



May 22, 2006

Company name: Sun Frontier Fudousan Co., Ltd.

Stock listing: JASDAQ

Code number: 8934

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Sun Frontier Fudousan Co., Ltd., Announces Partial Amendment of Articles of Incorporation

Sun Frontier Fudousan Co., Ltd., has announced that the board of directors meeting held on May 22, 2006 resolved to submit “partial amendment of the Articles of Incorporation” to the 7th ordinary general meeting of shareholders scheduled to be held on June 22, 2006.

1. Reasons for amendment

- (1) The Company will add a new business objective to Article 2 of the Articles of Incorporation to provide for its future business expansion.
- (2) The Company will make the following amendments regarding matters that may be provided for in the Articles of Incorporation accompanying the enforcement of the Corporation Law (Law No. 86 of 2005), the Law Concerning Adjustment of Related Laws, Etc., Accompanying the Enforcement of the Corporation Law (Law No. 87 of 2005) and the Ministry of Justice Ordinance on May 1, 2006.
 - (a) The Company shall establish a new provision in order to clarify the organs it shall set up. (Proposed amendment of Articles of Incorporation, Article 4)
 - (b) The Company shall establish a new provision in order to clearly state that it shall issue share certificates. (Proposed amendment of Articles of Incorporation, Article 7)
 - (c) The Company shall establish a new provision to accompany the disclosure of the reference materials for a general meeting of shareholders on the Internet being deemed as the provision of materials to shareholders in order to rationalize the procedures for convening a general meeting of shareholders and reduce expenses as well as to enhance the provision of information to shareholders. (Proposed amendment of Articles of Incorporation, Article 14)
 - (d) The Company shall amend the Articles of Incorporation to accompany the recognition of provisions for the number of proxies when exercising proxy voting rights. (Proposed amendment of Articles of Incorporation, Article 16, paragraph 1)



- (e) The Company shall establish a new provision allowing written decisions by the board of directors to enable the board of directors to operate flexibly accompanying the recognition of written decisions by boards of directors. (Proposed amendment of Article of Incorporation, Article 24, paragraph 2)
- (f) The Company shall establish a new provision that allows it to conclude an agreement on the limitation of liabilities with outside auditors to facilitate the employment of suitable personnel as outside auditors and to allow them to play their anticipated role fully. (Proposed Amendment of Articles of Incorporation, Article 35, paragraph 2)
- (g) The Company shall replace the texts and terminology used under the former Commercial Code with those used in the Corporation Law, and simultaneously modify some expressions and phrasing.
- (h) In addition to this, accompanying the enforcement of the Corporation Law, the Company shall clarify provisions regarding matters deemed to be provided for in the Articles of Incorporation, modify phrases and wording to match the provisions in the Corporation Law, change the number of articles, and make the necessary overall modifications.

Note: The provisions of Article 27 (Exemption of directors from liability) and paragraph 1, Article 35 (Exemption of auditors from liability) in the proposed amendment of the Articles of Incorporation include the objective of allowing the reduction of liability with regard to the actions of directors and auditors before the amendment of the Articles of Incorporation based on the Articles of Incorporation after amendment.

- (3) The Company recorded paid-in capital of at least 500 million yen on its balance sheets for the most recent fiscal year (as of March 31, 2006), making it a “large company” (Corporation Law, Article 2, sub-paragraph 6, item a.) Therefore, it will establish a provision relating to the board of auditors in the Articles of Incorporation and simultaneously make the necessary modification, including changing the number of auditors from “not more than two” to “not more than four.” (Proposed amendment of Articles of Incorporation, Articles 28 – 36)
- (4) In addition to this, the Company shall make the necessary changes to the number of articles accompanying the establishment of new provisions and deletions as well as adjusting some of the phrasing.

2. Schedule

Date of general meeting of shareholders for amending the Articles of Incorporation: June 22, 2006

Effective date for amendments to Articles of Incorporation: June 22, 2006