

**Translation Purpose Only**

September 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)

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 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 September 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 August 9, 2016 and August 19, 2016.

## (2) Details

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

| Lender                                       | Amount         | Maturity Date    | Interest Rate   |
|--|----------------|------------------|---|
| Mizuho Bank, Ltd.                            | ¥7,000 Million | October 19, 2016 | 0.07182%<br>(Interest Rate is fixed until the maturity date.) |
| The 77 Bank, Ltd.                            | ¥2,000 Million | October 19, 2016 | 0.06182%<br>(Interest Rate is fixed until the maturity date.) |
| Mitsubishi UFJ Trust and Banking Corporation | ¥2,000 Million | October 19, 2016 | 0.07182%<br>(Interest Rate is fixed until the maturity date.) |
| Resona Bank, Limited.                        | ¥1,000 Million | October 19, 2016 | 0.06682%<br>(Interest Rate is fixed until the maturity date.) |

## 2. The Repayment of Short-term Borrowings

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

| Lender                                       | Borrowing Amount | Drawdown Date      | Maturity Date         | Repayment of Principal                     | Loan Type                 |
|--|------------------|--------------------|-----------------------|--|---------------------------|
| Mizuho Bank, Ltd.                            | ¥7,000 Million   | August 19,<br>2016 | September 20,<br>2016 | Payment in full<br>on the maturity<br>date | Unsecured<br>Unguaranteed |
| The 77 Bank, Ltd.                            | ¥2,000 Million   |                    |                       |  |                           |
| Mitsubishi UFJ Trust and Banking Corporation | ¥2,000 Million   | August 9,<br>2016  |                       |  |                           |
| Resona Bank, Limited.                        | ¥1,000 Million   |                    |                       |  |                           |

## 3. Change in the Balance of Borrowings

(Unit : ¥Million)

|                       | Before This refinance | After This refinance | Variance |
|-----------------------|-----------------------|----------------------|----------|
| Short-term Borrowings | 12,000                | 12,000               | —        |
| Long-term Borrowings  | 75,400                | 75,400               | —        |
| Borrowings Total      | 87,400                | 87,400               | —        |

(\*) 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 March 29, 2016.

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

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