



**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

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**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	¥15,461 (105.0%)	¥3,056 (153.2%)	¥2,833 (172.2%)
1st Half of Fiscal 2006	7,541 ( - )	1,207 ( - )	1,041 ( - )
Fiscal 2006	16,730	3,756	3,474

	Net Income	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
1st Half of Fiscal 2007	¥1,459 (162.7%)	¥4,743.35	¥4,708.29
1st Half of Fiscal 2006	555 ( - )	6,539.07	6,478.24
Fiscal 2006	1,744	18,914.91	18,747.82

Notes: 1. Income (Loss) on investments based on equity method:

1st half of fiscal 2007: -

1st half of fiscal 2006: -

Fiscal 2006: -

2. Weighted average number of shares outstanding

First half of fiscal 2007: 307,766

First half of fiscal 2006: 84,977

Fiscal 2006: 90,886

3. Changes in accounting methods: No

4. Percentage figures shown in the net sales, operating income, ordinary income, and net income columns indicate year-on year changes for those items. The Company started interim consolidated reporting from the 1st half of fiscal 2006, so we have not posted percentage figures of the 1st half of fiscal 2006.

5. 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	¥42,256	¥19,334	45.7%	¥58,370.16
1st Half of Fiscal 2006	20,619	7,683	37.3%	80,866.12
Fiscal 2006	28,005	9,643	34.4%	99,192.78

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

First half of fiscal 2007: 331,243

First half of fiscal 2007: 95,016

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 End of the Period
1st Half of Fiscal 2007	¥(5,307)	¥(386)	¥12,664	¥12,975
1st Half of Fiscal 2006	(3,353)	37	7,525	5,674
Fiscal 2006	(6,905)	(557)	12,004	6,005

## (4) Description of Consolidation and Scope of Application for Equity Method

Number of consolidated subsidiaries: 5

Number of non-consolidated subsidiaries to which equity method applies:—

Number of affiliates to which equity method applies: —

## (5) Changes in Consolidation and Scope of Application for Equity Method

Newly consolidated companies: —

Excluded consolidated companies:

Newly included under equity method:

Excluded under equity method: —

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

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Fiscal 2007	¥35,000	¥7,500	¥4,660

Reference: Projected net income per share (for the year): ¥14,068.22

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.

### **3. Results of Operations and Financial Position**

#### **(1) Results of Operations**

The Japanese economy entered a period of full-fledged growth during the first half of fiscal 2007 thanks to an increase in capital expenditures fueled by robust corporate earnings and to substantial growth in consumer spending due to a rise in wages and other factors.

In the real estate industry, the long decline in land prices finally ended as a result of people moving into urban centers, rising demand for office buildings due to an increase in capital expenditures prompted by a recovery in corporate earnings, and an inflow of surplus investment funds into the real estate market. In particular, shortages of investment properties in urban centers resulted in a noticeable rise in real estate values. Additionally, relatively high investment returns on domestic real estate in a low interest rate environment contributed to a robust real estate market and to the J-REIT market expanding to 39 issues with a market capitalization of about ¥4 trillion as of November 2, 2006, according to STB Research Institute. In this environment, companies are disposing of large numbers of buildings by aggressively selling and securitizing property holdings in an effort to enhance and streamline their financial positions and to respond to fixed asset impairment accounting. Domestic and overseas funds and J-REITs, including major real estate companies as well as small and medium-sized firms, are actively trading in office and residential income-generating properties. As a result, the volume and value of transactions have increased.

Sun Frontier has responded to these conditions by offering a comprehensive lineup of real estate services, focusing mainly on commercial buildings in urban centers as part of its mission to foster environmental coexistence and urban revitalization. We are committed to addressing the needs of urban spaces as well as building owners and tenants and to providing total real estate solutions through our replanning and building leasing businesses, which form the core of our real estate revitalization division, and through our sale and leasing brokerage, property management, construction planning, securitization, and asset management businesses, which are part of our real estate services division.

In this environment, all of our business units made a concerted effort to increase both the number and size of properties handled by the group and to enhance our ability to provide total solutions.

