

**Consolidated Financial Results for the First Half of Fiscal Year
Ending March 31, 2011
(Based on Japanese GAAP)
(Translation of Japanese Flash Report, Released on November 10, 2010)**

Company name: Sun Frontier Fudousan Co., Ltd.

Stock listing: Tokyo Stock Exchange 1st Section

Code number: 8934

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*Amounts under one million yen have been rounded down.

**1. Consolidated Performance in the First Half of Fiscal Year Ending March 31, 2011
(From April 1 to September 30, 2010)**

(1) Operating results

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

(Millions of yen, except for per share figures)

	Sales	Operating Income (Loss)	Ordinary Income (Loss)
1st half of FY ending March 31, 2011	¥1,967 (-38.9%)	¥229 (-%)	¥170 (-%)
1st half of FY ended March 31, 2010	¥3,219 (-78.1%)	¥(4,185) (-%)	¥(4,376) (-%)

	Net Income (Loss)	Net Income (Loss) per Share	Fully Diluted Net Income per Share (Yen)
1st half of FY ending March 31, 2011	¥160 (-%)	¥432.59	¥432.56
1st half of FY ended March 31, 2010	¥(4,336) (-%)	¥(13,082.11)	¥-

(2) Financial Position (at end of the term)

(Millions of yen, except for per share figures)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
1st half of FY ending March 31, 2011	¥13,015	¥5,348	41.0%	¥14,355.03
FY ended March 31, 2010	¥13,359	¥5,184	38.7%	¥13,923.14

Reference) Equity at term-end: 1st half of FY ending March 31, 2011 (as of September 30, 2010): ¥5,332 million

FY ended March 31, 2010 (as of March 31, 2010): ¥5,172 million

2. Cash Dividends

(Yen)

	Cash Dividends per Share				
	1st quarter period	2nd quarter period	3rd quarter period	Year end	Annual total
FY ended March 31, 2010	-	¥0.00	-	¥0.00	¥0.00
FY ending March 31, 2011	-	¥0.00	-	-	-
FY ending March 31, 2011 (Projections)	-	-	-	¥0.00	¥0.00

Note: There were no revisions to dividend forecast during the quarter.

3. Projections for Consolidated Performance in the Fiscal Year Ending March 31, 2011

(From April 1, 2010 to March 31, 2011) *Percentage figures are indicated year-on year changes for those items.

(Millions of yen, except for per share figures)

	Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
FY ending March 31, 2011	¥9,200 (-36.4%)	¥860 (-%)	¥720 (-%)	¥700 (-%)	¥1,884.27

Note: There were no revisions to consolidated earnings forecasts during the quarter.

4. Others (For details, please refer to Item 4, "Other" under "Qualitative information/financial statements" on page 5.)

(1) Changes in significant subsidiaries: No

Newly companies: —

Excluded companies: —

Note: The existence of changes to specific subsidiaries due to changes in the scope of consolidation in the period under review.

(2) Adoption of simplified accounting methods: Yes

Note: Adoption of simplified accounting method and special accounting method in the preparation of quarterly consolidated financial statements.

(3) Changes in accounting principles, procedures and disclosure methods for preparation of quarterly consolidated financial statements

1) Changes caused by revision of accounting standards: Yes

2) Other changes: No

Note: Changes in accounting principles, procedures, disclosure methods, etc. pertaining to preparation of the quarterly consolidated financial statements recorded in the Changes in Important Matters, etc. Used as the Basis for Preparation of the Quarterly Consolidated Financial Statements.

(4) Number of shares issued and outstanding (common shares)

1) Number of shares issued and outstanding at the end of the period (including treasury stock):

1st half of FY ending March 31, 2011 (as of September 30, 2010): 371,495 shares

Fiscal year ended March 31, 2010 (as of March 31, 2010): 371,495 shares

2) Number of treasury stock at the end of period:

1st half of FY ending March 31, 2011 (as of September 30, 2010): - shares

Fiscal year ended March 31, 2010 (as of March 31, 2010): - shares

3) Weighted average number of shares for the period (April 1 – September 30):

1st half of FY ending March 31, 2011: 371,495 shares

1st half of FY ended March 31, 2010: 331,495 shares

Disclosure concerning status of implementation of quarterly review procedure

This quarterly financial results report is exempt from the quarterly review procedure based on the Financial Instruments and Exchange Law. At the time of disclosure of this quarterly financial results report, such review procedure for quarterly reports based on the Financial Instruments and Exchange Law had been under development.

