



July 3, 2006

Company name: Sun Frontier Fudousan Co., Ltd.

Stock listing: JASDAQ

Code number: 8934

URL: <http://www.sunfrt.co.jp>

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## Issue Price and Secondary Offer Price

The company is announcing that it has decided the following issue price, secondary offer price, and other matters related to the issuance of new shares and secondary offering of shares decided at a board of directors meeting held on June 23, 2006.

### 1. Issuance of new shares through public offering (general public offering)

- (1) Issue price: ¥228,920 per share
- (2) Total issue value: ¥8,012,200,000
- (3) Purchase price: ¥217,120 per share
- (4) Total purchase value: ¥7,599,200,000
- (5) Increase in capital: ¥3,799,600,000
- (6) Increase in additional paid-in capital: ¥3,799,600,000
- (7) Offer period: From July 4, 2006 to July 6, 2006
- (8) Payment date: July 11, 2006

Note: Underwriters shall purchase shares at the purchase price and offer shares at the issue price.

### 2. Secondary offering of the company's shares (secondary offering through firm commitment underwriting)

- (1) Number of shares in secondary offer: 3,900 shares
- (2) Secondary offer price: ¥228,920 per share
- (3) Total offer value: ¥892,788,000
- (4) Underwriting price: ¥217,120 per share
- (5) Total underwriting value: ¥846,768,000
- (6) Offer period: From July 4, 2006 to July 6, 2006
- (7) Payment date: July 12, 2006

Note: Underwriters shall purchase shares at the underwriting price and offer shares at the secondary offer price.

### 3. Secondary offering of the company's shares (secondary offering through over-allotment) (See Item 2 in the subsequent Reference section)

- (1) Number of shares in secondary offer: 5,000 shares
- (2) Secondary offer price: ¥228,920 per share
- (3) Total offer value: ¥1,144,600,000
- (4) Offer period: From July 4, 2006 to July 6, 2006
- (5) Payment date: July 12, 2006



4. Issuance of new shares through third party allotment (See Item 2 in the subsequent Reference section)

- (1) Purchase price: ¥217,120 per share
- (2) Total purchase value (maximum): ¥1,085,600,000
- (3) Increase in capital (maximum): ¥542,800,000
- (4) Increase in additional paid-in capital (maximum): ¥542,800,000
- (5) Offer period: August 8, 2008
- (6) Payment date: August 8, 2008

**Reference**

1. Calculation of issue price (offer price) and secondary offer price

- (1) Calculation basis date and price: July 3, 2006, ¥236,000
- (2) Discount rate: 3.00%

2. Concerning the number of shares in the secondary offering through over-allotment and the number of shares in the issuance of new shares through third party allotment

The secondary offering through over-allotment cited above in 3. Secondary offering of the company's shares (secondary offering through over-allotment) (hereinafter "secondary offering through over-allotment") involves Daiwa Securities SMBC Co. Ltd., in conjunction with the general public offering cited above in 1. Issuance of new shares through public offering (general public offering) (hereinafter "general public offering") and the secondary offering through full commitment underwriting cited above in 2. Secondary offering of the company's shares (secondary offering through firm commitment underwriting) (hereinafter "secondary offering through firm commitment underwriting"), offering up to a maximum of 5,000 shares of the company's common stock borrowed from shareholders (hereinafter "borrowed shares") in light of demand conditions.

In relation to this matter, at a board of directors meeting held on June 23, 2006, the company decided that, in addition to the general public offering and secondary offering through full commitment underwriting, it will also issue 5,000 new shares of common stock in a third party allotment to Daiwa Securities SMBC Co. Ltd. with a payment date of August 8, 2006 as cited above in 4. Issuance of new shares through third party allotment (hereinafter "third party allotment of new shares").

Daiwa Securities SMBC Co. Ltd. may trade shares of the company's common stock to maintain price stability between July 4, 2006 and July 6, 2006, and it may allocate shares purchased while trading to maintain price stability for returning borrowed shares.

Additionally, Daiwa Securities SMBC Co. Ltd. may purchase shares of the company's common stock on the Nasdaq Securities Exchange, up to the maximum number of shares in the secondary offering through over-allotment (5,000 shares), between July 7, 2006 and August 4, 2006 (hereinafter "syndicate covering transactions"), and it may allocate shares purchased in syndicate covering transactions for returning borrowed shares.

Daiwa Securities SMBC Co. Ltd. plans for the number of new shares issued through third party allotment to correspond to the number of shares derived by subtracting the number of shares allocated for returning borrowed shares in relation to the foregoing transactions from the number of shares in the secondary offering through over-allotment (5,000 shares).

Consequently, a portion or all of the new shares issued through third party allotment may not be offered, and, as a result of forfeiture, the final number of new shares issued through third party allotment may decrease due to this limit, or the issuance of new shares may not occur at all.



### 3. Use of funds raised

The public offering of new shares will raise ¥7,541.2 million after taxes and the third party allotment of new shares, which was decided on the same day as the general public offering, will raise ¥1,079.6 million. The company plans to allocate the entire combined amount to acquiring property in the replanning business.

Note: This document is intended as a press release to provide a general public announcement about the company's issuance of new shares and secondary offering of shares. It was not prepared to solicit investment. Investors are advised to make their own judgments when investing after reading the prospectus for the issuance of new shares and secondary offering of shares (as well as any revisions) prepared by the company.