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**For Immediate Release**

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**Notice Concerning Execution of Short-term Borrowings**

Frontier Real Estate Investment Corporation (“Frontier Real Estate Investment”) has executed an agreement of short-term borrowings and the interest rate applicable to short-term borrowings has been determined. The details are as follows.

**1. The purpose of short-term borrowings**

To appropriate for the acquisition of new real estate, AEON Ozone Shopping Center (provisional name).

**2. Details**

1 )	Lenders	Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation The Sumitomo Trust and Banking Co., Ltd.
2 )	Borrowing amount	JPY 3,000 Million
3 )	Interest rate(*)	0.47364% (March 22, 2006 ~ April 24, 2006)
4 )	Loan type	Unsecured, Unguaranteed
5 )	Drawdown date	March 22, 2006
6 )	Maturity date	September 22, 2006

(\*) Next interest rate will be announced when it is determined.

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## Reference

### 1. Outstanding movement of borrowings

	As the end of 3rd fiscal period (December 31, 2005)	As the end of 4th fiscal period (June 30, 2006)	Variance
Short-term Borrowings	-	JPY 3,000MM	+ JPY 3,000MM
Borrowings Total	-	JPY 3,000MM	+ JPY 3,000MM

### 2. The dept ratio movement

	As the end of 3rd fiscal period (December 31, 2005) <Act>	As the end of 4th fiscal period (June 30, 2006) <Forecast>	Variance (%)
Debt Ratio	26.4%	35.9%	+ 9.5%

\* The debt ratio noted above are calculated using the following formula;

$$\text{Debt Ratio} = (\text{Borrowings} + \text{Security Deposit and Guarantee Deposit}) \div \text{Total Assets as the end of fiscal period} \times 100$$

\* Percentage figures are rounded to one decimal place.