

December 14, 2009

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.
Yoshiyuki Tanabe
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Notice Concerning Acquisition of Investment Asset

Frontier Real Estate Investment Corporation (the "Investment Corporation") today announced its decision to acquire an investment asset. Brief details are as follows.

1. Planned Acquisition Details

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|-----------------------------|--|
| (1) Type of Acquired Asset: | Trust beneficiary rights in a real estate property (Trustee: Resona Bank, Limited) |
| (2) Property Name: | TSUTAYA Fukuoka Tenjin |
| (3) Acquisition Price: | ¥3,700 million (Land: ¥2,386.5 million; Building: ¥1,313.5 million)* |
| (4) Contract Date: | December 16, 2009 |
| (5) Acquisition Date: | December 16, 2009 (Delivery Date) |
| (6) Seller: | —** |
| (7) Acquisition Financing: | Self-financing and borrowings |
| (8) Payment Method: | Single payment at the time of delivery |

* Acquisition price does not include acquisition cost, real property tax, city planning tax, consumption tax, etc.

** Since we did not obtain the Seller's consent, we do not disclose the Seller's name.

2. Rationale

The proposed acquisition of the Property is in line with the Investment Corporation's "basic asset management policy" and "investment stance" as provided in its Articles of Incorporation. In its decision to acquire the Property, Mitsui Fudosan Frontier REIT Management Inc., the Investment Corporation's asset management company (the "Asset Management Company") considered, *inter alia*, the following factors:

(1) Location

The Property is located in Fukuoka City, Fukuoka. It is situated in Tenjin area, the commercial center of Fukuoka City. Facing Kokutai Doro (which runs through the south side of Nishitetsu Fukuoka (Tenjin) station from east to west) and located close to the intersection with Tenjin Nishi Dori (where highly fashionable specialty stores are gathered), the Property enjoys high level of visibility. The surrounding area enjoys

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commercial accumulation with busy traffic, which enables the property to expect stable growth as a commercial facility.

(2) Area Characteristics

Tenjin area is the largest commercial zone in Kyushu, attracting large crowds from widespread areas. In the surrounding areas of the Property, the number of retail stores and condominiums has been increasing, which is bringing in more residents into these areas.

(3) Features of Building Facilities, Tenants and Stores

With almost 2,300 m² of retail space consisting of six floors (including one underground floor), the Property is considered as a flagship shop of TSUTAYA. In addition to full lineup of books, game software, CDs and DVDs as well as CD/DVD rental services, the Property houses Starbucks Coffee on the 1st and 2nd floors and an office on the 6th floor.

3. Property Details

(1) Real Estate Details

Type of Acquisition Asset	Trust beneficiary rights in real estate (Trustee: Resona Bank, Limited)	
Address (as described in the real estate register)	1-20-17, Imaizumi, Chuo-ku, Fukuoka City, Fukuoka	
Land	Lot Area	770.25 m ² (registered)
	Use	Commercial
	Plot Ratio	494.47%
	Building to Land Ratio	100%
	Ownership	Proprietary ownership
Building	Structure/ Number of Floors	Steel-framed and reinforced concrete construction (partial)/ Two underground and six above-ground floors
	Construction Completed	June 22, 2007
	Gross Floor Area	4,532.38 m ²
	Use	Retail and parking
	Ownership	Proprietary ownership
Architect	Sakakura Associates	
Inspection Agency	Fukuoka City	
Acquisition Price	¥3,700 million	
Appraisal Value	¥4,210 million	
Appraiser	Japan Real Estate Institute	
Probable Maximum Loss (PML)	2%	
Collateral	None	

(2) Lease Details

Lessor	Resona Bank, Limited
Lessee	Culture Convenience Club, Co., Ltd.
Type of Contract	Fixed-term building lease
Contract Term	20 years (until June 25, 2027)
Annual Rent	¥294 million
Revisions of Rent	None

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Termination during the Contract Term	Only after 10 years
Security Deposit	¥208 million
Guarantee Deposit	None
Number of Tenants	1
Total Leasable Floor Space	4,532.38 m ²
Total Leased Floor Space	4,532.38 m ²
Occupation Rate	100% ((Total Leased Floor Space)/(Total Leasable Floor Space))

4. The Significance of the Acquisition

The acquisition of the Property is based on the Investment Corporation's investment policy, the objective of which is to ensure stable revenues and profit over the medium to long term. The acquisition of the Property will expand the size of the Investment Corporation and maintain and improve the quality of the existing portfolio by diversifying and decentralizing the portfolio.

5. Seller Profile

Since we did not obtain the Seller's consent, we do not disclose the Seller's profile. The Seller, however, does not fall under the category of the "Interested Parties" set forth in the Interested-Party Transaction Regulations of the Asset Management Company.

6. Broker Profile

Since we did not obtain the Broker's consent, we do not disclose the Broker's profile or broker fee. The Broker, however, does not fall under the category of the "Interested Parties" set forth in the Interested-Party Transaction Regulations of the Asset Management Company.

7. Execution of the SC management agreement

The Investment Corporation has executed a basic agreement concerning SC management with Mitsui Fudosan Co., Ltd., the parent company of the Asset Management Company, for the purpose of effectively utilizing the expertise of Mitsui Fudosan Co., Ltd. in operation and management of retail facilities. The Investment Corporation will, based on the terms of the aforementioned basic agreement, enter into an SC management agreement that sets out detailed work (including property management) for the property.

