

Translation for Reference Purposes Only

August 15, 2008

For Immediate Release

2-17-22 Akasaka, Minato-ku, Tokyo
Frontier Real Estate Investment Corporation
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(Securities Code : 8964)

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Notice Concerning Partial Sell-off of Unit Holdings by Major Unitholder

In connection with the public offering through a negotiated underwriting by underwriters which was determined at two Board of Directors' Meetings held on July 1, 2008 and July 16, 2008, Frontier Real Estate Investment Corporation (the "Investment Corporation" or "FRI") announces as stated below.

Regarding the right to acquire up to 2,500 investment units from Japan Tobacco Inc. ("JT") (the "Greenshoe Option") granted by JT to Nikko Citigroup Limited ("Nikko Citigroup"), the Investment Corporation received a notification today to the effect that Nikko Citigroup exercised the Greenshoe Option and FRI's investment units owned by JT were sold to Nikko Citigroup as of August 15, 2008.

1. Partial sell-off of unit holdings by major unitholder

(1) Name of major unitholder	Japan Tobacco Inc.
(2) Number of investment units sold	2,309 Units
(3) Purchaser	Nikko Citigroup Limited
(4) Sales price	¥604,186 per unit
(5) Delivery and settlement date	August 21, 2008 (Thursday)

2. Number of investment units owned and percentage of total number of investment units issued of Japan Tobacco Inc.

Number of investment units owned before partial sell-off	8,200 Units
Percentage of total number of investment units issued	5.13%
Number of investment units owned following partial sell-off	5,891 Units
Percentage of total number of investment units issued	3.68%

(Reference) Total number of investment units issued : 160,000 Units

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- This document is released to media organizations through the “Kabuto Club” (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure, Transport and Tourism Press Club, and the Press Club for the Ministry of Land, Infrastructure, Transport and Tourism Construction Paper.
- Frontier Real Estate Investment Corporation website : <http://www.frontier-reit.co.jp/eng/>

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