

**Financial Results for the First Three Quarters of
Fiscal Year Ending March 31, 2012
(Based on Japanese GAAP)
(Translation of Japanese Flash Report, Released on February 8, 2012)**

Company name: Sun Frontier Fudousan Co., Ltd.

Stock listing: Tokyo Stock Exchange 1st Section

Code number: 8934

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

Address: 14F, Toho Hibiya Building, 2-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006

Representative: Tomoaki Horiguchi, President

Inquiry: Seiichi Saito, Senior Managing Director

(Phone: +81-3-5521-1301)

*Amounts under one million yen have been rounded down.

1. Consolidated Performance in First Three Quarters of Fiscal Year Ending March 31, 2012

(1) Operating results

*Percentage figures shown under sales, operating income, ordinary income, and net income columns indicate year-on-year changes for those items.

(Millions of yen, except for per share figures)

	Net Sales	Operating Income	Ordinary Income
3rd quarter of FY ending March 31, 2012	¥4,744 (58.3%)	¥467 (-5.0%)	¥419 (4.3%)
3rd quarter of FY ended March 31, 2011	¥2,997 (-67.2%)	¥491 (-%)	¥402 (-%)

	Net Income	Net Income per Share (Yen)	Fully Diluted Net Income per Share(Yen)
3rd quarter of FY ending March 31, 2012	¥386 (67.8%)	¥1,039.12	¥1,039.09
3rd quarter of FY ended March 31, 2011	¥230 (-%)	¥619.32	¥619.32

(2) Financial Position (at end of the term)

(Millions of yen, except for per share figures)

	Total Assets	Net Assets	Equity Ratio (%)
3rd quarter of FY ending March 31, 2012	¥11,121	¥5,921	53.2%
FY ended March 31, 2011	¥12,787	¥5,554	41.5%

Reference) Equity at term-end: 3rd quarter of FY ending March 31, 2012 (as of December 31, 2011): ¥5,921 million

FY ended March 31, 2011 (as of March 31, 2011): ¥5,535 million

2. Cash Dividends

(Yen)

	Cash Dividends per Share				
	1st quarter period	2nd quarter period	3rd quarter period	Year end	Annual total
FY ended March 31, 2011	-	¥0.00	-	¥0.00	¥0.00
FY ending March 31, 2012	-	¥0.00	-		
FY ending March 31, 2012 (Projections)				¥350.00	¥350.00

Note: There were revisions to forecast dividends during the quarter.

3. Projections for Consolidated Performance in the Fiscal Year Ending March 31, 2012

(From April 1, 2011 to March 31, 2012) *Percentage figures are indicated year-on year changes for those items.

(Millions of yen, except for per share figures)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
FY ending March 31, 2012	¥6,300 (46.9%)	¥500 (-24.5%)	¥440 (-18.8%)	¥400 (10.1%)	¥1,076.73

Note: There were no revisions to consolidated earnings forecasts.

4. Other

(1) Significant changes in scope of consolidation during the period (change of specified subsidiaries that lead to a change in the scope of consolidation): None

New Companies: -- Company (Company Name)

Excluded Companies: -- Company (Company Name)

(2) Application of accounting methods which are exceptional for quarterly consolidated financial statement: None

(3) Changes in accounting policies, accounting estimates and restatement of corrections

1) Changes caused by revision of accounting standards: None

2) Changes other than those included in 1): None

3) Changes in accounting estimates: None

4) Restatement of corrections: None

(4) Number of shares issued and outstanding (common shares)

1) Number of shares issued and outstanding at the end of the period (including treasury stock):

December 2011: 371,495 shares March 2011: 371,495 shares

2) Number of treasury stock at the end of period:

December 2011: — shares March 2011: — shares

3) Weighted average number of shares for the first quarter period (April 1 – December 31):

December 2011: 371,495 shares December 2010: 371,495 shares

※Disclosure concerning status of implementation of quarterly review procedure

This quarterly financial results report is exempt from the quarterly review procedure based on the Financial Instruments and Exchange Law. At the time of disclosure of this quarterly financial results report, such review procedure for quarterly reports based on the Financial Instruments and Exchange Law had been under development.

