

July 15, 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 has repaid the short-term borrowing executed on January 15, 2009 before its due date, today, and would repay part of the 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 repayment of short-term borrowings executed on January 15, 2009 and June 16, 2009.

(2) Details

- |                      |   |
|----------------------|---|
| ① Lender             | : Development Bank of Japan Inc.  |
| ② Amount             | : ¥4,500 Million  |
| ③ Interest Rate      | : 1.98% (fixed)   |
| ④ Drawdown Date      | : July 15, 2009   |
| ⑤ Repayment Schedule | : 14 Semi-annual installments (at the end of March and September)<br>starting from March 31, 2010 and ending on July 12, 2016 |
| ⑥ Repayment Amount   | : ¥90 million each (1st to 13th) and ¥3,330 million at the final installment.   |
| ⑦ Loan Type          | : Unsecured, Unguaranteed   |

**Translation Purpose Only**

## 2. The Prepayment of Short-term Borrowing

(1) Details of the prepayment on July 15, 2009 are as below.

Lender	Repayment Amount	Prepayment Date	Repayment Resource
The Chuo Mitsui Trust and Banking Company, Limited	¥2,000 Million	July 15, 2009	New Borrowing

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

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

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Loan Type
The Chuo Mitsui Trust and Banking Company, Limited	¥2,000 Million	January 15, 2009	July 31, 2010	Unsecured Unguaranteed

## 3. The Partial Prepayment of Short-term Borrowing

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

Lender	Repayment Amount	Prepayment Date	Repayment Resource
Sumitomo Mitsui Banking Corporation	¥2,500 Million	July 16, 2009	New Borrowing

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

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

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Loan Type
Sumitomo Mitsui Banking Corporation	¥5,100 Million	June 16, 2009	June 16, 2010	Unsecured Unguaranteed

## 4. Interest rate applicable to the short-term borrowing after this partial prepayment

After the execution of this partial prepayment, the details announced in the "Notice concerning Short-term Borrowing Interest Rate" released on July 14, 2009 will be changed as described below.

Lender	Borrowing Amount	Interest Rate(*)	Drawdown Date	Maturity Date
Sumitomo Mitsui Banking Corporation	¥2,600 Million	0.87909%(*) (July 16, 2009 ~ August 16, 2009)	June 16, 2009	June 16, 2010

(\*) Interest rate on and after August 17, 2009 will be announced when it is determined.

**Translation Purpose Only**

## 5. Change in the balance of borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 26,300 Million	¥ 21,800 Million	△ ¥ 4,500 Million
Long-term Borrowings	¥ 17,400 Million	¥ 21,900 Million	+ ¥ 4,500 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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