



**Financial Results for First Quarter of Fiscal 2008,
from April 1 to June 30, 2007**
(Translation of Japanese Flash Report, Released on August 1, 2007)

Company name: Sun Frontier Fudousan Co., Ltd.

Stock listing: Tokyo Stock Exchange 1st Section

Code number: 8934

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1. Consolidated Performance in First Quarter of Fiscal 2008 (from April 1 to June 30, 2007)

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

(1) Operating results

(Millions of yen, except for per share figures)

	Net Sales	Operating Income	Ordinary Income
First Quarter of Fiscal 2008	¥2,951 (-42.3%)	¥586 (-19.4%)	¥448 (-27.2%)
First Quarter of Fiscal 2007	¥5,116 (- %)	¥727 (- %)	¥617 (- %)
Fiscal 2007	¥35,254 (- %)	¥8,708 (- %)	¥8,289 (- %)

	Net Income	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
First Quarter of Fiscal 2008	¥230 (20.7%)	¥695.13	¥694.84
First Quarter of Fiscal 2007	¥190 (- %)	¥656.37	¥650.87
Fiscal 2007	4,853	¥15,192.55	¥15,134.76

Notes: The Company started quarterly consolidated reporting from the third quarter of fiscal 2006, ended December 31, 2005, so we have not posted year-on-year percentage figures of the first quarter of fiscal 2007.

(2) Financial Position

(Millions of yen, except for per share figures)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
First Quarter of Fiscal 2008	¥62,576	¥22,643	36.2%	¥68,270.64
First Quarter of Fiscal 2007	¥31,124	¥9,712	31.2%	¥33,387.54
Fiscal 2007	¥54,502	¥22,734	41.7%	¥68,613.51

(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 Term-End
First Quarter of Fiscal 2008	¥(15,943)	¥242	¥9,918	¥4,387
First Quarter of Fiscal 2007	¥(5,123)	¥(104)	¥3,433	¥4,120
Fiscal 2007	¥(13,299)	¥(1,085)	¥18,548	¥10,169



2. Projections for Consolidated Performance in Fiscal 2008 (from April 1, 2007 to March 31, 2008) *Percentage figures are indicated year-on year changes for those items.

There are no changes from the interim and annual earnings forecasts reported in the financial results for the fiscal 2007, ended March 31, 2007 released on May 10, 2007.

As reported in today's "news release regarding the merger of the Company and our consolidated subsidiary," the Company will acquire and assimilate wholly-owned consolidated subsidiary SF Investments Inc. on October 1, 2007. The acquisition will not affect consolidated earnings.

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
First half of fiscal 2008	¥21,000 (35.8%)	¥3,660 (19.7%)	¥3,250 (14.7%)	¥1,700 (16.5%)	¥5,131.25
Fiscal 2008	¥55,000 (56.0%)	¥10,690 (22.8%)	¥9,900 (19.4%)	¥5,200 (7.1%)	¥15,695.60

3. Other

(1) Major subsidiary changes during the term (changes to specified subsidiaries due to changes in the scope of consolidation): No

(2) Adoption of simplified accounting methods: Yes

(3) Changes in accounting methods since most recent consolidated fiscal year: Yes

Note: For detailed information, see Item 4, "Other" under "Qualitative information/financial statements" on page 4.

Reference: Overview of Non-consolidated Performance

1. Performance in Fiscal 2007 (from April 1, 2006 to March 31, 2007)

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

(1) Operating Results

(Millions of yen, except for per share figures)

	Net Sales	Operating Income	Ordinary Income
First Quarter of Fiscal 2008	¥2,848 (72.1%)	¥564 (65.2%)	¥474 (47.9%)
First Quarter of Fiscal 2007	¥1,655 (-26.1%)	¥341 (-14.2%)	¥320 (-9.2%)
Fiscal 2007	17,228 (-%)	3,440 (-%)	3,286 (-%)

	Net Income	Net Income per Share (Yen)
First Quarter of Fiscal 2008	¥256(50.7%)	¥774.66
First Quarter of Fiscal 2007	¥170 (-9.8%)	¥585.52
Fiscal 2007	1,962 (-%)	6,143.24