※Appropriate use of projections for performance, other notes

The projections for performance in this report contain forward-looking statements based on information available to the Company at the date of publication, and on certain set assumptions that have been deemed reasonable. Actual earnings may vary greatly in accordance with a wide range of factors. Refer to Item 3, "Qualitative information on consolidated earnings forecasts" under "Qualitative information/financial statements" on page 5.

1. Qualitative information concerning consolidated business performance for the quarter under review

(1) Qualitative information on consolidated operating results

During the third quarter, although the Japanese economy is still suffering from the impact of the Great East Japan Earthquake, there are signs of gradual recovery such as improvement in consumption and production from rebuilding the supply chain. However, with fears of an economic downturn overseas from the European debt crisis, and the concurrent rapid appreciation of the yen, the future of the economy remains unclear.

In the real estate industry, vacancy rates hovered at a high level and rent continues a downward trend, so the state of the office rental market in central Tokyo remains severe. On the other hand, the real estate investment market is showing signs of gradual recovery, as investment needs of the wealthy are beginning to appear for real estate in central Tokyo.

Under these circumstances, the Sun Frontier Fudousan Group has evolved our business to focus on offices and retail buildings in central Tokyo, which compose the middle to downstream business areas in the real estate industry including property management, sales brokerage, and leasing brokerage. The brokerage and property management business needs to be expanded steadily with a long-term view, and while increasing the amount of assets under contract in the property management business, we have placed our efforts on generating business opportunities through incorporating sales, construction, and revitalization needs derived from transactions in the leasing brokerage. On the other hand, in the real estate revitalization business, we focused on acquisition/sales activities in the market for mid- to small-size properties of several hundred million yen worth with high liquidity.

As a result, our operating results for the first three quarters of the fiscal year ending March 2012 were as follows: sales of ¥4,744 million (up by 58.3% from the same period of the previous fiscal year), operating income of ¥467 million (down by 5.0%), and ordinary income of ¥419 million (up by 4.3%). Net income was ¥386 million (up by 67.8%).

Business performance by segment is as follows.

Real Estate Revitalization

In our replanning business, we focused on property acquisition and sales activities, while carefully ascertaining the real estate market trend. We carefully examined properties located in the five wards in Tokyo, the group's strongest area, mainly as short-term projects and purchased seven properties. By making various improvements to the commodification process including invitation of tenants and renovations, a rapid revitalization with high turnover rate was achieved, and five properties were sold.

For the building rental business, in order to switch to rental buildings competitive in the mid- to long-term and increase capital for purchasing new replanning properties, four rental buildings were sold in May (one rental building was purchased in the same month), therefore rental income decreased compared to the same period of the previous fiscal year.

As a result of the above activities, sales were ¥3,283 million (up by 90.9% from the same period of the previous fiscal year) and segment income was ¥611 million (down by 7.1%).

Real Estate Brokerage

In our sales brokerage business, we continued to strengthen our customer base through efforts such as expanding trade opportunities with foreign investors, with Asia as our main focus. Because potential needs in urban real estate that centered on the wealthy has been strong, self-use demand from corporations has been materializing, and a partial improvement of the disparity in price levels between selling and buying prices has been seen, there is an upward trend in the number of contracts concluded through the sales brokerage.

In the leasing brokerage business, we endeavored to increase fee income by continued strengthening of brokerage sales efforts, through the "as-is office," cooperation with related projects such as supporting a comprehensive office relocation, and including peripheral business. As a result of the above activities, sales were ¥770 million (up by 13.2% from the same period of the previous fiscal year) and segment income was ¥639 million (up by 7.9%).

Property Management

In the property management business, we worked to expand assets under contract in order to create business opportunities including sales brokerage, construction, and revitalization by focusing on the needs of consignors. Further, we have focused on creating new business opportunities by actively proposing renewal plans that aim to increase the added value of properties under contract, while we made an effort to prevent vacancies through close tenant support.