Appropriate use of projections for performance, other notes

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. Refer to Item 3, "Qualitative information on consolidated earnings forecasts" under "Qualitative information/financial statements" on page 5.

Qualitative information/financial statements

1. Qualitative information on consolidated business performance

During the first half (April-September 2010) of fiscal year ending March 2011, Japan's economy as a whole followed a gradual recovery trend. However, the outlook for the economy remained murky, due to the lack of any significant change in deflation or the grim employment picture, and also due to negative impacts from concerns of a slowdown in business conditions and overseas economy, and appreciation of the yen and falling share prices.

In the real estate industry, there is a positive trend in the funding environment. Funds from private investors and financial institutions are flowing into the real estate investment market, and property acquisition activities can be noted at a number of JREITs, against the backdrop of low interest rates. The building leasing market in central Tokyo begins to show signs of recovery with halting the rise of vacancy rates, while rents continue to fall.

Given such an environment, the Sun Frontier Fudousan Group worked to strengthen its customer base and management foundations, in order to expand its business stably over the long term. In July 2010 we began operation of "Sonomanma Offices" our leasing brokerage business for fully-furnished offices, and worked to extend our existing businesses and cultivate new earnings opportunities in peripheral sectors by broadening our real estate services business. In the real estate revitalization business, we focused our efforts on purchasing and selling small-sized buildings in a several hundred million range.

On the other hand, with regard to expenses we made every effort to lower our break-even point at the company level. As a result of these efforts, earnings for the first half of the current fiscal year were positive. In addition, for the quarterly period (three months) we reported positive net income for the fourth consecutive quarter since returning to profitability in the third quarter of fiscal year ended March 2010.

As a result, our operating results for the first half of fiscal year ending March 2011 were as follows: sales of ¥1,967 million (down by 38.9% from the same period of previous fiscal year), operating income of ¥229 million (compared to an operating loss of ¥4,185 million in the same period of previous fiscal year), and ordinary income of ¥170 million (compared to an ordinary loss of ¥4,376 million). Net income was ¥160 million (compared to a net loss of ¥4,336 million).

Business performance by segment is as follows.

Beginning from the first quarter of fiscal year ending March 31, 2011, the Company adopted the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (Accounting Standards Board of Japan Statement No. 17 revised March 27, 2009) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 dated March 21, 2008). Consequently, for each segment we did not record a comparison of amounts with the same quarter of the previous fiscal year.

Real Estate Revitalization

In our Replanning business, we focused on property acquisition activities, while carefully ascertaining the timing as the market bottomed out. We purchased four properties as short-term projects with carefully examining properties and their exits in five wards of central Tokyo, the Group's strongest area. In addition, by simultaneously pursuing various creative efforts on those properties, we quickly restored high occupancy rates and completed the sale of three properties.

In the building leasing business, we gained stable lease revenue as a result of maintaining high occupancy rates throughout the period.

As a result of the above activities, sales on Real Estate Revitalization business were ¥1,157 million and segment income was ¥367 million.

Real Estate Brokerage

In our sales brokerage business, we endeavored to strengthen our personnel and organizational structure, and continued to develop our customer base by taking maximum advantage of our collective capabilities, through cooperation among internal divisions such as our leasing brokerage and property management businesses.

In the leasing brokerage business, we made our efforts to strengthen our brokerage business capabilities with increase of marketing staffs, and bolster fee income including leasing brokerage-related peripheral businesses, such as collaboration with related businesses of “Sonomanma Offices” as described before and comprehensively support office relocation.

As a result of the above activities, sales were ¥416 million and segment income was ¥362 million.

Property Management

In the property management business, along with working to improve the level of customer satisfaction and prevent vacancies through close tenant support at properties, we also focused on creating new earnings opportunities, including proposing property improvements and restoration work with a view to increasing property values.

As a result of the above activities, sales were ¥194 million and segment income was ¥143 million.

Other Businesses

In the construction planning business, operating results expanded steadily. We increased the number of projects for our “total relocation service,” which comprehensively resolves the various problems encountered during office relocations by providing services such as layout proposals, interior contracting and restoration work.

In our delinquent rent guarantee services, the number of contracts rose steadily and the balance of guarantees increased firmly. Growth was spurred by the desire of building owners to avoid rent delinquency risk, and tenants’ need to lower the risk of entrusting security deposits and guarantee money, because of the economic downturn.

