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Presentation Material on Operating Performance during the First Quarter of the Fiscal Year ending March 31, 2016

August 7 (Friday), 2015

Shin-Nihon Tatemono Co., Ltd.



SHIN-NIHON TATEMONO CO., LTD.



Stock Code : 8893

Business environment topics

- Government policies to support house acquisition boosted the potential demand, keeping a steady condition in the residential real-estate market.
- Higher new condominium sales price due to rising construction-related labor and material costs.
- Acquisition of land for development will be challenging due to rising land price.

Performance topics

- [B/S] Enhanced financial strength.
 - ⇒ Decrease of real estate for sale, and increase of real estate for sale in process.
 - ⇒ Rising equity ratio (49.9% up 5.3 points from the end of FY 15/3)
- [P/L] Operating income, ordinary income, and net income drastically improved on a year-on-year basis, and reached a level desirable enough to accomplish annual income target.

Management topics

- Development of business portfolio ⇒ Launch of new business, “Investment Apartment Business”

Balance Sheets

(Unit: million yen)	Fiscal Year ended March 31, 2015		Fiscal Year ending March 31, 2016	
	End of Q1	Year end	End of Q1	Change
Cash and deposits	1,156	2,532	2,382	-150
Real estate for sale	2,381	1,897	● 1,347	-550
Real estate for sale in process	3,027	1,208	● 1,565	356
Others	214	84	86	1
Total current assets	6,781	5,723	5,381	-342
Total noncurrent assets	427	377	376	-0
Total assets	7,208	6,100	5,757	-343
Accounts payable for construction contracts	120	72	82	9
Loans payable (short-term loans payable and current portion of long-term loans payable)	4,235	2,527	1,971	● -555
Others	176	215	153	-61
Total current liabilities	4,531	2,815	2,207	-608
Long-term loans payable	582	489	596	● 106
Others	63	78	83	5
Total noncurrent liabilities	646	567	679	111
Total liabilities	5,178	3,383	2,886	-497
Capital stock	854	854	854	-
Capital surplus	40	40	40	-
Retained earnings	1,133	1,822	1,976	154
Others	0	-0	-0	-
Total net assets	2,029	2,717	2,871	154
Total liabilities and net assets	7,208	6,100	5,757	-343

● Decrease of real estate for sale

Breakdown of the balance at the end of Q1 of FY16/3

Condominium unit sales : 1,167 million yen 44 units

Residential housing sales : 180 million yen 5 houses

Total : 1,347 million yen

● Decrease of real estate for sale in process

Breakdown of the balance at the end of Q1 of FY16/3

Liquidation : 102 million yen

Condominium unit sales : 772 million yen

Residential housing sales : 690 million yen

Total : 1,565 million yen

● Status of interest-bearing liabilities

End of FY 15/3 (March 31, 2015) 3,017 million yen

End of Q1 of FY 16/3 (June 30, 2015) 2,567 million yen

Change -449 million yen

● The equity ratio rose to 49.9% from 44.6% of the end of FY 15/3.

Profit and Loss Statements

(Unit: million yen)	Fiscal Year ended March 31, 2015		Fiscal Year ending March 31, 2016				
	Q1		Q1		Year-on-year		12months
	Actual	% of total	Actual	% of total	Change	Change (%)	Plan
Net sales	1,138	100.0%	● 2,547	100.0%	1,409	123.8%	10,600
Cost of sales	928	81.6%	2041	80.1%	1,112	119.8%	-
Gross profit	209	18.4%	505	19.9%	296	141.3%	-
Selling, general and administrative expenses	317	27.9%	● 327	12.9%	9	3.1%	-
Operating income	-107	-9.5%	178	7.0%	286	-	710
Non-operating income	3	0.3%	2	0.1%	-0	-24.8%	-
Non-operating expenses	55	4.8%	● 25	1.0%	-29	-53.6%	-
Ordinary income	-159	-14.0%	155	6.1%	315	-	565
Extraordinary income	-	-	-	-	-	-	-
Extraordinary loss	-	-	-	-	-	-	-
Income before income taxes	-159	-14.0%	155	6.1%	315	-	-
Income taxes	1	0.1%	1	0.1%	0	20.6%	-
Net income	-160	-14.1%	154	6.0%	314	-	560

