

**Consolidated Financial Results for Third Quarter of Fiscal 2006,  
from April 1 to December 31, 2005  
(Translation of Japanese Flash Report, Released on February 1, 2006)**

Company name: Sun Frontier Fudousan Co., Ltd.

Stock listing: Tokyo Stock Exchange (JASDAQ)

Code number: 8934

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

Address: 13F, Toho Hibiya Building, 2-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006

Representative: Tomoaki Horiguchi, President

Inquiry: Seiichi Saito, General Manager of Administration Division

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

**1. Performance in Third Quarter of Fiscal 2006 (from April 1 to December 31, 2005)**

\*The period under review marked the beginning of consolidated reporting for the Company, so we have not posted year-on-year comparisons in our consolidated statements.

\* The Company made a one-for-four stock split as of May 20, 2005.

(1) Results

(Millions of yen, except for per share figures)

	Net Sales	Operating Income	Ordinary Income
Third Quarter of Fiscal	¥11,615 (82.0%)	¥2,397 (100.0%)	¥2,179 (103.2%)
Third Quarter of Fiscal	- ( -)	- ( -)	- ( -)
Fiscal 2005	- ( -)	- ( -)	- ( -)

	Net Income	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Third Quarter of Fiscal	¥1,229 (96.4%)	¥13,830.63	¥13,706.67
Third Quarter of Fiscal	- ( -)	- ( -)	- ( -)
Fiscal 2005	- ( -)	- ( -)	- ( -)

Notes: 1. Weighted average number of shares outstanding

Third Quarter of Fiscal 2006: 88,896

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

## (2) Financial Position

(Millions of yen, except for per share figures)

	Total Assets	Shareholders' Equity	Equity Ratio (%)	Shareholders' Equity per Share (Yen)
Third Quarter of Fiscal	¥22,745	¥9,128	40.1%	¥94,139.97
Third Quarter of Fiscal	-	-	-	-
Fiscal 2005	-	-	-	-

Notes: Number of shares issued and outstanding at end of the period  
Third Quarter of Fiscal 2006: 96,966

## (3) Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Year-End
Third Quarter of Fiscal	¥(7,662)	¥358	¥9,058	¥3,218
Third Quarter of Fiscal	-	-	-	-
Fiscal 2005	-	-	-	-

## 2. Projections for Fiscal 2006 (from April 1 to March 31, 2006)

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Fiscal 2006	¥16,500	¥3,400	¥1,760

Reference: Projected net income per share (full year): ¥18,150.69

Note: The projections in this material reflect management's judgment at the time of compilation. The company does not guarantee or pledge the accuracy or completeness of this information, which it may alter at any time without notice.

### 3. Summarized Quarterly Consolidated Financial Statements

#### (1) Summarized Quarterly Consolidated Balance Sheets

(¥ Thousand)

Items	Period	Third Quarter of Fiscal 2006 (as of December 31, 2005)	
		Amount	Share of Total (%)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and bank deposits		4,304,053	
Accounts receivable - trade		208,765	
Inventories		13,373,271	
Other current assets		848,682	
Allowance for doubtful accounts		( 2,933)	
<b>Total Current Assets</b>		<b>18,731,839</b>	<b>82.4</b>
<b>Fixed Assets</b>			
<b>Property and Equipment</b>			
Buildings		1,571,434	
Land		1,963,835	
Other		32,855	
<b>Total Property and Equipment</b>		<b>3,568,124</b>	<b>15.7</b>
<b>Intangible Fixed Assets</b>		<b>24,016</b>	<b>0.1</b>
<b>Investments and Other Assets</b>		<b>423,364</b>	
Allowance for doubtful accounts		( 2,013)	
<b>Total Investments and Other Assets</b>		<b>421,350</b>	<b>1.8</b>
<b>Total Fixed Assets</b>		<b>4,013,492</b>	<b>17.6</b>
<b>Total Assets</b>		<b><u>22,745,332</u></b>	<b><u>100.0</u></b>

(¥ Thousand)

