

Translation Purpose Only

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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 and Long-term Borrowings

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute short-term and long-term borrowings. The Investment Corporation, additionally, announces it would repay short-term borrowings on December 20, 2010. Details are provided below.

1. The Execution of Short-term Borrowings

(1) Rational

To appropriate for the repayment of short-term borrowings as of June 30, 2010 and September 21, 2010.

(2) Details

- ① Drawdown Date : December 20, 2010
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lenders, Amount, Maturity Date and Interest Rate

Lenders	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	¥2,000 Million	June 20, 2017	1.73543% (Interest rate is fixed until the maturity date)
Sumitomo Mitsui Banking Corporation	¥2,500 Million	July 19, 2011	0.58000%(*) (December 20, 2010 ~ January 18, 2011)
The Sumitomo Trust & Banking Co., Ltd.	¥1,700 Million	March 22, 2011	0.55000%(*) (December 20, 2010 ~ January 18, 2011)

(*) Interest rates on and after January 19, 2010 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 20, 2010 are as follows.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥4,500 Million	June 30, 2010	December 20, 2010	Payment in full on the maturity date	Unsecured Unguaranteed
The Sumitomo Trust & Banking Co., Ltd.	¥1,700 Million	September 21, 2010			

3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 23,200 Million	¥ 21,200 Million	-2,000
Long-term Borrowings	¥ 31,040 Million	¥ 33,040 Million	+ 2,000
Borrowings Total	¥ 54,240 Million	¥ 54,240 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 29, 2010.

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/>

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