

Translation Purpose Only

December 15, 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 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 December 19, 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 November 21, 2016 and November 30, 2016.

(2) Details

- ① Drawdown Date :December 19, 2016
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lender, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
The 77 Bank, Ltd.	¥1,000 Million	December 22, 2016	0.03909% (Interest Rate is fixed until the maturity date.)
Mizuho Bank, Ltd.	¥3,000 Million	January 19, 2017	0.06000% (Interest Rate is fixed until the maturity date.)
The 77 Bank, Ltd.	¥1,000 Million	January 19, 2017	0.06000% (Interest Rate is fixed until the maturity date.)
THE BANK OF FUKUOKA, LTD.	¥1,000 Million	January 19, 2017	0.06000% (Interest Rate is fixed until the maturity date.)

2. The Repayment of Short-term Borrowings

Details of the repayment of short-term borrowings on December 19, 2016 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
The 77 Bank, Ltd.	¥2,000 Million	November 19, 2016	December 19, 2016	Payment in full on the maturity date	Unsecured Unguaranteed
THE BANK OF FUKUOKA, LTD.	¥1,000 Million	November 19, 2016			
Mizuho Bank, Ltd.	¥4,000 Million(*)	November 30, 2016			

(*) Short-term Borrowing from Mizuho Bank, Ltd. (¥1,000 million) will be covered with cash on hand.

3. Change in the Balance of Borrowings

(Unit : ¥Million)

	Before This refinance	After This refinance	Variance
Short-term Borrowings	7,000	6,000	-1,000
Long-term Borrowings	77,400	77,400	-
Investment Corporation Bonds	3,000	3,000	-
Borrowings Total	87,400	86,400	-1,000

(*) 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.

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

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