(2) Financial Position

(Millions of yen, except for per share figures)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
First Quarter of Fiscal 2008	¥47,609	¥19,924	41.8	¥60,069.57
First Quarter of Fiscal 2007	¥20,733	¥9,837	47.4	¥33,819.37
Fiscal 2007	¥40,825	¥19,989	49.0	¥60,328.12

2. Projections for Non-consolidated Performance in Fiscal 2008 (from April 1, 2007 to March 31, 2008)

As reported in today's "news release regarding the merger of the Company and our consolidated subsidiary," the Company will acquire and assimilate wholly-owned consolidated subsidiary SF Investments Inc. on October 1, 2007. The accounting processes to be used for the merger will be as specified in the Accounting Standards for Business Combinations (given in Statement of Opinion, Accounting for Business Combinations

[Business Accounting Deliberation Council, October 31, 2003]) and in Guidance on Accounting Standard for Business Combinations and Separation of Business (Accounting Standards Board of Japan Guidance No. 10 of December 27, 2005). The use of these standards is expected to generate extraordinary income for the Company that has currently yet to be finalized. This income will be reported as soon as it has been finalized. It will only affect non-consolidated earnings, and will have no effect on consolidated earnings.

Appropriate use of projections for performance, other notes

Caution on forward-looking statements

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.

Qualitative information/financial statements

1. Qualitative information on consolidated business performance

The Group provides a comprehensive range of real estate services centered on real estate revitalization, with a specialization in small to medium-sized commercial buildings in urban areas. For the first quarter of fiscal 2008 (April 1, 2007 through June 30, 2007), sales were ¥2,951 million (down 42.3% from the first quarter of fiscal 2007), operating income was ¥586 million (down 19.4%), ordinary income was ¥448 million (down 27.2%), and net income for the quarter was ¥230 million (up 20.7%).

Segment analysis by business type

Real estate revitalization

Real estate revitalization had sales of ¥2,663 million (down 43.2% from the first quarter of fiscal 2007) and operating income of ¥885 million (up 33.1%). During the first quarter of fiscal 2008, we continued to concentrate on purchasing activities, and focused on bringing to market properties for sale in the second quarter and thereafter. Purchasing progressed steadily as a result, and the inventory balance increased from ¥37,840 million at the end of fiscal 2007, to ¥52,454 million at the end of the first quarter of fiscal 2008. Sales were roughly as forecast, with a total of five properties sold (yielding sales of ¥1,974 million). Our building leasing segment also enjoyed steady growth, yielding increased rent revenue from a larger inventory and stable operation of existing properties.

Real estate revitalization sales decreased from the first quarter of fiscal 2007, mainly because the quarter's scheduled sales of large properties are due to close in the second quarter and thereafter, while sales for the first quarter of fiscal 2007 included a large property priced at about ¥3,500 million. As announced "Sun Frontier Fudousan Transfers Trust Beneficiary Rights for Real Estate Properties for Sale" on July 27, 2007, the Company will appropriate ¥15,575 million of sales according to sale four properties including a large property. However these sales are excluding in operating results of the first quarter of fiscal 2008. It will effect to operating results of the second quarter of fiscal 2008.

Real estate services

Real estate services had sales of ¥271 million (down 36.8%), and an operating loss of ¥120 million (down from an operating income of ¥139 million). While brokerage service earnings for the first quarter of fiscal 2008 were down from to the first quarter of fiscal 2007, brokerage services greatly contributed to the processes of purchasing replanning properties and readying them for market. All these areas will contribute to real estate revitalization earnings for the second quarter and thereafter, acting as behind-the-scenes factors that greatly contribute to Companywide earnings. Our property management segment is enjoying steady growth from contracted management of relatively large properties—among them properties included in the funds of other companies. Our rent guarantee service is becoming more widely recognized inside and outside the Company, with steady growth in number of properties and earnings volume.

Other real estate

This business area had sales of ¥16 million (up 903.8%) and operating income of ¥1 million (up from an operating loss of ¥5 million). Funds planned and created in fiscal 2005 have created a stable flow of asset management earnings, and investments in other companies' funds have yielded dividend earnings.

