



November 1, 2007

## Notification regarding the revision of the earnings forecasts for the first half and full year of the fiscal year 3/2008

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The earnings forecast for the fiscal year ending in March 2008 (April 1, 2007 to March 31, 2008) reported by “The flash report on the settlement of the year ended in March 2007” released as of May 10, 2007 will be revised as follows:

1. Revision of the earnings forecast for the first half year of the fiscal year ending in March 2008

(1) Consolidated (April 1, 2007 to September 30, 2007) (Unit : million yen)

|                       | Net Sales | Operating Income | Ordinary Income | Net Income |
|-----------------------|-----------|------------------|-----------------|------------|
| Previous Forecast (A) | 21,000    | 3,660            | 3,250           | 1,700      |
| Revised Forecast (B)  | 21,407    | 4,642            | 4,429           | 2,480      |
| Difference (B - A)    | 407       | 982              | 1,179           | 780        |
| Increase ratio        | 1.9%      | 26.8%            | 36.3%           | 45.9%      |

(2) Reasons for the revision

In the affected term we have been positively tackling with “ the creation of the real estate value ” by securing the compliance of the buildings, improving the specifications of the buildings by renovating the interior, exterior and the facilities of the buildings, and increasing the rents through the above in the replanning business, our core business. As a result, the scope of our business has been expanding, as seen in the completion of the first bulk sale project which combines several number of the properties qualified for investment., as released in “ Notification concerning the transfer of the beneficiary rights of the real estate properties for sale ” as of July 27, 2007 In line with this, regarding “ Frontier Koishikawa Building ”, a central property of the affected project, we have succeeded in re-creating it into a property with high market liquidity which enables the trust beneficiary rights by closing the basement pit which could not be used as a residential space, securing the compliance by equipping it with the facilities required by the Fire Defense Law, wholly changing the design and the facilities, etc. in order to make it possible to rent it on a floor basis, which was constructed and used by one company for its own office. Consequently we revise our previous consolidated earnings forecast as seen above (1), since both the net sales and the income turned to be largely higher than we initially expected.

Recently the real estate market finds itself in a situation in which the financial institutions are sometimes very discreet toward the loans secured by the real estate properties and the tendency of strictly evaluating each property for both purchase and sale is becoming increasingly evident. Our company intends to continue the product creation focused on the higher quality by observing and judging the market changes at an early stage, making the evaluation of the properties for sale stricter by comprehensively taking into consideration the purpose of use, the size, business period, possibility for increased profit, the future market liquidity, etc. for each property, as we have always been doing.



- (3) Non-consolidated (April 1, 2007 to September 30, 2007) (Unit : million yen)

|                       | Net Sales | Operating Income | Ordinary Income | Net Income |
|-----------------------|-----------|------------------|-----------------|------------|
| Previous Forecast (A) | 13,500    | 2,720            | 2,380           | 1,250      |
| Revised Forecast (B)  | 12,010    | 1,930            | 1,792           | 960        |
| Difference (B - A)    | (1,490)   | (790)            | (588)           | (290)      |
| Increase ratio        | (11.0)%   | (29.0)%          | (24.7)%         | (23.2)%    |

- (4) Reason for revision

The forecast has been revised as seen above (3), due to the lower forecast than the initial one, mainly because the delivery of the property which was slated for the first half was postponed to the second half.

- (5) For your reference : Business results of the previous interim term (April 1, 2006 to September 30, 2006)

(Unit : million yen)

|                  | Net Sales | Operating Income | Ordinary Income | Net Income |
|------------------|-----------|------------------|-----------------|------------|
| Consolidated     | 15,461    | 3,056            | 2,833           | 1,459      |
| Non-consolidated | 10,114    | 2,504            | 2,426           | 1,212      |

2. Revised earnings forecast of the fiscal year ending in March 2008

- (1) Consolidated (April 1, 2007 to March 31, 2008) (Unit : million yen)

|                       | Net Sales | Operating Income | Ordinary Income | Net Income |
|-----------------------|-----------|------------------|-----------------|------------|
| Previous Forecast (A) | 55,000    | 10,690           | 9,900           | 5,200      |
| Revised Forecast (B)  | 55,000    | 10,690           | 9,900           | 5,200      |
| Difference (B - A)    | —         | —                | —               | —          |
| Increase ratio        | —%        | —%               | —%              | —%         |

The earnings forecast of the fiscal year on the consolidated basis is not revised, considering the present condition of the real estate market and the economic trends, etc. described at the bottom of the first page.

- (2) Non-consolidated (April 1, 2007 to March 31, 2008) (Unit : million yen)

|                       | Net Sales | Operating Income | Ordinary Income | Net Income |
|-----------------------|-----------|------------------|-----------------|------------|
| Previous Forecast (A) | 47,000    | 9,680            | 9,000           | 4,740      |
| Revised Forecast (B)  | 47,000    | 9,680            | 9,000           | 8,538      |
| Difference (B - A)    | —         | —                | —               | 3,798      |
| Increase ratio        | —%        | —%               | —%              | 80.1%      |

- (3) Reason for revision

As described in “Notification concerning the merger of our company and the consolidated subsidiary (simple merger)” released as of August 1, 2007, our company merged SF Investments Co., Ltd., our consolidated subsidiary, as of October 1, 2007. As the Accounting Standards for Business Combinations shall be applied to this merger, the extraordinary profit of Y3,788 million shall be appropriated on the non-consolidated basis for the fiscal year. Due to the above reasons the earnings forecast was revised this time.

- (4) For your reference : Business results of the previous interim term (April 1, 2006 to March 31, 2007)

(Unit : million yen)

|                  | Net Sales | Operating Income | Ordinary Income | Net Income |
|------------------|-----------|------------------|-----------------|------------|
| Consolidated     | 35,254    | 8,708            | 8,289           | 4,853      |
| Non-consolidated | 17,228    | 3,440            | 3,286           | 1,962      |

(Note) The above earnings forecast was created based on the data which is available as of the day of issuance of this document. The actual performance is subject to change from the forecast due to a variety of factors which will arise in the future.