

Fukuoka REIT Corporation

Overview of the 32nd fiscal period performance [8968] Security code March 1st, 2020 ~ August 31st, 2020



Fukuoka REIT Corporation

Overview of the 32nd fiscal period performance

[Security code 8968] March 1st, 2020~August 31st, 2020

Topics of the 32 nd fiscal period	1
Impact of COVID-19 infection	2
Asset's growth	5
Financial statements	7
Business forecasts	9
Portfolio overview	11
Financial strategy	17
Appraisal value	20
Situation of Fukuoka and Kyushu	22
Sustainability	24
Appendix	25

*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.

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. Actual results may differ materially due to various factors. Neither Fukuoka REIT Corporation nor Fukuoka Realty shall be liable for the accuracy, rationality and completeness of information contained in these materials, whether they were prepared by Fukuoka REIT Corporation or Fukuoka Realty or provided by a third party. These materials have not been prepared to entice investment. When applying to purchase investment units issued by Fukuoka REIT Corporation, do so based on your own judgment and responsibility.

Topics of the 32nd fiscal period

Asset size reached 200 billion yen due to external growth based on acquisition price

Owned properties

Retail Took measures to prevent COVID-19 infection, including shortening of business hours and temporary closure of operations upon announcement of emergency declaration.

Conducted deferment of payment of rent, etc. and temporary rent reduction, etc. in consideration of social responsibility and medium to long term relationship with tenants, while at the same time working to reduce costs.

Office buildings Achieved upward revision of rents for 8 straight fiscal periods while keeping high occupancy.

Change in monthly rent [upon rent revision]	+5.3 mm yen	Rent gap ^{(*)1}	(27.0) %
---	--------------------	--------------------------	-----------------

Others Earnings of logistics facilities and residential properties remained stable. Hotels experienced a decrease in variable rents due to the impact of COVID-19 infection.

(*)1 Rent gap indicates the gap between current rent : contract rent with common charges and market rent, and is calculated as "current rent - market rent / current rent".

New acquisition properties

Newly acquired three properties, with the asset size reaching 201.9 billion yen.(based on acquisition) Work to enhance the portfolio stability as a REIT with comprehensive asset types by acquiring a variety of properties expected to generate stable earnings.



Acquisition date	May 29, 2020	Jun. 30, 2020	Jul. 1, 2020
Acquisition price	3,290 mm yen	1,700 mm yen	990 mm yen
NOI yield ^{(*)4}	4.4%	6.7%→7.0% ^{(*)5}	6.2%

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

(*)5 NOI yield is expected to improve from the assumptions made at the time of acquisition by calculating NOI / (acquisition price + estimated amount of renovation work) and reducing the amount of renovation work to be done.

Financial Management • Others

Procured 5,900 million yen at average debt duration of 9.8 years and average interest rate of 0.53%.

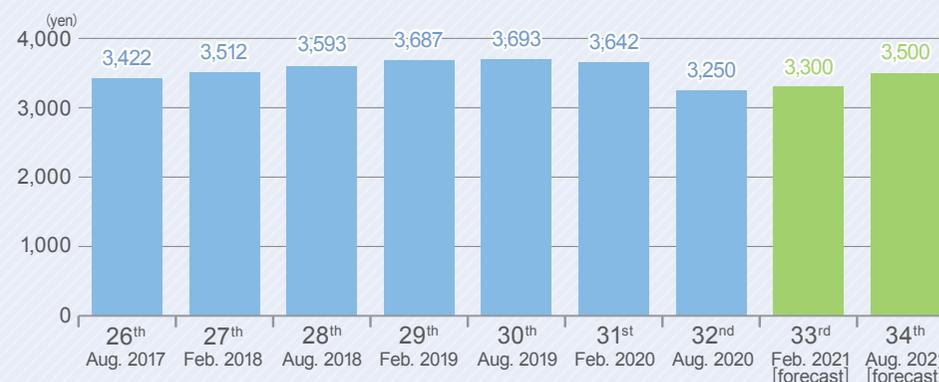
Lengthening the commitment line agreement of 6 billion yen with Fukuoka Bank as the agent to a remaining period of 3 years.

Total debt	Committed line	Fixed rate	Average remaining duration to maturity	LTV ^{(*)2}
82,400 mm yen	13,000 mm yen	94.1%	5.9 years J-REITs' average: 4.2 years ^{(*)3}	41.4% J-REITs' average: 43.9% ^{(*)3}

Changed the asset management fee structure to reinforce the linkage between asset management fee amounts and unitholder interest

(*)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 2020, calculated by Fukuoka Realty based on their disclosure materials.



