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Stock Code : 8893

Presentation Material on Operating Performance during the First Quarter of the Fiscal Year ending March 31, 2017

August 5 (Friday), 2016
Shin-Nihon Tatemono Co., Ltd.

A large, light gray, stylized 'A' shape is centered on the page, serving as a background watermark. It has a textured, brush-like appearance at its base.

SHIN-NIHON TATEMONO CO., LTD.

Business environment topics

- In the residential real-estate market, sales price increase made first time buyer's motivation weak.
- Expanded loans for real estate and lower interest rate following introduction of negative interest rate boosted investment demand.
- Competition for land acquisition intensified.

Performance topics

- {B/S} Aggressive acquisition of profit making lands.
⇒ Steady increase of real-estate for sale in process.
- {P/L} Most of projects will be delivered in the later half of this fiscal year.
⇒ Sales and profit in the first quarter decreased on a year-on-year basis.

Management topics

- Expansion of business portfolio ⇒ Launch of new business, “Investment building business”
- Completion of purchase and retirement of 50% of class A preferred shares.
(07/29/16)

Balance Sheet

(Unit : million yen)	Fiscal Year ended March 31, 2016		Fiscal Year ending March 31, 2017	
	End of Q1	Year end	End of Q1	Change
Cash and deposits	2,382	2,745	2,384	-361
Real estate for sale	1,347	329	133	● -196
Real estate for sale in process	1,565	4,215	4,674	● 459
Others	86	322	388	66
Total current assets	5,381	7,612	7,580	-31
Total noncurrent assets	376	447	503	55
Total assets	5,757	8,059	8,083	23
Accounts payable for construction contracts	82	155	158	2
Loans payable (short-term loans payable and current portion of long-term loans payable)	1,971	2,266	2,623	● 357
Others	153	335	184	-151
Total current liabilities	2,207	2,757	2,966	209
Long-term loans payable	596	1,936	1,807	● -129
Others	83	97	92	-5
Total noncurrent liabilities	679	2,034	1,900	-134
Total liabilities	2,886	4,792	4,867	74
Capital stock	854	854	854	-
Capital surplus	40	40	40	-
Retained earnings	1,976	2,372	2,321	-50
Others	-0	-0	-0	-0
Total net assets	2,871	3,267	3,216	● -51
Total liabilities and net assets	5,757	8,059	8,083	23

● Details of real estate for sale

(Unit : million yen)	FY 16/3	FY 17/3 Q1	Change
Liquidation	-	-	-
Condominium unit sales	260	133	-127
Residential housing sales	68	0	-68
Total	329	133	-196

● Details of real estate for sale in process

(Unit : million yen)	FY 16/3	FY 17/3 Q1	Change
Liquidation	1,284	1,547	263
Condominium unit sales	1,629	1,896	266
Residential housing sales	1,300	1,230	-70
Total	4,215	4,674	459

● Details of interest-bearing debts

(Unit : million yen)	FY 16/3	FY 17/3 Q1	Change
Short-term	2,266	2,623	357
Long-term	1,936	1,807	-129
	4,203	4,431	228

● Equity

(Unit : million yen)	FY 16/3	FY 17/3 Q1	Change
Equity	3,267	3,216	-51

Profit and Loss Statements

(Unit: million yen)	Fiscal Year ended March 31, 2016		Fiscal Year ending March 31, 2017				
	Q1		Q1		Year-on-year		12months
	Actual	% of total	Actual	% of total	Change	Change (%)	Plan
Net sales	2,547	100.0%	1,247	100.0%	-1,300	-51.0%	11,900
Cost of sales	2,041	80.1%	● 1,026	82.3%	-1,014	-49.7%	-
Gross profit	505	19.9%	220	17.7%	-285	-56.5%	-
Selling, general and administrative expenses	327	12.9%	● 250	20.1%	-76	-23.5%	-
Operating income	178	7.0%	-30	-2.4%	-208	-	810
Non-operating income	2	0.1%	3	0.2%	0	28.5%	-
Non-operating expenses	25	1.0%	● 24	1.9%	-1	-6.4%	-
Ordinary income	155	6.1%	-50	-4.1%	-206	-	710
Extraordinary income	-	-	-	-	-	-	-
Extraordinary loss	-	-	-	-	-	-	-
Income before income taxes	155	6.1%	-50	-4.1%	-206	-	-
Income taxes	1	0.1%	0	0.0%	-1	-82.4%	-
Net income	154	6.0%	-50	-4.1%	-204	-	700

