

**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 Fiscal Year ended March 31, 2015 (Japanese Standard)

May 15, 2015

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

Code Number: 8893

Representative: Tomohiko Ikeda, President and Chief Executive Officer

IR Contacts: Hiroaki Sato, Director, Senior Executive Officer, Administrative Department Manager

Tel: +81-3-5962-0775

Scheduled date of the ordinary general meeting of shareholders: June 25, 2015

Scheduled date of filing of the Annual Report: June 26, 2015

Scheduled date for commencing payment of dividend: —

Preparation of explanatory materials for financial results: Yes

Information meetings arranged relating to financial results: None

Stock Exchange: Tokyo

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

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

## 1. Business Results (April 1, 2014 to March 31, 2015)

## (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	%
Fiscal Year ended March 31, 2015	9,230	(14.2)	681	2.8	546	24.9	527	22.0
Fiscal Year ended March 31, 2014	10,754	(1.3)	662	26.1	437	4.8	432	3.6

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal Year ended March 31, 2015	5.30	4.75	21.5	7.8	7.4
Fiscal Year ended March 31, 2014	4.34	3.89	21.9	5.6	6.2

(Reference) Equity in net income of affiliates:

March 31, 2015:

— million yen

March 31, 2014:

— million yen

## (2) Financial Condition

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2015	6,100	2,717	44.6	21.28
March 31, 2014	7,972	2,190	27.5	15.98

(Reference) Shareholders' equity:

March 31, 2015:

2,717 million yen

March 31, 2014:

2,190 million yen

## (3) Cash Flows

	Net cash from (used in) operating activities	Net cash from (used in) investing activities	Net cash from (used in) financing activities	Cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Fiscal Year ended March 31, 2015	3,253	38	(2,341)	2,532
Fiscal Year ended March 31, 2014	954	(21)	(252)	1,581

## 2. Dividends

(Declared Date)	Dividend per share					Total amount of dividends (annual)	Payout ratio	Dividends on equity
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal Year ended March 31, 2014	—	0.00	—	0.00	0.00	—	—	—
Fiscal Year ended March 31, 2015	—	0.00	—	0.00	0.00	—	—	—
(Forecast) Fiscal Year ending March 31, 2016	—	0.00	—	0.00	0.00	—	—	—

(Note) 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.

**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.

## 3. Forecast of Business Results (April 1, 2015 to March 31, 2016)

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

Annual	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	10,600	14.8	710	4.3	565	3.5	560	6.3	5.62

## \* Notes

## (1) Changes in accounting principles, changes in accounting estimates, and restatements

- |  |                |
|--|----------------|
| (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 |

## (2) Number of Shares Outstanding (Common Stock)

## (i) Total number of shares outstanding (including treasury stock):

March 31, 2015:	99,573,086 shares
March 31, 2014:	99,573,086 shares

## (ii) Total number of treasury stock:

March 31, 2015:	725 shares
March 31, 2014:	725 shares

## (iii) Average number of issued shares (cumulative period):

Fiscal Year ended March 31, 2015:	99,572,361 shares
Fiscal Year ended March 31, 2014:	99,572,361 shares

(Implementation status of auditing procedures)

- This summary of financial statements is not subject to auditing procedures under the Financial Products and Exchange Law. At the time of release of this document, the auditing of 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 May 15, 2015.

**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.

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, 2014	—	0.00	—	0.00	0.00
Fiscal Year ended March 31, 2015	—	0.00	—	0.00	0.00
(Forecast) Fiscal Year ending March 31, 2016	—	0.00	—	0.00	0.00

