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# Presentation Material on Operating Performance during the First Half of the Fiscal Year ending March 31, 2015

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November 7 (Friday), 2014  
Shin-Nihon Tatemono Co., Ltd.

SHIN-NIHON TATEMONO CO., LTD.



Stock Code : 8893

## Business environment topics

- During the first half (from April to September), new condominium sales decreased 32.1% year-on-year to 19,944 units in the Tokyo metropolitan area, reflecting a fall in demand after consumption tax increase and high construction cost. \*The statistics above is quoted from the market information released by Real Estate Economic Institute Co., Ltd.
- Land acquisition cost shows an upward trend due to rise of the standard land price, up 0.6% and up 1.9% year-on-year in residential and in commercial area, respectively. \*The Ministry of Land, Infrastructure, Transport and Tourism releases the standard land price every year on July 1.

## Performance topics

- (B/S) Reduced interest-bearing debts of 123 million yen from the end of FY 14/3 and maintained the equity ratio of 26.0%.
- (P/L) During the last three months (from July to September), achieved net sales of 2,033 million yen (+895 million yen compared with the April-June results), delivering 21 condominium units and 39 residential houses. Net sales for the first half amounted to 3,171 million yen down 39.4% year-on-year due to deferment of sales to the subsequent quarters in the liquidation business. Gross profit margin rose 2.9 points year-on-year to 16.5%, but Sales decline resulted in gross profit of 524 million yen (down 26.5% year-on-year).

## Management topics

- Focused on new land acquisition and continuing recruitment of talented and market sophisticated personnel.
- Financed new projects by borrowing from never before available banking institutions.

# Balance Sheet

(Unit: million yen)	Fiscal Year ended March 31, 2014		Fiscal Year ending March 31, 2015	
	End of H1	Year end	End of H1	Change
Cash and deposits	563	1,581	1,008	-573
Real estate for sale	415	2,516	● 2,838	322
Real estate for sale in process	4,676	3,268	● 3,292	23
Others	467	176	168	-8
<b>Total current assets</b>	<b>6,123</b>	<b>7,544</b>	<b>7,307</b>	<b>-236</b>
<b>Total noncurrent assets</b>	<b>516</b>	<b>428</b>	<b>417</b>	<b>-10</b>
<b>Total assets</b>	<b>6,640</b>	<b>7,972</b>	<b>7,725</b>	<b>-247</b>
Notes and accounts payable-trade	216	189	261	72
Loans payable (short-term loans payable and current portion of long-term loans payable)	2,382	4,687	● 4,356	-330
Others	248	167	155	-12
<b>Total current liabilities</b>	<b>2,847</b>	<b>5,044</b>	<b>4,773</b>	<b>-270</b>
Long-term loans payable	1,955	671	● 878	207
Others	73	66	65	-1
<b>Total noncurrent liabilities</b>	<b>2,029</b>	<b>737</b>	<b>944</b>	<b>206</b>
<b>Total liabilities</b>	<b>4,877</b>	<b>5,781</b>	<b>5,717</b>	<b>-64</b>
Capital stock	854	854	854	-
Capital surplus	40	40	40	-
Retained earnings	866	1,294	1,111	-183
Others	1	0	1	1
<b>Total net assets</b>	<b>1,762</b>	<b>2,190</b>	● <b>2,007</b>	<b>-182</b>
<b>Total liabilities and net assets</b>	<b>6,640</b>	<b>7,972</b>	<b>7,725</b>	<b>-247</b>

## ● Decrease of real estate for sale

Breakdown of the balance at the end of H1 of FY15/3

Liquidation	:	- million yen	- property
Condominium unit sales	:	2,074 million yen	76 units
Residential housing sales	:	764 million yen	21 houses
<b>Total</b>	:	<b>2,838 million yen</b>	

## ● Decrease of real estate for sale in process

Breakdown of the balance at the end of H1 of FY15/3

Liquidation	:	1,815 million yen
Condominium unit sales	:	409 million yen
Residential housing sales	:	1,067 million yen
<b>Total</b>	:	<b>3,292 million yen</b>

## ● Status of interest-bearing liabilities

End of FY 14/3 (March 31, 2014)	5,359 million yen
End of H1 of FY 15/3 (September 30, 2014)	5,235 million yen
<b>Change</b>	<b>-123 million yen</b>

