%
<b>Ordinary income</b>	<b>38</b>	<b>1.0%</b>	<b>6</b>	<b>0.1%</b>	<b>-32</b>	<b>-82.9%</b>
Extraordinary income	-	-	0	0.0%	0	-
Extraordinary loss	-	-	0	0.0%	0	-
<b>Income before income taxes</b>	<b>38</b>	<b>1.0%</b>	<b>6</b>	<b>0.1%</b>	<b>-31</b>	<b>-82.8%</b>
Income taxes	2	0.1%	2	0.0%	-0	-19.5%
<b>Net income</b>	<b>35</b>	<b>0.9%</b>	<b>4</b>	<b>0.1%</b>	<b>-31</b>	<b>-87.6%</b>

## ● Number of sales

	FY 13/3 H1	FY 14/3 H1	Change
Liquidation	2 properties	2 properties	- property
Condominium unit sales	65 units	62 units	-3 units
Residential housing sales	34 houses	59 houses	25 houses

## ● Details of selling, general and administrative expenses

(Unit: million yen)	FY 13/3 H1	FY 14/3 H1	Change
Personnel expenses	233	244	11
Sales commission	87	104	16
Advertising expenses	126	124	-1
Others	203	156	-47
<b>Total</b>	<b>650</b>	<b>630</b>	<b>-19</b>

## ● Details of non-operating expenses

(Unit: million yen)	FY 13/3 H1	FY 14/3 H1	Change
Interest expenses	87	113	25
Others	3	0	-3
<b>Total</b>	<b>90</b>	<b>113</b>	<b>22</b>

# Net Sales and Operating Income by Segment

- ✓ Net sales and operating profit for the residential housing sales business rose substantially year-on-year basis, focusing on sales in Tokyo and Kanagawa area.
- ✓ In the condominium unit sales business, profit margin declined due to a burden of future sales expenses for condominium units which would be delivered to customers in subsequent quarters, but operating income was secured.

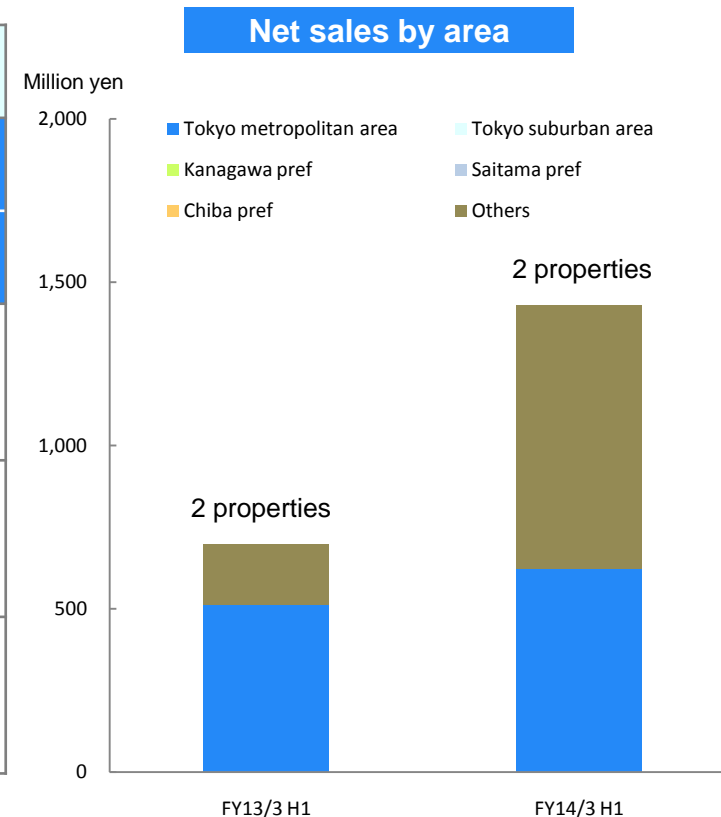
[Net sales]		Fiscal Year ended March 31, 2013		Fiscal Year ending March 31, 2014			
		H1		H1		Year-on-year	
		Actual	% of total	Actual	% of total	Change	Change (%)
(Unit: million yen)							
	Liquidation business	696	18.0%	1,428	27.3%	731	105.0%
	Condominium unit sales business	2,421	62.7%	2,133	40.8%	-287	-11.9%
	Residential housing sales business	705	18.2%	1,643	31.4%	938	133.1%
	Other business	41	1.1%	24	0.5%	-16	-40.4%
	Elimination or corporate	-	-	-	-	-	-
<b>Net sales total</b>		<b>3,864</b>	<b>100.0%</b>	<b>5,230</b>	<b>100.0%</b>	<b>1,365</b>	<b>35.3%</b>

