

Translation Purpose Only

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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 the Execution and the Repayment of Short-term Borrowings

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute short-term borrowings. The Investment Corporation, additionally, announces it would repay short-term borrowings on January 19, 2012. Details are provided below.

1. The Execution of Short-term Borrowings

(1) Rational

To appropriate for the repayment of short-term borrowings as of September 20, 2011, September 30, 2011, and December 19, 2011.

(2) Details

- ① Drawdown Date : January 19, 2012
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lenders, Amount, Maturity Date and Interest Rate:

Lenders	Amount	Maturity Date	Interest Rate
The Chuo Mitsui Trust & Banking Company, Limited	¥3,000 Million	January 18, 2013	0.38000%(*) (January 19, 2012 ~ February 19, 2012)
Mitsubishi UFJ Trust and Banking Corporation	¥1,700 Million	May 21, 2012	0.38000%(*) (January 19, 2012 ~ February 19, 2012)

(*) Interest rate on and after February 20, 2012 will be announced when they are determined.

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2. The Repayment of Short-term Borrowings

Details of the repayment of short-term borrowings on January 19, 2012 are as follows.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
The Chuo Mitsui Trust & Banking Company, Limited	¥2,500 Million	September 20, 2011	January 19, 2012	Payment in full on the maturity date	Unsecured Unguaranteed
	¥500 Million	September 30, 2011			
Mitsubishi UFJ Trust and Banking Corporation	¥1,700 Million	December 19, 2011			

3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 14,200 Million	¥ 14,200 Million	—
Long-term Borrowings	¥ 47,220 Million	¥ 47,220 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 66,420Million	¥ 66,420Million	—

(*) 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 September 28, 2011.

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

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