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### **Fukuoka REIT Corporation Concludes Agreement to Purchase New Property**

Fukuoka REIT Corporation (FRC) announces that Fukuoka Realty Co., Ltd., the asset management company to which FRC entrusts the management of its assets, decided to acquire the following domestic real estate today.

#### 1. Summary of Acquisition

Property name	Use	Location	Acquisition price (planned)	Acquisition date (planned)
Park Place Oita Daiichi Parking	Parking	1-chome Koen Dori Nishi, Oita City	860 million yen	July 6, 2018

#### 2. Reason for Acquisition

FRC invests primarily in retail properties with excellent design and entertainment qualities and Class A office buildings, focusing on the Fukuoka and Kyushu region. Other than retail properties and office buildings, FRC also works to acquire properties which, by capitalizing on its community-based strengths to establish appropriate management structures for each property and through other measures, will allow it to secure stable earnings over the medium to long term. By incorporating such properties into its portfolio, FRC intends to pursue risk diversification within the region.

Park Place Oita Daiichi Parking (hereafter, the “Property”), the property to be acquired, is a parking lot exclusively for customers of Park Place Oita already owned by FRC and is the nearest parking lot to the center of Park Place Oita among parking lots located outside the premises. The facility currently has parking available for approximately 4,000 vehicles with a high occupancy rate, and becomes nearly full on weekends, holidays, etc. Of the people who visit Park Place Oita, approximately 90 percent use cars as a means for transport and FRC believes that securing additional lots to accommodate such demand is an important issue.

The Property to be acquired is owned by FUKUOKA JISHO CO.,LTD., a sponsor of the asset management company, as residential land for sale and is used as a parking lot exclusively for customers of Park Place Oita. FUKUOKA JISHO CO.,LTD. had been considering selling the land. In the case that a third party other than FRC acquired the Property and used it other than as a parking lot, the capacity of the parking lot would have been reduced and risks such as increased congestion on weekends, holidays, etc. in surrounding areas as well as a decrease in the number of visitors could be presumed. Thus, it was judged that FRC acquiring the Property is most appropriate for the operation of Park Place Oita.

FRC believes the acquisition of the Property enables integrated management and operation of the Property

together with Park Place Oita and expects the abatement of any risk of decrease in number of visitors due to shortage of parking lots.

### 3. Details of Property for Acquisition

#### (1) Overview of Acquisition

1) Asset to be acquired <sup>(Note 1)</sup> :	Real estate trust beneficiary interest (Trustee: Sumitomo Mitsui Trust Bank, Limited (planned))
2) Property name:	Park Place Oita Daiichi Parking
3) Acquisition price (planned) <sup>(Note 2)</sup> :	860 million yen
4) Appraisal value:	867 million yen (as of June 1, 2018)
5) Acquisition date (planned):	July 6, 2018
6) Seller:	FUKUOKA JISHO CO.,LTD.
7) Funding:	Cash on hand
8) Payment method:	Lump-sum payment upon delivery

(Note 1) Although the asset to be acquired is in the form of actual real estate at present, the current owner plans to place it in a trust for the trustee and FRC plans to acquire the beneficiary interest in said trust by the planned acquisition date.

(Note 2) The acquisition price (planned) does not include acquisition expenses, amounts equivalent to the settlement of property taxes and city planning taxes, consumption taxes on the building and other expenses.

#### (2) Overview of Asset to be acquired

Property name	Park Place Oita Daiichi Parking	
Asset to be acquired	Real estate trust beneficiary interest	
Acquisition price (planned)	860 million yen	
Trustee	Sumitomo Mitsui Trust Bank, Limited (planned)	
Term of real estate trust	From July 6, 2018 to November 30, 2027(planned)	
Location (address)	6675-6, 1-chome Koen Dori Nishi, Oita City and seven other lots	
Land	Area	26,018 m <sup>2</sup>
	Zoning	Class-2 residential area
	Floor space ratio	200%
	Building coverage	60%
	Type of ownership	Ownership
Building	Structure/floor	-
	Built	-
	Total floor space	-
	Use	-
	Type of ownership	-
Appraisal value	867 million yen (as of June 1, 2018)	
Appraiser	Japan Real Estate Institute	
Collateral	None	
MLPM Company	FJ. Entertainment Works Co.,Ltd. (planned)	
Earthquake PML	-	
Special note	None	

(\*) Figures for location and area are based on the indication on the registry.