As a result, in the first half of fiscal 2007, consolidated net sales grew 105.0% year-on-year to ¥15,461 million, operating income grew 153.2% to ¥3,056 million, ordinary income grew 172.2% to ¥2,833 million, and net income grew 162.7% to ¥1,459 million.

The performance of each business segment is discussed below.

#### **Real Estate Revitalization**

In the replanning business, the prices of properties sold during the first half increased across the board due to a general rise in real estate prices fueled by the recent upturn in the real estate market. Additionally, we have already completed purchasing the properties we intend to sell during fiscal 2007, and we have been able to raise both the quality and size of these properties. Sales and other aspects of this business were favorable during the first half as a result of completing the sale of previously owned commercial buildings purchased for more than ¥2 billion and quickly achieving high occupancy rates for buildings scheduled for sale during the second half. As part of our efforts to secure larger properties, purchases at subsidiary SF Investments were on target, and we laid the groundwork for enhancing profits from fiscal 2008. The building leasing business also registered strong growth on account of increasing the size of properties in the replanning business. As a result, sales in the real estate revitalization division grew 114.8% year-on-year to ¥14,675 million and operating income rose 136.4% to ¥3,390 million.

#### **Real Estate Services**

Brokerage services sales decreased, but both sale and leasing brokerage services aided our efforts to secure larger projects and contributed significantly to companywide earnings growth. Property management services performed well and achieved growth in sales per building, thanks in part to receiving large service contracts from the funds of other companies. Additionally, in our leasing guarantee services, both the volume and value of contracts increased

favorably. As a result, sales in the real estate services division grew 10.4% year-on-year to ¥770 million, but due to higher operating expenses resulting from an increase in personnel and other factors, operating income declined 43.4% to ¥39 million.

#### **Other Real Estate Business**

Sales in the other real estate business division grew 67.8% year-on-year to ¥15 million as a result of steadily recording asset management income and dividends from funds planned and organized in fiscal 2005. However, this division reported an operating loss of ¥14 million, compared to operating income of ¥2 million in the first half of fiscal 2006, due to an increase in operating expenses and other factors.

### **(2) Financial Position**

#### **Consolidated cash flows during the first half of fiscal 2007**

Consolidated cash and cash equivalents totaled ¥12,975 million at the end of the first half of fiscal 2007. Despite an increase in inventories due to the acquisition of replanning properties in the real estate revitalization business, cash and cash equivalents increased by ¥6,970 million from the beginning the first half due to income before income taxes of ¥2,833 million and an increase in funds from borrowings and the issuance of new shares.

Consolidated cash flows and main factors affecting cash flows during the first half are discussed below.

#### **Cash flows from operating activities**

Net cash used in operating activities increased 58.3% year-on-year to ¥5,307 million. Despite income before income taxes of ¥2,833 million and an increase in accounts payable-trade of ¥1,216 million, net cash used in operating activities increased due to an increase in inventories of ¥8,669 million and to income tax paid of ¥1,526 million.

#### **Cash flows from investing activities**

Net cash used in investing activities was ¥386 million, compared with ¥37 million provided by such activities, during the 1st half of previous year, due mainly to payments of ¥180 million for time deposits and payments of ¥138 million to purchase investment securities.

#### **Cash flows from financing activities**

Net cash provided by financing activities increased 68.3% year-on-year to ¥12,664 million. Despite payments of ¥2,622 million for the repayment of long-term borrowings and payments of ¥934 million for the redemption of bonds, net cash provided by financing activities increased due to proceeds of ¥5,100 million from long-term borrowings, a net increase in short-term borrowings of ¥2,907 million, and proceeds of ¥8,310 million from the issuance of new shares.

### **(3) Outlook on fiscal 2007**

In the group's mainstay replanning business, we have made favorable progress in terms of both sales and inventory purchasing activities. During the first half, we completed the acquisition of all the properties we plan to sell during fiscal 2007. During the second half, we plan to steadily develop and sell the properties scheduled for sale during fiscal 2007 while focusing on purchasing inventory for fiscal 2008 onward. The properties scheduled for sale in fiscal 2008 are relatively large, and because pre-owned buildings require meticulous planning, the development of replanning properties contributes to enhancing the group's total solutions capabilities and to improving the overall quality of our real estate services.

