

July 14, 2011

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 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 July 19, 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 December 20, 2010, April 19, 2011, June 20, 2011.

(2) Details

- ① Drawdown Date : July 19, 2011
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lenders, Amount, Maturity Date and Interest Rate

Lenders	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	¥2,000 Million	August 19, 2011	0.48000% (Interest rate is fixed until the maturity date)
The Chuo Mitsui Trust & Banking Company, Limited	¥2,500 Million	July 26, 2011	0.53500% (Interest rate is fixed until the maturity date)
The Sumitomo Trust & Banking Co, Ltd.	¥1,700 Million	December 19, 2011	0.45000%(*) (July 19, 2011 ~ August 18, 2011))

(*) Interest rates on and after August 19, 2011 will be announced when they are determined.

2. The Repayment of Short-term Borrowings

Details of the repayment of short-term borrowings on July 19, 2011 are as follows.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥2,000 Million	December 20, 2010	July 19, 2011	Payment in full on the maturity date	Unsecured Unguaranteed
The Chuo Mitsui Trust & Banking Company, Limited	¥2,500 Million	June 20, 2011			
The Sumitomo Trust & Banking Co, Ltd.	¥1,700 Million	April 19, 2011			

3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 14,700 Million	¥ 14,700 Million	—
Long-term Borrowings	¥ 46,380 Million	¥ 46,380 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 66,080 Million	¥ 66,080 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 March 25, 2011.

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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