



Fukuoka REIT Corporation

Overview of the 36th fiscal period performance [8968] Security code March 1st, 2022 ~ August 31st, 2022

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*Regarding rounding of amounts, percentage, and ratios: unless otherwise noted, in these materials, monetary amounts are rounded down to the nearest whole unit, and percentages and ratios are rounded off to one decimal places.
*The figure in tsubo is obtained by converting the square-meter figure to tsubo, rounded down to the nearest whole number.

These materials may contain future performance, plans, management targets and strategies. These forward-looking descriptions are based on present assumptions on future events and trends in the business environment, but such assumptions may not necessarily be accurate.

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Executive summary

Distribution for the 36th Fiscal Period is +23 yen compared to the forecast

New acquisition of property (acquired on March 1, 2022)

Property name	Hakata Chikushi-Dori Center Building	Acquisition price	4,320 mm yen
		Appraisal value	4,540 mm yen
Location	Hakata Ward, Fukuoka City	NOI yield (*1)	5.3%

(*1) The indicated figure is based on the NOI described in the appraisal report.

Owned properties

Retail properties Overall, sales are recovering, and events were held to attract customers alongside implementation of measures to prevent infection

Initiatives by each facility

- Canal City Hakata : Commenced activities towards the start of the future-oriented project to evolve the property
- Park Place Oita : Renovations aimed at enhancing attractiveness to families and making the facility more dynamic
- Konoha Mall Hashimoto : Food court renovations to address shortage of seats and improve the atmosphere

Office buildings

- the period-end occupancy rate : 99.7%
- Promoted rent increase in line with tenant replacement and contract renewal

Increase in monthly rent
(upon rent revision and tenant replacement) **+4.2 mm yen**

Others

- Logistics : Occupancy rate is 100%
- Residence : End-of-period occupancy rate for residence is 96.0%, and rent increase due to tenant replacements has continued
- Hotel : FRC owns only hotels specialized for accommodation which have limited risks compared to full-service hotels

Financial Management

Total debt	Committed line	Fixed rate	Average remaining duration to maturity	LTV (*2)
83,900 mm yen	13,000 mm yen	93.4%	5.4 years J-REITs' average: 4.3 years (*3)	41.7% J-REITs' average: 44.5% (*3)

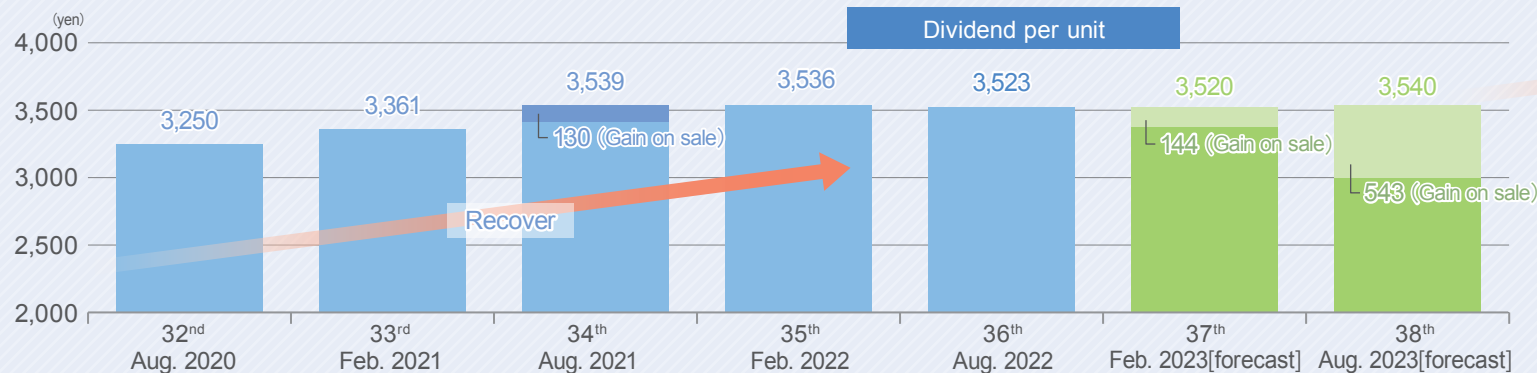
(*2) LTV is calculated as total interest-bearing debt divided by total assets.

(*3) Indicates the average value of the latest account settlement figures of all investment corporations as of August 2022, calculated by Fukuoka Realty based on their disclosure materials.

Sustainability

- Endorsement of TCFD (Task Force on Climate-Related Financial Disclosures) (Sept. 2022)
- Assessment of financial impacts based on scenario analysis
- External certification – GRESB Real Estate Assessment: “4 Stars”, Disclosure Assessment: “A Level”
– Green Building certification obtained for 77.8%

Dividend per unit



Toward growth phase

[Dividend per unit]

36th Actual 3,523 yen (compared with the forecast +23yen)

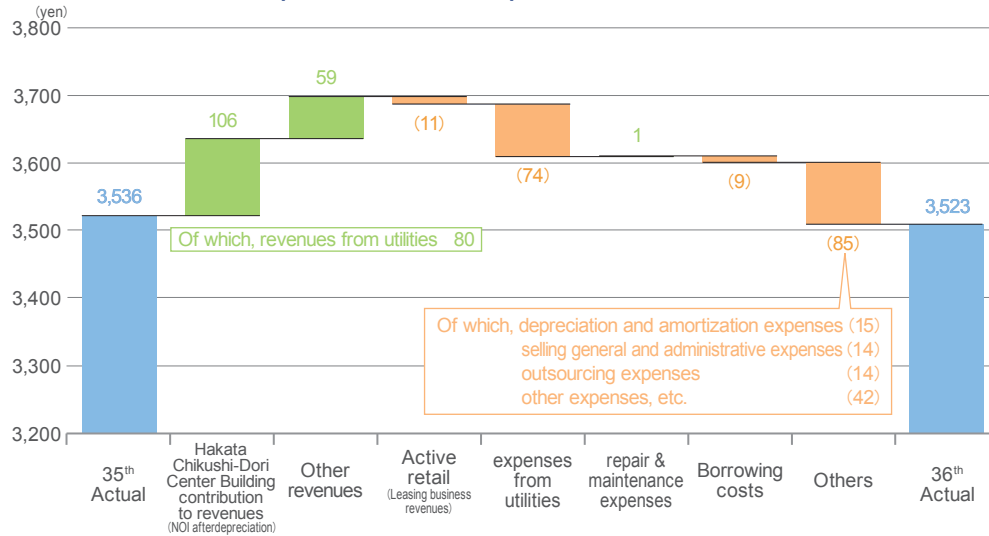
37th Forecast 3,520 yen (compared with the forecast at 35th +20yen)

38th Forecast 3,540 yen (compared with the forecast at 37th +20yen)

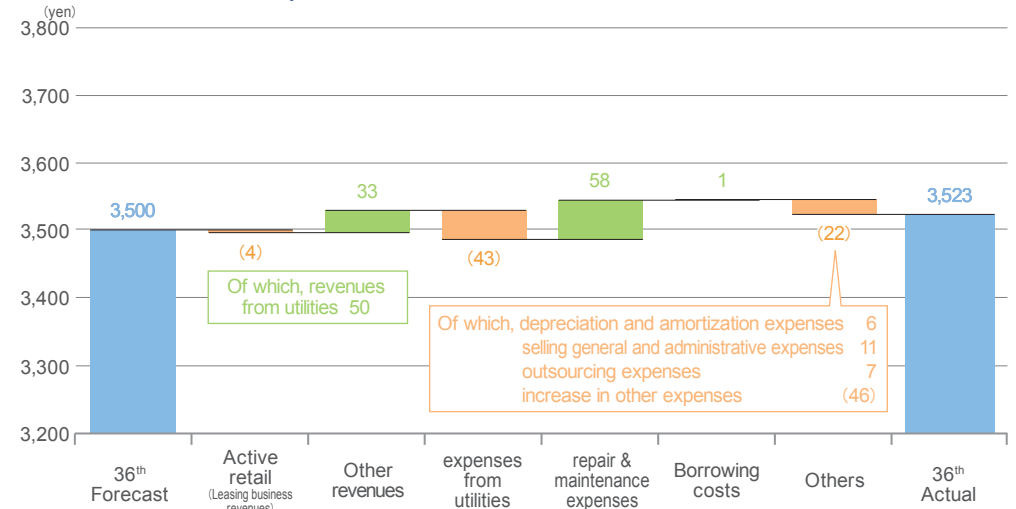
Dividend per unit

36th Actual was 3,523 yen, 37th Forecast projects a decrease to 3,520 yen and 38th Forecast projects an increase to 3,540 yen

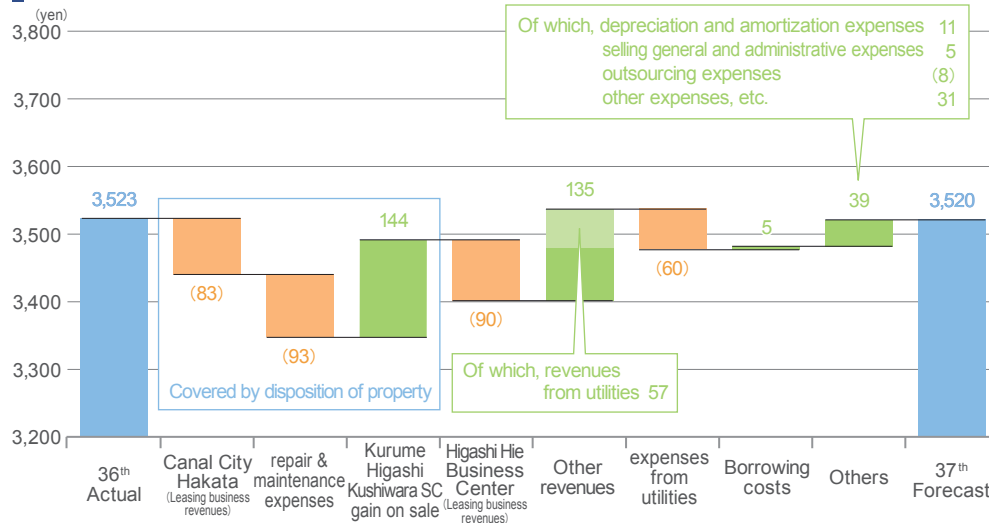
36th Actual (compared with the previous FP)



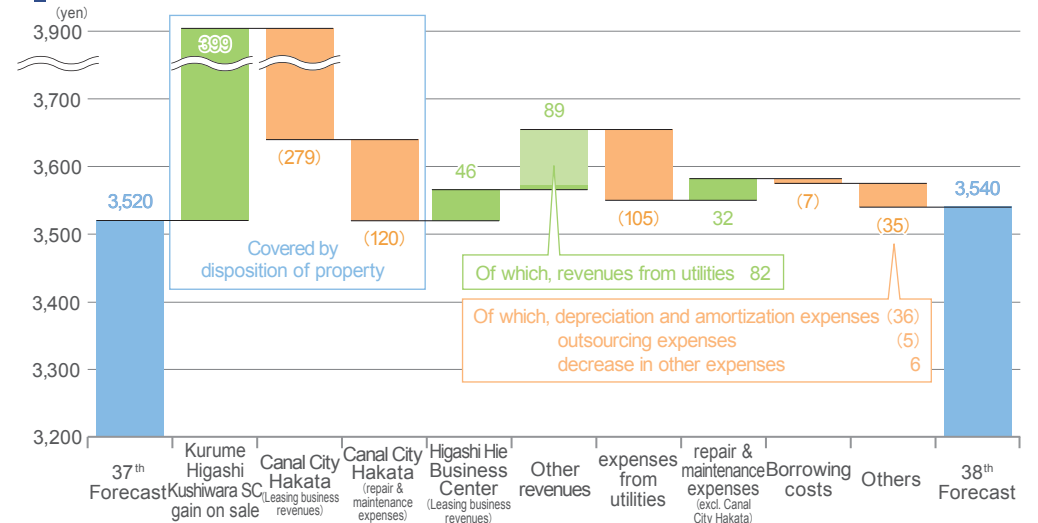
36th Actual (compared with the forecast)



37th Forecast



38th Forecast



Statements of Income (compared with the previous fiscal period)

Absorbed increased costs through newly acquired property's contribution to revenue

- unit : mm yen

Sign indicates impact on profit (unit : mm yen)

Account		35 th ~Feb. 28, 2022 A	36 th ~Aug. 31, 2022 B	Difference B - A
Operating profit and loss	Total operating revenues	8,658	8,830	171
	Operating revenues excluding gain on sale	8,658	8,830	① 171
	Gain on sale	-	-	-
	Total operating expenses	5,472	5,648	175
	Expenses related to leasing business	4,810	4,974	② 163
	Asset management fees	526	534	8
	Asset custody fees	7	7	0
	Administrative service fees	57	60	2
	Director's compensations	9	6	(3)
	Other operating expenses	61	65	3
Operating income		3,185	3,181	(3)
Non-Operating profit and loss	Total non-operating revenues	0	1	0
	Total non-operating expenses	370	377	7
	Interest expenses (incl. investment corporation bonds)	271	278	7
	Financing related expenses	96	97	1
	Others	2	1	(0)
Ordinary income		2,816	2,805	(11)
Profit before income taxes		2,816	2,805	(11)
Total income taxes		1	1	0
Profit		2,814	2,804	(10)

■ Operating profit and loss

① New acquisition of Hakata Chikushi-Dori Center Building	+133
Active retail	(9)
-of which, Canal City Hakata/Canal City Hakata-B	+14
Park Place Oita	(30)
Konoha Mall Hashimoto	(1)
SunLive City Kokura	+8
Office buildings (excl. Hakata Chikushi-Dori Center Building)	+28
Others	+19
Total	+171
(of which, revenues from utilities +63)	

② Increase in outsourcing expenses	(29)
Increase in expenses from utilities	(68)
Decrease in repair & maintenance expenses	+1
Increase in taxes and other public charges	(7)
Increase in depreciation and amortization expenses	(28)
Increase in other expenses	(32)
Total	(163)

Dividend	Total dividends	2,814	2,804	(10)
	Dividend per unit (yen)	3,536	3,523	(13)

Statements of Income (compared with the forecast)

Due to factors such as increased office building and residential rent and an improvement in utility income and expenditures, the forecast was surpassed by 23 yen

- unit : mm yen

Sign indicates impact on profit (unit : mm yen)

Account		36 th Forecast at 35 th A	36 th Actual B	Difference B - A	
Ordinary profit and loss	Operating profit and loss	Total operating revenues	8,807	8,830	① 22
		Leasing revenues - real estate		8,160	
		Other leasing revenues - real estate		669	
		Total operating expenses	5,640	5,648	② 8
		Expenses related to leasing business		4,974	
		Asset management fees		534	
		Asset custody fees		7	
		Administrative service fees		60	
		Director's compensations		6	
	Other operating expenses		65		
	Operating income	3,167	3,181	13	
	Non-Operating profit and loss	Total non-operating revenues	0	1	0
		Total non-operating expenses	381	377	(3)
Interest expenses (incl. investment corporation bonds)			278		
Financing related expenses			97		
Others		1			
Ordinary income	2,787	2,805	17		
Profit before income taxes	2,787	2,805	17		
Total income taxes	1	1	(0)		
Profit	2,786	2,804	17		

Operating profit and loss

① Active retail	(3)
-of which, Canal City Hakata/Canal City Hakata-B	+9
Konoha Mall Hashimoto	+6
SunLive City Kokura	(20)
Office buildings	+13
Others	+12
Total	+22
(of which, revenues from utilities +40)	
② Decrease in outsourcing expenses	+6
Increase in expenses from utilities	(34)
Decrease in repair & maintenance expenses	+46
Increase in taxes and other public charges	(4)
Decrease in depreciation and amortization expenses	+5
Decrease in selling general and administrative expenses	+9
Increase in other expenses	(36)
Total	(8)

Dividend	Total dividends	2,786	2,804	18
	Dividend per unit (yen)	3,500	3,523	23

Business forecast (the 37th fiscal period, Feb. 2023)

Canal City Hakata mostly absorbed the negative impact of repair expenses through gain on sale

Forecast in the 37th fiscal period

- unit : mm yen

Account	36 th Actual A	37 th Forecast at 35 th B	37 th Forecast at 36 th C	36 th Actual difference C-A	37 th Forecast difference C-B
Operating revenues	8,830	8,749	8,915	84	166
Operating revenues excluding gain on sales	8,830	8,749	8,800	① (30)	51
Gain on sales	-	-	115	② 115	115
Operating expenses	5,648	5,589	5,737	③ 88	148
Operating income	3,181	3,159	3,177	(3)	17
Non-operating revenues	1	0	0	(0)	-
Non-operating expenses	377	372	375	(2)	2
Ordinary income	2,805	2,787	2,803	(2)	15
Profit	2,804	2,786	2,801	(2)	15
Total dividends	2,804	2,786	2,801	(2)	15
Dividend per unit (yen)	3,523	3,500	3,520	(3)	20

Sign indicates impact on profit (unit : mm yen)

■ Difference between the 36th FP actual and the 37th FP forecast

① Active retail	+41
-of which, Canal City Hakata/Canal City Hakata-B	(66)
Park Place Oita	+54
Konoha Mall Hashimoto	+28
SunLive City Kokura	+24
Higashi Hie Business Center	(71)
Hakata Chikushi-Dori Center Building	(7)
Office buildings(excl. Higashi Hie Business Center and Hakata Chikushi-Dori Center Building)	+21
Others	(14)
Total :	(30)
(of which, revenues from utilities +45)	
② Kurume Higashi Kushiwara SC gain on sale (15% co-ownership interest)	+115
Total :	+115
③ Increase in outsourcing expenses	(7)
Increase in expenses from utilities	(48)
Increase in repair & maintenance expenses	(74)
Decrease in depreciation and amortization expenses	+9
Decrease in selling general and administrative expenses	+4
Decrease in other expenses	+28
Total :	(88)

Business forecast (the 38th fiscal period, Aug. 2023)

Due to factors such as favorable leasing and rent increase in office buildings, the dividend increased by 20 yen

Forecast in the 38th fiscal period

- unit : mm yen

Account	37 th Forecast at 36 th A	38 th Forecast at 36 th B	37 th Forecast difference B-A
Operating revenues	8,915	9,119	204
Operating revenues excluding gain on sales	8,800	8,686	① (113)
Gain on sales	115	433	② 317
Operating expenses	5,737	5,920	③ 182
Operating income	3,177	3,199	21
Non-operating revenues	0	0	-
Non-operating expenses	375	381	5
Ordinary income	2,803	2,819	15
Profit	2,801	2,817	15
Total dividends	2,801	2,817	15
Dividend per unit (yen)	3,520	3,540	20

Sign indicates impact on profit (unit : mm yen)

■ Difference between the 37th FP forecast and the 38th FP forecast

① Active retail	(193)
- of which, Canal City Hakata/Canal City Hakata-B	(222)
Park Place Oita	+40
Konoha Mall Hashimoto	+3
SunLive City Kokura	(14)
Higashi Hie Business Center	+37
Office buildings(excl. Higashi Hie Business Center)	+34
Others	+9
Total :	(113)
	(of which, revenues from utilities +65)
② Kurume Higashi Kushiwara SC gain on sale (55% co- ownership interest)	+317
Total :	+317
③ Increase in outsourcing expenses	(4)
Increase in expenses from utilities	(83)
Increase in repair & maintenance expenses	(70)
Increase in taxes and other public charges	(35)
Increase in depreciation and amortization expenses	(29)
Increase in selling general and administrative expenses	(2)
Decrease in other expenses	+41
Total :	(182)

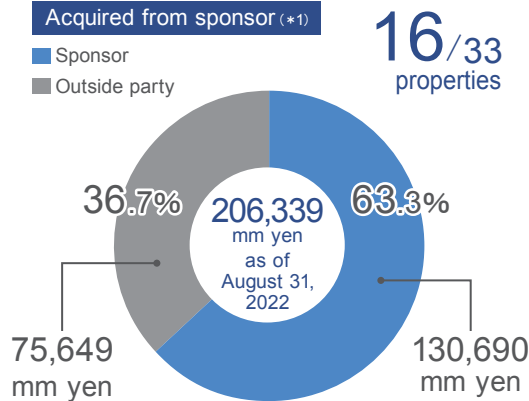
External Growth Initiatives

Aiming for an asset size of 250 billion yen by diversifying risks by investment type as a comprehensive REIT

Sponsor pipelines

- Several redevelopment projects are underway in the Tenjin and Hakata areas
- Completed development of logistics facilities in September 2020. Scheduled to continue development of logistics facilities
- Fukuoka Jisho owns 9.18% of FRC's investment units through same-boat investment (as of August 31, 2022)

(*1) Because the Higashi Hie Business Center that was acquired in the 10th FP, August 31, 2009, was acquired from both the outside party and the sponsor, the purchase price has been added to the purchase prices from outside parties and the purchase prices from the sponsor after calculation on a per capita basis. Furthermore, with regard to the number of properties, one property has been added to the number of properties acquired from the sponsor.



Community-based sourcing strategy

- Acquire properties from external sources by utilizing the information ability and know-how of the Asset Manager which is well versed in individual conditions in the Fukuoka and Kyushu area
- Propose wide-ranging CRE strategies by grasping customers' needs as early as possible (ex. leaseback, base consolidation, putting land with leasehold interest off the balance sheet, etc.)
- Powerful companies leading the Kyushu business world provide backup as sponsors of the Asset Manager
- Following acquisition, community-based operation in a meticulous and stable manner is possible



Fukuoka Realty Co., Ltd.

ACT LOCAL, THINK GLOBAL

Major income-generating properties



Major development properties



*For details of the sponsor pipeline, please see page 63.
 (*2) The above properties are owned by Fukuoka Jisho, and FRC has no plan to acquire them at present.
 (*3) Property to be developed by Fukuoka Jisho and its business partners. At present, FRC has no plans to acquire it.



Acquisition of property (March, 2029)

Joint project with our sponsor Fukuoka Jisho

Summary of property to be acquired

Seller	Fukuoka City
Name of property	Island City Minato Bay related site (Land with leasehold interest) (tentative)
Scheduled acquisition date	March 31, 2029
Acquisition price (planned)	8,082 mm yen
Appraisal value	8,210 mm yen (as of August 31, 2022)
Address	Part of 32-1, Minato Kashii 3-chome, Higashi-ku, Fukuoka City
Area (land)	Approximately 39,142 m ² (Total area planned for subdivision: Approximately 41,181 m ²)
Acquisition CAP rate (*1)	3.4%
Land leasehold	Fukuoka Jisho Co., Ltd. (planned)

(*1) "Acquisition CAP rate" is calculated by the direct capitalization method NCF in the appraisal report ÷ estimated acquisition price × 100 (%).

Significance of acquisition

- The property is in an area that will continue to develop as a logistics hub, driving growth in Fukuoka.
- This acquisition will further enhance our portfolio and ensure stable future earnings as a comprehensive REIT.

Points valued in deciding on the property

- High scarcity of large-scale logistics facilities (Land with leasehold interest) of over 10,000 tsubo in the Hakata port area
- 24-hour operation available as an area dedicated to logistics
- Good accessibility, such as being close to Hakata Port, Fukuoka Airport, Fukuoka IC, and the entrance/exit of Fukuoka City Expressway No. 6 (Island City Line), which was newly established in March 2021

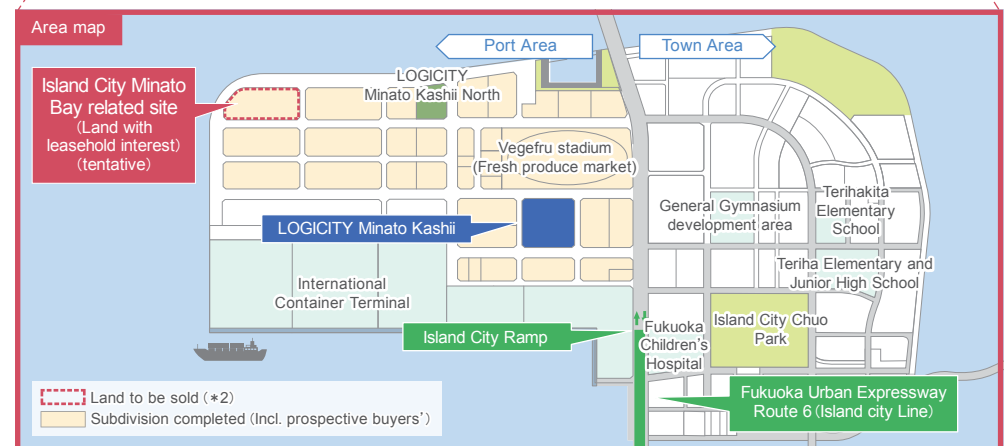
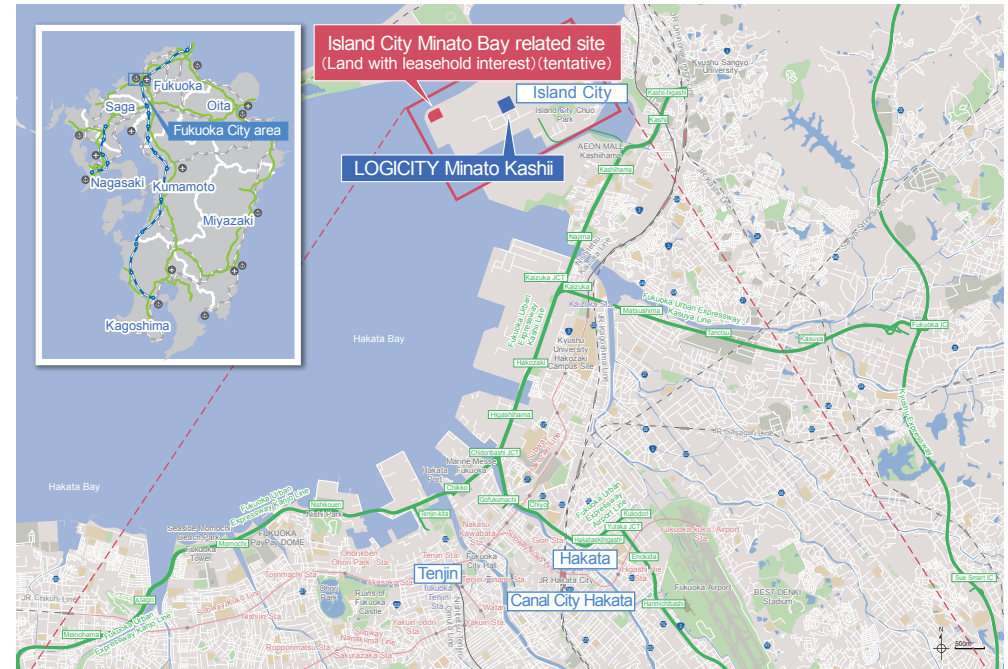
Outlook of land to be acquired, etc.



[Red dashed line] Land to be sold (*2)

(*2) This shows the appearance of the entire plan land including land to be sold. This property to be acquired by FRC is scheduled to become a land portion after subdivision equivalent to 95.05% of the total planned land for subdivision, but its location has not yet been determined.

Location of the land to be acquired



Area map

[Red dashed line] Island City Minato Bay related site (Land with leasehold interest) (tentative)

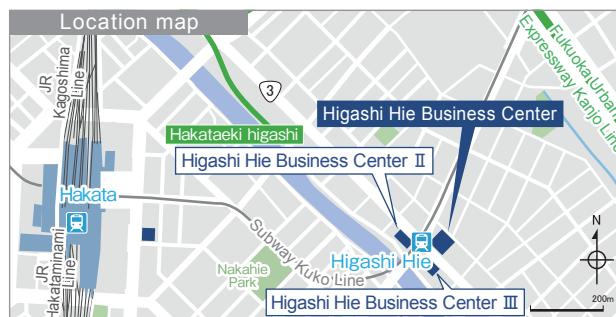
[Blue box] LOGICITY Minato Kashii
 [Yellow box] Subdivision completed (Incl. prospective buyers*)

Leasing progress for Higashi Hie Business Center

Aiming to quickly improve NOI with favorable leasing and rent increase

Overview of Higashi Hie Business Center

Acquisition price	5,900 mm yen
Built timing	February 2009
Total leasable floor space	13,614.59 m ² (4,118 tsubo)



Leasing progress

Area of lease cancellation: 1,447 tsubo
 Recession date : September 30, 2022

	36 th	37 th (forecast) (at 35 th)	37 th (forecast) (at 36 th)	38 th (forecast) (at 36 th)
Property occupancy rate at the end of the period (overall)	100.0%	82.4%	87.5%	87.5%
Backfilled ratio	—	50.0%	62.3%	62.3%
Backfilled area (assumed)	—	723 tsubo	902 tsubo	—
Total revenues from real estate leasing	357 mm yen	253 mm yen	285 mm yen	322 mm yen

Contract status

New tenants	floor area	rents	Downtime term and Free rent term
Company A	429 tsubo	Market rent unit price 15,000 yen~ 16,000 yen (*1)	3 months~ 4 months
Company B	115 tsubo		
Company C	231 tsubo		
Company D	42 tsubo		
Company E	84 tsubo		
total	902 tsubo		

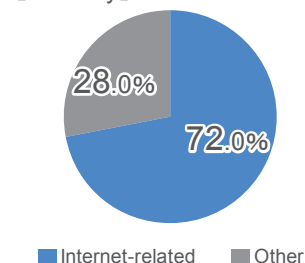
prospective tenants

prospective tenants	floor area
Company F	190 tsubo
Company G	130 tsubo
Company H	80 tsubo
Company I	80 tsubo
total	approx. 500 tsubo

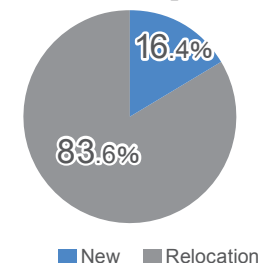
(*1) "Market rent unit price" indicates the assumed newly closed rent unit price (with common charges) per tsubo assessed by CBRE as of August 2022, presented in a range.

