

Translation Purpose Only

December 15, 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 Borrowings

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute short-term borrowings. The Investment Corporation, additionally, announces it would repay short-term borrowings on December 19, 2011. Details are provided below.

1. The Execution of Short-term Borrowings

(1) Rational

To appropriate for the repayment of short-term borrowings as of July 19, 2011, September 20, 2011, and November 21, 2011.

(2) Details

- ① Drawdown Date : December 19, 2011
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lenders, Amount, Maturity Date and Interest Rate:

Lenders	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	¥4,500 Million	April 19, 2012	0.43000%(*) (December 19, 2011 ~ January 18, 2012)
Mitsubishi UFJ Trust and Banking Corporation	¥1,700 Million	January 19, 2012	0.43000% (December 19, 2011 ~ January 18, 2012)
The Sumitomo Trust & Banking Co, Ltd.	¥1,700 Million	June 19, 2012	0.38000%(*) (December 19, 2011 ~ January 18, 2012)

(*) Interest rate on and after January 19, 2012 will be announced when they are determined.

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2. The Repayment of Short-term Borrowings

Details of the repayment of short-term borrowings on December 19, 2011 are as follows.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥4,500 Million	September 20, 2011	December 19, 2011	Payment in full on the maturity date	Unsecured Unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	¥1,700 Million	November 21, 2011			
The Sumitomo Trust & Banking Co, Ltd.	¥1,700 Million	July 19, 2011			

3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 14,200 Million	¥ 14,200 Million	—
Long-term Borrowings	¥ 47,220 Million	¥ 47,220 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 66,420Million	¥ 66,420Million	—

(*) 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 28, 2011.

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

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