

**Financial Results for Third Quarter of Fiscal Year Ending  
March 31, 2013  
(Based on Japanese GAAP)  
(Translation of Japanese Flash Report, Released on February 7, 2013)**

Company name: Sun Frontier Fudousan Co., Ltd.  
 Stock listing: Tokyo Stock Exchange 1st Section  
 Code number: 8934  
 URL: <http://www.sunfrt.co.jp>  
 Address: 14F, Toho Hibiya Building, 2-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006  
 Representative: Tomoaki Horiguchi, President  
 Inquiry: Seiichi Saito, Executive Vice-president  
 (Phone: +81-3-5521-1301)

\*Amounts under one million yen have been rounded down.

**1. Consolidated Performance in Third Quarter of Fiscal Year Ending March 31, 2013**

(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)

	Net Sales	Operating Income	Ordinary Income
3rd Quarter of FY ending March 31, 2013	¥6,045 (27.4%)	¥1,391 (197.9%)	¥1,334(217.8%)
3rd Quarter of FY ended March 31, 2012	¥4,744 (58.3%)	¥467 (-5.0%)	¥ 419(4.3%)

	Net Income	Net Income per Share (Yen)	Fully Diluted Net Income per Share(Yen)
3rd Quarter of FY ending March 31, 2013	¥1,577 (308.7%)	¥4,246.49	¥4,246.36
3rd Quarter of FY ended March 31, 2012	¥386 (67.8%)	¥1,039.12	¥1,039.09

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

(Millions of yen, except for per share figures)

	Total Assets	Net Assets	Equity Ratio (%)
3rd Quarter of FY ending March 31, 2013	¥12,972	¥7,912	61.0%
FY ended March 31, 2012	¥11,247	¥6,463	57.5%

Reference) Equity at term-end: 3rd Quarter of FY ending March 31, 2013 (as of December 31, 2012): ¥7,912 million

FY ended March 31, 2012 (as of March 31, 2012): ¥6,463 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, 2012	-	¥0.00	-	¥350.00	¥350.00
FY ending March 31, 2013	-				
FY ending March 31, 2013 (Projections)		¥0.00	-	¥700.00	¥700.00

Note: Changes from the latest released dividend forecasts: No

## 3. Projections for Consolidated Performance in the Fiscal Year Ending March 31, 2013

(From April 1, 2012 to March 31, 2013) \*Percentage figures are indicated year-on year changes for those items.

(Millions of yen, except for per share figures)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)	Net Income (Loss) per Share (Yen)
FY ending March 31, 2013	¥10,500 (51.7%)	¥1,600 (85.8%)	¥1,550 (93.9%)	¥1,700 (83.2%)	¥4,575.56

Note: Changes from the latest released performance: No

### Reference: Overview of Non-consolidated Performance

(1) Significant changes in scope of consolidation during the period (change of specified subsidiaries that lead to a change in the scope of consolidation): None

New Companies: -- Company (Company Name)

Excluded Companies: -- Company (Company Name)

(2) Application of accounting methods which are exceptional for quarterly consolidated financial statement: None

(3) Changes in accounting policies, accounting estimates and restatement of corrections

1) Changes caused by revision of accounting standards: Yes

2) Changes other than those included in 1): None

3) Changes in accounting estimates: Yes

4) Restatement of corrections: None

(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):

March 2013: 371,555 shares      March 2012: 371,495 shares

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

March 2013: — shares      March 2012: — shares

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

March 2013: 371,534 shares      September 2012: 371,495 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” on page 4.

## 1. Qualitative information concerning consolidated business performance for the quarter under review

### (1) Qualitative information on consolidated operating results

In this consolidated third quarter period (April 1, 2012 to December 31, 2012), the Japanese economy was weakened due to the slowdown of the global economy, but since the new government in December there have been signs of a correction to the high value of the yen and increasing stock prices, bringing increasing hopes for an economic recovery after the turn of the year.