Overview of new tenants (incl. prospective tenants)

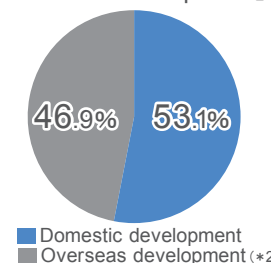
Industry



[New/Relocation]



[Business Development]



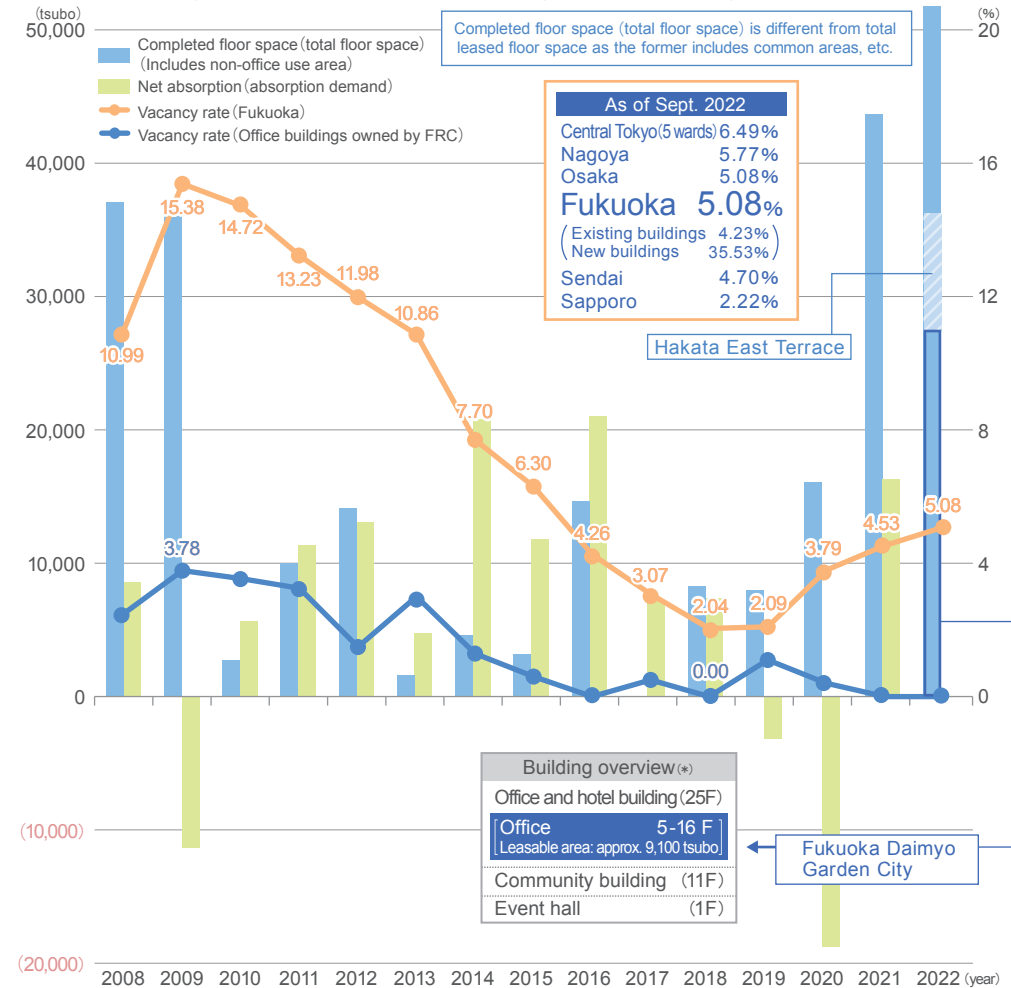
(*2) Tenants with overseas offices

Trends in the Fukuoka office market

The market vacancy rate increased to the 5% range, but occupancy rates of large-scale buildings and large-sized buildings remain steady

Fukuoka business district / Vacancy rates and supply and demand of office buildings

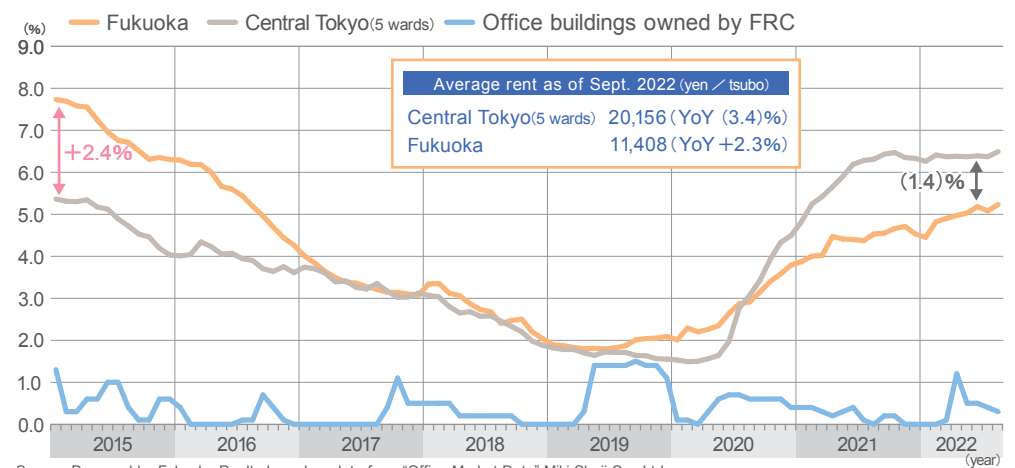
◎The vacancy rate has increased mainly due to supply factors



* Statistics from 2008 to 2021 are based on the figures at the end of December. The vacancy rate for 2022 is based on the figures at the end of September. (scheduled)
 * Office building-related data for each city are data for areas and buildings included in surveys conducted by Miki Shoji Co., Ltd.
 * Net absorption (absorption demand) shows the change in the occupied floor space during a specific period. It is calculated by subtracting the occupied floor space on December 31 of the previous year from the occupied floor space on December 31 of the applicable year. Completed floor space (total floor space) figures for 2022 have not been finalized, and the floor space and expected completion dates are subject to change.
 Source: Prepared by Fukuoka Realty based on data from "Office Market Data" Miki Shoji Co., Ltd.
 (*) Prepared by Fukuoka Realty based on the press releases of Fukuoka City Government and relevant enterprising bodies.

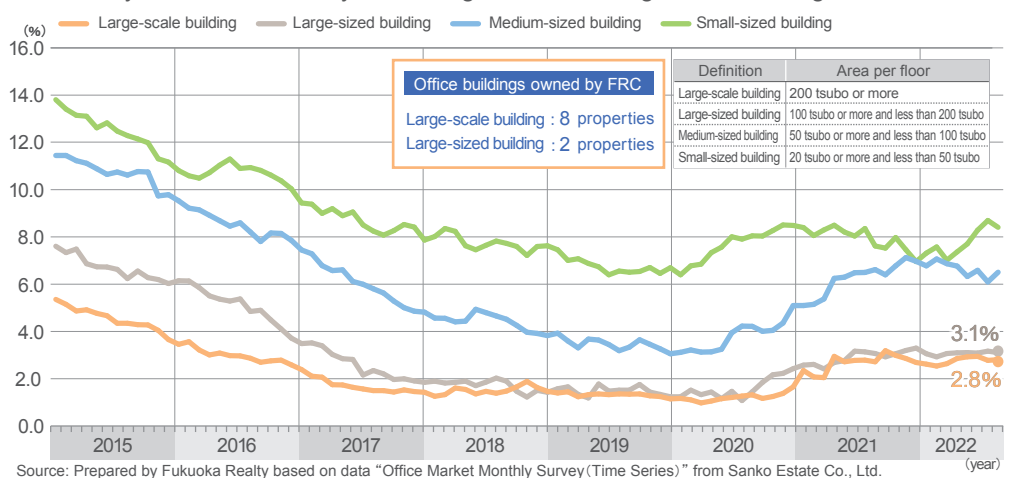
Fukuoka business district / Average vacancy rate

◎The vacancy rates of office buildings owned by FRC have remained at low levels



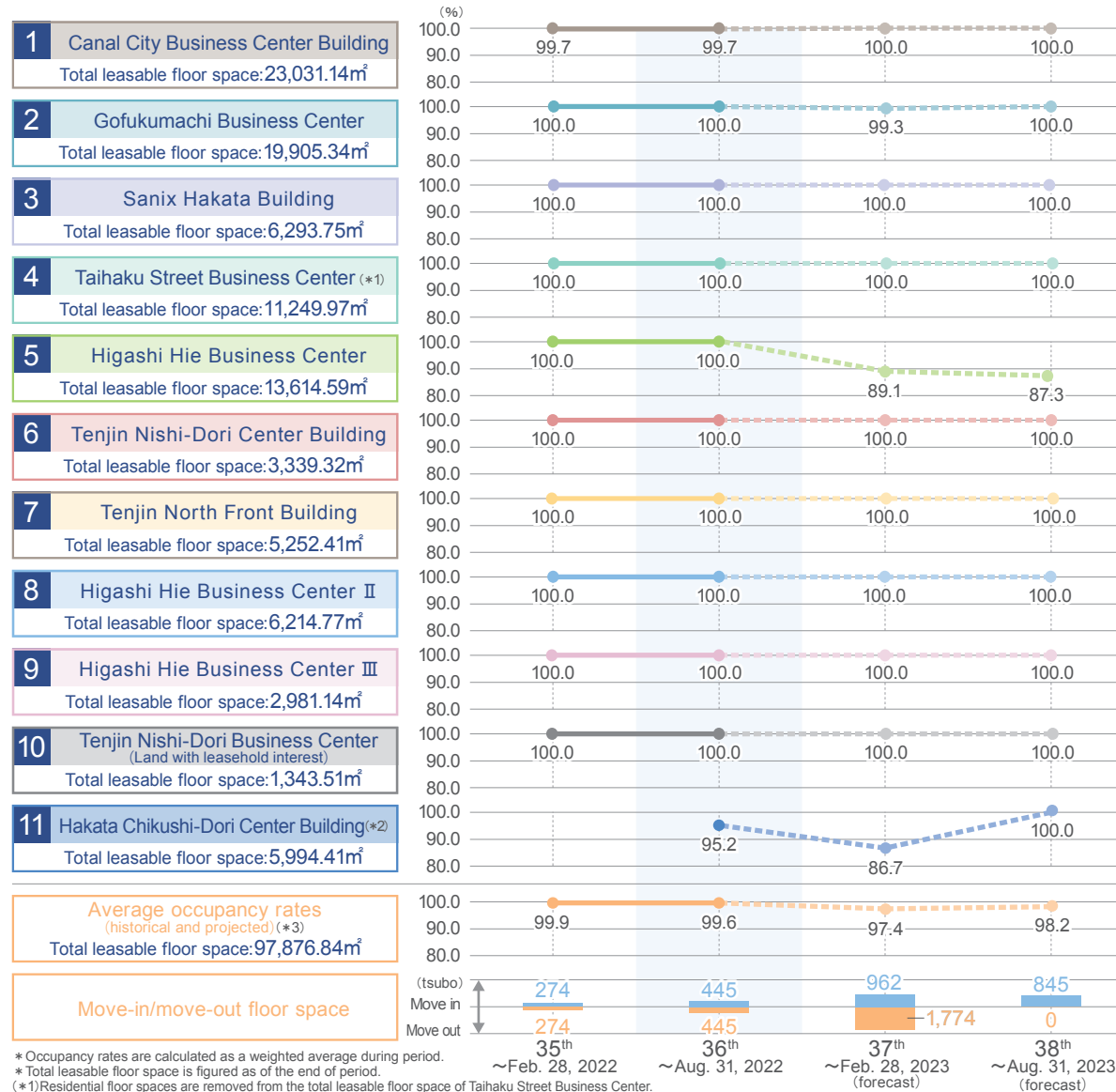
Trend of office building vacancy rate in Fukuoka City by size

◎Vacancy rates are relatively low in large-scale and large-sized buildings



Historical and projected office buildings' occupancy rates

Aiming to reduce rent gap and complete leasing at an early stage despite some move-outs



* Occupancy rates are calculated as a weighted average during period.
 * Total leasable floor space is figured as of the end of period.
 (*1) Residential floor spaces are removed from the total leasable floor space of Taihaku Street Business Center.
 (*2) Since Hakata Chikushi-Dori Center Building was acquired on March 1, 2022, the occupancy rate is shown from the 36th fiscal period.
 (*3) Average occupancy rates (historical and projected) are calculated excluding Tenjin Nishi-Dori Business Center (Land with leasehold interest).

Overview of Office Buildings

⟨Average occupancy rates(actual): 36th:99.6%⟩

- ◎ Acquired Hakata Chikushi-Dori Center Building in Mar. 2022
- ◎ Keeping high occupancy rate from the 35th FP

⟨Average occupancy rates(projected): 37th:97.4% 38th:98.2%⟩

- ◎ Continue with rent increase through rent revision upon contract renewal and tenant replacement
- ◎ Almost all tenants for the 37th period have already made informal determination
- ◎ Aiming for early leasing completion of Higashi Hie Business Center and Hakata Chikushi-Dori Center Building

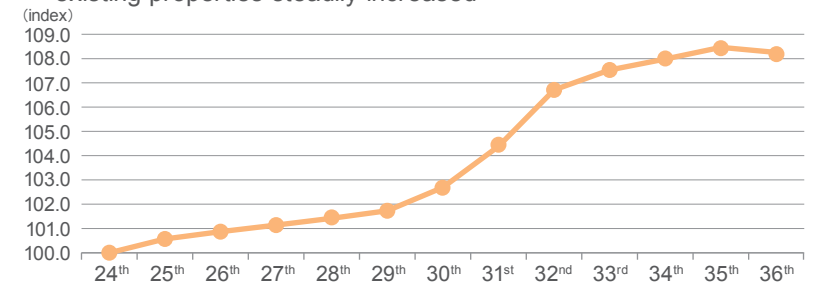
Major indicators of owned properties(*4)

Total amount of acquisition	68,040 mm yen
Investment ratio	33.0%
Average age (*5)	19 years 7 months
Tenants (*6)	190
Total leasing revenues-real estate in the 36 th FP	2,924 mm yen
Positive rent gap (*5)	+17.7%(*7)

(*4) The figures are indicated as of August 31, 2022
 (*5) The average building age and the positive rent gap are calculated excluding Tenjin Nishi-Dori Business Center (Land with leasehold interest).
 (*6) The number of tenants is indicated excluding the residential portion of the Taihaku Street Business Center.
 (*7) Positive rent gap indicated the gap between current rent: contract rent with common charges and market rent, and calculated as "market rent - current rent / current rent". Moreover, market rent indicated average of assumed newly closed rent assessed by CBRE as of Aug. 2022.

Trend in rent unit price index of owned properties (*8)

◎ Although the overall rent unit price index declined, the unit rent of existing properties steadily increased

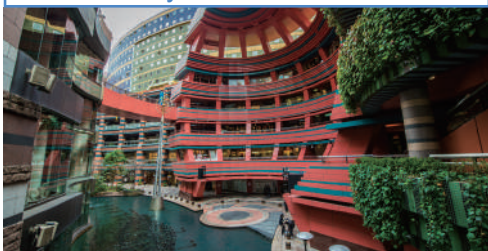


(*8) The rent unit price index is based on the average rent per unit area at the end of each fiscal period compared with the rent per unit area at the end of the 24th fiscal period(August 2016), which is set as 100. And the figures are calculated excluding Tenjin Nishi-Dori Business Center (Land with leasehold interest).

Situation of active retail

Overall sales are recovering

- Canal City Hakata
- Canal City Hakata・B



Sales (annual total^{(*)1})
Sept. 2021 - Aug. 2022

17.3 bn yen
YoY **+5.8%**
(vs. 2 years ago (13.3)%)

A highly entertaining urban multi-purpose retail facility. Events are held to attract customers, etc. alongside measure implemented to prevent COVID-19, and sales are recovering.

- Park Place Oita



Sales (annual total^{(*)2})
Sept. 2021 - Aug. 2022

24.5 bn yen
YoY **+1.6%**
(vs. 2 years ago +8.8%)

A suburban mall anchored by stores handling consumer staples (GMS, etc.). In spring 2022, renovations to make the facility more dynamic and appealing to families were completed.

- Konoha Mall Hashimoto



Sales (annual total)
Sept. 2021 - Aug. 2022

14.5 bn yen
YoY **+5.5%**
(vs. 2 years ago +6.6%)

A daily-life-oriented mall anchored by a supermarket and tenants involved in daily necessities. In spring 2022, convenience, particularly for families, was improved by renovating the food court seating, with the aim of addressing the lack of seats and improving the atmosphere.

- SunLive City Kokura



Sales (annual total^{(*)3})
Sept. 2021 - Aug. 2022

—
YoY **+16.4%**
(vs. 2 years ago +9.9%)

A daily-life-oriented mall anchored by a supermarket and tenants involved in daily necessities. Sales have increased as a result of the renovation conducted in June to September 2021.

(*)1 Combined sales of Canal City Hakata and Canal City Hakata・B, properties owned by Fukuoka REIT. Sales of the portion to be disposed (88.28% co-ownership interest) of Canal City Hakata B Grand Building, which is part of Canal City Hakata B, are excluded from June 1, 2021, the disposition date.
 (*)2 Sales at the newly acquired Home Plaza NAFCO at Park Place Oita in July 2020 are added. From March 2021, six stores that had not previously received sales disclosure have been added to the list because sales are now disclosed by tenants.
 (*)3 Sales figures are omitted because SunLive did not consent to their disclosure.

Change in sales from a year earlier

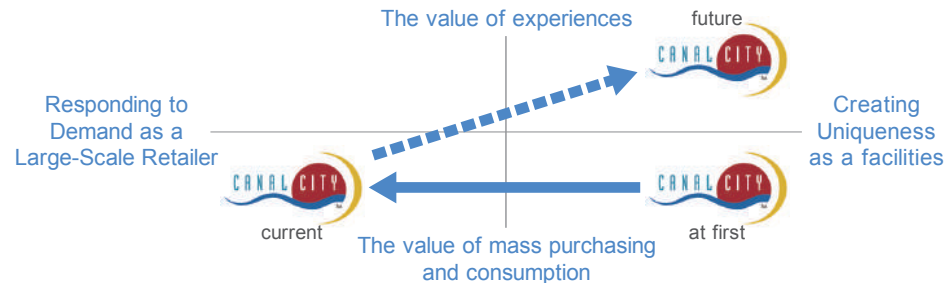
Property name	2021												2022						(year)
	Mar.	Apr.	5/12~6/20	6/21~7/11	7/2~8/19	8/20~9/30	Oct.	Nov.	Dec.	Jan.	1/27~3/6	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	
	34 th Aug. 2021						35 th Feb. 2022						36 th Aug. 2022						
Canal City Hakata / Canal City Hakata・B ^{(*)1}	+41.0%						(4.0) %						+16.8%						
Park Place Oita ^{(*)2}	+15.1%						+1.3%						+2.0%						
Konoha Mall Hashimoto	+13.4%						+2.8%						+8.3%						
SunLive City Kokura	+0.3%						+14.7%						+18.2%						
Other retail properties ^{(*)4}	+2.7%						+0.5%						+2.4%						

(*)4 Square Mall Kagoshima Usuki, Kumamoto Intercommunity SC, Hanahata SC, Kurume Higashi Kushiwara SC, K's Denki Kagoshima, Marinao City Fukuoka (Marina Side Building) are listed as other retail properties.

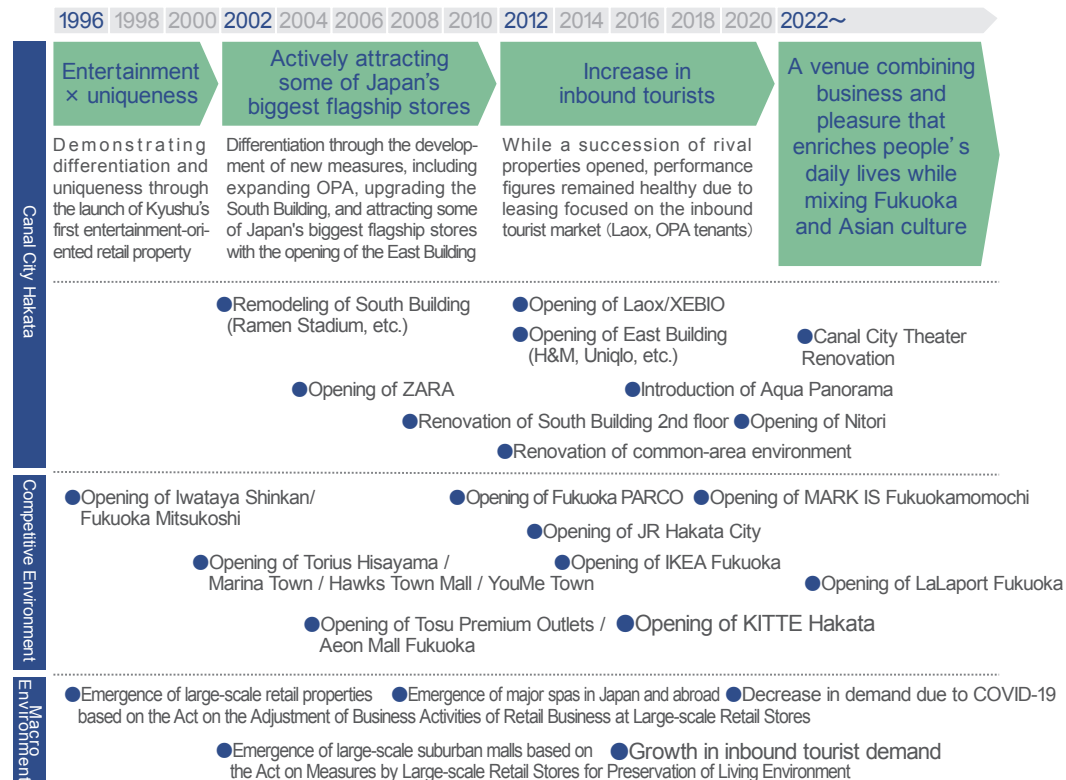
Future vision of Canal City Hakata①

Plan to differentiate of positioning

Positioning transition of Canal City Hakata



Canal City Hakata to Date



The Future of Canal City Hakata

1st Step

Launch a future-oriented project

We will start a future-oriented project to evolve the property. The renovations in 2023 that are the project's first phase will embody our vision for the property's exciting evolution, building expectation for the major transformation process that is now beginning.

2nd Step

Develop the area through changes involving with the surrounding environment of facility

With dynamic sites starting to appear in Haruyoshi, as typified by the Riverfront Next project undertaken by Fukuoka City, an increase in traffic from Tenjin is expected. Facilities will be upgraded to make Canal City Hakata a thriving site attracting a flow of people. We will also seek to secure tenants in industries aligned with current key concepts like digital technology and sustainability, of which implementation is a medium- to long-term objective.

3rd Step

Constantly evolve

We will continue the advancement of our goal to form our future vision. To embody this, proposal functions for food, clothing and shelter aiming to enhance the wellbeing of consumers will be strengthened. With the upgrading of Seiryu Park to be completed at the same time as the opening of park facilities, the excitement offered by the property will become an increasingly integral part of the nearby area.

4th Step

Countdown to completion

The entire property will be transformed into a next-generation facility with the evolution of offices and environment to provide new value, in addition to renovations centering on retail properties implemented until now. We will also splendidly promote the countdown to completion.

Final Step

CANAL Re-BORN FINISH

The project, started in 2023, will be complete. A strong base of circulation in Seiryu Park, Canal Main Building, and the East Building will be made, increasing the potential for visitors to spend more time roaming in central Fukuoka between Tenjin and Hakata, and the property is expected to expand the entire Fukuoka-Hakata area and create an atmosphere with greater bustle.

Future vision of Canal City Hakata②

A venue combining business and pleasure that enriches people's daily lives while mixing Fukuoka and Asian culture

Value Provision



Building a community by connecting a variety of people

By creating a space combining business, residential, and leisure activities where people can interact casually, we will build a local community that brings together a variety of people

Integrating the uniqueness of Asia and Fukuoka and creating opportunities for shared creation

We will create a unique culture that actively incorporates Asian culture and mixes it with the distinctive character of Fukuoka and also generates opportunities for shared creation



Encouraging new interests and offering people creative activities

By creating opportunities to experience various cultural activities, we will encourage people to take an interest in new things and take part in activities

Establishing an infrastructure and system that will create a unique culture

We will provide an activity hub/laboratory for people who want to try new challenges and create a new culture through initiatives specific to Canal City Hakata



Developing a stimulating environment that will make activities more dynamic

We will support continued motivation and growth by creating opportunities for awareness/ discovery and venues for learning, such as co-creation programs

Supporting proactive communication and promoting the spread of a unique culture

We will promote culture by leveraging Canal City Hakata's assets and announcing/communicating activities in collaboration with the local community

What We Aim to Achieve with Canal City Hakata

Creating and communicating a unique culture



©Becoming a hub where artists, creators, and open-minded people from Japan and elsewhere in Asia gather by serving as an activity base and creating opportunities to present artistic works



©Becoming a showcase for a new food culture that combines Fukuoka specialties with the cuisines of various Asian countries by actively attracting handpicked restaurants



©Becoming the center of a community that enables people to enjoy new experiences and try out activities that interest them, in order to create broader awareness of sports culture



Disposition of property (Kurume Higashi Kushiwara SC)

Aim to stabilize dividend level

Overview of disposition property (planned)

Location	370-3 Higashi-Kushihara-cho, Kurume City, Fukuoka Prefecture
Scheduled date of agreement	October 26, 2022 (planned)
Buyer	Non-disclosure (*)
Disposition Date (scheduled)	1st (15% co-ownership interest) / February 28, 2023 2nd (55% co-ownership interest) / August 31, 2023 3rd (30% co-ownership interest) / November 30, 2023
Appraisal value	2,740 million yen (as of Aug. 2022)
Book Value	1,966 million yen (as of Aug. 2022)
Disposition Price (planned)	2,740 million yen ①411 million yen ②1,507 million yen ③822 million yen
Acquisition Date	February 1, 2008
Acquisition Price	2,500 million yen
Land area	7,182.44 m ²
Total floor area	6,467.80 m ²

(*) Not stated because the consent of the buyer cannot be obtained.



Reasons for Disposition

① Achieving unrealized gains and stabilizing dividend level (total amount: 773 million yen)

- We achieved unrealized gains with which the planned disposition price significantly exceeded the book value.
- By transferring the asset in stages across three fiscal periods, we balanced large-scale renovation of owned properties with stable dividends.

② Decreasing the commercial property investment ratio

- Based on the management guidelines (revised March 2019), we will disperse risk for the time being by targeting a reduction of the commercial property investment ratio to less than 50%.
- This will create opportunities for more leeway when considering acquisition of properties belonging to investment types other than commercial properties.

③ Use of disposition capital

- Disposition capital will be used for capital investment for the purpose of internal growth.

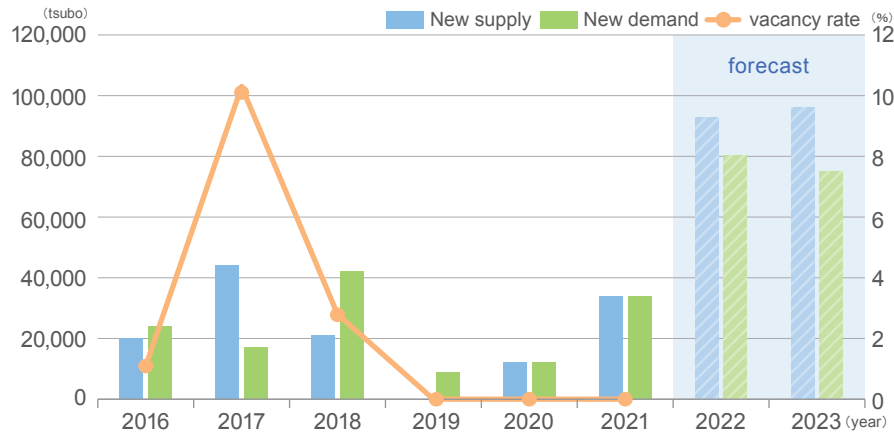
We aim to provide revenue that is stable over the medium to long term to investors and accommodate the best interests of investors

Situation of other assets (Logistics)

Continued rent increases due to robust demand

Supply and demand of logistic facilities and vacancy rates

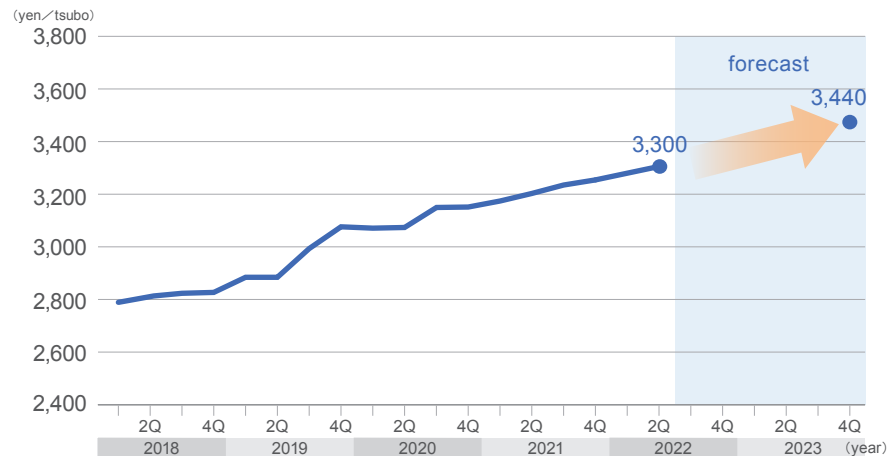
◎Demand is strong despite large supply in 2022 and 2023



* The figures are medium- to large-scale rental logistics facilities that have a total floor space of at least 5,000 m² in Fukuoka and Saga Prefectures.
Source: Prepared by Fukuoka Realty based on data of CBRE.

Trend in rent unit price

◎Rent is trending upward in general as demand is strong around Fukuoka City

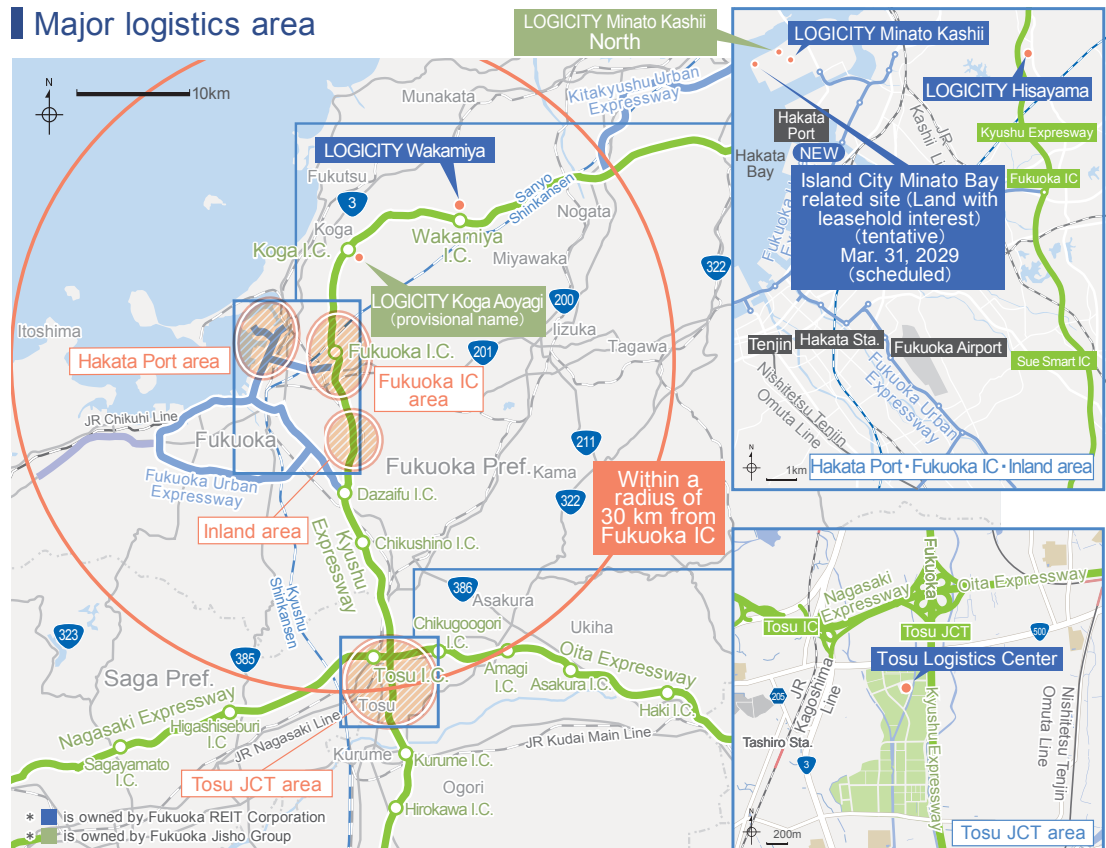


* The figures are medium- to large-scale rental logistics facilities that have a total floor space of at least 5,000 m² in Fukuoka and Saga Prefectures.
Source: Prepared by Fukuoka Realty based on data of CBRE.

Overview of Logistics

Property name	Tosu Logistics Center	LOGICITY Minato Kashii	LOGICITY Hisayama	LOGICITY Wakamiya
Acquisition price	1,250 mm yen	8,150 mm yen	5,050 mm yen	1,700 mm yen
Total leasable floor space	4,173.29 m ²	43,233.72 m ²	24,505.65 m ²	17,556.32 m ²
Occupancy rate	100.0%	100.0%	100.0%	100.0%

Major logistics area



Situation of other assets (Residence, Hotel)

Operation of residential properties are steady, for hotels, FRC owns only those specialized for accommodation

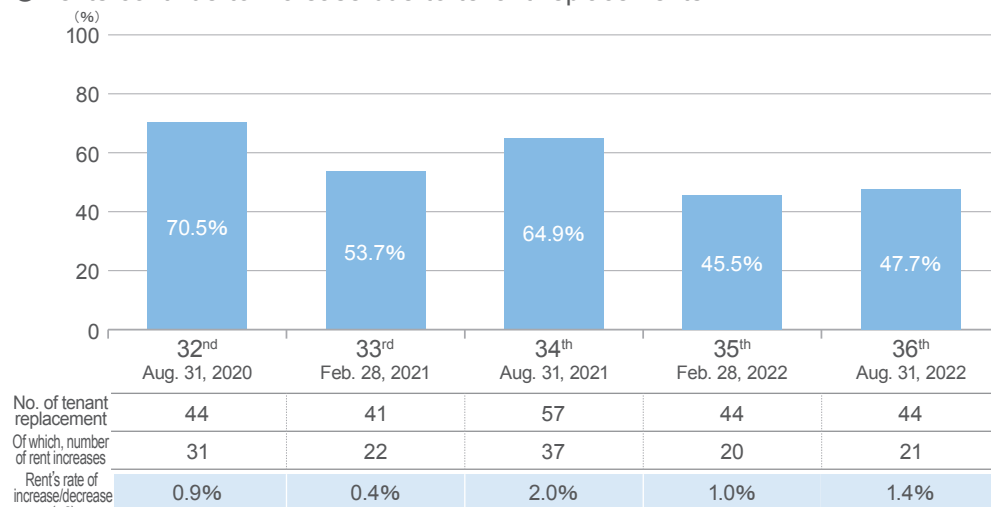
Residential properties

◎Residential properties have continued to operate at a high occupancy rate

Occupancy rates	32 nd (Aug.2020)	33 rd (Feb. 2021)	34 th (Aug.2021)	35 th (Feb. 2022)	36 th (Aug.2022)
Amex Akasakamon Tower	89.8%	96.2%	96.7%	96.9%	96.3%
City House Keyaki Dori	97.2%	97.6%	94.5%	98.6%	97.2%
Aqualia Chihaya	96.9%	98.6%	98.0%	99.3%	98.3%
D-Wing Tower (*1)	97.9%	95.3%	94.3%	93.4%	95.7%
Granfore Yakuin Minami	98.0%	96.9%	97.7%	98.0%	97.2%
The weighted average of 5 properties	95.9%	96.7%	96.1%	96.7%	96.8%

* The occupancy rate is calculated as a weighted average over the period.
(*1) The figure for D-Wing Tower includes the retail portion.

