



**Non-consolidated Financial Results for First Half of Fiscal 2007,
Ended September 30, 2006**
(Translation of Japanese Flash Report, Released on November 7, 2006)

Company name: Sun Frontier Fudousan Co., Ltd.

Stock listing: 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: Seichi Saito, Director and General Manager of Administration Division

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

1. Consolidated Performance in First Half of Fiscal 2007 (from April 1 to September 30, 2006)

(1) Operating results

(Millions of yen, except for per share figures)

	Net Sales	Operating Income	Ordinary Income
1st Half of Fiscal 2007	¥10,114 (32.9%)	¥2,504 (95.3%)	¥2,426 (112.9%)
1st Half of Fiscal 2006	7,607 (105.4%)	1,281 (60.2%)	1,139 (54.7%)
Fiscal 2006	16,525	3,756	3,587

	Net Income	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
1st Half of Fiscal 2007	¥1,212 (84.9%)	¥3,939.23	¥3,910.11
1st Half of Fiscal 2006	655 (51.1%)	7,716.24	7,644.45
Fiscal 2006	1,890	20,520.41	20,339.14

Notes: 1. Weighted average number of shares outstanding

First half of fiscal 2007: 307,766

First half of fiscal 2006: 84,977

Fiscal 2006: 90,886

2. Changes in accounting methods: No

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

4. The Company executed 3-for-1 stock split on April 1, 2006.

(2) Financial Position

(Millions of yen, except for per share figures)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
1st Half of Fiscal 2007	¥28,121	¥19,233	68.4%	¥58,064.48
1st Half of Fiscal 2006	18,171	7,783	42.8%	81,922.19
Fiscal 2006	20,042	9,789	48.8%	100,700.82

Notes: 1. Number of shares issued and outstanding at end of the period

First half of fiscal 2007: 331,243

First half of fiscal 2006: 95,016

Fiscal 2006: 96,966

2. Projections for Fiscal 2007 (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Fiscal 2007	¥17,200	¥3,150	¥2,050

Reference: Projected net income per share (for the year): ¥6,188.81

3. Cash Dividends

(Yen)

	Cash Dividends per Share		
	Interim period	Year end	Total
Fiscal 2006	¥ -	¥1,000.00	¥1,000.00
Fiscal 2007 (Results)	-	-	¥1,000.00
Fiscal 2007 (Projections)	-	1,000.00	

The Projections above has been made based on information obtainable on the date of release of these materials, and based on assumptions about uncertain elements that could impact future earnings, that were reasonable on the release date. Actual earnings could be greatly affected by various factors in the future.

4. Summarized Interim Non-consolidated Financial Statements

(1) Summarized Interim Non-consolidated Balance Sheets

(¥ thousand)

Items	First Half of Fiscal 2006 (as of September 30, 2005)		First Half of Fiscal 2007 (as of September 30, 2006)		Increase/ Decrease Amount	Fiscal 2006 (as of March 31, 2006)	
	Amount	Share of Total (%)	Amount	Share of Total (%)		Amount	Share of Total (%)
ASSETS							
Current Assets							
Cash and bank deposits	6,477,416		11,007,401			5,347,283	
Accounts receivable - trade	180,194		137,480			171,013	
Inventories	5,868,968		7,088,281			5,823,880	
Short-term loans to affiliates	-		4,300,000			-	
Other current assets	455,630		522,401			828,520	
Allowance for doubtful accounts	(3,938)		(702)			(2,074)	
Total Current Assets	12,978,271	71.4	23,054,862	82.0	10,076,591	12,168,625	60.7
Fixed Assets							
Property and Equipment							
Buildings	1,585,272		1,050,495			1,070,737	
Land	1,963,835		1,186,585			1,186,585	
Other	35,370		36,717			38,053	
Total Property and Equipment	3,584,477		2,273,798		(1,310,679)	2,295,375	
Intangible Fixed Assets	26,057		54,267		28,209	55,827	
Investments and Other Assets							
Affiliate's equities	-		1,521,328			-	
Investments in affiliate	-		-			1,451,328	
Long-term loans to affiliates	1,040,000		-			3,590,000	
Other assets	544,329		1,219,001			482,798	
Allowance for doubtful accounts	(2,016)		(1,307)			(1,313)	
Total Investments and Other Assets	1,582,312		2,739,022			5,522,813	
Total Fixed Assets	5,192,847	28.6	5,067,088	18.0	(125,759)	7,874,016	39.3
Total Assets	18,171,119	100.0	28,121,951	100.0	9,950,831	20,042,641	100.0

