

November 17, 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 Short-term Borrowing
and the Repayment of Long-term Borrowing**

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute short-term borrowing. The Investment Corporation, additionally, announces it would repay long-term borrowing on November 19, 2014. Details are provided below.

1. The Execution of Short-term Borrowing

(1) Purpose

To appropriate for the repayment of long-term borrowing as of January 16, 2012.

(2) Details

- ① Drawdown Date : November 19, 2014
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lender, Amount, Maturity Date and Interest Rate:

| Lender | Amount | Maturity Date | Interest Rate |
|--|----------------|-------------------|--|
| Mitsubishi UFJ Trust and Banking Corporation | ¥2,000 Million | February 19, 2015 | 0.20364%(*) (November 19, 2014 ~ December 18, 2014) |

(*)Interest rate on and after December 19, 2014 will be announced when they are determined.

2. The Repayment of Long-term Borrowing

Details of the repayment of long-term borrowing on November 19, 2014 are as follows.

| Lender | Borrowing Amount | Drawdown Date | Maturity Date | Repayment of Principal | Loan Type |
|--|------------------|------------------|-------------------|--------------------------------------|------------------------|
| Mitsubishi UFJ Trust and Banking Corporation | ¥2,000 Million | January 16, 2012 | November 19, 2014 | Payment in full on the maturity date | Unsecured Unguaranteed |

3. Change in the Balance of Borrowings

| | Before This refinance | After This refinance | Variance |
|---------------------------------|--------------------------|-------------------------|------------------|
| Short-term Borrowings | ¥500 Million | ¥2,500 Million | + ¥2,000 Million |
| Long-term Borrowings | ¥64,800 Million | ¥62,800 Million | - ¥2,000 Million |
| Investment Corporation Bonds | ¥5,000 Million | ¥5,000 Million | — |
| Borrowings Total | ¥70,300 Million | ¥70,300 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 September 25, 2014.

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

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