## ● Maintained equity ratio of 26.0% at the same level as the end of the FY 14/3.

# Profit and Loss Statement

(Unit: million yen)	Fiscal Year ended March 31, 2014		Fiscal Year ending March 31, 2015				
	H1		H1		Year-on-year		12months
	Actual	% of total	Actual	% of total	Change	Change (%)	Plan
<b>Net sales</b>	5,230	100.0%	● 3,171	100.0%	-2,059	-39.4%	12,300
Cost of sales	4,517	86.4%	2,647	83.5%	-1,870	-41.4%	-
<b>Gross profit</b>	<b>713</b>	<b>13.6%</b>	<b>524</b>	<b>16.5%</b>	<b>-189</b>	<b>-26.5%</b>	-
Selling, general and administrative expenses	630	12.1%	● 652	20.6%	22	3.5%	-
<b>Operating income</b>	<b>82</b>	<b>1.6%</b>	<b>-128</b>	<b>-4.0%</b>	<b>-211</b>	-	<b>670</b>
Non-operating income	36	0.7%	24	0.8%	-12	-33.1%	-
Non-operating expenses	113	2.2%	● 111	3.5%	-1	-1.3%	-
<b>Ordinary income</b>	<b>6</b>	<b>0.1%</b>	<b>-215</b>	<b>-6.8%</b>	<b>-222</b>	-	<b>405</b>
Extraordinary income	0	0.0%	35	1.1%	35	-	-
Extraordinary loss	0	0.0%	-	-	-0	-100.0%	-
<b>Income before income taxes</b>	<b>6</b>	<b>0.1%</b>	<b>-180</b>	<b>-5.7%</b>	<b>-187</b>	-	-
Income taxes	2	0.0%	3	0.1%	1	21.8%	-
<b>Net income</b>	<b>4</b>	<b>0.1%</b>	<b>-183</b>	<b>-5.8%</b>	<b>-187</b>	-	<b>400</b>

## ● Number of sales

	FY 14/3 H1	FY 15/3 H1	Change
Liquidation	2 properties	0 properties	-2 property
Condominium unit sales	62 units	36 units	-26 units
Residential housing sales	59 houses	51 houses	-8 houses

## ● Details of selling, general and administrative expenses

(Unit: million yen)	FY 14/3 H1	FY 15/3 H1	Change
Personnel expenses	244	229	-15
Sales commission	104	61	-42
Advertising expenses	124	172	47
Other	156	188	32
<b>Total</b>	<b>630</b>	<b>652</b>	<b>22</b>

## ● Details of non-operating expenses

(Unit: million yen)	FY 14/3 H1	FY 15/3 H1	Change
Interest expenses	113	110	-3
Other	0	1	1
<b>Total</b>	<b>113</b>	<b>111</b>	<b>-2</b>

