Translation Purpose Only

August 27, 2014

To All Concerned Parties

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

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Notice Concerning the Execution of Long-term Borrowing 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 borrowing. The Investment Corporation, additionally, announces it would repay short-term borrowing on August 29, 2014. Details are provided below.

1. The Execution of Long-term Borrowing

(1) Rational

To appropriate for the repayment of short-term borrowing as of August 19, 2014.

(2) Details

① Drawdown Date : August 29, 2014

② Loan Type : Unsecured, Unguaranteed

③ Lender, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	￥1,000 Million	August 29, 2017	0.28125% (Interest Rate is fixed until the maturity date.)

2. The Repayment of Short-term Borrowing

Details of the repayment of short-term borrowing on August 29, 2014 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	￥1,000 Million	August 19, 2014	August 29, 2014	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	￥1,500 Million	￥500 Million	－￥1,000 Million
Long-term Borrowings	￥63,920 Million	￥64,920 Million	＋￥1,000 Million
Investment Corporation Bonds	￥5,000 Million	￥5,000 Million	－
Borrowings Total	￥70,420 Million	￥70,420 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/

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