

## **Translation Purpose Only**

March 7, 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 New Borrowings and the Redemption of Investment Corporation Bonds**

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute new long-term borrowings. The Investment Corporation, additionally, announces it would redeem investment corporation bonds on March 11, 2016. Details are provided below.

#### 1. The Execution of New Long-term Borrowings

##### (1) Purpose

To appropriate for a part of the payment of newly acquired property (KOJIMA × BIC CAMERA Naha Store), stated in the press release "Notice Concerning Acquisition of Investment Asset" announced on January 25, 2016 (Note 1), and the redemption of the 1st Unsecured Investment Corporation Bonds (with special pari passu conditions among specified investment corporation bonds)("Investment Corporation Bonds" hereafter) on March 11, 2016.

(Note 1) As the Investment Corporation acquired KOJIMA × BIC CAMERA Naha Store by cash on hand on January 25, 2016, part of this new long-term borrowings will be executed to cover the decreased amount in cash on hand due to utilization on March 9, 2016. Thus, part of the long-term borrowings will be appropriated for a part of the acquisition cost and the related costs.

##### (2) Details

- ① Drawdown Date : March 9, 2016
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lender, Amount, Maturity Dates and Interest Rate :

<b>Lender</b>	<b>Amount</b>	<b>Maturity Date</b>	<b>Interest Rate</b>
Development Bank of Japan Inc.	¥2,000 Million	March 9, 2027	0.35880% (Interest Rate is fixed until the maturity date.)
Mizuho Trust & Banking Co., Ltd.	¥1,900 Million	March 11, 2024	0.15380% (Interest Rate is fixed until the maturity date.)

## Translation Purpose Only

Lender	Amount	Maturity Date	Interest Rate
Mitsubishi UFJ Trust and Banking Corporation	¥1,000 Million	March 9, 2028	0.46130%(Note1) (May 9, 2016 ~ March 9, 2028)

(Note1)Interest rate applied from March 9, 2016 until April 11, 2016 will be announced on March 8, 2016 and interest rate applied from April 11, 2016 until May 9, 2016 will be announced on April 8, 2016.

(Note2)Amount of ¥900 Million of above borrowings will be appropriated for a part of the payment of KOJIMA × BIC CAMERA Naha Store and ¥4,000 Million of above borrowings for a part of the redemption of the Investment Corporation Bonds.

### 2. The Redemption of Investment Corporation Bonds

Details of the redemption of Investment Corporation Bonds on March 11, 2016 are as follows.

Name of the Investment Corporation Bonds	Amount	Redemption Date	Interest Rate
Frontier Real Estate Investment Corporation 1st Unsecured Investment Corporation Bonds (with special pari passu conditions among specified investment corporation bonds)	¥5,000 Million	March 11, 2016	1.07%

(Note) Of the planned redemption, ¥4,000million will be with the New Long- Term Borrowings stated above and ¥1,000million with cash on hand as of today. The Investment Corporation plans to execute new borrowings to cover the decreased amount in cash on hand due to utilization and allocated the entire amount of borrowings to cash on hand. Matters concerning the new borrowings shall be promptly announced when the details have been decided.

### 3. Change in the balance of borrowings

(Unit : ¥Million)

	Before This Financing	After This Financing	Variance
Short-term Borrowings	3,000	3,000	—
Long-term Borrowings	70,060	74,960	+4,900
Investment Corporation Bonds	5,000	0	—5,000
Borrowings Total	78,060	77,960	—100

(\*) 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 29, 2015.

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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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