

Notification regarding the revision of consolidated earnings forecasts for Fiscal Year Ended March 31, 2009

Sun Frontier Fudousan Co., Ltd. has revised, as follows, its consolidated yearly earnings forecasts for fiscal year ended March 31, 2009 (April 1, 2008 through March 31, 2009) as announced in its “Financial Results for Third Quarter of Fiscal Year Ending March 31, 2009 (April 1, 2008 through December 31, 2008)” on January 29, 2009. These earnings forecast revisions are the result of recent earnings trends.

1. Revision of consolidated earnings forecasts for fiscal year ended March 31, 2009 (April 1, 2008 through March 31, 2009)

	(¥ million)			
	Net Sales	Operating Income (loss)	Ordinary Income (loss)	Net Income (loss)
Previous Forecast (A)	31,400	(12,600)	(13,400)	(12,500)
Revised Forecast (B)	26,870	(17,090)	(17,794)	(17,666)
Increase (Decrease) (B-A)	(4,530)	(4,490)	(4,394)	(5,166)
Increase (Decrease) ratio (Reference)	(14.4)%	— %	— %	— %
Fiscal year ended March 31, 2008	48,150	6,960	6,346	3,650

2. Reasons for revision

The rapid deterioration across the real-estate market due to the impact of the global financial crisis has resulted in the depressed tone being extended for the period January to March with a continued slide in property prices. Accordingly, we have been pushing ahead with the sale of inventories for our replanning business as per the sales plan reviewed in January. However, market conditions during the period were even tougher than expected. The average sales price was lower than that assumed at the time of the previous forecast, but those properties were still sold in order to compress the interest-bearing debts and improve short-term liquidity.

As a result, we sold eight properties during the period for a total of some ¥6.2 billion (as compared to ¥23.9 billion for 30 properties in the entire fiscal year), and the number of properties retained (inventories) had been reduced to 11 as of the end of the term. While promoting such sales, we have also carefully reconsidered our selection, for example, postponing the sale of properties that we decided it may be more appropriate to retain from a cash flow perspective, in contrast to our original plan to sell.

We recently added about ¥3 billion to the cost of sales as valuation loss on inventories following a revaluation including these properties (as a result, the total valuation loss for the full fiscal year for the 11 inventory properties as of the end of the term is about ¥9.5 billion). Our equity ratio is estimated to be about 29%.

Based on the above outlook, we hereby revise our consolidated earnings forecast for fiscal year ended March 31, 2009.

We are officially announcing further details in the “Financial Results for Fiscal 2009 (April 1, 2009 through December 31, 2009)” scheduled for release on May 14, 2009.

Note: The above earnings forecasts were 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.