# Net Sales and Operating Income by Segment

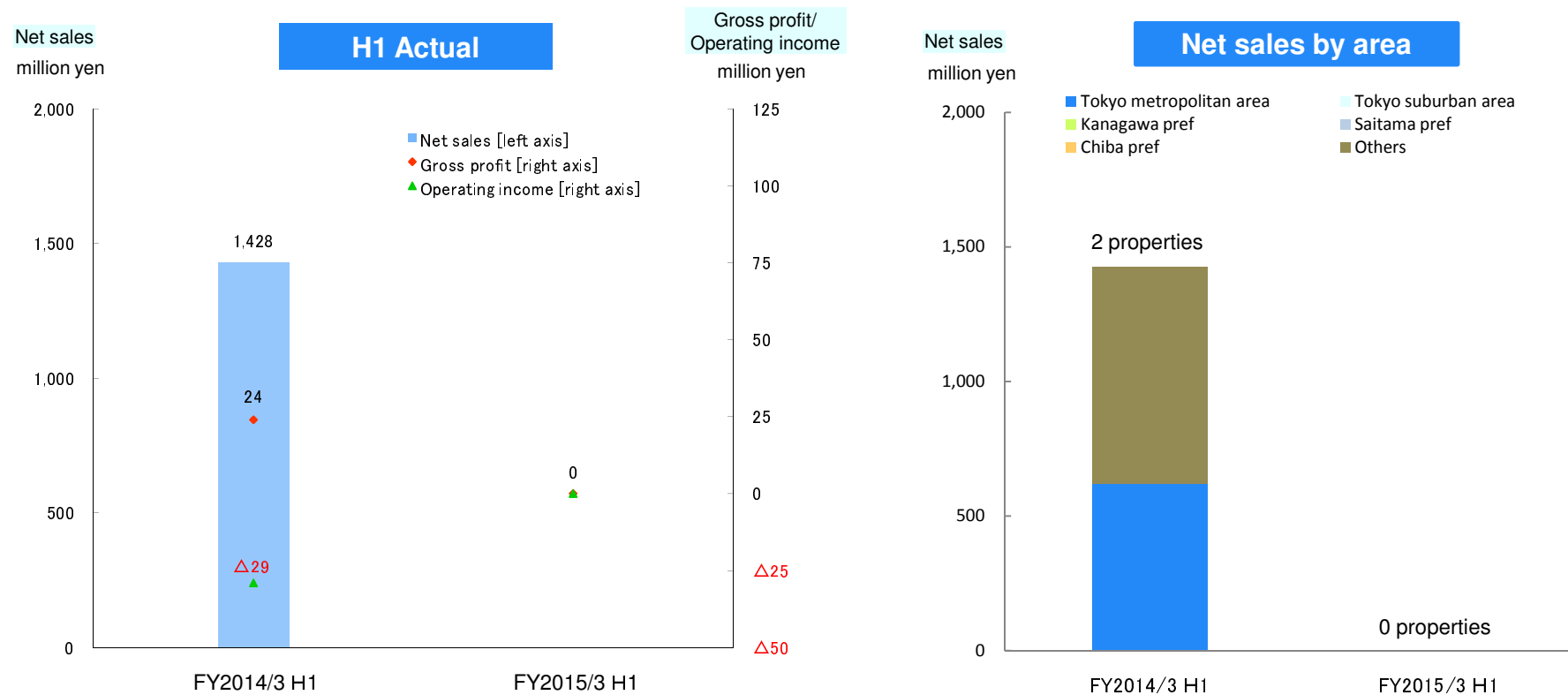
- ✓ In the liquidation business, there were no sales and no operating income booked for the first half due to deferment of sales to the subsequent quarters.
- ✓ In the condominium unit sales business, gross profit margin for the first half improved 3.0 points year-on-year to 20.7%. During the last three months, achieved operating income of 7 million yen (+30 million yen compared with the April-June results), but the burden of future advertising expenses resulted in operating loss of 16 million yen for the first half.
- ✓ In the residential housing sales business, achieved operating profit of 73 million yen during the last three months (+56 million yen compared with the April-June results), and secured operating profit of 89 million yen for the first half in spite of high construction cost and increase of sales promotion expenses.

[Net sales]		Fiscal Year ended March 31, 2014		Fiscal Year ending March 31, 2015			
		H1		H1		Year-on-year	
		Actual	% of total	Actual	% of total	Change	Change (%)
(Unit: million yen)							
	Liquidation business	1,428	27.3%	-	-	-1,428	-100.0%
	Condominium unit sales business	2,133	40.8%	1,344	42.4%	-788	-37.0%
	Residential housing sales business	1,643	31.4%	1,818	57.3%	174	10.6%
	Other business	24	0.5%	8	0.3%	-16	-65.3%
	Elimination or corporate	-	-	-	-	-	-
<b>Net sales total</b>		<b>5,230</b>	<b>100.0%</b>	<b>3,171</b>	<b>100.0%</b>	<b>-2,059</b>	<b>-39.4%</b>

[Operating income]		Fiscal Year ended March 31, 2014		Fiscal Year ending March 31, 2015			
		H1		H1		Year-on-year	
		Actual	Profit margin (%)	Actual	Profit margin (%)	Change	Change (%)
(Unit: million yen)							
	Liquidation business	-29	-2.1%	-	-	29	-100.0%
	Condominium unit sales business	87	4.1%	-16	-	-104	-
	Residential housing sales business	214	13.1%	89	5.0%	-124	-58.1%
	Other business	2	12.1%	6	72.2%	3	107.5%
	Elimination or corporate	-192	-	-207	-	-15	-
<b>Operating income total</b>		<b>82</b>	<b>1.6%</b>	<b>-128</b>	<b>-</b>	<b>-211</b>	<b>-</b>