2. Qualitative information on consolidated financial conditions

Cash flows

The balance of cash and cash equivalents at the end of the first quarter of fiscal 2008 was ¥4,387 million, down ¥5,781 million from the end of fiscal 2007. Each cash flow is described below, along with the factors affecting it.

Cash flow from operating activities

Net cash used in operating activities was ¥15,943 million (up 211.2%). This figure was mainly the result of a ¥14,712 million of increase in inventory and ¥2,616 million of income tax payment. It was offset by a ¥454 million of income before income taxes and ¥497 million of increase in security deposits received.

Cash flow from investing activities

Net cash provided by investing activities was ¥242 million (up from an outlay of ¥104 million). This figure was mainly the result of proceed of ¥1,092 million from time deposits. It was offset by payment of ¥586 million to purchase investment securities and payment of ¥231 million for time deposits.

Cash flow from financial activities

Net cash provided by financing activities was ¥9,918 million (up 188.9%). This figure was mainly the result of ¥10,319 million net increase in short-term borrowings, offset by a ¥101 million for the repayment of long-term borrowings and ¥300 million of dividend paid.

3. Qualitative information on consolidated earnings forecasts

Earnings through the first quarter of fiscal 2008 have generally met forecasts, and there are no changes from the interim and annual earnings forecasts reported in the Financial Results for Fiscal 2007 released on May 10, 2007.

4. Other

- (1) Major subsidiary changes during the term (changes to specified subsidiaries due to changes in the scope of consolidation): None.

As reported in today's "news release regarding the merger of the Company and our consolidated subsidiary," the Board of Directors decided to acquire and assimilate wholly-owned consolidated subsidiary SF Investments Inc. on October 1, 2007, at a meeting held on August 1, 2007.

- (2) Use of simplified accounting process method

Tax expenses are accounted by a simplified method, and simplified procedures are used for some other amounts affected by this method, when the amounts are negligible.

- (3) Change in accounting process method since most recent consolidated accounting year

Change in method of depreciating tangible fixed assets

In response to revisions to Japan's Corporation Tax Law (Law for Partial Amendment of the Income Tax Law, Law No. 6 of March 30, 2007; and Ordinance for Partial Amendment of the Corporation Tax Law Enforcement Ordinance, Ordinance No. 83 of March 30, 2007), the Company has changed the method of accounting the depreciation on tangible fixed assets acquired on or after April 1, 2007, to a method in compliance with the revised law. The effects of this change on operating income ordinary income and income before income taxes for the quarter were negligible.



4. Summarized Quarterly Consolidated Financial Statements

(1) Summarized Quarterly Consolidated Balance Sheets

(¥ thousand)

Items	Period	First Quarter of Fiscal 2007 (as of June 30, 2006)		First Quarter of Fiscal 2008 (as of June 30, 2007)		Increase/Decrease		Fiscal 2007 (as of March 31, 2007)	
		Amount	Share (%)	Amount	Share (%)	Amount	(%)	Amount	Share (%)
ASSETS									
Current Assets									
Cash and bank deposits		5,022,283		4,527,099		(495,183)	(9.9)	11,170,280	
Accounts receivable - trade		276,723		93,654		(183,068)	(66.2)	242,424	
Inventories		21,959,073		52,454,145		30,495,072	138.9	37,840,343	
Other current assets		902,420		1,515,161		612,740	67.9	1,815,716	
Allowance for doubtful accounts		(1,973)		(1,006)		967	(49.0)	(1,006)	
Total Current Assets		28,158,527	90.5	58,589,054	93.6	30,430,527	108.1	51,067,757	93.7
Fixed Assets									
Property and Equipment									
Buildings		1,060,453		1,039,223		(21,229)	(2.0)	1,052,621	
Land		1,186,585		1,186,585		-	-	1,186,585	
Other		37,831		34,989		(2,842)	(7.5)	38,016	
Total Property and Equipment		2,284,870	7.3	2,260,797	3.6	(24,072)	(1.1)	2,277,222	4.2
Intangible Fixed Assets		293,173	0.9	70,875	0.1	(222,297)	(75.8)	64,413	0.1
Investments and Other Assets		388,951		1,656,760		1,267,808	326.0	1,094,600	
Allowance for doubtful accounts		(1,313)		(1,307)		6	(0.5)	(1,307)	
Total Investments and Other Assets		387,638	1.3	1,655,453	2.7	1,267,814	327.1	1,093,293	2.0
Total Fixed Assets		2,965,681	9.5	3,987,126	6.4	1,021,444	34.4	3,434,929	6.3
Total Assets		31,124,208	100.0	62,576,180	100.0	31,451,972	101.1	54,502,686	100.0