● Number of sales

	FY 15/3 Q1	FY 16/3 Q1	Change
Liquidation	0 property	2 properties	2 properties
Condominium unit sales	15 units	31 units	16 units
Residential housing sales	12 houses	13 houses	1 house

● Details of selling, general and administrative expenses

(Unit: million yen)	FY 15/3 Q1	FY 16/3 Q1	Change
Personnel expenses	116	116	0
Sales commission	27	25	-2
Advertising expenses	78	73	-5
Other	94	111	16
Total	317	327	9

● Details of non-operating expenses

(Unit: million yen)	FY 15/3 Q1	FY 16/3 Q1	Change
Interest expenses	54	25	-28
Other	1	0	-1
Total	55	25	-29

Net Sales and Operating Income by Segment

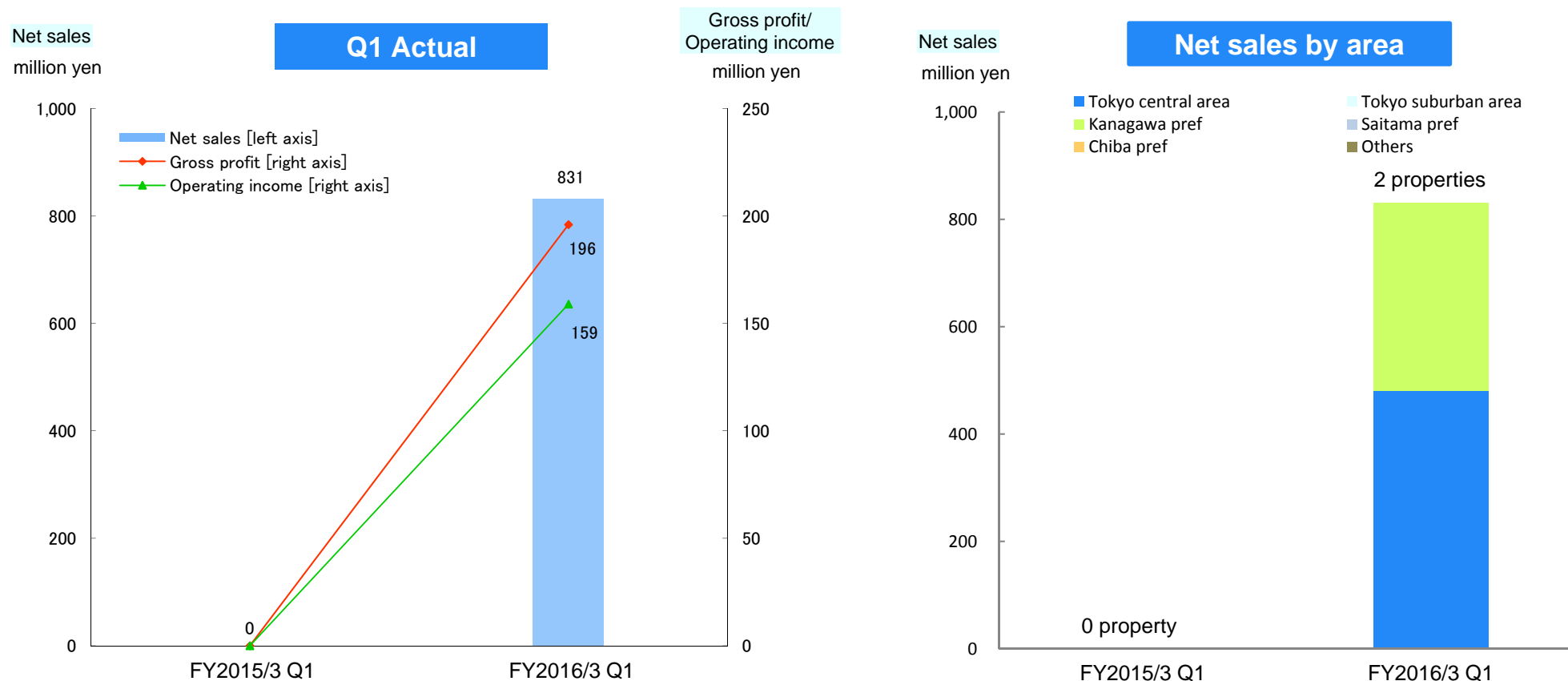
- ✓ Liquidation business and condominium unit sales business contributed to sales and income growth on a year-on-year basis.
- ✓ Liquidation business acquired high profit margin (19.2%).

