

September 19, 2018

To All Concerned Parties

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

Asset Management Company:
Mitsui Fudosan Frontier REIT Management Inc.
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Notice Concerning Execution of Building Lease Amendment Agreement and
Renovation of QANAT Rakuoku

Frontier Real Estate Investment Corporation (the “Investment Corporation”) announces that it has entered into a Building Lease Amendment Agreement regarding QANAT Rakuoku (the “Property”) with H₂O Asset Management Co., Ltd., the tenant (master lessee), and will implement renovation of the Property (the “Existing Property Renovation”) in accordance with that agreement. The details are as follows:

1. Background and Purpose

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 specified in the current Building Lease Agreement following the completion of the Existing Property Renovation. This will result in increasing the facility competitiveness and profitability of the Property.

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

Existing Property Renovation

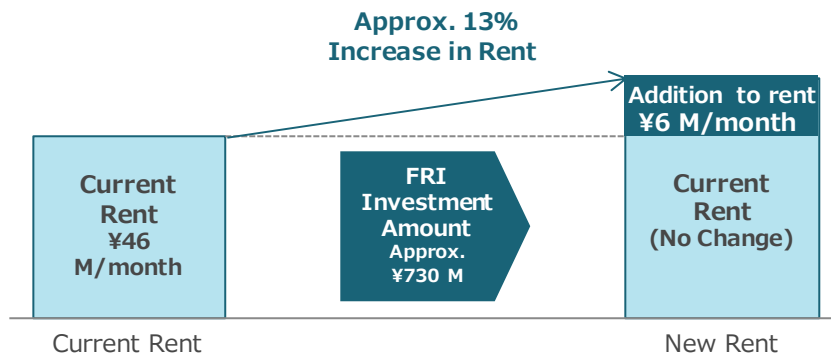
Construction Period	January – November 2019 (planned)
Overview	The amount (capital expenditure) of the Existing Property Renovation to be performed by the Investment Corporation is planned to be approximately 730 million yen.

	Current building lease agreement	Building lease amendment agreement (to be executed on September 28, 2018)
Tenant (Master Lessee)	H ₂ O Asset Management Co., Ltd.	Same as on left
Agreement type	Building Lease Agreement	Same as on left
Date of Expiration	November 29, 2020	20th anniversary of the planned

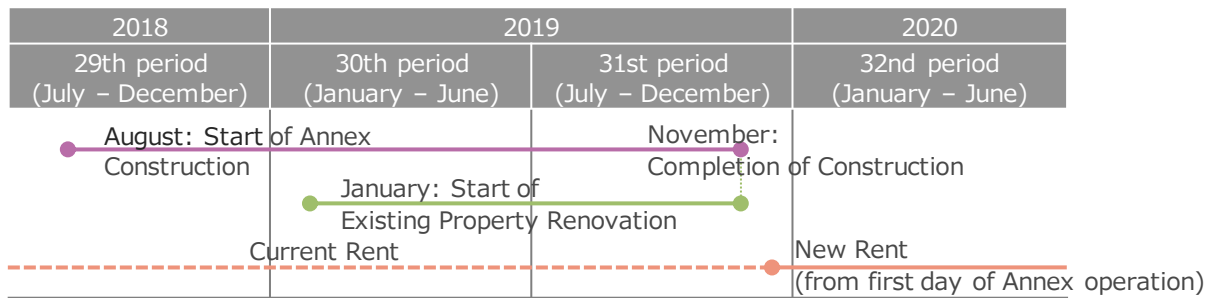
		date of the Annex opening for business
Monthly Rent	46 million yen	52 million yen (current rent: 46 million yen, addition to rent: 6 million yen*)
Security Deposit	1,100 million yen	Amount equivalent to 24 months of rent

* The addition to rent may change based on increases or decreases in the investment amount.

■ 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
Leased floor space	48,303.21 m ²



3. Outlook

Execution of the Building Lease Amendment Agreement and implementation of the renovation will have a slight effect on the Investment Corporation's financial results in the 29th fiscal period ending December 31, 2018. However, there is no change in the operating forecast.

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