

Translation for Reference Purposes Only

August 3, 2012

For Immediate Release

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

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Notice Concerning the Decision on the Number of Units to be Issued with Regard to the Issue of New Investment Units by Third-Party Allocation

Frontier Real Estate Investment Corporation (the "Investment Corporation" or "FRI") hereby provides notice that, concerning the issue of new investment units ("Units") by third-party allotment decided upon with the issue of new investment units by public offering and the secondary offering of investment units by over-allotment by resolution at Board of Directors' Meetings held on June 25, 2012 and on July 3, 2012, notification was received today from the allottee regarding the subscription for all of units planned to be issued.

(1) Number of New Units to be Issued	2,500 units (Number of units planned to be issued: 2,500 units)
(2) Allottee and Number of Units to be Allotted	SMBC Nikko Securities Inc. / 2,500 units
(3) Paid-in Amount (Issue Value)	¥1,527,660,000 (¥611,064 per unit)
(4) Subscription Period (Subscription Date)	August 7, 2012 (Tuesday)
(5) Payment Date	August 8, 2012 (Wednesday)

<Reference>

1. The issuance of new units by third-party allocation stated above was decided upon with the issuance of new investment units by public offering and the secondary offering of units by over-allotment by resolution at Board of Directors' Meetings held on June 25, 2012 and on July 3, 2012.

For details regarding the third-party allocation, please refer to "Notice Concerning Issue of New Investment Units and Secondary Offering" released on June 25, 2012 and "Notice of Decision of Price etc. Concerning New Investment and Secondary Offering" released on July 3, 2012.

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2. Change in the Total Number of Issued Units by this Issuance by Third-Party Allocation

Total Number of Issued Units at Present	225,000 units
Increase in the Number of Units by this Issuance	2,500 units
Total Number of Issued Units after Third-Party Allocation	227,500 units

3. Use of Procured Funds by this Issuance by Third-Party Allocation

The new balance for this third-party allocation (¥1,527,660,000) will be allocated for the repayment of borrowings.

- 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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