

August 18, 2025

Summary of Financial Results for the 42nd Fiscal Period
(January 1, 2025 to June 30, 2025)
<Under Japanese GAAP>

Name of REIT Issuer : Frontier Real Estate Investment Corporation
Stock Exchange Listing : Tokyo Stock Exchange
Securities Code : 8964
Website : <https://www.frontier-reit.co.jp/en/>
Representative : Toshihide Ichikawa, Executive Director
Name of Asset Manager : Mitsui Fudosan Frontier REIT Management Inc.
Representative : Shigekazu Yokochi,
Chief Executive Officer and Representative Director
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Scheduled date to file securities report : September 29, 2025
Scheduled date to commence distribution payments : September 9, 2025

(Amounts of less than one million yen are rounded down, ratios are rounded off, unless otherwise stated)

1. Performance for the 42nd Fiscal Period (January 1, 2025 to June 30, 2025)

(1) Business Results

(% show period-on-period changes)

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
Period ended,	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	11,728	(4.6)	6,295	(8.5)	5,882	(9.5)	5,881	(9.5)
December 31, 2024	12,288	1.0	6,879	1.4	6,502	1.1	6,501	1.1

	Net Income per Unit	Return on Equity (Note)	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
Period ended,	yen	%	%	%
June 30, 2025	2,174	3.3	1.7	50.2
December 31, 2024	2,403	3.7	1.9	52.9

Notes:

- Return on Equity = Net income / ((Net assets at beginning of period + Net assets at end of period)/2) × 100
- As of December 31, 2024 as record date, each of the investment units have been divided on a five-for-one basis, January 1, 2025 as the effective date. Net income per unit is calculated based on the assumption that the investment unit had been split at the beginning of the previous fiscal period.

(2) Distributions

(Ratios are rounded down)

	Distribution per Unit (excluding distribution in excess of earnings)	Total Distributions (excluding distributions in excess of earnings)	Distribution in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio (Note)	Distribution to Net Assets
Period ended,	yen	Millions of yen	yen	Millions of yen	%	%
June 30, 2025	2,200	5,951	-	-	101.1	3.3
December 31, 2024	11,000	5,951	-	-	91.5	3.3

Notes:

- The main factors for the difference between distributions per unit for the fiscal period ended December 2024 in the above table (2) and net income per unit for the fiscal period ended December 2024 in the above table (1) are that net income per unit for the fiscal period ended December 2024 is calculated based on the assumption that the aforementioned five-for-one split of investment units was implemented at the beginning of the fiscal period ended December 2024.
- Payout ratio = Total Distributions (excluding distributions in excess of earnings) / Net Income ×100

(3) Financial Position

	Total Assets	Net Assets	Equity Ratio (Note)	Net Assets per Unit
Period ended,	Millions of yen	Millions of yen	%	yen
June 30, 2025	342,893	175,580	51.2	64,909
December 31, 2024	333,310	175,649	52.7	64,935

Notes:

- Equity Ratio = Net assets / Total assets×100
- As of December 31, 2024 as record date, each of the investment units have been divided on a five-for-one basis, January 1, 2025 as the effective date. Net assets per unit is calculated based on the assumption that the investment unit had been split at the beginning of the fiscal period ended December 2024.

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Period ended,	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2025	7,431	(11,827)	4,050	16,140
December 31, 2024	9,691	(3,720)	(5,965)	16,486

2. Forecasts of Results for the 43rd Fiscal Period (July 1, 2025 to December 31, 2025) and for the 44th Fiscal Period (January 1, 2026 to June 30, 2026)

(% show period-on-period changes)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Distribution per Unit (excluding distribution in excess of earnings) (Note 2, 3)	Distribution in Excess of Earnings per Unit
Period ended,	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen	yen
December 31, 2025	12,080	3.0	6,309	0.2	5,809	(1.2)	5,808	(1.3)	2,200	-
June 30, 2026	11,683	(3.3)	6,251	(0.9)	5,713	(1.6)	5,712	(1.6)	2,200	-

Notes:

1. The aforementioned forecasts are based on the "Pre-Conditions and Assumptions for Operating Forecasts for the 43rd Fiscal Period (July 1, 2025 to December 31, 2025) and for the 44th Fiscal Period (January 1, 2026 to June 30, 2026)" on Page 4.
2. The forecast distribution per unit for the 43rd fiscal period is calculated based on the assumption that net income plus ¥142 million (the reversal of the reserve for reduction entry) will be distributed.
3. The forecast distribution per unit for the 44th fiscal period is calculated based on the assumption that net income plus ¥238 million (the reversal of the reserve for reduction entry) will be distributed.