As a result of the above activities, sales were ¥334 million (up by 12.9% from the same period of the previous fiscal year) and segment income was ¥245 million (up by 12.3%).

Other Businesses

In the construction planning business, performance of the “Total Relocation Services,” a project that aims to solve the various issues that arise when relocating offices, such as layout proposals, interior contracting and restoration work, has remained steady.

Additionally the delinquent rent guarantee business has also remained stably due to the desire of building owners to avoid rent delinquency and tenants wanting to lower the risk of entrusting guarantee money and security deposits under the sluggish economy.

As a result of the above activities, sales were ¥356 million (up by 18.2% from the same period of the previous fiscal year) and segment income was ¥168 million (up by 36.3%).

(2) Qualitative information on consolidated financial position

Total assets at the end of the third quarter were ¥11,121 million (down by 13.0% from end of previous consolidated fiscal year) and liabilities were ¥5,200 million (down by 28.1%). The decrease in total assets was mainly due to a decrease in property, plant and equipment of ¥4,112 million, despite an increase in cash and deposits of ¥2,016 million and an increase in inventories of ¥534 million. The decrease in liabilities was mainly due to a decrease in short-term loans payable of ¥600 million and a decrease in long-term loans payable of ¥1,657 million, despite an increase in current portion of long-term loans payable of ¥326 million.

Net assets were ¥5,921 million (up by 6.6%). The main reason for the increase in net assets was the net income of ¥386 million. As a result, the equity ratio changed to 53.2%.

(3) Qualitative information on consolidated earnings forecasts

No revisions have been made to the consolidated earnings forecast for the year ending March 2012 that were announced on November 10, 2011.

2. Consolidated Financial Statements

*Amounts under one thousand yen have been rounded down.

(1) Quarterly Consolidated Balance Sheets

(¥ thousand)

	FY ended March 31, 2011 (as of March 31, 2011)	End of 3Q of FY ending March 31, 2012 (as of December 31, 2011)
ASSETS		
Current assets		
Cash and deposits	2,115,547	4,131,820
Accounts receivable-trade	147,498	183,255
Real estate for sale	787,243	352,979
Real estate for sale in process	1,015,584	1,984,993
Supplies	600	
Other	191,352	180,287
Allowance for doubtful accounts	(6,583)	(12,088)
Total current assets	4,251,244	6,821,248
Noncurrent assets		
Property, plant and equipment		
Buildings, net	4,697,732	1,904,293
Vehicles, net	2,650	1,839
Land	3,192,919	1,935,984
Construction in progress	62,500	
Other, net	9,804	10,780
Total property, plant and equipment	7,965,607	3,852,897
Intangible assets		
Other	46,180	32,808
Total intangible assets	46,180	32,808
Investments and other assets		
Other	530,792	422,809
Allowance for doubtful accounts	(6,351)	(8,184)
Total investments and other assets	524,440	414,625
Total noncurrent assets	8,536,228	4,300,332
Total assets	12,787,473	11,121,580

(¥ thousand)

	FY ended March 31, 2011 (as of March 31, 2011)	End of 3Q of FY ending March 31, 2012 (as of December 31, 2011)
ASSETS		
Current assets		
Cash and deposits	2,115,547	4,131,820
Accounts receivable-trade	147,498	183,255
Real estate for sale	787,243	352,979
Real estate for sale in process	1,015,584	1,984,993
Supplies	600	
Other	191,352	180,287
Allowance for doubtful accounts	(6,583)	(12,088)
Total current assets	4,251,244	6,821,248
Noncurrent assets		
Property, plant and equipment		
Buildings, net	4,697,732	1,904,293
Vehicles, net	2,650	1,839
Land	3,192,919	1,935,984
Construction in progress	62,500	
Other, net	9,804	10,780
Total property, plant and equipment	7,965,607	3,852,897
Intangible assets		
Other	46,180	32,808
Total intangible assets	46,180	32,808
Investments and other assets		
Other	530,792	422,809
Allowance for doubtful accounts	(6,351)	(8,184)
Total investments and other assets	524,440	414,625
Total noncurrent assets	8,536,228	4,300,332
Total assets	12,787,473	11,121,580

