

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 Three Quarters of the Fiscal Year ending March 31, 2014 (Japanese Standard)

February 3, 2014

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

Tel: +81-3-5962-0775

Scheduled date of filing of Quarterly Report:

February 10, 2014

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 December 31, 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	%
Nine months ended December 31, 2013	7,399	21.5	238	1.5	76	(31.0)	73	(34.0)
Nine months ended December 31, 2012	6,091	—	234	—	111	—	111	—

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended December 31, 2013	0.74		0.64	
Nine months ended December 31, 2012	1.12		0.94	

(2) Financial Condition

	Total assets	Net assets	Ratio of shareholders' equity to total assets
	Million yen	Million yen	%
December 31, 2013	7,652	1,832	24.0
March 31, 2013	7,784	1,757	22.6

(Reference) Shareholders' equity:

December 31, 2013:

1,832 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	—		
(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):

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

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

Nine months ended December 31, 2013:	99,572,361 shares
Nine months ended December 31, 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 February 3, 2014.

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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				
	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	December 31, 2013
Assets		
Current assets		
Cash and deposits	901,682	891,916
Accounts receivable–trade	1,596	1,909
Real estate for sale	1,446,438	850,552
Real estate for sale in process	4,829,526	4,935,325
Raw materials and supplies	602	822
Advance payments–trade	87,700	230,650
Prepaid expenses	25,510	70,454
Advances paid	4	7,967
Others	20,451	134,555
Allowance for doubtful accounts	(133)	(593)
Total current assets	7,313,379	7,123,561
Noncurrent assets		
Property, plant and equipment		
Buildings	147,809	147,809
Accumulated depreciation	(84,507)	(87,555)
Buildings, net	63,301	60,253
Structures	22,259	22,259
Accumulated depreciation	(15,848)	(16,372)
Structures, net	6,410	5,886
Tools, furniture and fixtures	15,412	15,412
Accumulated depreciation	(9,407)	(10,788)
Tools, furniture and fixtures, net	6,005	4,623
Land	110,008	110,008
Total property, plant and equipment	185,725	180,772
Intangible assets		
Software	17,149	16,084
Others	382	–
Total intangible assets	17,531	16,084
Investments and other assets		
Investment securities	60,494	61,881
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	10,788
Guarantee deposits	189,577	232,479
Others	2,509	1,818
Allowance for doubtful accounts	(10,968)	(10,788)
Total investments and other assets	268,176	331,689
Total noncurrent assets	471,433	528,545
Total assets	7,784,813	7,652,106

(Thousand yen)

	March 31, 2013	December 31, 2013
Liabilities		
Current liabilities		
Accounts payable–trade	1,000	1,000
Accounts payable for construction contracts	111,139	126,363
Short-term loans payable	1,241,000	3,223,200
Current portion of long-term loans payable	1,424,128	515,698
Accounts payable–other	4,888	4,888
Accrued expenses	114,580	71,489
Income taxes payable	4,885	3,419
Advances received	53,068	61,809
Deposits received	13,492	12,432
Provision for bonuses	17,858	9,463
Others	21,320	134,728
Total current liabilities	3,007,362	4,164,493
Noncurrent liabilities		
Long-term loans payable	2,946,619	1,578,075
Provision for retirement benefits	59,081	62,678
Deferred tax liabilities	303	797
Others	13,596	13,596
Total noncurrent liabilities	3,019,600	1,655,148
Total liabilities	6,026,962	5,819,641
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	935,930
Total retained earnings	862,207	935,930
Treasury stock	(388)	(388)
Total shareholders' equity	1,757,302	1,831,024
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	548	1,440
Total valuation and translation adjustments	548	1,440
Total net assets	1,757,850	1,832,465
Total liabilities and net assets	7,784,813	7,652,106

(2) Statements of Income

(Thousand yen)

	Nine months ended December 31, 2012 (April 1 to December 31, 2012)	Nine months ended December 31, 2013 (April 1 to December 31, 2013)
Net sales		
Net sales from the liquidation business	696,908	2,698,800
Net sales from the condominium unit sales business	3,303,119	2,756,470
Net sales from the residential housing sales business	2,011,862	1,909,637
Others	79,635	34,265
Total net sales	6,091,526	7,399,175
Cost of sales		
Cost of sales of the liquidation business	637,584	2,382,877
Cost of sales of the condominium unit sales business	2,552,984	2,235,438
Cost of sales of the residential housing sales business	1,603,655	1,570,771
Others	56,851	19,459
Total cost of sales	4,851,075	6,208,546
Gross profit	1,240,451	1,190,628
Selling, general and administrative expenses		
Sales commission	143,025	115,784
Advertising expenses	226,907	224,080
Provision of allowance for doubtful accounts	(1,547)	279
Directors' compensations	37,614	33,043
Salaries and allowances	247,067	270,767
Provision for bonuses	7,685	7,961
Retirement benefit expenses	9,838	7,466
Legal welfare expenses	34,895	38,209
Welfare expenses	6,632	8,555
Entertainment expenses	27,468	32,350
Commission fee	82,189	57,767
Rent expenses	12,632	7,243
Taxes and dues	25,517	26,533
Rents	26,287	25,737
Depreciation	16,725	10,688
Others	102,948	85,994
Total selling, general and administrative expenses	1,005,887	952,463
Operating income	234,563	238,164
Non-operating income		
Interest income	383	259
Dividends income	1,705	607
Land and house rent received	22,965	23,773
Penalty income	–	9,111
Fiduciary obligation fee	1,200	–
Others	5,066	6,140
Total non-operating income	31,322	39,892
Non-operating expenses		
Interest expenses	147,871	201,028
Others	6,510	79
Total non-operating expenses	154,382	201,108
Ordinary income (loss)	111,503	76,949
Extraordinary income		
Gain on sales of investment securities	4,229	99
Total extraordinary income	4,229	99
Extraordinary loss		
Loss on valuation of investment securities	–	55
Total extraordinary loss	–	55
Income (loss) before income taxes	115,733	76,994
Income taxes—current	4,065	3,271
Total income taxes	4,065	3,271
Net income (loss)	111,668	73,722