(¥ thousand)

Items	First Half of Fiscal 2006 (as of September 30, 2005)		First Half of Fiscal 2007 (as of September 30, 2006)		Increase/ Decrease Amount	Fiscal 2006 (as of March 31, 2006)	
	Amount	Share of Total (%)	Amount	Share of Total (%)		Amount	Share of Total (%)
LIABILITIES							
Current Liabilities							
Accounts payable - trade	210,837		302,855			123,800	
Short-term borrowings	5,034,000		3,430,000			4,723,000	
Current portion of bonds	328,000		108,000			328,000	
Current portion of long-term debts	806,300		160,800			183,300	
Accrued bonuses for employees	51,763		67,803			56,460	
Accrued bonuses for directors	-		20,400			-	
Construction warranty reserve	51,700		81,514			73,200	
Accrued losses on affiliate adjustments	-		354,000			-	
Other current liabilities	868,666		1,382,744			2,116,936	
Total Current Liabilities	7,351,266	40.5	5,908,118	21.0	(1,443,148)	7,604,697	37.9
Long-term Liabilities							
Corporate bond	1,418,000		540,000			1,254,000	
Long-term debt	922,860		1,862,060			832,460	
Reserve for directors' retirement benefits	70,003		78,451			74,584	
Other long-term liabilities	625,070		499,868			487,343	
Total Long-term Liabilities	3,035,933	16.7	2,980,379	10.6	(55,554)	2,648,388	13.2
Total Liabilities	10,387,200	57.2	8,888,497	31.6	(1,498,703)	10,253,085	51.2
SHAREHOLDERS' EQUITY							
Common stock	2,665,465	14.7	-	-	-	3,050,911	15.2
Additional paid-in capital	2,726,804	15.0	-	-	-	3,112,248	15.5
Retained earnings	2,390,425	13.1	-	-	-	3,624,740	18.1
Net unrealized holding gain on securities	1,223	0.0	-	-	-	1,654	0.0
Total Shareholders' Equity	7,783,918	42.8	-	-	-	9,789,555	48.8
Total Liabilities and Shareholders' Equity	<u>18,171,119</u>	<u>100.0</u>	-	-	-	<u>20,042,641</u>	<u>100.0</u>
NET ASSETS							
Shareholders' Equity							
Common stock	-	-	7,227,468	25.7	-	-	-
Additional paid-in capital	-	-	7,288,803	25.9	-	-	-
Retained earnings	-	-	4,715,136	16.8	-	-	-
Total Shareholders' Equity	-	-	19,231,408	68.4	-	-	-
Valuation and Translation Adjustments							
Net unrealized holding gain on securities	-	-	2,045	0.0	-	-	-
Total Valuation and Translation Adjustments	-	-	2,045	0.0	-	-	-
Total Net Assets	-	-	19,233,453	68.4	-	-	-
Total Liabilities and Net Assets	-	-	<u>28,121,951</u>	<u>100.0</u>	-	-	-

(2) Summarized Interim Non-consolidated **Statements of Income**

(¥ thousand)

