

Translation Purpose Only

August 17, 2009

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:
Mitsui Fudosan Frontier REIT Management Inc.
Yoshiyuki Tanabe
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 of Short-term Borrowing

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

1. Outline of the Prepayment

(1) Details of the prepayment

Lender	Prepayment Amount	Prepayment Date	Prepayment Resource
Sumitomo Mitsui Banking Corporation	¥2,600 million	August 17, 2009	Cash in hand

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

(2) Details of the original borrowing to be repaid this time, before its due date.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Loan Type
Sumitomo Mitsui Banking Corporation	¥2,600 Million	June 16, 2009	June 16, 2010	Unsecured Unguaranteed

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2. Change in the balance of borrowings

	Before This Prepayment	After This Prepayment	Variance
Short-term Borrowings	¥ 20,300 Million	¥ 17,700 Million	△ ¥ 2,600 Million
Long-term Borrowings	¥ 23,400 Million	¥ 23,400 Million	—
Borrowings Total	¥ 43,700 Million	¥ 41,100 Million	△ ¥ 2,600 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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