In this market environment, the Sun Frontier Fudousan group seeks to maximize shareholder and enterprise value by achieving further growth in the various real estate services that underpin our real estate revitalization division, expanding our efforts to work with small and medium-sized properties in the replanning business, and pursuing larger properties than in the past using a combination of an asset-based real estate investment business as an entrance strategy and a non-asset-based fund (securitization) business as an exit strategy.

As a result, we expect net sales to grow 109.2% year-on-year to ¥35,000 million in fiscal 2007, ordinary income to grow 115.9% to ¥7,500 million, and net income to grow 167.2% to ¥4,660 million.

## 4. Summarized Interim Consolidated Financial Statements

### (1) Summarized Interim 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 (%)
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and bank deposits	7,109,556		13,877,257			6,678,054	
Accounts receivable - trade	179,643		136,212			208,660	
Inventories	8,599,639		24,680,507			16,100,951	
Other current assets	730,631		717,127			1,765,639	
Allowance for doubtful accounts	(3,938)		(702)			(2,074)	
<b>Total Current Assets</b>	<b>16,615,533</b>	<b>80.6</b>	<b>39,410,401</b>	<b>93.3</b>	<b>22,794,868</b>	<b>24,751,231</b>	<b>88.4</b>
<b>Fixed Assets</b>							
<b>Property and Equipment</b>							
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	
<b>Total Property and Equipment</b>	<b>3,584,477</b>		<b>2,273,798</b>		<b>(1,310,679)</b>	<b>2,295,375</b>	
<b>Intangible Fixed Assets</b>							
Consolidation adjustment accounts	-		-			473,078	
Other	26,057		54,345			55,905	
<b>Total Intangible Fixed assets</b>	<b>26,057</b>		<b>54,345</b>		<b>28,287</b>	<b>528,983</b>	
<b>Investments and Other Assets</b>							
Allowance for doubtful accounts	(2,016)		(1,307)			(1,313)	
<b>Total Investments and Other Assets</b>	<b>392,970</b>		<b>517,799</b>		<b>124,829</b>	<b>429,439</b>	
<b>Total Fixed Assets</b>	<b>4,003,506</b>	<b>19.4</b>	<b>2,845,943</b>	<b>6.7</b>	<b>(1,157,562)</b>	<b>3,253,799</b>	<b>11.6</b>
<b>Total Assets</b>	<b>20,619,039</b>	<b>100.0</b>	<b>42,256,345</b>	<b>100.0</b>	<b>21,637,305</b>	<b>28,005,030</b>	<b>100.0</b>