Pre-Conditions and Assumptions for Operating Forecasts
for the 43rd Fiscal Period (July 1, 2025 to December 31, 2025)
and for the 44th Fiscal Period (January 1, 2026 to June 30, 2026)

	Pre-Conditions & Assumptions
Calculation Period	- The 43rd fiscal period ending December 31, 2025 (July 1, 2025 to December 31, 2025) (184 days) - The 44th fiscal period ending June 30, 2026 (January 1, 2026 to June 30, 2026) (181 days)
Investment Assets	- The Investment Corporation owns a total of 42 properties as of August 18, 2025. - It is assumed that there will be no change in the number of the investment assets, due to acquisitions and/or disposals, until the end of the 44th fiscal period (June 30, 2026) - Actual numbers may change due to the future acquisitions and/or disposals of existing properties, if any.
Loan to Value Ratio	- The balance of borrowings, etc*. as of August 18, 2025 is ¥ 137,700 million. * Borrowings, etc. Includes investment corporation bonds. The same applies hereinafter. - It is assumed that refinancing and partial self-financing will be executed for the repayment of borrowings due by June 30, 2026. - The loan to value ratio (LTV*) as of December 31, 2025 and June 30, 2026 are expected to be approximately 46% and 46%, respectively. * $LTV = (\text{Borrowings, etc.} + \text{Security deposits} - \text{Unrestricted cash and deposits}) / (\text{Total assets} - \text{Unrestricted cash and deposits})$ ** 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 periods.
Operating Revenue	The pre-conditions assumes lease business revenue from the aforementioned investment assets of 42 properties, it is calculated based on the individual lease contracts valid as of August 18, 2025 and estimated fluctuating factors.
Operating Expenses	- Property taxes, city planning taxes, etc. are expected to be ¥ 1,344 million for the 43rd fiscal period and ¥ 1,409 million for the 44th fiscal period. However, should properties be newly acquired during the 43rd and the 44th fiscal period 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. - Repairs and maintenance are expected to be ¥551 million for the 43rd period and ¥374 million for the 44th fiscal period. However, actual repairs and maintenance may be substantially different from the expected amount due to outlay date or certain unanticipated factors. - Depreciation and amortization are expected to be ¥2,025 million for the 43rd fiscal period and ¥ 2,046 million for the 44th fiscal period. - Other expenses related to rent business (property management expenses, etc.) are calculated based on actual figures and estimated fluctuating factors.

	Pre-Conditions & Assumptions
Non-operating Expenses	It is assumed that non-operating expenses, which include interests charged on borrowings, security deposits, investment corporation bonds and so on, will be ¥ 501 million for the 43rd fiscal period and ¥ 540 million for the 44th fiscal period.
Distribution per Unit (excluding distribution in excess of earnings)	- Cash dividends (distribution per unit) are calculated according to the Investment Corporation's distribution policy described in its Articles of Incorporation. - The forecast distribution per unit for the 43rd fiscal period is calculated based on the assumption that net income plus ¥ 142 million (the reversal of the reserve for reduction entry) will be distributed. - The forecast distribution per unit for the 44th fiscal period is calculated based on the assumption that net income plus ¥ 238 million (the reversal of the reserve for reduction entry) will be distributed. - The number of the outstanding investment units is based on the number as of August 18, 2025, which are 2,705,000 units. - It is assumed that the Investment Corporation will not engage in the issuance of additional investment units or the buyback and cancellation of investment units until the end of the 44th fiscal period (June 30, 2026). - Distribution per unit may change for a variety of reasons including changes in the Investment Corporation's investment assets, changes in rent revenues due to tenant movements, etc. and/or the incidence of unforeseen repairs and maintenance.
Distribution in Excess of Earnings per Unit	The Investment Corporation does not currently anticipate distributions in excess of earnings per unit.
Others	- 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, rules and requirements imposed by the Investment Trusts Association, Japan, that would impact the aforementioned forecasts. - Calculations and operating forecasts are also based on the assumption that there will be no material changes in general economic and real estate market conditions in Japan.