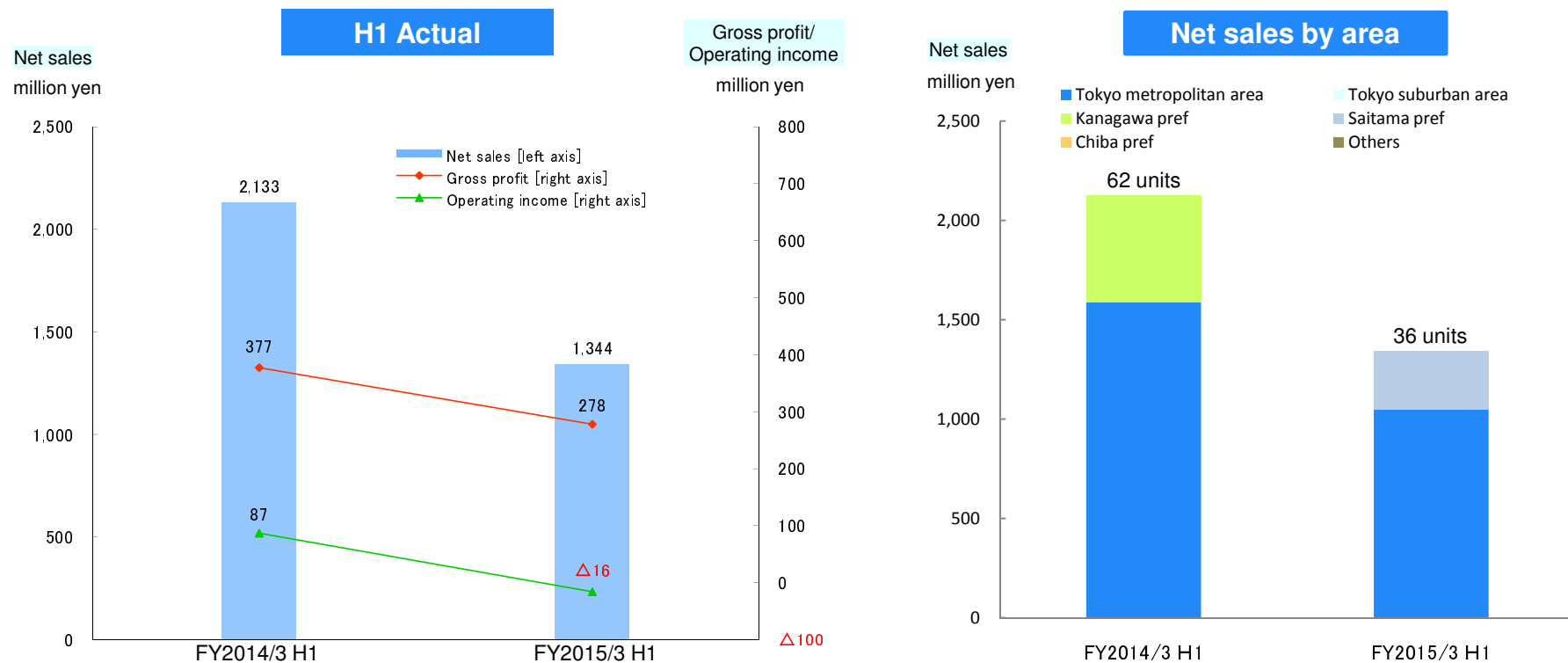
# Situation of Liquidation Business

- ✓ In the liquidation business, there were no sales and no operating income booked for the first half due to deferment of sales to the subsequent quarters.



