

## **Translation Purpose Only**

July 2, 2012

### **For Immediate Release**

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

Asset Management Company:  
Mitsui Fudosan Frontier REIT Management Inc.  
Hiroshi Tanaka  
Chief Executive Officer and Representative Director

Inquiries:  
Mitsui Fudosan Frontier REIT Management Inc.  
Tatsu Makino  
Vice President, Finance Division and Director  
Tel: +81-3-3289-0440

### **Notice Concerning the Execution of New Borrowing**

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

#### 1. Rational

To appropriate for the payment of newly acquired property (QANAT Rakuhoku), stated in the press release "Notice Concerning Acquisition of Investment Asset" announced on June 25, 2012.

#### 2. The Execution of Short-term Borrowing

##### Details of Short-term Borrowing

- ① Drawdown Date : July 4, 2012
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lender, Amount, Maturity Dates and Interest Rate : See accompanying table

<b>Lender</b>	<b>Amount</b>	<b>Maturity Date</b>	<b>Interest Rate</b>
Sumitomo Mitsui Banking Corporation	¥9,000 Million	July 11, 2012	0.28250% (July 4, 2012 ~ July 10, 2012)

#### Note

This document has been prepared for the purpose of announcing to the public certain matters relating to the execution of new borrowing, and not for the purpose of soliciting any investment. We caution readers to undertake any investment decision at their own judgment and responsibility after having read carefully the prospectus and notice of amendments for new investment unit issuance and secondary offering prepared by the Investment Corporation.

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### 3. Change in the balance of borrowings

	Before This Financing	After This Financing	Variance
Short-term Borrowings	¥ 25,700 Million	¥ 34,700 Million	+9,000 Million
Long-term Borrowings	¥ 49,060 Million	¥ 49,060 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 79,760 Million	¥ 88,760 Million	+9,000 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 June 25, 2012.

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/>

### **Disclaimer**

This information was originally publicized in the original Japanese language and has been translated for reference purposes only. Frontier Real Estate Investment Corporation guarantees neither the completeness nor the accuracy of this English translation. For complete and accurate information, please refer to the press release in Japanese. In addition, this press release is not prepared as an inducement or invitation for investment. All readers are advised to consult their own investment advisors before investing in the Investment Corporation. Investment decisions are made at the investor's sole discretion and responsibility and are made at their own risk. The Investment Corporation and its affiliates disclaim any responsibility or liability for the consequence of investment in the Investment Corporation.

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