[Dividend per unit]
The actual of the 32nd FP **3,250 yen** 33rd Forecast 3,300 yen (compared with 32nd Actual +1.5%)
34th Forecast 3,500 yen (compared with forecast at 33rd +6.1%)

Impact of COVID-19 infection on retail properties

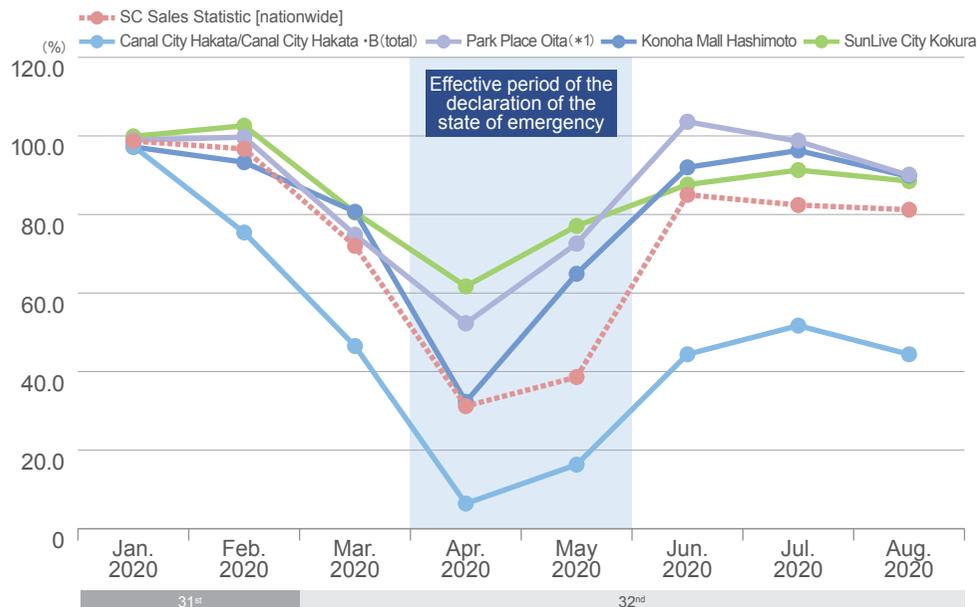
Temporary closure of operations at retail properties

Upon the declaration of the state of emergency by the government, operations were temporarily closed (excluding some stores) as a measure to prevent the spread of COVID-19 infection.

Property name	Location	Effective period of the declaration of the state of emergency	Period of temporary closure
Canal City Hakata Canal City Hakata-B Konoha Mall Hashimoto Marinoa City Fukuoka (Marina Side Building)	Fukuoka City	April 7 - May 14	April 9 - May 15
Park Place Oita	Oita City	April 16 - May 14	April 29 - May 6

*Some retail stores in the Canal City Business Center Building are also temporarily closed.

Year-on-year comparison of sales (January - August 2020)



(*1) Sales at the newly acquired Home Plaza NAFCO at Park Place Oita in July 2020 are not added.

Responses to requests from tenants for rent reduction, etc.

Took the following measures for the tenants, in consideration of the request from the government, our social responsibility and medium to long term relationship with the tenants.

① Temporary rent reduction and deferment of payment of rent, etc. consideration of the closure period

Subject properties: properties temporarily closed Relevant period: 32nd fiscal period



② Review of individual contract terms, etc. taking into account the sales situations of respective tenants

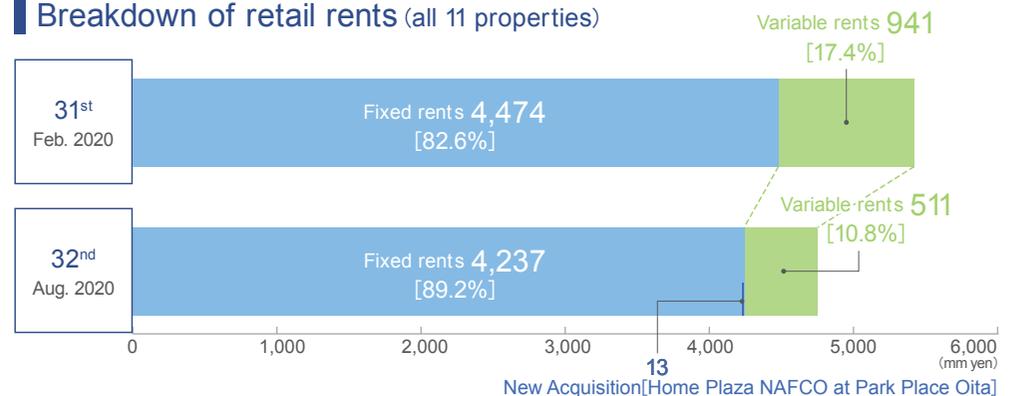
Subject properties: Canal City Hakata (*2) Relevant period: 32nd fiscal period and thereafter

⟨Cases of changes in contract terms⟩

- Setting change of percentage-of-sales rent (temporary lowering criteria for generation of percentage rent)
- Concluding renewed contracts (extending the contract period, additionally setting cancelation penalties and shifting from ordinary lease to fixed-term lease)

(*2) Canal City Hakata, Canal City Hakata-B, and the Canal City Business Center Building (only some retail stores) are covered.

