

Translation Purpose Only

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For Immediate Release

6-8-7 Ginza, Chuo-ku, Tokyo
Frontier Real Estate Investment Corporation
Hirohiko Kamei, Executive Director
(Securities Code : 8964)

Asset Management Company:
Mitsui Fudosan Frontier REIT Management Inc.
Yoshiyuki Tanabe
Chief Executive Officer and Representative Director

Inquiries:
Mitsui Fudosan Frontier REIT Management Inc.
Tatsu Makino
Vice President, Finance Division and Director
Tel: +81-3-3289-0440

Notice Concerning the Execution and the Repayment of Short-term and Long-term Borrowings

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute short-term and long-term borrowings. The Investment Corporation, additionally, announces it would repay short-term borrowings on February 21, 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 August 19, 2010, January 19, 2011, and October 19, 2010.

(2) Details

① Drawdown Date : February 21, 2011

② Loan Type : Unsecured, Unguaranteed

③ Lenders, Amount, Maturity Date and Interest Rates:

| Lenders | Amount | Maturity Date | Interest Rate |
|--|----------------|-----------------|--|
| Mitsubishi UFJ Trust and Banking Corporation | ¥1,500 Million | August 21, 2017 | 1.74007% (Interest rate is fixed until the maturity date) |
| Mitsubishi UFJ Trust and Banking Corporation | ¥2,200 Million | June 20, 2011 | 0.53000%(*) (February 21, 2011 ~ March 21, 2011) |
| The Chuo Mitsui Trust & Banking Company, Limited | ¥3,000 Million | April 4, 2011 | 0.61612% (Interest rate is fixed until the maturity date) |

(*) Interest rate on and after March 22, 2011 will be announced when it is determined.

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2. The Repayment of Short-term Borrowings

Details of the repayment of short-term borrowings on February 21, 2011 are as follows.

| Lenders | Borrowing Amount | Drawdown Date | Maturity Date | Repayment of Principal | Loan Type |
|--|-------------------------|----------------------|----------------------|--------------------------------------|------------------------|
| Mitsubishi UFJ Trust and Banking Corporation | ¥2,700 Million | August 19, 2010 | February 21, 2011 | Payment in full on the maturity date | Unsecured Unguaranteed |
| Mitsubishi UFJ Trust and Banking Corporation | ¥1,000 Million | January 19, 2011 | | | |
| The Chuo Mitsui Trust & Banking Company, Limited | ¥3,000 Million | October 19, 2010 | | | |

3. Change in the Balance of Borrowings

| | Before This refinance | After This refinance | Variance |
|-----------------------|------------------------------|-----------------------------|-----------------|
| Short-term Borrowings | ¥ 28,700 Million | ¥ 27,200 Million | - 1,500 Million |
| Long-term Borrowings | ¥ 38,540 Million | ¥ 40,040 Million | + 1,500 Million |
| Borrowings Total | ¥ 67,240 Million | ¥ 67,240 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 September 29, 2010.

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

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