◎Rents continue to increase due to tenant replacements



(*2) Rate of increase/decrease calculated based on previous rent at tenant replacement.

Overview of Hotel

Hotel (Specialized for accommodation)	Fukuoka Washington Hotel [Canal City Hakata]	Hotel FORZA Oita	Tissage Hotel Naha
Rooms	423	205	132
Leasing Form	Fixed+Variable rents	Fixed rents	Fixed+Variable rents
Area	Fukuoka City	Oita City	Naha City
Operator	WHG Nishinihon (Fujita Kanko Group)	FJ Hotels (Fukuoka Jisho Group)	Nest Hotel Japan Corporation

◎Tissage Hotel Naha

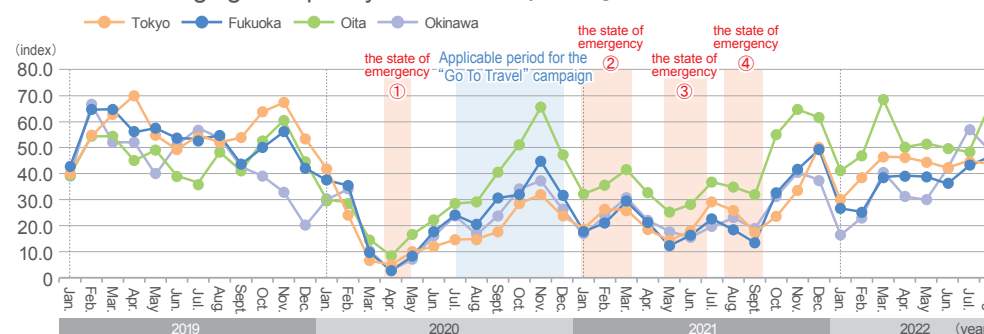
	35 th (Feb. 2022)	36 th (Aug.2022)
Room occupancy rates	76.2%	81.1%
ADR (*3)	3,773 yen	4,533 yen
RevPAR(*4)	2,873 yen	3,678 yen

* Not disclosed for Fukuoka Washington Hotel as no consent for disclosure has been obtained from the operator.

(*3) Average Daily Rate = Total accommodation -category sales over a certain period of time divided by the total number of guest rooms sold over the same period.

(*4) Revenue Per Available Room = Total accommodation-category sales over a certain period of time divided by the total number of guest rooms available for sale for the same period.

◎Trends in lodging occupancy index (monthly average)



*The period of the declaration of a state of emergency indicates the period when it was issued to Tokyo.
Source: Prepared by Fukuoka Realty based on the data of "DATA SALAD", Kyushu Economic Research Center.

Key financing events in the 36th fiscal period

First syndicated sustainability-linked loan for a J-REIT

New borrowings and refinance

- ◎New borrowings (1.0 billion yen)
- ◎Refinancing through green loans (1.6 billion yen)
- ◎Refinancing through Sustainability Link Loan (4.9 billion yen)

Date	Lender	Amount (mm yen)	Term	Interest rate
March 31, 2022	NEW Mizuho Trust & Banking	1,000	10-year	3-month TIBOR +0.30%
Sustainable finance Green Loan June 30, 2022	Sumitomo Mitsui Banking Corporation	1,600	7-year	0.72625% (Fixed)
Sustainable finance sustainability-linked loan August 31, 2022	Development Bank of Japan The Nishi-Nippon City Bank The Bank of Fukuoka	4,900	10-year	0.91875% (Fixed) ^(*)

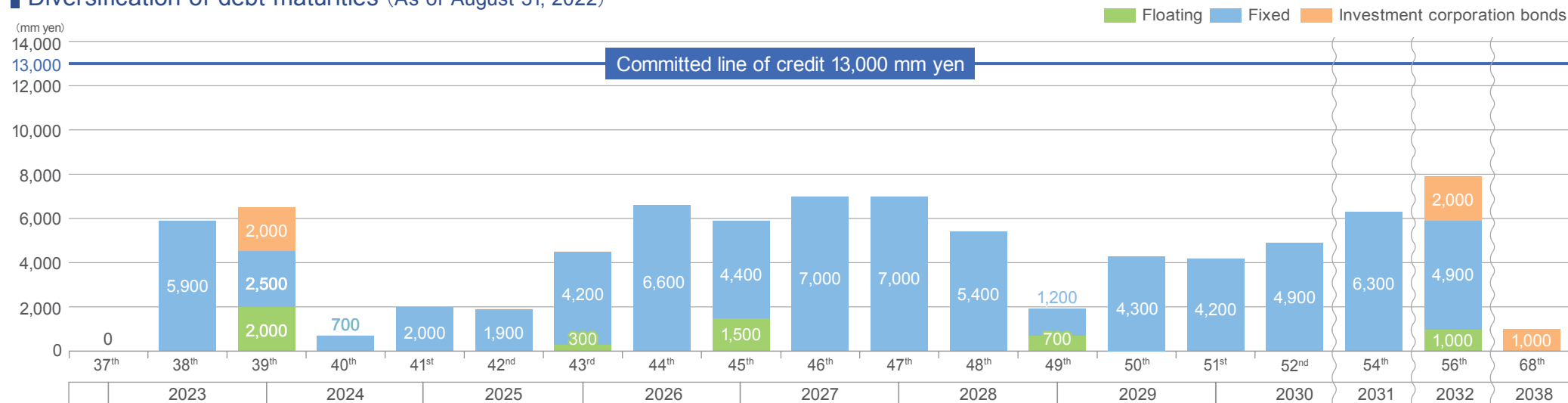
(*) If CO2 savings target is met, the preferential rate from the initial borrowing rate will be applied between August 2031 and the repayment date.

Commitment Line Period Maintained (3 Years)

- ◎Secured flexible and stable financing means

	Lender	Credit Limit (mm yen)	Period End
Committed line of credit 1	The Bank of Fukuoka, Resona Bank	6,000	NEW July 31, 2025
Committed line of credit 2	The Nishi-Nippon City Bank, Resona Bank, The Oita Bank, The Bank of Nagasaki, The Bank of Saga	7,000	February 28, 2025
	Total	13,000	

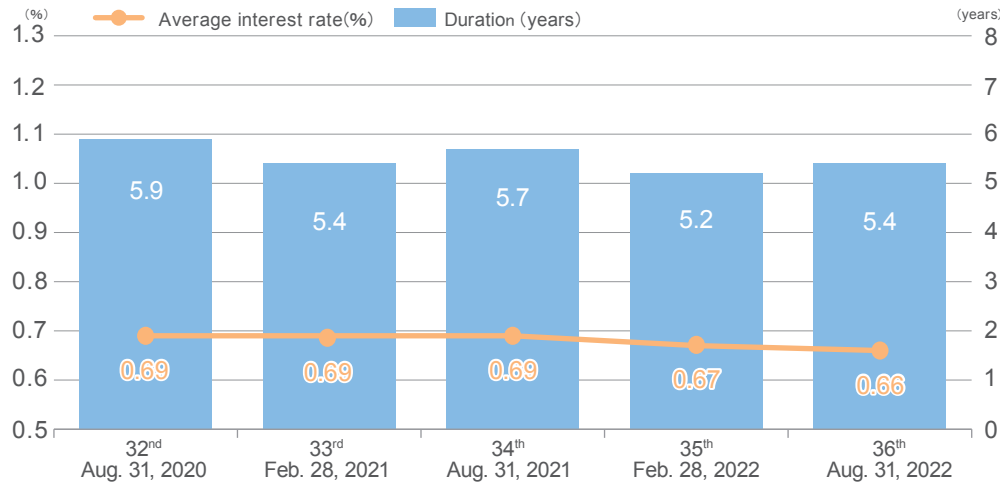
Diversification of debt maturities (As of August 31, 2022)



Financing condition

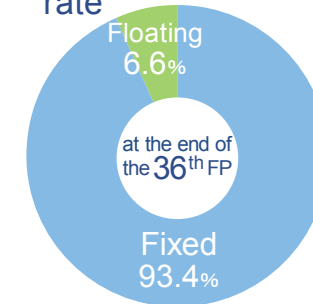
Establishment of stable financial base

Average interest rate (*1) and duration

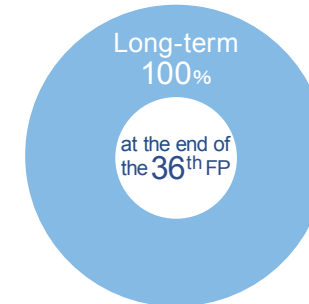


(*1) Interest rates are rounded off to the second decimal place.

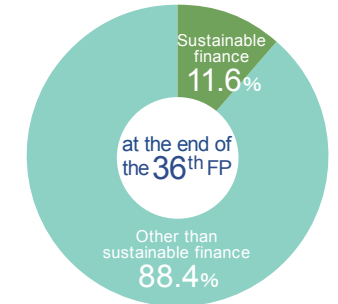
Fixed and floating rate



Long-term rate



Sustainable finance rate

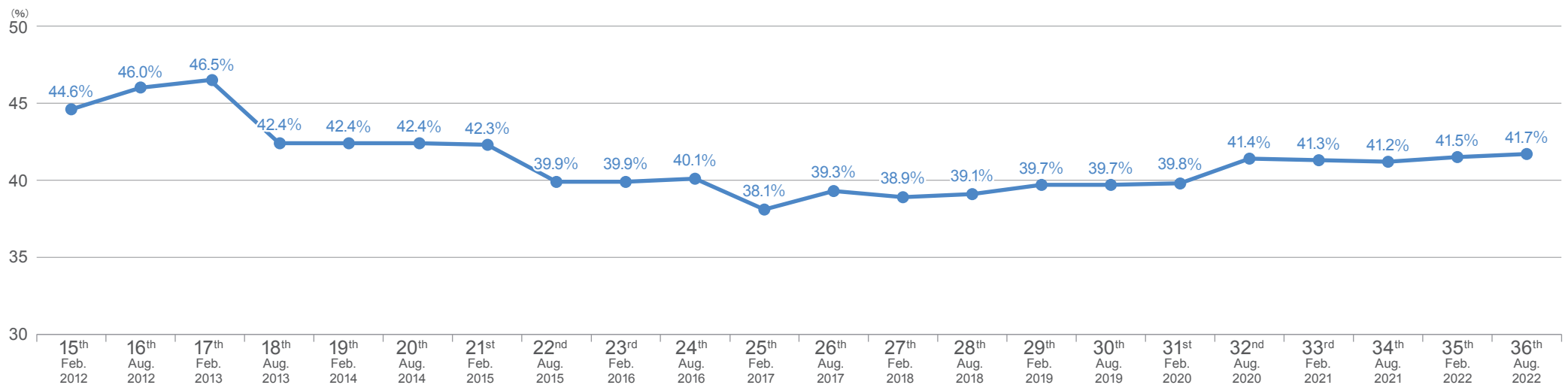


Credit ratings (*2)



(*2) JCR: long-term issuer rating obtained from Japan Credit Rating Agency, Ltd.
R&I: issuer rating obtained from Rating and Investment Information, Inc.

LTV



Appraisal value

The unrealized gains^(*1) totaled 43,026 million yen at the end of 36th fiscal period (increase of 214 million yen compared with previous fiscal period)

- unit : mm yen

	Property name	Acquisition price (*2)	Acquisition cap rate	At the end of the 36 th FP (Aug. 31, 2022)				At the end of the 35 th FP (Feb. 28, 2022)				Appraiser
				Appraisal value ①	Book value ②	Difference ①-②	Cap Rate by direct capitalization method ③	Appraisal value ④	Difference ①-④	Cap Rate by direct capitalization method ⑤	Difference ③-⑤	
Retail	Canal City Hakata	32,000	6.0%	30,600	29,757	842	4.5%	30,600	0	4.5%	0.0%	Tanizawa Sogo Appraisal
	Canal City Hakata・B	21,060	5.4%	21,400	20,701	698	4.6%	21,400	0	4.6%	0.0%	Tanizawa Sogo Appraisal
	Park Place Oita	19,610	6.0%	20,500	20,555	(55)	5.4%	20,600	(100)	5.4%	0.0%	Japan Real Estate Institute
	SunLive City Kokura	6,633	6.6%	8,520	5,548	2,971	5.8%	8,510	10	5.8%	0.0%	Japan Real Estate Institute
	Konoha Mall Hashimoto	10,000	5.3%	10,000	10,018	(18)	5.1%	10,500	(500)	5.1%	0.0%	Tanizawa Sogo Appraisal
	Square Mall Kagoshima Usuki	5,300	6.3%	4,650	4,234	415	5.5%	4,970	(320)	5.7%	(0.2)%	Japan Real Estate Institute
	Kumamoto Intercommunity SC	2,400	6.5%	2,740	1,921	818	5.6%	2,740	0	5.6%	0.0%	Japan Real Estate Institute
	Hanahata SC	1,130	6.4%	1,200	950	249	5.4%	1,200	0	5.4%	0.0%	Tanizawa Sogo Appraisal
	Kurume Higashi Kushiwara SC	2,500	6.1%	2,740	1,966	773	5.5%	2,740	0	5.5%	0.0%	Tanizawa Sogo Appraisal
	K's Denki Kagoshima	3,550	5.7%	3,660	2,863	796	5.4%	3,660	0	5.4%	0.0%	Tanizawa Sogo Appraisal
	Marinoa City Fukuoka (Marina Side Building)	5,250	5.5%	5,890	5,352	537	4.8%	5,890	0	4.8%	0.0%	Tanizawa Sogo Appraisal
Total of retail	109,433	-	111,900	103,869	8,030	-	112,810	(910)	-	-		
Office buildings	Canal City Business Center Building	14,600	6.3%	17,400	12,706	4,693	4.3%	17,400	0	4.3%	0.0%	Tanizawa Sogo Appraisal
	Gofukumachi Business Center	11,200	6.3%	15,600	8,679	6,920	4.2%	15,500	100	4.2%	0.0%	Tanizawa Sogo Appraisal
	Sanix Hakata Building	4,400	5.9%	6,890	3,731	3,158	3.9%	6,720	170	4.0%	(0.1)%	Japan Real Estate Institute
	Taihaku Street Business Center	7,000	6.0%	9,770	5,524	4,245	4.3%	9,540	230	4.3%	0.0%	Japan Real Estate Institute
	Higashi Hie Business Center	5,900	6.0%	8,230	4,288	3,941	4.4%	8,270	(40)	4.4%	0.0%	Tanizawa Sogo Appraisal
	Tenjin Nishi-Dori Center Building	2,600	5.4%	3,360	2,650	709	3.7%	3,270	90	3.8%	(0.1)%	Japan Real Estate Institute
	Tenjin North Front Building	2,800	6.1%	4,880	2,350	2,529	3.8%	4,640	240	4.0%	(0.2)%	Japan Real Estate Institute
	Higashi Hie Business Center II	4,230	4.9%	4,660	3,901	758	4.4%	4,700	(40)	4.4%	0.0%	Tanizawa Sogo Appraisal
	Higashi Hie Business Center III	3,290	4.4%	3,380	3,218	161	4.2%	3,380	0	4.2%	0.0%	Tanizawa Sogo Appraisal
	Tenjin Nishi-Dori Business Center (Land with leasehold interest)	7,700	3.5%	8,250	7,754	495	3.4%	8,020	230	3.5%	(0.1)%	Japan Real Estate Institute
Hakata Chikshi-Dori Center Building (*3)	4,320	4.7%	4,540	4,499	40	4.3%	4,540	0	4.3%	0.0%	Tanizawa Sogo Appraisal	
Total of office buildings	68,040	-	86,960	59,306	27,653	-	85,980	980	-	-		
Others	Tosu Logistics Center (Logistics)	1,250	5.9%	1,420	1,134	285	4.8%	1,390	30	4.9%	(0.1)%	Japan Real Estate Institute
	LOGICITY Minato Kashii (Logistics)	8,150	5.2%	9,670	7,680	1,989	4.0%	9,440	230	4.1%	(0.1)%	Tanizawa Sogo Appraisal
	LOGICITY Hisayama (Logistics)	5,050	5.1%	5,650	4,688	961	4.2%	5,560	90	4.3%	(0.1)%	Tanizawa Sogo Appraisal
	LOGICITY Wakamiya (Logistics)	1,700	6.4%	2,490	2,128	361	5.3%	2,450	40	5.4%	(0.1)%	Tanizawa Sogo Appraisal
	Amex Akasakamon Tower (Residence)	2,060	5.4%	1,950	1,599	350	4.2%	1,920	30	4.3%	(0.1)%	Daiwa Real Estate Appraisal
	City House Keyaki Dori (Residence)	1,111	5.5%	1,090	866	223	4.2%	1,070	20	4.3%	(0.1)%	Daiwa Real Estate Appraisal
	Aqualia Chihaya (Residence)	1,280	6.8%	2,040	1,129	910	4.4%	2,040	0	4.4%	0.0%	Japan Real Estate Institute
	D-Wing Tower (Residence)	2,800	5.9%	3,880	2,605	1,274	4.2%	3,740	140	4.3%	(0.1)%	Tanizawa Sogo Appraisal
	Granfore Yakuin Minami (Residence)	1,100	5.6%	1,370	1,064	305	4.1%	1,360	10	4.1%	0.0%	Tanizawa Sogo Appraisal
	Hotel FORZA Oita (Hotel)	1,530	6.6%	1,890	1,329	560	5.1%	1,890	0	5.1%	0.0%	Japan Real Estate Institute
	Tissage Hotel Naha (Hotel)	2,835	5.3%	2,880	2,762	117	4.9%	2,880	0	4.9%	0.0%	Tanizawa Sogo Appraisal
Total of others	28,866	-	34,330	26,987	7,342	-	33,740	590	-	-		
Total properties	206,339	-	233,190	190,163	43,026	-	232,530	660	-	-		

(*1) Unrealized gain is calculated by subtracting period-end book value (excluding construction in progress in trust) from the latest appraisal value.

(*2) "Acquisition price" indicates the amount excluding such expenses as fees and taxes and other public charges. (*3) The figures of appraisal value and cap rate by direct capitalization method are the appraisal values as of acquisition.

Sustainability

Materially significant issues

Materially significant issues		Policies and targets	KPIs and targets
Environment	Reduction of environmental load	<ul style="list-style-type: none"> Coordinate with Property Management and Building Management on promotion of management and reduction of energy consumption, greenhouse gas emissions, water consumption, and waste output 	<ul style="list-style-type: none"> (by 2030) 35% reduction in CO2 emissions (compared with 2019, basic unit) 75% waste recycling rate
	Maintenance and enhancement of environmental and construction performance	<ul style="list-style-type: none"> Carry out performance and function evaluation of properties on a regular basis and ameliorate any deterioration in performance, etc. Maintain and improve competitiveness by acquiring green building certifications and through visual representation of building performance 	<ul style="list-style-type: none"> (by 2030) 85% Green Building Certification rate or higher
Society	Creation of pleasant workplaces (Asset manager)	<ul style="list-style-type: none"> Improve quality of operations by enhancing and expanding employee education system and promoting acquisition of qualifications Continue to improve office environments and work on providing pleasant working environments Give consideration to work-life balance and boost employee satisfaction 	<ul style="list-style-type: none"> Training per employee (number of times) Improve office environment (number of cases)
	Creation of pleasant workplaces (Tenant)	<ul style="list-style-type: none"> Promote improvement of employee satisfaction and work towards increasing job satisfaction of tenant employees 	<ul style="list-style-type: none"> Conduct regular tenant satisfaction surveys (all properties)
	Contribution to boosting attractiveness and vitalization of Fukuoka and Kyushu	<ul style="list-style-type: none"> Enhance dissemination of information regarding strengths and charms of Fukuoka and Kyushu Support research and studies on local economy and industries and promote attractive urban development in collaboration with local business circles 	<ul style="list-style-type: none"> Join and participate in local economic organizations Host local community events (number of times)
	Involvement in local community	<ul style="list-style-type: none"> Deepen dialogue and collaboration with local community through participation in community activities and various initiatives using properties under our management to grow and develop together with the local community 	<ul style="list-style-type: none"> Join and participate in area management organizations Continued participation in activities that contribute to the community (number of times)
Governance	Information disclosure and dialogue with stakeholders	<ul style="list-style-type: none"> Disclose financial and non-financial information to stakeholders in an appropriate and timely manner Build relationships of trust through proactive dialogue with stakeholders and reflect stakeholder feedback in management strategy 	<ul style="list-style-type: none"> Dialogue with investors (number of times) Sustainability training for employees (number of times)
	Compliance / Risk management	<ul style="list-style-type: none"> Ensure thorough compliance including compliance with laws and ordinances and elimination of conflict of interest with interested parties, and develop and operate an appropriate internal risk management system to maintain and improve corporate value 	<ul style="list-style-type: none"> Compliance training (number of times)

Environment → P30

- Endorsement of TCFD (Task Force on Climate-Related Financial Disclosures) (Sept. 2022) **NEW**



- Promotion of LED conversion (exterior lighting) **NEW**
Reduced energy consumption by converting exterior office lights to LED (Gofukumachi Business Center)

Society → P31

- Registration with Fukuoka City Well-Being & SDGs Registration System (Jul. 2022) **NEW**



Society → P32

- Environmental awareness-raising activity with local high school **NEW**

Implementation of Blue Earth Project (eco-friendly water station campaign) (Canal City Hakata)
With the participation of restaurants in the facility, customers who brought their own bottles were offered free drinking water



Assessment of Financial Impacts Based on Scenario Analysis

Creation of Climate Change and Resilience Policy (August 2022)

Climate Change Scenario Analysis

We conducted an analysis to be used for the purpose of assessing the validity of current climate change measures and developing future strategies. We assessed risks, opportunities, and financial impacts as shown in the table below.

				4°C Scenario			1.5°C Scenario				
		Risk/Opportunity Factors		Financial Impacts		Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Transition risks	Policy and law	axation of CO2 emissions due to introduction of carbon tax, etc.		Increased taxation on CO2 emissions for owned properties		S	S	S	S	M	M
		Stricter energy-saving standards for existing real estate and introduction of carbon emission-related restrictions, etc.		Increased renovation costs for purpose of compliance Increased environmental certification acquisition costs		S	S	S	S	M	L
		Stricter mandatory emissions reporting requirements in Energy Efficiency Act		Increased payments, etc. to external companies for purpose of handling reporting		S	S	S	S	S	S
	Technology	Evolution/spread of renewable energy and energy-saving technology		Increased costs of introducing new technology to prevent facilities in owned properties becoming technologically obsolete		S	S	S	S	M	L
		Changing social values relating to environmental performance		Increased financing costs for properties with poor environmental performance		S	S	S	S	S	S
	Market	Decrease in asset value due to delayed environmental compliance at owned properties		Relative decrease in institutional investors' investment appetite due to delayed environmental compliance		S	S	S	S	S	S
		Increased importance of transition risks		Increased financing costs due to properties being assessed as having high transition risks		S	S	S	S	S	S
		Increased value related to environmental performance		Reduced property value and average rents due to environmental certifications such as DBJ Green Building Certification not being acquired		S	S	S	S	M	L
Tenant needs relating to environmental performance		Decreased revenue due to owned properties' environmental performance becoming relatively low, creating stranded assets		S	S	S	S	M	L		
Physical risks	Acute	Damage to owned properties due to typhoons/heavy rain		Increased repair costs and insurance premiums: loss of sales opportunities due to flooding, decreased asset value of owned properties with high flooding risks, increased countermeasure costs		S	S	M	S	S	S
		Flooding at owned properties in low-elevation areas due to sea level rise		Increased flooding countermeasure costs		S	S	M	S	S	S
	Chronic	Increased need for A/C due to rising temperatures		Increased A/C operation, maintenance, and repair costs		S	S	M	S	S	S
Opportunities	Energy sources	Introduction of renewable energy at sites		Reduction in externally procured utility costs		S	S	S	S	S	S
	Products and services	Attracting tenants, occupants, and users by offering low-emission facilities and services		Increased revenue by attracting tenants and occupants		S	S	S	S	M	L
		Expanding the client base by continuing to provide rental properties aligned with changing tenant and occupant tastes		Increased revenue from higher rents and improved tenant acquisition and retention		S	S	S	S	M	L
	Markets	Expanding the investor base		Use of green bonds: increased financing by adapting/appealing to investors who prioritize environmental issues, decreased financing costs		S	S	S	S	S	S



Fukuoka REIT

Appendix

Profile

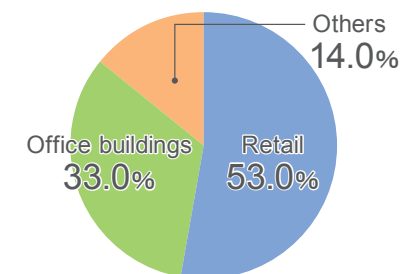
Special features of Fukuoka REIT Corporation

1	Japan's first region-specific REIT Asset management leveraging our in-depth knowledge of the real estate environment of Fukuoka and Kyushu region, one of our greatest strengths
2	Excellent portfolio centered on Fukuoka metropolitan area A portfolio of carefully selected investments in the high growth area of Fukuoka City attention from around Japan and overseas
3	Solid support from a sponsor company involved in property development Asset portfolio expansion and high occupancy rates facilitated through coordination with our sponsors
4	Establishment of stable financial base Conservative control of interest-bearing debt ratio, long-term diversification of repayment deadlines
5	Stable dividends and steady NAV growth since listing Appropriate management of real estate invested in

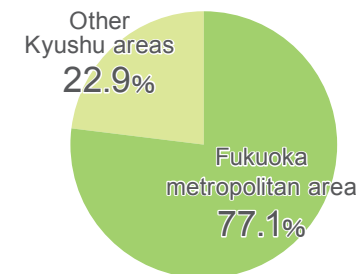
Portfolio summary (*1)	
Number of properties / Asset size (*2)	33 / 206,339 mm yen
Of which, acquisition from sponsors (*3)	16 / 130,690 mm yen
Unrealized gains	43,026 mm yen
Total leasable floor space	578,255.35 m ²
Occupancy rate	99.4%

Financial highlight (*1)	
Total debt	83,900 mm yen
LTV	41.7%
Fixed rate	93.4%
Average interest rate	0.66%
Credit ratings	JCR AA- (Stable) R&I A+ (Stable)

◎Investment type
(based on acquisition price)



◎Investment area
(based on acquisition price)



Overview of Fukuoka REIT Corporation

Name	Fukuoka REIT Corporation
Security code	8968
Listed date	June 21, 2005 (Tokyo Stock Exchange, Fukuoka Stock Exchange)
Fiscal period	February - August
Asset manager	Fukuoka Realty Co., Ltd.
Sponsors	Fukuoka Jisho Co., Ltd., Kyushu Electric Power Co., Inc., THE BANK OF FUKUOKA, LTD., THE NISHI-NIPPON CITY BANK, LTD., Nishi-Nippon Railroad Co., Ltd., SAIBUGAS HOLDINGS CO., LTD. Kyudenko Corporation, Kyushu Railway Company, Development Bank of Japan Inc.

Investment unit price (*1)

Unit price	170,300 yen
Outstanding units	796,000 unit
Market capitalization	135,558 mm yen (unit price * outstanding units)
Net assets value per unit	127,818 yen
Market net assets value per unit (*4)	178,348 yen
Dividend (actual)	3,523 yen per unit (Days in fiscal period 184days) at the 36 th FP
Dividend yield	4.1% { (Dividend / days in fiscal period * 365) / Unit price }

(*1) The figures are as of August 31, 2022 (excl. average interest rate)

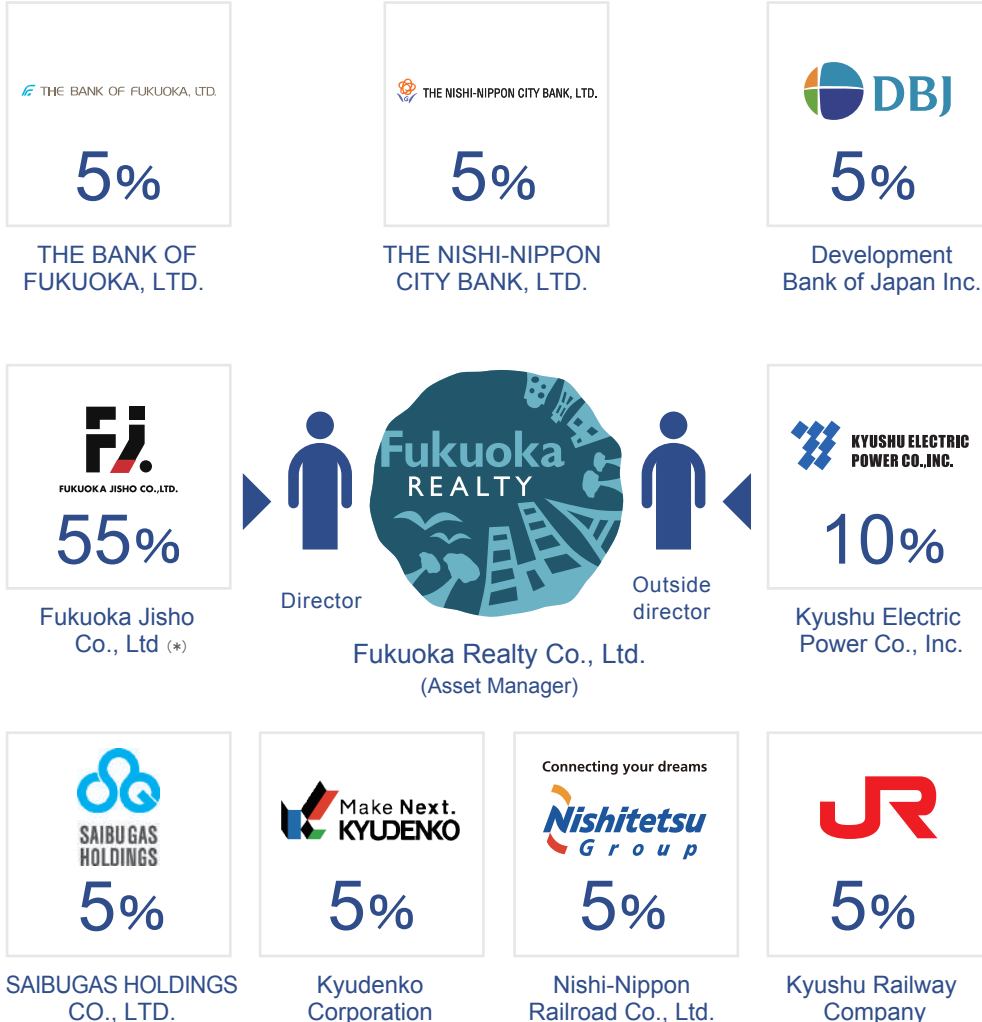
(*2) The figures are total of acquisition price.

(*3) Because the Higashi Hi Business Center that was acquired in the 10th fiscal period (period ended August 31, 2009) was acquired from both outside parties and sponsors, the purchase price has been added to the purchase prices from outside parties and the purchase prices from sponsors after calculation on a per capita basis. Furthermore, with regard to the number of properties, one property has been added to the number of properties acquired from sponsors.

(*4) Market net asset value per unit= (Total net assets + Unrealized gains - Total amount of dividends) / Total number of investment units outstanding

A real estate investment trust specializing in regional properties

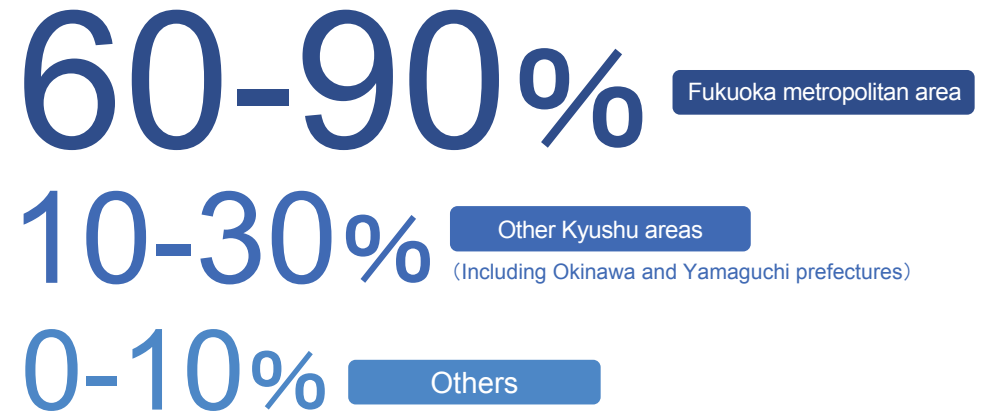
Sponsors



(*) Concluded MOU with Fukuoka REIT and Fukuoka Realty concerning pipeline support.