(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, 2014	March 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	1,581,935	2,532,648
Accounts receivable–trade	4,116	2,605
Real estate for sale	2,516,548	1,897,825
Real estate for sale in process	3,268,948	1,208,377
Raw materials and supplies	1,466	1,029
Advance payments–trade	59,050	49,200
Prepaid expenses	59,984	27,181
Advances paid	5,134	3,394
Others	47,670	1,628
Allowance for doubtful accounts	(561)	(394)
Total current assets	7,544,292	5,723,495
Noncurrent assets		
Property, plant and equipment		
Buildings	148,218	148,218
Accumulated depreciation	(88,685)	(92,570)
Buildings, net	59,533	55,647
Structures	22,259	22,259
Accumulated depreciation	(16,547)	(17,170)
Structures, net	5,711	5,089
Tools, furniture and fixtures	15,843	15,843
Accumulated depreciation	(11,285)	(12,627)
Tools, furniture and fixtures, net	4,558	3,216
Land	110,008	110,008
Total property, plant and equipment	179,811	173,961
Intangible assets		
Software	14,863	14,570
Total intangible assets	14,863	14,570
Investments and other assets		
Investment securities	60,585	8,802
Stocks of subsidiaries and affiliates	20,000	30,000
Investments in other securities of subsidiaries and affiliates	0	0
Investments in capital	15,510	15,510
Claims provable in bankruptcy, claims provable in rehabilitation and others	10,728	10,488
Guarantee deposits	135,855	134,128
Others	1,588	511
Allowance for doubtful accounts	(10,728)	(10,488)
Total investments and other assets	233,539	188,952
Total noncurrent assets	428,214	377,484
<b>Total assets</b>	<b>7,972,507</b>	<b>6,100,980</b>

(Thousand yen)

	March 31, 2014	March 31, 2015
<b>Liabilities</b>		
Current liabilities		
Accounts payable–trade	1,000	–
Accounts payable for construction contracts	188,303	72,920
Short-term loans payable	2,575,800	1,271,700
Current portion of long-term loans payable	2,112,032	1,256,032
Accounts payable–other	11,955	9,117
Accrued expenses	93,984	86,995
Income taxes payable	5,599	13,465
Advances received	6,795	4,957
Deposits received	9,251	11,350
Provision for bonuses	18,837	16,943
Others	20,800	72,174
Total current liabilities	5,044,360	2,815,658
Noncurrent liabilities		
Long-term loans payable	671,387	489,555
Provision for retirement benefits	52,312	53,056
Provision for directors' retirement benefits	–	11,095
Deferred tax liabilities	336	–
Others	13,596	13,868
Total noncurrent liabilities	737,631	567,575
Total liabilities	5,781,991	3,383,233
<b>Net assets</b>		
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	1,294,813	1,822,651
Total retained earnings	1,294,813	1,822,651
Treasury stock	(388)	(388)
Total shareholders' equity	2,189,908	2,717,746
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	607	–
Total valuation and translation adjustments	607	–
Total net assets	2,190,515	2,717,746
Total liabilities and net assets	7,972,507	6,100,980

## (2) Statements of Income

	Fiscal Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Fiscal Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
(Thousand yen)		
Net sales		
Net sales from the liquidation business	4,317,202	3,188,056
Net sales from the condominium unit sales business	3,773,568	2,348,450
Net sales from the residential housing sales business	2,624,112	3,677,140
Others	39,674	17,112
Total net sales	10,754,556	9,230,758
Cost of sales		
Cost of sales of the liquidation business	3,516,448	2,022,256
Cost of sales of the condominium unit sales business	3,027,382	1,927,162
Cost of sales of the residential housing sales business	2,127,081	3,194,440
Others	20,625	1,815
Total cost of sales	8,691,536	7,145,675
Gross profit	2,063,020	2,085,083
Selling, general and administrative expenses		
Sales commission	190,553	182,367
Advertising expenses	296,822	295,521
Provision of allowance for doubtful accounts	187	(407)
Directors' compensations	48,306	75,248
Salaries and allowances	364,713	311,919
Provision for bonuses	15,757	14,636
Retirement benefit expenses	10,831	10,423
Provision for directors' retirement benefits	-	11,095
Legal welfare expenses	49,958	48,488
Welfare expenses	11,150	10,991
Entertainment expenses	46,938	52,572
Commission fee	89,730	80,464
Rent expenses	10,675	12,202
Taxes and dues	92,718	99,316
Rents	36,744	45,839
Depreciation	14,324	13,585
Others	121,432	139,780
Total selling, general and administrative expenses	1,400,845	1,404,046
Operating income	662,175	681,037
Non-operating income		
Interest income	379	397
Dividends income	607	726
Land and house rent received	26,159	84,472
Penalty income	9,415	232
Others	9,456	3,795
Total non-operating income	46,019	89,624
Non-operating expenses		
Interest expenses	270,241	206,308
Others	79	17,650
Total non-operating expenses	270,321	223,959
Ordinary income	437,873	546,702
Extraordinary income		
Gain on sales of investment securities	99	1,861
Compensation income for damage	-	35,000
Total extraordinary income	99	36,861
Extraordinary loss		
Loss on valuation of investment securities	55	-
Compensation loss for construction	-	49,505
Total extraordinary loss	55	49,505
Income before income taxes	437,918	534,058
Income taxes-current	5,312	6,220
Total income taxes	5,312	6,220
Net income	432,605	527,838

