

Translation for Reference Purposes Only

July 3, 2012

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 June 25, 2012 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, July 3, 2012 as follows:

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

- | | |
|-------------------------------------|---|
| (1) Issue Price (offer price) | ¥ 631,800 per unit |
| (2) Total Issue Price (offer price) | ¥ 19,585,800,000 |
| (3) Paid-in Amount (issue value) | ¥ 611,064 per unit |
| (4) Total Paid-in Amount | ¥ 18,942,984,000 |
| (5) Offering Period | July 4, 2012 (Wednesday) to July 5, 2012 (Thursday) |
| (6) Payment Date | July 10, 2012 (Tuesday) |
| (7) Delivery and Settlement Date | July 11, 2012 (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 | 2,500 units |
| (2) Offer Price | ¥ 631,800 per unit |
| (3) Total Offer price | ¥ 1,579,500,000 |
| (4) Offering Period | July 4, 2012 (Wednesday) to July 5, 2012 (Thursday) |
| (5) Delivery and Settlement Date | July 11, 2012 (Wednesday) |

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

- | | |
|-------------------------------------|----------------------------|
| (1) Paid-in Amount (issue value) | ¥ 611,064 per unit |
| (2) Total Paid-in Amount | ¥ 1,527,660,000 |
| (3) Offering Period (offering date) | August 7, 2012 (Tuesday) |
| (4) Payment Date | August 8, 2012 (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 | July 3, 2012 (Tuesday) |
| (2) Closing Price on Reference Date | ¥ 648,000 |
| (3) Discount Rate | 2.5% |

2. Syndicate Cover Transaction Period

June 6, 2012 (Friday) to August 3, 2012 (Friday)

3. Use of Proceeds

Net proceeds from the public offer (¥18,942,984,000) will be used for the repayment of borrowings used for the acquisition of new specified assets. Remaining funds and net proceeds (upper limit of ¥ 1,527,660,000) from the issue of new investment units by a third-party allotment 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 June 25, 2012.

- 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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