Investment policy

◎Investment area

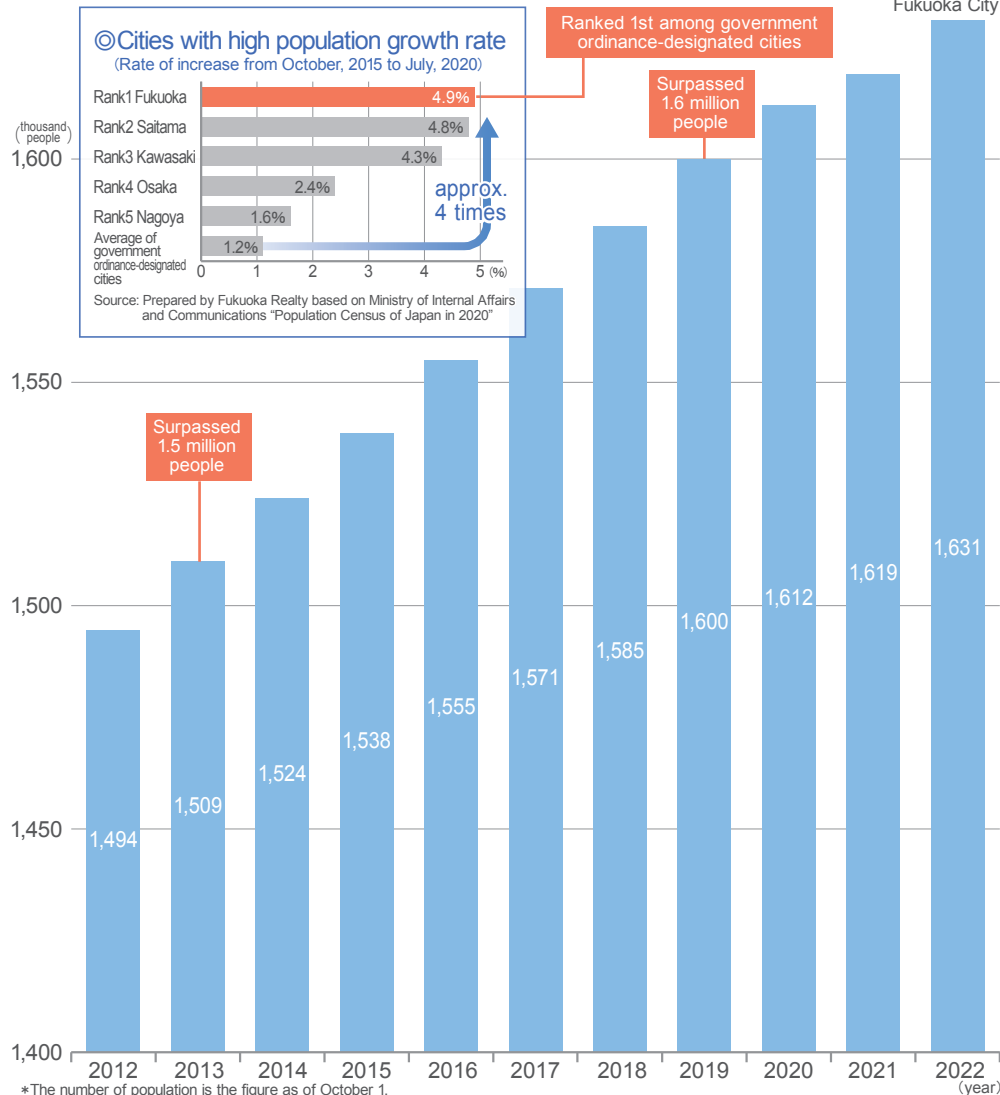


◎Investment type

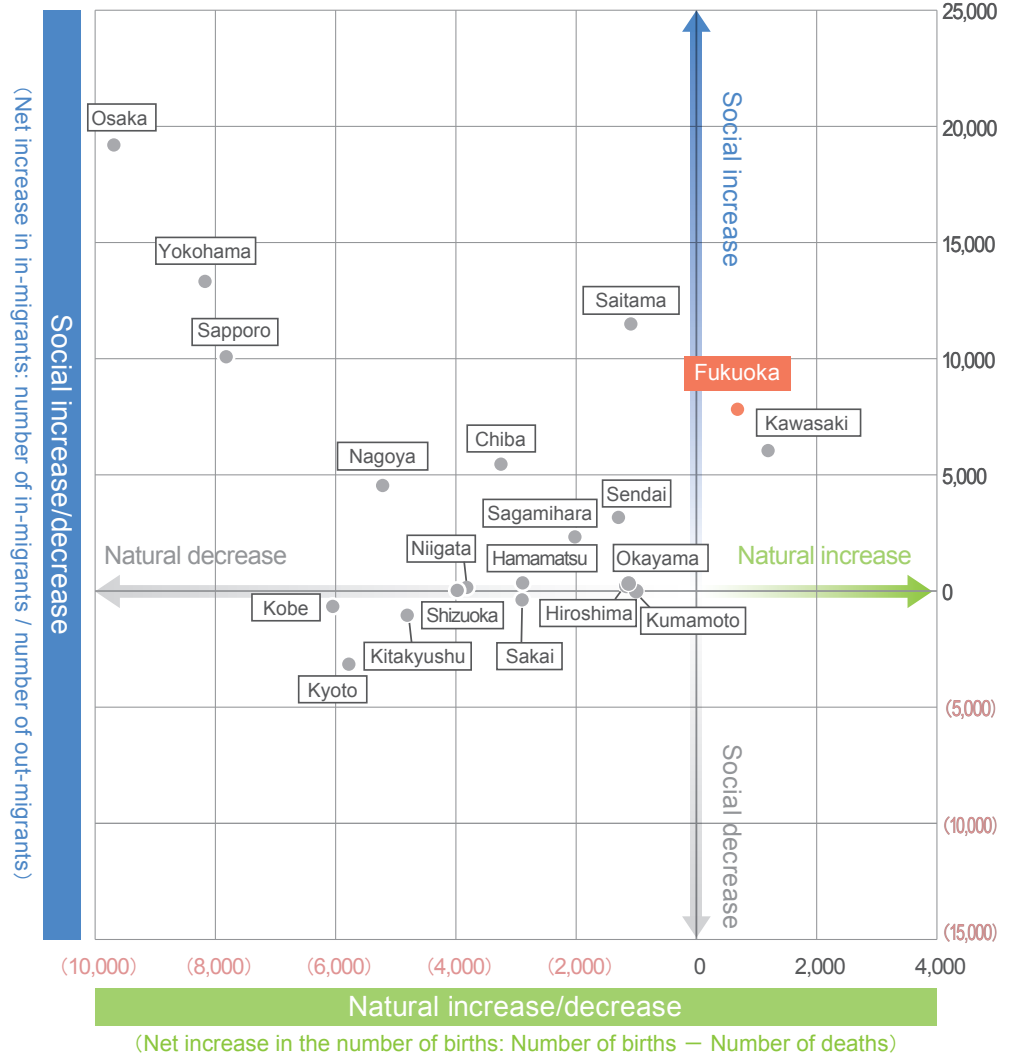


Current situation of Fukuoka City①

Trends in number of population growth in Fukuoka City



Distribution Chart of Net Increase/Decrease in Population (comparison of ordinance-designated cities) (2020)

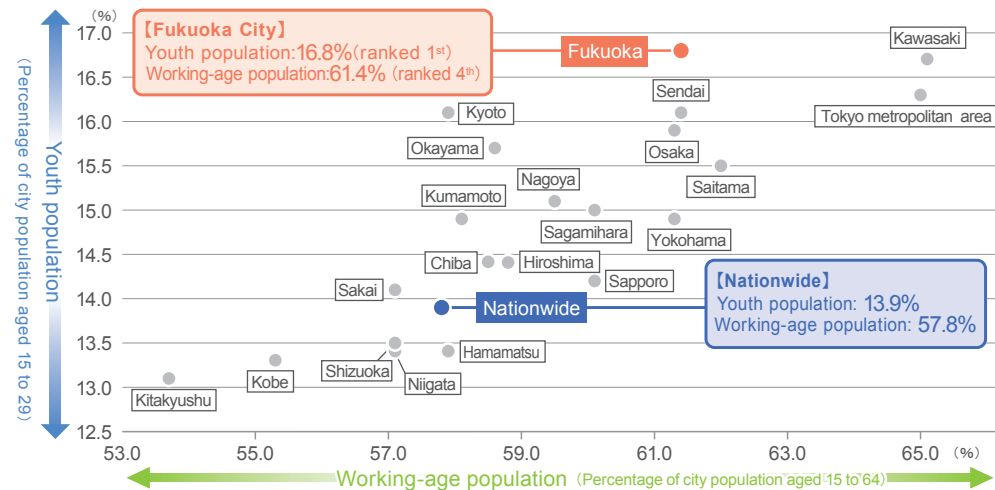


*The number of population is the figure as of October 1.
Source: Prepared by Fukuoka Realty based on data from "Estimated Population" (Fukuoka City General Affairs and Planning Bureau) and "Population, Demographics and Number of Households Based on the Basic Resident Register" (Local Administration Bureau, Ministry of Internal Affairs and Communications)

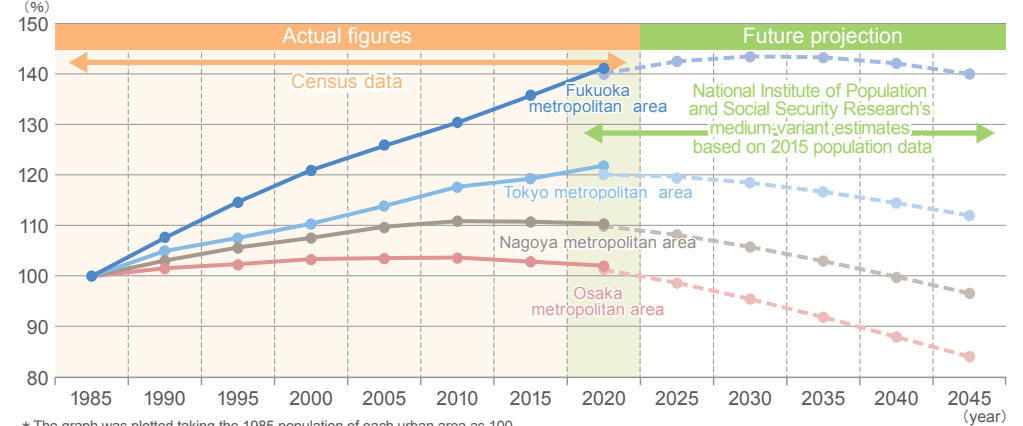
Source: Prepared by Fukuoka Realty based on data from "Population, Demographics and Number of Households Based on the Basic Resident Register (2021)" (Local Administration Bureau, Ministry of Internal Affairs and Communications)

Current situation of Fukuoka City②

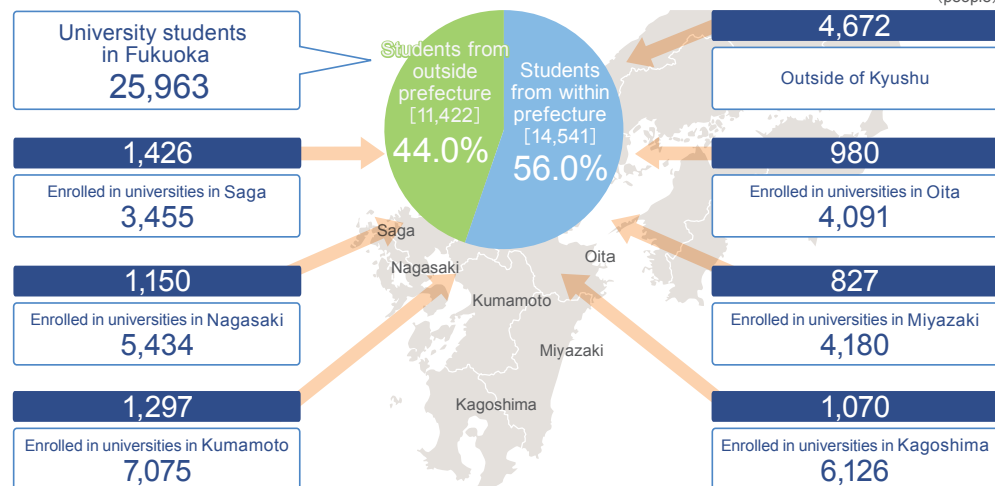
Youth and working-age population ratios of nationwide and major cities (2020)



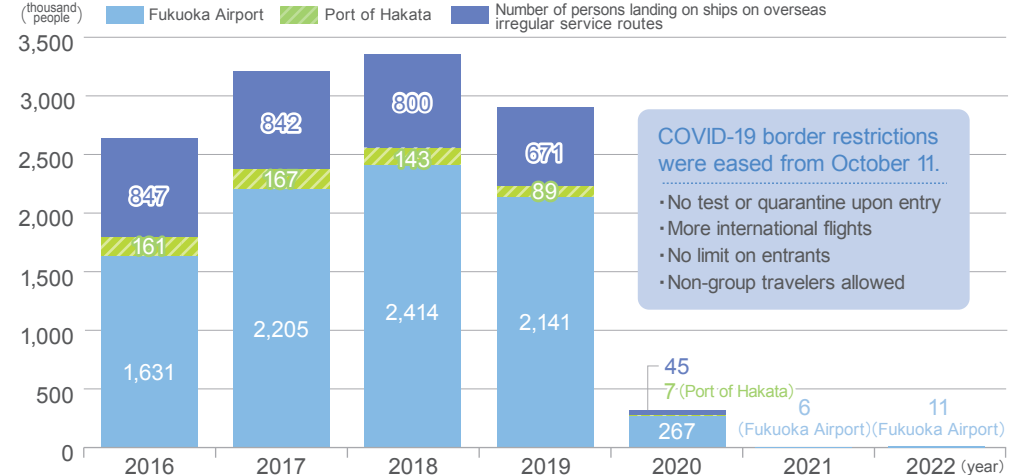
Population trends of major metropolitan areas



Interregional migration of university students in Kyushu



Change in number of overseas visitors

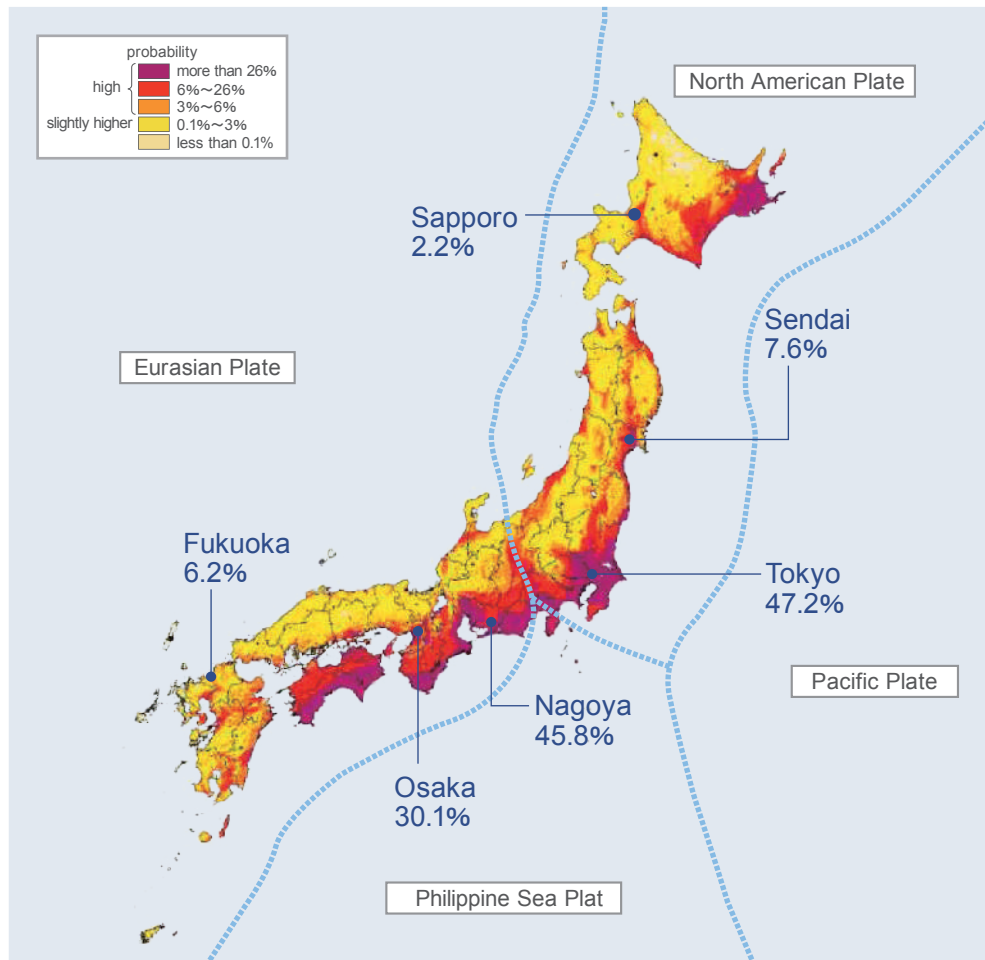


Earthquake risk in Fukuoka, etc.

All properties owned by Fukuoka REIT are covered by earthquake insurance

Probabilistic earthquake prediction map

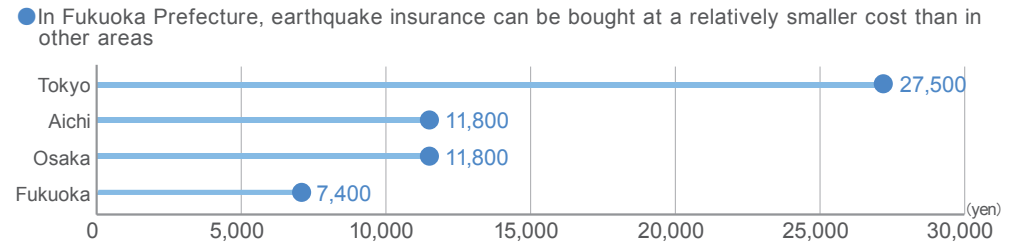
Probability of occurrence of an earthquake with a magnitude of nearly 6 or higher within the next 30 years [Average case / all earthquakes] [Reference date: January 1, 2020]



Source: Prepared by Fukuoka Realty based on data from the Office of the Headquarters for Earthquake Research Promotion (Earthquake and Disaster-Reduction Research Division, Research and Development Bureau, Ministry of Education, Culture, Sports, Science and Technology); J-SHIS (Japan Seismic Hazard Information Station, National Research Institute for Earth Science and Disaster Resilience); and the website of the Japan Meteorological Agency, Ministry of Land, Infrastructure, Transport and Tourism.

Basic Rate of Earthquake Insurance

◎Earthquake insurance with coverage starting on October 1, 2022 and thereafter

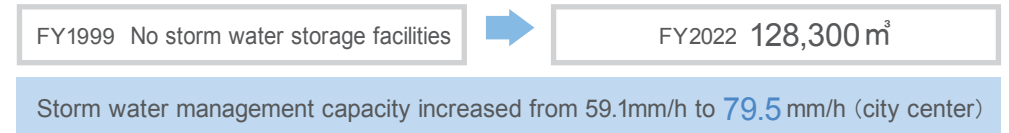


*The basic rate is per 10 million yen of insurance amount mainly for steel-frame and concrete structure buildings over the insurance period of one year. Source: Created by Fukuoka Realty based on data from specially created earthquake insurance site (General Insurance Association of Japan).

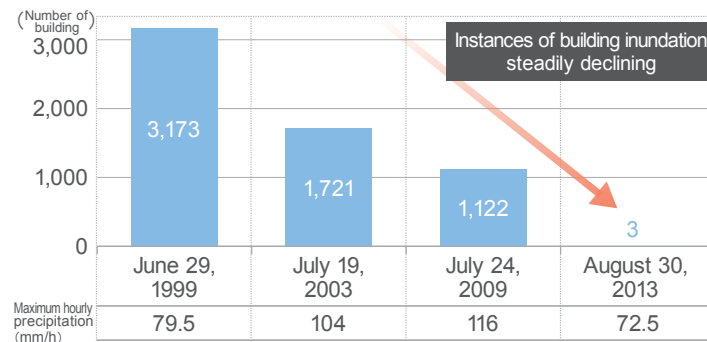
Example of measures taken by the Fukuoka City government against other natural disasters [Fukuoka City flooding countermeasures]

◎Storm water storage facilities

● Capacity of storm water storage facilities



◎Instances of building inundation in Fukuoka City



Between FY2000 and FY2022 Storm water drainage capacity has increased significantly

Since the launch of the project in FY2000 Instances of inundation have steadily declined

Source: Prepared by Fukuoka Realty based on data from the "Storm Water Management Action Plan 2026" pamphlet about the Fukuoka City Storm Water Emergency Control Plan.

Certification from external organizations and information disclosure

Endorsement of TCFD (Task Force on Climate-Related Financial Disclosures) (Sept. 2022)

 <p>TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</p>	<p>Endorsement of TCFD (Task Force on Climate-Related Financial Disclosures) (September 2022)</p>	<p>In September 2022, we endorsed the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures), which was established by the Financial Stability Board (FSB) to examine climate-related disclosures and how financial institutions should respond. At the same time, we joined the TCFD Consortium, an organization of endorsing Japanese companies.</p>
<p>Signatory of:</p>  <p>PRI Principles for Responsible Investment</p>	<p>Principles for Responsible Investment (PRI) (September 2018)</p>	<p>Refers to the six basic principles advocated in 2006 by Kofi Annan, the United Nations Secretary-General at the time, for the purpose of reflecting environmental, social and governance (ESG) factors to the investment process, as well as the international network of financial institutions that affirm the principles. The Asset Manager became a signatory to the Principles for Responsible Investment (PRI) in September 2018 in order to implement practices at an international level when it promotes ESG awareness in real estate investment and management operations.</p>
 <p>PFA21 Principles for Financial Action for the 21st Century</p>	<p>Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) (September 2018)</p>	<p>Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) refers to the principles prepared in October 2011, with the Ministry of the Environment serving as the secretariat, as action guidelines for financial institutions that want to fulfill the responsibilities and roles necessary for forming a sustainable society. The Asset Management Company became a signatory in September 2018, affirming the ideas of the Principles.</p>
 <p>G R E S B ★★★★ 2022</p>	<p>GRESB</p>	<p>GRESB is a benchmark evaluation system that annually assesses the environmental, social and governance (ESG) awareness of real estate companies and funds, as well as the name of the organization that operates it. GRESB was established in 2009 mainly by major European pension funds that led the Principles for Responsible Investment (PRI). FRC has been a participant since 2018.</p>
 <p>DBJ Green Building</p>	<p>DBJ Green Building Certification</p>	<p>The DBJ Green Building Certification is a certification system established in 2011 as an initiative to support real estate featuring "environmental and social considerations" and entities that own and operate such estate. The system evaluates real estate sustainability from five ESG-based perspectives.</p>
 <p>BELS Building Energy Labeling System</p>	<p>BELS</p>	<p>BELS is a system in which third parties evaluate and indicate the energy conservation performance of non-residential buildings based on the Evaluation Guidelines for the Building Energy-efficiency Labeling System for Non-Residential Buildings (2013). FRC has acquired the certification for 4 properties.</p>

ESG Initiatives (Environment)

Reduction of environmental load

Enhancing energy efficiency Fukuoka REIT

- Replacement of air-conditioning equipment (Sanix Hakata Building, etc.)
- Promotion of replacement of lighting with LED lamps (exterior lighting) (Gofukumachi Business Center)
- Utilization of renewable energy (solar power generation panels installed at Konoha Mall Hashimoto LOGICITY Minato Kashii and LOGICITY Hisayama)
- Attachment of heat-shielding sheets for the top light section on the rooftop (Park Place Oita)
- Greening of common spaces • Arrangement of water areas • Creation of shaded spaces
- Installation of charging station for electric vehicles
- Installation of electronic circuit breaker (Aqualia Chihaya)

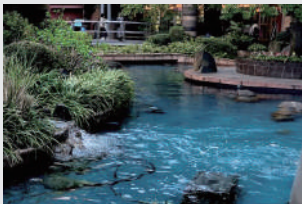


Waste reduction / resource recycling Fukuoka REIT

- Separate collection of garbage
- Conversion of raw garbage into animal feed (Canal City Hakata, Park Place Oita)
- Collection of secondhand clothing (Canal City Hakata, Konoha Mall Hashimoto)

● Installation of canal water filtration system, greywater plant and water-saving toilets (Canal City Hakata)

Canal City Hakata has worked to reduce water consumption through a canal water filtration system (rainwater reuse system), a greywater plant (kitchen drainage reuse system), water-saving toilets, etc.



• Canal water filtration system (rainwater reuse system)



• Greywater plant (kitchen drainage reuse system)



• Water-saving toilets

Maintenance and enhancement of environmental and construction performance

GRESB2022

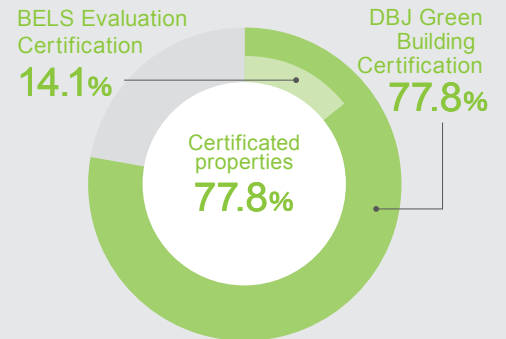
- GRESB Real Estate Assessment: Received the rating of “4 stars” and “Green Star” in the GRESB survey 2022
- Disclosure Assessment: Received the highest “A Level”



Green Building certification

Green Building certification obtained for 77.8% of entire portfolio

Ratio of environmental certification acquisition



*As of August 31, 2022 (based on total floor space)

- DBJ Green Building Certification
12 properties owned by the Fukuoka REIT corporation were certified
Reacquired certification for 6 properties (March 2022)

Canal City Hakata / Canal City Hakata • B



Properties with the best class environmental & social awareness

Park Place Oita



Properties with exceptionally high environmental & social awareness

- BELS Evaluation
Four properties owned by the Fukuoka REIT corporation were certified

ESG Initiatives (Society①)

Creation of pleasant workplaces Fukuoka Realty

Initiatives for employees

《Fukuoka Realty: Numbers of credentialed personnel》

(As of August 31, 2022)

- The average number of years of continuous service of permanent employees: 9 years and 4 months
- Full-time personnel: 41 [Male:18 Female:23] * Gender ratio
 - Employees seconded from sponsors : 3 Male : 43.9%
 - Employees seconded to a sponsor : 8 Female : 56.1%

■ Number of credentialed personnel

- | | |
|---|---------------------------------|
| • Real estate brokers : 23 | • Attorney : 1 |
| • ARES Certified Masters : 18 | • MBA : 2 |
| • Certified Building Administrators : 3 | • Administrative Scrivener : 1 |
| • First-class registered architect : 1 | • SME management consultant : 1 |
| • Real estate appraisers : 1 | • CMA : 2 |
| • Licensed Representative of Condominium Management Company : 1 | |



Certified as a "Fukuoka 'Work-Style Reform' Promotion Company" (August 28, 2018)

NEW

Registration with Fukuoka City Well-Being & SDGs Registration System (July 2022)

《Support for flexible working styles》

- Child-rearing support (maternity leave, childcare leave system)
- Nursing care leave
- Leave for voluntary work
- Employee welfare (401K, cumulative investment system, etc.)
- Encouraging use of paid holidays, etc.

《Training for employees》

- Regular lectures by Kyushu Economic Research Center
- Compliance training
- Sustainability training
- Nursing care training
- In-house recreation, etc.

《Career development support》

- Employee satisfaction survey
- Self-assessment system
- Career interview
- Secondment system (dispatching of employees to sponsor companies)
- Promotion from contract employee to permanent employee status, etc.

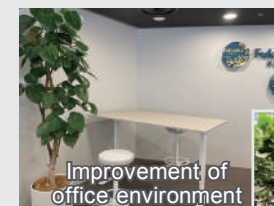
- Offering of training programs tailored to each management level
- System for supporting acquisition of qualifications (Real Estate Transaction Agent, ARES Certified Masters, etc.)
- Support for language learning, etc.

Other Initiatives

《health management・Improvement of office environment》

- Initiatives to prevent infectious diseases such as influenza (Implementation of influenza vaccination and full coverage of vaccination costs)
- Initiatives for preventing spread of COVID-19 (such as installation of thermographic monitors to measure temperature at office entrances; installation of anti-splash panels and ozone sterilization equipment; distribution of masks, thermometers and antiseptic solution; periodical disinfection of tables, chairs and door knobs, etc.)
- Mandatory health checkups and comprehensive medical examinations
- Health counseling by public health nurses

- Application system to restrict excessive overtime work
- Assistance for use of sports clubs
- COVID-19 vaccination at workplaces
Special leave for illness after COVID-19 vaccination
- Installation of personal booths, meeting booths, plants, etc.
- Installation of personal lockers



Improvement of office environment



NEW meeting booths

Create an attractive workplace (tenants) Fukuoka REIT

- Training for tenants' employees
- Emergency drills to improve safety and security of tenants
- Distribution of sustainability guidelines
- Support for tenants' employees and part-time job recruitment (posted on property websites)

- Improvement of employee lounge
Improved the lounge environment at Konoha Mall Hashimoto with a focus on the health and comfort of tenants' employees. Similar arrangement is under study for other facilities.
- Support of COVID-19 vaccination for applicants (provision of venues for vaccination, etc.)
- Implementation of tenant satisfaction surveys

ESG Initiatives (Society②)

Contribute to increased attractiveness and vitalization of Fukuoka and Kyushu area

Provision of regional information Fukuoka Realty

Information provision using website, social media, financial results briefing materials, etc.
Exchange of information and opinions with the governments, major companies and research institutes in the region

Linking with and provision of venues for various regional events and festivals Fukuoka Realty Fukuoka REIT

Support for Yamakasa Festival, Hakata Dontaku, Nakasu Jazz, Funa Norikomi (boat boarding; Kabuki stars unveiling their arrival) and locally based professional sports, etc.
*Excluding cases where the event was cancelled due to COVID-19.

Implementation of Corporate Version of Hometown Tax System (2022) Fukuoka Realty

Provided support to five prefectures (Kyushu) in total by utilizing the Corporate Version of Hometown Tax System

Provision of regional information

Information provision using website and social media



Participation in local event

Employees participated in the Oiyama event of Hakata Gion Yamakasa Festival, held for the first time in three years. President Zenji Koike served as the leader of the No. 8 Yamakasa float.



Involvement in local community

Initiatives for local communities, etc. Fukuoka Realty

- Environmental awareness-raising activity NEW with local high school
Period: September 17 (Sat) – 25 (Sun)
- Participates in Hakata Town Planning Promotion Council (Clean Day, etc.)
- Participates in Fukuoka Directive Council
- Hosts the Kyushu IR Workshop
- Hosted the Real Estate, Finance and Economic Networking
- Participates in the Kyushu SDGs Forum



NEW Environmental awareness-raising activity with local high school
Blue Earth Project "eco-friendly water station campaign"



Participation in Clean Day



Real Estate, Finance, and the Economy Gathering



Children's Plaza in Hashimoto, Nishi Ward
Tenant moved in



Installed a wash-basin for hands and feet



Parking lot dedicated to pregnant women and stroller users

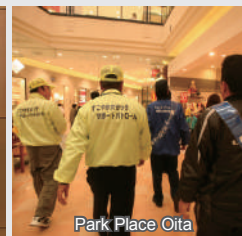
Child-rearing support

Others Fukuoka Realty Fukuoka REIT

- Child-rearing support
- Preventing the spread of new coronavirus infections
- Individual facility initiatives
 - Safety and security activities (anti-crime patrol, AED installation)
 - Local contribution (bike share service, EV charging station), etc.



