



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. 12, December 2008

Aozora Bank and Others Agreed to Suspend Acceleration Clause

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 including up-to-date cash flow. We are pleased to announce that we have had a response from the Arranger of the Syndicate in writing to suspend the relevant acceleration clause.

1. Suspension of Acceleration

We have received a letter from Aozora Bank stating that the participating lenders have agreed not to request acceleration on maturity.

2. General Outlook

The real estate market nationwide has suffered from severe lack of buyer interest which is all well publicized and we expect no improvement in coming years. However, less expensive properties, when offered on discount, do fetch some interest. We are still maintaining some gross margins and steadily converting our residential inventories into cash. The interest burden from our commercial inventories continues to eat into the recurring profit and converting our large commercial inventories has seen no luck so far, though smaller ones have been sold at better than expected prices, corresponding to 10% CAP or so.

We believe that our lenders are offering us financial assistance because they believe that we can survive. We will continue with our endeavor to improve our cash flow and hope that the other syndicated loans (by SMBC and MUFJ) 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.

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