(¥ thousand)

Items	Period		First Quarter of Fiscal 2007 (as of June 30, 2006)		First Quarter of Fiscal 2008 (as of June 30, 2007)		Increase/Decrease		Fiscal 2007 (as of March 31, 2007)	
	Amount	Share (%)	Amount	Share (%)	Amount	(%)	Amount	Share (%)		
LIABILITIES										
Current Liabilities										
Accounts payable - trade	217,294		453,823		236,528	108.9	775,838			
Short-term borrowings	10,776,000		18,238,500		7,462,500	69.3	7,919,000			
Current portion of bonds	328,000		108,000		(220,000)	(67.1)	108,000			
Current portion of long-term debts	418,300		10,741,000		10,322,700	-	8,363,200			
Income taxes payable	436,190		231,867		(204,322)	(46.8)	2,434,210			
Accrued bonuses for employees	12,203		19,034		6,831	56.0	72,203			
Accrued bonuses for directors	-	-	13,000		13,000	-	46,000			
Construction warranty reserve	73,200		57,900		(15,300)	(20.9)	61,100			
Reserve for losses on closure of business offices	-	-	579		579	-	10,575			
Other current liabilities	1,392,413		984,230		(408,182)	(29.3)	910,365			
Total Current Liabilities	13,653,602	43.9	30,847,935	49.3	17,194,333	125.9	20,700,493			38.0
Long-term Liabilities										
Corporate bond	1,144,000		486,000		(658,000)	(57.5)	486,000			
Long-term debt	5,610,760		5,729,760		119,000	2.1	8,209,260			
Reserve for directors' retirement benefits	67,666		78,451		10,784	15.9	78,451			
Other long-term liabilities	935,809		2,790,979		1,855,170	198.2	2,293,699			
Total Long-term Liabilities	7,758,235	24.9	9,085,190	14.5	1,326,955	17.1	11,067,410			20.3
Total Liabilities	21,411,837	68.8	39,933,126	63.8	18,521,289	86.5	31,767,904			58.3
NET ASSETS										
Shareholders' Equity										
Common stock	3,050,911	9.8	7,228,308	11.6	4,177,396	136.9	7,227,668	13.3		
Additional paid-in capital	3,112,248	10.0	7,289,643	11.6	4,177,394	134.2	7,289,003	13.4		
Retained earnings	3,547,485	11.4	8,109,566	13.0	4,562,081	128.6	8,210,477	15.0		
Total Shareholders' Equity	9,710,645	31.2	22,627,518	36.2	12,916,872	133.0	22,727,149	41.7		
Valuation and Translation Adjustments										
Net unrealized holding gain on securities	1,725	0.0	3,860	0.0	2,134	123.7	4,714	0.0		
Total Valuation and Translation Adjustments	1,725	0.0	3,860	0.0	2,134	123.7	4,714	0.0		
Stock Acquisition rights	-	-	11,675	0.0	11,675	-	2,918	0.0		
Total Net Assets	9,712,371	31.2	22,643,054	36.2	12,930,682	133.1	22,734,782	41.7		
Total Liabilities and Net Assets	31,124,208	100.0	62,576,180	100.0	31,451,972	101.1	54,502,686	100.0		



(2) Summarized Quarterly Consolidated Statements of Income

(¥ thousand)

