

May 17, 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 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 May 21, 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 January 19, 2012, and April 19, 2012.

(2) Details

- ① Drawdown Date : May 21, 2012
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lenders, Amount, Maturity Date and Interest Rate:

Lenders	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	¥4,500 Million	August 20, 2012	0.38000%(*) (May 21, 2012 ~ June 18, 2012)
Mitsubishi UFJ Trust and Banking Corporation	¥1,700 Million	August 20, 2012	0.38000%(*) (May 21, 2012 ~ June 18, 2012)

(*) Interest rate on and after June 19, 2012 will be announced when they are determined.

Translation Purpose Only

2. The Repayment of Short-term Borrowings

Details of the repayment of short-term borrowings on May 21, 2012 are as follows.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥4,500 Million	April 19, 2012	May 21, 2012	Payment in full on the maturity date	Unsecured Unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	¥1,700 Million	January 19, 2012			

3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 25,700 Million	¥ 25,700 Million	—
Long-term Borrowings	¥ 49,060 Million	¥ 49,060 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 79,760 Million	¥ 79,760 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 March 28, 2012.

Translation Purpose Only

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

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