● Number of sales

	FY 16/3 Q1	FY 17/3 Q1	Change
Liquidation	2 properties	2 properties	0 property
Condominium unit sales	31 units	5 units	-26 units
Residential housing sales	13 houses	16 houses	3 houses

● Details of selling, general and administrative expenses

(Unit : million yen)	FY 16/3 Q1	FY 17/3 Q1	Change
Personnel expenses	116	127	10
Sales commission	25	7	-18
Advertising expenses	73	23	-49
Others	111	92	-19
Total	327	250	-76

● Details of non-operating expenses

(Unit : million yen)	FY 16/3 Q1	FY 17/3 Q1	Change
Interest expenses	25	23	-1
Others	0	0	0
Total	25	24	-1

Net Sales and Operating Income by Segment

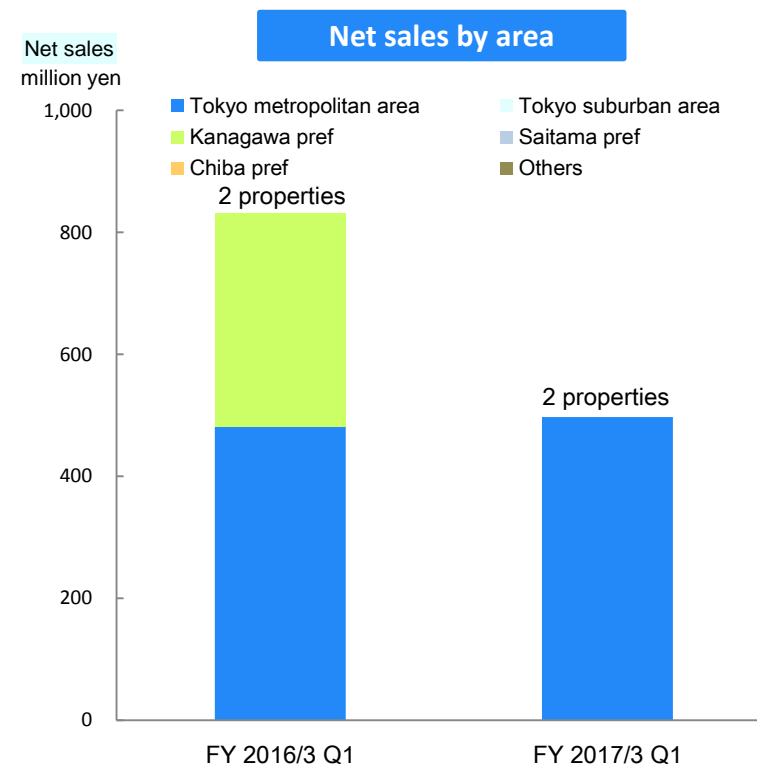
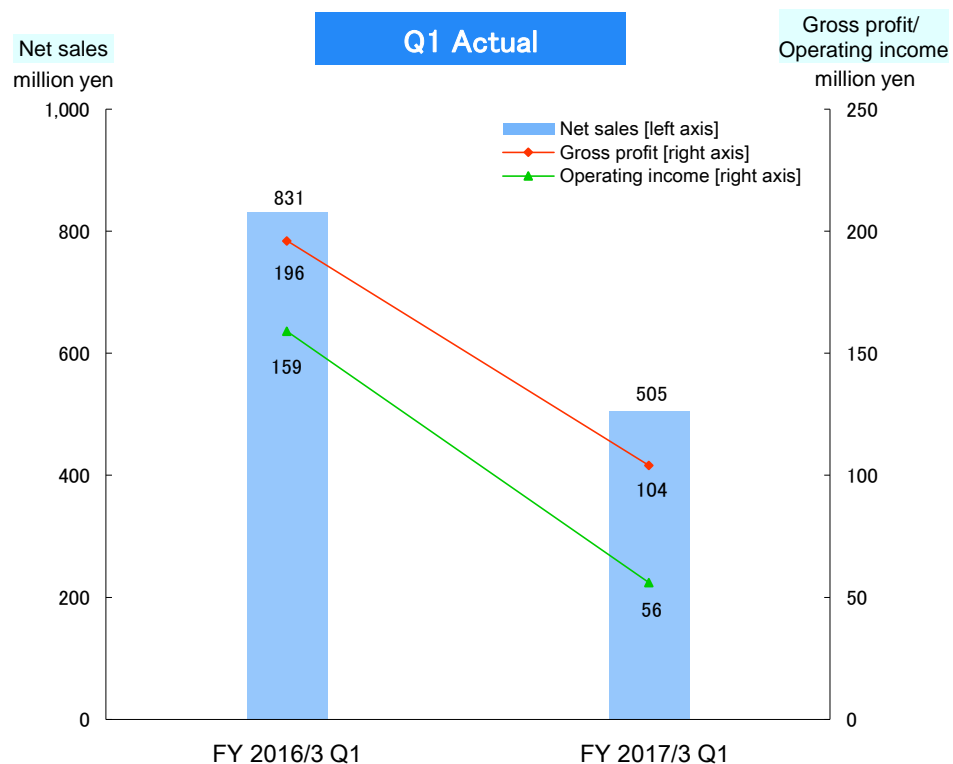
- ✓ In liquidation & condominium units sales business, sales and income declined due to the concentration of projects delivery in the later half of this fiscal year.
- ✓ Deliveries of land for residential housing contributed to the increase of sales and income.

