

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 of Long-term Borrowing and
the Repayment of Short-term Borrowings**

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute long-term borrowing. The Investment Corporation, additionally, announces it would repay short-term borrowings on August 19, 2013. Details are provided below.

1. The Execution of Long-term Borrowing**(1) Rational**

To appropriate for the repayment of short-term borrowings as of July 19, 2013.

(2) Details

- ① Drawdown Date : August 19, 2013
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lender, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
Development Bank of Japan Inc.	¥2,000 Million	August 21, 2023	1.20875% (Interest Rate is fixed until the maturity date.)

2. The Repayment of Short-term Borrowings

Details of the repayment of short-term borrowings on August 19, 2013 are as follows.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥2,200 Million	July 19, 2013	August 19, 2013	Payment in full on the maturity date	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation	¥1,500 Million	July 19, 2013	August 19, 2013		

(*) Short-term Borrowings (¥1,700 million) will be covered with cash on hand.

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3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 7,200 Million	¥ 3,500 Million	-3,700 Million
Long-term Borrowings	¥ 59,840 Million	¥ 61,840 Million	+2,000 Million
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	-
Borrowings Total	¥ 72,040 Million	¥ 70,840 Million	-1,700 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 March 27, 2013.

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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