Balance Sheet

	(Thousands of Yen)	
	The 42nd Period As of June 30, 2025	The 41st Period As of December 31, 2024
Assets		
Current assets		
Cash and deposits	¥ 12,129,226	¥ 12,863,306
Cash and deposits in trust	4,144,353	3,754,978
Operating accounts receivable	118,465	126,368
Prepaid expenses	52,556	50,045
Other	330,998	3,251
Total current assets	16,775,600	16,797,949
Non-current assets		
Property, plant and equipment		
Buildings	62,881,078	62,632,153
Accumulated depreciation	(32,397,119)	(31,466,636)
Buildings, net	30,483,958	31,165,517
Structures	1,273,701	1,273,701
Accumulated depreciation	(1,125,613)	(1,114,845)
Structures, net	148,088	158,856
Machinery and equipment	121,699	121,699
Accumulated depreciation	(118,953)	(118,739)
Machinery and equipment, net	2,746	2,960
Tools, furniture and fixtures	166,650	157,749
Accumulated depreciation	(127,673)	(118,338)
Tools, furniture and fixtures, net	38,977	39,411
Land	120,246,652	120,232,481
Buildings in trust	62,392,805	57,021,783
Accumulated depreciation	(27,975,463)	(26,974,795)
Buildings in trust, net	34,417,341	30,046,987
Structures in trust	939,950	779,098
Accumulated depreciation	(649,152)	(627,701)
Structures in trust, net	290,798	151,396
Machinery and equipment in trust	772,908	772,908
Accumulated depreciation	(725,352)	(719,843)
Machinery and equipment in trust, net	47,556	53,065
Tools, furniture and fixtures in trust	157,375	152,807
Accumulated depreciation	(118,050)	(110,562)
Tools, furniture and fixtures in trust, net	39,324	42,244
Land in trust	138,650,307	132,848,054
Total property, plant and equipment	324,365,751	314,740,976
Intangible assets		
Leasehold interests in land	1,658,315	1,658,315
Other	3,977	4,805
Total intangible assets	1,662,292	1,663,120
Investments and other assets		
Long-term prepaid expenses	6,267	20,462
Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	20,980	20,980
Deferred tax assets	13	5
Other	18	18
Total investments and other assets	37,279	51,465
Total non-current assets	326,065,323	316,455,562

Deferred assets		
Investment corporation bonds issuance costs	52,463	56,624
Total deferred assets	52,463	56,624
Total assets	¥ 342,893,388	¥ 333,310,137

(Thousands of Yen)

	The 42nd Period As of June 30, 2025	The 41st Period As of December 31, 2024
Liabilities		
Current liabilities		
Operating accounts payable	¥ 1,282,842	¥ 1,380,037
Current portion of long-term loans payable	15,000,000	13,000,000
Accounts payable – other	27,114	40,860
Accrued expenses	284,890	299,715
Income taxes payable	689	679
Accrued consumption taxes	123,043	229,991
Advances received	1,189,027	1,205,442
Deposits received	3,950	5,522
Other	33,000	33,000
Total current liabilities	17,944,559	16,195,249
Non-current liabilities		
Investment corporation bonds	13,500,000	13,500,000
Long-term loans payable	109,200,000	101,200,000
Tenant leasehold and security deposits	12,533,973	12,965,823
Tenant leasehold and security deposits in trust	14,134,539	13,799,413
Other	34	57
Total non-current liabilities	149,368,548	141,465,294
Total liabilities	167,313,107	157,660,543
Net assets		
Unitholders' equity		
Unitholders' capital	171,357,423	171,357,423
Deduction from unitholders' capital	(2,847,059)	(2,847,059)
Unitholders' capital, net	168,510,364	168,510,364
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	1,188,230	637,522
Total voluntary retained earnings	1,188,230	637,522
Unappropriated retained earnings	5,881,686	6,501,707
Total surplus	7,069,916	7,139,230
Total unitholders' equity	175,580,280	175,649,594
Total net assets	175,580,280	175,649,594
Total liabilities and net assets	¥ 342,893,388	¥ 333,310,137

Statement of Income and Retained Earnings

(Thousands of Yen)

