

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 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 June 19, 2012, and July 19, 2012.

(2) Details

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

Lenders	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	¥1,000 Million	October 19, 2012	0.35500% (Interest rate is fixed until the maturity date.)
	¥1,000 Million	April 19, 2013	0.33000%(*) (September 19, 2012 ~ October 18, 2012)
Sumitomo Mitsui Trust Bank, Limited	¥1,700 Million	October 19, 2012	0.38000% (Interest rate is fixed until the maturity date.)

(*) Interest rate on and after October 19, 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 September 19, 2012 are as follows.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥1,000 Million	July 19, 2012	September 19, 2012	Payment in full on the maturity date	Unsecured Unguaranteed
	¥1,000 Million				
Sumitomo Mitsui Trust Bank, Limited	¥1,700 Million	June 19, 2012			

3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 11,900 Million	¥ 11,900 Million	—
Long-term Borrowings	¥ 51,360 Million	¥ 51,360 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 68,260 Million	¥ 68,260 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 June 25, 2012.

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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