As a result of the above activities, sales were ¥199 million and segment income was ¥82million.

2. Qualitative information on consolidated financial conditions

Total assets at the end of the first half of fiscal year ending March 2011 (September 30, 2010) were ¥13,015 million (down by 2.6% from the end of the previous consolidated fiscal year), and liabilities were ¥7,667 million (down by 6.2%). The decrease in total assets was mainly due to a decrease of ¥590 million in cash and bank deposits and a decrease of ¥83 million in property and equipment, although an increase of ¥123 million in inventories. The decrease in liabilities was mainly due to a decrease of ¥392 million in interest-bearing debts.

Net assets were ¥5,348 million (up by 3.2%). The main reason for the increase in net assets was the net income of ¥160 million. Consequently, the equity ratio was 41.0%.

Cash flows

For the first half of fiscal year ending March 2011, cash and cash equivalents (“cash”) totaled ¥2,993 million at the end of the first half, a decrease of ¥608 million compared to the balance at the beginning of the term. This decrease resulted mainly from an increase of ¥180 million in operational investment securities, a decrease of ¥214 million in short-term loans payable and a repayment of ¥224 million in long-term loans payable, although an increase of ¥174 in net income before income taxes and minority interests from ¥100 million in long-term loans payable.

The cash flows for the first half of current fiscal year are described below, along with the main factors affecting cash flows.

Cash flow from operating activities

Net cash used in operating activities was ¥131 million (compared to net cash provided by ¥1,835 million in the same period of previous fiscal year). This figure was mainly the result of an increase in inventories of ¥124 million and an increase in operational investment securities of ¥180 million, although a net income before income taxes of ¥174 million.

Cash flow from investing activities

Net cash used in investing activities was ¥84 million (compared to net cash provided by ¥2 million in the same period of previous fiscal year). This figure was mainly the result of ¥66 million in payments for time deposits, ¥19 million in payments for purchases of property and equipments and ¥37 million in payments for purchases of intangible assets, although ¥48 million in proceeds from time deposits.

Cash flow from financing activities

Net cash used in financing activities was ¥392 million (down by 87.9%). This figure was mainly the result of ¥214 million of net decrease in short-term loans payable and ¥224 million used for repayments of long-term loans payable, although ¥100 million of proceeds from long-term loans payable.

3. Qualitative information on consolidated earnings forecasts

There are no revisions to the consolidated earnings forecast for the fiscal year ending March 2011 released on May 13, 2010.

4. Other

(1) Significant changes in subsidiaries

Not applicable

(2) Adoption of simplified accounting processes and special accounting processes

1) Method of calculating doubtful accounts estimate amounts for general debts

Since we have found no significant difference between the doubtful accounts ratio for the end of second quarter of fiscal year ending March 2011 and the ratio for the end of previous fiscal year, we have used the doubtful accounts ratio used at the end of previous fiscal year to calculate the estimated doubtful accounts total.

2) Method of calculating fixed asset depreciation and amortization expense

For fixed assets for which it has adopted the declining balance method, the Company calculates the amount of depreciation and amortization expense pertaining to the fiscal year on a pro-rata basis for each period.

3) Method of calculating deferred tax assets and deferred tax liabilities

For deferred tax assets are judged to be recoverable, the Company calculates the assets and liabilities by using a method that employs the business forecasts used at the end of the previous fiscal year and tax planning, when there are no significant change in the operating environment and the occurrence of temporary differences since the end of the previous fiscal year.

(3) Changes in accounting principles, processes, disclosure methods, etc.

1) Changes in accounting processes

a. Adoption of the Accounting Standard for Asset Retirement Obligations

Effective from the first quarter of fiscal year ending March 31, 2011, the Company has adopted the “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan Statement No. 18 dated March 31, 2008) and the “Guidance on Accounting Standard for Asset

Retirement Obligations” (ASBJ Guidance No. 21 dated March 31, 2008).

As a result, for the first half of fiscal year ending March 2011, operating income and ordinary income each decreased ¥851 thousand and income before income taxes decreased ¥4,142 thousand.

- b. Adoption of the Accounting Standard for Equity Method of Accounting for Investments and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

Beginning from the first quarter of fiscal year ending March 31, 2011, the Company adopted the “Accounting Standard for Equity Method of Accounting for Investments” (Accounting Standards Board of Japan Statement No. 16 dated March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (Practical Issue Task Force Report No. 24 dated March 10, 2008). The effect of this change is not material.

