

**Translation Purpose Only**

July 31, 2008

**For Immediate Release**

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 Frontier Real Estate Investment Corporation  
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 (Securities Code : 8964)

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

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces the prepayment of its short-term borrowings as of April 30, 2008 on July 31, 2008. Details are provided below.

## 1. Outline of the Prepayment

## (1) Details of the prepayment

Lenders	Prepayment Amount	Prepayment Resource
Mizuho Bank, Ltd.	¥2,100 Million	Proceeds from a issuance of new investment units
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥2,100 Million	
Mitsubishi UFJ Trust and Banking Corporation	¥1,050 Million	
The Sumitomo Trust & Banking Co., Ltd.	¥1,050 Million	

※There are no 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
Mizuho Bank, Ltd.	¥2,100 Million	April 30, 2008	September 19, 2008	Payment in full on the maturity date	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd	¥2,100 Million				
Mitsubishi UFJ Trust and Banking Corporation	¥1,050 Million				
The Sumitomo Trust & Banking Co., Ltd.	¥1,050 Million				

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

<Outstanding movement of borrowings>

	<b>Before the Prepayment</b>	<b>After the Prepayment</b>	<b>Variance</b>
Short-term Borrowings	¥ 31,700 Million	¥ 25,400 Million	△ ¥ 6,300 Million
Borrowings Total	¥ 31,700 Million	¥ 25,400 Million	△ ¥ 6,300 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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