(3) Outline of Leasing

For the Property, a lease agreement for land for parking was concluded. The agreement is to be finalized with the acquisition of the Property. Accordingly, other annual leasing expenses are planned to be reduced by around 12 million yen for Park Place Oita.

(4) Outline of Lease

Company name	FUKUOKA JISHO CO.,LTD.
Address	2-25, 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City
Activities	1. Engaged in urban development and Leasing 2. Operating Management of retail facilities and consulting business 3. Insurance agency
Representative title and name	Ichiro Enomoto, President and C.E.O
Specified capital	4,000 million yen (as of May 31, 2017)
Establishment	July 19, 1961
Net assets	146,822 million yen (as of May 31, 2017)
Total assets	52,708 million yen (as of May 31, 2017)
Relationship with FRC and the asset management company	
Capital relationship	The seller is a shareholder of FRC's asset management company, Fukuoka Realty Co., Ltd., with equity of 50%. The company also owns 66,075 investment units of FRC as of February 28, 2018).
Personnel relationship	The seller has dispatched two part-time directors to the asset management company.
Business relationship	The seller has such transactions with FRC and the asset management company as property management services, brokerage of real estate transactions and lease of properties owned by FRC. There is no relationship to note between the affiliates or affiliated companies of the seller and the affiliates or affiliated companies of FRC and the asset management company.
Related parties or not	The seller falls within the scope of related parties of FRC. The seller falls within the scope of parent company, etc., designated in the Financial Instruments and Exchange Act, of the asset management company.

(5) Profile of Previous Owners

Property name	Park Place Oita Daiichi Parking	
Status of previous owners	Owner	Previous owner
Company name	FUKUOKA JISHO CO.,LTD.	— (Note 1)
Relationship with special interested parties	A shareholder of the asset management company (with equity of 50%)	—
Background and reason of acquisition, etc.	For the purpose of development	—
Acquisition price	Omitted as the owner has owned the property for over 1 year	—
Acquisition date	April, 2009	—

(Note 1) The previous owner is a corporation that was absorbed by the owner, FUKUOKA JISHO CO.,LTD., as of March 1, 2011

(6) Sales Agent Profile

None

(7) Form of Payment

FRC is scheduled to pay the acquisition fee in full on the scheduled acquisition date (July 6, 2018) with cash on hand.

(8) Transaction with Interested Parties

1) FUKUOKA JISHO CO.,LTD., the seller of the Property, falls within the scope of interested parties of the asset management company. Accordingly, the asset management company has conducted discussions and obtained approval from its Investment Management Committee, Compliance Assessment Committee and Board of Directors concerning the acquisition price and other terms for the Property, pursuant to the regulations and other rules of the asset management company.

2) FRC plans to conclude a real estate lease and management consignment agreement with FJ. Entertainment Works Co.,Ltd., in order to consign the latter with the tenant management and property management work for the Property. The same procedures for discussions and approvals as 1) above have been followed for concluding the agreement.

(9) Acquisition Schedule

June 29, 2018	Decision of acquisition
July 6, 2018	Conclusion of agreement (planned)
July 6, 2018	Payment (planned)
July 6, 2018	Delivery of the property (planned)

4. Outlook

As the impact of the acquisition on FRC's operating forecast for the fiscal period ending August 2018 (March 1, 2018 – August 31, 2018) and for the fiscal period ending February 2019 (September 1, 2018 – February 28, 2019), which were announced in the "Earnings Briefing for the Period Ended February 2018" dated April 12, 2018 is minimal, there will be no changes to the forecast.

