

March 10, 2011

**For Immediate Release**

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Frontier Real Estate Investment Corporation  
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(Securities Code : 8964)

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

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 borrowing on March 14, 2011. Details are provided below.

1. The Execution of Short-term Borrowings

(1) Rational

To appropriate for the repayment of short-term borrowing as of February 16, 2011.

(2) Details

- ① Drawdown Date : March 14, 2011
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lenders, Amount, Maturity Date and Interest Rate

<b>Lenders</b>	<b>Amount</b>	<b>Maturity Date</b>	<b>Interest Rate</b>
Sumitomo Mitsui Banking Corporation	¥1,500 Million	July 19, 2011	0.54250%(*) (March 14, 2011 ~ April 19, 2011)

(\*):Interest rate on and after April 20, 2011 will be announced when it is determined.

2. The Repayment of Short-term Borrowings

Details of the repayment of short-term borrowings on March 14, 2011 are as follows. Short-term Borrowings in the previous section and Investment Corporation Bonds to be procured will be allocated for the repayment. Regarding the Investment Corporation Bonds, please refer to the press release "Notice Concerning Issue of Investment Corporation Bonds" announced on March 4, 2011.

**Translation Purpose Only**

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥2,500 Million	February 16, 2011	March 14, 2011	Payment in full on the maturity date	Unsecured Unguaranteed

**3. Change in the Balance of Borrowings**

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 27,200 Million	¥ 26,200 Million	— 1,000 Million
Long-term Borrowings	¥ 40,040 Million	¥ 40,040 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 72,240 Million	¥ 71,240 Million	— 1,000 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 September 29, 2010.

This document is released to media organizations through the “Kabuto Club”(the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure and Transport Press Club, and the Press Club for the Ministry of Land, Infrastructure and Transport Construction Paper.

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

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