

Translation Purpose Only

December 3, 2019

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

- | | |
|---|---|
| (1) Name of the investment corporation bonds | Frontier Real Estate Investment Corporation 5th Series Unsecured Investment Corporation Bonds
(with special pari passu conditions among specified investment corporation bonds)
("Investment Corporation Bonds" hereafter) |
| (2) Total amount of investment corporation bonds to be issued | ¥6 billion |
| (3) Form of certificates of investment corporation bonds to be issued | 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 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 | 0.520% per annum |
| (7) Denomination of each investment corporation bonds | ¥100 million |
| (8) Method of offering | Public Offering |
| (9) Subscription date | December 3, 2019 (Tuesday) |
| (10) Payment date | December 9, 2019 (Monday) |
| (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 investment corporation bonds will be redeemed on December 7, 2029. 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	June 9 and December 9 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 Banking Corporation
(17) Underwriters	SMBC Nikko Securities Inc., Daiwa Securities Co. Ltd., Nomura Securities Co., Ltd., and Mitsubishi UFJ Morgan Stanley 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)

¥5,961 million

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

The procured fund will be allocated by December 23, 2019 to partial repayment of the short-term borrowings as of November 21, 2019. For details of the aforementioned short-term borrowings, please refer to “Notice Concerning Execution and Repayment of Short-term Borrowing” announced on November 19, 2019.

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

(Unit: ¥Million)

	Before Issuance	After Issuance(**)	Variance
Short-term Borrowings	8,000	2,000	-6,000
Long-term Borrowings(*)	99,900	99,900	—
Investment Corporation Bonds	5,000	11,000	+6,000
Total	112,900	112,900	—

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

(**) The table above shows the status after the repayment of 6,000 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 September 26, 2019.

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: <https://www.frontier-reit.co.jp/eng/>

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