

August 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)

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 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 August 19, 2014. Details are provided below.

1. The Execution of Short-term Borrowings

(1) Rational

To appropriate for the repayment of short-term borrowings as of July 22, 2014.

(2) Details

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

Lenders	Amount	Maturity Date	Interest Rate
Sumitomo Mitsui Banking Corporation	¥1,000 Million	August 29, 2014	0.23534% (Interest Rate is fixed until the maturity date.)
Mizuho Bank, Ltd.	¥500 Million	September 19, 2014	0.24636% (Interest Rate is fixed until the maturity date.)

2. The Repayment of Short-term Borrowings

Details of the repayment of short-term borrowings on August 19, 2014 are as follows.

Lenders	Borrowing Amount	Drawdown Date	Maturity Date	Repayment of Principal	Loan Type
Sumitomo Mitsui Banking Corporation	¥1,500 Million(*)	July 22, 2014	August 19, 2014	Payment in full on the maturity date	Unsecured Unguaranteed

Translation Purpose Only

Mizuho Bank, Ltd.	¥500 Million	July 22, 2014	August 19, 2014	Payment in full on the maturity date	Unsecured Unguaranteed
-------------------	--------------	---------------	--------------------	--	---------------------------

(*) Short-term Borrowing from Sumitomo Mitsui Banking Corporation (¥500 million) will be covered with cash on hand.

3. Change in the Balance of Borrowings

	Before This refinance	After This refinance	Variance
Short-term Borrowings	¥ 2,000 Million	¥ 1,500 Million	— 500 Million
Long-term Borrowings	¥ 63,920 Million	¥ 63,920 Million	—
Investment Corporation Bonds	¥ 5,000 Million	¥ 5,000 Million	—
Borrowings Total	¥ 70,920 Million	¥ 70,420 Million	— 500 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.

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/>

Disclaimer

This information was originally publicized in the original Japanese language and has been translated for reference purposes only. Frontier Real Estate Investment Corporation guarantees neither the completeness nor the accuracy of this English translation. For complete and accurate information, please refer to the press release in Japanese. In addition, this press release is not prepared as an inducement or invitation for investment. All readers are advised to consult their own investment advisors before investing in the Investment Corporation. Investment decisions are made at the investor's sole discretion and responsibility and are made at their own risk. The Investment Corporation and its affiliates disclaim any responsibility or liability for the consequence of investment in the Investment Corporation.