

Translation for Reference Purposes Only

February 26, 2013

For Immediate Release

6-8-7 Ginza, Chuo-ku, Tokyo
Frontier Real Estate Investment Corporation
Hirohiko Kamei, Executive Director
(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 February 15, 2013 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, February 26, 2013 as follows:

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

- | | |
|-------------------------------------|--|
| (1) Issue Price (offer price) | ¥ 870,675 per unit |
| (2) Total Issue Price (offer price) | ¥ 16,978,162,500 |
| (3) Paid-in Amount (issue value) | ¥ 842,099 per unit |
| (4) Total Paid-in Amount | ¥ 16,420,930,500 |
| (5) Offering Period | February 27, 2013 (Wednesday) to
February 28, 2013 (Thursday) |
| (6) Payment Date | March 5, 2013 (Tuesday) |
| (7) Delivery and Settlement Date | March 6, 2013 (Wednesday) |

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 | 1,000 units |
| (2) Offer Price | ¥ 870,675 per unit |
| (3) Total Offer price | ¥ 870,675,000 |
| (4) Offering Period | February 27, 2013 (Wednesday) to
February 28, 2013 (Thursday) |
| (5) Delivery and Settlement Date | March 6, 2013 (Wednesday) |

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) | ¥ 842,099 per unit |
| (2) Total Paid-in Amount (maximum) | ¥ 842,099,000 |
| (3) Offering Period (offering date) | March 19, 2013 (Tuesday) |
| (4) Payment Date | March 21, 2013 (Thursday) |

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 | February 26, 2013 (Tuesday) |
| (2) Closing Price on Reference Date | ¥ 893,000 |
| (3) Discount Rate | 2.5% |

2. Syndicate Cover Transaction Period

March 1, 2013 (Friday) to March 15, 2013 (Friday)

3. Use of Proceeds

Net proceeds from the public offer (¥16,420,930,500) and net proceeds from the issue of new investment units by a third-party allotment (upper limit of ¥842,099,000) will be used for the partial repayment of borrowings used for the acquisition of new specified assets. Remaining funds will be appropriated for the repayment of the other borrowings.

* For more details regarding the specified assets, please refer to the press release entitled "Notice Concerning Acquisition of Investment Assets" released on January 30, 2013 and February 15, 2013.

- 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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