

May 15, 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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Hiroshi Tanaka  
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**Notice Concerning the Execution of Long-term and Short-term Borrowings  
and the Repayment of Short-term Borrowing**

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

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

(1) Rational

To appropriate for the repayment of short-term borrowing as of April 21, 2014.

(2) Details

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

Lender	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	¥1,500 Million	November 19, 2020	0.60848% (Interest Rate is fixed until the maturity date.)
	¥1,500 Million	June 19, 2014	0.26636% (Interest Rate is fixed until the maturity date.)

2. The Repayment of Short-term Borrowing

Details of the repayment of short-term borrowing on May 19, 2014 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥3,000 Million	April 21, 2014	May 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	¥ 3,500 Million	¥ 2,000 Million	-1,500 Million
Long-term Borrowings	¥ 62,420 Million	¥ 63,920 Million	+1,500 Million
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 70,920 Million	¥ 70,920 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 March 27, 2014.

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

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