

Translation Purpose Only

December 20, 2016

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 December 22, 2016. Details are provided below.

1. The Execution of Long-term Borrowing**(1) Purpose**

To appropriate for the repayment of short-term borrowing as of December 19, 2016.

(2) Details

- ① Drawdown Date : December 22, 2016
- ② Repayment of Principal : Payment in full on the maturity date
- ③ Loan Type : Unsecured, Unguaranteed
- ④ Lender, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
The 77 Bank, Ltd.	¥1,000 Million	December 22, 2026	0.41130% (Interest Rate is fixed until the maturity date.)

2. The Repayment of Short-term Borrowing

Details of the repayment of short-term borrowing on December 22, 2016 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
The 77 Bank, Ltd.	¥1,000 Million	December 19, 2016	December 22, 2016	Payment in full on the maturity date	Unsecured Unguaranteed

3. Change in the Balance of Borrowings

(Unit : ¥Million)

	Before This refinance	After This refinance	Variance
Short-term Borrowings	6,000	5,000	-1,000
Long-term Borrowings	77,400	78,400	+1,000
Investment Corporation Bonds	3,000	3,000	-
Borrowings Total	86,400	86,400	-

(*) 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 28, 2016.

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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