Items	First Half of Fiscal 2006 (Apr. 1 – Sep. 30, 2005)		First Half of Fiscal 2007 (Apr. 1 – Sep. 30, 2006)		Increase/ Decrease Amount	Fiscal 2006 (Apr. 1, 2005 – Mar. 31, 2006)	
	Amount	Share of Total (%)	Amount	Share of Total (%)		Amount	Share of Total (%)
Net Sales	7,607,866	100.0	10,114,252	100.0	2,506,385	16,525,269	100.0
Cost of Sales	5,372,661	70.6	6,298,220	62.3	925,559	10,658,184	64.5
Gross Profit	2,235,205	29.4	3,816,032	37.7	1,580,826	5,867,084	35.5
Selling, General and Administrative Expenses	953,327	12.5	1,311,927	13.0	358,599	2,110,978	12.8
Operating Income	1,281,877	16.9	2,504,104	24.7	1,222,227	3,756,105	22.7
Other Income	3,280	0.0	34,164	0.3	30,883	37,573	0.2
Other Expenses	145,747	1.9	112,143	1.0	(33,603)	206,281	1.3
Ordinary Income	1,139,411	15.0	2,426,126	24.0	1,286,714	3,587,397	21.7
Extraordinary Gains	-	-	1,378	0.0	1,378	183	0.0
Extraordinary Losses	25,675	0.4	355,197	3.5	329,522	26,022	0.2
Income before Income Taxes	1,113,736	14.6	2,072,307	20.5	958,571	3,561,558	21.6
Income taxes	458,033	6.0	859,945	8.5	401,912	1,671,540	10.1
Income taxes	485,013		973,101			1,805,000	
Income taxes-deferred	(26,980)		(113,155)			(133,459)	
Net Income	<u>655,703</u>	<u>8.6</u>	<u>1,212,361</u>	<u>12.0</u>	<u>556,658</u>	<u>1,890,018</u>	<u>11.4</u>
Retained earnings at beginning of the year	1,565,165		-			1,565,165	
Unappropriated retained earnings	2,220,868		-			3,455,183	

(3) Summarized Interim Non-consolidated statements of changes in shareholders' equity

(¥ thousand)

	Shareholders' Equity							
	Common stock	Capital surplus		Retained earnings	Retained earnings			Total Shareholders' Equity
		Additional paid-in capital	Total		Other retained earnings		Total	
					Retained earnings reserve	Unappropriated retained earnings		
Balance as of March 31, 2006	3,050,911	3,112,248	3,112,248	9,577	160,000	3,455,183	3,624,740	9,787,901
Changes during the first half								
Common stock issued	4,176,556	4,176,554	4,176,554	-	-	-	-	8,353,111
Cash dividends from retained	-	-	-	-	-	(96,966)	(96,966)	(96,966)
Bonuses to directors by appropriated retained earnings	-	-	-	-	-	(25,000)	(25,000)	(25,000)
Net income	-	-	-	-	-	1,212,361	1,212,361	1,212,361
Changes during the first half in items other than shareholders' equity (net)	-	-	-	-	-	-	-	-
Total changes during the first half	4,176,556	4,176,554	4,176,554	-	-	1,090,395	1,090,395	9,443,506
Balance as of September 30, 2006	<u>7,227,468</u>	<u>7,288,803</u>	<u>7,288,803</u>	<u>9,557</u>	<u>160,000</u>	<u>4,545,579</u>	<u>4,715,136</u>	<u>19,231,408</u>

(¥ thousand)

	Valuation and Translation Adjustments		Total Net Assets
	Net unrealized holding gain on	Total	
Balance as of March 31, 2006	1,654	1,654	9,789,555
Changes during the first half			
Common stock issued	-	-	8,353,111
Cash dividends from retained	-	-	(96,966)
Bonuses to directors by appropriated retained earnings	-	-	(25,000)
Net income	-	-	1,212,361
Changes during the first half in items other than shareholders' equity (net)	391	391	391
Total changes during the first half	391	391	9,443,898
Balance as of September 30, 2006	<u>2,045</u>	<u>2,045</u>	<u>19,233,453</u>

: Appropriated retained earnings' items at the annual general meeting of shareholders in June 2006