Breakdown of retail rents (all 11 properties)



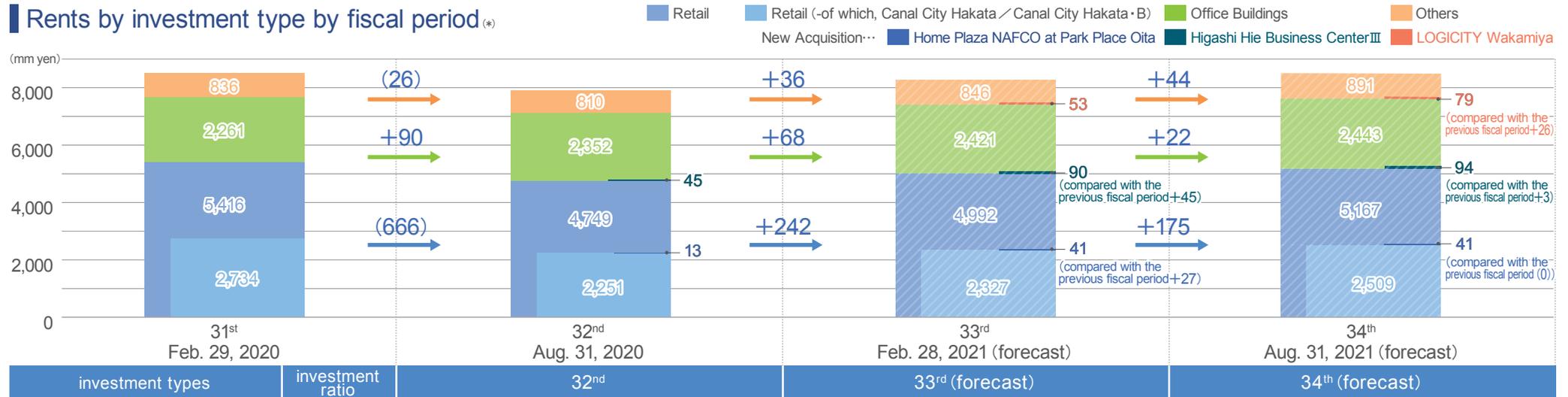
* "Fixed rent" is indicated the amount of "leasing revenues-real estate" - "variable rents".

* "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. Variable rents are included Canal City Hakata, Canal City Hakata-B, Park Place Oita, SunLive City Kokura and Konoha Mall Hashimoto.

Impact on Rent of the COVID-19 infection

Impact on rents is expected to be eased gradually in the 33rd fiscal period and thereafter

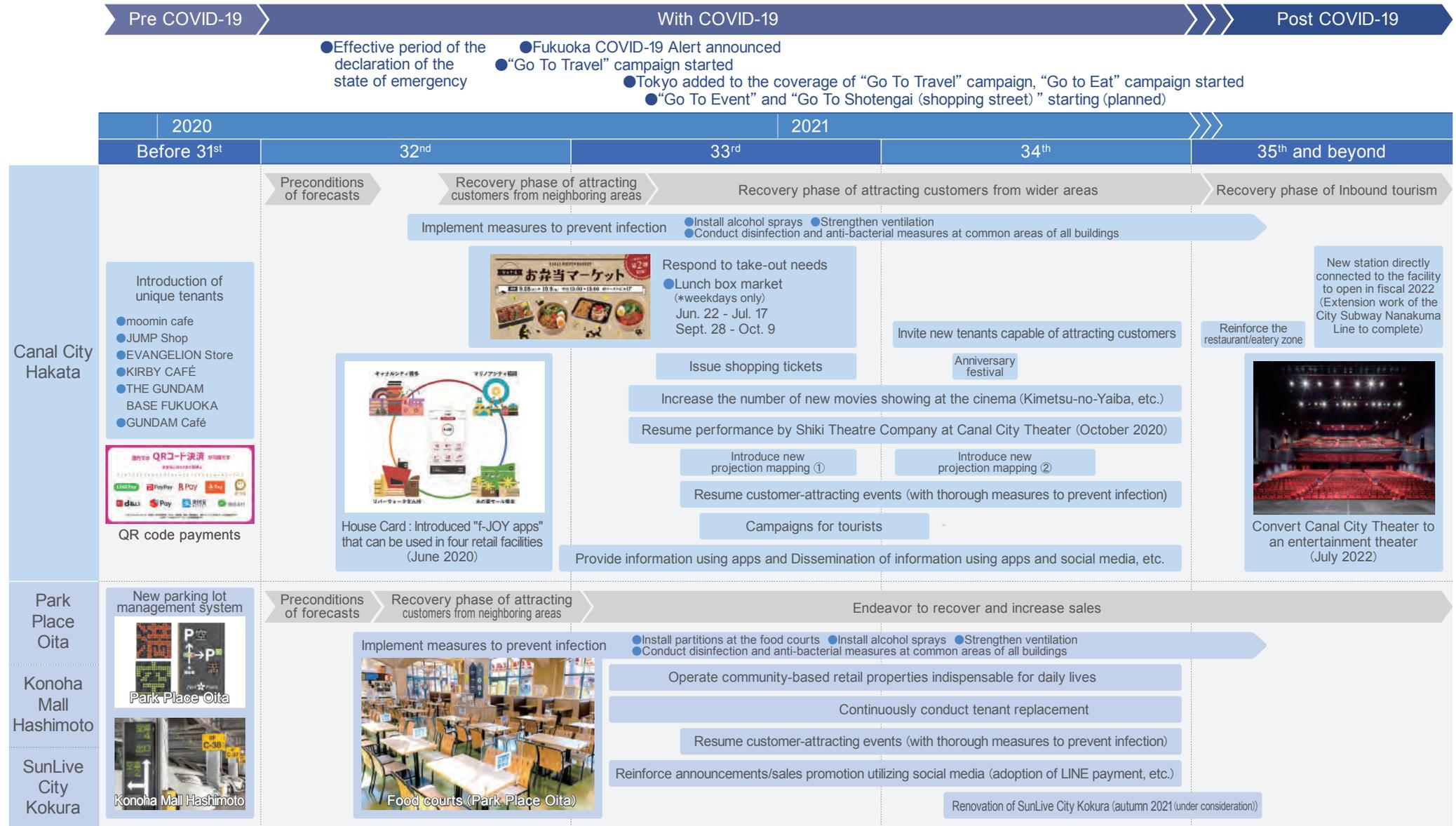
Rents by investment type by fiscal period (*)



