

Announcement regarding the Revisions to Consolidated Earnings Estimates for the First-half of Fiscal 2010

Raysum Co., Ltd. today announced that the Company has revised its consolidated earnings estimates for the first half of fiscal 2010 (year ending August 31, 2010) previously announced on October 16, 2009.

The revisions to the first-half consolidated earnings estimates were due to slower sales and procurement of real estate for sale in the Real Estate Trading Business. Please note that we have left our full-year consolidated earnings estimates unchanged because both sales and procurement of real estate for sale have already started picking up during March 2010, which is immediately after the closing of the first half of fiscal 2010.

(1) Sales of real estate for sale		(Amounts less than 100 million yen have been rounded off)	
September 2009 – February 2010 (First half of fiscal 2010: six months)	March 2010 (single month)		
	Sales contracts concluded	Sales payments completed	
4.3 billion yen/9 properties	2.6 billion yen/ 6 properties	1.5 billion yen/ 4 properties	

(2) Procurement of real estate for sale		(Amounts less than 100 million yen have been rounded off)	
September 2009 – February 2010 (First half of fiscal 2010: six months)	March 2010 (single month)		
	Purchase contracts concluded	Purchase payments completed	
1.7 billion yen/8 properties	2.4 billion yen/ 6 properties	2.0 billion yen/ 5 properties	

1. Revisions to consolidated earnings estimates for the first half of fiscal 2010

First half of fiscal 2010 (September 1, 2009 – February 28, 2010)

	(Millions of yen)				
	Sales	Operating income	Ordinary income	Quarterly net income	Quarterly net income per share (yen)
Previous estimates (A)	14,700	1,000	650	500	1,085.03 yen
Revised estimates (B)	7,152	420	75	154	335.68 yen
Change (B-A)	- 7,548	- 580	- 575	- 346	—
Rate of change	- 51.3%	- 58.0%	- 88.5%	- 69.2%	—
(For reference) Results for the first half of fiscal 2009	10,510	- 14,256	- 15,027	- 25,988	-56,397.98 yen

2. Breakdown of consolidated earnings estimates by business segment for the first half of fiscal 2010

First half of fiscal 2010 (September 1, 2009 – February 28, 2010)

(Millions of yen)

	Real Estate Trading	Securitization	Property Management	Servicing	Investment and Finance	Other businesses	Total	Elimination or unallocated amount	Consolidated basis
Sales	4,331	17	814	1,675	0.8	324	7,163	(10)	7,152
Operating income or loss	264	10	179	155	- 1	5	613	(192)	420

(For reference)

Full-year consolidated earnings estimates for fiscal 2010 (September 1, 2009 – August 31, 2010)

Announced on October 16, 2009: No revisions have been made at this time.

(Millions of yen)

	Real Estate Trading	Securitization	Property Management	Servicing	Investment and Finance	Other businesses	Total	Elimination or unallocated amount	Consolidated basis
Sales	24,000	30	1,270	3,660	0	640	29,600	—	29,600
Operating income	2,200	10	140	690	0	20	3,060	(360)	2,700

<Real Estate Trading Business>

In this segment, we acquire properties that meet customers' real estate investment needs, and after renovating them into the products that can be used as a long-term investment, sell them to customers.

For business results for the first half of fiscal 2010 as well as March 2010, which is immediately after the closing of the first half, please refer to (1) Sales of real estate for sale and (2) Procurement of real estate for sale on page 1.

During the first half of fiscal 2010, although customers showed a strong appetite for real estate investment, there were fewer number of short sale deals than originally anticipated for real estate collateral held by financial institutions, mainly due to the enforcement of the Law for Smooth Financing of Small- and Medium-Sized Enterprises on December 4, 2009. As a result, procurement of real estate for sale was smaller than anticipated, which temporarily resulted in stagnant sales during the first half of fiscal 2010.

Meanwhile, the Company strove to better accommodate customers' needs by (1) building closer relationship with customers, particularly high net worth individuals making large investments and (2) focusing on the acquisition of real estate products that satisfy individual customers' real estate investment needs. As a result, monthly sales for March 2010, immediately after the closing of the first half of fiscal 2010, reached 2.6 billion yen on a contract-concluded basis, including sales of income producing real estate to high net worth individuals in the amount of more than 1 billion yen per contract and sales of large residential lots for sale to high net worth individuals. Of the sales above, payment of 1.5 billion yen has already been completed during March 2010.

<Securitization Business>

In this segment, asset-management fee income from the SPC to which we provide an asset-management service is recorded as revenue. Under a conservative business plan, we have achieved sales almost in line with the projections.

<Property Management Business>

In this segment, we provide our customers with real estate investment management services, including rent management and building management for properties we sold. Sales and operating income from this segment continue to be strong mainly because we were able to gain more rent income than expected from high yield real estate for sale we have held since the beginning of this fiscal year in the Real Estate Trading Business, as the sale of some of these products has been postponed.

<Servicing Business>

In this segment, Global Asset Management Co., Ltd., a consolidated subsidiary of the Company, purchases loans from banks and other financial institutions with its own capital or through joint investment with institutional investors, and manages and collects such loans. In setting the initial budget, we planned to focus on collecting existing loans, rather than expecting sales from purchasing and collecting new loans. In accordance with the plan, we pursued collection of existing loans, and as a result, collection progressed almost as originally planned.

<Investment and Finance Business>

In this segment, we provide loans to, or invest in, businesses and companies that can contribute to the Company's businesses, including the Real Estate Trading Business. Since we did not anticipate making any loans or investments in new projects in our initial budgeting, the segment has been progressing almost as originally planned.

<Other Businesses>

This segment involves, among other things, managing Raysum Golf & Spa Resort, a golf course operated by a consolidated subsidiary of the Company. Since part of the golf course underwent renovation during last summer to autumn, the number of reservations temporarily declined in the early autumn. However, currently the number of reservations is increasing at a pace faster than in the last year. Accordingly, the business segment is expected to achieve results in line with the initial projections toward the end of this fiscal year.

<State of Financing>

With respect to financing, we secured a long-term loan (three years) from a new financial institution in December 2009. We also renewed 3.7 billion yen loans with two financial institutions that matured in March 31, 2010. We plan to raise our equity ratio to 34.1% on a consolidated basis at the end of the first half of this fiscal year (from 31.3% at the end of the first quarter) and will continue to maintain a sound financial position.

The above statement on earnings estimates and other matters of the Company is based on the information currently available to the Company. The actual performance may differ from the forecast due to changes in various factors.

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