

Translation Purpose Only

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To All Concerned Parties

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Frontier Real Estate Investment Corporation
Takao Iwadou, Executive Director
(Securities Code: 8964)

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Notice Concerning Execution of Building Lease Amendment Agreement

Frontier Real Estate Investment Corporation (the "Investment Corporation") announces that it has determined to enter into a Building Lease Amendment Agreement specified the change of monthly rent, among other things of QANAT Rakuohoku (the "Property") with H₂O Asset Management Co., Ltd., the tenant (master lessee), following the Building Lease Amendment Agreement executed on September 28, 2018. The execution of Building Lease Amendment Agreement is due to completion of the renovation of the Property (the "Existing Property Renovation") and determination of the amount of construction. The details are as follows:

1. Background and Purpose

As announced in the press release dated September 19, 2018 entitled "Notice Concerning Execution of Building Lease Amendment Agreement and Renovation of QANAT Rakuohoku," for the purpose of increasing the facility competitiveness and profitability of the Property, in relation to construction of a commercial facility (the "Annex Construction") on the site adjacent to the Property that is owned by the tenant, the Investment Corporation reached agreement with the tenant to increase the rent following the completion of the Existing Property Renovation.

The Investment Corporation will enter into a Building Lease Amendment Agreement specified the new monthly rent, among other things due to the determination of the amount of construction in line with completion of the Existing Property Renovation.

2. Overview of the Existing Property Renovation and Building Lease Amendment Agreement

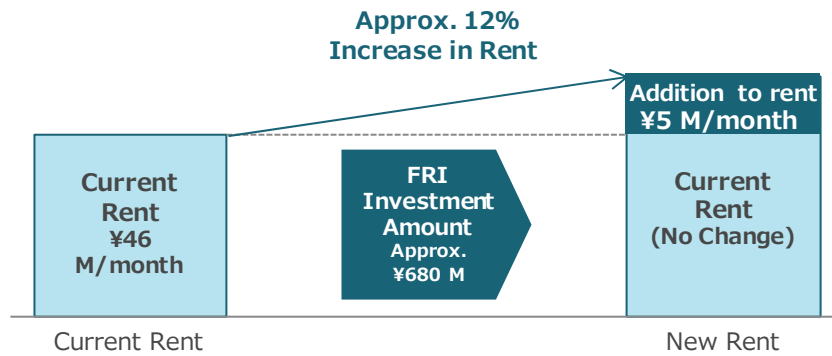
Existing Property Renovation

Construction Period	January – November 2019
Amount of Construction	Approximately 680 million yen (capital expenditure)

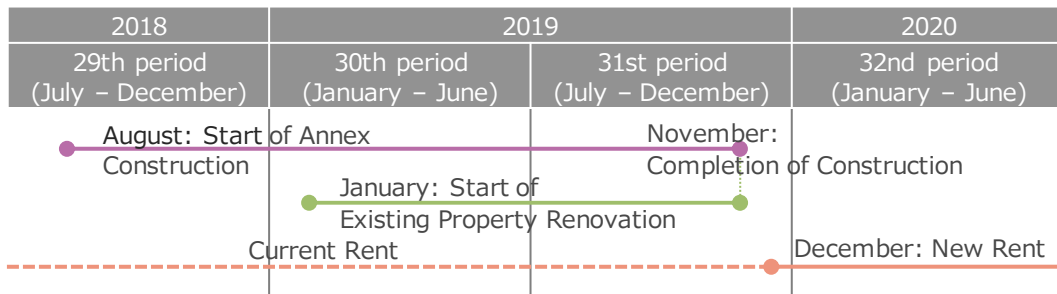
Building Lease Amendment Agreement

Tenant (Master Lessee)	H ₂ O Asset Management Co., Ltd.
Agreement type	Building Lease Agreement
Contract date	November 29, 2019
Contract term	December 4, 2019 to December 4, 2039
Monthly Rent	51 million yen (Reference) Current rent: 46 million yen
Security Deposit	Amount equivalent to 24 months of rent

■ Effects from the Annex Construction



■ Schedule



■ Concept illustration of the Annex



Reference: Overview of the Property

Location	36-1 Takano Nishibira-cho, Sakyo Ward, Kyoto-City, Kyoto, etc.
Acquisition date	July 2012
Acquisition price	8,800 million yen



3. Outlook

The expected effect of the execution of the Building Lease Amendment Agreement on the 31st fiscal period ending December 31, 2019 and the 32nd fiscal period ending June 30, 2020 has already been factored into the operating forecast published on August 15, 2019 under “Forecasts of Results for the 31st Fiscal Period and for the 32nd Fiscal Period” in the Summary of Financial Results for the 30th Fiscal Period. As such, there is no change to the forecast.

4. Change of Property Name

The Investment Corporation will change the property name to “RakuHoku HANKYU SQUARE” on December 6, 2019, the date of the Annex opening for business. This change is due to the change of the facility name in line with a full renovation of the Property.

As for the details, please refer to the press release dated November 7, 2019 entitled “Notice Concerning the Change of Property Name (QANAT RakuHoku).”

Press Release: <https://www.frontier-reit.co.jp/site/file/tmp-YEJMh.pdf>

Frontier Real Estate Investment Corporation’s website: <https://www.frontier-reit.co.jp/eng/>

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