

## Translation Purpose Only

March 15, 2024

### 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  
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### **Notice Concerning the Revision of Operating Forecasts for the Fiscal Period Ending June 30, 2024 and the Fiscal Period Ending December 31, 2024**

Frontier Real Estate Investment Corporation (the "Investment Corporation") hereby announces the revision of operating forecasts previously announced via the "Summary of Financial Results for the 39th Fiscal Period (July 1, 2023 to December 31, 2023)" released February 15, 2024, for the fiscal period ending June 30, 2024 (January 1, 2024 to June 30, 2024) and the fiscal period ending December 31, 2024 (July 1, 2024 to December 31, 2024). Details follow.

1. Revision of Operating Forecasts for the Fiscal Period Ending June 30, 2024 (January 1, 2024 to June 30, 2024) and the Fiscal Period Ending December 31, 2024 (July 1, 2024 to December 31, 2024)

#### (1) Fiscal Period Ending June 30, 2024 (January 1, 2024 to June 30, 2024)

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Distribution per Unit (Excluding distribution in excess of earnings)	Distribution in Excess of Earnings per Unit
Previous Forecasts (A)	Millions of yen 11,555	Millions of yen 6,122	Millions of yen 5,771	Millions of yen 5,770	Yen 10,670	Yen —
Revised Forecasts (B)	Millions of yen 12,116	Millions of yen 6,671	Millions of yen 6,316	Millions of yen 6,315	Yen 10,850	Yen —
Difference (B – A)	Millions of yen 560	Millions of yen 548	Millions of yen 544	Millions of yen 544	Yen 180	Yen —
Difference (%)	4.8%	9.0%	9.4%	9.4%	1.7%	—

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(2) Fiscal Period Ending December 31, 2024 (July 1, 2024 to December 31, 2024)

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Distribution per Unit (Excluding distribution in excess of earnings)	Distribution in Excess of Earnings per Unit
Previous Forecasts (A)	Millions of yen 11,511	Millions of yen 6,130	Millions of yen 5,759	Millions of yen 5,758	Yen 10,690	Yen —
Revised Forecasts (B)	Millions of yen 12,214	Millions of yen 6,822	Millions of yen 6,446	Millions of yen 6,445	Yen 10,930	Yen —
Difference (B – A)	Millions of yen 702	Millions of yen 691	Millions of yen 686	Millions of yen 686	Yen 240	Yen —
Difference (%)	6.1%	11.3%	11.9%	11.9%	2.2%	—

### Notes

- The expected number of units outstanding as of June 30, 2024: 541,000 units  
The expected number of units outstanding as of December 31, 2024: 541,000 units
- All amounts less than a unit are rounded down.
- Distribution per unit is rounded down to the nearest 10 yen.
- The figures above are based on certain pre-conditions and assumptions as of today. Actual figures may differ significantly from forecasts due to future acquisitions and/or sales of properties, real estate market trends and/or changes in the environment surrounding the Investment Corporation. The Investment Corporation does not guarantee the amount of the expected cash distribution per unit in this forecast.
- Reasons for Announcing the Revision of Operating Forecasts  
As announced via “Notice Concerning Sale of Trust Beneficiary Rights to a Real Estate Property in Japan (Queen’s Isetan Suginami-Momoi)” and “Notice Concerning Acquisition of Real Estate Properties in Japan (Yaoko Sagamihara Hikarigaoka Store and Yaoko Nishiomiya Store),” both issued as of today, the Investment Corporation decided on the transfer and acquisition of assets. Reflecting this move, the Investment Corporation intends to revise its operating forecasts previously disclosed via the “Summary of Financial Results for the 39th Fiscal Period (July 1, 2023 to December 31, 2023)” released on February 15, 2024 regarding the fiscal periods ending June 30, 2024 and December 31, 2024, due to significant changes in assumptions used in formulating such forecasts.

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

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Exhibit

### Pre-Conditions and Assumptions for Operating Forecasts for the Fiscal Period Ending June 30, 2024 and the Fiscal Period Ending December 31, 2024

