

May 12, 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 Sending of Lease Termination Notice

Frontier Real Estate Investment Corporation (the “Investment Corporation”) hereby announces that with regard to Joyfultown Okayama Annex Building, a property of the Investment Corporation, a notice of lease termination based on default by the sublessee was sent to NEXT Co., Ltd. (former trade name: TOKORI GLOBAL CORPORATION), the sublessee, by XYMAX PROPERTIES Corporation, the master lessee, on May 9, 2014.

As to the background of the lease termination notice, NEXT Co., Ltd. filed a petition for civil rehabilitation proceedings on March 24, 2014 and the commencement of civil rehabilitation proceedings was accepted by the Osaka District Court on April 4, 2014. Furthermore, considering that NEXT Co., Ltd. was behind on payments equal to three-months rent, etc. at the property as of the end of April 2014 led to the decision that continuation of the lease agreement is difficult.

Currently negotiations are underway with the trustee of NEXT Co., Ltd. concerning the restoration to original state, vacating and collection of unpaid rent, etc. at the property. However, the impact of this matter on the performance of the Investment Corporation or on the operation of facilities of the Investment Corporation is expected to be minimal. As to the operating forecast for the period ending June 2014, there is no revision to be made.

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

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