Investment Type	Investment Ratio	Major preconditions for performance forecasts	Impact of COVID-19 infection on rents
Retail	58.0%	<ul style="list-style-type: none"> Temporary rent reduction and deferment of payment in consideration of temporary closure Decrease in revenues due to review of individual contract terms considering the sales situations of respective tenants Decrease in variable rents 	<ul style="list-style-type: none"> Period-on-period increase in sales due to recovery in the number of domestic visitors (Sales to foreign visitors not assumed) Decrease in revenues of tenants determined in the 32nd fiscal period Partial recovery of variable rents Downtime caused by tenant replacement in a large section (approx. 1,300 tsubo)
		<ul style="list-style-type: none"> Temporary rent reduction and deferment of payment for tenants of temporarily closed retail properties Decrease in variable rents 	<ul style="list-style-type: none"> Sales of some tenants including restaurant/eatery tenants assumed conservatively Partial recovery of variable rents
Office buildings	27.7%	<ul style="list-style-type: none"> No impact of rent increase for tenants of the office section Temporary rent reduction and deferment of payment for tenants of the retail section of Canal City Business Center Building in consideration of temporary closures 	<ul style="list-style-type: none"> Full-period contribution of Higashi Hie Business Center III (acquired in May 2020) Anticipate rent increase while maintaining high occupancy rate
Others (Logistics, Residence, Hotel)	14.3% (-of which, Hotel 2.2%)	<ul style="list-style-type: none"> No major change in the occupancy of logistics facilities and residential properties Lack of variable rents from Tissage Hotel Naha 	<ul style="list-style-type: none"> Rent income of LOGICITY Wakamiya to start in November as renovation work completes Rents of logistics facilities and residential properties remaining stable Overnight stay demand from domestic hotel guests recovering gradually (Sales to foreign visitors not assumed) Lack of variable rents from Tissage Hotel Naha

