



# NEWS RELEASE

Mar 4, 2011

## R&I Assigns AA-: Frontier Real Estate Investment SB No.1

Rating and Investment Information, Inc. (R&I) has announced the following.

**ISSUER:** Frontier Real Estate Investment Corp. (Sec. Code: 8964)  
Unsec. Str. Bonds No.1  
New Issue

### R&I RATING: AA- (Assigned)

#### **RATIONALE:**

Frontier Real Estate Investment Corp. (FRI) is a real estate investment trust (J-REIT) that went public in August 2004. It specializes in retail facilities, and Mitsui Fudosan Co., Ltd. serves as its sponsor.

FRI's portfolio is primarily composed of large facilities that are very competitive in prime commercial areas in suburbs of large cities. While the business environment for the retail industry remains harsh, its impact on FRI's cash flow has been reduced thanks partly to strong competitiveness of its properties, long-term contracts with tenants, and high capabilities of its asset manager and sponsor to manage and operate commercial facilities. FRI has a conservative debt management policy, and its funding base is also stable.

The primary rating methodologies applied to this rating are provided at "R&I J-REIT Rating Methodology" and "Basic Methodologies for R&I's Credit Rating". The methodologies are available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

<http://www.r-i.co.jp/eng/sf/about/methodology/index.html>

<http://www.r-i.co.jp/eng/cfp/about/methodology/index.html>

#### **R&I RATINGS:**

**ISSUER:** Frontier Real Estate Investment Corp. (Sec. Code: 8964)

<b>LONG-TERM ISSUE RATING:</b>	<b>Issue Date</b>	<b>Redemption</b>	<b>Issue Amount (mn)</b>
Unsec. Str. Bonds No.1	Mar 11, 2011	Mar 11, 2016	Yen 5,000
<b>R&amp;I RATING:</b>	<b>AA- (Assigned)</b>		

**ISSUER RATING:** AA-  
**RATING OUTLOOK:** Stable

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