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**For Immediate Release**

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**Notice Concerning Cancellation of the Preferential Negotiating Right for “Ueda Property”**

Frontier Real Estate Investment Corporation today announced that the preferential negotiating right for “Ueda Property”, which has been granted by Japan tobacco Inc. (hereinafter, “JT”), will be canceled due to JT’s decision to call off the plan to develop “Ueda Property” by themselves.

“Ueda Property” means both a portion of the former Ueda Factory site and the structure to be constructed on the site owned by “JT”, and details are described below.

Furthermore, the right for “Ueda Property” has remained effective after February 18, 2009, when the pipeline contract with JT was terminated. However, with this cancellation, the pipeline contract will be completely invalidated.

Property	Tenant	Address	Status
Ueda Property	Ito-Yokado Co., Ltd.	Ueda City, Nagano Prefecture	In the process toward constructing commercial facilities.

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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