May 15, 2014

To All Concerned Parties

6-8-7 Ginza, Chuo-ku, Tokyo
Frontier Real Estate Investment Corporation
Kazuichi Nagata, Executive Director
(Securities Code: 8964)

Asset Management Company:
Mitsui Fudosan Frontier REIT Management Inc.
Hiroshi Tanaka
Chief Executive Officer and Representative Director

Inquiries:
Mitsui Fudosan Frontier REIT Management Inc.
Tatsu Makino
Vice President, Finance Division and Director
Tel: +81-3-3289-0440

Notice Concerning the Execution of Long-term and Short-term Borrowings and the Repayment of Short-term Borrowing

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute long-term and short-term borrowings. The Investment Corporation, additionally, announces it would repay short-term borrowing on May 19, 2014. Details are provided below.

1. The Execution of Long-term and Short-term Borrowings

(1) Rational

To appropriate for the repayment of short-term borrowing as of April 21, 2014.

(2) Details

① Drawdown Date : May 19, 2014

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	November 19, 2020	0.60848% (Interest Rate is fixed until the maturity date.)
	¥1,500 Million	June 19, 2014	0.26636% (Interest Rate is fixed until the maturity date.)

2. The Repayment of Short-term Borrowing

Details of the repayment of short-term borrowing on May 19, 2014 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥3,000 Million	April 21, 2014	May 19, 2014	Payment in full on the maturity date	Unsecured Unguaranteed

3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 3,500 Million	¥ 2,000 Million	－1,500 Million
Long-term Borrowings	¥ 62,420 Million	¥ 63,920 Million	+1,500 Million
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	－
Borrowings Total	¥ 70,920 Million	¥ 70,920 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, 2014.

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/

Disclaimer

This information was originally publicized in the original Japanese language and has been translated for reference purposes only. Frontier Real Estate Investment Corporation guarantees neither the completeness nor the accuracy of this English translation. For complete and accurate information, please refer to the press release in Japanese. In addition, this press release is not prepared as an inducement or invitation for investment. All readers are advised to consult their own investment advisors before investing in the Investment Corporation. Investment decisions are made at the investor’s sole discretion and responsibility and are made at their own risk. The Investment Corporation and its affiliates disclaim any responsibility or liability for the consequence of investment in the Investment Corporation.