[Operating income]		Fiscal Year ended March 31, 2013		Fiscal Year ending March 31, 2014			
		H1		H1		Year-on-year	
		Actual	Profit margin (%)	Actual	Profit margin (%)	Change	Change (%)
(Unit: million yen)							
	Liquidation business	41	5.9%	-29	-2.1%	-70	-172.2%
	Condominium unit sales business	260	10.8%	87	4.1%	-173	-66.4%
	Residential housing sales business	25	3.6%	214	13.1%	189	749.5%
	Other business	11	28.7%	2	12.1%	-8	-74.9%
	Elimination or corporate	-227	-	-192	-	34	-
<b>Operating income total</b>		<b>111</b>	<b>2.9%</b>	<b>82</b>	<b>1.6%</b>	<b>-28</b>	<b>-25.8%</b>

# Situation of Liquidation Business

- ✓ Approximately 1.3 billion yen interest-bearing debt was reduced through sales of two properties including a long-held inventory, aiming at asset utilization.
- ✓ Real-estate developers keep their strong purchase mind, and three properties which would be delivered in subsequent quarters are under negotiations.

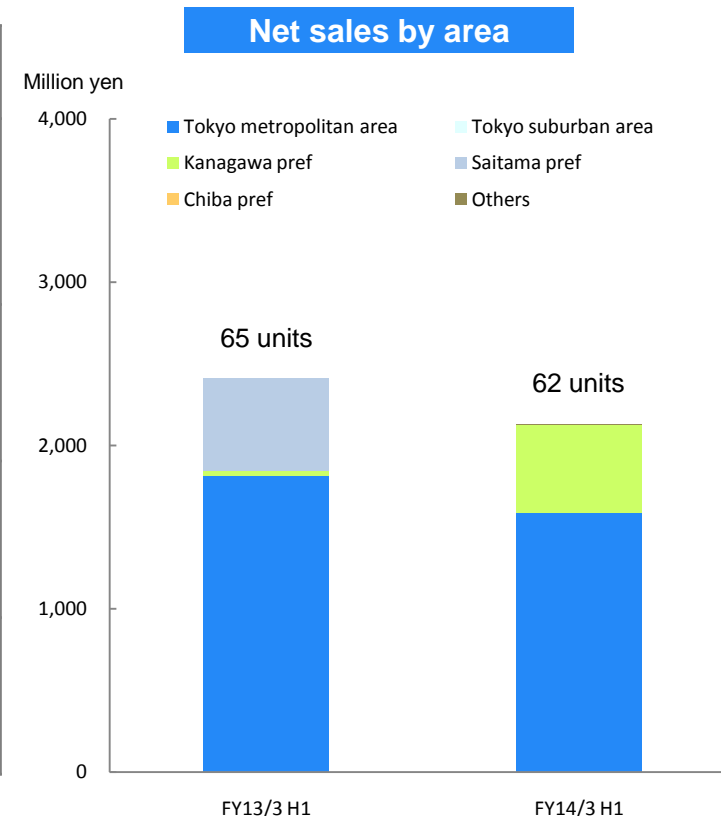
(Unit: million yen)	Fiscal Year ended March 31, 2013	Fiscal Year ending March 31, 2014		
	H1 Actual	H1 Actual	Profit margin (%)	Year-on-year change (%)
Net sales	696	1,428	-	105.0%
Gross profit	59	24	1.7%	-58.1%
Operating income	41	-29	-2.1%	-172.2%



# Situation of Condominium Unit Sales Business

- ✓ 62 units in Tokyo and Kanagawa area were delivered (a decline of 3 units year-on-year), and net sales of 2,133 million yen were posted.
- ✓ SG&A increased due to a burden of future sales expenses for condominium units which would be delivered to customers in subsequent quarters, but operating income was secured.
- ✓ Purchase contracts of lands for three condo projects were made, and the aggregate sales of the projects are expected to 4.4 billion yen.

