

June 14, 2010

For Immediate Release

6-8-7 Ginza, Chuo-ku, Tokyo  
 Frontier Real Estate Investment Corporation  
 Hirohiko Kamei, Executive Director  
 (Securities Code : 8964)

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

Inquiries:  
 Mitsui Fudosan Frontier REIT Management Inc.  
 Tatsu Makino  
 Vice President, Finance Division and Director  
 Tel: +81-3-3289-0440

**Notice Concerning Acquisition of Investment Assets**

Frontier Real Estate Investment Corporation (the “Investment Corporation”) today announced its decision to acquire investment assets. Brief details are as follows.

1. Planned Acquisition Details

(1) Type of Acquired Assets	Real estate (Property ownership in land and buildings)	Trust beneficiary rights in a real estate property (Trustee: Mizuho Trust & Banking Co., Ltd.)
(2) Property Name	Mitsui Shopping Park LaLaport Iwata	GINZA GLASSE
(3) Acquisition Price(*)	¥ 15,200 million	¥ 13,600 million
Total	¥ 28,800 million	
(4) Contract Date	June 14, 2010	June 14, 2010
(5) Acquisition Date	July 2, 2010 (Delivery and clearance)	July 2, 2010 (Delivery and clearance)
(6) Seller(**)	Mitsui Fudosan Co., Ltd.	G3 Development, Ltd.
(7) Acquisition Financing	Self-financing, borrowings and financing by issuance of new units	Self-financing, borrowings and financing by issuance of new units
(8) Payment Method	Single payment at time of delivery	Single payment at time of delivery

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

\*\* For details regarding sellers’ profile, please see Item 5 in the following section.

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:

### **Mitsui Shopping Park LaLaport Iwata**

#### (1) Area Characteristics

The Property is located in Iwata City, Shizuoka. It is accessible from center of Iwata City or Hamamatsu City by using Route 1 Iwata Bypass via Prefectural Road 86. Also, it is directly connected from express highway exit.

The population within a ten-kilometer radius of the Property exceeds 500,000 with residential areas spreading along with JR Tokaido Line. Moreover, with the population within a 60-minute driving time radius of the Property, assuming the use of express highway exceeds 2,000,000, the Property functions not only as a commercial facility but also as a entertainment facility which can attract crowds from widespread areas.

#### (2) Features of Building Facilities, Tenants and Stores

The Property is a regional shopping center with a parking lot for 3,400 cars, assuming driving customers and attraction of crowds from express highway. The Property consists of 175 tenants including popular fashion stores, food supermarket, food court and entertainment facilities.

### **GINZA GLASSE**

#### (1) Area Characteristics

The Property is located on the corner of Sotobori Dori and Matsuya Dori. It is one-minute walk from Ginza Station of Tokyo Metro and 4-minute walk from Yurakucho Station of JR Line.

Ginza area enjoys commercial accumulation including foreign top brand stores, department stores and casual brands. In the Property's neighborhood, thanks to the continuous openings of large commercial facilities and brand stores on Sotobori Dori and Marronier Dori, traffic route to and from Yurakucho area has been formed. As large-scale commercial development projects are taking place in surrounding areas, further expansion of commercial accumulation and subsequent attraction of crowds are expected in the future.

#### (2) Features of Building Facilities, Tenants and Stores

"DIESEL", an Italian casual brand store, occupies from 1<sup>st</sup> to 3<sup>rd</sup> floors of the Property and the store is considered as the largest flagship shop in Asia. Service businesses including "Shiseido Salon & Spa" occupy 4<sup>th</sup> and 5<sup>th</sup> floors, and trendy restaurants such as "Ristorante Hiro" and "Ao no Doukutsu" occupy occupy from 6<sup>th</sup> to 11<sup>th</sup> floors. Part of 1<sup>st</sup> floor (partial) and 1<sup>st</sup> basement floor are also occupied with restaurants.