Preventing the spread of new coronavirus infections (antibacterial · deodorant · antiviral treatment)



Crime prevention patrol (Jointly conducted with communities and schools)



AED installation



bike share service



EV charging station

ESG Initiatives (Governance)

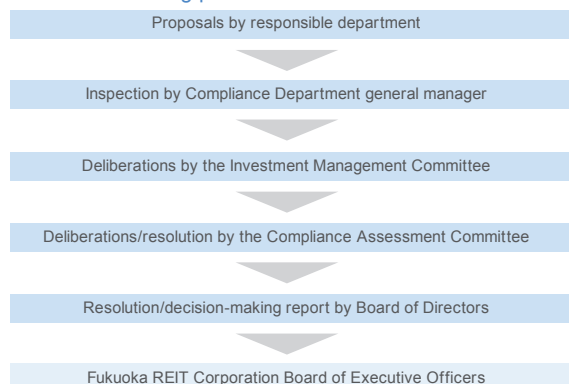
Compliance / Risk management

Governance System

Fukuoka Realty Fukuoka REIT

Fukuoka Realty has established a Basic Policy on Compliance, as well as compliance regulations and other internal rules to prevent conflicts of interest. We conduct with stakeholders in an appropriate manner based on the abovementioned rules and regulations with preliminary assessment carried out by the Compliance Department general manager and deliberations conducted by the Compliance Assessment Committee (consisting of the Compliance Department general manager and three outside experts).

©Decision-making process (*1)



©Third-party assessment by external experts

[Real estate appraisals]

- Japan Real Estate Institute
- The Tanizawa Sogo Appraisal Co., Ltd.
- Daiwa Real Estate Appraisal Co., Ltd.

[Market reports]

- Analysis on trade areas and competition situation
- Adequate rent levels, etc.

[Engineering reports]

- Law abidance and earthquake resistance
- Check of soil contamination, toxic substance and use status
- Replacement market price, expenses for long-term maintenance and repairs, etc.

(*1) The prior consent of the investment corporation's Board of Directors is obtained in cases falling under the provisions of Article 201-2(1) of the Act on Investment Trusts and Investment Corporations.

Conjunction with investors' and sponsors' profit

Fukuoka Realty Fukuoka REIT

- Same-boat investment by sponsor
Fukuoka Jisho Co., Ltd., the main sponsor, has 9.18% of FRC's investment units
- Cumulative investment system for investment units
(38.1% of the officers and employees participated in the system)

A cumulative investment system for investment units was introduced for the Asset Manager officers and employees in April 2015 in order to enhance their mindset for FRC's investment unit price and better performance as well as promote their assets formation.

Management Fee Structure

Fukuoka Realty

Unitholder interest-linked asset management fees

Management Fee 1 (*2)	Based on total assets
Management Fee 2	Based on operating revenues
Management Fee 3 (*2)	Based on distributable profit
Management Fee 4	Acquisition fee
Management Fee 5	Transfer fee

(*2) We reduced the ratio of Management Fee 1 and increased the ratio of Management Fee 3 as of the fiscal period ended February 2021.

Appointment of Outside Directors (other than interested persons)

Fukuoka Realty

Secure transparency and fairness of the Board of Directors

Title	Name	Attendance at board meetings at 36 ^h
President and CEO	Zenji Koike	100% attendance
Vice President Board of Directors(Non-Executive)	Hiroshi Shimuta	100% attendance
Vice President Board of Directors(Non-Executive)	Noboru Hashimoto	100% attendance
Vice President Board of Directors(Non-Executive)	Yukitaka Ohara	100% attendance
Vice President Board of Directors(Non-Executive)	Masanori Tasaka	100% attendance

Information on attendance at board meetings

Fukuoka REIT

Title	Name	Attendance at board meetings at 36 ^h
Executive director	Zenji Koike	100% attendance
Supervisory director	Takashi Tanabe	100% attendance
Supervisory director	Yasuo Kawasho	100% attendance

Information Security

Fukuoka Realty

- Established information management regulations (for protection and handling of information assets and prevention of information loss, leakage, etc.)
- Thorough management of information assets (limit access, maintain information systems and ensure safety)

Customer-oriented Business Operations

Fukuoka Realty

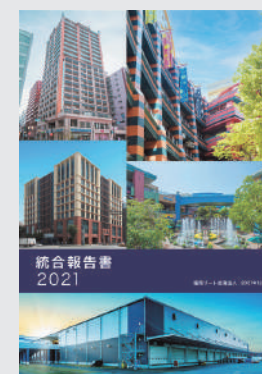
- Adopted the Principles for Customer-Oriented Business Conduct published by the Financial Services Agency on March 30, 2017, and established Policies for Customer-Oriented Business Operations (September 20, 2017)
- Disclosed the status of initiatives regarding customer-oriented business operations on our website

Regular Compliance Training

Fukuoka Realty

We regularly carried out training for all officers and employees to enhance their awareness.

Oct. 2019 – Sept. 2020	Oct. 2020 – Sept. 2021	Oct. 2021 – Sept. 2022
6 times	6 times	6 times (including e-learning)



Information disclosure and dialogue with stakeholders

Publication of Integrated Report (only J-REIT to do so)

- Published annually since 2019
- Fourth Integrated Report scheduled to be published in December 2022 (will expand non-financial information)

2021 Report
(published in December 2021)

IR initiatives

Major IR activities implemented

◎IR for domestic institutional investors

- Financial results briefing for analysts and institutional investors (Following on-line live streaming) Post the video on the website the next day
- Roadshows on financial results (conference calls)

◎IR for overseas institutional investors

- Roadshows on financial results (Asia)
- Timely information disclosure in English (held simultaneously as the delivery of Japanese press releases)

◎IR for individual investors

- Fukusho IR Fair Online(August 2022)
- Information distribution on YouTube(August 2022)
- Responding to individual calls



Fukusho IR Fair Online (August 2022)



Information distribution on YouTube (August 2022)



Status of integration into indexes (as of August 31, 2022)

◎Global indexes, etc

FTSE EPRA/NAREIT
Global Real Estate Index

S&P Global REIT
Index

FTSE Developed
Small Cap

MSCI Japan
Small Cap Index

Major achievements in public relations activities

◎Interview article

Zenji Koike, President and CEO of Fukuoka Realty, was interviewed by REIT information portal “Japan-REIT.com” for a series interviewing key people at REITs (posted July 2022)

REITキーマンに聞く！



今回は、株式会社福岡リアルティ 代表取締役社長 古池 善司氏に業界動向や福岡リート投資法人の特徴に関してインタビュー形式でお話をいただきました。

第1部：REIT市場・業界動向について
株式市場は金融引き締め強化への懸念から不安定な動きが続くも、J-REIT市場は比較的落ち着いた展開となっています。・・・

第2部：福岡リート投資法人について
福岡リート投資法人は地域特化型REITであり、福岡・九州という成長余力のある地域を投資対象エリアとしています。・・・

◎Advertising

Posted an ad for Fukuoka Realty in Star Flyer’s in-flight magazine “Mother Comet” (August 2022 issue)



Other Activities

The Kyushu IR Workshop, which started in collaboration with the Japan Investor Relations Association, is entering its twelve year in 2022. It is utilized as a venue to study the latest IR trends with IR staff of companies from Fukuoka and Kyushu and to build networks among such companies. This year, the workshop was held both in-person and by utilizing online functions as a measure to prevent the spread of COVID-19.

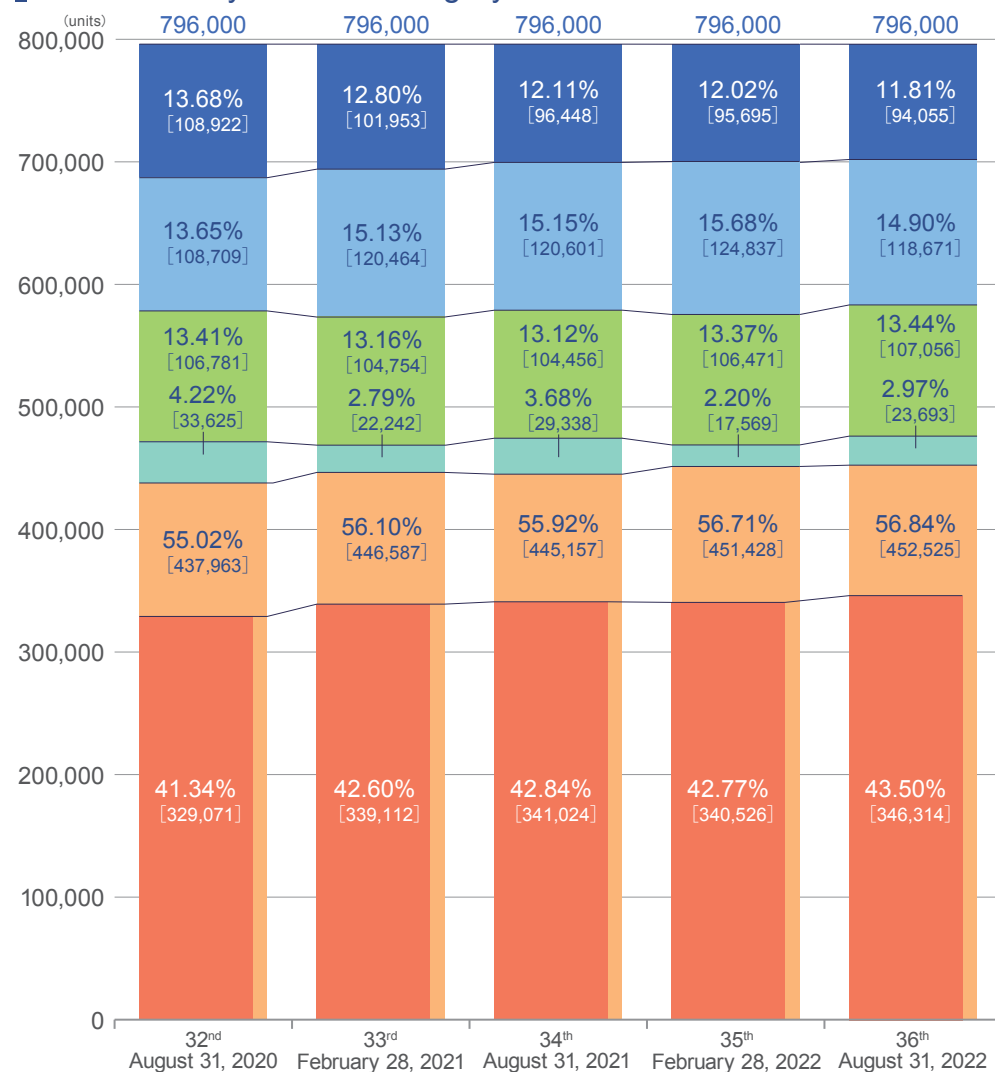
Date	Theme & lecturer
1st workshop July 2022	“The Future of Information Disclosure and Investor Dialogue: Focus on ESG, Post-COVID and Human Capital” Professor Shoichi Tsumuraya, Graduate School of Business Administration, Hitotsubashi University (Visiting researcher, Japan Investor Relations Association)

*Information on the lecturers is that for the workshops held by the IR Kyushu Subcommittee.



Unitholders' data

Distribution by investor category [breakdown of investment units]



Financial institutions Of which held by trust banks Stock brokers Other corporations Foreign corporations Individual
* Percentages and ratio are rounded off to two decimal places.

No. of unitholders and investment units held by unitholder category [at the end of the 36th FP]

	No. of unitholders	Percentage	Investment units held	Percentage
Individual · other	12,973	95.71%	94,055	11.81%
Foreign individuals	231	1.70%	118,671	14.90%
Other domestic corporations	245	1.80%	107,056	13.44%
Stock brokers	24	0.17%	23,693	2.97%
Financial institutions	81	0.59%	452,525	56.84%
(Of which held by trust banks)	7	0.05%	346,314	43.50%
Total	13,554	100.00%	796,000	100.00%

(As of August 31, 2022)

Major investors [at the end of the 36th FP]

Rank	Name	Investment units held	Percentage
1	Custody Bank of Japan, Ltd.(Trust account)	211,859	26.61%
2	The Master Trust Bank of Japan, Ltd.(Trust account)	94,254	11.84%
3	Fukuoka Jisho Co., Ltd.	73,136	9.18%
4	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	33,813	4.24%
5	The Shinkumi Federation Bank	14,760	1.85%
6	STATE STREET BANK WEST CLIENT - TREATY 505234	12,804	1.60%
7	MetLife, Inc.	10,227	1.28%
8	SSBTC CLIENT OMNIBUS ACCOUNT	9,329	1.17%
9	Shikoku Railway Company	9,130	1.14%
10	JP MORGAN CHASE BANK 385771	8,886	1.11%

(As of August 31, 2022)

Unit price chart



(*1) A 5-for-1 split of Fukuoka REIT investment units was effectuated on March 1, 2014. Accordingly, investment unit prices and issuance prices until February 25, 2014 have been divided by 5.
 (*2) Turnover by February 25, 2014 was multiplied by 5.

Financial highlights

Dividend per unit was 3,523 yen

Category	32 nd	33 rd	34 th	35 th	36 th	Difference B-A	- unit : mm yen	
	~ Aug. 31, 2020	~ Feb. 28, 2021	~ Aug. 31, 2021	~ Feb. 28, 2022 A	~ Aug. 31, 2022 B		37 th	38 th
							~ Feb. 28, 2023 (forecast)	~ Aug. 31, 2023 (forecast)
Operating revenues	8,518	8,904	8,867	8,658	8,830	171	8,915	9,119
Gain on sales	-	-	104	-	-	-	115	433
Leasing NOI	5,307	5,347	5,336	5,334	5,370	35	5,238	4,973
Depreciation and amortization expenses	1,686	1,623	1,552	1,486	1,514	28	1,505	1,534
Operating income	2,966	3,061	3,204	3,185	3,181	(3)	3,177	3,199
Ordinary income	2,587	2,677	2,817	2,816	2,805	(11)	2,803	2,819
Profit	2,586	2,675	2,816	2,814	2,804	(10)	2,801	2,817
Dividend per unit (yen) (①)	3,250	3,361	3,539	3,536	3,523			
Latest dividend forecast per unit (yen)(②)	3,150	3,300	3,500	3,500	3,500		3,520	3,540
Difference from forecast (yen) ①-②	+100	+61	+39	+36	+23		-	-
Total number of investment units outstanding (at period-end) (units)	796,000	796,000	796,000	796,000	796,000		796,000	796,000
Total assets (at period-end)	199,004	199,559	199,804	198,745	201,223			
Total liabilities (at period-end)	97,478	97,944	98,049	96,991	99,480			
Total net assets (at period-end)	101,525	101,614	101,755	101,753	101,743			
Days in fiscal period (days)	184	181	184	181	184			
Number of investment properties (at period-end)	31	31	32	32	33			
Number of tenants (at period-end)(*1)	1,016	1,011	1,010	1,016	1,021			
Total leasable floor space (at period-end) (m ²)	591,021.51 m ²	608,557.70 m ²	572,215.71 m ²	572,288.25 m ²	578,255.35 m ²			
Occupancy rate (at period-end) (%)(*2)	99.7%	99.5%	99.5%	99.4%	99.4%			
FFO (Funds from Operation)(mm yen) (*3)	4,273	4,299	4,265	4,301	4,318			
FFO per unit (yen)	5,368	5,401	5,358	5,403	5,425			

(*1) The number of tenants shown is based on the total for properties Fukuoka REIT owns. As for the number of tenants in pass-through master leasing properties, the total number of sections stipulated in the tenancy agreements with end tenants is shown.

(*2) "Occupancy rate"="Total leased floor space at period-end" / "Total leasable floor space at period-end"

(*3) The FFO is calculated by the following method.

"FFO" = Profit + Loss on sale of real estate - Gain on sale of real estate + Depreciation

Balance sheets (compared with the previous fiscal period)

Account		35 th Feb. 28, 2022 A	36 th Aug. 31, 2022 B	Difference B—A
Assets	Total current assets	11,736	9,690	(2,046)
	Cash and deposits	6,860	4,203	(2,657)
	Cash and deposits in trust	3,775	4,335	560
	Operating accounts receivable	612	788	176
	Prepaid expenses	254	227	(26)
	Consumption taxes receivable	217	124	(92)
	Others	15	10	(5)
	Total non-current assets	186,980	191,506	4,525
	Total property, plant and equipment	180,121	184,617	4,495
	Buildings	1,132	1,118	(14)
	Structures	20	19	(0)
	Tools and fixtures	1	1	(0)
	Lands	989	989	-
	Buildings in trust	65,074	66,726	1,652
	Structures in trust	1,054	1,068	14
	Machinery and equipment in trust	754	738	(16)
	Tools and fixtures in trust	220	232	11
	Lands in trust	110,373	113,715	3,341
	Construction in progress in trust	500	7	(492)
	Total intangible assets	5,557	5,554	(2)
	Leasehold right in trust	5,545	5,545	-
	Other intangible assets in trust	11	8	(2)
	Total investment and other assets	1,302	1,335	32
	Deferred tax assets	0	0	(0)
	Lease and guarantee deposits	10	10	-
	Lease and guarantee deposits in trust	327	327	-
	Long-term prepaid expenses	964	997	32
	Total deferred assets	27	26	(1)
Total assets	198,745	201,223	2,478	

- unit : mm yen

Account		35 th Feb. 28, 2022 A	36 th Aug. 31, 2022 B	Difference B—A
Liabilities	Total current liabilities	8,639	9,111	472
	Operating accounts payable	495	661	165
	Current maturities of long-term debt	6,000	5,900	(100)
	Account payable-other	22	16	(6)
	Accrued expenses	414	421	7
	Income taxes payable	1	0	(0)
	Accrued consumption taxes	-	-	-
	Advances received	1,007	1,084	77
	Deposits received	697	1,026	329
	Total non-current liabilities	88,352	90,368	2,016
	Investment corporation bonds	5,000	5,000	-
	Long-term debt	71,400	73,000	1,600
	Tenant leasehold and security deposits	450	741	290
	Tenant leasehold and security deposits received in trust	11,501	11,627	126
Total liabilities	96,991	99,480	2,488	

Account		35 th Feb. 28, 2022 A	36 th Aug. 31, 2022 B	Difference B—A
Net assets	Total unitholders' equity	101,753	101,743	(10)
	Unitholders' capital	98,938	98,938	-
	Surplus	2,814	2,804	(10)
Total net assets	101,753	101,743	(10)	

Total liabilities and net assets	198,745	201,223	2,478
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Cash flow statements (compared with the previous fiscal period)

- unit : mm yen

Category	35 th A ~Feb. 28, 2022	36 th B ~Aug. 31, 2022	Difference B-A
Net cash provided by (used in) operating activities	3,146	4,712	1,566
Profit before income taxes	2,816	2,805	(11)
Depreciation and amortization expenses	1,486	1,514	28
Amortization of investment corporation bond issuance expenses	2	1	(0)
Interest received	(0)	(0)	0
Interest expenses	271	278	7
Gain on sales of real estate property	-	-	-
Decrease (increase) in operating accounts receivables	(19)	(176)	(156)
Decrease (increase) in consumption taxes refund receivable	(217)	92	310
Increase (decrease) in accrued consumption taxes	(705)	-	705
Increase (decrease) in operating accounts payable	(29)	73	103
Increase (decrease) in accounts payable-other	5	(6)	(11)
Increase (decrease) in accrued expenses	(3)	4	7
Increase (decrease) in advances received	(50)	77	127
Increase (decrease) in deposits expenses	(215)	329	544
Decrease (increase) in prepaid expenses	18	26	8
Decrease (increase) in long-term prepaid expenses	71	(32)	(104)
Others, net	(9)	1	10
Subtotal	3,420	4,990	1,569
Interest income received	0	0	(0)
Interest expenses paid	(273)	(275)	(1)
Income taxes paid	(0)	(1)	(0)
Net cash provided by (used in) investment activities	(658)	(5,498)	(4,839)
Purchase of property, plant and equipment	(5)	(0)	4
Proceeds from sales of property, plant and equipment in trust	-	-	-
Purchase of property, plant and equipment in trust	(522)	(5,911)	(5,389)
Purchase of intangible assets in trust	-	-	-
Proceeds from tenant leasehold and security deposits	0	290	289
Repayments of tenant leasehold and security deposits	(0)	(0)	(0)
Proceeds from tenant leasehold and security deposits in trust	109	309	200
Repayments of tenant leasehold and security deposits in trust	(239)	(183)	56
Proceeds from restricted trust deposits	4	3	(1)
Payments for restricted trust deposits	(6)	(6)	0
Net cash provided by (used in) financial activities	(2,816)	(1,314)	1,501
Proceeds from short-term debt	-	4,000	4,000
Repayments of short-term debt	-	(4,000)	(4,000)
Proceeds from long-term debt	-	7,500	7,500
Repayments of long-term debt	-	(6,000)	(6,000)
Dividends paid	(2,816)	(2,814)	1
Net increase (decrease) in cash and cash equivalents	(329)	(2,100)	(1,770)
Balance of cash and cash equivalents at beginning of period	10,917	10,588	(329)
Balance of cash and cash equivalents at end of period	10,588	8,488	(2,100)

Income and expenditure by properties (Retail)

- unit : mm yen

Active retail	Category	Canal City Hakata	Canal City Hakata・B	Park Place Oita	SunLive City Kokura	Konoha Mall Hashimoto	36 th Total A	35 th Total B	Difference A-B	Forecast C(*)	Difference A-C	
	(Length)	36 th FP (Mar. 1, 2022 ~Aug. 31, 2022) 184 days						181 days	3 days			
	① Total leasing business revenues	1,016	929	1,164	270	816	4,196	4,206	(9)	4,200	(3)	
	Leasing revenue-real estate	984	899	976	270	646	3,777	3,805	(28)			
	Other leasing revenue-real estate	31	29	187	-	170	419	400	18			
	② Total leasing business expenses	474	559	582	47	549	2,214	2,174	39	2,174	39	
	Outsourcing fees	291	375	281	8	300	1,256	1,245	10			
	Repair and maintenance expenses	10	16	5	2	20	55	72	(16)			
	Expenses for restoration to former state	-	-	-	-	-	-	-	-			
	Tax and other public charges	82	100	99	34	41	359	375	(15)			
	Insurance premiums and trust compensation	5	8	5	1	2	23	23	0			
	Utilities expenses	25	32	166	-	105	328	293	34			
	Other expenses	60	26	24	1	78	190	164	26			
	③ NOI (=①-②)	541	369	581	222	267	1,982	2,031	(49)	2,025	(43)	
	④ Depreciation and amortization expenses	227	189	209	52	96	774	748	26			
	⑤ Leasing business profit (=③-④)	314	179	371	170	171	1,207	1,282	(75)			
	NOI yield (acquisition price)	3.4%	3.5%	5.9%	6.7%	5.3%	4.4%	4.5%	(0.1)%			
	Capital expenditures	660	41	763	9	265	1,739	509	1,230			
Retail (Others)	Category	Square Mall Kagoshima Usuki	Kumamoto Intercommunity SC	Hanahata SC	Kurume Higashi Kushiwara SC	K's Denki Kagoshima	Marinoa City Fukuoka (Marina Side Building)	36 th Total A	35 th Total B	Difference A-B	Forecast C(*)	Difference A-C
	(Length)	36 th FP (Mar. 1, 2022 ~Aug. 31, 2022) 184 days						181日	3日			
		① Total leasing business revenues	255	89	40	88	111	762	760	1	757	4
		Leasing revenue-real estate	223	89	40	88	111	730	730	(0)		
		Other leasing revenue-real estate	32	0	0	-	0	32	30	2		
		② Total leasing business expenses	87	11	8	12	10	162	144	18	161	1
		Outsourcing fees	38	2	1	2	1	48	48	(0)		
		Repair and maintenance expenses	5	1	2	1	0	22	7	15		
		Expenses for restoration to former state	-	-	-	-	-	-	-	-		
		Tax and other public charges	16	5	3	5	7	57	56	0		
		Insurance premiums and trust compensation	0	0	0	0	0	2	2	0		
		Utilities expenses	25	-	-	-	-	25	22	2		
		Other expenses	0	0	1	2	0	6	6	(0)		
	③ NOI (=①-②)	167	78	32	76	100	600	616	(16)	596	3	
	④ Depreciation and amortization expenses	38	12	5	16	22	117	117	0			
	⑤ Leasing business profit (=③-④)	129	66	27	59	78	482	499	(16)			
	NOI yield (acquisition price)	6.3%	6.6%	5.8%	6.1%	5.7%	6.0%	6.1%	(0.2)%			
	Capital expenditures	20	2	-	0	-	24	34	(10)			

(*) Forecast at the financial results of the 35th fiscal period.

Income and expenditure by properties (Office buildings - Others)

Office buildings

Category	Canal City Business Center Building	Gofukumachi Business Center	Sanix Hakata Building	Taihaku Street Business Center	Higashi Hie Business Center	Tenjin Nishi-Dori Center Building	Tenjin North Front Building	Higashi Hie Business Center II	Higashi Hie Business Center III	Tenjin Nishi-Dori Business Center (Land with leasehold interest)	Hakata Chikushi-Dori Center Building	36 th Total A
	(Length)	36 th FP (Mar. 1, 2022 ~ Aug. 31, 2022) 184 days										
① Total leasing business revenues	649	590	211	325	357	86	148	164	98	159	133	2,924
Leasing revenue-real estate	646	522	196	325	328	86	123	149	94	159	124	2,759
Other leasing revenue-real estate	2	67	14	0	28	-	24	14	4	-	8	165
② Total leasing business expenses	215	192	60	94	136	19	44	53	20	18	32	889
Outsourcing fees	153	74	19	55	41	1	10	18	7	-	18	401
Repair and maintenance expenses	2	9	1	5	6	1	2	0	0	-	-	29
Expenses for restoration to former state	-	-	-	-	-	-	-	-	-	-	-	-
Tax and other public charges	48	37	23	27	16	15	9	9	7	18	-	214
Insurance premiums and trust compensation	1	2	0	1	1	0	0	0	0	-	0	10
Utilities expenses	7	60	14	-	27	-	21	12	5	-	9	158
Other expenses	2	7	1	3	42	0	0	10	0	0	4	74
③ NOI (=①-②)	433	397	150	231	221	67	103	111	78	140	100	2,035
④ Depreciation and amortization expenses	81	73	28	60	41	10	32	40	19	-	15	404
⑤ Leasing business profit (=③-④)	351	324	122	170	179	56	71	70	59	140	84	1,630
NOI yield (acquisition price)	5.9%	7.1%	6.9%	6.6%	7.5%	5.2%	7.4%	5.3%	4.8%	3.6%	4.7%	6.0%
Capital expenditures	10	41	40	29	2	15	0	0	0	-	3	144

35 th Total B	Difference A-B
181 days	3 days
2,762	161
2,620	138
141	23
810	78
382	18
25	3
-	-
191	22
9	0
132	26
68	6
1,951	83
403	1
1,548	82
6.1%	(0.1)%
40	104

Forecast C (*1)	Difference A-C
2,910	13
902	(13)
2,007	27

- unit : mm yen

Others

Category	Tosu Logistics Center	LOGICITY Minato Kashii	LOGICITY Hisayama	LOGICITY Wakamiya	Amex Akasakamon Tower	City House Keyaki Dori	Aqualia Chihaya	D-Wing Tower	Granfore Yakuin Minami	Hotel FORZA Oita	Tissage Hotel Naha	36 th Total A
	(Length)	36 th FP (Mar. 1, 2022 ~ Aug. 31, 2022) 184 days										
① Total leasing business revenues					66	39	60	112	39	63	43	946
Leasing revenue-real estate					64	39	58	107	37	63	43	893
Other leasing revenue-real estate					1	0	1	4	1	-	0	52
② Total leasing business expenses					16	7	13	26	10	9	8	193
Outsourcing fees					5	2	3	7	2	0	0	34
Repair and maintenance expenses	Non-disclosure (*2)	Non-disclosure (*2)	Non-disclosure (*2)	Non-disclosure (*2)	1	0	1	2	0	0	1	11
Expenses for restoration to former state					1	-	2	3	2	-	-	9
Tax and other public charges					5	3	4	7	2	7	5	88
Insurance premiums and trust compensation					0	0	0	0	0	0	0	5
Utilities expenses					0	0	0	2	0	-	-	32
Other expenses					1	1	1	2	1	0	0	11
③ NOI (=①-②)	38	187	125	71	49	31	46	85	28	53	34	753
④ Depreciation and amortization expenses	9	38	38	15	19	10	12	18	10	22	24	217
⑤ Leasing business profit (=③-④)	28	149	87	56	29	21	34	67	18	30	10	535
NOI yield (acquisition price)	6.1%	4.6%	5.0%	8.4%	4.8%	5.7%	7.3%	6.1%	5.2%	6.9%	2.4%	5.2%
Capital expenditures	-	2	1	-	1	4	6	3	4	12	-	37

35 th Total B	Difference A-B
181 days	3 days
929	17
884	9
45	7
194	(1)
33	0
16	(4)
7	1
88	0
5	0
27	4
14	(3)
734	18
216	0
518	17
5.1%	0.1%
15	22

Forecast C (*1)	Difference A-C
939	7
194	(0)
744	8

(*1) Forecast at the financial results of the 35th fiscal period. (*2) Information is not disclosed because the permission of tenants has not been obtained.

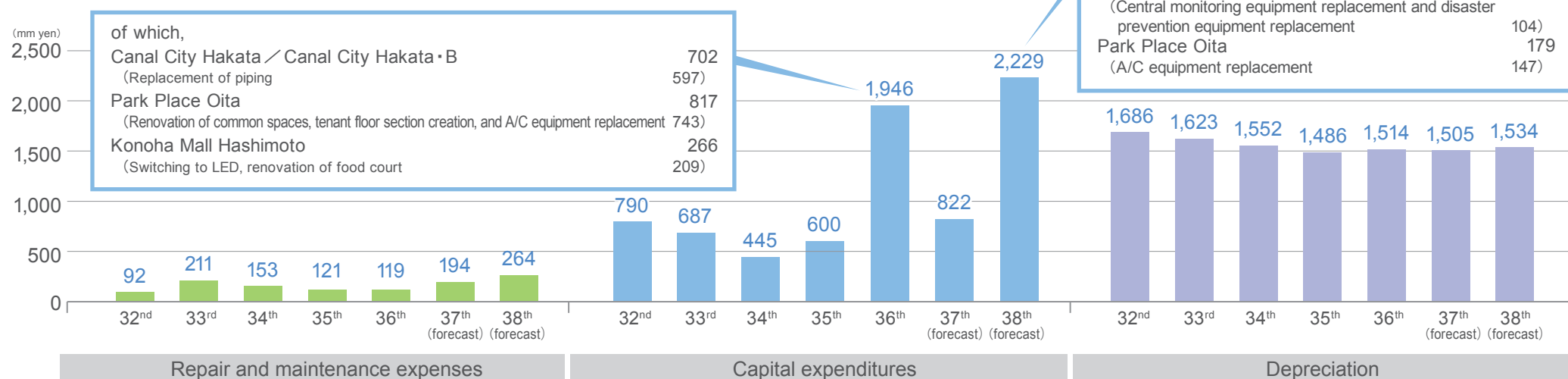
Income and expenditure by properties (Total) /Repair and maintenance expenses, capital expenditures, and depreciation

- unit : mm yen

Category (Length)	36 th Total A	35 th Total B	Difference A-B	Forecast C (*)	Difference A-C
	Mar. 1, 2022 ~Aug. 31, 2022	Sept. 1, 2021 ~Feb. 28, 2022			
	184 days	181 days	3 days		
① Total leasing business revenues	8,830	8,658	171	8,807	22
Leasing revenue-real estate	8,160	8,040	119		
Other leasing revenue-real estate	669	618	51		
② Total leasing business expenses	3,459	3,323	135	3,436	23
Outsourcing fees	1,740	1,711	29		
Repair and maintenance expenses	119	121	(1)		
Expenses for restoration to former state	9	7	1		
Tax and other public charges	719	711	7		
Insurance premiums and trust compensation	42	41	0		
Utilities expenses	544	476	68		
Other expenses	282	254	28		
③ NOI (=①-②)	5,370	5,334	35	5,371	(0)
④ Depreciation and amortization expenses	1,514	1,486	28		
⑤ Leasing business profit (=③-④)	3,856	3,848	7		
NOI yield (acquisition price)	5.2%	5.3%	(0.1)%		
Capital expenditures	1,946	600	1,346		

(*)Forecast at the financial results of the 35th fiscal period.