	Pre-Conditions & Assumptions
Calculation Period	<ul style="list-style-type: none"> <li>• 40th fiscal period ending June 30, 2024 (January 1, 2024, to June 30, 2024) (182 days)</li> <li>• 41st fiscal period ending December 31, 2024 (July 1, 2024, to December 31, 2024) (184 days)</li> </ul>
Investment Assets	<ul style="list-style-type: none"> <li>• Among the investment assets owned (totaling 40 properties) as of March 15, 2024, the Investment Corporation will divide the trust beneficiary rights of the entire Shinsaibashi Square property into land trust beneficiary rights (ground lease rights) and existing building trust beneficiary rights as of March 29, 2024, transferring the building beneficiary rights while operating only the ground lease rights thereafter; will transfer 44.4% of the quasi-shared real estate trust beneficiary rights of Queen's Isetan Suginami-Momoi on May 1, 2024, and 55.6% on July 1, 2024; and acquire Yaoko Sagamihara Hikarigaoka Store on May 1, 2024, and Yaoko Nishiomiya Store on July 1, 2024. Moreover, these operating forecasts are premised on the absence of any changes in the investment assets due to acquisitions of and/or disposals of assets other than those described above until the end of the 41st fiscal period (December 31, 2024).</li> <li>• Actual numbers may change due to future acquisitions and/or disposals of existing properties, if any.</li> </ul>
LTV (Loan to Value)	<ul style="list-style-type: none"> <li>• The balance of borrowings, etc.* as of March 15, 2024 is ¥128,200 million.</li> <li>* Including investment corporation bonds; hereinafter the same shall apply.</li> <li>• It is assumed that refinancing and partial self-financing will be executed for the repayment of borrowings due by December 31, 2024.</li> <li>• The loan to value ratio (LTV*) as of June 30, 2024 and December 31, 2024 are expected to be approximately 45% and 45%, respectively.</li> <li>* <math>LTV = (\text{Borrowings, etc.} + \text{Security deposits} - \text{Unrestricted cash and deposits}^{**}) / (\text{Total assets} - \text{Unrestricted cash and deposits})</math></li> <li>** Unrestricted cash and deposits is calculated by subtracting planned distributions for the next fiscal period and deposits in trust account such as tenant leaseholds, etc. from cash and deposits on the balance sheet of each fiscal period.</li> </ul>
Operating Revenue	<ul style="list-style-type: none"> <li>• The above figures are based on the assumption of lease business revenue from the investment assets above. Lease business revenue is calculated based on the individual lease contracts valid as of February 15, 2024 and estimated fluctuating factors. Lease business revenue from Yaoko Sagamihara Hikarigaoka Store and Yaoko Nishiomiya Store (below, "Assets to Be Acquired") is calculated based on potential lease contracts expected to be effective at the time of the acquisition of such assets in addition to taking into account information provided by the current property owners and beneficiaries.</li> <li>• Due to the sale of Queen's Isetan Suginami-Momoi, gain on sale of property is expected to be ¥ 555 million for the 40th fiscal period and ¥ 696 million for the 41st fiscal period.</li> </ul>

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	Pre-Conditions & Assumptions
Operating Expenses	<ul style="list-style-type: none"> <li>Property taxes, city planning taxes, etc. are expected to be ¥1,311 million for the 40th fiscal period and ¥1,302 million for the 41st fiscal period. However, should a property be newly acquired during any of these fiscal periods and municipal property taxes and other monies for settlement occur between the Investment Corporation and the seller, the aforementioned monies will be included in its acquisition cost.</li> <li>Repairs and maintenance are expected to be ¥394 million for the 40th fiscal period and ¥383 million for the 41st fiscal period. However, actual repairs and maintenance may be substantially different from the expected amount due to change of outlay date or certain unanticipated factors.</li> <li>Depreciation and amortization are expected to be ¥2,006 million for the 40th fiscal period and ¥1,916 million for the 41st fiscal period.</li> <li>Other expenses related to rent business (property management expenses, etc.) are calculated based on actual figures and estimated fluctuating factors. Other expenses related to rent business associated with Assets to Be Acquired are calculated based on potential lease contracts expected to be effective at the time of the acquisition of such assets in addition to taking into account information provided by the current property owners and beneficiaries.</li> </ul>
Non-operating Expenses	<ul style="list-style-type: none"> <li>It is assumed that non-operating expenses, which include interest charged on borrowings, security deposits, investment corporation bonds and so on, will be ¥356 million for the 40th fiscal period and ¥376 million for the 41st fiscal period.</li> </ul>
Distribution per Unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> <li>Cash dividends (distribution per unit) are calculated according to the Investment Corporation's distribution policy described in its Articles of Incorporation.</li> <li>Distribution per unit for the 40th fiscal period is calculated assuming that ¥440 million (the difference between the amount set aside for compression reserves and the amount withdrawn from compression reserves) will be deducted from net income.</li> <li>Distribution per unit for the 41st fiscal period is calculated assuming that ¥530 million (the difference between the amount set aside for compression reserves and the amount withdrawn from compression reserves) will be deducted from net income.</li> <li>Cash distribution per unit may change for a variety of reasons including changes in the Investment Corporation's investment assets, changes in leasing revenues due to tenant movements, etc., and/or the incidence of unforeseen repairs and maintenance.</li> </ul>
Distribution in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>The Investment Corporation does not currently anticipate cash distributions in excess of earnings per unit.</li> </ul>
Others	<ul style="list-style-type: none"> <li>Calculations and operating forecasts are based on the assumption that there will be no changes in legislation, taxation, accounting standards, regulations applying to publicly listed companies, or rules and requirements imposed by the Investment Trusts Association, Japan, that would impact the aforementioned forecasts.</li> <li>Calculations and operating forecasts are also based on the assumption that there will be no material changes in the general economic and real estate market conditions in Japan.</li> </ul>