2) Change in disclosure method

Quarterly consolidated statements of income

- a. In the first half of previous fiscal year, the Company reported “Reversal of allowance for doubtful accounts” in “Other” under Extraordinary Gains. For the first half of fiscal year ending March 31, 2011, the Company has reported this item separately because the amount exceeded 20% of total extraordinary gains. The amount for “Reversal of allowance for doubtful accounts” included in “Other” under Extraordinary Gains in the first half of the previous fiscal year was ¥6,585 thousand.
- b. In the first half of previous fiscal year, the Company reported “Loss on revaluation of memberships” as a separate line item. For the first half of fiscal year ending March 31, 2011, the Company has included the amount for this item (¥50 thousand) in “Other” under Extraordinary Losses because the amount is less than 20% of total assets.
- c. In conjunction with application of the “Cabinet Office Ordinance Partially Revising the Regulations for Terminology, Formats and Preparation Methods of Financial Statements” (Cabinet Ordinance No. 5 dated March 24, 2009) based on the “Accounting Standard for Consolidated Financial Statements” (Accounting Standards Board of Japan Statement No. 22 dated December 26, 2008), for the first half of fiscal year ending March 31, 2011 the Company has separately reported the line item “Income (loss) before minority interests”.

Quarterly consolidated statements of cash flows

- a. In the first half of previous fiscal year, the Company reported “Gain (Loss) on investment in a silent partnership” as a separate line item in Cash Flows from Operating Activities. For the first half of fiscal year ending March 31, 2011, the Company has included the amount for this item (¥30,468 thousand of loss) in “Other” under Cash Flows from Operating Activities due to its decreased importance.
- b. In the first half of previous fiscal year, the Company reported “Refunded income tax received” and “Income tax paid” in Cash Flows from Operating Activities. For the first half of fiscal year ending March 31, 2011, the Company has reported in “Income tax (paid) or refunded income tax received” as a net amount. The amounts for “Income tax paid” and “Refunded income tax received” for the first half of current fiscal year were ¥(2,537) thousand and ¥2,704 thousand, respectively.
- c. In the first half of previous fiscal year, the Company reported “Proceeds from collection of short-term loan receivable” as a separate line item in Cash Flows from Investing Activities. For the first half of fiscal year ending March 31, 2011, the Company has included the amount for this item (¥50 thousand) in “Other” under Cash Flows from Investing Activities due to its decreased importance.

5. Consolidated Financial Statements

*Amounts under one thousand yen have been rounded down.

(1) Quarterly Consolidated Balance Sheets

(¥ thousand)

	End of 1H of FY ending March 31, 2011 (as of September 30, 2010)	FY ended March 31, 2010 (as of March 31, 2010)
ASSETS		
Current Assets		
Cash and deposits	3,350,177	3,940,389
Accounts receivable - trade	123,920	134,534
Operational Investment Securities	180,000	-
Real estate for sale	764,318	764,318
Real Estate for sale in process	123,586	-
Other	109,371	95,750
Allowance for doubtful accounts	(6,098)	(6,544)
Total Current Assets	4,645,275	4,928,448
Noncurrent Assets		
Property, Plant and Equipment		
Buildings (net)	4,778,224	4,862,042
Vehicles (net)	2,886	613
Land	3,192,919	3,192,919
Other (net)	11,518	13,611
Total Property, Plant and Equipment	7,985,548	8,069,186
Intangible Assets		
Other	61,001	34,176
Total Intangible Assets	61,001	34,176
Investments and Other Assets		
Other	329,737	395,173
Allowance for doubtful accounts	(5,848)	(67,883)
Total Investments and Other Assets	323,889	327,289
Total Noncurrent Assets	8,370,439	8,430,651
Total Assets	<u>13,015,715</u>	<u>13,359,100</u>

(¥ thousand)

