

July 9, 2012

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 July 11, 2012. Details are provided below.

1. The Execution of Short-term Borrowing

(1) Rational

To appropriate for the repayment of short-term borrowing as of July 4, 2012.

(2) Details

① Drawdown Date : July 11, 2012

② Loan Type : Unsecured, Unguaranteed

③ Lender, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	¥1,000 Million	July 19, 2012	0.28400% (Interest rate is fixed until the maturity date)

2. The Repayment of Short-term Borrowing

Details of the repayment of short-term borrowing on July 11, 2012 are as follows. Short-term Borrowing in the previous section and proceeds from issuance of new investment units will be allocated for the repayment. Regarding the proceeds from issuance of new investment units, please refer to the press release "Notice Concerning Issue of New Investment Units and Secondary Offering" announced on June 25, 2012, and the press release "Notice of Decision of Price etc. Concerning New Investment Units and Secondary Offering" announced on July 3, 2012.

Translation Purpose Only

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥9,000 Million	July 4, 2012	July 11, 2012	Payment in full on the maturity date	Unsecured Unguaranteed

3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 34,700 Million	¥ 26,700 Million	-8,000 Million
Long-term Borrowings	¥ 49,060 Million	¥ 49,060 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 88,760 Million	¥ 80,760 Million	-8,000 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 June 25, 2012.

Translation Purpose Only

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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