Items	Period		First Quarter of Fiscal 2007 (April 1– June 30, 2006)		First Quarter of Fiscal 2008 (April 1– June 30, 2007)		Increase/Decrease		Fiscal 2007 (April 1, 2006 – March 31, 2007)	
	Amount	Share (%)	Amount	Share (%)	Amount	(%)	Amount	Share (%)		
Net Sales	5,116,641	100.0	2,951,041	100.0	(2,165,600)	(42.3)	35,254,545	100.0		
Cost of Sales	3,630,061	70.9	1,689,370	57.2	(1,940,690)	(53.5)	23,155,684	65.7		
Gross Profit	1,486,580	29.1	1,261,670	42.8	(224,909)	(15.1)	12,098,860	34.3		
Selling, General and Administrative Expenses	759,287	14.9	675,307	22.9	(83,980)	(11.1)	3,390,702	9.6		
Operating Income	727,292	14.2	586,363	19.9	(140,929)	(19.4)	8,708,157	24.7		
Other Income	2,075	0.1	1,739	0.0	(336)	(16.2)	14,387	0.0		
Other Expenses	112,367	2.2	139,105	4.7	26,737	23.8	432,878	1.2		
Ordinary Income	617,000	12.1	448,997	15.2	(168,003)	(27.2)	8,289,666	23.5		
Extraordinary Gains	-	-	6,027	0.2	6,027	-	9,614	0.0		
Extraordinary Losses	-	-	100	0.0	100	-	11,773	0.0		
Income before Income Taxes	617,000	12.1	454,924	15.4	(162,076)	(26.3)	8,287,507	23.5		
Income taxes	426,062	8.4	224,533	7.6	(201,529)	(47.3)	3,433,576	9.7		
<u>Net Income</u>	<u>190,938</u>	<u>3.7</u>	<u>230,391</u>	<u>7.8</u>	<u>39,452</u>	<u>20.7</u>	<u>4,853,931</u>	<u>13.8</u>		



(3) Summarized Quarterly Consolidated Statements of Cash Flows

(¥ thousand)

Items	Period	First Quarter of Fiscal 2007 (April 1– June 30, 2006)	First Quarter of Fiscal 2008 (April 1– June 30, 2007)	Fiscal 2007 (April 1, 2006 – March 31, 2007)
		Amount	Amount	Amount
Cash Flows from Operating Activities				
Income before income taxes		617,000	454,924	8,287,507
Depreciation and amortization		44,982	120,870	291,314
Amortization of goodwill		236,539	-	473,078
Stock acquisition rights		-	8,756	2,918
Allowance for doubtful accounts		(101)	-	(1,074)
Accrued bonuses for employees		(44,256)	(53,168)	15,742
Accrued bonuses for directors		-	13,000	46,000
Reserve for directors' retirement benefits		(6,918)	-	3,866
Construction warranty reserve		-	(3,200)	(12,100)
Reserve for losses on closure of business offices		-	(9,996)	10,575
Interest and dividend income		(25,793)	(1,607)	(7,706)
Interest expense		60,106	117,549	286,024
Stock delivery cost		-	44	42,928
Disposal of property and equipments		-	5,136	1,197
Accounts receivable - trade		400,599	272,810	173,973
Inventories		(5,793,421)	(14,712,392)	(21,949,630)
Accounts payable-trade		986,913	274,924	861,676
Consumption tax payable		(113,378)	(80,405)	(51,115)
Consumption tax receivable		(66,564)	(318,188)	7,834
Security deposits received		407,011	497,280	1,764,901
Payment for directors' and statutory auditors' bonuses		(25,000)	(46,000)	(25,000)
Others, net		(184,596)	240,882	132,503
Sub total		(3,506,876)	(13,218,780)	(9,644,583)
Interest and dividend received		276	-	136,090
Interest paid		(61,543)	(107,456)	(9,644,583)
Income tax paid		(1,555,029)	(2,616,875)	136,090
Net Cash Used in Operating Activities		(5,123,172)	(15,943,113)	(9,644,583)
Cash Flows from Investing Activities				
Payments for time deposits		(126,022)	(231,125)	(395,268)
Proceed from time deposits		36,000	1,092,484	116,000
Purchases of property and equipment		-	(27,129)	(48,035)
Purchases of intangible fixed assets		-	(16,890)	(42,343)
Purchases of investment securities		-	(586,700)	(713,804)
Payments for security deposits		(11,719)	-	(14,213)
Proceed from security deposits		-	9,843	-
Others, net		(3,062)	2,451	12,168
Net Cash Provided by (Used in) Investing Activities		(104,804)	242,934	(1,085,497)
Cash Flows from Financing Activities				
Proceeds from short-term borrowings		1,053,000	10,319,500	(1,804,000)
Proceeds from long-term borrowings		5,100,000	-	15,960,000
Repayments of long-term borrowings		(2,516,700)	(101,700)	(2,833,300)
Payments for redemption of bonds		(110,000)	-	(988,000)
Proceeds from issuance of common stock		-	1,235	8,310,583
Dividends paid		(90,907)	(300,679)	(96,643)
Others, net		(2,207)	-	-
Net Cash Provided by Financing Activities		3,433,184	9,918,356	18,548,639
Increase (Decrease) in Cash and Cash Equivalents		(1,794,793)	(5,781,821)	4,163,957
Cash and Cash Equivalents at Beginning of Year		6,005,324	10,169,282	6,005,324
Cash and Cash Equivalents at End of Year		4,210,531	4,387,460	10,169,282

