

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 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 May 20, 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 December 19, 2012.

(2) Details

- ① Drawdown Date : May 20, 2013
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lender, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	¥3,000 Million	June 19, 2013	0.30000% (Interest Rate is fixed until the maturity date.)

2. The Repayment of Short-term Borrowing

Details of the repayment of short-term borrowing on May 20, 2013 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥3,500 Million	December 19, 2012	May 20, 2013	Payment in full on the maturity date	Unsecured Unguaranteed

(*) Short-term Borrowing from Sumitomo Mitsui Banking Corporation (¥500 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	¥ 5,000 Million	¥ 4,500 Million	-500 Million
Long-term Borrowings	¥ 62,540 Million	¥ 62,540 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 72,540 Million	¥ 72,040 Million	-500 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.

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

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