

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 Long-term Borrowing

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 long-term borrowing on January 16, 2012. Details are provided below.

1. The Execution of Long-term Borrowing

(1) Rational

To appropriate for the repayment of long-term borrowing as of February 16, 2009.

(2) Details

- ① Drawdown Date : January 16, 2012
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lender, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
Mitsubishi UFJ Trust and Banking Corporation	¥2,000 Million	November 19, 2014	0.40500%(*) (January 16, 2012 ~ February 19, 2012)

(*) Interest rate on and after February 20, 2012 will be announced when they are determined.

2. The Repayment of Long-term Borrowing

Details of the repayment of long-term borrowing on January 16, 2012 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Mitsubishi UFJ Trust and Banking Corporation	¥2,000 Million	February 16, 2009	January 16, 2012	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	¥ 14,200 Million	¥ 14,200 Million	—
Long-term Borrowings	¥ 47,220 Million	¥ 47,220 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 66,420 Million	¥ 66,420 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 28, 2011.

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

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