In the real estate industry, the supply of large office buildings that peaked in 2012 has settled down, putting a brake on vacancy rates and decreases in rent for the office building market in Tokyo. In the real estate investment market, there has been clear signs of recovery for the market with an increase in real estate investment needs for the wealthy and active trading, on the background of hopes that easing of monetary policy will lead to an influx of capital into real estate.

In this circumstance, the Group continued to improve approaches to building owners in central Tokyo. By responding to a wide variety of issues building owners face with property, from rental negotiations to sales, construction and revitalization, the Company worked on creating a range of business opportunities.

As a result, our operating results for the third quarter of fiscal year ending March 2013 were as follows:

sales of ¥6,045 million (up by 27.4% from the same period of the previous fiscal year), operating income of ¥1,391 million (up by 197.9%), and ordinary income of ¥1,334 million (up by 217.8%). Net income was ¥1,577 million (up by 308.7%).

Business performance by segment is as follows.

#### ***Real Estate Revitalization***

In the replanning business, we focused on acquisition of properties while carefully observing the market situation to bottom out and purchased 8 buildings. While only 5 buildings were sold, effort was put into attracting tenants and the commercialization process for repairs, which together with the recovery of the real estate investment market led to maintaining a high level of profitability ratios. As a result, although sales maintained a level similar to the same period of the previous year, segment income increased.

In the rental building business, due to selling 4 buildings during the previous fiscal year (end of May 2011) rental income from buildings in our possession decreased, but with the increase in rental income from replanning properties currently being commercialized both sales and segment income maintained a level similar to the same period of the previous year.

In the real estate securitization business, since there were investment allocation received from the sale of a large fund property which has been undertaken as a financing business and other revenues, the sales and segment income both increased compared to the same period of the previous year.

As a result of the above activities, sales were ¥3,575 million (up by 8.9% from the same period of the previous fiscal year) and segment income was ¥1,297 million (up by 112.1%).

#### ***Real Estate Brokerage***

In the sales brokerage business, we strengthened businesses introduced by financial institutions and related departments within the company. With the recovery of the real estate investment market both the number and scale of properties handled increased, leading to an increase in both sales and segment income compared to the same period of the previous year.

In the rental brokerage business, we focused on strengthening our approach to building owners. With close collaboration between internal departments working to solve all issues building owners might face in building management, we worked on improving fee income including income from related businesses.

As a result of the above activities, sales were ¥1,101 million (up by 43.0% from the same period of the previous fiscal year) and segment income was ¥975 million (up by 52.6%).

#### ***Property Management***

In the property management business, we worked on increasing the number of properties commissioned in an attempt to increase business opportunities from related sales, construction and renewal needs. In order to increase the occupancy rate of commissioned properties, rental marketing was increased. Also, we sought to prevent vacancies by improving customer satisfaction through detailed tenant services for commissioned properties.

In the building maintenance business operated by K.K. Yubi which was made into a subsidiary company at the end of the previous consolidated fiscal year and K.K. Yubi's 1 subsidiary company, we worked on increasing the number of properties maintained through collaboration with existing businesses, in particular property management, and also focused on its specialty of cleaning services in high locations in order to increase profitability.

Since the profits and losses of the building maintenance business became consolidated into this segment as of this period, both sales and segment income increased significantly.

As a result of the above activities, sales were 852 million yen (up by 154.7% from the same period of the previous year) and segment income was 341 million yen (up by 39.0%).

#### ***Other Businesses***

In the construction planning business, we worked on increasing commissions in construction management for building repairs through collaboration with the brokerage business departments, and as a result both sales and segment income increased compared to the same period of the previous year.

In the delinquent rent guarantee business, we focused on discovering latent customer needs through proposing new

product plans in addition to the existing menu of services, leading to a steady growth in new guarantee contracts.

As a result of the above activities, sales were 515 million yen (up by 44.9% from the same period of the previous year) and segment income was 217 million yen (up by 29.3%).