Repair and maintenance expenses, capital expenditures, and depreciation



Portfolio table①

(As of August 31, 2022)

	Real estate property name	Age (*1)	Acquisition price(mm yen)(*2)	Investment ratio	Acquisition timing	Source (*3)	Total leasable floor space (m) (*4)	Occupancy rate	Tenants (*5)	Primary tenants
Retail	Canal City Hakata	26yr 4m	32,000	15.5%	Nov. 9, 2004	Sponsor	46,585.57	97.7%	43	Washington Hotel and United Cinema
	Canal City Hakata・B	26yr 4m	21,060	10.2%	Mar. 2, 2011	Outside party	31,141.44	96.0%	42	OPA and MUJI Canal City Hakata
	Park Place Oita	20yr 5m	19,610	9.5%	Nov. 9, 2004	Sponsor	121,184.09	99.8%	103	AEON and K's Denki
	SunLive City Kokura	17yr 5m	6,633	3.2%	Jul. 1, 2005	Outside party	61,450.22	100.0%	1	SunLive
	Konoha Mall Hashimoto	11yr 5m	10,000	4.8%	Mar. 1, 2018	Sponsor	22,191.19	100.0%	124	SunLive and The Super Sports XEBIO
	Square Mall Kagoshima Usuki	15yr 11m	5,300	2.6%	Sept.28, 2006	Sponsor	14,602.88	100.0%	13	Sports Depo / Golf5 and Edion
	Kumamoto Intercommunity SC	15yr 9m	2,400	1.2%	Nov.30, 2006	Sponsor	6,968.66	100.0%	2	Sports Depo / Golf5 and Starbucks Coffee
	Hanahata SC	15yr 1m	1,130	0.5%	Sept. 3, 2007	Sponsor	2,801.15	100.0%	2	BON REPAS and Matsumoto Kiyoshi
	Kurume Higashi Kushiwara SC	14yr 8m	2,500	1.2%	Feb. 1, 2008	Sponsor	6,467.80	100.0%	1	Sports Depo / Golf5
	K's Denki Kagoshima	14yr 9m	3,550	1.7%	Mar.27, 2008	Outside party	7,296.17	100.0%	1	K's Denki
	Marinoa City Fukuoka (Marina Side Building)	21yr 10m	5,250	2.5%	May 1, 2015	Sponsor	33,069.82	100.0%	1	F.J. Entertainment Works Ltd.
Total or the weighted average of retail	—	109,433	53.0%	—	—	353,758.99	99.3%	333	—	
Office buildings	Canal City Business Center Building	6yr 4m	14,600	7.1%	Nov. 9, 2004	Sponsor	23,031.14	100.0%	64	Bell System24 and TOTO
	Gofukumachi Business Center	18yr 10m	11,200	5.4%	Nov. 9, 2004	Sponsor	19,905.34	100.0%	36	SMBC CONSUMER FINANCE and Sumitomo Mitsui Banking Corporation
	Sanix Hakata Building	21yr 5m	4,400	2.1%	Sept.30, 2005	Outside party	6,293.75	100.0%	16	SANIX and The Nishi-Nippon City Bank
	Taihaku Street Business Center	20yr 5m	7,000	3.4%	Mar.16, 2006	Sponsor	14,677.35	99.5%	71 (*6)	NTT COMWARE and Tokio Marine & Nichido Outsourcing Management
	Higashi Hie Business Center	13yr 6m	5,900	2.9%	Mar.13, 2009	Outside party+Sponsor	13,614.59	100.0%	27	Forest Holdings and Fujitsu
	Tenjin Nishi-Dori Center Building	25yr 11m	2,600	1.3%	Feb. 1, 2013	Outside party	3,339.32	100.0%	1	The Nishi-Nippon City Bank
	Tenjin North Front Building	12yr 7m	2,800	1.4%	Mar.28, 2013	Outside party	5,252.41	100.0%	11	Rakuten Card and The Prudential Life Insurance Company, Ltd.
	Higashi Hie Business Center II	6yr 6m	4,230	2.1%	Mar. 1, 2018	Sponsor	6,214.77	100.0%	2	Fujitsu Limited and Seven-Eleven Japan Co.,LTD
	Higashi Hie Business Center III	2yr 5m	3,290	1.6%	May 29, 2020	Sponsor	2,981.14	100.0%	6	Mitsui Home Co.,LTD and NIPPON ENGINEERING CONSULTANTS CO.,LTD
	Tenjin Nishi-Dori Business Center (Land with leasehold interest)	—	7,700	3.7%	Jun. 1, 2021	Sponsor	1,343.51	100.0%	1	Fukuoka Jisho Co., Ltd
	Hakata Chikushi-Dori Center Building	30yr 7m	4,320	2.1%	Mar. 1, 2022	Outside party	5,994.41	96.7%	13	Fujitsu Japan Solutions Kyushu Limited, YAMAHEISANO Co.,Ltd
Total or the weighted average of office buildings	—	68,040	33.0%	—	—	102,647.73	99.7%	248	—	
Others	Tosu Logistics Center	14yr 3m	1,250	0.6%	Mar.28, 2014	Outside party	4,173.29	100.0%	1	non-disclosure
	LOGICITY Minato Kashii	8yr 4m	8,150	3.9%	Mar.27, 2015	Outside party	43,233.72	100.0%	2	Fukuoka Logistic System and F-LINE CORPORATION
	LOGICITY Hisayama	7yr 7m	5,050	2.4%	Jun. 1, 2017	Outside party	24,505.65	100.0%	1	KASEIinc Co., Ltd.
	LOGICITY Wakamiya	17yr 6m	1,700	0.8%	Jun. 30, 2020	Outside party	17,556.32	100.0%	1	Tsukasa Kigyou
	Amex Akasakamon Tower	17yr 1m	2,060	1.0%	Sept. 1, 2006	Outside party	4,821.25	94.1%	64	—
	City House Keyaki Dori	14yr 9m	1,111	0.5%	Dec.20, 2007	Outside party	2,710.86	100.0%	42	—
	Aqualia Chihaya	14yr 8m	1,280	0.6%	Mar. 1, 2012	Outside party	5,619.69	98.9%	104	—
	D-Wing Tower	16yr 6m	2,800	1.4%	Mar. 1, 2013	Outside party	7,187.59	93.2%	127	—
	Granfore Yakuin Minami	14yr 8m	1,100	0.5%	Nov. 4, 2014	Outside party	2,496.06	97.0%	96	—
	Hotel FORZA Oita	14yr 0m	1,530	0.7%	Mar. 1, 2013	Sponsor	5,785.44	100.0%	1	FJ Hotels
Tissage Hotel Naha	4yr 6m	2,835	1.4%	Dec. 7, 2018	Outside party	3,758.76	100.0%	1	Nest Hotel Japan Corporation	
Total or the weighted average of others	—	28,866	14.0%	—	—	121,848.63	99.3%	440	—	
Total or the weighted average of all properties	19yr 6m	206,339	100.0%	—	—	578,255.35	99.4%	1,021	—	

(*1) The age of the building is listed with the end of the period as the starting date. For the property for which FRC owns the land only, "-" is indicated. The total or average figures for all properties are the weighted average.

(*2) Acquisition price does not include fees, public charge and expenses.

(*3) Properties acquired through arrangement by a sponsor company are indicate with "sponsor" in the column of seller.

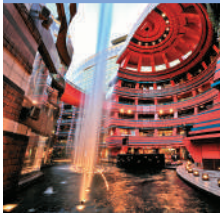
(*4) For the property for which FRC owns the land only, the leasable space of the land is indicated.

(*5) Parking contracts, etc., are excluded from "Number of tenants".

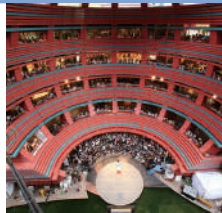
(*6) The Taihaku Street Business Center is an office building combined with a residential tower. There are 13 office tenants and 58 residential tenants.

Portfolio table②

Retail 11 properties



Canal City Hakata



Canal City Hakata · B



Park Place Oita



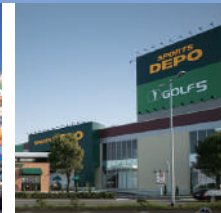
SunLive City Kokura



Konoha Mall Hashimoto



Square Mall Kagoshima Usuki



Kumamoto Intercommunity SC



Hanahata SC



Kurume Higashi Kushiwara SC

Office buildings 11 properties



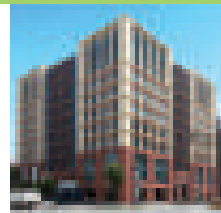
K's Denki Kagoshima



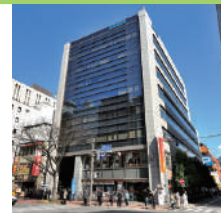
Marinoa City Fukuoka
(Marina Side Building)



Canal City Business Center Building



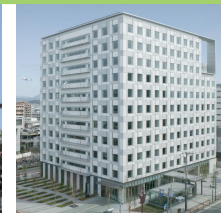
Gofukumachi Business Center



Sanix Hakata Building



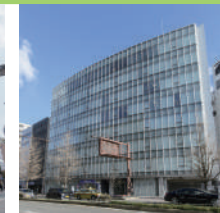
Taihaku Street Business Center



Higashi Hie Business Center



Tenjin Nishi-Dori Center Building



Tenjin North Front Building

Others 11 properties



Higashi Hie Business Center II



Higashi Hie Business Center III



Tenjin Nishi-Dori Business Center
(Land with leasehold interest)



NEW Hakata Chikushi-Dori Center Building



Logistics Tosu Logistics Center



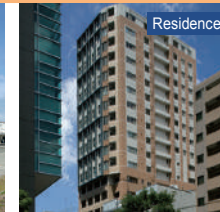
Logistics LOGICITY Minato Kashii



Logistics LOGICITY Hisayama



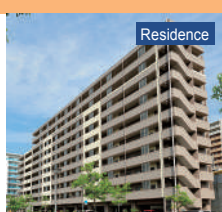
Logistics LOGICITY Wakamiya



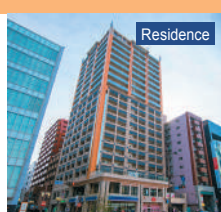
Residence Amex Akasakamon Tower



Residence City House Keyaki Dori



Residence Aqualia Chihaya



Residence D-Wing Tower



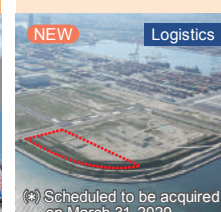
Residence Granfore Yakuin Minami



Hotel Hotel FORZA Oita



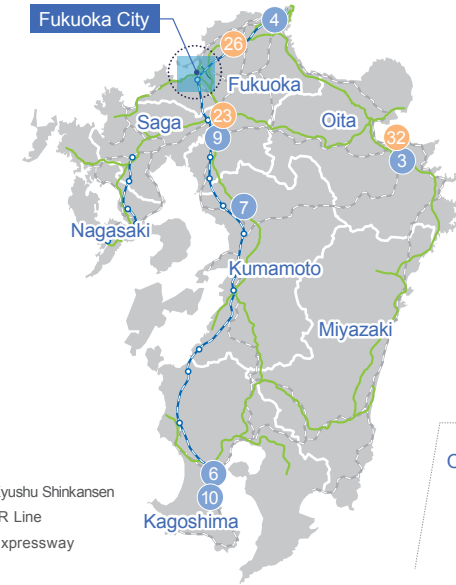
Hotel Tissage Hotel Naha



NEW Logistics Island City Minato Bay related site
(Land with leasehold interest) (tentative)

Total acquisition price
206.3bn yen
(As of August 31, 2022)

Portfolio map



— Kyushu Shinkansen
— JR Line
— Expressway

1 Canal City Hakata

■Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City

2 Canal City Hakata•B

■Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City

3 Park Place Oita

■Address : 2-chome, Koen Dori Nishi, Oita City

4 SunLive City Kokura

■Address : 2-chome, Kami Kuzuhara, Kokura Minami Ward, Kitakyushu City

5 Konoha Mall Hashimoto

■Address : 2-chome, Hashimoto, Nishi Ward, Fukuoka City

6 Square Mall Kagoshima Usuki

■Address : 2-chome, Usuki, Kagoshima City

7 Kumamoto Intercommunity SC

■Address : 1-chome, Kozono, Higashi Ward, Kumamoto City

8 Hanahata SC

■Address : 4-chome, Hanahata, Minami Ward, Fukuoka City

9 Kurume Higashi Kushiwara SC

■Address : Higashi kushiwara, Kurume City

10 K's Denki Kagoshima

■Address : Tokai-cho, Kagoshima City

11 Marinao City Fukuoka (Marina Side Building)

■Address : 2-chome, Odo, Nishi Ward, Fukuoka City

12 Canal City Business Center Building

■Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City

13 Gofukumachi Business Center

■Address : Kami Gofukumachi, Hakata Ward, Fukuoka City

14 Sanix Hakata Building

■Address : 2-chome, Hakataekihigashi, Hakata Ward, Fukuoka City

15 Taihaku Street Business Center

■Address : Gokushomachi, Hakata Ward, Fukuoka City

16 Higashi Hie Business Center

■Address : 3-chome, Higashi-hie, Hakata Ward, Fukuoka City

17 Tenjin Nishi-Dori Center Building

■Address : 2-chome, Tenjin, Chuo Ward, Fukuoka City

18 Tenjin North Front Building

■Address : 4-chome, Tenjin, Chuo Ward, Fukuoka City

19 Higashi Hie Business Center II

■Address : 1-chome, Higashi-hie, Hakata Ward, Fukuoka City

20 Higashi Hie Business Center III

■Address : 4-chome, Higashi-hie, Hakata Ward, Fukuoka City

21 Tenjin Nishi-Dori Business Center (Land with leasehold interest)

■Address : 2-chome, Tenjin, Chuo Ward, Fukuoka City

22 Hakata Chikushi-Dori Center Building

■Address : 2-chome, Hakataekiminami, Hakata Ward, Fukuoka City

23 Tosu Logistics Center

■Address : Himekata-cho, Tosu City, Saga Pref.

24 LOGICITY Minato Kashii

■Address : 2-chome, Minatokashii, Higashi Ward, Fukuoka City

25 LOGICITY Hisayama

■Address : Hisayama-machi, Kasuya-gun, Fukuoka Pref.

26 LOGICITY Wakamiya

■Address : Shimoaruki, Miyawaka City

27 Amex Akasakamon Tower

■Address : 2-chome, Maizuru, Chuo Ward, Fukuoka City

28 City House Keyaki Dori

■Address : 2-chome, Kego, Chuo Ward, Fukuoka City

29 Aqualia Chihaya

■Address : 4-chome, Chihaya, Higashi Ward, Fukuoka City

30 D-Wing Tower

■Address : 2-chome, Daimyo, Chuo Ward, Fukuoka City

31 Granfore Yakuin Minami

■Address : 1-chome, Hirao, Chuo Ward, Fukuoka City

32 Hotel FORZA Oita

■Address : 1-chome, Chuo-machi, Oita City

33 Tissage Hotel Naha

■Address : 2-chome, Nishi, Naha City

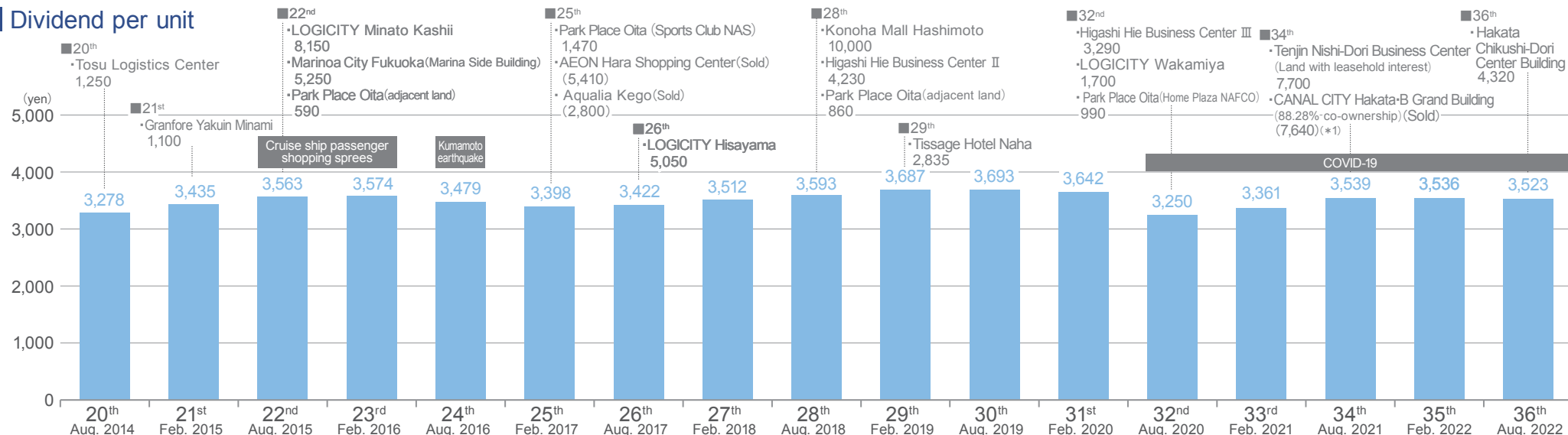
NEW (*)
A Island City Minato Bay related site (Land with leasehold interest)(tentative)

■Address : 3-chome, Minatokashii, Higashi Ward, Fukuoka City

■ Retail ■ Office buildings ■ Others
 (*) Scheduled to be acquired on March 31, 2029

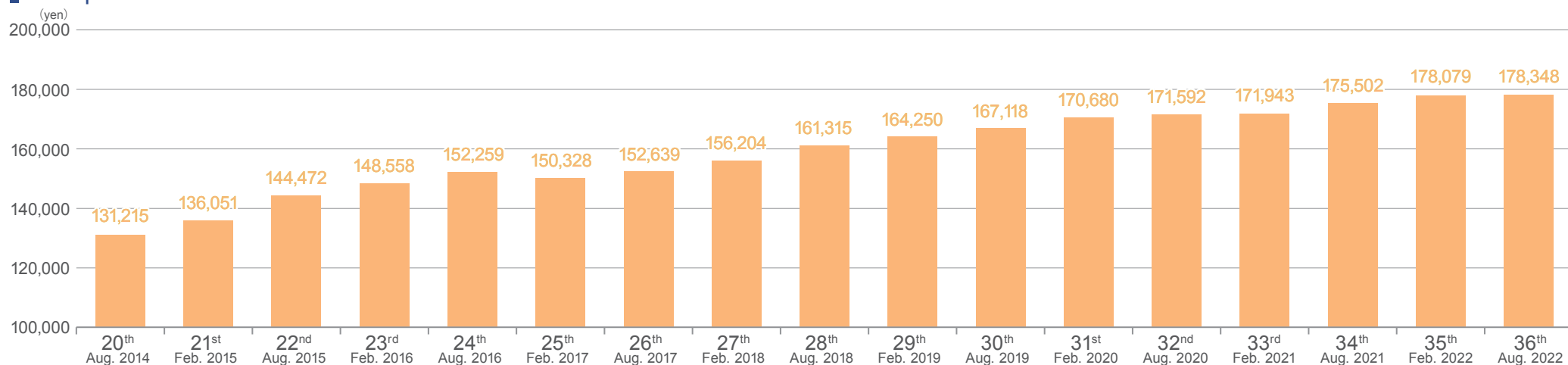
Dividend and NAV per unit

Dividend per unit



*The price of properties are listed in millions of yen.
(*1) The amount is the appraisal value at the time of transfer.

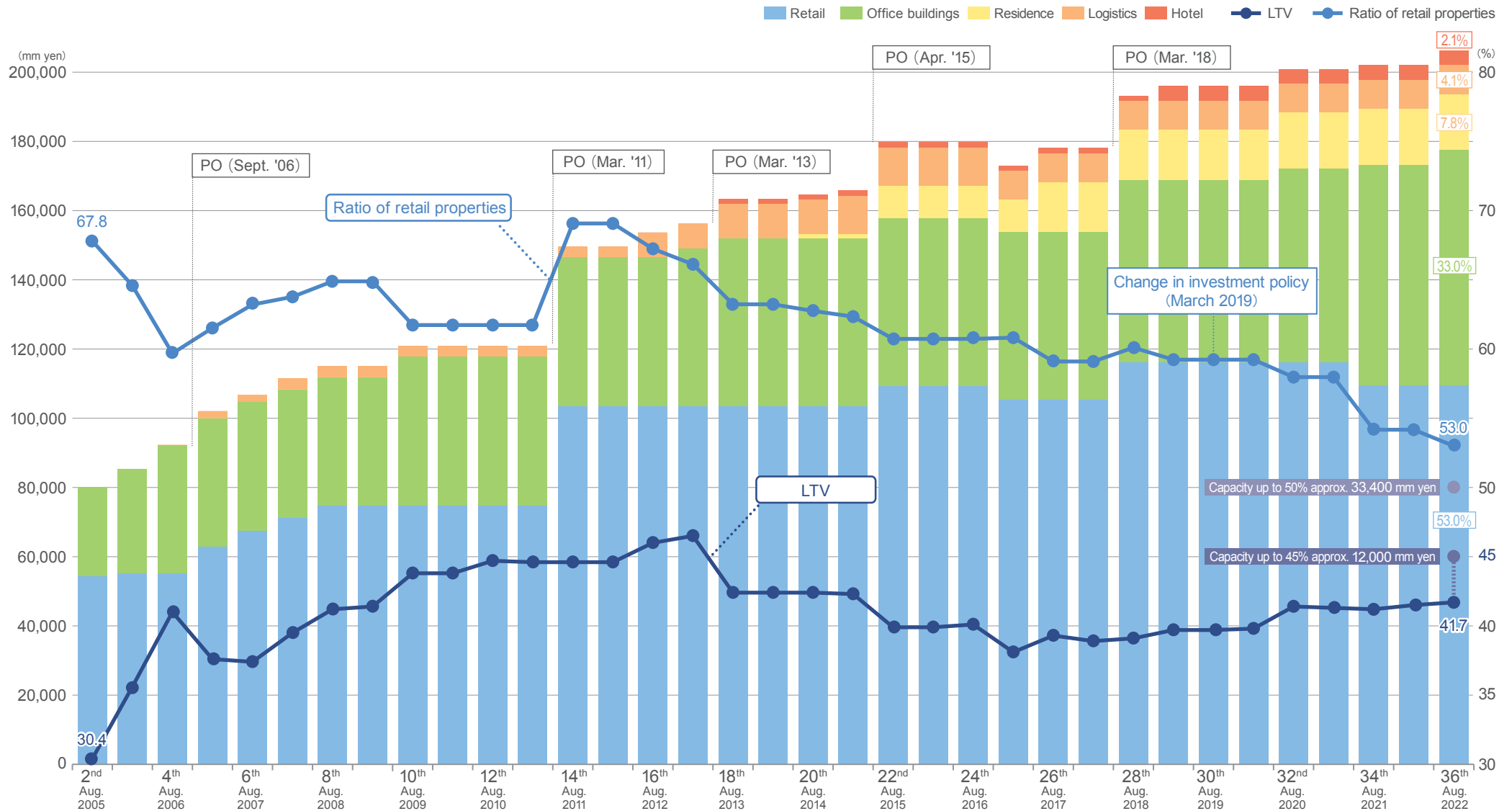
NAV per unit (*2)



(*2) Market net asset value per unit = (Total net assets + Unrealized gains - Total amount of dividends) / Total number of investment units outstanding

Historical trends of asset's size by investment type (based on acquisition)

Aiming for an asset size of 250 billion yen



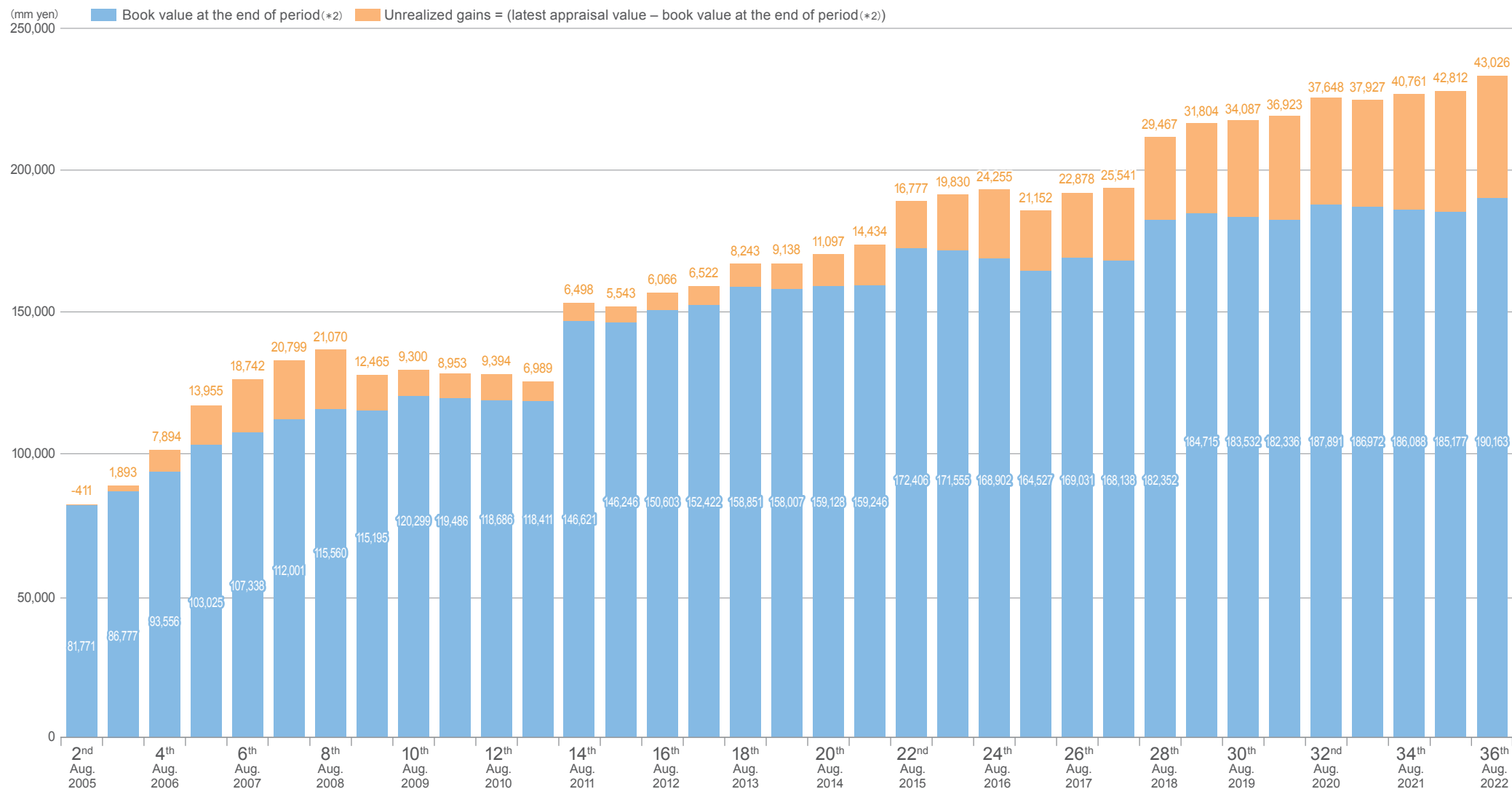
* As the senior equity interest in an anonymous partnership managed by CCH Bridge Y.K. was redeemed in the 14th FP, it is excluded from total acquired assets from the 14th FP onward. Since interest in the anonymous partnership managed by Limited Liability Company FRC1 was redeemed on in the 26th FP, it is excluded from total acquired assets from the 26th FP onward.

* Properties are classified in accordance with their main use. Fukuoka Washington Hotel, which is a tenant of Canal City Hakata, is included in the Retail category.

Historical appraisal values (unrealized gains)

Unrealized gains: 43,026 million yen, ratio of unrealized gains: 22.6%^(*)

Historical appraisal values

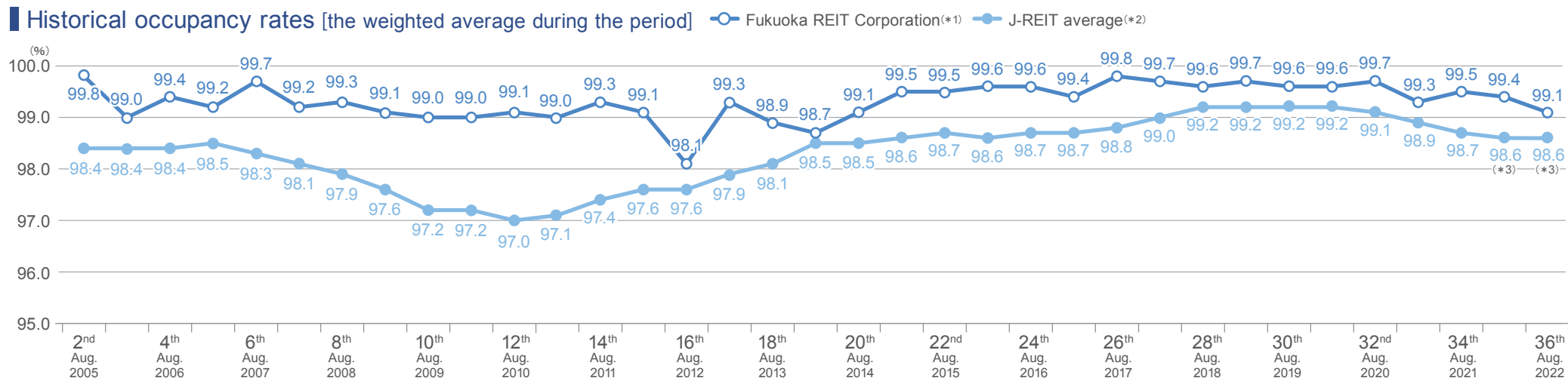


(*) Ratio of unrealized gains = (latest appraisal value – book value at the end of period^(*)) / book value at the end of period^(*).

(**) Book value at the end of period does not include construction in progress.

Portfolio properties' occupancy rates

Maintained a higher occupancy rate than the J-REIT average



(*1) The investment corporation's occupancy rates in the 2nd fiscal period through the 4th fiscal period were the occupancy rates at the end of each fiscal period. For the 5th fiscal period through the 36th fiscal period, the occupancy rates are the weighted average occupancy rates during the fiscal periods. The ratio of total leased floor area to leasable floor area is shown.
 (*2) The overall J-REIT occupancy rate is the occupancy rate at the end of each fiscal period based on the Association for Real Estate Securitization's AJPI-J-REIT Databook.
 (*3) The overall J-REIT occupancy rates for the 35th and 36th fiscal periods are preliminary figures. The figures for the 36th fiscal period are the figures for May 2022.

Occupancy rates [the weighted average during the period]

Category	Investment ratio (based on acquisition price)	32 nd ~ Aug. 31, 2020	33 rd ~ Feb. 28, 2021	34 th ~ Aug. 31, 2021	35 th ~ Feb. 28, 2022	36 th ~ Aug. 31, 2022
Retail	53.0%	99.8%	99.2%	99.5%	99.3%	98.8%
Office buildings	33.0%	99.5%	99.5%	99.8%	99.8%	99.4%
Others	14.0%	99.1%	99.4%	99.3%	99.4%	99.4%
Total	100.0%	99.7%	99.3%	99.5%	99.4%	99.1%

Top tenants by leased floor area

Rank	Lessee	Tenant	Share of total leased space (*1)	Lease Term			Remaining lease term (years) (*2)
				37 th ~Feb. 28, 2023	38 th ~Aug. 31, 2023	39 th ~Feb. 29, 2024	
1	SunLive Co., Ltd.	SunLive	11.3%	● SunLive City Kokura			19
				● Konoha Mall Hashimoto			8
2	AEON Kyushu Co., Ltd.	AEON	10.2%	● Park Place Oita			0
3	FJ. Entertainment Works Ltd.	—	6.2%(*3)	● Marinao City Fukuoka (Marina Side Building)			12
4	Canal City OPA Co., Ltd.	OPA	4.5%	● Canal City Hakata			1
				● Canal City Hakata · B			2
5	KASEI inc Co., Ltd.	—	4.3%	● LOGICITY Hisayama			2
6	Fukuoka Logistic System Corporation	—	4.0%	● LOGICITY Minato Kashii			2
7	F—LINE CORPORATION	—	3.5%	● LOGICITY Minato Kashii			non-disclosure (*4)
8	Alpen Co., Ltd.	Sports Depo, Golf 5	3.2%	● Square Mall Kagoshima Usuki			4
				● Kumamoto Intercommunity SC			4
				● Kurume Higashi Kushiwara SC			5
9	Tsukasa Kigyou	—	3.1%	● LOGICITY Wakamiya			8
10	K'S HOLDINGS CORPORATION	K's Denki	2.4%	● Park Place Oita			2

(*1) Share of total leased space is calculated using the formula "Leased floor area by tenant / Total leased floor space," with residential space excluded from leased floor space by tenant.

(*2) Remaining lease periods shown are the remaining periods of lease contracts as of August 31, 2022 with periods shorter than one year rounded down to the nearest whole year.

