

Translation Purpose Only

July 14, 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 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 a part of short-term borrowing, executed on June 16, 2009, before its due date on July 16, 2009. Details are provided below.

1. The Execution of Long-term Borrowing

(1) Rational

To appropriate for the prepayment of short-term borrowing executed on June 16, 2009 from Sumitomo Mitsui Banking Corporation.

(2) Details

- ① Drawdown Date : July 16, 2009
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lender, Amount, Maturity Date and Interest Rate : See accompanying table

Lender	Amount	Maturity Date	Interest Rate (*)
Sumitomo Mitsui Banking Corporation	¥1,500 Million	July 16, 2013	1.77375%

(*) The interest rate above is fixed until its maturity.

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2. The Partial Repayment of Short-term Borrowing before its due date

(1) Details of the repayment on July 16, 2009 are as below.

Lender	Repayment Amount	Repayment Resource
Sumitomo Mitsui Banking Corporation	¥1,500 Million	New Borrowing

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

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

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Loan Type
Sumitomo Mitsui Banking Corporation	¥6,600 Million	June 16, 2009	June 16, 2010	Unsecured Unguaranteed

3. Change in the balance of borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 27,800 Million	¥ 26,300 Million	△ ¥1,500 Million
Long-term Borrowings	¥ 15,900 Million	¥ 17,400 Million	+ ¥1,500 Million
Borrowings Total	¥ 43,700 Million	¥ 43,700 Million	—

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

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