	For the 42nd Period from January 1, 2025 to June 30, 2025	For the 41st Period from July 1, 2024 to December 31, 2024
Operating revenue		
Rent revenue – real estate	¥ 11,690,302	¥ 11,532,220
Rent revenue – other	38,621	23,284
Gain on sales of real estate properties	-	732,614
Total operating revenue	11,728,924	12,288,119
Operating expenses		
Expenses related to rent business	4,671,319	4,624,133
Asset management fee	590,674	609,350
Asset custody fee	16,665	16,698
Administrative service fees	29,015	26,163
Directors' compensations	8,400	8,400
Other operating expenses	117,204	123,586
Total operating expenses	5,433,279	5,408,333
Operating income	6,295,644	6,879,786
Non-operating income		
Interest income	2,696	269
Reversal of distribution payable	517	2,432
Insurance income	-	216
Refund of property taxes	13,833	-
Other	3	-
Total non-operating income	17,051	2,918
Non-operating expenses		
Interest expenses	368,174	304,253
Interest expenses on investment corporation bonds	40,583	41,256
Amortization of investment corporation bond issuance costs	4,161	4,161
Other	17,207	30,927
Total non-operating expenses	430,127	380,598
Ordinary income	5,882,568	6,502,106
Income before income taxes	5,882,568	6,502,106
Income taxes – current	890	719
Income taxes – deferred	(8)	10
Total income taxes	882	730
Net income	5,881,686	6,501,376
Retained earnings brought forward	-	330
Unappropriated retained earnings	¥ 5,881,686	¥ 6,501,707

Statement of Cash Flows

(Thousands of Yen)

	For the 42nd Period from January 1, 2025 to June 30, 2025	For the 41st Period from July 1, 2024 to December 31, 2024
Cash flows from operating activities		
Income before income taxes	¥ 5,882,568	¥ 6,502,106
Depreciation and amortization	1,986,744	1,933,329
Amortization of investment corporation bond issuance costs	4,161	4,161
Interest income	(2,696)	(269)
Interest expenses	408,758	345,509
Decrease (increase) in operating accounts receivable	4,787	(9,916)
Decrease (increase) in prepaid expenses	11,683	14,403
Increase (decrease) in operating accounts payable	34,036	(94,754)
Increase (decrease) in accrued expenses	(12,017)	(7,229)
Increase (decrease) in accrued consumption taxes	(106,948)	(429,374)
Decrease (increase) in consumption taxes receivable	(329,814)	-
Increase (decrease) in advances received	(16,449)	14,175
Decrease in property, plant and equipment in trust due to sale	-	1,811,839
Other, net	(20,730)	(47,291)
Subtotal	7,844,083	10,036,689
Interest income received	1,548	269
Interest expenses paid	(412,843)	(344,282)
Income taxes paid	(915)	(969)
Net cash provided by (used in) operating activities	7,431,872	9,691,706
Cash flows from investing activities		
Purchase of property, plant and equipment	(392,558)	(3,202,631)
Purchase of property, plant and equipment in trust	(11,348,086)	(222,093)
Purchase of intangible assets	-	(3,150)
Repayments of tenant leasehold and security deposits	(451,615)	(446,336)
Proceeds from tenant leasehold and security deposits	27,265	153,960
Repayments of tenant leasehold and security deposits in trust	(12,391)	(155,917)
Proceeds from tenant leasehold and security deposits in trust	350,633	500
Payments for restricted bank deposits in trust	(13,133)	(500)
Proceeds from reversal of restricted bank deposits in trust	12,391	155,917
Net cash provided by (used in) investing activities	(11,827,494)	(3,720,251)
Cash flows from financing activities		
Proceeds from long-term loans payable	17,000,000	8,000,000
Repayment of long-term loans payable	(7,000,000)	(8,000,000)
Distributions of earnings paid	(5,949,823)	(5,965,969)
Net cash provided by (used in) financing activities	4,050,176	(5,965,969)
Net increase (decrease) in cash and cash equivalents	(345,445)	5,485
Cash and cash equivalents at beginning of period	16,486,312	16,480,826
Cash and cash equivalents at end of period (Note)	¥ 16,140,867	¥ 16,486,312

Note: There are restricted cash ¥ 131million (41st) and ¥ 132 million (42nd) for repayments of lease and guarantee deposits received.