

March 16, 2009

For Immediate Release

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

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Notice Concerning the Execution and the Repayment of Borrowings

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute Long-term borrowing. The Investment Corporation, additionally, announces it would repay short-term borrowing before its due date, today. Details are provided below.

1. The Execution of Long-term Borrowing

(1) Rational

To appropriate for the repayment of short-term borrowing executed on December 16, 2008 for the acquisition of the Ito-Yokado Higashi-yamato.

(2) Details

- | | |
|----------------------|---|
| ① Lender | : Development Bank of Japan Inc. |
| ② Amount | : ¥2,000 Million |
| ③ Interest Rate | : 1.81% (fixed) |
| ④ Drawdown Date | : March 16, 2009 |
| ⑤ Repayment Schedule | : Semi-annual installments (at the end of September and March)
10 installments starting from Sep 30, 2009 and ending on Mar 15, 2014 |
| ⑥ Repayment Amount | : ¥40 million each (1th to 9th), ¥1,640 million at final installment. |
| ⑦ Loan Type | : Unsecured, Unguaranteed |

Translation Purpose Only

2. Outline of the repayment before its due date.

(1) Details of the repayment

Lenders	Repayment Amount	Repayment Resource
Sumitomo Mitsui Banking Corporation	¥2,000 Million	New Borrowing

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

(2) Details of the short-term borrowing just before the repayment.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Loan Type
Sumitomo Mitsui Banking Corporation	¥8,600 Million	December 16, 2008	June 16, 2009	Unsecured Unguaranteed

3. Interest rate applicable to the short-term borrowing after this repayment

After the execution of this repayment, the details announced in the "Notice concerning Short-term Borrowing Interest Rate" released on March 12, 2009 will be changed as described below.

Lenders	Borrowing Amount	Interest Rate(*)	Drawdown Date	Maturity Date
Sumitomo Mitsui Banking Corporation	¥6,600 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.

4. Change in the balance of borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 33,500 Million	¥ 31,500 Million	△ ¥ 2,000 Million
Long-term Borrowings	¥ 10,200 Million	¥ 12,200 Million	+ ¥ 2,000 Million
Borrowings Total	¥ 43,700 Million	¥ 43,700 Million	—

Translation Purpose Only

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

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