

Translation Purpose Only

July 4, 2018

To All Concerned Parties

6-8-7 Ginza, Chuo-ku, Tokyo
Frontier Real Estate Investment Corporation
Takao Iwadou, Executive Director
(Securities Code: 8964)

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Notice Concerning Issuance of Investment Corporation Bonds

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces it decided to issue investment corporation bonds today. Details are provided below.

1. Summary of investment corporation bonds

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| (1) Name of the investment corporation bonds | Frontier Real Estate Investment Corporation 3rd Series Unsecured Investment Corporation Bonds
(with special pari passu conditions among specified investment corporation bonds)
(the "3rd Investment Corporation Bonds" hereafter)
Frontier Real Estate Investment Corporation 4th Series Unsecured Investment Corporation Bonds
(with special pari passu conditions among specified investment corporation bonds)
(the "4th Investment Corporation Bonds" hereafter) |
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The 3rd Investment Corporation Bonds and the 4th Investment Corporation Bonds shall be hereafter collectively referred to as the "Investment Corporation Bonds". In the following items, matters common to each investment corporation bonds are not described separately.

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| (2) Total amount of investment corporation bonds to be issued | ¥2 billion
The breakdown is as follows:
The 3rd Investment Corporation Bonds ¥1 billion
The 4th Investment Corporation Bonds ¥1 billion |
| (3) Form of certificates of investment corporation | Subject to the provision of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc., bond certificates for the Investment Corporation Bonds will not be |

	bonds to be issued	issued.
(4)	Payment amount	¥100 per ¥100 of each investment corporation bonds
(5)	Redemption amount	¥100 per ¥100 of each investment corporation bonds
(6)	Interest rate	The 3rd Investment Corporation Bonds 0.680% per annum The 4th Investment Corporation Bonds 1.000% per annum
(7)	Denomination of each investment corporation bonds	¥100 million
(8)	Method of offering	Public Offering
(9)	Subscription date	July 4, 2018 (Wednesday)
(10)	Payment date	July 10, 2018 (Tuesday)
(11)	Collateral	No secured mortgage or guarantee is applicable to, and no assets are specifically reserved as collateral for the Investment Corporation Bonds.
(12)	Redemption method and date	The total amount of each investment corporation bonds will be redeemed on following dates: The 3rd Investment Corporation Bonds July 10, 2030 The 4th Investment Corporation Bonds July 9, 2038 The Investment Corporation Bonds may be repurchased and cancelled at any time after the payment date, unless otherwise specified by the relevant transfer agent.
(13)	Interest payment date	January 10 and July 10 of each year (or the immediately preceding bank business day if such day is a bank holiday in Japan)
(14)	Financial covenant	Negative pledge clause is applicable
(15)	Ratings	AA (Japan Credit Rating Agency, Ltd.)
(16)	Fiscal agent, issuing agent and paying agent	Sumitomo Mitsui Trust Bank, Limited
(17)	Underwriters	The 3rd Investment Corporation Bonds SMBC Nikko Securities Inc., Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd., and Daiwa Securities Co. Ltd. The 4th Investment Corporation Bonds SMBC Nikko Securities Inc., Mizuho Securities Co., Ltd., Nomura Securities Co., Ltd., and Daiwa Securities Co. Ltd.

2. Reason for issuance

Through the issuance of the Investment Corporation Bonds, the Investment Corporation aims to extend the period of interest-bearing debts and diversify fund-raising means for the purpose of establishing stronger financial grounds.

3. Amount, use and scheduled dates of expenditure of capital to be procured

(1) Amount of capital to be procured (estimated net proceeds)

¥1,976 million

(2) Specific use and scheduled dates of expenditure of capital to be procured

The procured fund will be allocated on July 19, 2018 to partial repayment of the short-term borrowings as of June 19, 2018. For details of the aforementioned short-term borrowings, please refer to “Notice Concerning Execution of Short-term and Long-term Borrowings, and Repayment of Short-term Borrowings” announced on June 15, 2018.

4. Change in the balance of borrowings after the issuance of Investment Corporation Bonds

(Unit: ¥Million)

	Before Issuance	After Issuance(**)	Variance
Short-term Borrowings	6,000	4,000	-2,000
Long-term Borrowings(*)	84,400	84,400	—
Investment Corporation Bonds	3,000	5,000	+2,000
Total	93,400	93,400	—

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

(**) The table above shows the status after the repayment of 2,000 million yen in a short-term Borrowings.

5. Others

Regarding the redemption risk of Investment Corporation Bonds, there is no important change to the “Investment risks” description in the latest securities report submitted on March 28, 2018.

This document is released to media organizations through the “Kabuto Club” (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure, Transport and Tourism Press Club, and the Press Club for the Ministry of Land, Infrastructure, Transport and Tourism Construction Paper.

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

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