## (3) Statements of Changes in Net Assets

Fiscal Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at the beginning of the period	854,500	40,983	40,983	862,207	862,207
Changes during the period					
Net income				432,605	432,605
Net changes of items other than shareholders' equity					
Total changes during the period	—	—	—	432,605	432,605
Balance at the end of the period	854,500	40,983	40,983	1,294,813	1,294,813

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available for-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the period	(388)	1,757,302	548	548	1,757,850
Changes during the period					
Net income		432,605			432,605
Net changes of items other than shareholders' equity			59	59	59
Total changes during the period	—	432,605	59	59	432,665
Balance at the end of the period	(388)	2,189,908	607	607	2,190,515

Fiscal Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at the beginning of the period	854,500	40,983	40,983	1,294,813	1,294,813
Changes during the period					
Net income				527,838	527,838
Net changes of items other than shareholders' equity					
Total changes during the period	—	—	—	527,838	527,838
Balance at the end of the period	854,500	40,983	40,983	1,822,651	1,822,651

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available for-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the period	(388)	2,189,908	607	607	2,190,515
Changes during the period					
Net income		527,838			527,838
Net changes of items other than shareholders' equity			(607)	(607)	(607)
Total changes during the period	—	527,838	(607)	(607)	527,231
Balance at the end of the period	(388)	2,717,746	—	—	2,717,746



## (4) Statements of Cash Flows

(Thousand yen)

	Fiscal Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)	Fiscal Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)
<b>Net cash from (used in) operating activities</b>		
Income before income taxes	437,918	534,058
Depreciation and amortization	14,324	13,807
Increase (decrease) in allowance for doubtful accounts	187	(407)
Increase (decrease) in provision for retirement benefits	(6,768)	744
Increase (decrease) in provision for directors' retirement benefits	–	11,095
Interest and dividends income	(987)	(1,123)
Interest expenses	270,241	206,308
Gain on sales of investment securities	(99)	(1,861)
Loss on valuation of investment securities	55	–
Compensation income for damage	–	(35,000)
Decrease (increase) in notes and accounts receivable-trade	(2,520)	1,511
Decrease (increase) in inventories	490,467	2,679,294
Decrease (increase) in advance payments	28,650	9,850
Increase (decrease) in notes and accounts payable-trade	77,164	(116,382)
Increase (decrease) in advances received	(46,272)	(1,837)
Increase (decrease) in deposits received	(4,241)	2,099
Others, net	(16,626)	120,658
<b>Subtotal</b>	<b>1,241,492</b>	<b>3,422,814</b>
Interest and dividends income received	987	1,123
Interest expenses paid	(283,110)	(199,745)
Proceeds from compensation for damage	–	35,000
Income taxes paid	(4,598)	(5,361)
<b>Net cash from (used in) operating activities</b>	<b>954,771</b>	<b>3,253,831</b>
<b>Net cash from (used in) investing activities</b>		
Purchase of property, plant and equipment	(840)	–
Purchase of intangible assets	(2,442)	(5,205)
Purchase of stocks of subsidiaries and affiliates	(20,000)	(10,000)
Proceeds from sales of investment securities	100	52,701
Collection of long-term loans receivable	240	240
Others, net	951	1,076
<b>Net cash from (used in) investing activities</b>	<b>(21,990)</b>	<b>38,813</b>
<b>Net cash from (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	1,334,800	(1,304,100)
Proceeds from long-term loans payable	2,859,000	946,800
Repayment of long-term loans payable	(4,446,328)	(1,984,632)
<b>Net cash from (used in) financing activities</b>	<b>(252,528)</b>	<b>(2,341,932)</b>
Net increase (decrease) in cash and cash equivalents	680,252	950,712
Cash and cash equivalents at the beginning of the period	901,682	1,581,935
<b>Cash and cash equivalents at the end of the period</b>	<b>1,581,935</b>	<b>2,532,648</b>