(4) Segment information

Business performance by segment

First Quarter of Fiscal 2007 (from April 1 June 30, 2006)

(¥ thousand)

	Real-estate revitalization	Real-estate services	Other real-estate business	Total	Elimination/Corporate	Consolidated
Sales to external customers	4,685,139	429,884	1,618	5,116,641	-	5,116,641
Intersegment sales	-	160,283	-	160,283	(160,283)	-
Total sales	4,685,139	590,168	1,618	5,276,925	(160,283)	5,116,641
Operating expenses	4,019,983	450,645	7,122	4,477,751	(88,402)	4,389,349
Operating income (loss)	665,155	139,522	(5,504)	799,174	(71,881)	727,292

Notes: During the quarter, sales to external clients from the Group's real estate revitalization business segment consisted of ¥4,340,307 thousand from replanning business, and ¥344,831 thousand from building leasing business. Similarly, sales from the Group's real estate services business segment consisted of sales of ¥211,560 thousand from brokerage business, and ¥218,323 thousand from areas such as property management and construction planning.

First Quarter of Fiscal 2008 (from April 1 June 30, 2007)

(¥ thousand)

	Real-estate revitalization	Real-estate services	Other real-estate business	Total	Elimination/Corporate	Consolidated
Sales to external customers	2,663,056	271,739	16,245	2,951,041	-	2,951,041
Intersegment sales	-	6,968	-	6,968	(6,968)	-
Total sales	2,663,056	278,708	16,245	2,958,010	(6,968)	2,951,041
Operating expenses	1,777,442	398,724	14,264	2,190,431	174,246	2,364,678
Operating income (loss)	885,614	(120,016)	1,981	767,578	(181,215)	586,363

Notes: During the quarter, sales to external clients from the Group's real estate revitalization business segment consisted of ¥1,974,731 thousand from replanning business, and ¥688,325 thousand from building leasing business. Similarly, sales from the Group's real estate services business segment consisted of sales of ¥139,805 thousand from brokerage business, and ¥131,933 thousand from areas such as property management and construction planning.

Reference: Fiscal 2007 (from April 1, 2006 March 31, 2007)

(¥ thousand)

	Real-estate revitalization	Real-estate services	Other real-estate business	Total	Elimination/Corporate	Consolidated
Sales to external customers	32,662,679	1,647,087	944,777	35,254,545	-	35,254,545
Intersegment sales	-	223,628	-	223,628	(223,628)	-
Total sales	32,662,679	1,870,715	944,777	35,478,173	(223,628)	35,254,545
Operating expenses	24,151,905	1,833,555	58,258	26,043,719	502,668	26,546,387
Operating income (loss)	8,510,774	37,160	886,518	9,434,453	(726,296)	8,708,157

Notes: During the quarter, sales to external clients from the Group's real estate revitalization business segment consisted of ¥31,250,199 thousand from replanning business, and ¥1,412,480 thousand from building leasing business. Similarly, sales from the Group's real estate services business segment consisted of sales of ¥962,009 thousand from brokerage business, and ¥685,077 thousand from areas such as property management and construction planning.