**(2) Qualitative information on consolidated financial position**

At the end of the third quarter of this consolidated accounting period, total assets were 12,972 million yen (15.3% increase from the end of the previous year) and liabilities were 5,060 million yen (5.8% increase). The main reason for the increase in total assets was that there was a 1,076 million yen increase in cash and deposits and a 2,505 million yen increase in inventory assets, despite a 1,583 million yen decrease in property, plant and equipment. The main reason for the increase in liabilities was a 383 million yen increase in long-term loans payable.

Net assets were 7,912 million yen (22.4% increase). The main reason for the increase in net assets was quarterly net income of 1,577 million yen, despite 130 million yen in payments of year-end dividends. As a result, the equity ratio became 61.0%.

**(3) Qualitative information on consolidated earnings forecasts**

Earnings forecasts for the fiscal year ending March 2013 have not been revised since the forecasts released on November 2, 2012.

**2. SUMMARY INFORMATION (NOTES)**

**(1) Significant changes in scope of consolidation during the period:**

None

**(2) Application of accounting methods which are exceptional for quarterly consolidated financial statements:**

None

**(3) Changes to Accounting Policies/ Changes to Accounting Estimates/ Restatements**

Changes to Accounting Estimates and Changes to Accounting Policies Difficult to Differentiate

Following changes in the Corporation Tax Act, the Company and domestic subsidiaries will, as of this first quarter consolidated accounting period, change the method for depreciation based on the revised Corporation Tax Act for all property, plant and equipment acquired from April 1, 2012 onwards.

There will be a minor impact on the operating income, ordinary income and income before income taxes and minority interests for the first quarter of this consolidated accounting period.

### 3. Consolidated Financial Statements

\*Amounts under one thousand yen have been rounded down.

#### (1) Quarterly Consolidated Balance Sheets

	(Thousands of yen)	
	FY ended March 31, 2012 (as of March 31, 2012)	End of 3Q of FY ending March 31, 2013 (as of December 31, 2012)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	3,912,155	4,989,142
Accounts receivable-trade	287,204	271,324
Operational investment securities	180,000	
Real estate for sale	57,143	
Trust beneficiary right of real estate for sale		626,763
Real estate for sale in process	1,633,325	3,574,360
Work in process construction	6,500	
Supplies		939
Deferred tax assets	166,669	179,451
Other	287,131	369,383
Allowance for doubtful accounts	△8,577	△10,144
<b>Total current assets</b>	<b>6,521,551</b>	<b>10,001,220</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings	2,176,800	948,897
Accumulated depreciat ion	△275,890	△200,850
Buildings, net	1,900,909	748,046
Vehicles	11,290	13,654
Accumulated depreciat ion	△9,440	△10,718
Vehicles, net	1,849	2,935
Land	1,936,846	1,506,807
Other	64,693	66,067
Accumulated depreciat ion	△54,885	△57,796
Other, net	9,808	8,271
<b>Total property, plant and equipment</b>	<b>3,849,414</b>	<b>2,266,061</b>
<b>Intangible assets</b>		
Goodwill	445,701	408,477
Other	5,542	3,080
<b>Total intangible assets</b>	<b>451,243</b>	<b>411,557</b>
<b>Investments and other assets</b>		
Deferred tax assets	11,067	920
Other	423,790	301,280
Allowance for doubtful accounts	△9,107	△8,419
<b>Total investments and other assets</b>	<b>425,749</b>	<b>293,780</b>
<b>Total noncurrent assets</b>	<b>4,726,408</b>	<b>2,971,400</b>
<b>Total assets</b>	<b>11,247,959</b>	<b>12,972,620</b>

(Thousands of yen)

