

Translation Purpose Only

January 16, 2013

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 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 January 18, 2013. Details are provided below.

1. The Execution of Short-term Borrowing

(1) Rational

To appropriate for the repayment of short-term borrowing as of January 19, 2012.

(2) Details

- ① Drawdown Date : January 18, 2013
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lender, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Trust Bank, Limited	¥2,000 Million	February 19, 2013	0.35500% (Interest Rate is fixed until the maturity date)

2. The Repayment of Short-term Borrowing

Details of the repayment of short-term borrowing on January 18, 2013 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Trust Bank, Limited	¥3,000 Million	January 19, 2012	January 18, 2013	Payment in full on the maturity date	Unsecured Unguaranteed

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3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 11,200 Million	¥ 10,200 Million	−1,000 Million
Long-term Borrowings	¥ 51,200 Million	¥ 51,200 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 67,400 Million	¥ 66,400 Million	−1,000 Million

(*1) Short-term Borrowing (¥1,000 million) will be covered with cash on hand.

(*2) 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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