

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 September 20, 2011. Details are provided below.

1. The Execution of Short-term Borrowings

(1) Rational

To appropriate for the repayment of short-term borrowings as of April 19, 2011, and July 26, 2011.

(2) Details

- ① Drawdown Date : September 20, 2011
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lenders, Amount, Maturity Date and Interest Rates:

Lenders	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	¥4,500 Million	December 19, 2011	0.43000%(*) (September 20, 2011 ~ October 18, 2011)
The Chuo Mitsui Trust & Banking Company, Limited	¥2,500 Million	January 19, 2012	0.43000%(*) (September 20, 2011 ~ October 18, 2011)

(*) Interest rates on and after October 19, 2011 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 September 20, 2011 are as follows.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥4,500 Million	April 19, 2011	September 20, 2011	Payment in full on the maturity date	Unsecured Unguaranteed
The Chuo Mitsui Trust & Banking Company, Limited	¥2,500 Million	July 26, 2011			

3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 13,700 Million	¥ 13,700 Million	—
Long-term Borrowings	¥ 47,380 Million	¥ 47,380 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 66,080Million	¥ 66,080Million	—

(*) 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 25, 2011.

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

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