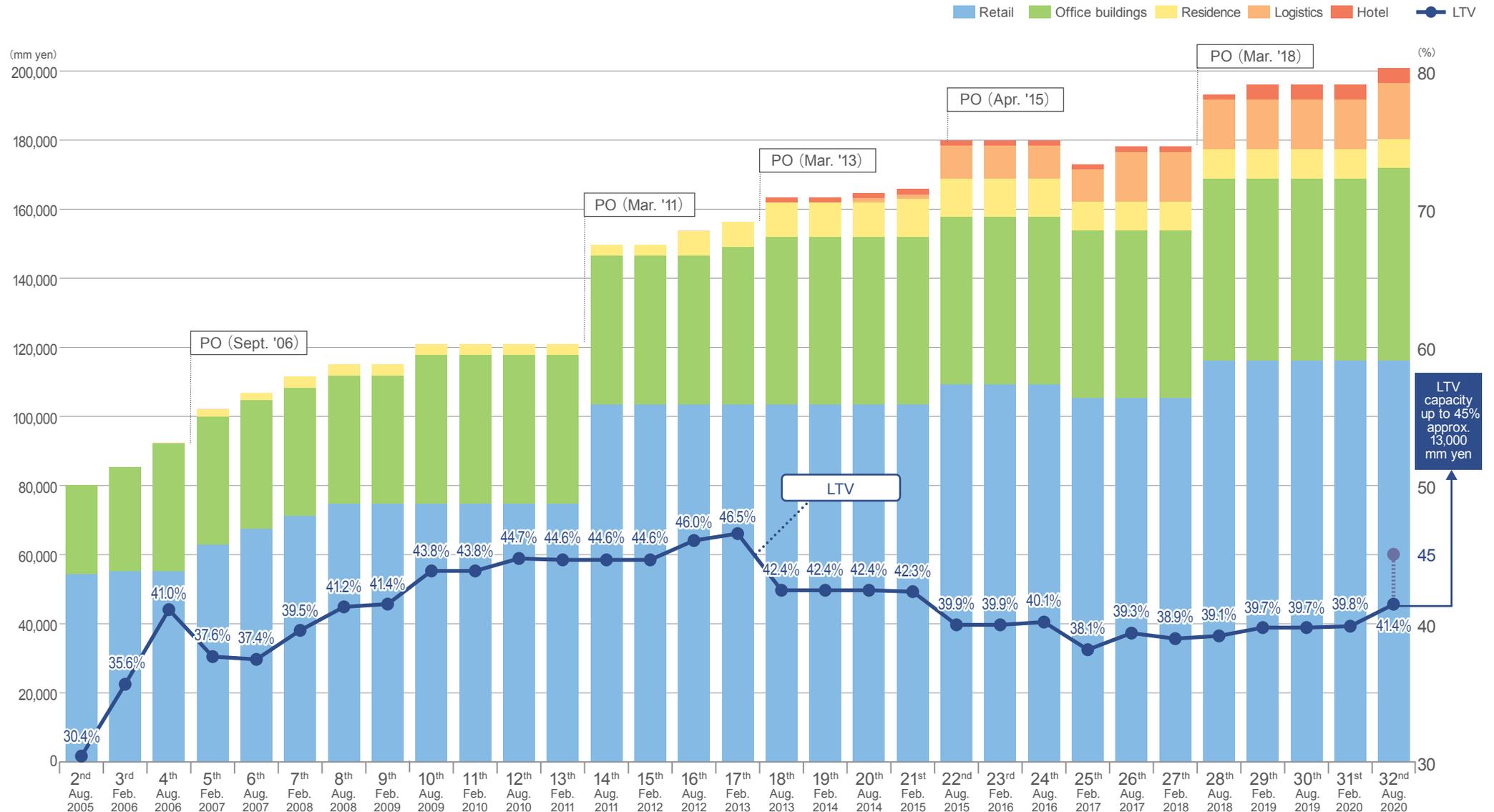
(*) "Rent" is indicated the total amount of leasing revenues-real estate

Operation policy for retail properties to return to a growth path



Historical trends of asset's size by investment type [based on acquisition]

Asset size reached 200 billion yen in the 32nd fiscal period



*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 ward.

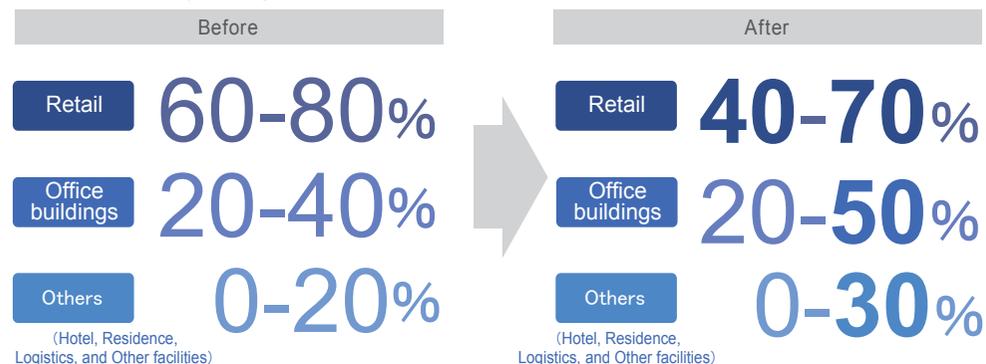
Investment policy and external growth strategy

Future external growth strategy

- Aiming at 250 billion yen going forward while dispersing risks by diversifying the investment types; flexibly consider property replacement upon favorable opportunities.
- Conduct carefully selected investments focused on office buildings and logistics facilities, etc., taking the advantage of specializing in regional properties and utilizing sponsor pipelines.

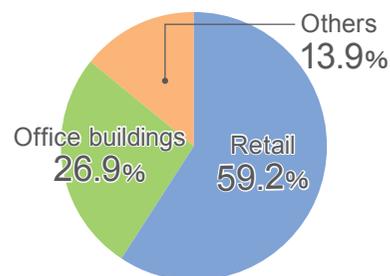
◎investment policy (Investment ratios by investment type)

Investment policy changed in March 2019

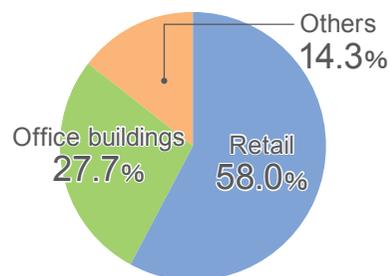


Investment ratios by investment type

◎31st (Feb. 2020)



◎32nd (Aug. 2020)



New acquisition properties in the 32nd fiscal period

The property acquisitions, mainly comprising an office building and a logistics facility, lowered the ratio of retail properties by 1.2% period-on-period at the end of the 32nd fiscal period.