【Net sales】 (Unit : million yen)		Fiscal Year ended March 31, 2016		Fiscal Year ending March 31, 2017			
		Q1		Q1		Year-on-year	
		Actual	% of total	Actual	% of total	Change	Change(%)
Liquidation business	831	32.7%	505	40.5%	-326	-39.2%	
Condominium unit sales business	1,157	45.4%	153	12.3%	-1,003	-86.7%	
Residential housing sales business	552	21.7%	583	46.8%	31	5.7%	
Other business	5	0.2%	4	0.4%	-1	-26.1%	
Elimination or corporate	-	-	-	-	-	-	
Net sales total	2,547	100.0%	1,247	100.0%	-1,300	-51.0%	

【Operating income】 (Unit : million yen)		Fiscal Year ended March 31, 2016		Fiscal Year ending March 31, 2017			
		Q1		Q1		Year-on-year	
		Actual	Profit margin (%)	Actual	Profit margin (%)	Change	Change (%)
Liquidation business	159	19.2%	56	11.1%	-103	-64.8%	
Condominium unit sales business	144	12.5%	-19	-13.0%	-164	-	
Residential housing sales business	-15	-2.8%	44	7.5%	59	-	
Other business	3	59.4%	3	84.0%	0	4.5%	
Elimination or corporate	-113	-	-114	-	-0	-	
Operating income total	178	7.0%	-30	-2.4%	-208	-	

