

October 21, 2021

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.
Shintaro Ono
Chief Executive Officer and Representative Director

Inquiries:
Mitsui Fudosan Frontier REIT Management Inc.
Teruyuki Hayashi
Chief Finance Officer and Director
Tel: +81-3-3289-0440

Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)

Frontier Real Estate Investment Corporation (the "Investment Corporation") has been considering raising funds through the issuance of green bonds and hereby announces it decided to issue its first green 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 6th Series Unsecured Investment Corporation Bonds
(with special pari passu conditions among specified investment corporation bonds) (Green Bonds)
(the "6th Investment Corporation Bonds" hereinafter) |
| | Frontier Real Estate Investment Corporation 7th Series Unsecured Investment Corporation Bonds
(with special pari passu conditions among specified investment corporation bonds) (Green Bonds)
(the "7th Investment Corporation Bonds" hereinafter) |
| | The 6th Investment Corporation Bonds and the 7th Investment Corporation Bonds shall be hereinafter collectively referred to as the "Investment Corporation Bonds". In the following items, matters common to each investment corporation bonds are not described separately. |
| (2) Total amount of investment corporation bonds to be issued | ¥2.5 billion
The breakdown is as follows:
The 6th Investment Corporation Bonds: ¥1.5 billion
The 7th Investment Corporation Bonds: ¥1 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 | The 6th Investment Corporation Bonds: 0.400% per annum
The 7th Investment Corporation Bonds: 0.660% per annum |
| (7) Denomination of each | ¥100 million |

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	investment corporation bonds	
(8) Method of offering	Public Offering	
(9) Subscription date	October 21, 2021 (Thursday)	
(10) Payment date	October 29, 2021 (Friday)	
(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 6th Investment Corporation Bonds: October 29, 2031 The 7th Investment Corporation Bonds: October 29, 2036 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	April 29 and October 29 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	The 6th Investment Corporation Bonds: AA (Japan Credit Rating Agency, Ltd. ("JCR" hereinafter)) The 7th Investment Corporation Bonds: AA (JCR)	
(16) Fiscal agent, issuing agent and paying agent	Sumitomo Mitsui Trust Bank, Limited	
(17) Underwriters	The 6th Investment Corporation Bonds: SMBC Nikko Securities Inc., Daiwa Securities Co. Ltd., Nomura Securities Co., Ltd., and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. The 7th Investment Corporation Bonds: SMBC Nikko Securities Inc. and Mizuho Securities Co., Ltd.	

2. Reason for issuance

In addition to going further in its pursuit of initiatives related to reducing environmental impact and building sustainable relationships with various stakeholders as stipulated in the Sustainability Policy, the Investment Corporation has decided to issue the Investment Corporation Bonds with the aim of building a more solid financial foundation through efforts to expand the breadth of its investors by spurring demand among investors with a strong interest in ESG and to diversify its financing methods.

The Investment Bonds are to be issued in accordance with the green finance framework devised by the Investment Corporation, for the provision of green finance, including the issuance of green bonds as described in the press release "Notice Concerning Submission of Amended Shelf Registration Statement for Issuance of Green Bonds" on September 30, 2021. In issuing the Investment Corporation Bonds, SMBC Nikko Securities Inc. (Green Bond structuring agent), Daiwa Securities Co., Ltd., Nomura Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities and Mizuho Securities Co., Ltd. are appointed as lead managers, and consider the viability of issuing the Investment Corporation Bonds and the issue terms such as interest rates.

As a third-party assessment on the Investment Corporation Bonds, the Investment Corporation received an evaluation rating of "Green 1", the highest rating in the JCR Green Bond Evaluation, from JCR.

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

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

¥2,474 million

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

All the funds procured through the issuance of the Investment Corporation Bonds will be allocated to the funds for partial repayment of the short-term borrowings as of July 1, 2021, including subsequent refinancing, as funds for the additional acquisition of Mitsui Shopping Park LaLaport SHIN-MISATO (Main building) (34% co-ownership stake), the eligible green assets aligned with the eligibility criteria defined in "Notice Concerning Submission of Amended Shelf Registration Statement for Issuance of Green Bonds " released on September 30, 2021.

4. Investors who declared investment in the Investment Corporation Bonds

The investors who declared investment in the Investment Corporation Bonds and who have agreed to have their names disclosed as of today are listed (in Japanese syllabary order) as follows:

- ASAHIKAWA SHINKIN BANK
- The Yamanashi Chuo Bank, Ltd.
- GUNMAMIRAI Shinkumi Bank
- SHIZUOKA YAIZU SHINKIN BANK
- The Dai-ichi Life Insurance Company, Limited
- DaitokyoShinkumi Credit Cooperative
- TOKUSHIMA SHINKIN BANK

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

(Unit: ¥Million)

	Before Issuance	After Issuance(**)	Variance
Short-term Borrowings	3,000	—	-3,000
Long-term Borrowings(*)	109,900	109,900	—
Investment Corporation Bonds	11,000	13,500	+2,500
Total	123,900	123,400	-500(***)

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

(**) The table above shows the status after the repayment of 3,000 million yen in a short-term Borrowings.

(***) 500 million yen will be covered with cash on hand.

6. 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 29, 2021.

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

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