

Translation for Reference Purposes Only

November 29, 2013

For Immediate Release

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

Asset Management Company:
Mitsui Fudosan Frontier REIT Management Inc.
Hiroshi Tanaka
Chief Executive Officer and Representative Director

Inquiries:
Mitsui Fudosan Frontier REIT Management Inc.
Tatsu Makino
Vice President, Finance Division and Director
Tel: +81-3-3289-0440

Notice Concerning Modifications of Operating Forecasts
for the 19th Fiscal Period ending December 31, 2013

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby today announces the modifications of its operating forecasts for the 19th fiscal period ending December 31, 2013.

1. Reasons for Announcement

As the Investment Corporation has decided the dispose of "WV SAKAE" and "AEON Hadano Shopping Center", which was not included in pre-conditions and assumptions for the operating forecasts for the 19th fiscal period ending December 31, 2013, released on August 14, 2013, the Investment Corporation has decided to announce modifications of operating forecasts for the 19th fiscal period commencing from July 1, 2013 through December 31, 2013.

Operating forecasts for the 19th fiscal period is based on certain pre-conditions and assumptions set forth in exhibit "Pre-Conditions and Assumptions for Modifications of Operating Forecasts for the 19th Fiscal Period ending December 31, 2013" attached hereto.

2. Modifications of Operating Forecasts for the 19th Fiscal Period ending December 31, 2013
(from July 1, 2013 through December 31, 2013)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Distribution per Unit	Distribution in Excess of Earnings per Unit
Previous Forecasts (A)	¥ 9,916 Million	¥ 5,055 Million	¥ 4,579 Million	¥ 4,578 Million	¥ 18,400	¥ —
Modified Forecasts (B)	¥ 9,954 Million	¥ 5,099 Million	¥ 4,649 Million	¥ 4,648 Million	¥ 18,700	¥ —
Variance (B-A)	¥ 38 Million	¥ 44 Million	¥ 69 Million	¥ 69 Million	¥ 300	—
Increase-Decrease Rate	0.4%	0.9%	1.5%	1.5%	1.6%	—

Translation for Reference Purposes Only

Notes:

1. The expected number of units outstanding at the end of the 19th fiscal period: 248,000 units
2. All amounts except Distribution per unit are rounded down to the nearest 1 million yen.
3. Distribution per unit is rounded down to the nearest 100 yen.
4. The figures above are based on certain pre-conditions and assumptions as of today. Actual figures may differ significantly from forecasts due to the future acquisitions and/or sales of properties, real estate market trends and/or changes in environment surrounding the Investment Corporation. The Investment Corporation does not guarantee the amount of the expected cash distribution per unit in this forecast.

Translation for Reference Purposes Only

Exhibit

**Pre-Conditions and Assumptions for Modifications to
Operating Forecasts for the 19th Fiscal Period ending December 31, 2013.**

	Pre-Conditions & Assumptions
Investment Assets	<ul style="list-style-type: none"> • The Investment Corporation owns total of 29 properties as of November 29, 2013. • Assumes the 28 properties, excluding “WV SAKAE” and “AEON Hadano Shopping Center” (Together referred below as “Exposing Properties”), which it plans to expose as of November 29, 2013. WV SAKAE is planned to be exposed on November 29, 2013, and as for AEON Hadano Shopping Center, 55% of the property is to be exposed as of November 29, 2013, 25% by June 30, 2014 and the remaining 20% by December 31, 2014. • It is assumed that there will be no change in the number of the investment assets, due to acquisitions and/or disposals excluding the exposure of Exposing Properties, until the end of the 19th fiscal period (December 31, 2013). • Actual numbers may change due to the future acquisitions and/or disposals of existing properties excluding the exposure of Exposing Properties, if any.
Investment Units Issued	<ul style="list-style-type: none"> • The number of the outstanding investment units is based on the number as of November 29, 2013, which are 248,000 units.
Liabilities	<ul style="list-style-type: none"> • The balance of borrowings, etc. as of November 29, 2013 is ¥ 70,180 million. • It is assumed that refinancing and self-financing (partial) will be executed for the repayment of borrowings due by December 31, 2013. • The loan to value ratio (LTV*) as of December 31, 2013 is expected to be approximately 37%. <ul style="list-style-type: none"> * LTV = (Borrowings, etc. + Security deposits – Unrestricted cash and deposits) / (Total assets – Unrestricted cash and deposits)
Operating Revenues	<ul style="list-style-type: none"> • This assumes lease business revenue from existing portfolio assets of 29 properties, excluding the disposal of Exposing Properties as of November 29, 2013. It is calculated based on the individual lease contracts which is valid as of November 29, 2013 and estimated fluctuating factors.

Translation for Reference Purposes Only

	Pre-Conditions & Assumptions
Operating Expenses	<ul style="list-style-type: none"> • The leasing business expenses (subcontracting expenses, etc.), which are major operating expenses, is calculated based on actual figures and estimated fluctuating factors. • Regarding repair expenses, the amount estimated based on planned construction projects during the 19th fiscal period is budgeted as expenses. • Regarding property tax, city planning tax and other imposts relating to the properties owned by the Investment Corporation, the portion allocated to the 19th fiscal period, which is ¥ 971 million, will be posted to leasing business expenses. However, should properties be newly acquired during the 19th fiscal period and municipal property tax and other monies for settlement occur between the Investment Corporation and the seller, the aforementioned monies will be included in its acquisition cost. • Depreciation expenses are calculated using the straight-line method. It includes ancillary expenses and additional future capital expenses (¥ 2,264 million for the 19th fiscal period).
Non-operating Expenses	<ul style="list-style-type: none"> • It is assumed that non-operating expenses, which include interests charged on borrowings, security deposits, investment corporation bonds and so on, will be ¥ 454 million for the 19th period.
Distribution per Unit	<ul style="list-style-type: none"> • Cash dividends (distribution per unit) are calculated according to the Investment Corporation's distribution policy described in its Articles of Incorporation. • Cash distribution per unit may change for a variety of reasons including changes in the Investment Corporation's investment assets, changes in leasing revenues due to tenant movements, etc. and/or the incidence of unforeseen repairs and maintenance. • It is assumed that there will be neither additional nor withdraw of internal retain.
Distribution in Excess of Earnings per Unit	<ul style="list-style-type: none"> • The Investment Corporation does not currently anticipate cash distributions in excess of earnings per unit.
Others	<ul style="list-style-type: none"> • Calculations and operating forecasts are based on the assumption that there will be no changes in legislation, taxation, accounting standards, regulations applying to publicly listed companies, rules and requirements imposed by the Investment Trusts Association, Japan, which would impact the aforementioned forecasts. • Calculations and operating forecasts are also based on the assumption that there will be no material changes in general economic and real estate market conditions in Japan.

Translation for Reference Purposes Only

- 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/>

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.