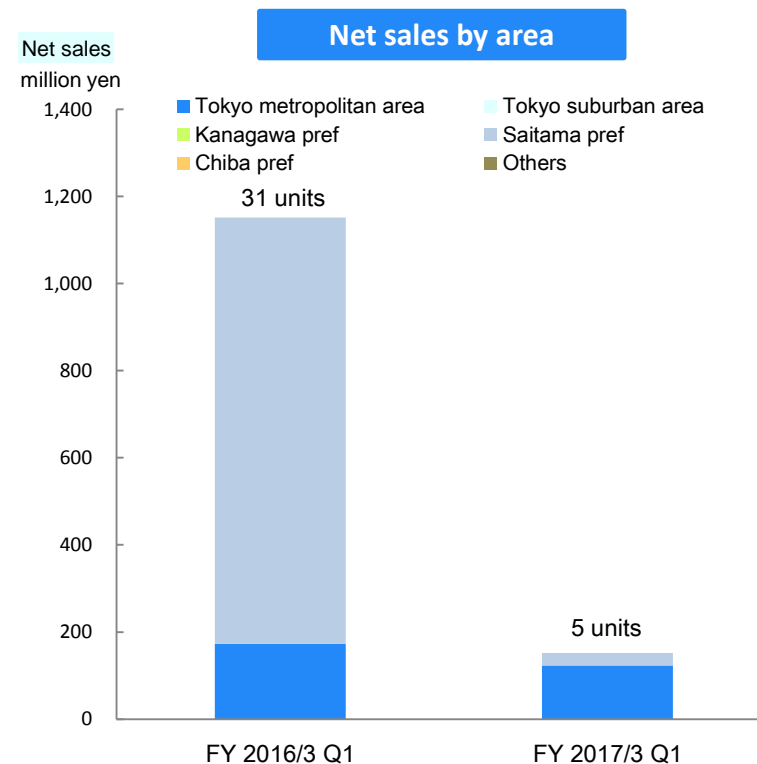
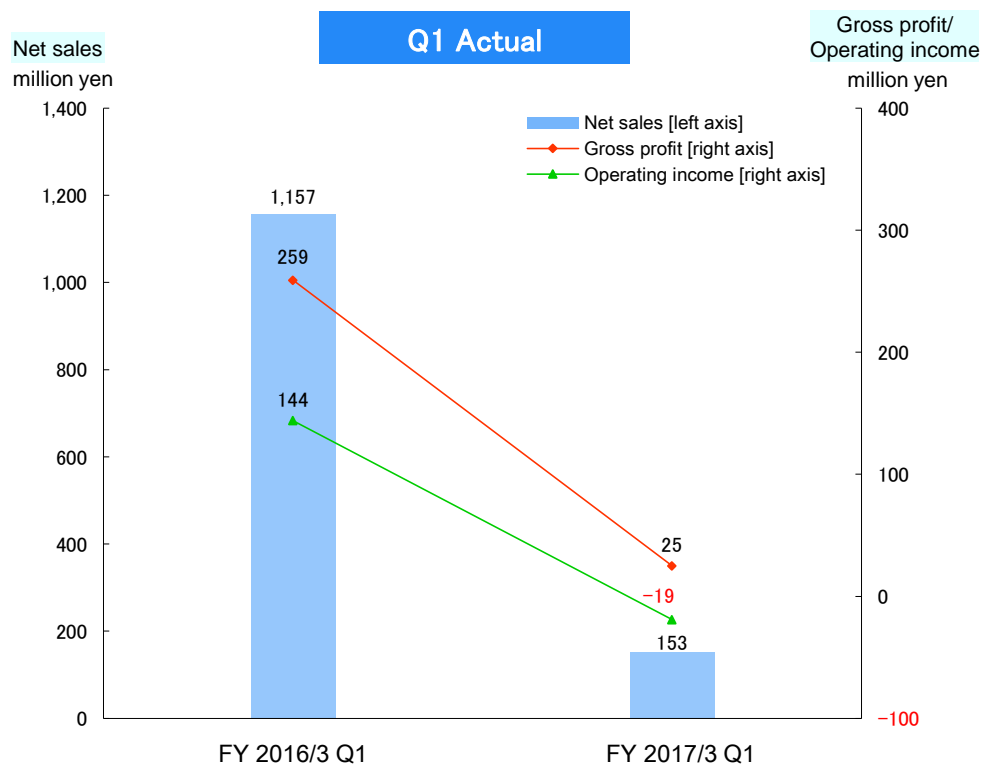
Situation of Liquidation Business

- ✓ Completed two deliveries of lands for development in Tokyo metropolitan area.
- ✓ With aggressive acquisition of new properties, 1.5 times acquisition contracts were made on a year-on-year basis.

