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March 14, 2011

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 Execution of Prepayment of Short-term Borrowings and
Determination of Interest Rate Applicable to Short-term Borrowings**

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it executed the prepayment of its short-term borrowings. The Investment Corporation, additionally, announces that it has decided to execute the prepayment of short-term borrowing partially and the interest rates applicable to the following short-term borrowings after the partial prepayment. Details are provided below.

1. Outline of the Prepayment**(1) Details of the prepayment**

Lender	Prepayment Amount	Prepayment Date	Prepayment Resource
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥1,000 million	March 14, 2011	investment corporation bonds

※There are no break-funding costs upon this prepayment.

(2) Details of the original borrowing to be repaid this time, before its due date.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Loan Type
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥1,000 Million	February 16, 2011	April 14, 2011	Unsecured Unguaranteed

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2. Outline of the Partial Prepayment

(1) Details of the partial prepayment

Lender	Prepayment Amount	Prepayment Date	Prepayment Resource
Mizuho Corporate Bank, Ltd.	¥1,000 million	March 16, 2011	investment corporation bonds

※There are no break-funding costs upon this prepayment.

(2) Details of the original borrowing to be repaid this time, before its due date.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Loan Type
Mizuho Corporate Bank, Ltd.	¥1,500 Million	February 16, 2011	April 19, 2011	Unsecured Unguaranteed

(3) Interest rate applicable to short-term borrowings after the partial prepayment

Lender	Drawdown amount	Interest rates	Drawdown date	Maturity date
Mizuho Corporate Bank, Ltd.	¥500 Million	0.53000%(*) (March 16, 2011 ~ April 17, 2011)	February 16, 2011	April 19, 2011

(*) Interest rates on and after April 18, 2011 will be announced when they are determined.

3. Change in the balance of borrowings

	Before This Prepayment	After This Prepayment	Variance
Short-term Borrowings	¥ 26,200 Million	¥ 24,200 Million	-2,000 Million
Long-term Borrowings	¥ 40,040 Million	¥ 40,040 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 71,240 Million	¥ 69,240 Million	-2,000 Million

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.

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

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