

September 19, 2007

For Immediate Release

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

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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 executed short-term borrowings has been determined. Frontier Real Estate Investment, additionally, announced it would repay existing short-term borrowings on September 21, 2007. 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 & Banking Co., Ltd.
- 2) Amount : JPY 4,800 Million
- 3) Interest rate (*) : 1.00583% (September 21,2007 ~ October 11, 2007)
- 4) Loan Type : Unsecured, Unguaranteed
- 5) Drawdown date : September 21, 2007
- 6) Maturity date : September 19, 2008

(*) Interest rate on and after October 12, 2007 will be announced when it is determined.

2. The repayment of short-term borrowings

Details of the repayment of short-term borrowings on September 21, 2007 are as follows.

| | Short-term borrowing #1 | Short-term borrowing #2 | Short-term borrowing #3 |
|------------------|--|-------------------------|-------------------------|
| 1) Lenders | Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation. The Sumitomo Trust & Banking Co., Ltd. | | Mizuho Bank, Ltd. |
| 2) Amount | JPY 600 Million | JPY 2,400 Million | JPY 1,800 Million |
| 3) Loan Type | Unsecured, Unguaranteed | Unsecured, Unguaranteed | Unsecured, Unguaranteed |
| 4) Drawdown date | September 22, 2006 | September 28, 2006 | April 12, 2007 |
| 5) Maturity date | September 21, 2007 | September 21, 2007 | September 21, 2007 |

Reference

Outstanding movement of borrowings

| | Before Additional Borrowings | After Additional Borrowings | Variance |
|-----------------------|---------------------------------|--------------------------------|----------|
| Short-term Borrowings | JPY 4,800 Million | JPY 4,800 Million | - |
| Borrowings Total | JPY 4,800 Million | JPY 4,800 Million | - |

- 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/>