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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 Short-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 short-term borrowing on October 28, 2013. Details are provided below.

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

To appropriate for the repayment of short-term borrowing as of October 21, 2013.

(2) Details

- ① Drawdown Date : October 28, 2013
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lenders, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	¥3,000 Million	December 19, 2013	0.25359%(*) (October 28, 2013 ~ November 18, 2013)

(*)Interest rate on and after November 19, 2013 will be announced when they are determined.

2. The Repayment of Short-term Borrowing

Details of the repayment of short-term borrowing on October 28, 2013 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥3,000 Million	October 21, 2013	October 28, 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	¥ 3,500 Million	¥ 3,500 Million	—
Long-term Borrowings	¥ 61,680 Million	¥ 61,680 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 70,180 Million	¥ 70,180 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 September 26, 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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