

**Financial Results for First Quarter of Fiscal Year Ending  
March 31, 2015  
(Based on Japanese GAAP)  
(Translation of Japanese Flash Report, Released on August 6, 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 First Quarter of Fiscal Year Ending March 31, 2015**

(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
1st Quarter of FY ending March 31, 2015	¥4,661 (105.3%)	¥1,026 (268.7%)	¥957(274.6%)
1st Quarter of FY ended March 31, 2014	¥2,270 (7.5%)	¥278 (△35.7%)	¥255(△38.7%)

(Note) Comprehensive income, 1st quarter of FY ending March 2015: ¥888 million (250.2%), 1st quarter of FY ended March 2014: ¥253 million (△38.0%)

	Net Income	Net Income per Share (Yen)	Fully Diluted Net Income per Share(Yen)
1st Quarter of FY ending March 31, 2015	¥887 (250.9%)	¥20.76	—
1st Quarter of FY ended March 31, 2014	¥252 (△38.1%)	¥5.91	—

(Note) On October 1, 2013, the Company split each common share into 100 shares. Net Income per Share and Fully Diluted Net Income per Share are calculated assuming the share split coming into effect at the beginning of the previous consolidated fiscal year.

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

(Millions of yen, except for per share figures)

	Total Assets	Net Assets	Equity Ratio (%)
1st Quarter of FY ending March 31, 2015	¥35,099	¥18,780	52.8%
FY ended March 31, 2014	¥33,910	¥18,469	53.7%

(Note) Equity at term-end: 1st Quarter of FY ending March 31, 2015 (as of June 30, 2014): ¥18,530 million

FY ended March 31, 2014 (as of March 31, 2013): ¥18,219 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, 2014	-	¥0.00	-	¥13.50	¥13.50
FY ending March 31, 2015	-				0
FY ending March 31, 2015 (Projections)		¥0.00	-	¥14.00	¥14.00

(Note) Changes from the latest released dividend forecasts: None

## 3. Projections for Consolidated Performance in the Fiscal Year Ending March 31, 2015

(From April 1, 2014 to March 31, 2015) \*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, 2015	¥26,000 (46.3%)	¥5,000 (10.3%)	¥4,600 (6.0%)	¥4,300 (7.0%)	¥100.57

(Note) Changes from the latest released performance: None

### 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: None

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

3) Changes in accounting estimates: None

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):

June 2014: 42,755,500 shares      March 2014: 42,755,500 shares

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

June 2014: 100 shares      March 2014: 100 shares

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

June 2014: 42,755,500 shares      June 2013: 42,755,500 shares

On October 1, 2013, the Company split each common share into 100 shares. Net Income per Share and Fully Diluted Net Income per Share are calculated assuming the share split coming into effect at the beginning of the previous consolidated fiscal year.

#### ※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 3.

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## 1. Qualitative Information Concerning Consolidated Business Performance for the Quarter Under Review

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

In this consolidated first quarter period, the Japanese economy was on a gentle recovery trend, as corporate profits and employment situations improved, partially because of the effects of the financial measures implemented from last year by the government and the Bank of Japan for getting out of deflation.

In the real estate industry, the vacancy rate in the urban office building market showed a clear trend of improvement, recovering rents. On the other hand, the real estate investment market is thriving with new investment funds from foreign investors in Asia, etc. in addition to domestic investors. Especially, the investment needs for urban real estate are growing rapidly, as the infrastructure development for the Tokyo Olympics is expected.

In this situation, our corporate group has kept specializing in the utilization and distribution of small and medium-sized office buildings in the urban center of Tokyo, and engaged in solving real estate-related troubles of building owners. We have created a variety of earning opportunities by providing each client with one-stop integrated services, including brokerage for sale, purchase, and lease, building management, construction planning, delinquent rent guarantee.

Our in-house service sections exchanged their wisdoms from the viewpoint of clients, linked and marshaled their expertise, based on the opportunities and trust developed through our efforts for solving clients' troubles. Through this activity, we have renovated real estate with the chain of additional values. We have accumulated renovation know-how and experience especially for office buildings in the 5 cities in Tokyo (Chiyoda, Chuo, Minato, Shinjuku, and Shibuya Wards), by combining our local knowledge, abilities to grasp the trends of tenants, optimize the use of purpose, maximize the attractiveness of each building, renew real estate while emphasizing "beauty and atmosphere," etc. In addition, the amount of procurement steadily increased, because all employees joined hands to diversify procurement routes, for example, by procuring real estate in the efforts for solving the troubles of building owners.