Translation for Reference Purposes Only

3. Property Details

(1) Real Estate Details

**Mitsui Shopping Park LaLaport Iwata**

Type of Acquisition Asset	Real estate (Property ownership in land and buildings)	
Address (as described in the real estate register)	1200, Takamioka, Iwata City, Shizuoka, and others	
Land	Lot Area	66,915.00 m <sup>2</sup> (registered)
	Use	Neighborhood commercial
	Plot Ratio	200%
	Building to Land Ratio	80%
	Ownership	Proprietary ownership
Building	Structure/ Number of Floors	Steel-framed and flat-roofed construction/ One underground and four above-ground floors Steel-framed and flat-roofed construction/ Five above-ground floors Steel-framed and flat-roofed construction/ Four above-ground floors
	Construction Completed	May, 2009
	Gross Floor Area	131,587.82 m <sup>2</sup> (registered)
	Use	Retail, movie theater and parking
	Ownership	Proprietary ownership
Architect	Obayashi Corporation Nagoya Branch First-class Architects' Office	
Builder	Obayashi Corporation	
Inspection Agency	The Building Center of Japan	
Acquisition Price	¥15,200 million	
Appraisal Value	¥15,200 million (as of May 12, 2010)	
Appraiser	Japan Real Estate Institute	
Probable Maximum Loss (PML)	16%	
Collateral	None	

**GINZA GLASSE**

Type of Acquisition Asset	Trust beneficiary rights in a real estate property	
Address (as described in the real estate register)	3-2-15, Ginza, Chuo-ku, Tokyo	
Land	Lot Area	634.82 m <sup>2</sup> (registered)
	Use	Commercial
	Plot Ratio	1,100%
	Building to Land Ratio	100%
	Ownership	Proprietary ownership
Building	Structure/ Number of Floors	Steel construction, steel frame, reinforced concrete and flat-roofed construction/ Two underground and eleven above-ground floors
	Construction Completed	March, 2008
	Gross Floor Area	7,201.80 m <sup>2</sup> (registered)
	Use	Retail and parking
	Ownership	Proprietary ownership

Translation for Reference Purposes Only

Architect	Shimizu Corporation First-class Architects' Office
Builder	Shimizu Corporation
Inspection Agency	Tokyo Bldg-Tech Center Co., Ltd.
Acquisition Price	¥13,600 million
Appraisal Value	¥13,600 million (as of May 12, 2010)
Appraiser	Japan Real Estate Institute
Probable Maximum Loss (PML)	11%
Collateral	None

(2) Lease Details

**Mitsui Shopping Park LaLaport Iwata**

Tenant Name	Mitsui Fudosan Co., Ltd.
Type of Contract	Fixed-term building lease
Contract Term	20 years (until June 30, 2030)
Annual Rent	¥ 1,201 million
Revisions of Rent	Only after 10 years
Termination during the Contract Term	Only after 5 years
Security Deposit	¥ 600 million
Guarantee Deposit	None
Number of Tenants	1
Total Leasable Floor Space	136,136.15 m <sup>2</sup>
Total Leased Floor Space	136,136.15 m <sup>2</sup>
Occupation Rate	100% ((Total Leased Floor Space)/(Total Leasable Floor Space))

**GINZA GLASSE**

Tenant Name	Mitsui Fudosan Co., Ltd.
Type of Contract	Building lease (Pass-through master lease contract)
Contract Term*	22 years (until June 30, 2030)
Annual Rent	¥ 746 million
Security Deposit	¥ 725 million
Guarantee Deposit	None
Number of Tenants**	1 (14)
Total Leasable Floor Space***	5,174.62 m <sup>2</sup>
Total Leased Floor Space***	5,174.62 m <sup>2</sup>
Occupation Rate	100% ((Total Leased Floor Space)/(Total Leasable Floor Space))

\* While the contract term with end tenant is 2-15 years, the contract term with DIESEL JAPAN Co., Ltd, the core tenant of the Property, is 15 years.

\*\* Figures in case arc shows the number of tenants based on lease contract between Mitsui Fudosan, Co., Ltd., the master lesser, and end tenants.