	FY ended March 31, 2012 (as of March 31, 2012)	End of 3Q of FY ending March 31, 2013 (as of December 31, 2012)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable-trade	265,393	171,925
Current portion of bonds	54,000	
Current portion of long-term loans payable	234,907	235,572
Income taxes payable	22,971	29,393
Provision for bonuses	45,056	46,110
Provision for directors' bonuses	10,000	7,500
Construction warranty reserve	3,635	27,200
Provision for loss on guarantees for rent	5,251	3,651
Other	737,369	746,754
<b>Total current liabilities</b>	<b>1,378,585</b>	<b>1,268,107</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	2,957,050	3,340,362
Deferred tax liabilities		533
Other	448,643	451,431
<b>Total noncurrent liabilities</b>	<b>3,405,693</b>	<b>3,792,327</b>
<b>Total liabilities</b>	<b>4,784,279</b>	<b>5,060,434</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	5,515,443	5,515,643
Capital surplus		199
Retained earnings	947,614	2,395,307
<b>Total shareholders' equity</b>	<b>6,463,057</b>	<b>7,911,151</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	622	1,034
<b>Total accumulated other comprehensive income</b>	<b>622</b>	<b>1,034</b>
<b>Total net assets</b>	<b>6,463,679</b>	<b>7,912,186</b>
<b>Total liabilities and net assets</b>	<b>11,247,959</b>	<b>12,972,620</b>

**(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of comprehensive income****Quarterly Consolidated Statements of Income**

	(Thousands of yen)	
	From 1Q to 3Q of FY ended March 31, 2012 (April 1-December 31, 2012)	From 1Q to 3Q of FY ending March 31, 2013 (April 1-December 31, 2013)
<b>Net sales</b>	<b>4,744,737</b>	<b>6,045,246</b>
<b>Cost of sales</b>	<b>3,007,997</b>	<b>3,049,163</b>
Gross profit	1,736,739	2,996,083
<b>Selling, general and administrative expenses</b>	<b>1,269,635</b>	<b>1,604,788</b>
<b>Operating income</b>	<b>467,104</b>	<b>1,391,294</b>
<b>Non-operating income</b>		
Interest income	907	854
Dividends income	331	336
Subsidy income		845
Commission fee		952
Compensation income	4,200	
Other	5,047	1,036
<b>Total non-operating income</b>	<b>10,486</b>	<b>4,024</b>
<b>Non-operating expenses</b>		
Interest expenses	49,141	52,690
Other	8,585	8,175
<b>Total non-operating expenses</b>	<b>57,727</b>	<b>60,866</b>
<b>Ordinary income</b>	<b>419,863</b>	<b>1,334,453</b>
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	2,702	298,240
Gain on reversal of subscription rights to shares	18,893	
Other		2,800
<b>Total extraordinary income</b>	<b>21,595</b>	<b>301,040</b>
<b>Extraordinary loss</b>		
Lump-sum paymants due to withdrawal from employees' pension fund		20,787
Loss on derivatives cancellation	41,510	
Other	1,596	975
<b>Total extraordinary losses</b>	<b>43,107</b>	<b>21,762</b>
<b>Income before income taxes and minority interests</b>	<b>398,352</b>	<b>1,613,731</b>
Income taxes-current	11,947	38,345
Income taxes-deferred	373	△2,331
<b>Total income taxes</b>	<b>12,320</b>	<b>36,014</b>
<b>Income before minority interests</b>	<b>386,031</b>	<b>1,577,716</b>
<b>Net income</b>	<b>386,031</b>	<b>1,577,716</b>

## Quarterly Consolidated Statements of comprehensive income

	(Thousands of yen)	
	From 1Q to 3Q of FY ended March 31, 2012 (April 1-December 31, 2012)	From 1Q to 3Q of FY ending March 31, 2013 (April 1-December 31, 2013)
<b>Consolidated quarterly statements of comprehensive income</b>		
Income before minority interests	386,031	1,577,716
Other comprehensive income		
Valuation difference on available-for-sale securities	△638	412
Total other comprehensive income	△638	412
Comprehensive income	<u>385,392</u>	<u>1,578,129</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	385,392	1,578,129