[Net sales]		Fiscal Year ended March 31, 2015		Fiscal Year ending March 31, 2016			
		Q1		Q1		Year-on-year	
		Actual	% of total	Actual	% of total	Change	Change (%)
(Unit: million yen)							
	Liquidation business	-	-	831	32.7%	831	-
	Condominium unit sales business	560	49.2%	1,157	45.4%	596	106.4%
	Residential housing sales business	573	50.4%	552	21.7%	-20	-3.7%
	Other business	4	0.4%	5	0.2%	1	35.2%
	Elimination or corporate	-	-	-	-	-	-
Net sales total		1,138	100.0%	2,547	100.0%	1,409	123.8%

[Operating income]		Fiscal Year ended March 31, 2015		Fiscal Year ending March 31, 2016			
		Q1		Q1		Year-on-year	
		Actual	Profit margin (%)	Actual	Profit margin (%)	Change	Change (%)
(Unit: million yen)							
	Liquidation business	-	-	159	19.2%	159	-
	Condominium unit sales business	-23	-4.2%	144	12.5%	168	-
	Residential housing sales business	16	2.9%	-15	-2.8%	-32	-
	Other business	3	84.4%	3	59.4%	-0	-4.7%
	Elimination or corporate	-104	-	-113	-	-9	-
Operating income total		-107	-9.5%	178	7.0%	286	-

