

**Translation for Reference Purposes Only**

July 25, 2008

**For Immediate Release**

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

Asset Management Company:  
 Frontier REIT Management Inc.  
 Shinichi Totani  
 Chief Executive Officer and Representative Director

Inquiries:  
 Mitsui Fudosan Frontier REIT Management Inc.  
 Tatsu Makino, Vice President, Finance Division and Director  
 Tel: +81-3-3588-1440

**Notice Concerning the Prepayment and the Partial Prepayment of Short-term Borrowings**

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces the prepayment and the partial prepayment of its short-term borrowings on July 25, 2008. Details are provided below.

**1. Outline of the Prepayment**

## (1) Details of the prepayment

Lenders	Prepayment Amount	Prepayment Resource
Mitsubishi UFJ Trust and Banking Corporation	¥4,300 Million	Proceeds from a issuance of new investment units
The Sumitomo Trust & Banking Co., Ltd.	¥3,500 Million	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥3,200 Million	
Sumitomo Mitsui Banking Corporation	¥3,000 Million	

※There are break-funding costs upon these prepayments.

## (2) Details of borrowings to be pre-paid before the due date

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Mitsubishi UFJ Trust and Banking Corporation	¥4,300 Million	July 3, 2008	July 31, 2008	Payment in full on the maturity date	Unsecured Unguaranteed
The Sumitomo Trust & Banking Co., Ltd.	¥3,500 Million				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥3,200 Million				
Sumitomo Mitsui Banking Corporation	¥3,000 Million	July 9, 2008			

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### 2. Outline of the Partial Prepayment

#### (1) Details of the partial prepayment

Lenders	Prepayment Amount	Prepayment Resource
Mizuho Corporate Bank, Ltd.	¥800 Million	Proceeds from the issuance of new investment units

※There is a break-funding cost upon this partial prepayment.

#### (2) Details of borrowings to be pre-paid before the due date

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Mizuho Corporate Bank, Ltd.	¥4,600 Million	July 9, 2008	July 31, 2008	Payment in full on the maturity date	Unsecured Unguaranteed

### 3. Status of Borrowings etc. following the Current Borrowings

<Outstanding movement of borrowings>

	Before Additional Borrowings	After Additional Borrowings	Variance
<b>Short-term Borrowings</b>	¥ 46,500 Million	¥ 31,700 Million	△ ¥ 14,800 Million
<b>Borrowings Total</b>	¥ 46,500 Million	¥ 31,700 Million	△ ¥ 14,800 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/>

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