As a result, our operating results for the first quarter of fiscal year ending March 2015 were as follows: Sales of ¥4,661 million (up by 105.3% from the same period of the previous fiscal year), operating income of ¥1,026 million (up by 268.7%), and ordinary income of ¥957 million (up by 274.6%). Net income was ¥887 million (up by 250.9%).

The performance of each segment is as follows.

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

As for the replanning business, we determined target buyers at the stages of procurement and commercialization, pursued not only rate of return, but also "values" suited for target clients, including the locational characteristics and rarity of each property, stability as assets, and merits regarding taxation. Through these efforts, we sold 6 buildings (3 buildings in the same period of the previous year). As a result, sales and profits increased significantly from the same period of the previous year. We also engaged in the commercialization of real estate to be sold in this term, and the procurement of real estate to be sold in the next term or later.

As for the rental building business, sales and profits increased from the same period of the previous year, because the income from rents of the real estate to be revitalized increased.

In the real estate securitization business, etc., sales and profits increased from the same period of the previous year, because of the income from the sale of real estate for joint investment, etc.

As a result of the above activities, sales were ¥4,030 million (up by 168.4% from the same period of the previous fiscal year) and segment income was ¥1,225 million (up by 222.1%).

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

In the sales brokerage business, we strengthened our efforts to take on property introductions from internal departments and financial institutions, etc. However, sales and profits declined considerably, because the number of orders and the scale of transactions decreased from the same period of the previous year.

In the rental brokerage business, sales and profits increased from the same period of the previous year, as we kept solving various troubles regarding building management for building owners. In addition, we made efforts for attracting tenants for our real estate and the ones that are being commercialized, contributing to the profits of the entire corporate group.

As a result of the above activities, sales were ¥222 million (down by 22.9% from the same period of the previous fiscal year) and segment income was ¥177 million (down by 26.0%).

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

In the property management business, we maintained high operation rate, by increasing entrusted buildings for creating business opportunities of sale, purchase, construction, renovation, etc., promoting lease by utilizing our local knowledge, and improving satisfaction level by attending to tenants carefully. In addition, we kept offering services in cooperation with related sections, such as undertaking the management of real estate purchased by our clients in the replanning and sales brokerage businesses, in order to develop longer, deeper relationships with clients. As a result, sales and profits increased from the same period of the previous year.

	End of Jun. 2012	End of Jun. 2013	End of Jun. 2014
No. of entrusted buildings	165	190	242
Operation rate	94.4%	95.7%	97.3%

As for the building maintenance business, we made efforts to improve our earning system by refraining from receiving unprofitable orders by bidding and increasing transactions in cooperation especially with the property management section for enhancing the synergy with existing businesses. As a result, sales and profits increased from the same period of the previous year.

As a result of the above activities, sales were ¥307 million (up by 13.0% from the same period of the previous fiscal year) and segment income was ¥143 million (up by 27.3%).

### ***Other Businesses***

As for the construction solution business, we restructured organizational and personnel systems for enhancing the synergy with other sections, and concentrated on in-company transactions, including real estate revitalization. Consequently, sales and profits decreased considerably from the same period of the previous year.

In the delinquent rent guarantee business, we concentrated on the popularization of new product plans in the market and the cooperation with affiliated companies, and so the number of transactions was healthy. Consequently, sales and profits increased from the same period of the previous year.

As a result of the above activities, sales were ¥101 million (down by 51.4% from the same period of the previous fiscal year) and segment income was ¥70 million (down by 10.1%).

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

As of the end of the first quarter of this consolidated fiscal year, total assets were 35,099 million yen (up 3.5% from the end of the previous consolidated fiscal year) and liabilities were 16,319 million yen (up 5.7%). The main reason for the increase in total assets was that inventory assets increased 1,929 million yen, although cash and deposits decreased 637 million yen. The main reason for increase in liabilities was that corporate bonds increased 395 million yen and long-term loans payable increased 762 million yen, although income tax payable decreased 227 million yen.

Net assets were 18,780 million yen (1.7% increase). The main reason for the increase in net assets was posting 887 million yen in quarterly net income, despite 577 million yen being paid out for year-end dividends.

