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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 of Short-term Borrowing
and the Repayment of Long-term Borrowing**

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute short-term borrowing. The Investment Corporation, additionally, announces it would repay long-term borrowing on July 16, 2013. Details are provided below.

1. The Execution of Short-term Borrowing**(1) Rational**

To appropriate for the repayment of long-term borrowing as of July 16, 2009.

(2) Details

- ① Drawdown Date : July 16, 2013
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lender, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	¥1,500 Million	July 19, 2013	0.26364% (Interest Rate is fixed until the maturity date.)

2. The Repayment of Long-term Borrowing

Details of the repayment of long-term borrowing on July 16, 2013 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥1,500 Million	July 16, 2009	July 16, 2013	Payment in full on the maturity date	Unsecured Unguaranteed

Translation Purpose Only

3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 6,700 Million	¥ 8,200 Million	+1,500 Million
Long-term Borrowings	¥ 60,340 Million	¥ 58,840 Million	-1,500 Million
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 72,040 Million	¥ 72,040 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 27, 2013.

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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