Acquisition date	May 29, 2020	June 30, 2020	July 1, 2020
Source	Sponsor	Outside party	Sponsor
Acquisition price	3,290 mm yen	1,700 mm yen	990 mm yen
NOI yield (*1)	4.4%	6.7%→7.0%(*2)	6.2%

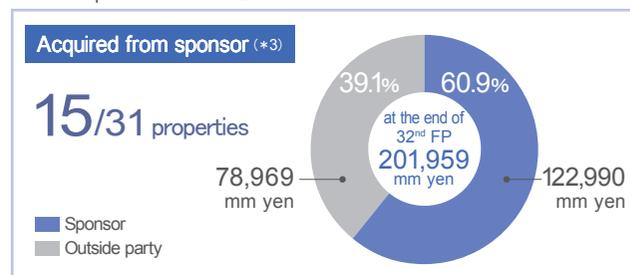
(*1)The indicated figure is based on the NOI described in the appraisal report.

(*2)NOI yield is expected to improve from the assumptions made at the time of acquisition by calculating NOI / (acquisition price + estimated amount of renovation work) and reducing the amount of renovation work to be done.

Sponsor pipelines

◎Real estate development by the Fukuoka Jisho Group

- Participating in many redevelopment projects in the Tenjin and Hakata areas. Tenjin Business Center, the first project of the Tenjin Big Bang, is scheduled for completion in September 2021.
- LOGICITY Minato Kashii North, the first logistics facility developed by the Group, completed in September 2020. The Group will continue logistics development under the LOGICITY brand.



(*3)Because the Higashi Hie Business Center that was acquired in the 10th FP, 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.

Statements of Income (compared with the previous fiscal period)

Dividend per unit came to 3,250 yen due to a decrease in revenues under the impact of COVID-19 infection

- unit : mm yen (Figures rounded down to the nearest mm yen)

Sign indicates impact on profit (unit : mm yen)

Account		31 st A ~Feb. 29, 2020	32 nd B ~Aug. 31, 2020	Difference B - A
Operating profit and loss	Total operating revenues	9,162	8,518	① (644)
	Leasing revenues-real estate	8,515	7,912	(602)
	Other leasing revenues-real estate	647	605	(42)
	Total operating expenses	5,888	5,551	(337)
	Expenses related to leasing business	5,226	4,897	② (329)
	Asset management fees	534	520	(14)
	Asset custody fees	7	7	0
	Administrative service fees	55	57	2
	Director's compensations	9	9	-
	Other operating expenses	55	60	4
Operating income		3,273	2,966	(307)
Non-Operating profit and loss	Total non-operating revenues	0	0	(0)
	Total non-operating expenses	374	379	4
	Interest expenses (incl. investment corporation bonds)	275	278	3
	Financing related expenses	93	94	1
	Others	5	5	(0)
Ordinary income		2,900	2,587	(312)
Profit before income taxes		2,900	2,587	(312)
Total income taxes		1	0	(0)
Profit		2,899	2,586	(312)

Dividend	Total dividends	2,899	2,587	(312)
	Dividend per unit (yen)	3,642	3,250	(392)

Operating profit and loss

① Acquired properties at the 32 nd FP	+47
(Higashi Hie Business Center III Acquired in May 2020)	
Canal City Hakata	(221)
Canal City Hakata•B	(279)
Park Place Oita	(68)
Konoha Mall Hashimoto	(111)
Office buildings	+43
(excl. Higashi Hie Business Center III)	
[-of which, increase in leasing revenues-real estate	+45]
[-of which, decrease in income from utilities, etc.	(2)]
Tissage Hotel Naha	(25)
Others	(30)
Total :	(644)
② Decrease in outsourcing expenses	+286
Decrease in expenses from utilities	+26
Decrease in repair & maintenance expenses	+23
Increase in depreciation and amortization expenses	(25)
[-of which, Higashi Hie Business Center III	(12)]
Decrease in other expenses	+19
Total :	+329

Statements of Income (compared with the forecast)

Endeavors on cost reductions helped dividend per unit to surpass the forecast by +100 yen

- unit : mm yen (Figures rounded down to the nearest mm yen)

Sign indicates impact on profit (unit : mm yen)

Account		32 nd A Forecast at 31 st	32 nd B ~Aug. 31, 2020	Difference B - A
Operating profit and loss	Total operating revenues	8,893	8,518	① (375)
	Leasing revenues-real estate		7,912	
	Other leasing revenues-real estate		605	
	Total operating expenses	6,006	5,551	② (454)
	Expenses related to leasing business		4,897	
	Asset management fees		520	
	Asset custody fees		7	
	Administrative service fees		57	
	Director's compensations		9	
	Other operating expenses		60	
Operating income		2,887	2,966	79
Non-Operating profit and loss	Total non-operating revenues	0	0	(0)
	Total non-operating expenses	378	379	0
	Interest expenses (incl. investment corporation bonds)		278	
	Financing related expenses		94	
	Others		5	
Ordinary income		2,509	2,587	78
Profit before income taxes		2,509	2,587	78
Total income taxes		1	0	(0)
Profit		2,508	2,586	78