8. Interested-Party Transaction

Regarding the execution of the SC management agreement stated in the previous section, Mitsui Fudosan Co., Ltd. falls under the category of the "Interested Parties" set forth in the Interested-Party Transaction Regulations of the Asset Management Company. Accordingly, in the course of the execution of the SC management agreement with Mitsui Fudosan Co., Ltd., the board of directors of the Asset Management Company has resolved to execute this agreement after deliberation and approval by the Asset Management Company's Compliance Committee pursuant to the Interested-Party Transaction Regulations.

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9. Outlook

Since the acquisition of the Property has little impact on the asset management status of the Investment Corporation, there is no change in the forecast of the Investment Corporation's operating forecasts for the period ending December 31, 2009.

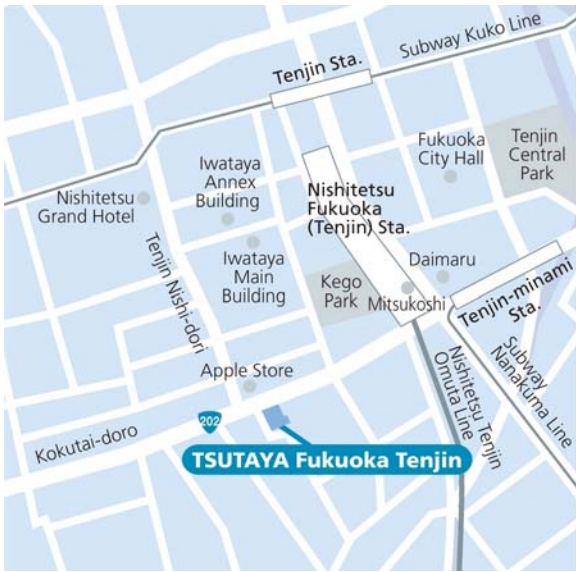
Attachments

1. Summary of Property Appraisal
2. Map Indicating Location of the Property/Photographs of the Property
3. Overview of the Investment Portfolio following the Acquisition of the Properties

Attachment 1: Summary of Property Appraisal

Appraiser	Japan Real Estate Institute
Appraisal Value	¥4,210,000,000
Date of Appraisal	November 30, 2009
Direct-Reduction Method Value	¥4,220,000,000
Operating Income	¥294,000,000
Net Operating Income	¥264,630,000
Net Income	¥266,036,000
Cap Rate	6.3%
DCF Value	¥4,200,000,000
Discount Rate	5.3%
Final Cap Rate	7.1%

Attachment 2: Map Indicating Location of the Property/Photographs of the Property



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Attachment 3:

Overview of the Investment Portfolio following the Acquisition of the Property

Property Name	Location	Type of Asset	Acquisition Date	Acquisition Price (Millions of yen)*	Percentage of Portfolio**
AEON, Shinagawa Seaside Shopping Center	Shinagawa-ku, TOKYO	Trust beneficiary rights in real estate	August 9, 2004	20,100	11.7
MYCAL Ibaraki	Ibaraki City, OSAKA	Trust beneficiary rights in real estate	August 9, 2004	18,100	10.2
Joyfultown Okayama	Okayama City, OKAYAMA	Trust beneficiary rights in real estate	August 9, 2004	11,000	6.2
Joyfultown Hadano	Hadano City, KANAGAWA	Trust beneficiary right in real estate	August 9, 2004	9,300	5.2
Papillon Plaza	Fukuoka City, FUKUOKA	Trust beneficiary rights in real estate	August 9, 2004	4,810	2.7
Kamiikedai Tokyu Store	Ota-ku, TOKYO	Trust beneficiary rights in real estate	August 9, 2004	1,490	0.8
Belltown Tambaguchi Eki-mae Store	Kyoto City, KYOTO	Real estate	August 29, 2005	2,130	1.2
AEON NAGOYADOME-mae Shopping Center	Nagoya City, AICHI	Real estate	March 23, 2006	24,800	13.9
Summit Store Takinogawa Momiji-bashi	Kita-ku, TOKYO	Real estate	September 29, 2006	3,100	1.7
Sports Club Renaissance Hiroshima	Hiroshima City, HIROSHIMA	Real estate	April 13, 2007	1,940	1.1
Frespo Tosu*** (Land interest)	Tosu City, SAGA	Real estate (Land interest)	November 8, 2007	3,178	1.8
You Me Town Hiroshima	Hiroshima City, HIROSHIMA	Real estate	February 19, 2008	23,200	13.0
WV SAKAE	Nagoya City, AICHI	Trust beneficiary rights in real estate	July 4, 2008	7,300	4.1
Queen's Isetan, Suminami-momoi	Suginami-ku, TOKYO	Trust beneficiary rights in real estate	July 4, 2008	3,560	2.0
Mitsui Outlet Park Iruma	Iruma City, SAITAMA	Real estate	July 10, 2008	19,900	11.2
Costco Wholesale, Warehouse Iruma (Land interest)	Iruma City, SAITAMA	Real estate (Land interest)	July 10, 2008	2,600	1.5
UT STORE HARAJUKU	Shibuya-ku, TOKYO	Trust beneficiary rights in real estate	October 15, 2008	3,100	1.7
Ito-Yokado Higashi-yamato	Higashi-yamato City, TOKYO	Trust beneficiary rights in real estate	January 13, 2009	11,600	6.5
MaxValu, Tanashi-shibakubo	Nishi-tokyo City, Tokyo	Trust beneficiary rights in real estate	February 18, 2009	3,100	1.7
TSUTAYA Fukuoka Tenjin	Fukuoka City, Fukuoka	Trust beneficiary rights in real estate	December 16, 2009	3,700	2.1
Total				178,008	100.0

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* Acquisition Prices are rounded down to the nearest millions in yen.

** Percentage of Portfolio figures are based on acquisition prices and are rounded up or down to the nearest second decimal place.

*** Property name changed as of November 7, 2009.