

## **Translation for Reference Purposes Only**

July 16, 2008

### **For Immediate Release**

2-17-22 Akasaka, Minato-ku, Tokyo  
Frontier Real Estate Investment Corporation  
Makoto Takahashi, Executive Director  
(Securities Code : 8964)

Asset Management Company:  
Mitsui Fudosan Frontier REIT Management Inc.  
Shinichi Totani  
Chief Executive Officer and Representative Director

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### **Notice of Decision of Price etc. Concerning New Investment Units and Secondary Offering**

In connection with the decision of Frontier Real Estate Investment Corporation (the "Investment Corporation" or "FRI") at a Board of Directors' Meeting held on July 1, 2008 to issue new investment units ("Units") and conduct secondary offerings of Units, the Investment Corporation hereby provides notice of its decision of issue price and offer price etc. at its Board of Directors' Meeting held today, July 16, 2008 as follows:

#### **1. Issue of New Investment Units by Public Offering**

- |                                     |  |
|-------------------------------------|--|
| (1) Issue Price (offer price)       | ¥625,240 per unit                                  |
| (2) Total Issue Price (offer price) | ¥21,883,400,000                                    |
| (3) Paid-in Amount (issue value)    | ¥604,186 per unit                                  |
| (4) Total Paid-in Amount            | ¥21,146,510,000                                    |
| (5) Offering Period                 | July 17, 2008 (Thursday) to July 18, 2008 (Friday) |
| (6) Payment Date                    | July 24, 2008 (Thursday)                           |
| (7) Delivery and Settlement Date    | July 25, 2008 (Friday)                             |

Note: The underwriters (Nikko Citigroup, Daiwa Securities SMBC Co., Ltd., UBS Securities Japan Ltd., Nomura Securities Co., Ltd., Mitsubishi UFJ Securities Co., Ltd., Mizuho Securities Co., Ltd., Shinko Securities Co., Ltd. and Merrill Lynch Japan Securities Co., Ltd.) will purchase and underwrite the Units at the paid-in amount (issue value) and conduct offering at the issue price.

#### **2. Secondary Offering (through Over-Allotment)**

- |                                   |  |
|-----------------------------------|--|
| (1) Number of Units to be offered | 2,500 units  |
| (2) Offer Price                   | ¥625,240 per unit                                  |
| (3) Total Offer Price             | ¥1,563,100,000                                     |
| (4) Offering Period               | July 17, 2008 (Thursday) to July 18, 2008 (Friday) |
| (5) Delivery and Settlement Date  | July 25, 2008 (Friday)                             |

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### **<Reference>**

#### 1. Calculation of Issue Price and Offer Price

- |                                     |                           |
|-------------------------------------|---------------------------|
| (1) Reference Date                  | July 16, 2008 (Wednesday) |
| (2) Closing Price on Reference Date | ¥638,000                  |
| (3) Discount Rate                   | 2.00%                     |

#### 2. Syndicate Cover Transaction Period

July 19, 2008 (Saturday) to August 15, 2008 (Friday)

#### 3. Use of Proceeds

Net proceeds from the public offer (¥21,146,510,000) will be used to repay a part of borrowings for acquisition of the specified assets. For more details regarding the specified assets, please refer to the press release entitled "Notice Concerning Acquisition of Investment Assets" released on July 1, 2008.

- 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.
- Frontier Real Estate Investment website : <http://www.frontier-reit.co.jp/eng/>

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