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**For Immediate Release**

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**Notice Concerning Pricing for the Issue of New Investment Units and Secondary Offering**

Frontier Real Estate Investment Corporation (“Frontier Real Estate Investment” or “the Investment Corporation”) announces the offer prices (“offer prices”) for the issue of new shares and a secondary offering that were determined at a Board of Directors’ meeting held on August 2, 2004. This follows the issue of new investment units and the secondary offering ratified at a Board of Directors’ meeting held on July 12, 2004. Brief details are as follows.

**1. Primary Offering for the Issue of New Investment Units**

- (1) Total number of units to be issued : 102,000 units
- (2) Offer price : ¥550,000 per unit
- (3) Gross proceeds : ¥56,100,000,000
- (4) Purchase price : ¥530,750 per unit
- (5) Gross proceeds : ¥54,136,500,000
- (6) Application period : August 3, 2004 (Tuesday) through August 5, 2004 (Thursday) inclusive

**2. Third-Party Allotment (Greenshoe Option)**

- (1) Total number of units to be issued : 8,000 units
- (2) Offer price : ¥530,750 per unit
- (3) Gross proceeds : ¥4,246,000,000
- (4) Purchase price : ¥530,750 per unit
- (5) Gross proceeds : ¥4,246,000,000
- (6) Application period : September 7, 2004 (Tuesday)
- (7) Settlement date : September 7, 2004 (Tuesday)
- (8) Third party and the number of units to be issued to the third party : Nikko Citigroup Limited (8,000 units)

Note: All or a portion of investment units that the third party fails to apply for shall be forfeited.

Note: This document provides general information in connection with the issue and secondary offering of investment units and is not intended as an inducement or invitation for investment. We caution readers to refer to the Company’s Prospectus and Notice of Amendments thereto and to undertake investment decisions subject to individual determination.

### **3. Secondary Offering (Over-Allotment)**

- (1) Total number of units to be offered : 8,000 units
- (2) Offer price : ¥550,000 per unit
- (3) Gross proceeds : ¥4,400,000,000
- (4) Application period : August 3, 2004 (Tuesday) through August 5, 2004 (Thursday) inclusive

### **4. Basis for Calculating the Offer Price and Purchase Price**

In connection with procedures to determine the offer price and purchase price for the issue of new investment units and secondary offering, the Investment Corporation set an indicative pricing range from ¥500,000 to ¥550,000 per unit. Based on this indicative pricing range, the Investment Corporation implemented book-building procedures.

The results of book building were as follows:

- 1. Total demand for investment units exceeded the proposed total number of investment units to be issued under primary and secondary offerings.
- 2. A large number of applications were filed.
- 3. A considerable number of applications were filed at the maximum price of the indicative pricing range.

Based on the aforementioned book-building procedures, along with expectations that demand will exceed the total number of investment units to be issued under each of the primary and secondary offerings, further expectations that there will be more than a sufficient number of investors at the time of public listing, and after giving due consideration to market conditions including trends in the real estate investment trust market and risks associated with price fluctuation for the period leading up to public listing, the Investment Corporation has set the offer price for the issue of new investment units under primary and secondary offering (over-allotment) at ¥550,000 per unit.

In addition, the underwritten price for the issue of new investment units was set at ¥530,750 per unit.

Furthermore, in line with the offer and purchase prices determined for the issue of new investment units and secondary offering, the Investment Corporation has set the third-party allotment offer and purchase prices (underwritten price) at ¥530,750 per unit.

This document is released to media organizations through the “Kabuto Club” (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure and Transport Press Club, and the Press Club for the Ministry of Land, Infrastructure and Transport Construction Paper.

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