

August 29, 2017

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 Environmental Assessment
by Sumitomo Mitsui Banking Corporation
<AA rating in first assessment for J-REIT>

Frontier Real Estate Investment Corporation (the “Investment Corporation”) received an SMBC Environmental Assessment Loan from Sumitomo Mitsui Banking Corporation (“SMBC”), and SMBC gave the Investment Corporation an assessment of “AA” for implementing excellent environmental-friendly asset management. The details are provided below.

1. SMBC Environmental Assessment Loan

The SMBC Environmental Assessment Loan assesses companies’ environmental initiatives from an objective perspective, based on assessment criteria devised by SMBC and the Japan Research Institute, Limited, when executing the loan and setting terms and conditions. The assessment has seven levels, with “AAA” being the highest.

This was the first time that a J-REIT has been assessed.

2. “AA” assessment

The Investment Corporation’s environmental initiatives were deemed to be particularly impressive in terms of identification of environmental impact, environmental management, and environmental business, among others. This earned the Investment Corporation an “AA” assessment, the highest after “AAA.”

The following points were scored particularly highly in the assessment.

- ① The primary environmental impact of the energy consumption and other factors of its real estate holdings is identified, and factors leading to increases or decreases are closely analyzed.
- ② Mitsui Fudosan Frontier REIT Management Inc., the Investment Corporation’s asset management company, has established a sustainability policy. Its commitment to considering the environment and the local community through its asset management is clearly stated, and the Investment Corporation strives to make ongoing improvements to the environmental

activities of its real estate holdings.

- ③ Specific environmental initiatives include encouraging the use of public transportation by providing large parking areas for bikes and holding a campaign to promote the use of trains and buses, investments to upgrade energy conservation, such as switching to LED lights in shared areas, and actively introducing renewable energy.

3. The Investment Corporation's initiatives going forward

In keeping with the sustainability policy established by Mitsui Fudosan Frontier REIT Management Inc., the Investment Corporation will take measures in collaboration with the asset management company in an aim to contribute to the coexistence of social/economic development and preservation of the global environment. Please refer to the following website for information on the Investment Corporation's social and environmental initiatives.

Investment Corporation's website: <http://www.frontier-reit.co.jp/eng/summary/csr/index.html>

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/>

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