(¥ 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 (%)
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Accounts payable - trade	211,682		356,966			138,584	
Short-term borrowings	5,034,000		12,630,000			9,723,000	
Current portion of bonds	328,000		108,000			328,000	
Current portion of long-term debts	926,300		400,800			303,300	
Income taxes payable	500,047		1,915,499			1,565,157	
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	
Other current liabilities	373,537		463,661			1,174,158	
<b>Total Current Liabilities</b>	<b>7,477,030</b>	<b>36.2</b>	<b>16,044,645</b>	<b>38.0</b>	<b>8,567,614</b>	<b>13,361,860</b>	<b>47.7</b>
<b>Long-term Liabilities</b>							
Corporate bond	1,418,000		540,000			1,254,000	
Long-term debt	3,292,860		5,522,060			3,142,460	
Reserve for directors' retirement benefits	70,003		78,451			74,584	
Other long-term liabilities	677,570		736,481			528,797	
<b>Total Long-term Liabilities</b>	<b>5,458,433</b>	<b>26.5</b>	<b>6,876,992</b>	<b>16.3</b>	<b>1,418,558</b>	<b>4,999,842</b>	<b>17.9</b>
<b>Total Liabilities</b>	<b>12,935,464</b>	<b>62.7</b>	<b>22,921,637</b>	<b>54.3</b>	<b>9,986,173</b>	<b>18,361,703</b>	<b>65.6</b>
<b>SHAREHOLDERS' EQUITY</b>							
Common stock	2,665,465	13.0	-	-	-	3,050,911	10.9
Additional paid-in capital	2,726,804	13.2	-	-	-	3,112,248	11.1
Retained earnings	2,290,082	11.1	-	-	-	3,478,512	12.4
Net unrealized holding gain on securities	1,223	0.0	-	-	-	1,654	0.0
<b>Total Shareholders' Equity</b>	<b>7,683,575</b>	<b>37.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,643,327</b>	<b>34.4</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>20,619,039</u></b>	<b><u>100.0</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b><u>28,005,030</u></b>	<b><u>100.0</u></b>
<b>NET ASSETS</b>							
<b>Shareholders' Equity</b>							
Common stock	-	-	7,227,468	17.1	-	-	-
Additional paid-in capital	-	-	7,288,803	17.2	-	-	-
Retained earnings	-	-	4,816,390	11.4	-	-	-
<b>Total Shareholders' Equity</b>	<b>-</b>	<b>-</b>	<b>19,332,662</b>	<b>45.7</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Valuation and Translation Adjustments</b>							
Net unrealized holding gain on securities	-	-	2,045	0.0	-	-	-
<b>Total Valuation and Translation Adjustments</b>	<b>-</b>	<b>-</b>	<b>2,045</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Net Assets</b>	<b>-</b>	<b>-</b>	<b>19,334,708</b>	<b>45.7</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Net Assets</b>	<b>-</b>	<b>-</b>	<b><u>42,256,345</u></b>	<b><u>100.0</u></b>	<b>-</b>	<b>-</b>	<b>-</b>

(2) Summarized Interim 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 (%)
<b>Net Sales</b>	<b>7,541,148</b>	<b>100.0</b>	<b>15,461,582</b>	<b>100.0</b>	<b>7,920,434</b>	<b>16,730,890</b>	<b>100.0</b>
<b>Cost of Sales</b>	5,378,134	71.3	10,563,973	68.3	5,185,838	10,766,197	64.3
Gross Profit	2,163,013	28.7	4,897,609	31.7	2,734,595	5,964,692	35.7
<b>Selling, General and Administrative Expenses</b>	955,939	12.7	1,841,078	11.9	885,138	2,207,999	13.2
<b>Operating Income</b>	<b>1,207,074</b>	<b>16.0</b>	<b>3,056,531</b>	<b>19.8</b>	<b>1,849,456</b>	<b>3,756,693</b>	<b>22.5</b>
<b>Other Income</b>	1,033	0.0	6,100	0.0	5,067	3,294	0.0
Interest income	301		1,198			1,179	
Dividend receivable	281		296			383	
Consumption tax refund	-		1,184			-	
Insurance cancellation gain	-		2,313			-	
Fees from lectures	-		-			538	
Other, net	449		1,106			1,193	
<b>Other Expenses</b>	166,996	2.2	229,140	1.5	62,144	285,777	1.7
Interest Expense	87,252		128,981			168,198	
Stock issuance cost	30,824		-			38,119	
Stock delivery cost	-		42,597			-	
Bond issue expenses	22,716		-			-	
Fees for finance	-		48,500			42,474	
Other, net	26,203		9,060			36,985	
<b>Ordinary Income</b>	<b>1,041,111</b>	<b>13.8</b>	<b>2,833,490</b>	<b>18.3</b>	<b>1,792,379</b>	<b>3,474,210</b>	<b>20.8</b>
<b>Extraordinary Gains</b>	-	-	1,378	0.0	1,378	183	0.0
Reversal of allowance for doubtful accounts	-		1,378			183	
<b>Extraordinary Losses</b>	25,675	0.3	1,197	0.0	(24,477)	26,022	0.2
Cancellation fee of interest rate swap agreements	24,764		-			24,764	
Loss on disposal of property and equipments, net	-		1,197			-	
Other, net	910		-			1,258	
Income before Income Taxes	<b>1,015,436</b>	<b>13.5</b>	<b>2,833,671</b>	<b>18.3</b>	<b>1,818,235</b>	<b>3,448,371</b>	<b>20.6</b>
<b>Income taxes</b>	459,765	6.1	1,373,827	8.9	914,062	1,704,270	10.2
Income taxes	486,894		1,874,283			1,874,693	
Income taxes-deferred	(27,128)		(500,456)			(170,423)	
<b>Net Income</b>	<b><u>555,671</u></b>	<b><u>7.4</u></b>	<b><u>1,459,844</u></b>	<b><u>9.4</u></b>	<b><u>904,173</u></b>	<b><u>1,744,100</u></b>	<b><u>10.4</u></b>

