

**Translation Purpose Only**

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**For Immediate Release**

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**Notice Concerning the Execution and the Repayment of Short-term Borrowings**

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute short-term borrowing. The Investment Corporation, additionally, announces it would repay short-term borrowings on August 19, 2010. Details are provided below.

1. The Execution of Short-term Borrowing

(1) Rational

To appropriate for the repayment of short-term borrowings executed on December 16, 2009 and on February 19, 2010.

(2) Details

- ① Drawdown Date : August 19, 2010
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lender, Amount, Maturity Date and Interest Rate : See accompanying table

| Lender                                       | Amount         | Maturity Date     | Interest Rate (*)                                  |
|--|----------------|-------------------|--|
| Mitsubishi UFJ Trust and Banking Corporation | ¥2,700 Million | February 21, 2011 | 0.62923%<br>(August 19, 2010 ~ September 20, 2010) |

(\*) Interest rate on and after September 21, 2010 will be announced when it is determined.

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### 2. The Repayment of Short-term Borrowings

Details of the repayment of short-term borrowings on August 19, 2010 are as below.

| <b>Lender</b>                                | <b>Borrowing Amount</b> | <b>Drawdown Date</b> | <b>Maturity Date</b> | <b>Repayment of Principal</b>        | <b>Loan Type</b>       |
|--|-------------------------|----------------------|----------------------|--------------------------------------|------------------------|
| Mitsubishi UFJ Trust and Banking Corporation | ¥1,000 Million          | December 16, 2009    | August 19, 2010      | Payment in full on the maturity date | Unsecured Unguaranteed |
|  | ¥1,700 Million          | February 19, 2010    |                      |                                      |                        |

### 3. Change in the Balance of Borrowings

|                       | Before<br>This refinance | After<br>This refinance | Variance |
|-----------------------|--------------------------|-------------------------|----------|
| Short-term Borrowings | ¥ 23,700 Million         | ¥ 23,700 Million        | —        |
| Long-term Borrowings  | ¥ 30,700 Million         | ¥ 30,700 Million        | —        |
| Borrowings Total      | ¥ 54,400 Million         | ¥ 54,400 Million        | —        |

(\*) Long-term Borrowings include the balance of borrowings due within one year.

### 4. Others

Regarding the loan repayment risk, there is no important change to the "Investment risks" description in the latest securities registration statement submitted on June 14, 2010.

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

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