\*\*\*Total leasable floor space shows the area leasable to end tenants, and total leased floor space shows the area based on least contract with end tenants.

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

Each of the current owner and trust beneficiary right holder of the Properties fall 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 deciding of acquisition by the Investment Corporation of the Properties, the board of directors of the Asset Management Company has resolved to acquire the new investment assets, after deliberation and approval by the Asset Management Company’s Compliance Committee pursuant to the Interested-Party Transaction Regulations.

#### Mitsui Shopping Park LaLaport Iwata

Company Name	Mitsui Fudosan Co., Ltd.
Address of Head Office	2-1-1, Nihonbashi-muromachi, Chuo-ku, Tokyo
Representative	Hikomich Iwasa, President and CEO
Share Capital	¥ 174,296 million
Major Shareholders	The Master Trust Bank of Japan, Ltd. (trust account)
Principal Business	Real estate acquisition, ownership, disposal, leasing, subdivision for sale and management
Relationship with the Investment Corporation and/or the Asset Management Company	Mitsui Fudosan Co., Ltd. is the sole parent company of the Asset Management Company.

#### GINZA GLASSE

Company Name	G3 Development, Ltd.
Address of Head Office	3-1-20, Nihonbashi-muromachi, Chuo-ku, Tokyo
Representative	Makoto Sugai, Director
Share Capital	¥ 3 million
Major Shareholders	Mitsui Fudosan Co., Ltd.
Principal Business	1. Real estate leasing, management, ownership and disposal 2. Acquisition, ownership and disposal of trust beneficiary rights of real estate properties 3. All collateral and related affairs to the businesses above
Relationship with the Investment Corporation and/or the Asset Management Company	The seller is a special purpose company to which Mitsui Fudosan Co., Ltd., the parent company of the Asset Management Company, makes a silent partnership contribution.

#### 6. Previous Owners

#### Mitsui Shopping Park LaLaport Iwata

Property Name (Location)	Mitsui Shopping Park LaLaport Iwata (1200, Takamioka, Iwata City, Shizuoka, and others)	
Status of Property Owner	Last Owner	Owner before Last Owner
Name of Company	Mitsui Fudosan Co., Ltd.	—
Relationship with Interested Parties	The sole parent company of the Asset Management Company	—

Translation for Reference Purposes Only

Background and purpose of Acquisition	For the purpose of development	—
Acquisition Price (Including other expenses)	—	—
Acquisition Date	May 29, 2009 (newly-built building) November 14, 2009 (land)*	—

\* The land was obtained from allocated land disposed in land reallocation project.

**GINZA GLASSE**

Property Name (Location)	GINZA GLASSE (3-2-15, Ginza, Chuo-ku, Tokyo)	
Status of Property Owner	Last Holder of Trust Beneficiary Right	Holder before Last Holder of Trust Beneficiary Right
Name of Company	G3 Development, Ltd.	—
Relationship with Interested Parties	A special purpose company to which Mitsui Fudosan Co., Ltd., the parent company of the Asset Management Company, makes a silent partnership contribution.	—
Background and purpose of Acquisition	For the purpose of development	—
Acquisition Price (Including other expenses)	—	—
Acquisition Date	March 31, 2008 (newly-built building) January 13, 2005 (land)*	—

7. Broker Profile

Not applicable

8. 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 properties.

In addition, the SC Management Agreement mentioned above will be entered into after deliberation and approval by the Asset Management Company's Compliance Committee pursuant to the Interested-Party Transaction Regulations, since 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.

9. Outlook

For operating forecasts for the thirteenth period ending December 31, 2010, please refer to the “Operating Forecasts for the Thirteenth Fiscal Period Ending December 31, 2010”, also released today.