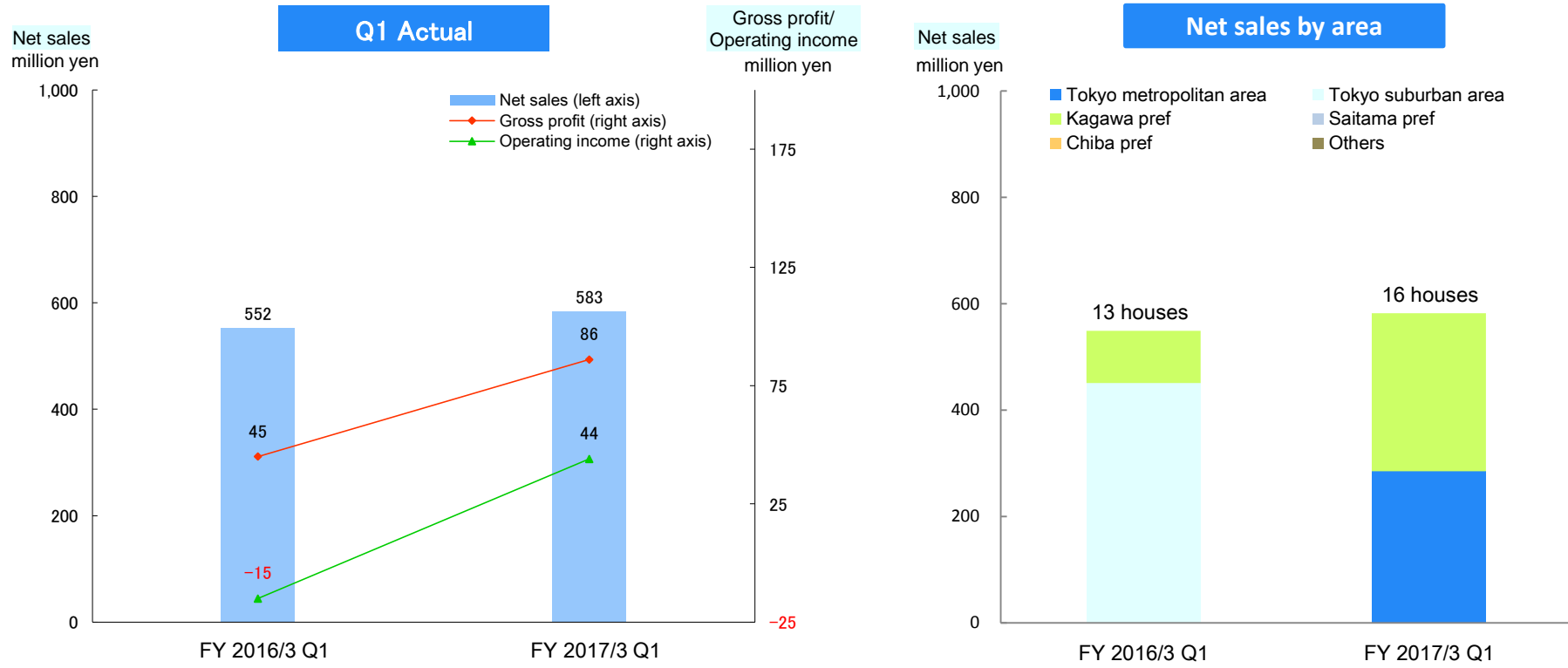


Situation of Condominium Unit Sales Business

- ✓ Sales and operating income declined due to the concentration of projects delivery in the later half of this fiscal year.
- ✓ Focusing on clearance of unsold properties minimized the decrease of gross profit. (6% decrease on a year-on-year basis)



- ✓ Completed delivery of 16 houses (+3 houses year-on-year), and posted sales of 583 million yen (up 5.7% year-on-year).
- ✓ Securing desirable level of operating income ⇒ 6.6% rise in gross profit.



Entering to “Investment building business” aiming at the expansion of business portfolio

Revitalizing less liquid properties to highly profitable investment products by renovation and leasing.
Selling to various types of investor utilizing our network.

- ✓ Know-how studied in “Investment condominium business” and “Investment apartment business” and recruiting experienced personnel enable us to make profit easily.

Acquisition of property

(Rental condominium, office building, commercial facilities)

Increasing the value of the property for high profitability by renovation and leasing in order to make a highly competitive property in the market.

Selling to investors, investment funds and end users.



*Photos are for illustrative purpose only

- ✓ Aggressively acquiring new properties, like Mitsukoshi-mae and Machida project.

Good start and expected sales in second quarter.

Projects in progress

RENAISSANCECOURT Kamata (Investment condominium)

【Overview】

Location : Shin-Kamata, 1-chome, Ota-ku, Tokyo
 Access : 10 minutes' walk from Kamata station on the JR Keihin Tohoku line
 9minutes' walk from Kamata station on the Tokyu Tamagawa and Ikegami line
 Total number of units : 26 units
 Structure : 8-story reinforced concrete structure
 Completion : End of November 2016 (Scheduled)

Point 1

10 minutes' walk from Kamata station with beautiful black colored appearance.

Point 2

High rental-demand area with commercial facilities around the station. Easy access to Haneda airport and the central area.



RENATOWN Seiseki-Sakuragaoka (Residence)

【Overview】

Location : Renkoji, 1-chome, Tama-shi, Tokyo
 Access : 13 minutes' by bus from Seiseki-Sakuragaoka station on the Keio line
 Total number of houses : 4 houses
 Completion : August 2016

Point 1

Located on a hill with fantastic view. Many parks around, people can enjoy changing seasons and nature.

Point 2

Plans for comfortable living with wide span and highly functional fixtures and equipment.



【For Inquiries】

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