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For Immediate Release

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**Notice Concerning Additional Issue of New Investment Units
through Third-Party Allotment**

Frontier Real Estate Investment Corporation (“Frontier Real Estate Investment” or “the Investment Corporation”) announces it has been informed that Nikko Citigroup Limited will exercise options (Greenshoe Option) to purchase newly issued investment units. Frontier Real Estate Investment had granted the Greenshoe Option to Nikko Citigroup Limited at Board of Directors’ meetings held on July 12, 2004 and August 2, 2004. At each Board of Directors’ meeting, the Investment Corporation resolved to provide Nikko Citigroup Limited with said options on the additional issue of 8,000 investment units. Brief details are as follows.

[Reference]

Overview of the Issue of New Investment Units through Third-Party Allotment

(1)	Number of new investment units issued	:	8,000 units
(2)	Offer price	:	¥530,750 per unit
(3)	Gross proceeds	:	¥4,246,000,000
(4)	Application period	:	September 7, 2004 (Tuesday)
(5)	Settlement date	:	September 7, 2004 (Tuesday)
(6)	Third party	:	Nikko Citigroup Limited

For further details in connection with the issue of new investment units through third-party allotment, please refer to the Investment Corporation’s press release issued on August 2, 2004. Despite the exercise of the aforementioned Greenshoe Option, the Investment Corporation’s operating forecasts remain unchanged for the first fiscal period (May 12, 2004 to December 31, 2004) and the second fiscal period (January 1, 2005 to June 30, 2005), published on July 12, 2004.

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.

Note: This document provides general information in connection with the additional issue of new investment units through third-party allotment and is not intended as an inducement or invitation for investment.