

September 20, 2006

**For Immediate Release**

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

Frontier Real Estate Investment Corporation (“Frontier Real Estate Investment”) today announced its decision to execute short-term borrowings and the interest rate applicable to short-term borrowings has been determined. Frontier Real Estate Investment, additionally, announced it would repay existing short-term borrowings on September 22, 2006. The details are as follows;

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

(1)Rational

To appropriate for the repayment of existing short-term borrowings

(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 600 Million
3)	Interest rate(*)	0.76818% (September 22, 2006 ~ January 21, 2007)
4)	Loan type	Unsecured, Unguaranteed
5)	Drawdown date	September 22, 2006
6)	Maturity date	September 21, 2007

## 2. The repayment of short-term borrowings

### 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 2,000 Million
3)	Loan type	Unsecured, Unguaranteed
4)	Drawdown date	March 22, 2006
5)	Maturity date	September 22, 2006

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## Reference

Outstanding movement of borrowings

	Before Additional Borrowings	After Additional Borrowings	Variance
Short-term Borrowings	JPY 2,000MM	JPY600MM	△ JPY 1,400MM
Borrowings Total	JPY 2,000MM	JPY 600MM	△ JPY 1,400MM