

July 29, 2008

For Immediate Release

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

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

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces its decision to executed short-term borrowings has been determined. The Investment Corporation, additionally, announces it would repay short-term borrowings as of April 30, 2008 on July 31, 2008. Details are provided below.

1. The Execution of Short-term Borrowings

(1) Rational

To appropriate for the repayment of short-term borrowings as of July 9, 2008.

(2) Details

- ① Drawdown Date : July 31, 2008
- ② Maturity Date : September 19, 2008
- ③ Loan Type : Unsecured, Unguaranteed
- ④ Lenders, Amount and Interest Rate

Lenders	Amount	Interest Rate (*)
Sumitomo Mitsui Banking Corporation	¥15,000 Million	0.88750% (July 31, 2008 ~ August 29, 2008)
Mizuho Corporate Bank, Ltd.	¥3,800 Million	0.90250% (July 31, 2008 ~ August 29, 2008)

(*) Interest rate on and after August 30, 2008 will be announced when it is determined.

Translation Purpose Only

2. The Repayment of Short-term Borrowings

Details of the repayment of short-term borrowings on July 31, 2008 are as follows.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥15,000 Million	July 9, 2008	July 31, 2008	Payment in full on the maturity date	Unsecured Unguaranteed
Mizuho Corporate Bank, Ltd.	¥3,800 Million				

3. Status of Borrowings etc. following the Current Borrowings

<Outstanding movement of borrowings>

	Before Additional Borrowings	After Additional Borrowings	Variance
Short-term Borrowings	¥ 31,700 Million	¥ 31,700 Million	—
Borrowings Total	¥ 31,700 Million	¥ 31,700 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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