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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 and the Repayment of Long-term Borrowing

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute long-term borrowing. The Investment Corporation, additionally, announces it would repay long-term borrowing on July 18, 2013. Details are provided below.

1. The Execution of Long-term Borrowing

(1) Rational

To appropriate for the repayment of long-term borrowing as of January 18, 2011.

(2) Details

① Drawdown Date : July 18, 2013

② Loan Type : Unsecured, Unguaranteed

③ Lender, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
The Norinchukin Bank	￥2,000 Million	July 18, 2019	0.77250% (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 18, 2013 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
The Norinchukin Bank	￥2,000 Million	January 18, 2011	July 18, 2013	Payment in full on the maturity date	Unsecured Unguaranteed

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3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 8,200 Million	¥ 8,200 Million	—
Long-term Borrowings	¥ 58,840 Million	¥ 58,840 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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