(3) Summarized Consolidated Interim Statements of Retained Earnings

(¥ thousand)

Items	Period	First Half of Fiscal 2006 (Apr. 1 – Sep. 30, 2005)		Fiscal 2006 (Apr. 1, 2005 – Mar. 31, 2006)	
		Amount		Amount	
<b>CAPITAL SURPLUS</b>					
<b>Opening Balance</b>			<b>552,500</b>		<b>552,500</b>
<b>Increase in Capital Surplus</b>					
Capital increase upon stock issuance		2,174,304	2,174,304	2,559,748	2,559,748
<b>Closing Balance</b>			<b><u>2,726,804</u></b>		<b><u>3,112,248</u></b>
<b>EARNED SURPLUS</b>					
<b>Opening Balance</b>			<b>1,788,419</b>		<b>1,788,419</b>
<b>Increase in Retained Earnings</b>					
Net income		555,671	555,671	1,744,100	1,744,100
<b>Decrease in Retained Earnings</b>					
Cash dividends		42,008		42,008	
Bonuses to directors		12,000	54,008	12,000	54,008
<b>Closing Balance</b>			<b><u>2,290,082</u></b>		<b><u>3,478,512</u></b>

**Summarized Interim Consolidated statements of changes in shareholders' equity**

(¥ thousand)

	<b>Shareholders' Equity</b>			
	Common stock	Additional paid-in capital	Retained earnings	Total Shareholders' Equity
<b>Balance as of March 31, 2006</b>	<b>3,050,911</b>	<b>3,112,248</b>	<b>3,478,512</b>	<b>9,641,673</b>
Changes during the first half				
Common stock issued	4,176,556	4,176,554	-	8,353,111
Cash dividends from retained earnings	-	-	(96,966)	(96,966)
Bonuses to directors by appropriated retained earnings	-	-	(25,000)	(25,000)
Net income	-	-	1,459,844	1,459,844
Changes during the first half in items other than shareholders' equity (net)	-	-	-	-
Total changes during the first half	4,176,556	4,176,554	1,337,878	9,690,989
<b>Balance as of September 30, 2006</b>	<b><u>7,227,468</u></b>	<b><u>7,288,803</u></b>	<b><u>4,816,390</u></b>	<b><u>19,332,662</u></b>

(¥ thousand)

	<b>Valuation and Translation Adjustments</b>		<b>Total Net Assets</b>
	Net unrealized holding gain on securities	Total valuation and translation adjustments	
<b>Balance as of March 31, 2006</b>	<b>1,654</b>	<b>1,654</b>	<b>9,643,327</b>
Changes during the first half			
Common stock issued	-	-	8,353,111
Cash dividends from retained earnings	-	-	(96,966)
Bonuses to directors by appropriated retained earnings	-	-	(25,000)
Net income	-	-	1,459,844
Changes during the first half in items other than shareholders' equity (net)	391	391	391
Total changes during the first half	391	391	9,691,380
<b>Balance as of September 30, 2006</b>	<b><u>2,045</u></b>	<b><u>2,045</u></b>	<b><u>19,334,708</u></b>

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

(4) Summarized Interim Consolidated Statements of Cash Flows

(¥ thousand)

