

Translation Purpose Only

June 16, 2016

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.
 Akiko Kaito
 Chief Finance Officer and Director
 Tel: +81-3-3289-0440

**Notice Concerning the Execution of Short-term Borrowings,
 and the Repayment of Short-term Borrowings**

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute short-term borrowings. The Investment Corporation, additionally, announces it would repay short-term borrowings on June 20, 2016. Details are provided below.

1. The Execution of Short-term Borrowings

(1) Purpose

To appropriate for the repayment of short-term borrowings as of May 19, 2016.

(2) Details

- ① Drawdown Date : June 20, 2016
 ② Loan Type : Unsecured, Unguaranteed
 ③ Lender, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
Mizuho Bank, Ltd.	¥2,000 Million	July 19, 2016	0.07364% (Interest Rate is fixed until the maturity date.)
The 77 Bank, Ltd.	¥1,000 Million	July 19, 2016	0.06364% (Interest Rate is fixed until the maturity date.)

2. The Repayment of Short-term Borrowings

Details of the repayment of short-term borrowings on June 20, 2016 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Mizuho Bank, Ltd.	¥2,000 Million	May 19, 2016	June 20, 2016	Payment in full on the maturity date	Unsecured Unguaranteed
The 77 Bank, Ltd.	¥1,000 Million				

3. Change in the Balance of Borrowings

(Unit : ¥Million)

	Before This refinance	After This refinance	Variance
Short-term Borrowings	3,000	3,000	—
Long-term Borrowings	75,840	75,840	—
Borrowings Total	78,840	78,840	—

(*) 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 29, 2016.

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Frontier Real Estate Investment website: <http://www.frontier-reit.co.jp/eng/>

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