Items	Period	Third Quarter of Fiscal 2006 (as of December 31, 2005)	
		Amount	Share of Total (%)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable - trade		97,153	
Short-term borrowings		5,987,000	
Current portion of bonds		328,000	
Current portion of long-term debts		924,800	
Income taxes payable		618,789	
Accrued bonuses for employees		11,601	
Construction warranty reserve		62,400	
Other current liabilities		407,709	
<b>Total Current Liabilities</b>		<b>8,437,454</b>	<b>37.1</b>
<b>Long-term Liabilities</b>			
Corporate bond		1,308,000	
Long-term debt		3,217,660	
Reserve for directors' retirement benefits		73,363	
Other long-term liabilities		580,477	
<b>Total Long-term Liabilities</b>		<b>5,179,501</b>	<b>22.8</b>
<b>Total Liabilities</b>		<b>13,616,955</b>	<b>59.9</b>
<b>Shareholders' Equity</b>			
Common stock		3,050,911	5.6
Additional paid-in capital		3,112,248	7.1
Retained earnings		2,963,900	11.1
Net unrealized holding gain on securities		1,316	-
<b>Total Shareholders' Equity</b>		<b>9,128,377</b>	<b>40.1</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>22,745,332</b>	<b>100.0</b>

**(2) Summarized Quarterly Consolidated Statements of Income**

(¥ Thousand)

Items	Period	Third Quarter of Fiscal 2006 (April 1– December 31, 2005)	
		Amount	Share of Total (%)
<b>Net Sales</b>		<b>11,615,030</b>	<b>100.0</b>
<b>Cost of Sales</b>		7,751,650	66.7
Gross Profit		3,863,380	33.3
<b>Selling, General and Administrative Expenses</b>		1,466,115	12.7
<b>Operating Income</b>		<b>2,397,264</b>	<b>20.6</b>
<b>Other Income</b>		1,733	0.0
<b>Other Expenses</b>		219,046	1.8
<b>Ordinary Income</b>		<b>2,179,952</b>	<b>18.8</b>
<b>Extraordinary Gains</b>		-	-
<b>Extraordinary Losses</b>		25,675	0.3
Income before Income Taxes		<b>2,154,276</b>	<b>18.5</b>
Income taxes		924,788	7.9
<b>Net Income</b>		<b><u>1,229,488</u></b>	<b>10.6</b>

### (3) Summarized Quarterly Consolidated Statements of Cash Flows

(¥ Thousand)

Items	Period	Third Quarter of Fiscal 2006 (April 1– December 31, 2005)
		Amount
<b>Cash Flows from Operating Activities</b>		
Income before income taxes		2,154,276
Depreciation and amortization		166,643
Allowance for doubtful accounts		1,375
Accrued bonuses for employees		(23,944)
Reserve for directors' retirement benefits		11,176
Construction warranty reserve		49,300
Interest and dividend income		(706)
Interest expense		131,994
Common stock issuance cost		35,698
Bonds issuance cost		22,716
Accounts receivable - trade		(125,302)
Inventories		(8,601,145)
Advances paid		(120,000)
Accounts payable-trade		(251,951)
Consumption tax payable		81,363
Consumption tax receivable		(247,309)
Security deposits received		37,061
Payment for directors' and statutory auditors' bonuses		(12,000)
Others, net		1,503
Sub total		(6,692,257)
Interest and dividend received		2,962
Interest paid		(138,039)
Income tax paid		(834,785)
<b>Net Cash Used in Operating Activities</b>		<b>(7,662,120)</b>
<b>Cash Flows from Investing Activities</b>		
Payments for time deposits		(860,084)
Proceed from time deposits		1,342,159
Purchases of property and equipment		(88,376)
Payments for security deposits		(91,970)
Proceed from security deposits		75,742
Others, net		(18,606)
<b>Net Cash Provided by Investing Activities</b>		<b>358,864</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from short-term borrowings		1,968,000
Proceeds from long-term borrowings		2,500,000
Repayments of long-term borrowings		(965,100)
Proceeds from issuance of bonds		733,284
Payments for redemption of bonds		(220,000)
Proceeds from issuance of common stock		5,083,812
Dividends paid		(41,827)
<b>Net Cash Provided by Financing Activities</b>		<b>9,058,168</b>
<b>Increase in Cash and Cash Equivalents</b>		<b>1,754,912</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>1,463,913</b>
<b>Cash and cash equivalents at end of the period</b>		<b>3,218,826</b>