

Translation Purpose Only

July 19, 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 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 July 23, 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 July 21, 2009.

(2) Details

① Drawdown Date : July 23, 2012

② Loan Type : Unsecured, Unguaranteed

③ Lender, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
Mizuho Corporate Bank, Ltd.	¥1,500 Million	August 19, 2015	0.34875%(*) (July 23, 2012 ~ August 19, 2012)

(*) Interest rate on and after August 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 July 23, 2012 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Mizuho Corporate Bank, Ltd.	¥1,500 Million	July 21, 2009	July 23, 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	¥ 13,400 Million	¥ 13,400 Million	—
Long-term Borrowings	¥ 50,360 Million	¥ 50,360 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 68,760 Million	¥ 68,760 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.

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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