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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 Short-term Borrowing Interest Rate

Frontier Real Estate Investment Corporation today announced the interest rate applicable to short-term borrowing executed on December 16, 2008.

| Lenders | Drawdown Amount | Interest rate(*) | Drawdown date | Maturity Date |
|-------------------------------------|-----------------|--|-------------------|---------------|
| Sumitomo Mitsui Banking Corporation | ¥8,600 Million | 1.14250% (*) (Mar 16, 2009~ Apr 15, 2009) | December 16, 2008 | June 16, 2009 |

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

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Frontier Real Estate Investment website: <http://www.frontier-reit.co.jp/eng/>

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