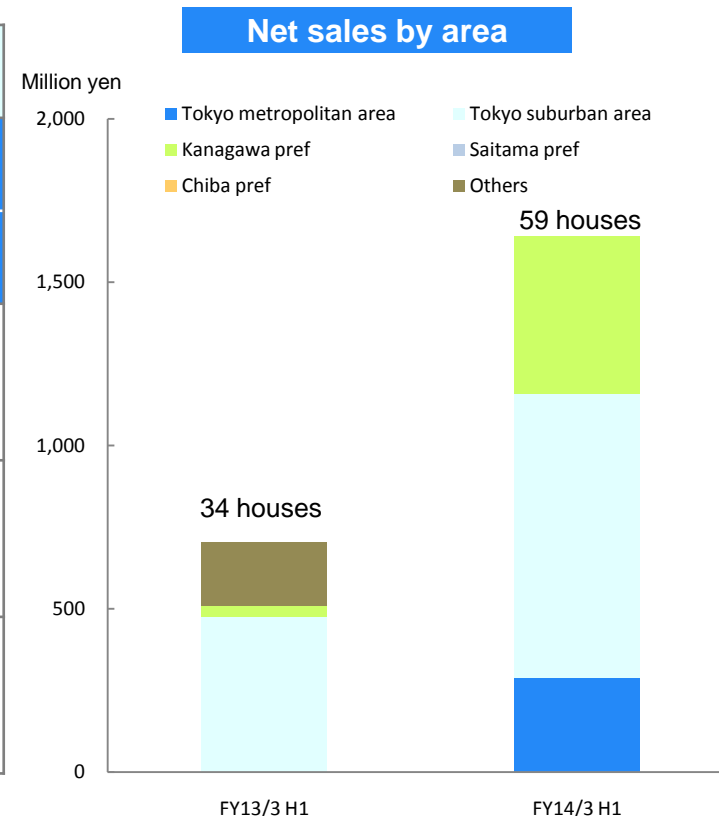
(Unit: million yen)	Fiscal Year ended March 31, 2013	Fiscal Year ending March 31, 2014		
	H1	H1		
	Actual	Actual	Profit margin (%)	Year-on-year change (%)
Net sales	2,421	2,133	-	-11.9%
Gross profit	561	377	17.7%	-32.6%
Operating income	260	87	4.1%	-66.4%



# Situation of Residential Housing Sales Business

- ✓ 59 houses in Tokyo and Kanagawa area were delivered (a rise of 25 houses year-on-year), and net sales of 1,643 million yen were posted.
- ✓ Operating income substantially increased 189 million yen year-on-year to 214 million yen by the reduction of SG&A.
- ✓ Purchase contracts of lands for nine residential housing projects were made, and the aggregate sales of the projects are expected to 2.1 billion yen.

(Unit: million yen)	Fiscal Year ended March 31, 2013	Fiscal Year ending March 31, 2014		
	H1	H1		
	Actual	Actual	Profit margin (%)	Year-on-year change (%)
Net sales	705	1,643	-	133.1%
Gross profit	128	300	18.3%	132.9%
Operating income	25	214	13.1%	749.5%





## Renaissance Koiwa Bright Arena

### [Overview]

Location: Kitakoiwa 2-chome, Edogawa-ku, Tokyo

Access: 9 minutes' walk from Koiwa station on the JR Sobu Line and from Edogawa station on the Keisei Main Line

Total number of units: 36 units

Start of sales: October 2013

Completion: July 2013

Start of delivery: November 2013 (scheduled)

### Point 1

Easy access to the center of Tokyo: 15 minutes to Tokyo station and 28 minutes to Shinjuku station from the nearest Koiwa station

### Point 2

Located in rich natural environment with lush greenery and watercourses: 11 minutes' walk to Edogawa riverbed

### Point 3

Surrounded by low-rise houses, all condominium units are south-facing with superb view from upper floors



## Renaissance Kasai The Residence

### [Overview]

Location: Higashikasai 6-chome, Edogawa-ku, Tokyo

Access: 5 minutes' walk from Kasai station on the Tokyo Metro Tozai Line

Total number of units: 24 units

Start of sales: November 2013

Completion: July 2014 (scheduled)

Start of delivery: November 2014 (scheduled)

### Point 1

5 minutes' straight walk without any traffic lights from Kasai station

### Point 2

Many parks within 5 minutes' walking distance, and pleasant places to enjoy leisure activities, such as Kasai Rinkai Park and Sogo Recreation Park, at some distance

### Point 3

All condominium units are south-facing with excellent specifications and facilities, and with planning for brightness and wideness, such as high ceiling and frame construction



## Renatown Oyamanishicho

### [Overview]

Location: Oyamanishicho, Itabashi-ku, Tokyo

Access: 8 minutes' walk from Oyama station on the Tobu Tojo Line

Total number of houses: 2 houses

Start of sales: Now available

Completion: October 2013

Start of delivery: Anytime

### Point 1

5 minutes to Ikebukuro station and 10 minutes to Shinjuku station from the nearest Oyama station: Vibrant living environment with some shopping streets

### Point 2

A wide variety of plans for various lifestyles



## Renatown Aoto

### [Overview]

Location: Aoto 7-chome, Katsushika-ku, Tokyo

Access: 15 minutes' walk from Aoto station on the Keisei Main Line

Total number of houses: 2 houses

Start of sales: Now available

Completion: October 2013

Start of delivery: Anytime

### Point 1

15 minutes' walk from Aoto station: 2 railway lines are available, Keisei Main Line and Keisei Oshiage Line

### Point 2

The first low-carbon house in Aoto: More than 10% energy-saving performance over energy-saving standard which enables to receive special breaks for tax and interest



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