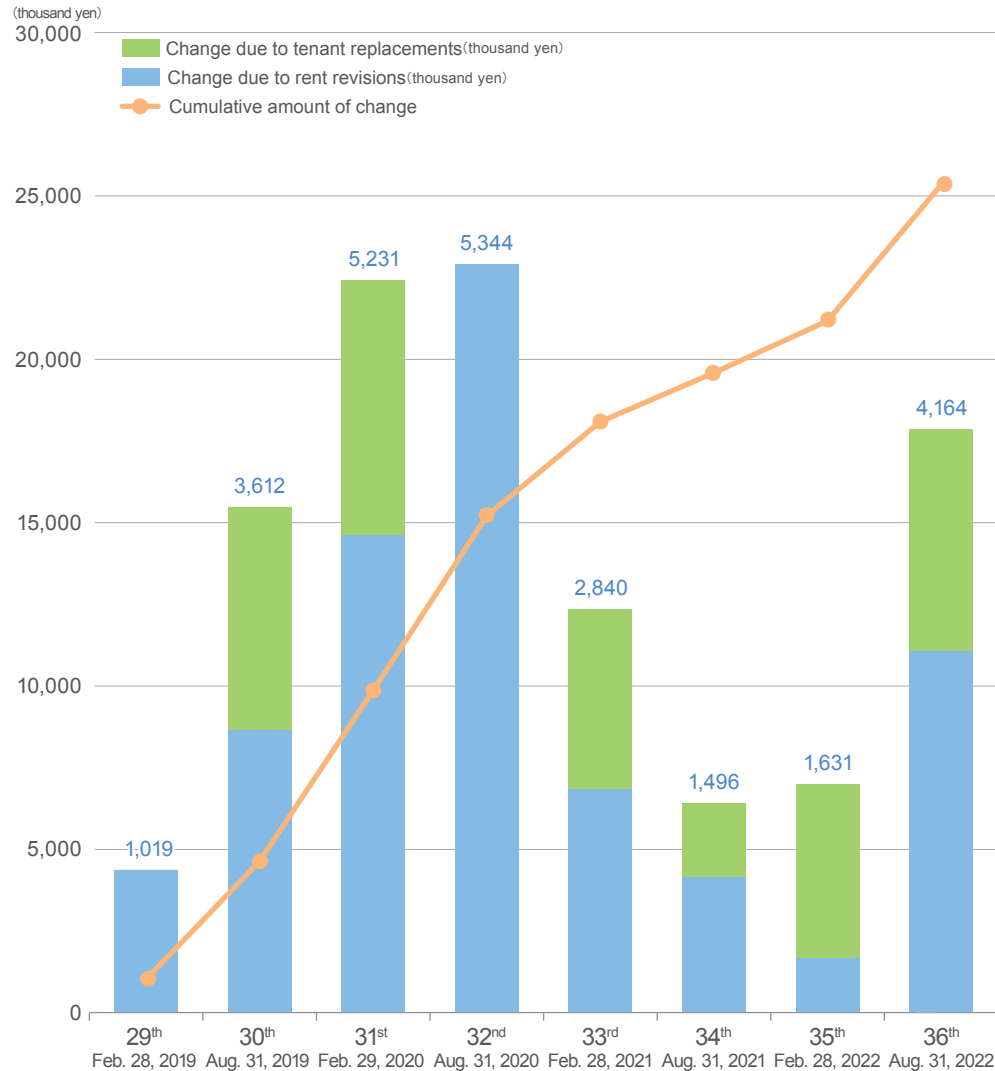
(*3) The 6.2% includes a 0.4% office portion. (6 ordinary leases have been concluded for Canal City Business Center Building and Canal City Hakata-B, Park Place Oita.)

(*4) Information is not disclosed because the permission of tenants has not been obtained.

Office building rent revisions and tenant replacement situation

Continue to realize rent increase

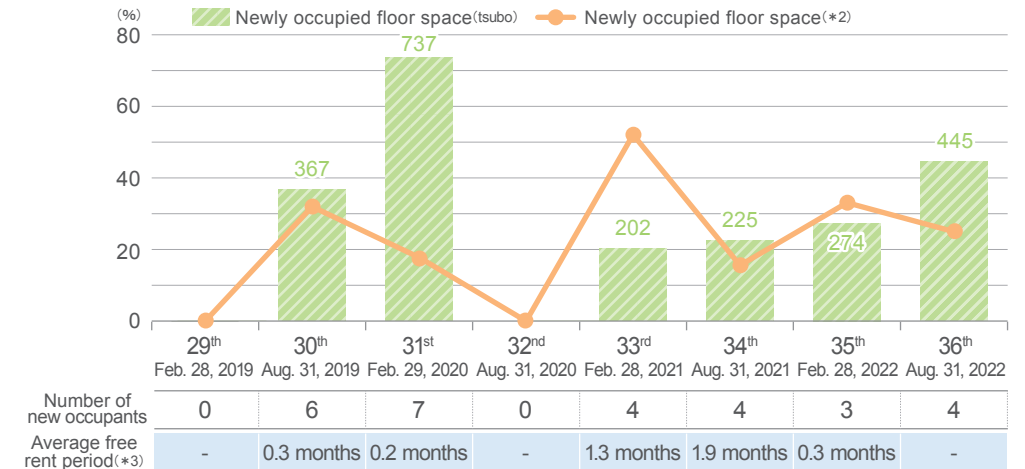
Change in monthly rent due to rent revisions and tenant replacements (*1)



* Covers all office buildings owned at the end of each fiscal period. (However, for Canal City Business Center Building, only the spaces from the 2nd floor and above are covered).

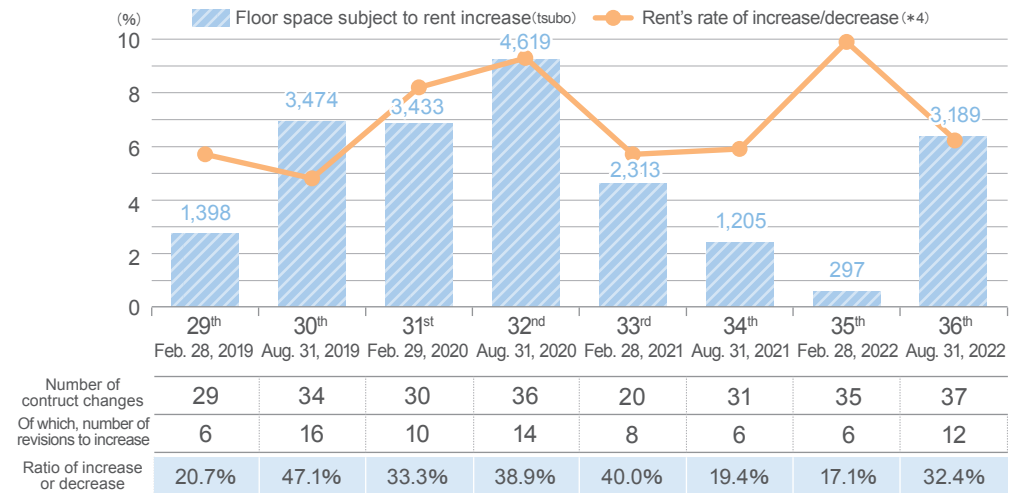
(*1) There were no revisions to the rent reductions.

Newly occupied floor space and number of new occupants



(*2) Based on calculation of the rate of change in rent with respect to the contract rent with the previous tenant at the time of tenant replacement.
(*3) Based on calculation of the average over the free rent period of new contract.

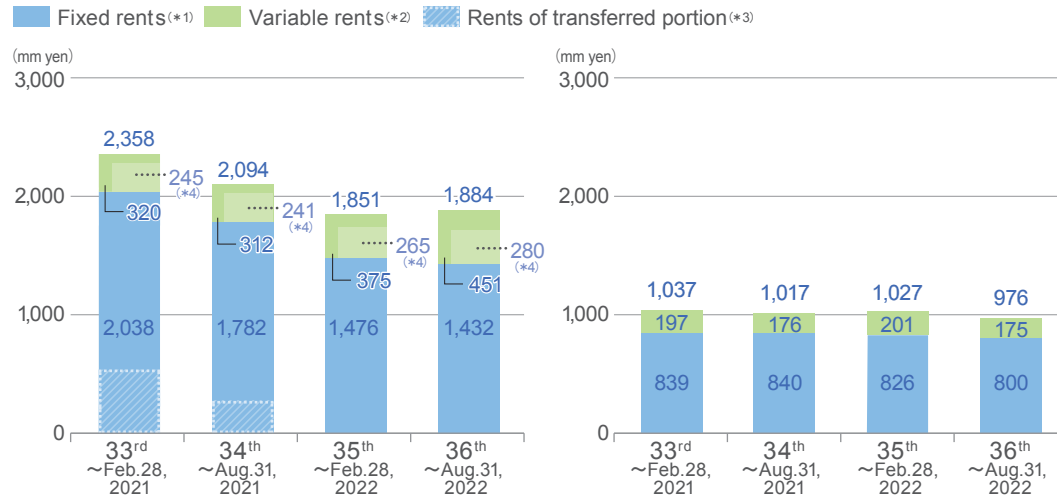
Floor space subject to rent increase and number of properties subject to rent increases



(*4) Rate of increase/decrease calculated based on previous rent at rent revision.

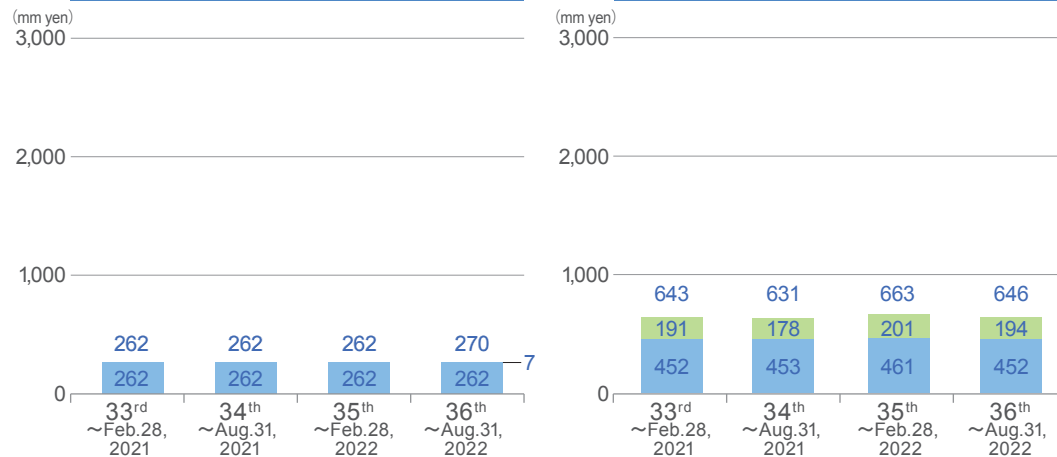
Breakdown of variable rents

Breakdown of active retail rents by property



Canal City Hakata / Canal City Hakata·B

Park Place Oita

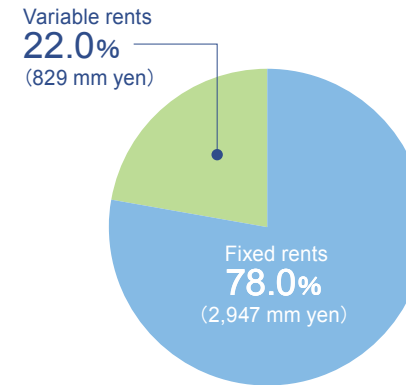


SunLive City Kokura

Konoha Mall Hashimoto

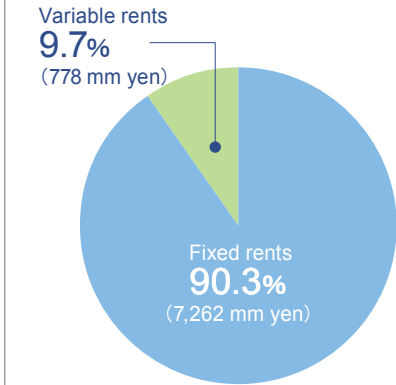
Breakdown of active retail rents

◎The 36th FP

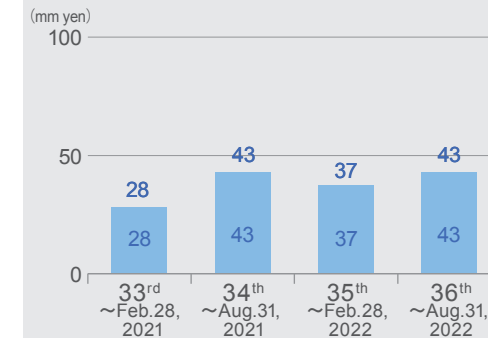


Portfolio overall

◎The 35th FP

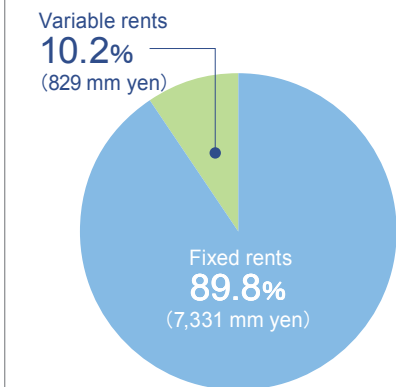


Breakdown of Tissage Hotel Naha



Tissage Hotel Naha

◎The 36th FP



*Variable rents are included Canal City Hakata, Canal City Hakata·B, Park Place Oita, SunLive City Kokura, Konoha Mall Hashimoto, and Tissage Hotel Naha.
 (*1) "Fixed rent" is indicated the amount of "leasing revenues-real estate" - "variable rent". (*2) Variable rents are the sum of the portion of rents collected from tenants with variable and GOP rents that varies as a function of the tenants' sales.
 (*3) Rents of the portion to be disposed (88.28% co-ownership interest) of Canal City Hakata·B Grand Building, which is part of Canal City Hakata·B, and is not received after June 1, 2021, the date of disposition.
 (*4) The figures are included parking fee in variable rents of Canal City Hakata / Canal City Hakata·B.

Initiatives by Fukuoka City Government and status of office workers

Driving up future office demand

Initiatives Aimed at Attracting Companies to Fukuoka City

©Global financial city vision (“TEAM FUKUOKA”; launched September 2020)



Photo provided by Fukuoka City

With the aim of attracting international financial functions to Fukuoka, TEAM FUKUOKA was launched to conduct promotional activities and create an environment that will generate momentum for the city as a whole by leveraging the characteristics of industrial, academic, and government partners.



Photo provided by Fukuoka City

M-DAQ, a globally expanding Singapore FinTech company offering financial services using foreign exchange, and E.SUN Bank, a leading financial institution in Taiwan that holds the largest share in financing for SMEs, have decided to open offices in Fukuoka City.

©Focusing on attracting head office functions of companies with a strong job creation effect and major development centers in creative-related industries will lead to further job creation by businesses with high added value.

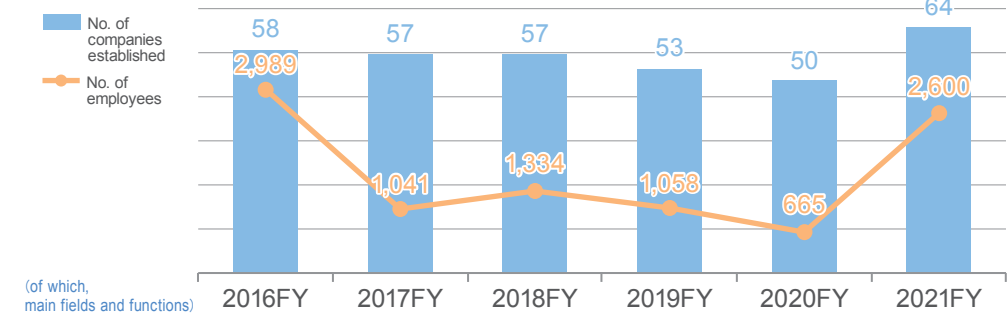
(Key Companies Establishing Fukuoka Locations in FY2021)

- Japanet Holdings Co., Ltd. (some head office functions)
- MCP Holdings Limited (international finance / Hong Kong)
- SmartHR (creative-related industries)
- Howden (foreign or foreign-owned / England)

Source: Created by Fukuoka Realty based on Fukuoka City press releases.

Change in the number of companies with headquarters functions/ in growth area established in Fukuoka City

©Strong demand for creative-related industries and call centers



(of which, main fields and functions)

	2016FY	2017FY	2018FY	2019FY	2020FY	2021FY
creative-related industries	28	40	38	38	30	41
foreign/foreign-affiliated	18	13	14	15	12	15
Call center	12	9	7	2	8	8
headquarters functions, etc.	3	1	7	6	0	7
international finance	—	—	—	—	—	6

Source: Prepared by Fukuoka Realty based on data from “Headquarters functions/in growth area” by the Fukuoka City Economy, Tourism & Culture Bureau.

Fukuoka City tops list of business opening rate in Japan for three consecutive years

Business Opening Rate [2020FY]

7.2%



Source: Prepared by Fukuoka Realty based on data from “The general condition of the Fukuoka City Economy, March 2022” by the Fukuoka City Economy, Tourism & Culture Bureau.

Fukuoka City Special Zone for Global Startups & Job Creation (National Strategic Special Zone)

Initiatives to support startups

- Tax Reduction for Startups (municipal tax, national tax)
- Startup Visa
- Startup Café
- Fukuoka Growth Next
- Global Startup Center

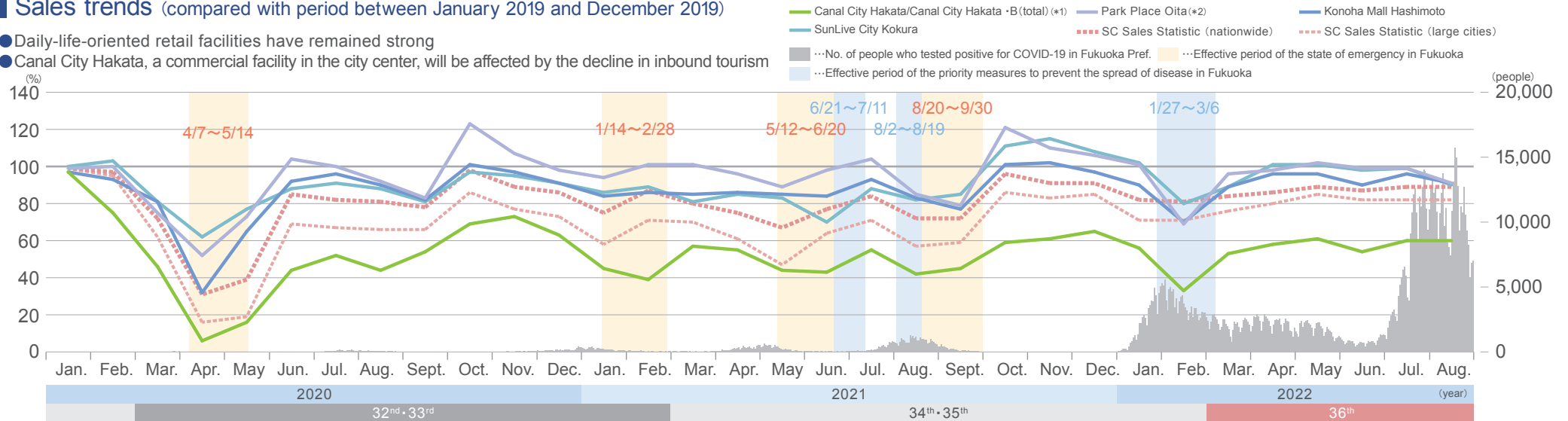
Source: Prepared by Fukuoka Realty based on the section of Fukuoka City’s official site featuring “National Strategic Special Zone for Global Startups & Job Creation.”

Impact of COVID-19 infection

Daily shopping-oriented mall sales recovered to around the pre-pandemic level

Sales trends (compared with period between January 2019 and December 2019)

- Daily-life-oriented retail facilities have remained strong
- Canal City Hakata, a commercial facility in the city center, will be affected by the decline in inbound tourism



Source: Prepared by Fukuoka Realty based on data from Sales Statistics on the Japan Council of Shopping Centers website, the Government CIO Portal, and the Fukuoka Prefecture website.

(*1) Sales of the portion to be disposed (88.28% co-ownership interest) of Canal City Hakata B Grand Building, which is part of Canal City Hakata B, are excluded from June 1, 2021, the disposition date.

(*2) Sales at the newly acquired Home Plaza NAFCO at Park Place Oita in July 2020 are added. From March 2021, six stores that had not previously received sales disclosure have been added to the list because sales are now disclosed by tenants.

Status of Rent Reduction and Deferment of Rent Payment due to COVID-19

	32 nd		33 rd	34 th	35 th	36 th	37 th (forecast)	38 th (forecast)
	Apr. , May 2020	Jun. ~Aug.						
Rent Reduction	259 mm yen		84 mm yen	27 mm yen	13 mm yen	12 mm yen	5 mm yen	—
Number of tenants (*3)	288 cases	49 cases		19 cases	13 cases	7 cases	3 cases	—
Deferment of Rent Payment (*3)	285 cases	—	<ul style="list-style-type: none"> ● Already fully collected for all 285 cases ● No new arrangement conducted 	—	—	—	—	—

(*3) The number of tenant cases is a cumulative figure.

Occupancy rates

- Remained stable

Property name	Period-end occupancy rates	
	35 th (Feb. 2022)	36 th (Aug. 2022)
Canal City Hakata	97.8%	97.7%
Canal City Hakata ·B	97.9%	96.0%
Park Place Oita	99.5%	99.8%
Konoha Mall Hashimoto	97.0%	100.0%
SunLive City Kokura	100.0%	100.0%
Other retail properties (*4)	100.0%	100.0%

(*4) Square Mall Kagoshima Usuki, Kumamoto Intercommunity SC, Hanahata SC, Kurume Higashi Kushiwara SC, K's Denki Kagoshima, Marinao City Fukuoka (Marina Side Building) are listed as other retail properties.

Strategies to strengthen active retail

Boosted customer visits from nearby trade areas with renovations and events

Canal City Hakata

● Special event “Canal Birthday Party” for 26th anniversary

- Stage performances by 32 groups
- Booked young singers, celebrities, comedians, etc. to attract young people



● Opening of Bandai Namco Cross Store

- A hands-on facility where customers can see, feel and experience Bandai Namco Group characters, products, events, food and beverages, etc.



● “Canal! Fun! Fun! Fantasy!” Disney promotion

- To be held for approximately one year from July 22, 2022 (Friday)
- Features a Disney character photo spot and special Disney interior decorations



Park Place Oita

● Shangri-la Zone renovation

- Opened on April 22, 2022, as a 20th anniversary project
- Increased appeal of children’s playground, attracting more families



Konoha Mall Hashimoto

● Food court renovation

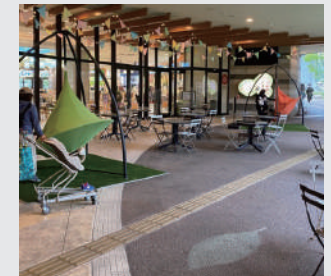
- Renovated the food court to fix seat shortage during busy weekend times and improve environment
- Increased seating capacity
- Added highchairs for young families and terrace seating



Kids box seats



Baby food seats



Garden court seats

List of Interest-bearing debt

List of borrowings

Category	Lender	Balance (mm yen)	Drawdown Date	Repayment Date	Term (year)	Fixed/Floating	Average Interest Rate
Current maturity of long-term debt	Sumitomo Mitsui Trust Bank	1,500	Jul.31, 2015	Jul.31, 2023	8.0	Fixed	0.56400% (*1)
	Development Bank of Japan	4,000	Aug.31, 2015	Aug.31, 2023	8.0	Fixed	0.88000%
	The Nishi-Nippon City Bank	400	Aug.31, 2015	Aug.31, 2023	8.0	Fixed	0.87000% (*1)
Long-term debt	Development Bank of Japan	2,000	Feb.29, 2016	Feb.28, 2025	9.0	Fixed	0.62000%
	The Bank of Fukuoka	2,000	Feb.29, 2016	Feb.29, 2024	8.0	Floating	0.41364%
	The Nishi-Nippon City Bank	2,000	Feb.29, 2016	Feb.29, 2024	8.0	Fixed	0.44000% (*1)
	Mizuho Bank	500	Feb.29, 2016	Feb.29, 2024	8.0	Fixed	0.44000% (*1)
	Shinsei Bank	700	Jul.29, 2016	Jul.31, 2024	8.0	Fixed	0.40000%
	Sumitomo Mitsui Trust Bank	300	Sept.30, 2016	Sept.30, 2025	9.0	Floating	0.41127%
	Syndicated loan (*2)	2,100	Dec.30, 2016	Dec.30, 2025	9.0	Fixed	0.71750%
	The Bank of Fukuoka	1,500	Dec.30, 2016	Dec.30, 2026	10.0	Floating	0.41727%
	Resona Bank	600	Mar.31, 2017	Mar.31, 2027	10.0	Fixed	0.65846%
	The Higo Bank	300	Mar.31, 2017	Mar.31, 2025	8.0	Fixed	0.48130%
	MUFG Bank	800	Mar.31, 2017	Mar.31, 2025	8.0	Fixed	0.48130%
	Syndicated loan (*3)	6,000	Jun.30, 2017	Jun.30, 2026	9.0	Fixed	0.77677%
	Development Bank of Japan	1,800	Jun.30, 2017	Dec.31, 2026	9.5	Fixed	0.65000%
	The Bank of Fukuoka	2,000	Jul.31, 2017	Jul.31, 2027	10.0	Fixed	0.79195%
	The Nishi-Nippon City Bank	2,000	Jul.31, 2017	Jul.31, 2027	10.0	Fixed	0.89195%
	Syndicated loan (*4)	1,500	Aug.31, 2017	Aug.31, 2027	10.0	Fixed	0.84952%
	Resona Bank	2,000	Sept.29, 2017	Sept.30, 2027	10.0	Fixed	0.49350% (*1)
	The Bank of Fukuoka	1,500	Dec.29, 2017	Dec.30, 2027	10.0	Fixed	0.81209%
	Development Bank of Japan	500	Dec.29, 2017	Dec.30, 2027	10.0	Fixed	0.68000%
	The Nishi-Nippon City Bank	1,900	Feb.28, 2018	Feb.29, 2028	10.0	Fixed	0.75000% (*1)
	Sumitomo Mitsui Trust Bank	1,100	Feb.28, 2018	Feb.26, 2027	9.0	Fixed	0.60000% (*1)
	MUFG Bank	1,500	Feb.28, 2018	Feb.27, 2026	8.0	Fixed	0.50000%
	Resona Bank	600	Feb.28, 2018	Feb.29, 2028	10.0	Fixed	0.56700% (*1)
	Development Bank of Japan	2,500	Mar. 1, 2018	Mar. 1, 2028	10.0	Fixed	0.72000%
	MUFG Bank	600	Mar.30, 2018	Mar.31, 2026	8.0	Fixed	0.48000%
	The Nishi-Nippon City Bank	600	Mar.30, 2018	Mar.31, 2028	10.0	Fixed	0.80219%
	The Bank of Fukuoka	500	Mar.30, 2018	Mar.31, 2028	10.0	Fixed	0.80219%
	Mizuho Bank	500	Mar.30, 2018	Mar.31, 2028	10.0	Fixed	0.63000%
	Sumitomo Mitsui Banking Corporation	500	Mar.30, 2018	Mar.31, 2025	7.0	Fixed	0.50400% (*1)
	MUFG Bank	500	Mar.30, 2018	Mar.31, 2027	9.0	Fixed	0.49000%
Sumitomo Mitsui Trust Bank	400	Mar.30, 2018	Mar.31, 2027	9.0	Fixed	0.57600% (*1)	
The Oita Bank	400	Mar.30, 2018	Mar.31, 2028	10.0	Fixed	0.64630%	
The Hiroshima Bank	400	Mar.30, 2018	Mar.31, 2028	10.0	Fixed	0.64630%	
Shinsei Bank	300	Mar.30, 2018	Mar.31, 2025	7.0	Fixed	0.40000%	
Sumitomo Mitsui Banking Corporation	500	Jan.31, 2019	Jan.31, 2029	10.0	Fixed	0.65528%	
MUFG Bank	500	Jan.31, 2019	Jan.31, 2028	9.0	Fixed	0.59000%	
The Nishi-Nippon City Bank	400	Jan.31, 2019	Jan.31, 2029	10.0	Floating	0.41727%	

* For floating-rate debts, the interest rates applicable as of August 31, 2022 are indicated. *All debts have been borrowed with no collateral and no guarantee, to be repaid in lump-sum upon maturity.

