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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 22, 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 December 20, 2010.

(2) Details

- ① Drawdown Date : March 22, 2011
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lenders, Amount, Maturity Date and Interest Rate

Lenders	Amount	Maturity Date	Interest Rate
The Sumitomo Trust & Banking Co, Ltd.	¥1,700 Million	April 19, 2011	0.55000% (March 22, 2011 ~ April 18, 2011)

2. The Repayment of Short-term Borrowings

Details of the repayment of short-term borrowings on March 22, 2011 are as follows.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
The Sumitomo Trust & Banking Co, Ltd.	¥1,700 Million	December 20, 2010	March 22, 2011	Payment in full on the maturity date	Unsecured Unguaranteed

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3. Change in the Balance of Borrowings

	Before This Prepayment	After This Prepayment	Variance
Short-term Borrowings	¥ 24,200 Million	¥ 24,200 Million	—
Long-term Borrowings	¥ 40,040 Million	¥ 40,040 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 69,240 Million	¥ 69,240 Million	—

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

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 September 29, 2010.

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

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