	End of 1H of FY ending March 31, 2011 (as of September 30, 2010)	FY ended March 31, 2010 (as of March 31, 2010)
LIABILITIES		
Current Liabilities		
Accounts payable - trade	63,680	79,329
Short-term loans payable	717,000	931,000
Current portion of bonds	108,000	108,000
Current portion of long-term loans payable	468,688	408,688
Income taxes payable	24,084	14,517
Provision for bonuses	39,090	36,258
Construction warranty reserve	4,100	6,100
Provisions for loss on guarantees for rent	5,700	6,381
Other	1,227,589	619,517
Total Current Liabilities	2,657,933	2,209,792
Noncurrent Liabilities		
Bonds payable	108,000	162,000
Long-term loans payable	4,305,936	4,490,280
Deferred tax liabilities	258	439
Other	594,968	1,311,778
Total Noncurrent Liabilities	5,009,163	5,964,498
Total Liabilities	7,667,096	8,174,290
NET ASSETS		
Shareholders' Equity		
Capital stock	7,728,308	7,728,308
Capital surplus	500,000	500,000
Retained earnings	(2,895,863)	(3,056,570)
Total Shareholders' Equity	5,332,444	5,171,738
Valuation and Translation Adjustments		
Valuation difference on available-for-sale securities	377	640
Total Valuation and Translation Adjustments	377	640
Subscription rights to shares	15,796	12,431
Total Net Assets	5,348,618	5,184,810
Total Liabilities and Net Assets	13,015,715	13,359,100

(2) Interim Consolidated Statements of Income

(¥ thousand)

	1st half of FY ended March 31, 2010 (April 1– September 30, 2009)	1st half of FY ending March 31, 2011 (April 1– September 30, 2010)
Sales	3,219,203	1,967,379
Cost of Sales	6,527,917	940,428
Gross Profit (Loss)	(3,308,714)	1,026,950
Selling, General and Administrative Expenses	877,176	797,398
Operating Income (Loss)	(4,185,890)	229,552
Non-operating Income	2,406	4,386
Interest income	1,341	1,133
Dividends income	371	343
Liquidated Damages income	-	1,587
Other	694	1,321
Non-operating Expenses	193,228	62,989
Interest Expenses	191,659	62,586
Other	1,569	403
Ordinary Income (Loss)	(4,376,713)	170,949
Extraordinary Income	48,576	6,463
Reversal of allowance for doubtful accounts	-	4,010
Reversal of provision for bonuses	17,709	-
Reversal of construction warranty reserve	22,575	1,520
Other	8,292	933
Extraordinary Loss	1,859	3,396
Loss on valuation of memberships	1,859	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	3,291
Other	-	105
Income (Loss) before Income Taxes and minority interests	(4,329,995)	174,016
Income Taxes	6,661	13,309
Income taxes-current	6,661	13,309
Income before Minority Interests	-	160,706
<u>Net Income (Loss)</u>	<u>(4,336,656)</u>	<u>160,706</u>

(3) Interim Consolidated Statements of Cash Flows

(¥ thousand)

	1st half of FY ended March 31, 2010 (April 1– September 30, 2009)	1st half of FY ending March 31, 2011 (April 1– September 30, 2010)
Net Cash Provided by (Used in) Operating Activities		
Income (Loss) before income taxes and minority interests	(4,329,995)	174,016
Depreciation and amortization	134,127	109,590
Increase in stock acquisition	14,203	3,365
Decrease in allowance for doubtful accounts	(5,528)	(3,696)
Increase in provision for bonuses	1,583	2,831
Decrease in construction warranty reserve	(23,400)	(2,000)
Decrease in provisions for loss on guarantees for rent	(1,800)	(681)
Decrease in provision for office transfer	-	(2,765)
Gain on investment in a silent partnership	3,003,190	-
Interest and dividends income	(1,712)	(1,477)
Interest expenses	191,659	62,586
Increase (decrease) in notes and accounts receivable-trade	(65,370)	16,492
Increase in investment securities for sale	-	(180,000)
Increase (decrease) in inventories	2,957,176	(124,747)
Decrease in notes and accounts payable-trade	(107,525)	(8,538)
Decrease in accrued consumption taxes	(29,954)	(62,309)
Increase in consumption taxes refund receivable	(17,461)	(33,147)
Increase (decrease) in guarantee deposits received	223,941	(6,117)
Others, net	(24,480)	(14,274)
Subtotal	1,918,654	(70,874)
Interest and dividends income received	1,767	1,477
Interest expenses paid	(192,732)	(62,211)
Income taxes refund	109,134	-
Income taxes paid	(1,764)	-
Income taxes (paid) refund	-	167
Net Cash Provided by (Used in) Operating Activities	1,835,059	(131,441)
Net Cash Provided by (Used in) investing activities		
Payments into time deposits	(178,475)	(66,352)
Proceed from withdrawal of time deposits	154,000	48,000
Purchases of property, plant and equipment	(130)	(19,480)
Purchases of intangible assets	(385)	(37,998)
Collection of short-term loans receivable	6,633	-
Payments for guarantee deposits	-	(14,013)
Proceed from collection of guarantee deposits	20,995	5,536
Others, net	-	(262)
Net Cash Provided by (Used in) Investing Activities	2,638	(84,570)
Net Cash Used in Financing Activities		
Net increase (decrease) in short-term loans payable	1,800,000	(214,000)
Proceeds from long-term loans payable	-	100,000
Repayment of long-term loans payable	(4,976,344)	(224,344)
Redemption of bonds	(54,000)	(54,000)
Cash dividends paid	(667)	(208)
Net Cash Used in Financing Activities	(3,231,011)	(392,552)
Net decrease in Cash and Cash Equivalents	(1,393,313)	(608,564)
Cash and Cash Equivalents at Beginning of period	3,712,211	3,601,870
Cash and Cash Equivalents at End of period	2,318,897	2,993,305