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: Summaries of Property Appraisal

**Mitsui Shopping Park LaLaport Iwata**

Appraiser	Japan Real Estate Institute
Appraisal Value	¥15,200,000,000
Date of Appraisal	May 12, 2010
Direct-Reduction Method Value	¥15,200,000,000
Operating Income	¥1,201,302,000
Net Operating Income	¥985,404,000
Net Income	¥960,217,000
Cap Rate	6.3%
DCF Value	¥15,100,000,000
Discount Rate	6.1%
Final Cap Rate	6.5%

**GINZA GLASSE**

Appraiser	Japan Real Estate Institute
Appraisal Value	¥13,600,000,000
Date of Appraisal	May 12, 2010
Direct-Reduction Method Value	¥13,800,000,000
Operating Income	¥831,615,000
Net Operating Income	¥543,431,000
Net Income	¥552,014,000
Cap Rate	4.0%
DCF Value	¥13,400,000,000
Discount Rate	3.8%
Final Cap Rate	4.2%

Translation for Reference Purposes Only

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

**Mitsui Shopping Park LaLaport Iwata**





### GINZA GLASSE



Translation for Reference Purposes Only

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	9.7
MYCAL Ibaraki	Ibaraki City, OSAKA	Trust beneficiary rights in real estate	August 9, 2004	18,100	8.8
Joyfultown Okayama	Okayama City, OKAYAMA	Trust beneficiary rights in real estate	August 9, 2004	11,000	5.3
Joyfultown Hadano	Hadano City, KANAGAWA	Trust beneficiary right in real estate	August 9, 2004	9,300	4.5
Papillon Plaza	Fukuoka City, FUKUOKA	Trust beneficiary rights in real estate	August 9, 2004	4,810	2.3
Kamiikedai Tokyu Store	Ota-ku, TOKYO	Trust beneficiary rights in real estate	August 9, 2004	1,490	0.7
Belltown Tambaguchi Eki-mae Store	Kyoto City, KYOTO	Real estate	August 29, 2005	2,130	1.0
AEON NAGOYADOME-mae Shopping Center	Nagoya City, AICHI	Real estate	March 23, 2006	24,800	12.0
Summit Store Takinogawa Momiji-bashi	Kita-ku, TOKYO	Real estate	September 29, 2006	3,100	1.5
Sports Club Renaissance Hiroshima	Hiroshima City, HIROSHIMA	Real estate	April 13, 2007	1,940	0.9
Frespo Tosu (Land interest)	Tosu City, SAGA	Real estate (Land interest)	November 8, 2007	3,178	1.5
You Me Town Hiroshima	Hiroshima City, HIROSHIMA	Real estate	February 19, 2008	23,200	11.2
WV SAKAE	Nagoya City, AICHI	Trust beneficiary rights in real estate	July 4, 2008	7,300	3.5
Queen's Isetan, Suminami-momoi	Suginami-ku, TOKYO	Trust beneficiary rights in real estate	July 4, 2008	3,560	1.7
Mitsui Outlet Park Iruma	Iruma City, SAITAMA	Real estate	July 10, 2008	19,900	9.6
Costco Wholesale, Warehouse Iruma (Land interest)	Iruma City, SAITAMA	Real estate (Land interest)	July 10, 2008	2,600	1.3
UT STORE HARAJUKU	Shibuya-ku, TOKYO	Trust beneficiary rights in real estate	October 15, 2008	3,100	1.5
Ito-Yokado Higashi-yamato	Higashi-yamato City, TOKYO	Trust beneficiary rights in real estate	January 13, 2009	11,600	5.6
MaxValu, Tanashi-shibakubo	Nishi-tokyo City, TOKYO	Trust beneficiary rights in real estate	February 18, 2009	3,100	1.5
TSUTAYA Fukuoka Tenjin	Fukuoka City, FUKUOKA	Trust beneficiary rights in real estate	December 16, 2009	3,700	1.8
Mitsui Shopping Park LaLaport Iwata	Iwata City, SHIZUOKA	Real estate	July 2, 2010	15,200	7.3

Translation for Reference Purposes Only

GINZA GLASSE	Chuo-ku, TOKYO	Trust beneficiary rights in real estate	July 2, 2010	13,600	6.6
Total				206,808	100.0

\* 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.