

July 26, 2012

For Immediate Release

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Frontier Real Estate Investment Corporation
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(Securities Code: 8964)

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Notice Concerning Partial Property Sale (UT STORE HARAJUKU)

Frontier Real Estate Investment Corporation (the "Investment Corporation") today announces its decision to sell a part of UT STORE HARAJUKU. Details are provided below.

1. Details of Sale

(1) Asset Type:	Real estate (partial land) *
(2) Property Name:	UT STORE HARAJUKU (partial land)
(3) Area of the Land:	26.86m ²
(4) Sale Price:	¥333,064,000 **
(5) Book Value:	¥258,174,544 ***
(6) Difference in Sale Price and Book Value:	¥74,889,546 ****
(7) Contract Date:	July 30, 2012 (planned)
(8) Ownership Transfer Date:	July 30, 2012 (planned)
(9) Planned Delivery Date:	During the 17 th fiscal period (July 1, 2012 to December 31, 2012)
(10) Buyer:	Tokyo Metropolitan Government
(11) Sale Method:	As this is a partial sale of real estate that is a trust asset concerning trust beneficiary interest, a sale contract will be concluded between Sumitomo Mitsui Trust Bank, the trustee, and the Tokyo Metropolitan Government.

* Although the property is owned as trust beneficiary interest, the trustee, Sumitomo Mitsui Trust Bank, Limited, will sell it as actual real estate in the transfer.

** In addition to the sale price, the Investment Corporation is scheduled to receive compensation for transfer of

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property. This will be allotted to expenses for building removal work, etc.

*** The figure shows the amount calculated based on the property's land book value as of June 30, 2012 divided in proportion to area of the land sold.

**** Transfer costs in the calculation of this figure was limited to the above land book value and do not include structure transfer expenses and other occurring expenses.

2. Rationale for Sale

Part of the land of UT STORE HARAJUKU had been designated as an area for the Tokyo Metropolitan Government's Loop Road No. 5 - 1 Project. The Project was decided on March 26, 1946 and approved for operations on the aboveground section (widening of Meiji-dori Avenue, etc.) of the Jingumae area (3-chome Jingumae to 6-chome Jingumae), at which the property is located, on March 31, 2004. The Investment Corporation has been negotiating with the Tokyo Metropolitan Government, which intended to acquire the land, based on the Project's decision and approval for operation. The sale is now taking place as negotiations between the Investment Corporation and the Tokyo Metropolitan Government have been concluded.

3. Impact of the Sale on the Property

Building removal work will be necessary as part of the building is standing on the land that is to be sold. Partial removal and restoration work of the building are scheduled to take place during the 17th fiscal period (July 1, 2012 to December 31, 2012) and the part of the property is scheduled to be handed over to the Tokyo Metropolitan Government after the removal work has been completed. As a result of the removal work, the total floor area of the building on the property is expected to be reduced by about 50m² and the total leased floor area reduced from 1,199.23m² to 1,149.12m². (There will be no conflict with laws such as the plot ratio stipulated in the Building Standards Law or the building to land ratio after the sale.)

With the start of the building removal work, the lease contract with UNIQLO Co., Ltd., originally scheduled to be terminated on September 21, 2012, will be terminated as of July 27, 2012.

4. Buyer Profile

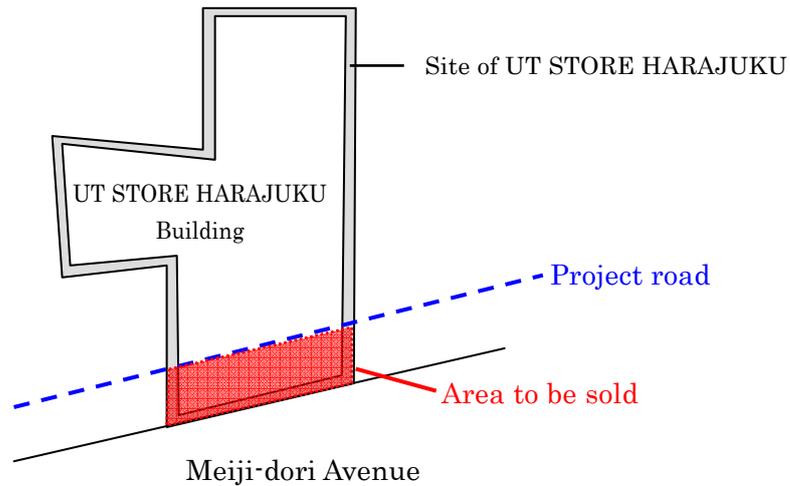
Name	Tokyo Metropolitan Government (Agent: Tokyo Metropolitan Public Corporation for Road Improvement and Management)
Buyer's Relationship with the Investment Corporation and/or the Asset management Company	Not applicable

5. Operating Forecast

Since the aforementioned sale has little impact on the asset management status, there is no change in the operating forecast for the 17th fiscal period ending December 31, 2012.

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(Reference) Map of Land to be Sold



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 website: <http://www.frontier-reit.co.jp/eng/>

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