Items	Period	First Half of Fiscal 2006 (Apr. 1– Sep. 30, 2005)	First Half of Fiscal 2007 (Apr. 1– Sep. 30, 2006)	Increase/ Decrease	Fiscal 2006 (Apr. 1, 2005 – Mar. 31, 2006)
		Amount	Amount	Amount	Amount
<b>Cash Flows from Operating Activities</b>					
Income before income taxes		1,015,436	2,833,671		3,448,371
Depreciation and amortization		72,976	129,317		191,111
Amortization of consolidation adjustment accounts		-	-		78,846
Amortization of goodwill		-	473,078		-
Allowance for doubtful accounts		2,383	(1,378)		(183)
Accrued bonuses for employees		16,217	11,343		20,914
Accrued bonuses for directors		-	20,400		-
Reserve for directors' retirement benefits		7,816	3,866		12,398
Construction warranty reserve		38,600	8,314		60,100
Interest and dividend income		(583)	(1,495)		(1,563)
Interest expense		87,252	128,981		168,198
Stock issuance cost		30,824	-		38,119
Stock delivery cost		-	42,597		-
Bonds issuance cost		22,716	-		22,716
Disposal of property and equipments		-	1,197		347
Accounts receivable - trade		(5,792)	58,153		(148,569)
Inventories		(3,753,392)	(8,669,774)		(8,707,322)
Advances paid		(120,000)	-		(120,000)
Accounts payable-trade		(170,416)	1,216,158		(991,572)
Consumption tax payable		11,810	(116,954)		108,362
Consumption tax receivable		(84,863)	86,354		(239,706)
Security deposits received		65,677	207,683		(4,570)
Payment for directors' and statutory auditors' bonuses		(12,000)	(25,000)		(12,000)
Others, net		(671)	(49,212)		180,928
Sub total		(2,776,009)	(3,642,696)	(866,687)	(5,895,074)
Interest and dividend received		583	1,544		1,563
Interest paid		(89,541)	(139,363)		(176,809)
Income tax paid		(488,505)	(1,526,643)		(834,940)
<b>Net Cash Used in Operating Activities</b>		<b>(3,353,473)</b>	<b>(5,307,159)</b>	<b>(1,953,686)</b>	<b>(6,905,260)</b>
<b>Cash Flows from Investing Activities</b>					
Payments for time deposits		(767,083)	(180,058)		(450,586)
Proceed from time deposits		902,137	-		1,342,159
Purchases of property and equipment		(87,509)	(33,873)		(102,017)
Purchases of intangible fixed assets		-	(30,153)		-
Purchases of investment securities		-	(138,804)		-
Purchases of subsidiary accompanying in scope of consolidation		-	-		(1,305,973)
Payments for security deposits		(73,166)	(11,877)		(94,530)
Proceed from security deposits		75,742	-		78,330
Others, net		(12,125)	8,005		(24,748)
<b>Net Cash Provided by (Used in) Investing Activities</b>		<b>37,995</b>	<b>(386,761)</b>	<b>(424,756)</b>	<b>(557,366)</b>
<b>Cash Flows from Financing Activities</b>					
Proceeds from short-term borrowings		1,015,000	2,907,000		5,667,000
Proceeds from long-term borrowings		2,500,000	5,100,000		2,500,000
Repayments of long-term borrowings		(888,400)	(2,622,900)		(1,661,800)
Proceeds from issuance of bonds		733,284	-		733,284
Payments for redemption of bonds		(110,000)	(934,000)		(274,000)
Proceeds from issuance of common stock		4,317,794	8,310,513		5,081,390
Dividends paid		(41,806)	(96,547)		(41,836)
<b>Net Cash Provided by Financing Activities</b>		<b>7,525,872</b>	<b>12,664,065</b>	<b>5,138,193</b>	<b>12,004,037</b>
<b>Increase in Cash and Cash Equivalents</b>		<b>4,210,394</b>	<b>6,970,144</b>	<b>2,759,750</b>	<b>4,541,411</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>		<b>1,463,913</b>	<b>6,005,324</b>	<b>4,541,411</b>	<b>1,463,913</b>
<b>Cash and Cash Equivalents at End of the Period</b>		<b>5,674,308</b>	<b>12,975,469</b>	<b>7,301,161</b>	<b>6,005,324</b>