

Translation Purpose Only

January 6, 2015

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 and the Repayment of Long-term Borrowings

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces that it has decided to execute long-term borrowings. The Investment Corporation, additionally, announces it would repay long-term borrowings on January 7, 2015. Details are provided below.

1. The Execution of Long-term Borrowings

(1) Rational

To appropriate for the repayment of long-term borrowings as of July 2, 2010 and January 18, 2011.

(2) Details

- ① Drawdown Date : January 7, 2015
- ② Loan Type : Unsecured, Unguaranteed
- ③ Lender, Amount, Maturity Date and Interest Rate:

Lender	Amount	Maturity Date	Interest Rate
The Norinchukin Bank	¥1,000 Million	January 23, 2018	0.09623%(*) (January 7, 2015 ~ January 22, 2015)
	¥1,000 Million	January 23, 2023	0.16623%(*) (January 7, 2015 ~ January 22, 2015)

(*):Interest rate on and after January 23, 2015 will be announced when they are determined.

2. The Repayment of Long-term Borrowings

Details of the repayment of long-term borrowings on January 7, 2015 are as follows.

Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
The Norinchukin Bank	¥1,000 Million	July 2, 2010	January 7, 2015	Payment in full on the maturity date	Unsecured Unguaranteed

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Lender	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
The Norinchukin Bank	¥1,000 Million	January 18, 2011	January 7, 2015	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	¥2,500 Million	¥2,500 Million	—
Long-term Borrowings	¥62,800 Million	¥62,800 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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