



SUNCITY

Listed on Tokyo Stock Exchange
8910

Sun City Co., Ltd.

The following is the text of an announcement prepared by the Company for investors who cannot read Japanese from the official Japanese announcement approved by and submitted to the Tokyo Stock Exchange.

Sun City Co., Ltd. 5, September 2008

Remedies on Breach of Covenant in Syndicated Loan with Mizuho Bank, Ltd.

We have been in close conversations with our lenders since the situation deteriorated to give them our candid views on the future outlook and our version of recovery measures on core operations. We are pleased to announce that we have had a response from Mizuho Bank in writing to our request for possible remedies on the breach of covenants.

1. Judgments by Lenders

We have received a letter from Mizuho Bank stating that all the participating lenders have agreed not to invoke the relevant clause with regard to the breach of covenants therein.

2. General Outlook

We have so far been repaying all the loans promptly both the principals and interests. Admittedly, our cash flow has been severely dented by lack of interest for commercial inventories but we are still steadily converting our residential inventories into cash on a monthly basis. We assume that Mizuho and all the participating lenders studied the cash flow situation from the residential inventories and our existing asset base and decided that we are still able to meet the regular repayments as before.

We will continue with our endeavor to improve our cash flow and hope that the breaches of similar covenants in other syndicated loans we have undertaken will have the same treatment.

If you have any urgent questions, please contact Tadao Nakai, our Foreign Shareholder Officer.

Yasuhiro Koide, CEO and the Chairman of the Board

Tadao Nakai, Foreign Shareholder Officer

All inquiries should be directed to Tadao Nakai +81-3-6386-3412 or TNAKAI1 on Bloomberg.

The Board of Directors of Sun City Co., Ltd. as at the date of this announcement are: Yasuhiro Koide, Taiji Hoshiyama, Jun Yonekawa, Nobuo Namura, Seiji Nakamura, Hideaki Kikuchi, Kunimitsu Horiuchi, Naoshi Abe, Tadao Nakai, Masahisa Fukase.

Tokyo Stock Exchange Stock Code: 8910