5. Overview of Appraisal Report

Property name	Park Place Oita Daiichi Parking	
Appraiser	Japan Real Estate Institute	
Appraisal value	867,000,000 yen	
Pricing date	As of June 1, 2018	
-	Figures	Reasons, etc.
Value indicated by the sales comparison approach	861,000,000 yen	-
Value indicated by the DCF method for development project	867,000,000 yen	Assumed cases where the subject property is reclaimed and a low-rise store is developed, operated and sold.

\*This document was distributed to Kabuto Club (press club within the Tokyo Stock Exchange), Press Club for the Ministry of Land, Infrastructure, Transport and Tourism, Construction Trade Paper Press Club for the Ministry of Land, Infrastructure, Transport and Tourism, Fukuoka Economic Press Club, and Fukuoka Securities Finance Press Club

\*Fukuoka REIT Corporation's website is <http://www.fukuoka-reit.jp/eng/>

(Attachments)

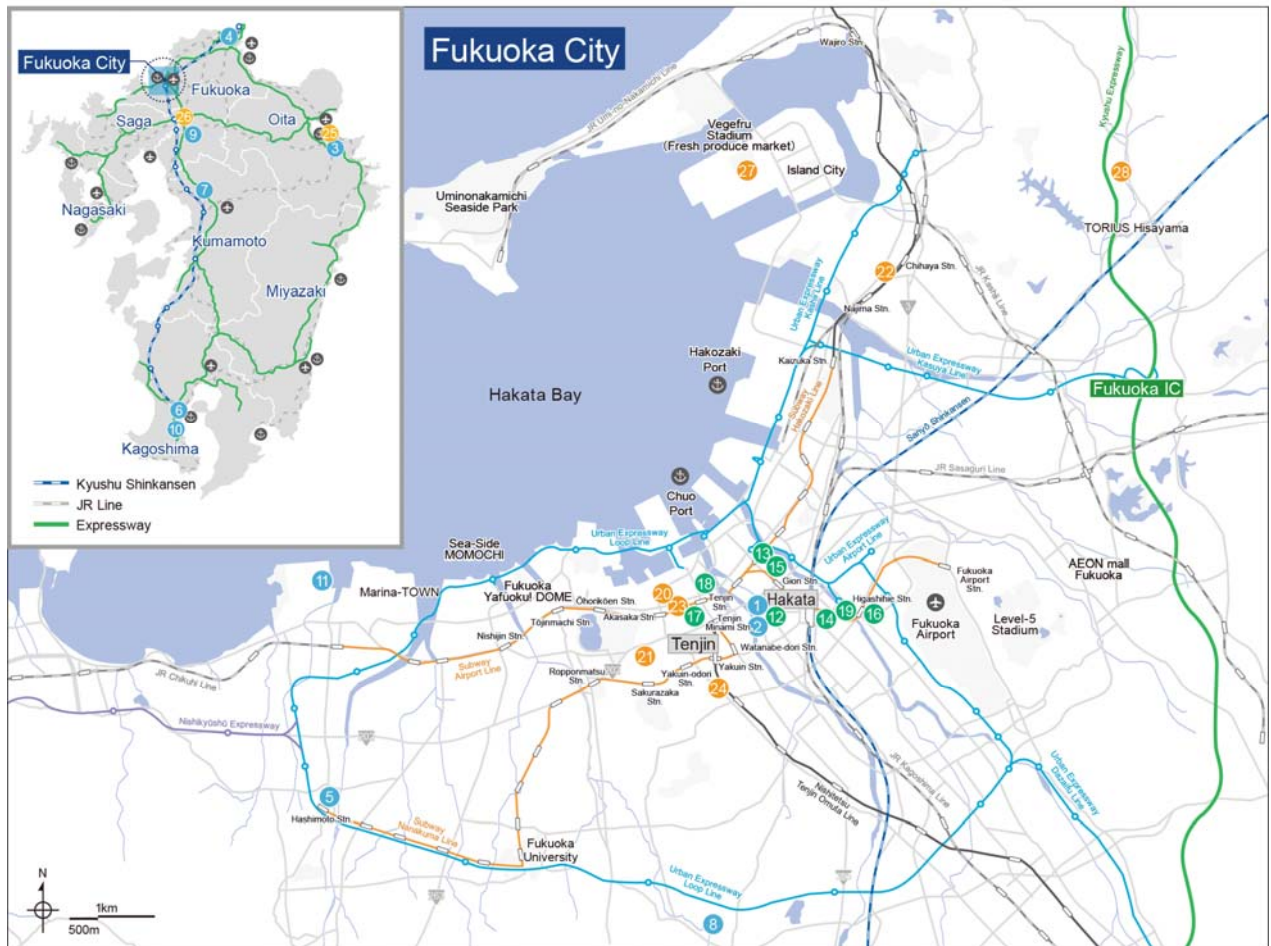
Reference 1: Location of the Property  
Reference 2: Map of FRC's Portfolio  
Reference 3: FRC Portfolio List