Dividend	Total dividends	2,507	2,587	79
	Dividend per unit (yen)	3,150	3,250	100

Operating profit and loss

① Canal City Hakata	(120)
Canal City Hakata•B	(169)
Park Place Oita	(8)
[-of which, decrease in income from utilities	(10)]
Konoha Mall Hashimoto	(31)
[-of which, decrease in income from utilities	(17)]
Canal City Business Center Building	(13)
[-of which, decrease in income from leasing	
revenues-real estate of retail stores	(10)]
Office buildings(others)	(10)
[-of which, decrease in income from utilities	(11)]
Tissage Hotel Naha	(8)
Others	(16)
Total :	(375)
② Decrease in outsourcing expenses	+309
Decrease in expenses from utilities	+47
Decrease in repair & maintenance expenses	+72
Decrease in selling general and administrative expenses	+16
Decrease in other expenses	+10
Total :	+454

Business forecast (the 33rd fiscal period, Feb. 2021)

Anticipate higher revenues due to steady recovery in sales of retail properties, while expecting contributions of newly acquired properties to earnings

Forecast in the 33rd fiscal period

- unit : mm yen (Figures rounded down to the nearest mm yen)

Account	32 nd Actual A	33 rd Forecast at 31 st B	33 rd Forecast at 32 nd C	32 nd Actual difference C-A	33 rd Forecast difference C-B
Operating revenues	8,518	9,240	8,903	① 384	(336)
Operating expenses	5,551	5,951	5,889	② 338	(61)
Operating income	2,966	3,288	3,013	46	(275)
Non-operating revenues	0	0	1	0	0
Non-operating expenses	379	382	385	6	3
Ordinary income	2,587	2,906	2,628	40	(278)
Profit	2,586	2,905	2,627	40	(278)
Total dividends	2,587	2,905	2,626	39	(278)
Dividend per unit (yen)	3,250	3,650	3,300	50	(350)

Sign indicates impact on profit (unit : mm yen)

■ Difference between the 32nd FP actual and the 33rd FP forecast

① Acquired properties at the 32 nd FP	
(LOGICITY Wakamiya)Leasing contract will start in Nov. 2020	+53
(Full-period contribution of Higashi Hie Business Center III)	+48
Canal City Hakata	+3
Canal City Hakata・B	+109
Park Place Oita	+105
Konoha Mall Hashimoto	+66
Office buildings(excl. Higashi Hie Business Center III)	+9
[-of which, increase in leasing revenues-real estate	+22]
[-of which, decrease in income from utilities, etc.	(13)]
Tissage Hotel Naha	(14)
Others	+5
Total :	+384
② Increase in outsourcing expenses	(274)
Increase in repair & maintenance expenses	(117)
Decrease in depreciation and amortization expenses	+55
Increase in other expenses	(2)
Total :	(338)

Business forecast (the 34th fiscal period, Aug. 2021)

Dividend per unit is forecasted to be 3,500 yen due to increased revenues as sales of Canal City Hakata will recover

Forecast in the 34th fiscal period

- unit : mm yen (Figures rounded down to the nearest mm yen)

Account	33 rd Forecast at 32 nd A	34 th Forecast at 32 nd B	33 rd Forecast difference B-A
Operating revenues	8,903	9,127	① 224
Operating expenses	5,889	5,953	② 63
Operating income	3,013	3,174	160
Non-operating revenues	1	0	(0)
Non-operating expenses	385	387	1
Ordinary income	2,628	2,787	159
Profit	2,627	2,786	159
Total dividends	2,626	2,786	159
Dividend per unit (yen)	3,300	3,500	200

Sign indicates impact on profit (unit : mm yen)

■ Variance from updated the 33rd FP forecast

① Full-period contribution of LOGICITY Wakamiya	+26
Canal City Hakata	+65
Canal City Hakata・B	+77
Office buildings	+30
[-of which, increase in leasing revenues-real estate	+22]
[-of which, Increase in income from utilities, etc.	+8]
Tissage Hotel Naha	+14
Others	+12
Total :	+224
② Increase in expenses from utilities	(24)
Increase in taxes and other public charges	(34)
[-of which, acquired properties at 32 nd FP	(18)]
Decrease in depreciation and amortization expenses	+24
Increase in selling general and administrative expenses	(12)
Increase in other expenses	(17)
Total :	(63)

Situation of active retail①

Almost 100% occupancy rates in active retail properties

- Canal City Hakata
- Canal City Hakata・B



Sales (annual total^{(*)1})
Sept. 2019 - Aug. 2020

19.9 bn yen
YoY (36.0)%

Suspended operations throughout the buildings excluding some stores, given the declaration of the state of emergency. Resumed operations after the declaration was lifted, but sales decreased year-on-year due to lack of inbound tourists continuing to impact. Over the short term, plan to implement measures to attract domestic customers in neighboring and wider areas as well as collaboration with popular contents.

