

February 14, 2024

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 Cancellation by Consent of an Existing Fixed-term Building Lease Contract and Execution of a New Fixed-term Building Lease Contract**  
**<You Me Town Hiroshima>**

Frontier Real Estate Investment Corporation (the “Investment Corporation”) hereby announces that today Mitsui Fudosan Frontier REIT Management Inc., the Investment Corporation’s asset management company, terminated an existing lease contract for You Me Town Hiroshima (the “Property”), owned by the Investment Corporation, with IZUMI Co., Ltd., the current tenant (master lessee), and concluded a new fixed-term building lease contract (the “New Contract”) as described below.

1. Background

The fixed-term building lease contract with the current tenant of the Property (the “Existing contract”) was scheduled to expire on February 19, 2028, but the Existing Contract with the current tenant was canceled by consent on February 29, 2024, and the New Contract has been concluded with the start date of the contract set as the day after the cancellation date of the Existing Contract.

The Investment Corporation believes that the conclusion of this new agreement will ensure the long-term stable operation of the Property and secure an increase in future cash flow, thereby contributing to the growth of the Investment Corporation.

2. Overview of the Fixed-term Building Lease Contract

	Existing contract	New contract
Tenant	IZUMI Co., Ltd.	Same as on left
Type of contract	Fixed-term building lease contract (fixed-rent master lease contract)	Same as on left
Contract term	20 years (February 20, 2008 to February 19, 2028)	24 years (March 1, 2024 to February 29, 2048)
Annual rent	¥1,490,000 thousand	¥1,534,700 thousand
Termination during the contract term	Not allowed, in principle	Same as on left
Rent revision	None	Revision negotiable in March 2029, March 2034, and March 2039
Total leased floor space	122,169.26 m <sup>2</sup>	Same as on left
Ratio to total leasable floor space of the Property <sup>1</sup>	100.0%	Same as on left
Ratio to total leasable floor space of the Investment Corporation <sup>2</sup>	8.0%	Same as on left

<sup>1</sup> Calculated based on the total leasable floor space of the Property as of the end of December 2023 (122,169.26 m<sup>2</sup>).

## **Translation Purpose Only**

2 Calculated based on the total leasable floor space of the Investment Corporation as of the end of December 2023 (1,520,443.11m<sup>2</sup>).

### **3. Outlook**

For information on the impact concluding the New Contract will have on the results for the fiscal periods ending June 2024 and December 2024, please refer to the “Forecasts of Results for the 40th and 41st Fiscal Periods” section in the “Summary of Financial Results for the 39th Fiscal Period (July 1, 2023 to December 31, 2023)” that will be published on February 15, 2024.

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

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