

June 16, 2011

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 Long-term Borrowing and
the Partial Prepayment of Short-term Borrowings**

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it executed the partial prepayment of its short-term borrowings. The Investment Corporation, additionally, announces that it has decided to execute the long-term borrowing. Details are provided below.

1. Outline of the Prepayment

(1) Details of the prepayment

Lender	Prepayment Amount	Prepayment Date	Prepayment Resource
Sumitomo Mitsui Banking Corporation	¥2,000 Million	June 20, 2011	Long-term borrowing In the following section

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

(2) Details of the original borrowing to be repaid this time, before its due date.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Loan Type
Sumitomo Mitsui Banking Corporation	¥1,500 Million	March 14, 2011	July 19, 2011	Unsecured Unguaranteed
	¥2,500 Million	December 20, 2010	July 19, 2011	Unsecured Unguaranteed

Translation Purpose Only

2. Outline of the Execution of Long-term Borrowing after the Partial Prepayment

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Loan Type
Sumitomo Mitsui Banking Corporation	¥2,000 Million	December 20, 2010	July 19, 2011	Unsecured Unguaranteed

(*) Regarding the interest rate, please refer to the press release "Notice Concerning Short-term Borrowings Interest Rates" announced on June 16, 2011.

3. The Execution of Long-term Borrowing

(1) Rational

To appropriate for the partial prepayment of short-term borrowings as of December 20 and March 14, 2011.

(2)Details

- ① Drawdown Date : June 20, 2011
- ② Loan Type :Unsecured, Unguaranteed
- ③ Lenders, Amount, Maturity Date and Interest Rates:¥

Lender	Borrowing Amount	Maturity Date	Interest rates
Sumitomo Mitsui Banking Corporation	¥2,000 Million	June 20, 2018	1.2775% (Interest rate is fixed until the maturity date)

4. Change in the balance of borrowings

	Before This Prepayment	After This Prepayment	Variance
Short-term Borrowings	¥ 18,700 Million	¥ 14,700 Million(*1)	-4,000 Million
Long-term Borrowings	¥ 42,380 Million	¥ 46,380 Million(*1)	+4,000 Million
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	-
Borrowings Total	¥ 66,080 Million	¥ 66,080 Million	-

(*1)Borrowing and repayment stated in the press release "Notice Concerning the Execution of Long-term and Short-term Borrowings and the Repayment of Short-term Borrowings" announced on June 16, 2011 is included.

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

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5. Others

Regarding the loan repayment risk, there is no important change to the “Investment risks” description in the latest securities registration statement submitted on March 25, 2011.

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

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