

Translation Purpose Only

March 30, 2015

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.
Tatsu Makino
Chief Finance Officer and Director
Tel: +81-3-3289-0440

Notice Concerning the Execution of New Borrowings and the Conclusion of Interest Rate Swap Agreement

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute new short-term and long-term borrowings, and to conclude interest rate swap agreement relating to the long-term borrowing. Details are provided below.

1. Purpose

To appropriate for the payment of newly acquired property (Mitsui Shopping Park LaLaport SHIN-MISATO (Co-ownership 16%) and Costco Wholesale Warehouse Shinmisato (Land interest)), stated in the press release "Notice Concerning Acquisition of Investment Asset" announced on February 13, 2015.

2. The Execution of Short-term and Long-term Borrowings

I . Details of Short-term Borrowing

- ① Drawdown Date : March 31, 2015
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lender, Amount, Maturity Dates and Interest Rate : See accompanying table

Lender	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Trust Bank, Limited	¥2,000 Million	May 29, 2015	0.17000% (Interest Rate is fixed until the maturity date.)

II . Details of Long-term Borrowing

- ① Drawdown Date : April 1, 2015
- ② Loan Type : Unsecured, Unguaranteed

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③ Lender, Amount, Maturity Dates and Interest Rate : See accompanying table

Lender	Amount	Maturity Date	Interest Rate
The Iyo Bank, Ltd.	¥1,000 Million	May 14, 2025	ICE Benchmark Administration("IBA") EUR/JPY LIBOR for 1 month+0.11%(Note2,Note3)

(Note2) The base interest rate for the applicable rate is calculated based on "IBA" EUR/JPY LIBOR for 1 month which IBA releases at 11:00 am (GMT) on the two bank business days in London before the interest payment date. (The "IBA" EUR/JPY LIBOR for 1 month on March 27, 2015 is 0.06929%)

(Note3) The Investment Corporation has conclude interest rate swap agreement to fix the interest rates on or after the drawdown date. Details are provided in the following section.

3. The Conclusion of Interest Rate Swap Agreement

(1) Purpose

To hedge against risks of interest rate fluctuations on the aforementioned long-term borrowing executed on April 1, 2015.

(2) Details

Notional Amount	Counterparty	Interest Rate(Note4)		Commencement Date	Termination Date
		Fixed Payment	Variable Receipt		
¥1,000 Million	Nomura Securities Co.,Ltd.	0.50150%	"IBA" EUR/JPY LIBOR for 1 month	April 1, 2015	May 14, 2025

(Note4) Fixed interest payment and variable interest receipt are due on 1st of every month (if such date is not a business day, the following business day).

(3) Fixed Interest Rate after the Conclusion of Interest Rate Swap Agreement

Interest rate of the aforementioned long-term borrowing will be fixed at 0.61150% by executing the interest rate swap agreement. Therefore, the determination of "IBA" EUR/JPY LIBOR for 1 month will not be announced going forward.

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4. Change in the balance of borrowings

(Unit : ¥Million)

	Before This Financing	After This Financing	Variance
Short-term Borrowings	500	2,500	+2,000
Long-term Borrowings	68,800	69,800	+1,000
Investment Corporation Bonds	5,000	5,000	—
Borrowings Total	74,300	77,300	+3,000

(*) Long-term Borrowings include the balance of borrowings due within one year.

5. 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 26, 2015.

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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