

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 Quarter of the Fiscal Year ending March 31, 2016 (Japanese Standard)

August 7, 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 filing of Quarterly Report:

August 10, 2015

Scheduled date for commencing payment of dividend:

—

Preparation of explanatory materials for quarterly 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 to June 30, 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	%
Three months ended June 30, 2015	2,547	123.8	178	—	155	—	154	—
Three months ended June 30, 2014	1,138	(59.1)	(107)	—	(159)	—	(160)	—

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended June 30, 2015	1.55		1.36	
Three months ended June 30, 2014	(1.62)		—	

(2) Financial Condition

	Total assets	Net assets	Ratio of shareholders' equity to total assets
	Million yen	Million yen	%
June 30, 2015	5,757	2,871	49.9
March 31, 2015	6,100	2,717	44.6

(Reference) Shareholders' equity:

June 30, 2015:

2,871 million yen

March 31, 2015:

2,717 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, 2015	—	0.00	—	0.00	0.00
Fiscal Year ending March 31, 2016	—				
(Forecast)					
Fiscal Year ending March 31, 2016		0.00	—	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, 2015 to March 31, 2016)

(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	10,600	14.8	710	4.3	565	3.5	560	6.3	5.62

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

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.

* 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): | |
| June 30, 2015: | 99,573,086 shares |
| March 31, 2015: | 99,573,086 shares |
| (ii) Total number of treasury stock: | |
| June 30, 2015: | 725 shares |
| March 31, 2015: | 725 shares |
| (iii) Average number of issued shares (cumulative period): | |
| Three months ended June 30, 2015: | 99,572,361 shares |
| Three months ended June 30, 2014: | 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 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 August 7, 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, 2015	—	0.00	—	0.00	0.00
Fiscal Year ending March 31, 2016	—				
(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, 2015	June 30, 2015
Assets		
Current assets		
Cash and deposits	2,532,648	2,382,259
Accounts receivable–trade	2,605	228
Real estate for sale	1,897,825	1,347,489
Real estate for sale in process	1,208,377	1,565,088
Raw materials and supplies	1,029	1,405
Advance payments–trade	49,200	56,465
Prepaid expenses	27,181	21,029
Advances paid	3,394	2,539
Others	1,628	4,978
Allowance for doubtful accounts	(394)	(208)
Total current assets	5,723,495	5,381,276
Noncurrent assets		
Property, plant and equipment		
Buildings	148,218	148,218
Accumulated depreciation	(92,570)	(93,429)
Buildings, net	55,647	54,788
Structures	22,259	22,259
Accumulated depreciation	(17,170)	(17,308)
Structures, net	5,089	4,950
Tools, furniture and fixtures	15,843	15,843
Accumulated depreciation	(12,627)	(12,853)
Tools, furniture and fixtures, net	3,216	2,990
Land	110,008	110,008
Total property, plant and equipment	173,961	172,737
Intangible assets		
Software	14,570	13,153
Total intangible assets	14,570	13,153
Investments and other assets		
Investment securities	8,802	8,802
Stocks of subsidiaries and affiliates	30,000	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	10,488	10,428
Guarantee deposits	134,128	136,070
Others	511	361
Allowance for doubtful accounts	(10,488)	(10,428)
Total investments and other assets	188,952	190,744
Total noncurrent assets	377,484	376,635
Total assets	6,100,980	5,757,912

(Thousand yen)

	March 31, 2015	June 30, 2015
Liabilities		
Current liabilities		
Accounts payable for construction contracts	72,920	82,010
Short-term loans payable	1,271,700	1,232,436
Current portion of long-term loans payable	1,256,032	739,500
Accounts payable–other	9,117	9,390
Accrued expenses	86,995	78,006
Income taxes payable	13,465	3,452
Advances received	4,957	29,591
Deposits received	11,350	16,119
Provision for bonuses	16,943	8,558
Others	72,174	7,994
Total current liabilities	2,815,658	2,207,060
Noncurrent liabilities		
Long-term loans payable	489,555	596,000
Provision for retirement benefits	53,056	56,458
Provision for directors' retirement benefits	11,095	12,275
Others	13,868	14,318
Total noncurrent liabilities	567,575	679,052
Total liabilities	3,383,233	2,886,112
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	1,822,651	1,976,704
Total retained earnings	1,822,651	1,976,704
Treasury stock	(388)	(388)
Total shareholders' equity	2,717,746	2,871,799
Total net assets	2,717,746	2,871,799
Total liabilities and net assets	6,100,980	5,757,912

(2) Statements of Income

(Thousand yen)

	Three months ended June 30, 2014 (April 1 to June 30, 2014)	Three months ended June 30, 2015 (April 1 to June 30, 2015)
Net sales		
Net sales from the liquidation business	–	831,870
Net sales from the condominium unit sales business	560,565	1,157,267
Net sales from the residential housing sales business	573,343	552,373
Others	4,278	5,785
Total net sales	1,138,186	2,547,296
Cost of sales		
Cost of sales of the liquidation business	–	635,300
Cost of sales of the condominium unit sales business	439,583	898,016
Cost of sales of the residential housing sales business	488,840	506,673
Others	127	1,374
Total cost of sales	928,551	2,041,364
Gross profit	209,634	505,932
Selling, general and administrative expenses		
Sales commission	27,974	25,614
Advertising expenses	78,723	73,511
Provision of allowance for doubtful accounts	93	(245)
Directors' compensations	15,433	19,830
Salaries and allowances	74,687	71,844
Provision for bonuses	7,623	7,417
Retirement benefit expenses	3,988	2,777
Provision for directors' retirement benefits	–	1,600
Legal welfare expenses	11,048	10,881
Welfare expenses	3,267	2,362
Entertainment expenses	11,105	19,082
Commission fee	19,151	23,005
Rent expenses	2,769	3,402
Taxes and dues	11,312	7,830
Rents	11,035	12,749
Depreciation	3,289	3,220
Others	36,048	42,559
Total selling, general and administrative expenses	317,552	327,444
Operating income (loss)	(107,918)	178,487
Non-operating income		
Interest income	42	302
Dividends income	91	–
Land and house rent received	2,901	2,590
Others	824	11
Total non-operating income	3,860	2,904
Non-operating expenses		
Interest expenses	54,330	25,738
Others	1,175	–
Total non-operating expenses	55,505	25,738
Ordinary income (loss)	(159,563)	155,654
Income (loss) before income taxes	(159,563)	155,654
Income taxes—current	1,328	1,601
Total income taxes	1,328	1,601
Net income (loss)	(160,891)	154,052