Reference 1: Location of the Property



## Reference 2: Map of FRC's Portfolio

<b>1 Canal City Hakata</b> ■Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City ■Acquisition date : Nov. 9, 2004 ■Acquisition price : 32 bn yen	<b>2 Canal City Hakata・B</b> ■Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City ■Acquisition date : Mar. 2, 2011 ■Acquisition price : 28.7 bn yen	<b>3 Park Place Oita</b> ■Address : 2-chome, Koen Dori Nishi, Oita City ■Acquisition date : Nov. 9, 2004 / May 28, 2015 ■Acquisition price (planned) : 18.6 bn yen	<b>4 SunLiveCity Kokura</b> ■Address : 2-chome, Kami Kuzuhara, Kokura Minami Ward, Kitakyushu City ■Acquisition date : Jul. 1, 2005 ■Acquisition price : 6.6 bn yen	<b>5 Konoha Mall Hashimoto</b> ■Address : 2-chome, Hashimoto, Nishi Ward, Fukuoka City ■Acquisition date : Mar. 1, 2018 ■Acquisition price : 10 bn yen
<b>6 Square Mall Kagoshima Usuki</b> ■Address : 2-chome, Usuki, Kagoshima City ■Acquisition date : Sep. 28, 2006 ■Acquisition price : 5.3 bn yen	<b>7 Kumamoto Intercommunity SC</b> ■Address : 1-chome, Kozono, Higashi Ward, Kumamoto City ■Acquisition date : Nov. 30, 2006 ■Acquisition price : 2.4 bn yen	<b>8 Hanahata SC</b> ■Address : 4-chome, Hanahata, Minami Ward, Fukuoka City ■Acquisition date : Sep. 3, 2007 ■Acquisition price : 1.1 bn yen	<b>9 Kurume Higashi Kushiwara SC</b> ■Address : Higashi kushiwara, Kurume City ■Acquisition date : Feb. 1, 2008 ■Acquisition price : 2.5 bn yen	<b>10 K's Denki Kagoshima</b> ■Address : Tokai-cho, Kagoshima City ■Acquisition date : Mar. 27, 2008 ■Acquisition price : 3.5 bn yen
<b>11 Marinoa City Fukuoka (Marina Side Building)</b> ■Address : 2-chome, Odo, Nishi Ward, Fukuoka City ■Acquisition date : May 1, 2015 ■Acquisition price : 5.2 bn yen	<b>12 Canal City Business Center Building</b> ■Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City ■Acquisition date : Nov. 9, 2004 ■Acquisition price : 14.6 bn yen	<b>13 Gofukumachi Business Center</b> ■Address : Kami Gofukumachi, Hakata Ward, Fukuoka City ■Acquisition date : Nov. 9, 2004 ■Acquisition price : 11.2 bn yen	<b>14 Sanix Hakata Building</b> ■Address : 2-chome, Hakataekihigashi, Hakata Ward, Fukuoka City ■Acquisition date : Sep. 30, 2005 ■Acquisition price : 4.4 bn yen	<b>15 Taihaku Street Business Center</b> ■Address : Gokushomachi, Hakata Ward, Fukuoka City ■Acquisition date : Mar. 16, 2006 ■Acquisition price : 7 bn yen
