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For Immediate Release

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Notice Concerning Revisions to Interested-Party Transaction Guidelines

Frontier Real Estate Investment Corporation (the “Investment Corporation”) today announced that Frontier REIT Management Inc., the Investment Corporation’s asset management company (the “Asset Management Company”), has decided to partially revise its Interested-Party Transaction Guidelines (“Guidelines”). Brief details are as follows.

1. Reason for Revisions and Overview

As announced in the press releases entitled “Notice Concerning Collaboration with Mitsui Fudosan Co., Ltd.” and “Notice Concerning Transfer of Shares in Asset Management Company”, which were also released today, Mitsui Fudosan Co., Ltd. (“Mitsui Fudosan”) will acquire from Japan Tobacco Inc. (“JT”) all the shares issued by the Asset Management Company on March 24, 2008. After completion of the share transfer, JT will lose its shareholder status.

However, based on the expectation that the Asset Management Company will continue to receive operational support from JT for a certain period of time, the Asset Management Company has decided to revise the Guidelines so that it will be required to treat JT as an interested party at least for two years after the share transfer. The revisions will also include corrections necessitated by revisions to laws and regulations relating to the Guidelines.

2. Revision Details

The Guidelines volunteers a revised definition of “other interested parties” augmenting the definition of interested parties defined under the Law Concerning Investment Trusts and Investment Corporations and the Implementation Order for the Law Concerning Investment Trusts and Investment Corporations. The voluntary definition stipulates that Asset Management Company’s shareholders holding 10% or more of total voting rights shall be recognized as other interested parties to whom the Guideline’s stipulations remain applicable. This voluntary definition will be revised as described in the table below. After the revisions, the Asset Management Company’s shareholders will retain their current status as other

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interested parties for a period of at least for two years following the loss of their respective status. In addition to the revisions described in the table below, corrections will be made in line with revisions to laws and regulation relating to the Guidelines.

<Definition of Other Interested Parties>

Before Revisions	After Revisions
The Asset Management Company's directors, as well as shareholders with 10% or more of total voting rights	The Asset Management Company's shareholders, including those who lost their shareholder status within the past two years and subsidiaries and affiliates owned by the Asset Management Company's shareholders, as defined under generally accepted consolidation accounting standards in Japan.
Special purpose companies (SPCs) over which certain interested parties of the Asset Management Company could exert significant influence	the Asset Management Company's shareholders and Special purpose companies (SPCs), including special private limited company and company limited as defined under the Act on Securitization of Assets (Law No. 105 of 1998, including subsequent amendments), that are implemented a total of 15% or more of capital contribution, investments through anonymous associations and preferred equity investments by subsidiaries and affiliates owned by the Asset Management Company's shareholders..

3. Scheduled Effective Date

March 24, 2008 (Scheduled)

- 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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