(*1) FRG has concluded a swap agreement to practically fix interest rate on debt. The indicated interest rate reflects the effect of the swap agreement. (*2) The lenders are Development Bank of Japan · The Oita Bank · The Kagoshima Bank · The Kitakyushu Bank · The Juhachi-Shinwa Bank · The Hiroshima Bank

(*3) The lenders are The Bank of Fukuoka · The Nishi-Nippon City Bank · The Oita Bank · The Kitakyushu Bank · The Miyazaki Bank · The Juhachi-Shinwa Bank · The Iyo Bank (*4) The lenders are The Nishi-Nippon City Bank · The Bank of Fukuoka · The Oita Bank · The Kitakyushu Bank · The Juhachi-Shinwa Bank · The Hiroshima Bank

(*5) The lenders are Mizuho Bank · The Bank of Saga · The Higo Bank (*6) The lenders are Mizuho Bank · The Hiroshima Bank · The Kitakyushu Bank · The Iyo Bank · The Higo Bank (*7) The lenders are Development Bank of Japan · The Nishi-Nippon City Bank · The Bank of Fukuoka

(*8) If the CO₂ reduction target is achieved, a preferential interest rate is applied from August 2031 until the repayment date from the interest rate of the initial loan. (*9) The lenders are The Bank of Fukuoka · Resona Bank (*10) The lenders are The Nishi-Nippon City Bank · Resona Bank · The Oita Bank · The Bank of Nagasaki · The Bank of Saga

(As of August 31, 2022)

Category	Lender	Balance (mm yen)	Drawdown Date	Repayment Date	Term (year)	Fixed/Floating	Average Interest Rate
Long-term debt	The Bank of Fukuoka	300	Jan.31, 2019	Jan.31, 2029	10.0	Floating	0.41727%
	The Oita Bank	200	Feb.28, 2019	Feb.27, 2026	7.0	Fixed	0.33380%
	The Kagoshima Bank	200	Feb.28, 2019	Feb.27, 2026	7.0	Fixed	0.33380%
	The Higo Bank	200	Feb.28, 2019	Feb.27, 2026	7.0	Fixed	0.33380%
	Resona Bank	200	Feb.28, 2019	Feb.28, 2029	10.0	Fixed	0.48845% (*1)
	Syndicated loan (Green loan) (*5)	2,200	Jul.31, 2019	Jul.31, 2029	10.0	Fixed	0.52100% (*1)
	The Norinchukin Bank	1,500	Jul.31, 2019	Jan.29, 2027	7.5	Fixed	0.30300%
	MUFG Bank	500	Sept. 25, 2019	Sept.29, 2028	9.0	Fixed	0.48000%
	The Nishi-Nippon City Bank	2,500	Feb. 28, 2020	Feb. 28, 2030	10.0	Fixed	0.48000% (*1)
	Mizuho Bank	1,700	Feb. 28, 2020	Feb. 28, 2030	10.0	Fixed	0.42000%
	Aozora Bank	1,000	Jun. 30, 2020	Jun. 28, 2030	10.0	Fixed	0.56922%
	Resona Bank	700	Jun. 30, 2020	Jun. 28, 2030	10.0	Fixed	0.56922%
	MUFG Bank	500	Jun. 30, 2020	Jun. 29, 2029	9.0	Fixed	0.60000%
	The Kagoshima Bank	500	Jun. 30, 2020	Jun. 30, 2028	8.0	Fixed	0.46500%
	Development Bank of Japan	1,500	Jul.31, 2020	Jul.31, 2030	10.0	Fixed	0.53000%
	Mizuho Bank	1,000	Jul.31, 2020	Jul.31, 2030	10.0	Fixed	0.47000%
	The Kitakyushu Bank	500	Jul.31, 2020	Jul.31, 2030	10.0	Fixed	0.52630%
	The Iyo Bank	200	Jul.31, 2020	Jul.31, 2030	10.0	Fixed	0.52630%
	The Juhachi-Shinwa Bank (donation-type loan)	1,000	Mar.31, 2021	Mar.31, 2031	10.0	Fixed	0.59000%
	Syndicated loan (*6)	5,300	Jul.30, 2021	Jul.31, 2031	10.0	Fixed	0.49000% (*1)
Mizuho Trust & Banking	1,000	Mar.31, 2022	Mar.31, 2032	10.0	Floating	0.36727%	
Sumitomo Mitsui Banking Corporation (Green loan)	1,600	Jun. 30, 2022	Jun. 29, 2029	7.0	Fixed	0.72625%	
Syndicated loan (sustainability-linked loan) (*7)	4,900	Aug.31, 2022	Aug.31, 2032	10.0	Fixed	0.91875% (*8)	
Total		78,900					

Investment corporation bonds

Category	Issue	Balance (mm yen)	Issue date	Maturity Date	Term (year)	Coupon (year)
Investment corporation bonds	The first series of unsecured bonds	2,000	Dec.30,2013	Dec.29, 2023	10.0	1.32000%
	The second series of unsecured bonds	2,000	Jul.31, 2017	Jul.30, 2032	15.0	1.00000%
	The third series of unsecured bonds	1,000	Jul.31, 2018	Jul.30, 2038	20.0	1.20000%
Total		5,000				

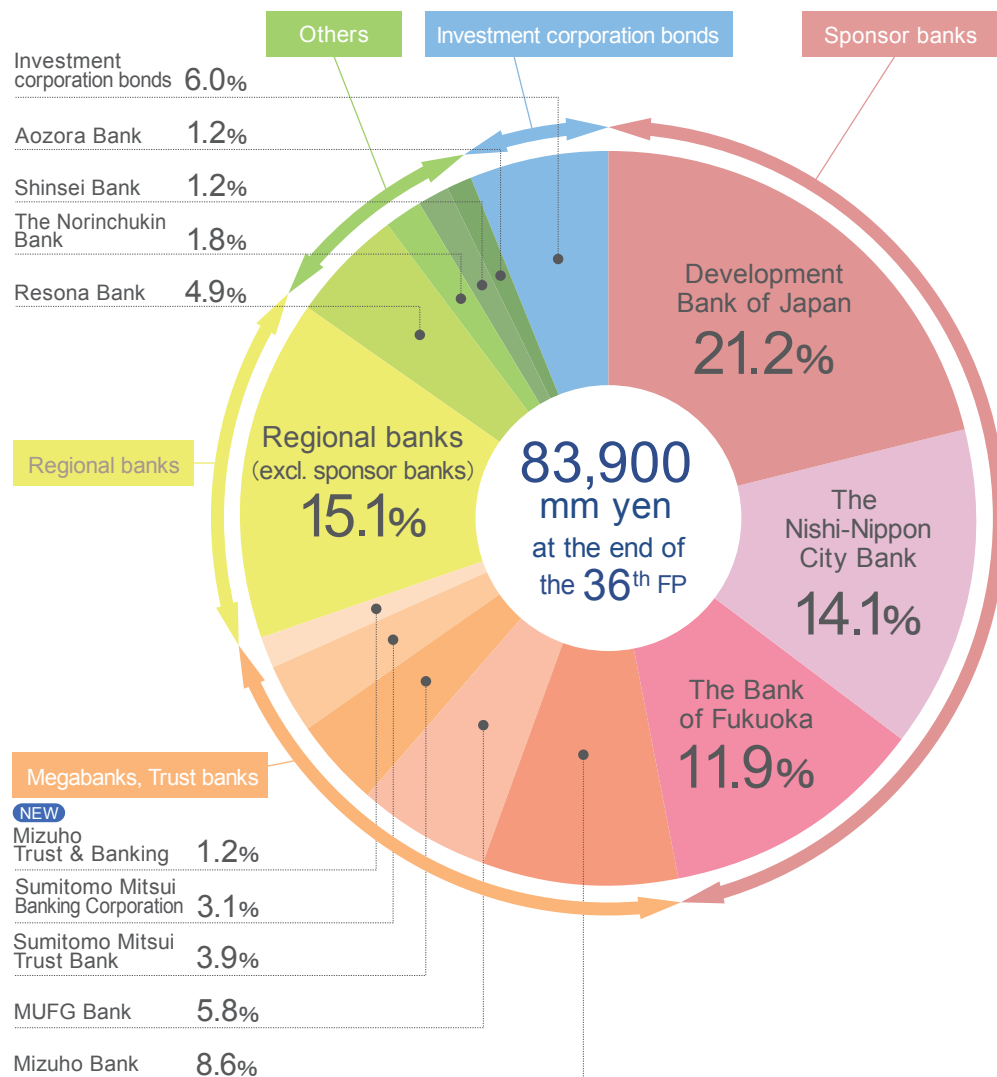
Committed line of credit

Category	Lender	Credit Limit (mm yen)	Period	
			Start	End
Committed line	Committed line 1 (*9)	6,000	Aug. 1, 2018	Jul.31, 2025
	Committed line 2 (*10)	7,000	Mar. 2, 2020	Feb.28, 2025
Total		13,000		

Lenders

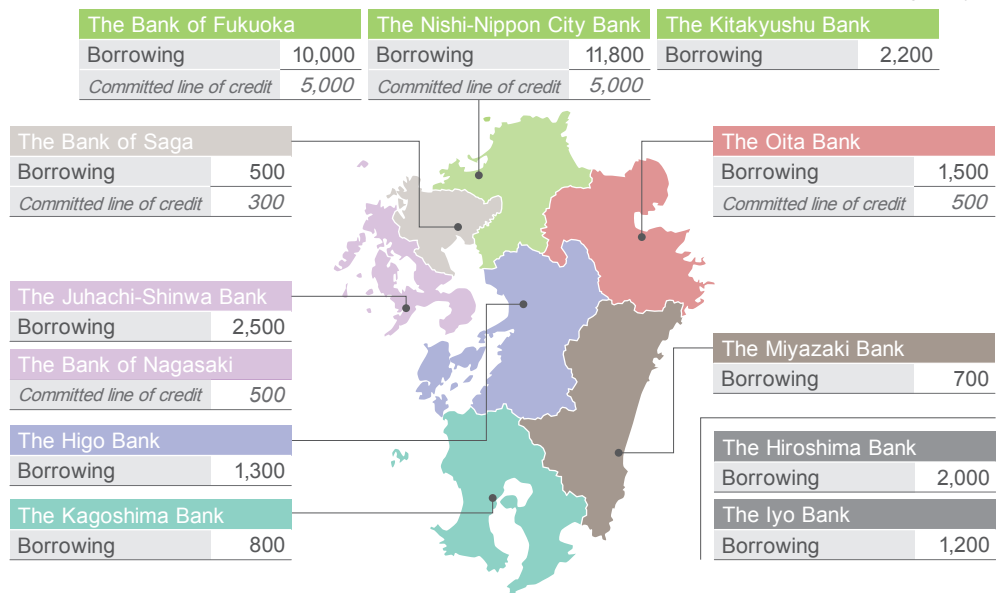
A stable network of sponsor banks and other lenders

Breakdown of debt by lenders



A regional bank transaction network

© Sharing of information networks unique to regional banks to utilize for our investment strategy in the area

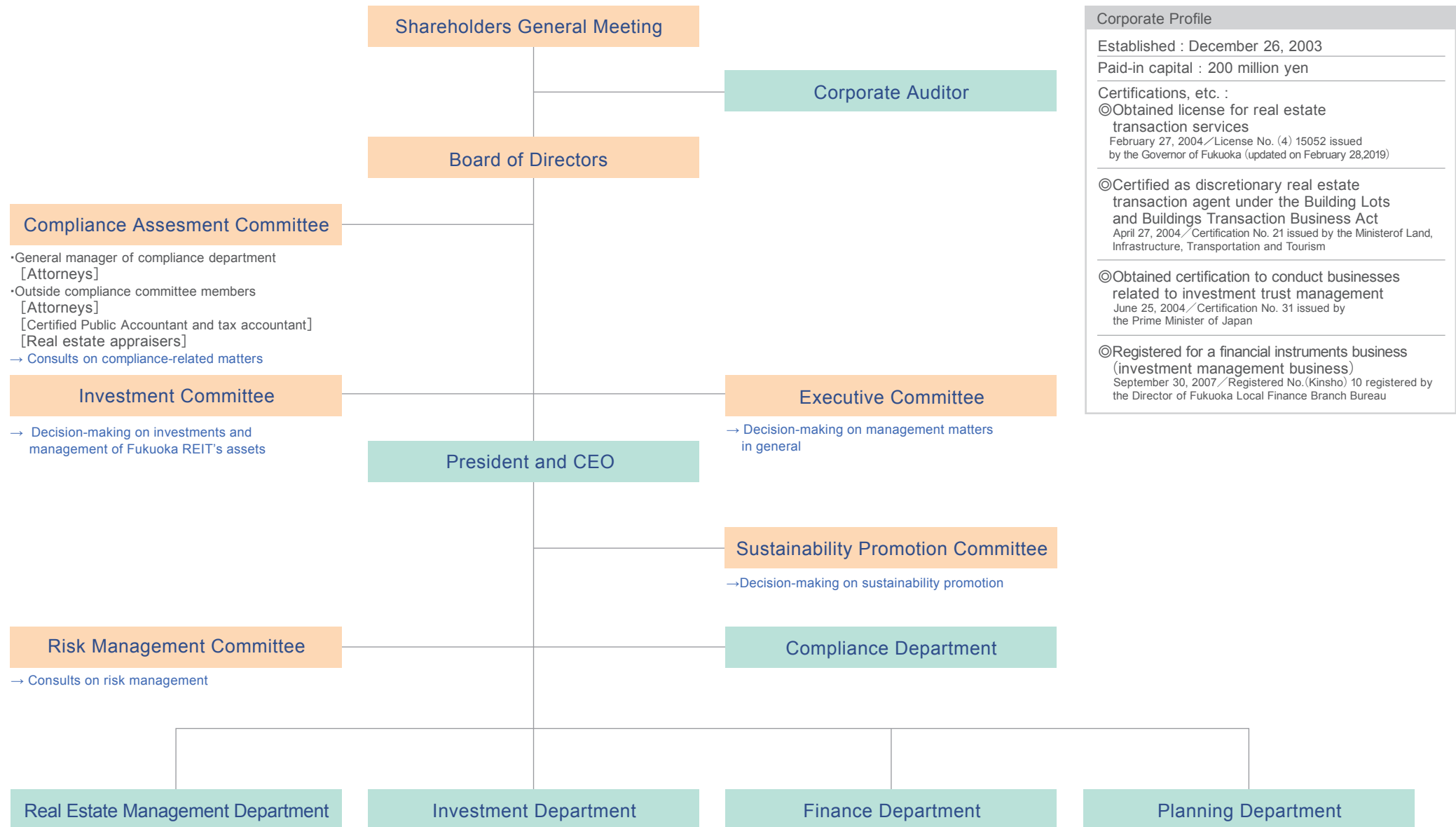


Sustainable finance

Category	Lender	Balance (mm yen)	Average Interest Rate	Date	Term	Description
Long-term debt (Green Loan)	Mizuho Bank The Bank of Saga The Higo Bank	2,200	0.52100% (*1)	July 31, 2019	10 years	Green loan rating: Green 1(*2)
Long-term debt (donation-type loan)	The Juhachi-Shinwa Bank	1,000	0.59000%	March 31, 2021	10 years	Part of the interest is donated to Nagasaki University to fund COVID-19 vaccine development research, etc.
NEW long-term debt (Green Loan)	Sumitomo Mitsui Banking Corporation	1,600	0.72625%	June 30, 2022	7 years	Green loan rating: Green 1(*2)
NEW long-term debt (sustainability-linked loan)	Development Bank of Japan The Nishi-Nippon City Bank The Bank of Fukuoka	4,900	0.91875% (*3)	August 31, 2022	10 years	Third-party opinion on sustainability-linked loan(*4)

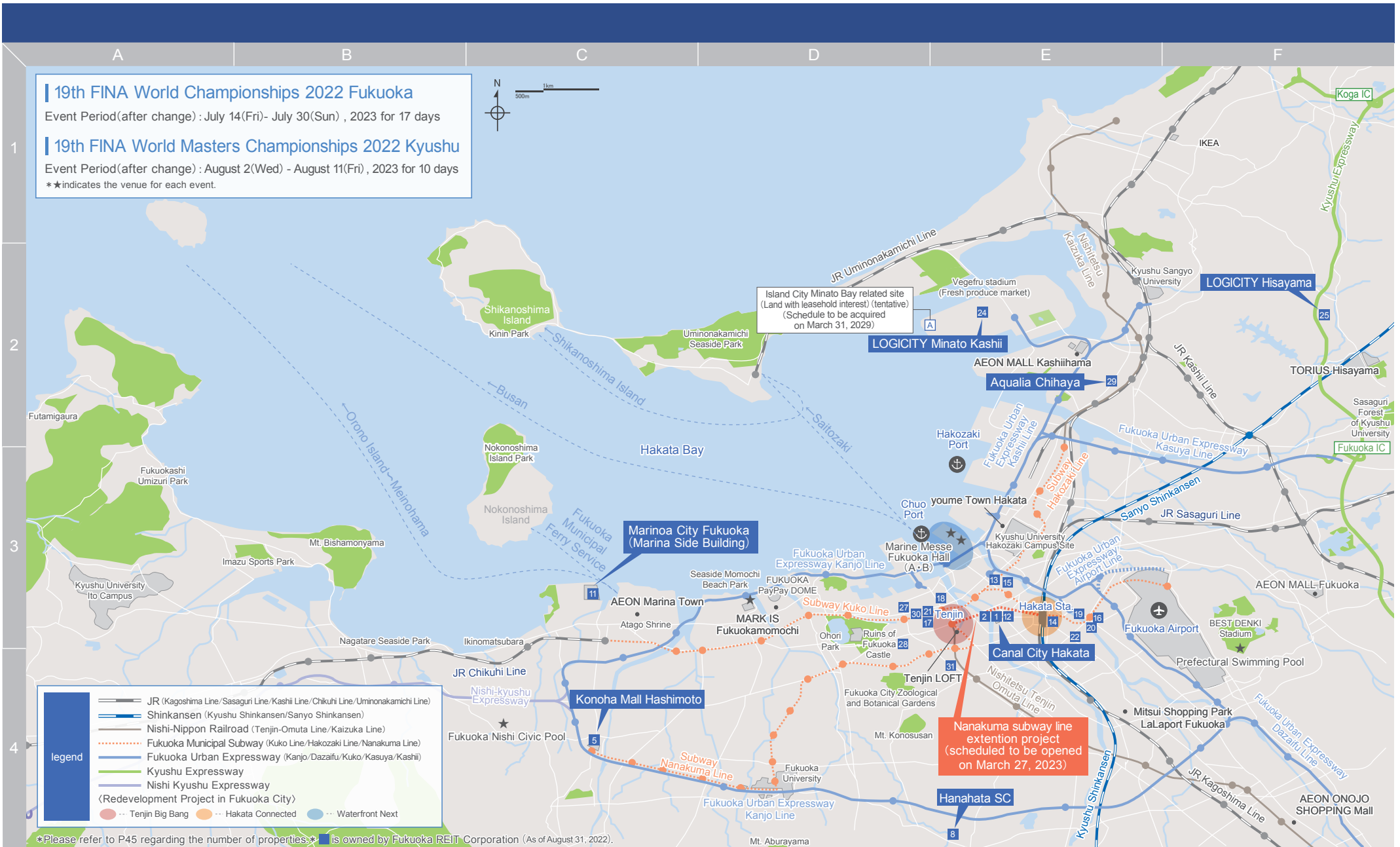
(*1) FRC has concluded a swap agreement to practically fix interest rate on debt. The indicated interest rate reflects the effect of the swap agreement.
 (*2) FRC was assigned the comprehensive assessment of Green 1, the highest rank, regarding the compatibility to the Green Loan Principles from Japan Credit Rating Agency, Ltd. (JCR).
 (*3) If the CO₂ reduction target is achieved, a preferential interest rate is applied from August 2031 until the repayment date from the interest rate of the initial loan.
 (*4) A third-party opinion has been obtained from the Japan Credit Rating Agency, Ltd. (JCR).

Asset management company's organization



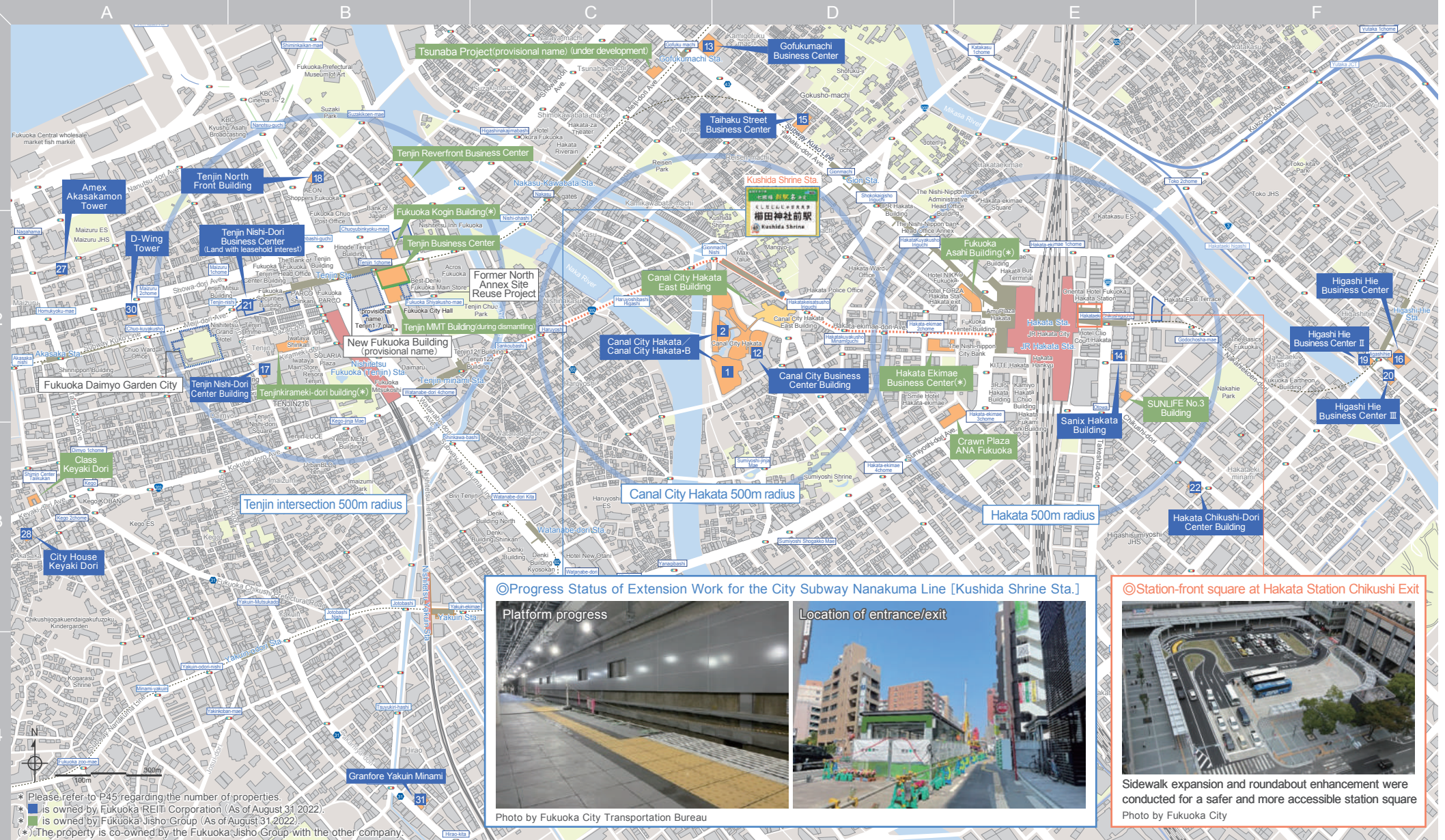
Corporate Profile
Established : December 26, 2003
Paid-in capital : 200 million yen
Certifications, etc. :
◎Obtained license for real estate transaction services February 27, 2004 / License No. (4) 15052 issued by the Governor of Fukuoka (updated on February 28, 2019)
◎Certified as discretionary real estate transaction agent under the Building Lots and Buildings Transaction Business Act April 27, 2004 / Certification No. 21 issued by the Minister of Land, Infrastructure, Transportation and Tourism
◎Obtained certification to conduct businesses related to investment trust management June 25, 2004 / Certification No. 31 issued by the Prime Minister of Japan
◎Registered for a financial instruments business (investment management business) September 30, 2007 / Registered No. (Kinsho) 10 registered by the Director of Fukuoka Local Finance Branch Bureau

The condition of suburb area in Fukuoka



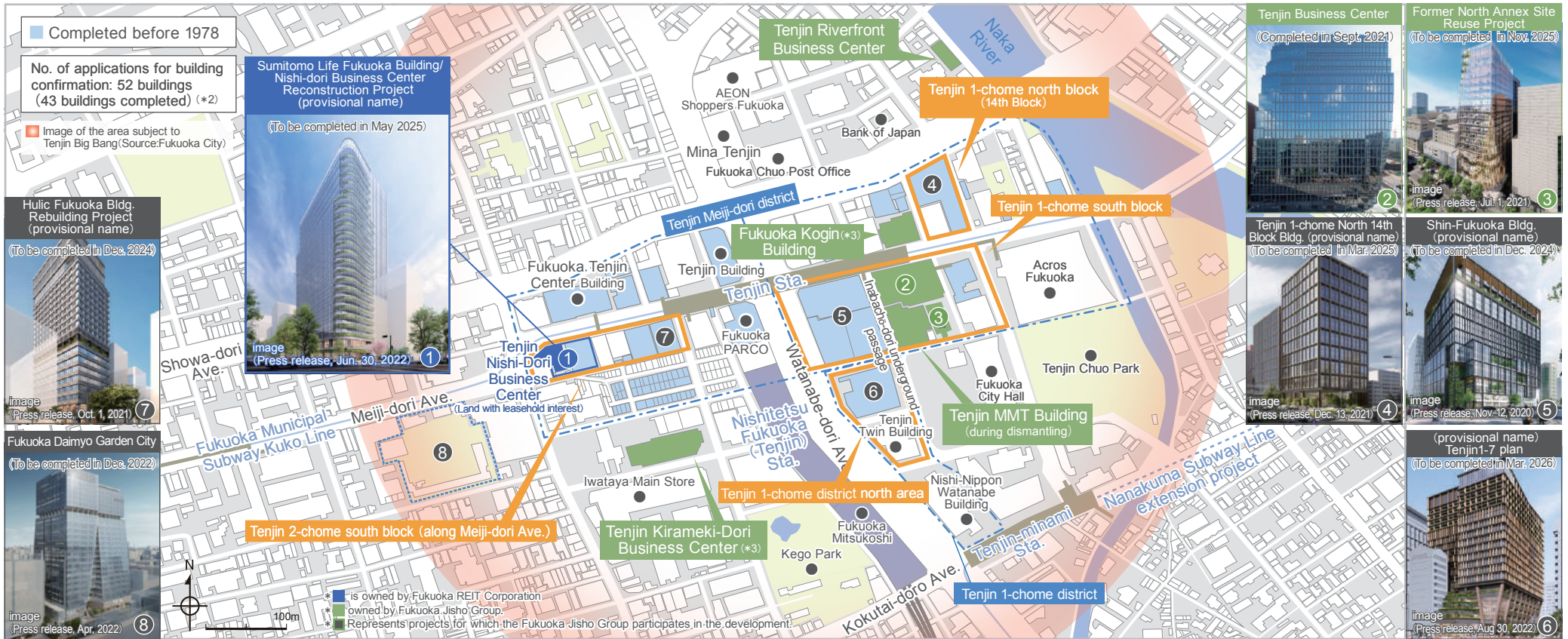
The condition of Fukuoka city center

Nanakuma subway line extension project will be opened on March 27, 2023



Redevelopment in Tenjin area (Tenjin Big Bang)

Until the end of Tenjin Big Bang project in the end of Year 2026 (*1)



(*1) The deadline of phased or successive re-construction projects spreading multiple blocks will be determined individually. (Limited to projects that submit plan summaries to the city government by the end of 2022)
 (*2) February 2015 to February 2021 after the start of Tenjin Big Bang. Number of completed buildings as of Sept. 30, 2021. (announced by Fukuoka City). (*3) The property is co-owned by the Fukuoka Jisho Group with the other company.
 Source: Prepared by Fukuoka Realty based on press releases of Fukuoka City and the content of the Tenjin Big Bang introduction website (<https://www.city.fukuoka.lg.jp/jutaku-toshi/kaihatsu/shisei/20150226.html>).

◎Main deregulation in the Tenjin Big Bang area (National Strategic Special Zone)

① Special permission to relax Civil Aeronautics Act-related building height regulations

- Around Fukuoka City Hall approx. 67m (15 floors)
- Tenjin Meiji-dori district (West of the center of Watanabe-dori) approx. 115m (26 floors)
- Tenjin Meiji-dori district (East of the center of Watanabe-dori) approx. 76m (17 floors) ~ approx. 100m (22 floors)
- Tenjin 1-chome district approx. 80m (18 floors) ~ approx. 96m (21 floors)

② Deregulation of floor space ratios (Fukuoka City original)

- Tenjin 1-chome south block 800%→1,400% (maximum)
- Tenjin 2-chome south block (along Meiji-dori Ave.) 700%→1,300% (maximum)
- Tenjin 1-chome north block (14th Block) 600%→1,250% (maximum)
- Tenjin 1-chome district north area 800%→1,400% (maximum)

◎Initiatives for becoming an infection-controlling city

- Urban central areas
- Anti-infection measures in central urban areas were added as a new item of floor area ratio assessment to the measures facilitate renewal of city center functions.

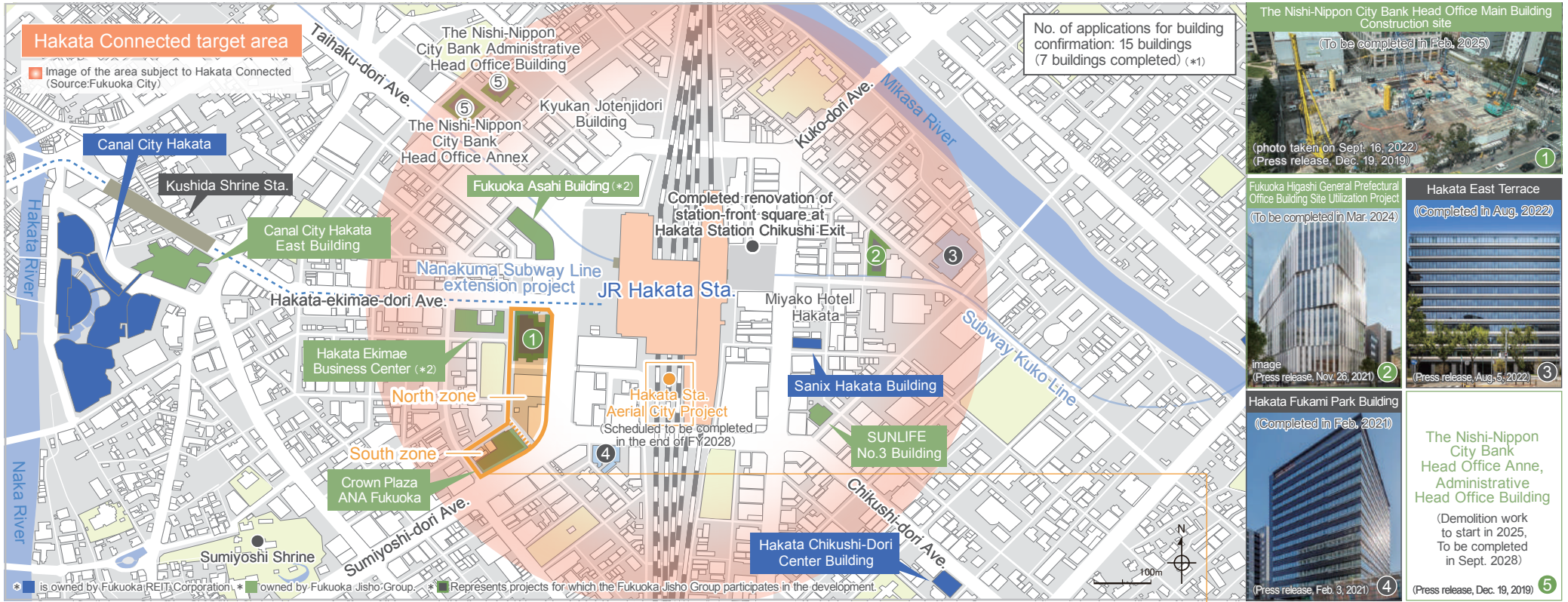
Relaxation of floor area ratio by up to **50%**

Tenjin Big Bang Area

Completion deadline of buildings that take anti-infection measures is extended to December 31, 2026

Redevelopment in Hakata area (Hakata Connected)

Initiative to expand the vitality and bustle of Hakata Station area out further to the surroundings (approx. 500m radius from the station, covering about 80 hectares)



Hakata Connected Bonus

Expand the system to relax the floor area ratio requirement (measure to facilitate renewal of city center functions)

Increase the floor area ratio (up to 50%) for buildings contributing to expand the bustle, such as creation of open spaces that generate connections and expanse.

Existing system to relax floor area ratio

+

New incentive
Floor area ratio of up to **50%**

- High-quality, high-value-added buildings
- Provide floors for tenant relocation

*Solving problems specific to the area around Hakata Station (limited to the period of Hakata Connected)

©New project (decided on February 28, 2022)
“District Project for Hakata-Ekimae 3-Chome District”

- Creation of bustle by securing spaces to wander and open spaces
- Creation of a place for relaxation through greening

City’s own mitigation of floor space ratio restriction

- North zone 800%→1,350% (maximum)
- South zone 600%→1,000% (maximum)

Sponsor pipeline (Fukuoka Jisho Group)

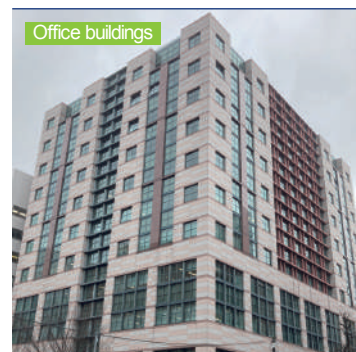
Overview of Fukuoka Jisho Co., Ltd. (period ended May 31, 2022)

Name	Fukuoka Jisho Co., Ltd.	Net sales	23.5 billion yen
Established	July 1961	Ordinary income	6.6 billion yen
Industries	Real estate (comprehensive developer)	Total assets	224.6 billion yen
Representative	Ichiro Enomoto, President and C.E.O	Borrowings	117.8 billion yen
Employees	183	Equity ratio	34.9%

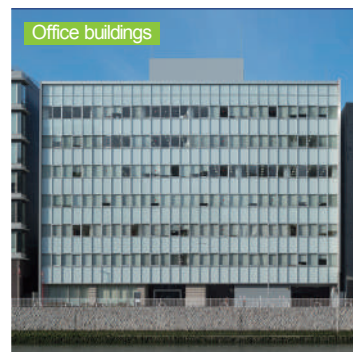
Tenjin Business Center



Hakata Ekimae Business Center



Tenjin Riverfront Business Center



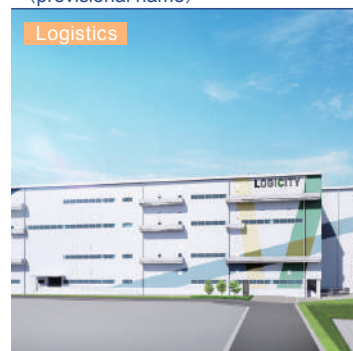
Naha Business Center



LOGICITY Minato Kashii North



LOGICITY Koga Aoyagi (provisional name)



*Prepared by Fukuoka Realty based on data from Fukuoka Jisho Co., Ltd.

Major properties owned by Fukuoka Jisho Group

Use	No.	Name	Year of completion	Total floor space
Office buildings	1	Fukuoka Kogin Building	1970	15,160m ²
	2	Fukuoka Asahi Building	1970	44,762m ²
	3	Sun Life No. 3 Building	1978	8,262m ²
	4	Sumitomo Life Fukuoka Building/ Nishi-dori Business Center Reconstruction Project (provisional name) (*)	May 2025(scheduled)	42,000m ²
	5	Tenjin Riverfront Business Center	1999	4,106m ²
	6	Hakata Ekimae Business Center	1999	23,542m ²
	7	Naha Business Center	2018	8,994m ²
	8	Tenjin Business Center	2021	61,100m ²
	9	Tenjin MMT Building (during dismantling)	-	-
	10	Hakata Tsunaba Project (provisional name)	2023(scheduled)	-
Retail	11	Marinoa City Fukuoka(Outlet Building)	2000(Building I) / 2004(Building II) / 2007(Building III)	46,663m ²
	12	Tenjin Kirameki Dori Building	2003	24,525m ²
	13	Canal City Hakata East Building	2011	18,534m ²
Residence	14	Class Keyaki Dori	2008	6,500m ²
Hotel	15	Hotel FORZA Sapporo Ekimae	2020	11,344m ²
Logistics	16	LOGICITY Minato Kashii North	2020	47,150m ²
	17	LOGICITY Koga Aoyagi (provisional name)	March 2023(scheduled)	49,461m ²

*Includes properties owned by the Fukuoka Jisho Group and properties co-owned with other companies.

(*)Fukuoka REIT Corporation acquired the land with leasehold interest from the owner of the office building Fukuoka Jisho Co., Ltd. on June 1, 2021.