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

As for the results for the term ending March 2015, the forecasted values announced on May 9, 2014 have not been revised.

**2. Summary Information (Notes)**

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

Not applicable.

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

Not applicable.

**(3) Changes to accounting policies/ changes to accounting estimates/ restatements**

Not applicable.

### 3. Consolidated Financial Statements

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

#### (1) Quarterly Consolidated Balance Sheets

	FY ended March 31, 2014 (as of March 31, 2014)	(Thousands of yen) End of 1Q of FY ending March 31, 2015 (as of June 30, 2014)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	11,180,325	10,542,722
Accounts receivable-trade	285,231	286,281
Real estate for sale	3,213,910	2,839,259
Real estate for sale in process	15,515,223	17,819,493
Supplies	791	889
Deferred tax assets	748,356	745,662
Other	515,005	485,608
Allowance for doubtful accounts	△12,425	△13,264
<b>Total current assets</b>	<b>31,446,419</b>	<b>32,706,652</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings, net	919,303	911,757
Land	1,232,679	1,232,598
Other, net	12,799	14,996
<b>Total property, plant and equipment</b>	<b>2,164,782</b>	<b>2,159,352</b>
<b>Intangible assets</b>		
Goodwill	9,375	7,500
Other	2,331	5,736
<b>Total intangible assets</b>	<b>11,706</b>	<b>13,236</b>
<b>Investments and other assets</b>		
Deferred tax assets	9,575	9,060
Other	283,351	216,744
Allowance for doubtful accounts	△5,402	△5,402
<b>Total investments and other assets</b>	<b>287,524</b>	<b>220,403</b>
<b>Total noncurrent assets</b>	<b>2,464,013</b>	<b>2,392,992</b>
<b>Total assets</b>	<b>33,910,433</b>	<b>35,099,644</b>

(Thousands of yen)

	FY ended March 31, 2013 (as of March 31, 2013)	End of 1Q of FY ending March 31, 2014 (as of June 31, 2013)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable-trade	411,085	382,830
Short-term loans payable	347,500	200,000
Current portion of bonds	17,014	57,014
Current portion of long-term loans payable	642,360	728,360
Income taxes payable	266,448	38,468
Provision for bonuses	87,499	52,295
Provision for directors' bonuses	20,000	5,000
Construction warranty reserve	34,800	40,400
Provision for loss on guarantees for rent	6,561	11,512
Other	1,190,179	1,302,516
<b>Total current liabilities</b>	<b>3,023,449</b>	<b>2,818,397</b>
<b>Noncurrent liabilities</b>		
Bonds payable	1,157,986	1,513,732
Long-term loans payable	10,201,660	10,878,320
Deferred tax liabilities	306	319
Other	1,057,505	1,108,288
<b>Total noncurrent liabilities</b>	<b>12,417,457</b>	<b>13,500,659</b>
<b>Total liabilities</b>	<b>15,440,906</b>	<b>16,319,057</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	8,387,211	8,387,211
Capital surplus	2,871,767	2,871,767
Retained earnings	6,958,425	7,268,961
Treasury stock	△121	△121
<b>Total shareholders' equity</b>	<b>18,217,283</b>	<b>18,527,819</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,749	2,158
Foreign currency translation adjustment	493	609
<b>Total accumulated other comprehensive income</b>	<b>2,242</b>	<b>2,767</b>
Minority interests	250,000	250,000
<b>Total net assets</b>	<b>18,469,526</b>	<b>18,780,587</b>
<b>Total liabilities and net assets</b>	<b>33,910,433</b>	<b>35,099,644</b>

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

## Quarterly Consolidated Statements of Income

(Thousands of yen)