(4) Notes on Going-concern Assumptions

None

(5) Segment Information

a. Business Performance by Segment

First half of fiscal year ended March 31, 2010 (from April 1 — September 30, 2009)

(¥ thousand)

	Real estate revitalization	Real estate services	Other real estate business	Total	Elimination/Corporate	Consolidated
Sales to external customers	2,372,730	817,711	28,761	3,219,203	-	3,219,203
Intersegment sales	5,871	321	-	6,192	(6,192)	-
Total sales	2,378,601	818,032	28,761	3,225,395	(6,192)	3,219,203
Operating income (loss)	(1,093,832)	78,906	(2,987,208)	(4,002,134)	(183,756)	(4,185,890)

Notes: 1. Businesses are divided in accordance with categories used for the internal management of earnings.

2. The following are the primary business segments of the Group and the description of the Company's primary businesses.

(1) Real estate revitalization ----- Replanning, Leasing of the company owned properties

(2) Real estate services ----- Sales and leasing brokerage services, Property management, Construction planning, Delinquent Rent guarantee service

(3) Other real estate business ----- Asset management, Private fund planning, arrangement, and management

b. Segment Information by Business Location

During the first half of fiscal year ended March 31, 2010 (from April 1 – September 30, 2009), there was no consolidated subsidiary in any country or territory outside Japan, and no major overseas branch, so this item does not exist.

c. Overseas Sales

During the first half of fiscal year ended March 31, 2010 (from April 1 – September 30, 2009), the Company and subsidiaries did not account overseas sales, so this item does not exist.

d. Segment Information

1. Overview of Business Segments Reported

Our business segments reported, which receives financial information separated from the company's constituent operating units, is investigated regularly by the Board of Directors, which uses the materials to decide the allocation of management resources and evaluate operating results.

The Company has prepared a comprehensive strategy by type of product and service and is developing the company's business activities at headquarters. Accordingly, our company is comprised of segments delineated by products and services determined at the headquarters, and we consider the "real estate revitalization business," "real estate brokerage business" and "property management business" to be our three reporting segments.

In our "real estate revitalization business," we are engaged in activities such as the Replanning business, building leasing business and real estate securitization business. In our "real estate brokerage business," we are active in the sales brokerage business and leasing brokerage business. In the "property management business," we focus on property management activities.

2. Information on sales and income (loss) by business segment reported

First half of fiscal year Ending March 31, 2011 (from April 1 — September 30, 2010)

	Business segment reported				Other businesses	Total	Adjustment	Consolidated statements of Income
	Real estate revitalization	Real estate brokerage	Property management	Subtotal				
Sales	1,157,461	416,581	194,241	1,768,284	199,094	1,967,379	-	1,967,379
Segment income (loss)	367,881	362,272	143,383	873,536	82,867	956,404	(726,851)	229,552

Note: 1. "Other businesses" category incorporates operations not included in business segments reported, including the construction planning business and delinquent rent guarantee business.

2. The segment income adjustment of ¥(726,851) thousand includes corporate expenses of ¥(788,424) thousand and an interest expense adjustment of ¥61,573 thousand that are not allocated to each business segment reported. Corporate expenses are mainly selling, general and administrative expenses that are not attributed to the business segments.

3. Segment income (loss) is adjusted on operating income on the quarterly consolidated statements of income.

3. Information concerning impairment loss from fixed assets, goodwill and other items by business segment

None

(6) Notes Accompanying Significant Changes in Amounts of Shareholders' Equity

None