<b>16 Higashi Hie Business Center</b> ■Address : 3-chome, Higashi-hie, Hakata Ward, Fukuoka City ■Acquisition date : Mar. 13, 2009 ■Acquisition price : 5.9 bn yen	<b>17 Tenjin Nishi-Dori Center Building</b> ■Address : 2-chome, Tenjin, Chuo Ward, Fukuoka City ■Acquisition date : Feb. 1, 2013 ■Acquisition price : 2.6 bn yen	<b>18 Tenjin North Front Building</b> ■Address : 4-chome, Tenjin, Chuo Ward, Fukuoka City ■Acquisition date : Mar. 28, 2013 ■Acquisition price : 2.8 bn yen	<b>19 Higashi Hie Business Center II</b> ■Address : 1-chome, Higashi-hie, Chuo Ward, Fukuoka City ■Acquisition date : Mar. 1, 2018 ■Acquisition price : 4.2 bn yen	<b>20 Amex Akasakamon Tower</b> ■Address : 2-chome, Maizuru, Chuo Ward, Fukuoka City ■Acquisition date : Sep. 1, 2006 ■Acquisition price : 2 bn yen
<b>21 City House Keyaki Dori</b> ■Address : 2-chome, Kego, Chuo Ward, Fukuoka City ■Acquisition date : Dec. 20, 2007 ■Acquisition price : 1.1 bn yen	<b>22 Aqualia Chihaya</b> ■Address : 4-chome, Chihaya, Higashi Ward, Fukuoka City ■Acquisition date : Mar. 1, 2012 ■Acquisition price : 1.2 bn yen	<b>23 D-Wing Tower</b> ■Address : 2-chome, Daimyo, Chuo Ward, Fukuoka City ■Acquisition date : Mar. 1, 2013 ■Acquisition price : 2.8 bn yen	<b>24 Granfore Yakuin Minami</b> ■Address : 1-chome, Hirao, Chuo Ward, Fukuoka City ■Acquisition date : Nov. 4, 2014 ■Acquisition price : 1.1 bn yen	<b>25 Hotel FORZA Oita</b> ■Address : 1-chome, Chuo-machi, Oita City ■Acquisition date : Mar. 1, 2013 ■Acquisition price : 1.5 bn yen
<b>26 Tosu Logistics Center</b> ■Address : Hmekatama-cho Aza, Tosu City, Saga ■Acquisition date : Mar. 28, 2014 ■Acquisition price : 1.2 bn yen	<b>27 LOGICITY Minato Kashii</b> ■Address : 2-chome, Minatokashi, Chuo Ward, Fukuoka City ■Acquisition date : Mar. 27, 2015 ■Acquisition price : 8.1 bn yen	<b>28 LOGICITY Hisayama</b> ■Address : Hisayama-machi, Kasuya-gun, Fukuoka City ■Acquisition date : Jun. 1, 2017 ■Acquisition price : 5.0 bn yen	■ Retail ■ Office buildings ■ Others (*Figures round down to nearest 100mm yen)	