	1Q of FY ended March 31, 2014 (April 1-June 30, 2013)	1Q of FY ending March 31, 2015 (April 1-June 30, 2014)
Net sales	2,270,265	4,661,649
Cost of sales	1,399,396	2,907,441
Gross profit	870,869	1,754,207
Selling, general and administrative expenses	592,443	727,746
Operating income	278,425	1,026,461
<b>Non-operating income</b>		
Interest income	548	1,499
Dividends income	243	242
Interest on refund	1,818	345
Subsidy income	-	2,520
Other	92	210
<b>Total non-operating income</b>	<b>2,703</b>	<b>4,818</b>
<b>Non-operating expenses</b>		
Interest expenses	23,554	55,736
Other	2,052	18,296
<b>Total non-operating expenses</b>	<b>25,606</b>	<b>74,033</b>
Ordinary income	255,521	957,246
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	-	6,674
<b>Total extraordinary income</b>	<b>-</b>	<b>6,674</b>
<b>Extraordinary loss</b>		
Loss on retirement of noncurrent assets	-	525
Provision for loss Office transfer expenses	2,006	-
<b>Total extraordinary losses</b>	<b>2,006</b>	<b>525</b>
<b>Income before income taxes and minority interests</b>	<b>253,515</b>	<b>963,394</b>
Income taxes-current	24,461	72,666
Income taxes-deferred	△23,908	2,994
<b>Total income taxes</b>	<b>553</b>	<b>75,660</b>
<b>Income before minority interests</b>	<b>252,962</b>	<b>887,734</b>
Minority interests in profit	-	-
<b>Net income</b>	<b>252,962</b>	<b>887,734</b>

## Quarterly Consolidated Statements of comprehensive income

(Thousands of yen)

	1Q of FY ended March 31, 2014 (April 1-June 30, 2013)	1Q of FY ending March 31, 2015 (April 1-June 30, 2014)
<b>Consolidated quarterly statements of comprehensive income</b>		
Income before minority interests	252,962	887,734
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	△586	409
Foreign currency translation adjustment	1,302	115
Total other comprehensive income	715	525
<b>Comprehensive income</b>	<b>253,678</b>	<b>888,259</b>
<b>Comprehensive income attributable to</b>		
Comprehensive income attributable to owners of the parent	253,678	888,259
Comprehensive income attributable to minority interests	-	-

(3) Notes to quarterly financial statements  
(Notes regarding the conditions of going business)  
Not applicable.

(Notes in the case of major changes in shareholders' equity)

Not applicable.

(Segment information, etc.)

I First Quarter of Fiscal Year Ended March 31, 2014 (April 1, 2013 – June 30, 2013)

1. Information concerning sales and income or loss amount by reporting segment

(Thousands of yen)

	Reporting segment				Other business (Note 1)	Total	Adjustment amounts (Note 2)	Quarterly consolidated income/loss statement amount (Note 3)
	Real Estate Revitalization	Real Estate Brokerage	Property Management	Total				
Sales	1,501,776	288,466	272,019	2,062,262	208,003	2,270,265	—	2,270,265
Segment income(loss)	380,530	239,323	112,920	732,774	77,992	810,767	△532,342	278,425

Notes: 1. The classification “other business” refers to business segments that are not included in reporting segments, and includes construction solution business and delinquent rent guarantee business, etc.

2. The segment income adjustments amount, △532,342 thousand yen, includes △555,896 thousand yen in company-wide expenses that are not allocated to reporting segments and 23,554 thousand yen in adjustment amounts for interest expense. The company-wide expenses are mainly selling, general and administrative expenses that are not allocated to reporting segments.
3. Segment income (loss) is adjusted with operating incomes calculated in consolidated quarterly statements of income.

2. Information on impairment of non-current assets and goodwill etc. for each reporting segment

Not applicable.

II First Quarter of Fiscal Year Ending March 31, 2015 (April 1, 2014 – June 30, 2014)

1. Information concerning sales and income or loss amount by reporting segment

(Thousands of yen)

	Reporting segment				Other business (Note 1)	Total	Adjustment amounts (Note 2)	Quarterly consolidated income/loss statement amount (Note 3)
	Real Estate Revitalization	Real Estate Brokerage	Property Management	Total				
Sales	4,030,653	222,453	307,376	4,560,484	101,164	4,661,649	—	4,661,649
Segment income(loss)	1,225,816	177,063	143,770	1,546,650	70,137	1,616,788	△590,326	1,026,461

Notes: 1. The classification “other business” refers to business segments that are not included in reporting segments, and includes construction solution business and delinquent rent guarantee business, etc.

2. The segment income adjustments amount, △590,326 thousand yen, includes △646,063 thousand yen in company-wide expenses that are not allocated to reporting segments and 55,736 thousand yen in adjustment amounts for interest expense. The company-wide expenses are mainly selling, general and administrative expenses that are not allocated to reporting segments.
3. Segment income (loss) is adjusted with operating incomes calculated in consolidated quarterly statements of income.

2. Information on impairment of non-current assets and goodwill etc. for each reporting segment

Not applicable.

(Important Subsequent Events)

Not applicable