

Translation Purpose Only

January 16, 2009

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 Prepayment of Short-term Borrowings

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it executed the prepayment of its short-term borrowings partially. Details are provided below.

1. Outline of the Prepayment

(1) Details of the prepayment

Lenders	Prepayment Amount	Prepayment Resource
Sumitomo Mitsui Banking Corporation	¥1,500 Million	Cash in hand

※There are no break-funding costs upon this prepayment.

(2) Details of the original borrowings to be pre-paid this time, before its due date.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥10,100 Million	December 16, 2008	June 16, 2009	Payment in full on the maturity date	Unsecured Unguaranteed

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(3) The rate applied to the borrowings remaining after this prepayment (as of January 14, 2009)

The details described in the notice issued on January 14, 2009 “Notice Concerning Short-term Borrowings Interest Rate” differed as stated below.

Lenders	Borrowing Amount	Interest Rate (*)	Drawdown Date	Maturity Date
Sumitomo Mitsui Banking Corporation	¥8,600 Million	0.99250% (*) (Jan 16, 2009~ Feb 15, 2009)	December 16, 2008	June 16, 2009

(*) interest rate on and after February 16, 2009 will be announced when it is determined.

2. Change in the balance of borrowings

	Before the Prepayment	After the Prepayment	Variance
Short-term Borrowings	¥ 42,000 Million	¥ 40,500 Million	△ ¥ 1,500 Million
Borrowings Total	¥ 42,000 Million	¥ 40,500 Million	△ ¥ 1,500 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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