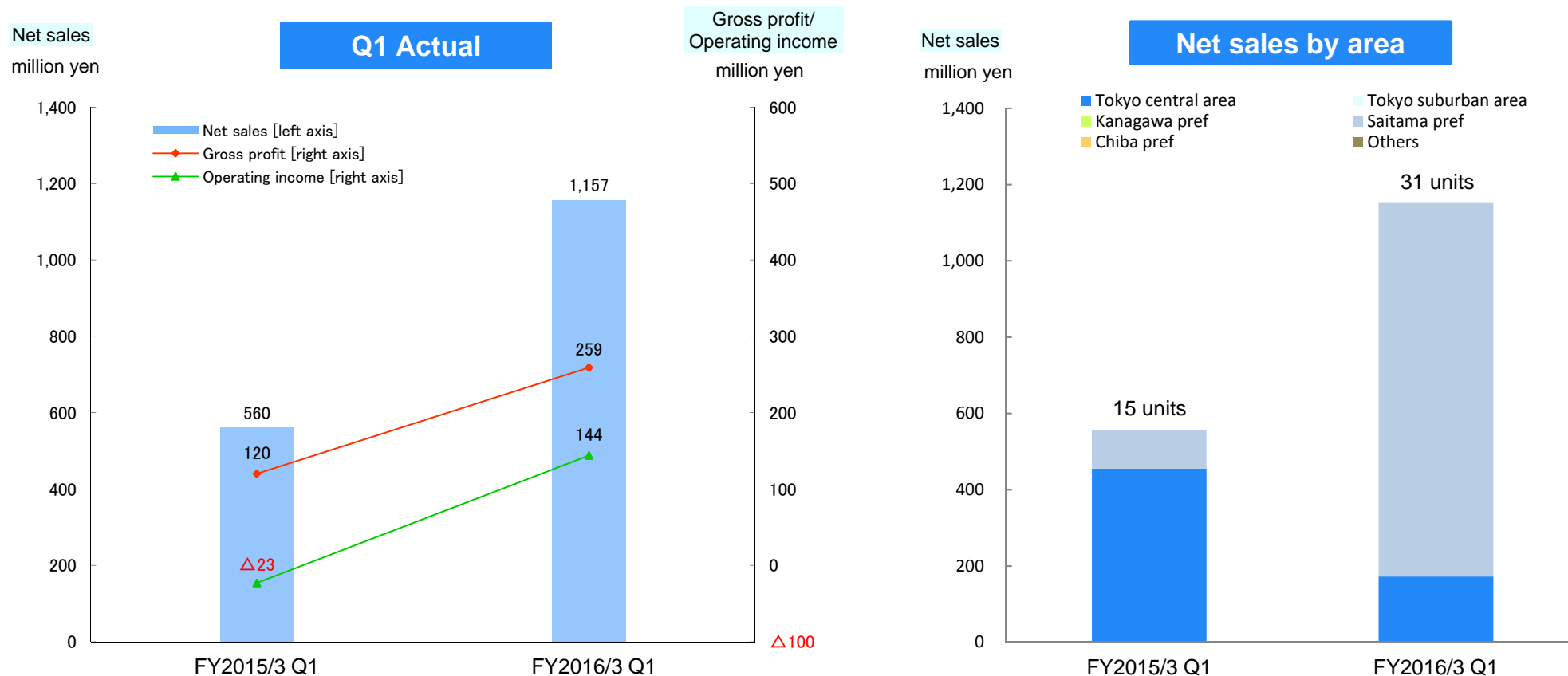
Situation of Liquidation Business

- ✓ Completed two deliveries of properties for development.
- ✓ Market-oriented deliveries of projects acquired high profit margin and operating profit of 159 million yen.
- ✓ Drastically increasing number of new purchase contracts for acquisition of land for development were made on a year-on-year basis.



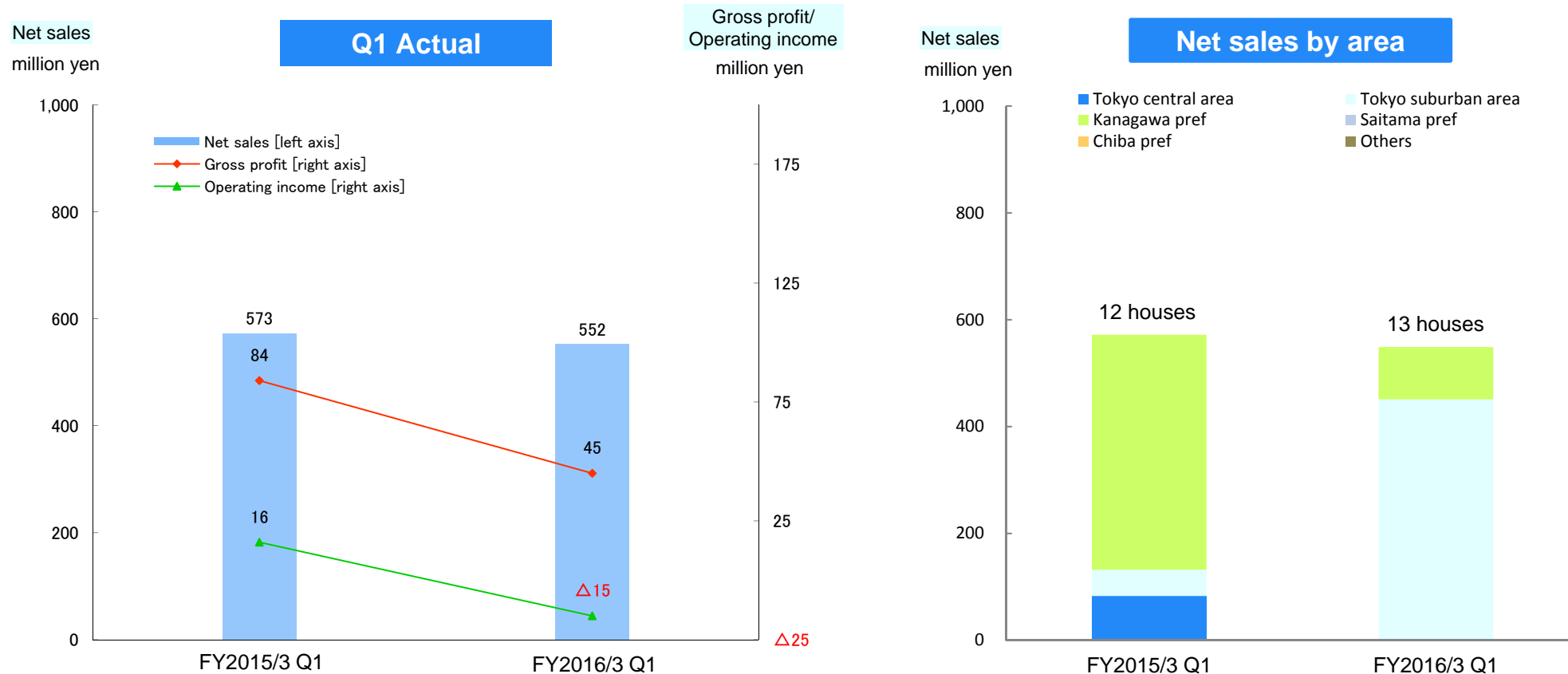
Situation of Condominium Unit Sales Business

