

Translation Purpose Only

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For Immediate Release

6-8-7 Ginza, Chuo-ku, Tokyo
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 October 19, 2012. Details are provided below.

1. The Execution of Short-term Borrowings

(1) Rational

To appropriate for the repayment of short-term borrowings as of August 20, 2012, and September 19, 2012.

(2) Details

- ① Drawdown Date : October 19, 2012
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lenders, Amount, Maturity Date and Interest Rate:

Lenders	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	¥3,500 Million	December 19, 2012	0.35500%(*) (October 19, 2012 ~ November 18, 2012)
	¥1,000 Million	December 19, 2012	0.35500%(*) (October 19, 2012 ~ November 18, 2012)
Sumitomo Mitsui Trust Bank, Limited	¥1,000 Million	January 21, 2013	0.35500%(*) (October 19, 2012 ~ November 18, 2012)

(*) Interest rate on and after November 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 October 19, 2012 are as follows.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥3,500 Million	August 20, 2012	October 19, 2012	Payment in full on the maturity date	Unsecured Unguaranteed
	¥1,000 Million	September 19, 2012			
Sumitomo Mitsui Trust Bank, Limited	¥1,700 Million	September 19, 2012			

3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 11,900 Million	¥ 11,200 Million	- 700 Million
Long-term Borrowings	¥ 51,200 Million	¥ 51,200 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 68,100 Million	¥ 67,400 Million	- 700 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 26, 2012.

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

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