



**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. 29, September 2008**

### Attachment of Going Concern Assumption

It is with a great regret that the Board had to pass a resolution today to attach a Going Concern assumption to the Semiannual Report and the 2Q Announcement, respectively.

#### Background

1. An extremely large write-off amounting to ¥8.251 billion on our inventories on consolidated basis.
2. An alarmingly sudden decrease in recent operating cash flow.
3. Breaching one of the covenants with a syndicated loan led by Mizuho Bank where the acceleration has been suspended.

These elements have naturally caused a grave concern with respect to the normal operability and solvency of Sun City as a business.

Please note also that there are three other syndicated loans with Aozora Bank, Sumitomo Mitsui Banking Corporation and the Bank of Tokyo Mitsubishi which have similar covenants are extremely unlikely to be honoured by Sun City. The Board will negotiate for the suspensions of all the acceleration articles.

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