## Reference 3: FRC Portfolio List

Use	Property Name	Acquisition Date (planned)	Acquisition Price (planned) (mm yen) (Note 1)	Acquisition Cap Rate (NCF basis) (Note 2)	Investment Ratio
Retail	Canal City Hakata	Nov. 9, 2004	32,000	6.0%	16.6%
	Canal City Hakata • B	Mar. 2, 2011	28,700	5.4%	14.9%
	Park Place Oita	Nov. 9, 2004 (Initial acquisition) May 28, 2015 (Additional acquisition of a part of land) Sep. 1, 2016 (Additional acquisition of a part of land and building) July 6, 2018 (Additional acquisition of a part of land)	18,620	6.0%	9.6%
	SunLiveCity Kokura	Jul. 1, 2005	6,633	6.6%	3.4%
	Konoha Mall Hashimoto	Mar. 1, 2018	10,000	5.3%	5.2%
	Square Mall Kagoshima Usuki	Sep. 28, 2006	5,300	6.3%	2.7%
	Kumamoto Intercommunity SC	Nov. 30, 2006	2,400	6.5%	1.2%
	Hanahata SC	Sep. 3, 2007	1,130	6.4%	0.6%
	Kurume Higashi Kushiwara SC	Feb. 1, 2008	2,500	6.1%	1.3%
	K's Denki Kagoshima	Mar. 27, 2008	3,550	5.7%	1.8%
	Marinoa City Fukuoka (Marina Side Building)	May 1, 2015	5,250	5.5%	2.7%
Office buildings	Canal City Business Center Building	Nov. 9, 2004	14,600	6.3%	7.6%
	Gofukumachi Business Center	Nov. 9, 2004	11,200	6.3%	5.8%



	Sanix Hakata Building	Sep. 30, 2005	4,400	5.9%	2.3%
	Taihaku Street Business Center	Mar. 16, 2006	7,000	6.0%	3.6%
	Higashi Hie Business Center	Mar. 13, 2009	5,900	6.0%	3.1%
	Tenjin Nishi-Dori Center Building	Feb. 1, 2013	2,600	5.4%	1.3%
	Tenjin North Front Building	Mar. 28, 2013	2,800	6.1%	1.4%
	Higashi Hie Business Center II	Mar. 1, 2018	4,230	4.9%	2.2%
Others	Amex Akasakamon Tower	Sep. 1, 2006	2,060	5.4%	1.1%
	City House Keyaki Dori	Dec. 20, 2007	1,111	5.5%	0.6%
	Aqualia Chihaya	Mar. 1, 2012	1,280	6.8%	0.7%
	D-Wing Tower	Mar. 1, 2013	2,800	5.9%	1.4%
	Granfore Yakuin Minami	Nov. 4, 2014	1,100	5.6%	0.6%
	Hotel FORZA Oita	Mar. 1, 2013	1,530	6.6%	0.8%
	Tosu Logistics Center	Mar. 28, 2014	1,250	5.9%	0.6%
	LOGICITY Minato Kashii	Mar. 27, 2015	8,150	5.2%	4.2%
	LOGICITY Hisayama	Jun. 1, 2017	5,050	5.1% (Note3)	2.6%
Total or weighted average of all properties		—	193,144	5.8%	100.0%

(Note 1) All figures in the Acquisition Price (planned) column indicate the acquisition price written in the sales agreement between FRC and the seller, and exclude charges, taxes and other expenses.

(Note 2) Figures in the Acquisition Cap Rate column have been calculated using the direct capitalization method: NCF/planned acquisition value x 100 (%) of the appraisal assessment and rounded off to the first decimal place. The Acquisition Cap Rate for Park Place Oita is calculated using the total of direct capitalization method NCFs and acquisition prices stated in the appraisal reports for Park Place Oita acquired on November 9, 2004, the adjacent land (parking (land)) acquired on May 28, 2015, Sports Club NAS Park Place Oita acquired on September 1, 2016 and Park Place Oita Daiichi Parking to be acquired on July 6, 2018

(Note 3) Does not include a solar power generating system.