- ✓ Completed delivery of 31 units (+16 units year-on-year) in Tokyo and Saitama area, and achieved sales of 1,157 million yen (up 106.4% year-on-year).
- ✓ Achieved a black figure ⇒ Suburban-area projects contributed to securing an desirable level of operating income of 144 million yen.



Situation of Residential Housing Sales Business

- ✓ Completed delivery of 13 houses (+1 house year-on-year) in Tokyo and Kanagawa area, and posted sales of 552 million yen (down 3.7% year-on-year).
- ✓ Despite the efforts of decreasing sales commission by getting away from consignment-sales model, resulted in operating loss of 15 million yen.



Investment Apartment Business (newly launched)

Utilizing the accumulated know-how for developing residential real-estate, newly launched "Investment Apartment Business"

Back Ground

- ✓ Management style focusing on cash flow needs development of business portfolio.
- ✓ Accumulated know-how on acquisition, building engineering, and sales can easily deploy the new business.
- ✓ Rethinking discarded real-estate information not suitable for our projects in the past.

Environment

Population growth and increasing number of single households in the Tokyo metropolitan area

Rising land price in the Tokyo metropolitan area

Demand for investment properties boosted by tax revisions

Expected huge demand for "Investment Apartment"

Revenue growth by providing good-location and high quality properties

Investment Apartment Business (projects in progress)

RENACOURT Nishi-Ojima

[Overview]

Location : Ojima 3-chome, Koto-ku, Tokyo Completion : January 2016 (schedule)

Access : 4 minutes' walk from Nishi-Ojima station on the Toei Shinjuku Line Total number of units : 8 units in block A
10 units in block B

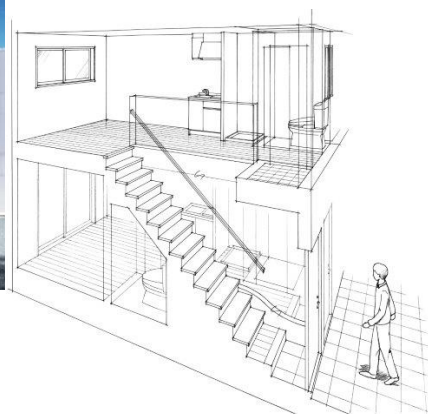
Structure : Two-story wooden townhouse

Point 1

2 stations and 2 lines are available.
Malls and public facilities are around.

Point 2

Navy and milky white colored stylish appearance targeting younger generation, creating a picture of the beginning of new urban-life.



RENACOURT Kunitachi Yagawa

[Overview]

Location : Yaho, Kunitachi shi, Tokyo Completion : Novemder 2015 (schedule)

Access : 4 minutes' walk from Yagawa station on the JR Nambu Line Total number of units : 8 units in block A
7 units in block B

Structure : Two-story wooden apartment

Point 1

Comfortable dwelling environment created by a harmonious combination of bustling downtown Tachikawa and restful townscape of Kunitachi and Yagawa. By way of the Tachikawa station, 30 minutes to get to the Shinjuku station.



RENACOURT Gotanno

[Overview]

Location : Adachi 4-chome, Adachi-ku, Tokyo Completion : January 2016 (schedule)

Access : 2 minutes' walk from Gotanno station on the Tobu Isesaki Line Total number of units : 10 units

Structure : Two-story wooden apartment

Point 1

2 minutes' walk from Gotanno station enable direct access to central Tokyo. With high quality and satisfying amenities.



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