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of comprehensive income

Quarterly Consolidated Statements of Income

(¥ thousand)

	From 1Q to3Q of FY ended March 31, 2011 (April 1– December 31, 2010)	From 1Q to3Q of FY ending March 31, 2012 (April 1– December 31, 2011)
Sales	2,997,561	4,744,737
Cost of sales	1,294,544	3,007,997
Gross profit	1,703,016	1,736,739
Selling, general and administrative expenses	1,211,178	1,269,635
Operating income	491,837	467,104
Non-operating income		
Interest income	1,145	907
Dividends income	343	331
Compensation income	—	4,200
Liquidated Damages Income	1,587	—
Interest on refund	21	2,236
Other	1,729	2,811
Total non-operating income	4,827	10,486
Non-operating expenses		
Interest expenses	93,323	49,141
Other	693	8,585
Total non-operating expenses	94,017	57,727
Ordinary income	402,648	419,863
Extraordinary income		
Gain on reversal of subscription rights to shares	—	18,893
Reversal of allowance for doubtful accounts	3,634	—
Reversal of construction warranty reserve	3,220	—
Other	1,221	2,702
Total extraordinary income	8,075	21,595
Extraordinary loss		
Loss on derivatives cancellation	—	41,510
Litigation settlement	155,000	—
Other	6,053	1,596
Total extraordinary losses	161,053	43,107
Income before income taxes and minority interests	249,670	398,352
Income taxes-current	19,578	11,947
Income taxes-deferred	—	373
Total income taxes	19,578	12,320
Income before minority interests	230,092	386,031
Net income	230,092	386,031

Quarterly Consolidated Statements of comprehensive income

(¥ thousand)

	From 1Q to3Q of FY ended March 31, 2011 (April 1– December 31, 2010)	From 1Q to3Q of FY ending March 31, 2012 (April 1– December 31, 2011)
Income before minority interests	230,092	386,031
Other comprehensive income		
Valuation difference on available-for-sale securities	99	(638)
Total other comprehensive income	99	(638)
Comprehensive income	230,191	385,392
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	230,191	385,392

(4) Important Subsequent Events

3rd Quarter of FY Ending March 31, 2012
(from September 1, 2011 to December 31, 2011)

(Acquisition of Companies by Purchasing Stocks)

At the board of directors' meeting held on December 27, 2011, the decision was made to acquire stock in Yubi Co., Ltd. and turn it into a subsidiary. The agreement to transfer stock was made on the same day, and all shares were acquired on January 6, 2012.

1. Purpose in Acquiring Stock

By making Yubi Co., Ltd. into a subsidiary, we can expect a synergistic effect with existing businesses, particularly property management. Also, by bringing in a building maintenance business with its close relation to real estate operations, we can improve our overall building management capability, because one of our goals is to increase our capabilities and services available for building management. It also increases competitiveness within the real estate services sector as a whole.

2. Name of Company Stocks Acquired From

Diamond Facility Co., Ltd.

3. Name, Operations, and Scale of Company Acquired

(1) Name Yubi Co., Ltd.

(2) Business Operations All activities related to maintenance of buildings

Equipment work and maintenance and inspection of facilities inside buildings

Designing, overseeing, carrying out and maintaining building construction

(3) Scale Capital ¥20,000 thousand (As of May 31, 2011)

Total Assets ¥460,398 thousand (As of May 31, 2011)

Sales ¥1,025,059 thousand (May, 2011)

4. Date Stocks Acquired

January 6, 2012

5. Number of Stocks Acquired, Acquisition Price and Percentage of Share Ownership After Acquisition

(1) Number of Shares Acquired 40,000

(2) Acquisition Price ¥510,000 thousand

(3) Ownership Percentage After Acquisition 100%

6. How Payment Funds were Acquired

Funds on hand