

Translation Purpose Only

February 14, 2011

For Immediate Release

6-8-7 Ginza, Chuo-ku, Tokyo
Frontier Real Estate Investment Corporation
Hirohiko Kamei, Executive Director
(Securities Code : 8964)

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Notice Concerning the Execution of New Borrowing

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute new borrowings. Details are provided below.

1. Rational

To appropriate for the payment of newly acquired property (Mitsui Shopping Park LaLa garden KASUKABE).

2. The Execution of Short-term and Long-term Borrowings

(1) Details of Short-term Borrowings

- ① Drawdown Date : February 16, 2011
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lenders, Amount, Maturity Dates and Interest Rates : See accompanying table

| Lender | Amount | Maturity Date | Interest Rate |
|--|----------------|----------------|--|
| Sumitomo Mitsui Banking Corporation | ¥2,500 Million | March 14, 2011 | 0.52582% (February 16, 2011 ~ March 13, 2011) |
| The Chuo Mitsui Trust & Banking Company, Limited | ¥2,000 Million | April 4, 2011 | 0.57903% (February 16, 2011 ~ April 3, 2011) |
| Mitsubishi UFJ Trust and Banking Corporation | ¥2,000 Million | June 20, 2011 | 0.54455%(*1) (February 16, 2011 ~ March 21, 2011) |
| Mizuho Corporate Bank, Ltd. | ¥1,500 Million | April 19, 2011 | 0.53000%(*2) (February 16, 2011 ~ March 15, 2011) |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | ¥1,000 Million | April 14, 2011 | 0.52582%(*3) (February 16, 2011 ~ March 13, 2011) |

(*1) Interest rate on and after March 22, 2011 will be announced when it is determined.

(*2) Interest rate on and after March 16, 2011 will be announced when it is determined.

(*3) Interest rate on and after March 14, 2011 will be announced when it is determined.

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(2) Details of Long-term Borrowings

④ Drawdown Date : February 16, 2011

⑤ Loan Type : Unsecured, Unguaranteed

⑥ Lenders, Amount, Maturity Dates and Interest Rates : See accompanying table

| Lender | Amount | Maturity Date | Interest Rate |
|-----------------------------|----------------|----------------------|--|
| The Yamaguchi Bank, Ltd. | ¥1,000 Million | August 18, 2014 | 0.96250% (Interest rate is fixed until the maturity date) |

3. Change in the balance of borrowings

| | Before This Financing | After This Financing | Variance |
|-------------------------|----------------------------------|---------------------------------|-----------------|
| Short-term Borrowings | ¥ 19,700 Million | ¥ 28,700 Million | +9,000 |
| Long-term Borrowings | ¥ 37,540 Million | ¥ 38,540 Million | +1,000 |
| Borrowings Total | ¥ 57,240 Million | ¥ 67,240 Million | +10,000 |

(*) 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 September 29, 2010.

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

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