

August 18, 2006

For Immediate Release

Frontier Real Estate Investment Corporation
2-17-22 Akasaka, Minato-ku, Tokyo
Syunpei Nishikata, Executive Director
(Securities Code: 8964)

Inquiries:
Frontier REIT Management Inc.
Izumi Maeda, Chief Financial Officer, Finance Div.
TEL: +81-3-3588-1440

Notice Concerning Short-term Borrowings Interest Rate

Frontier Real Estate Investment Corporation (“Frontier Real Estate Investment”) today announced the interest rate applicable to short-term borrowings on March 22, 2006.

Short-term borrowings as of August 18, 2006 : JPY 2,000 Million

Interest Rate : 0.73636% (August 22, 2006 ~ September 22, 2006)