Segment Information by Business Location

During the first quarter of fiscal 2007 (from April 1 – June 30, 2006), the first quarter of fiscal 2008 (from April 1 – June 30, 2007) and the Fiscal 2007 (from April 1, 2006 – March 31, 2007), there was no consolidated subsidiary in any country or territory outside Japan, and no major overseas branch, so this item does not exist.

Overseas Sales

During the first quarter of fiscal 2007 (from April 1 – June 30, 2006), the first quarter of fiscal 2008 (from April 1 – June 30, 2007) and the Fiscal 2007 (from April 1, 2006 – March 31, 2007), the Company and subsidiaries did not account overseas sales, so this item does not exist.

5. Summarized Quarterly Non-consolidated Financial Statements

(1) Summarized Quarterly Non-consolidated Balance Sheets

(¥ thousand)

Items	Period	First Quarter of Fiscal 2007 (as of June 30, 2006)		First Quarter of Fiscal 2008 (as of June 30, 2007)		Increase/Decrease		Fiscal 2007 (as of March 31, 2007)	
		Amount	Share (%)	Amount	Share (%)	Amount	(%)	Amount	Share (%)
ASSETS									
Current Assets									
Cash and bank deposits		3,878,610		3,210,157		(668,453)	(17.2)	8,756,578	
Accounts receivable - trade		184,365		95,360		(89,004)	(48.3)	241,024	
Inventories		9,241,740		39,036,012		29,794,272	322.4	26,714,972	
Other current assets		487,753		1,142,294		654,540	134.2	1,539,707	
Allowance for doubtful accounts		(1,973)		(1,006)		967	(49.0)	(1,006)	
Total Current Assets		13,790,496	66.5	43,482,818	91.3	29,692,322	215.3	37,251,276	91.2
Fixed Assets									
Property and Equipment									
Buildings		1,060,453		1,039,223		(21,229)	(2.0)	1,052,621	
Land		1,186,585		1,186,585		-	-	1,186,585	
Other		37,831		34,862		(2,969)	(7.8)	37,889	
Total Property and Equipment		2,284,870	11.0	2,260,671	4.8	(24,199)	(1.1)	2,277,095	5.6
Intangible Fixed Assets		56,556	0.3	70,807	0.1	14,250	25.2	64,345	0.2
Investments and Other Assets									
Contributions to affiliates		1,451,328		-		(1,451,328)	(100.0)	-	
Long-term loans to affiliates		2,710,000		-		(2,710,000)	(100.0)	-	
Other assets		441,644		1,796,632		1,354,988	306.8	1,234,473	
Allowance for doubtful accounts		(1,313)		(1,307)		6	(0.5)	(1,307)	
Total Investments and Other Assets		4,601,659	22.2	1,795,325	3.8	(2,806,334)	(61.0)	1,233,165	3.0
Total Fixed Assets		6,943,086	33.5	4,126,803	8.7	(2,816,282)	(40.6)	3,574,606	8.8
Total Assets		20,733,582	100.0	47,609,622	100.0	26,876,039	129.6	40,825,883	100.0

(¥ thousand)

