

**Translation for Reference Purposes Only**

June 22, 2010

**For Immediate Release**

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

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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 June 14, 2010 to issue new investment units ("Units") 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, June 22, 2010 as follows:

**1. Issue of New Investment Units by Public Offering (Primary Offering)**

- |                                     |   |
|-------------------------------------|---|
| (1) Issue Price (offer price)       | ¥592,312 per unit                                     |
| (2) Total Issue Price (offer price) | ¥18,953,984,000                                       |
| (3) Paid-in Amount (issue value)    | ¥572,872 per unit                                     |
| (4) Total Paid-in Amount            | ¥18,331,904,000                                       |
| (5) Offering Period                 | June 23, 2010 (Wednesday) to June 24, 2010 (Thursday) |
| (6) Payment Date                    | July 1, 2010 (Thursday)                               |
| (7) Delivery and Settlement Date    | July 2, 2010 (Friday)                                 |

Note: The underwriters 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 | 2,000 units   |
| (2) Offer Price                   | ¥592,312 per unit                                     |
| (3) Total Offer price             | ¥1,184,624,000  |
| (4) Offering Period               | June 23, 2010 (Wednesday) to June 24, 2010 (Thursday) |
| (5) Delivery and Settlement Date  | July 2, 2010 (Friday)                                 |

**Disclaimer:** This information was originally publicized in the original Japanese language and has been translated for reference purposes only. Frontier Real Estate Investment Corporation guarantees neither the completeness nor the accuracy of this English translation. For complete and accurate information, please refer to the press release in Japanese. In addition, this press release is not prepared as an inducement or invitation for investment. All readers are advised to consult their own investment advisors before investing in the Investment Corporation. Investment decisions are made at the investor's sole discretion and responsibility and are made at their own risk. The Investment Corporation and its affiliates disclaim any responsibility or liability for the consequence of investment in the Investment Corporation.

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### **3. Issue of New Investment Units by a Third-Party Allotment (Third-Party Allotment)**

- |                                     |                           |
|-------------------------------------|---------------------------|
| (1) Paid-in Amount (issue value)    | ¥572,872 per unit         |
| (2) Total Paid-in Amount            | ¥1,145,744,000            |
| (3) Offering Period (offering date) | July 27, 2010 (Tuesday)   |
| (4) Payment Date                    | July 28, 2010 (Wednesday) |

Note: For Units that are not offered during the offering period stated above, the issuance will be cancelled.

#### **<Reference>**

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

- |                                     |                         |
|-------------------------------------|-------------------------|
| (1) Reference Date                  | June 22, 2010 (Tuesday) |
| (2) Closing Price on Reference Date | ¥626,000                |
| (3) Discount Rate                   | 2.5%                    |

Note: The issue price and offer price are calculated by deducting estimated dividend price of ¥18,500 from the closing price on reference date, and then applying the discount rate above.

##### **2. Syndicate Cover Transaction Period**

June 25, 2010 (Friday) to July 23, 2010 (Friday)

##### **3. Use of Proceeds**

Net proceeds from the public offer (¥18,331,904,000) will be used for the partial payment for the specified assets(\*) to be acquired by the Investment Corporation on July 2, 2010.

Net proceeds (upper limit of ¥1,145,744,000) from the issue of new investment units by a third-party allotment will be used for the partial repayment of borrowings.

\* For more details regarding the specified assets, please refer to the press release entitled "Notice Concerning Acquisition of Investment Assets" released on June 14, 2010.

- 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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