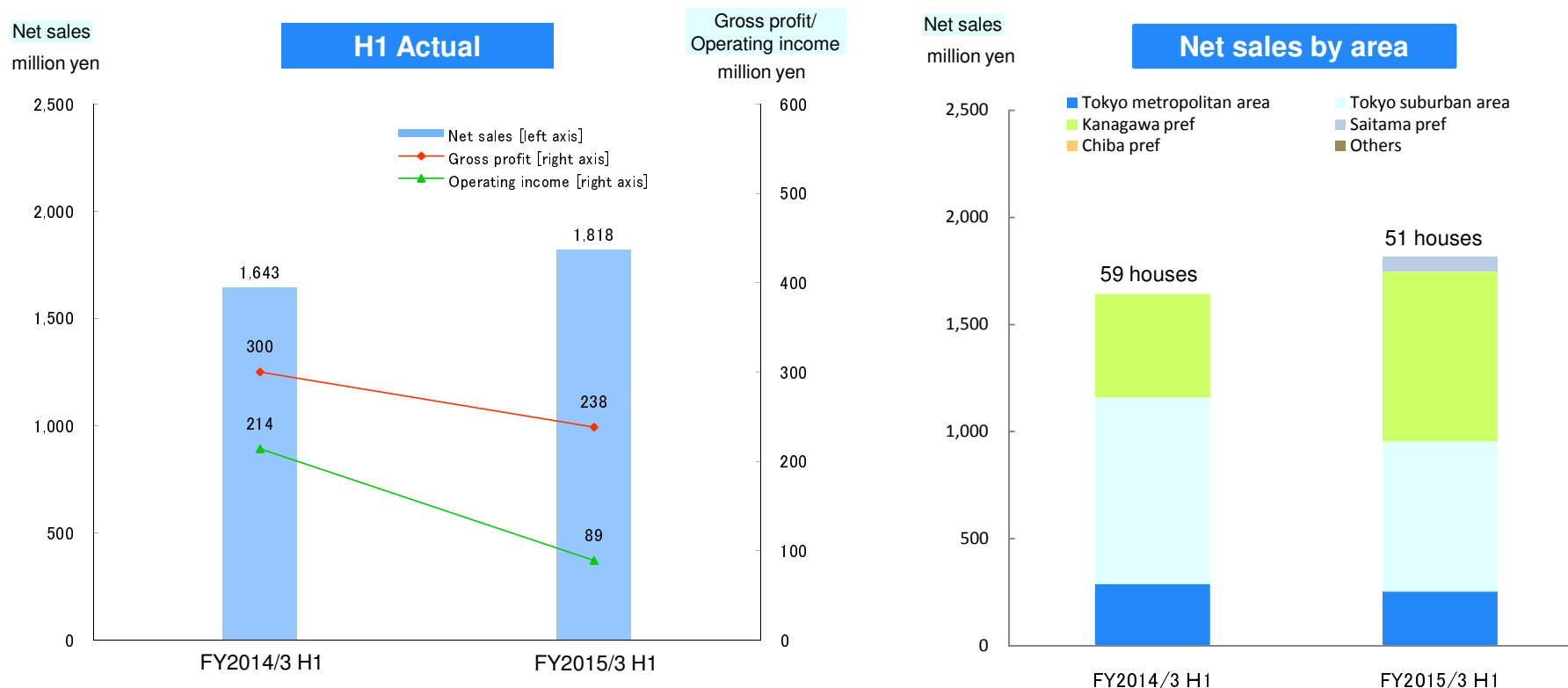
# Situation of Condominium Unit Sales Business

- ✓ 21 units in Tokyo metropolitan area and Saitama prefecture were delivered during the last three months. 36 units were delivered (down 26 units year-on-year) and net sales of 1,344 million yen (down 37.0% year-on-year) for the first half.
- ✓ During the last three months, achieved operating income of 7 million yen (+30 million yen compared with the April-June results), but the burden of future advertising expenses resulted in operating loss of 16 million yen for the first half.
- ✓ Focused on sales promotion appealing lower price of our existing products to consumers, against higher price of new condominiums reflecting high land acquisition and construction cost.



# Situation of Residential Housing Sales Business 新日本建物 変わること、変わらないこと。

- ✓ 51 houses in Tokyo metropolitan area, Kanagawa and Saitama prefecture were delivered (down 8 houses year-on-year), and net sales of 1,818 million yen (up 10.6% year-on-year) for the first half.
- ✓ During the last three months, 39 houses were delivered (+27 houses compared with the April-June results), and almost accomplished planned number for the first half.
- ✓ During the last three months, achieved operating profit of 73 million yen (+56 million yen compared with the April-June results), and secured operating profit of 89 million yen for the first half (down 58.1% year-on-year) in spite of high construction cost and increase of sales promotion expenses.





## Renaissance Katsushika Mizumoto-koen

### [Overview]

Location: Higashikanamachi 4-chome,  
Katsushika-ku, Tokyo

Access: 13 minutes' walk from  
Kanamachi station on the JR  
Joban line and 15 minutes'  
walk from Keisei-Kanamachi  
station on the Keisei Kanamchi  
line

Total number  
of units: 32 units

Start of  
sales: May 2014

Completion: August 2014

Start of  
delivery: August 2014

### Point 1

Located in a rich natural environment, e.g.  
Mizumoto-koen within five minutes' walk

### Point 2

Plans for comfortable living with space efficiency,  
e.g. frame construction and sliding doors



## Renatown Minami-machida

### [Overview]

Location: Turuma 1051-1,  
Machida-shi, Tokyo

Access: 11 minutes' walk from  
Minami-machida station on the  
Tokyu Denentoshi line

Total number  
of units: 16 houses

Start of sales: July 2014

Completion: October 2014  
(Secondary stage scheduled in December)

Start of  
delivery: October 2014  
(Secondary stage scheduled in December)

### Point 1

11 minutes' walk from Minami-machida station  
with some commercial facilities, such as  
Cranberry Mall.

### Point 2

Spacious living room, dining room and kitchen,  
and a wide variety of plans for families.



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