Items	Period		First Quarter of Fiscal 2007 (as of June 30, 2006)		First Quarter of Fiscal 2008 (as of June 30, 2007)		Increase/Decrease		Fiscal 2007 (as of March 31, 2007)	
	Amount	Share (%)	Amount	Share (%)	Amount	(%)	Amount	Share (%)		
LIABILITIES										
Current Liabilities										
Accounts payable - trade	158,925		413,355		254,430	160.1	592,351			
Short-term borrowings	5,776,000		10,248,000		4,472,000	77.4	3,719,000			
Current portion of bonds	328,000		108,000		(220,000)	(67.1)	108,000			
Current portion of long-term debts	178,300		10,561,000		10,382,700	-	8,123,200			
Income taxes payable	159,357		223,600		64,242	40.3	19,856			
Accrued bonuses for employees	12,203		18,012		5,809	47.6	72,203			
Accrued bonuses for directors	-		13,000		13,000	-	46,000			
Construction warranty reserve	73,200		57,900		(15,300)	(20.9)	61,100			
Reserve for losses on closure of business offices	-		579		579	-	10,575			
Other current liabilities	449,391		880,217		430,826	95.9	793,015			
Total Current Liabilities	7,135,377	34.4	22,523,665	47.3	15,388,288	215.7	13,545,301			33.2
Long-term Liabilities										
Corporate bond	1,144,000		486,000		(658,000)	(57.5)	486,000			
Long-term debt	1,890,760		2,189,760		299,000	15.8	4,669,260			
Reserve for directors' retirement benefits	67,666		78,451		10,784	15.9	78,451			
Security deposits	-		2,407,307		2,407,307	-	2,057,061			
Other long-term liabilities	657,790		-		(657,790)	(100.0)	-			
Total Long-term Liabilities	3,760,217	18.1	5,161,518	10.8	1,401,300	37.3	7,290,772			17.8
Total Liabilities	10,895,594	52.6	27,685,183	58.2	16,789,589	154.1	20,836,074			51.0
NET ASSETS										
Shareholders' Equity										
Common stock	3,050,911	14.7	7,228,308	15.2	4,177,396	136.9	7,227,668	17.7		
Additional paid-in capital	3,112,248	15.0	7,289,643	15.3	4,177,394	134.2	7,289,003	17.9		
Retained earnings	3,673,101	17.7	5,390,951	11.3	1,717,849	46.8	5,465,503	13.4		
Total Shareholders' Equity	9,836,262	47.4	19,908,902	41.8	10,072,640	102.4	19,982,175	49.0		
Valuation and Translation Adjustments										
Net unrealized holding gain on securities	1,725	0.0	3,860	0.0	2,134	123.7	4,714	0.0		
Total Valuation and Translation Adjustments	1,725	0.0	3,860	0.0	2,134	123.7	4,714	0.0		
Stock Acquisition rights	-	-	11,675	0.0	11,675	-	2,918	0.0		
Total Net Assets	9,837,988	47.4	19,924,438	41.8	10,086,450	102.5	19,989,808	49.0		
Total Liabilities and Net Assets	20,733,582	100.0	47,609,622	100.0	26,876,039	129.6	40,825,883	100.0		



(2) Summarized Quarterly Non-consolidated Statements of Income

(¥ thousand)

Items	Period		First Quarter of Fiscal 2007 (April 1– June 30, 2006)		First Quarter of Fiscal 2008 (April 1– June 30, 2007)		Increase/Decrease		Fiscal 2007 (April 1, 2006 – March 31, 2007)	
	Amount	Share (%)	Amount	Share (%)	Amount	(%)	Amount	Share (%)		
Net Sales	1,655,199	100.0	2,848,238	100.0	1,193,039	72.1	17,228,323	100.0		
Cost of Sales	808,707	48.9	1,657,420	58.2	848,713	104.9	11,067,310	64.2		
Gross Profit	846,492	51.1	1,190,818	41.8	344,325	40.7	6,161,012	35.8		
Selling, General and Administrative Expenses	504,676	30.5	626,187	22.0	121,510	24.1	2,720,873	15.8		
Operating Income	341,815	20.6	564,630	19.8	222,815	65.2	3,440,139	20.0		
Other Income	14,779	0.9	5,668	0.2	(9,110)	(61.6)	73,840	0.4		
Other Expenses	35,828	2.1	95,876	3.3	60,048	167.6	227,614	1.3		
Ordinary Income	320,766	19.4	474,422	16.7	153,656	47.9	3,286,366	19.1		
Extraordinary Gains	-	-	6,027	0.2	6,027	-	9,616	0.0		
Extraordinary Losses	-	-	100	0.0	100	-	365,169	2.1		
Income before Income Taxes	320,766	19.4	480,350	16.9	159,583	49.8	2,930,811	17.0		
Income taxes	150,439	9.1	223,600	7.9	73,160	48.6	968,082	5.6		
<u>Net Income</u>	<u>170,326</u>	<u>10.3</u>	<u>256,750</u>	<u>9.0</u>	<u>86,423</u>	<u>50.7</u>	<u>1,962,728</u>	<u>11.4</u>		