- Park Place Oita



Sales (annual total^{(*)2})
Sept. 2019 - Aug. 2020

22.5 bn yen
YoY (9.6)%

Sales plunged sharply year-on-year in March - May but recovered to the level comparable with the year-earlier figure in June and thereafter. Aim to further improve sales by resuming migration-type events that avoid concentration of visitors at the center stage, while implementing measures to prevent COVID-19 infection.

- Konoha Mall Hashimoto



Sales (annual total)
Sept. 2019 - Aug. 2020

13.6 bn yen
YoY (14.5)%

Suspended operations throughout the buildings excluding some stores, given the declaration of the state of emergency. Sales recovered fairly quickly after the declaration was lifted by utilizing the features as a community-based facility. Works to increase unit sales price by attracting people using various apps and enhancing convenience, including LINE-based payment, at the food court.

- SunLive City Kokura



Sales (annual total^{(*)3})
Sept. 2019 - Aug. 2020

—
YoY (10.1)%

Sales dropped by around 60% year-on-year in April, impacted by the spread of COVID-19, but have recovered gradually due to demand from stay at home, etc. Looking ahead, work to vitalize the facility by renewing tenants and refurbishing common areas in autumn next year as a target.

*Sales figures are rounded down to the nearest 100 mm yen.

(*)1 Combined sales of Canal City Hakata and Canal City Hakata・B, properties owned by Fukuoka REIT.

(*)2 Sales at the newly acquired Home Plaza NAFCO at Park Place Oita in July 2020 are added.

(*)3 Sales figures are omitted because SunLive did not consent to their disclosure.

Year-on-year comparison of sales (March - August 2020)

Property name	Year-on-year comparison of sales
Canal City Hakata	35.1%
Canal City Hakata・B	35.1%
Park Place Oita ^{(*)2}	82.9%
Konoha Mall Hashimoto	75.8%
SunLive City Kokura	81.2%
Other retail properties ^{(*)4}	90.2%
Other retail facilities (excl. facilities that have been temporarily closed) ^{(*)5}	105.2%

(*)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 facilities.

(*)5 Marinao City Fukuoka (Marina Side Building) was temporarily closed from April 9th to May 15th (excl. some stores), so the figures excluding the property are shown.

Occupancy rates

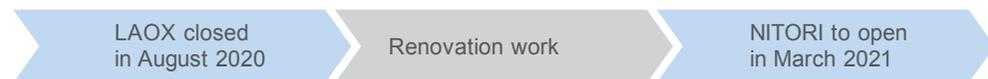
◎All the properties have kept operating almost at full occupancy

Property name	31 st as of Feb. 29, 2020	32 nd as of Aug. 31, 2020
Canal City Hakata	99.8%	100.0%
Canal City Hakata・B	99.5%	99.5%
Park Place Oita	99.9%	100.0%
Konoha Mall Hashimoto	98.7%	100.0%
SunLive City Kokura	100.0%	100.0%
Other retail properties ^{(*)4}	100.0%	100.0%
The weighted average of retail	99.8%	99.9%

Situation of active retail②

Canal City Hakata

Tenant to note (renovation of former LAOX section)



- The section of LAOX, which was closed in August 2020, will be renovated for NITORI.
- Promote renovation to make Canal City Hakata a facility having functions closely related to customers' lives on top of its strength of entertainment factors.

◎ Year-on-year change of domestic sales of existing NITORI stores (2020)



Source: Prepared by Fukuoka Realty Co., Ltd. based on NITORI Co. Ltd. Year-on-Year Change of Domestic Monthly Sales on the website of NITORI Holdings Co., Ltd.



Park Place Oita

Acquisitions of Home Plaza NAFCO at Park Place Oita

Acquisition price	990 mm yen
Acquisition date	July 1, 2020

- The acquisition completes the acquisitions of sponsor-owned properties around Park Place Oita
- Aim to enhance competitiveness while working to achieve synergy of respective facilities



Canal City Theater

◎ “MAMMA MIA!,” a musical by Shiki Theatre Company, to open on October 1

The Canal City Theater, where the performance of “The Bells of Notre Dame” and “An American in Paris” was cancelled due to the impact of COVID-19 infection, resumed performances on October 1. “MAMMA MIA!,” a musical featured by the hit songs of ABBA, a world-famous pop group, is a heart-warming story describing the ties between a mother and daughter on the night before the latter’s wedding.

チャンネルシティ劇場

Aqua Panorama track record

Aqua Panorama has presented many attractive contents since One Piece Water Spectacle, the first work it started in November 2016, and will continue its efforts going forward.



SunLive City Kokura

Preparation of basic renovation plan

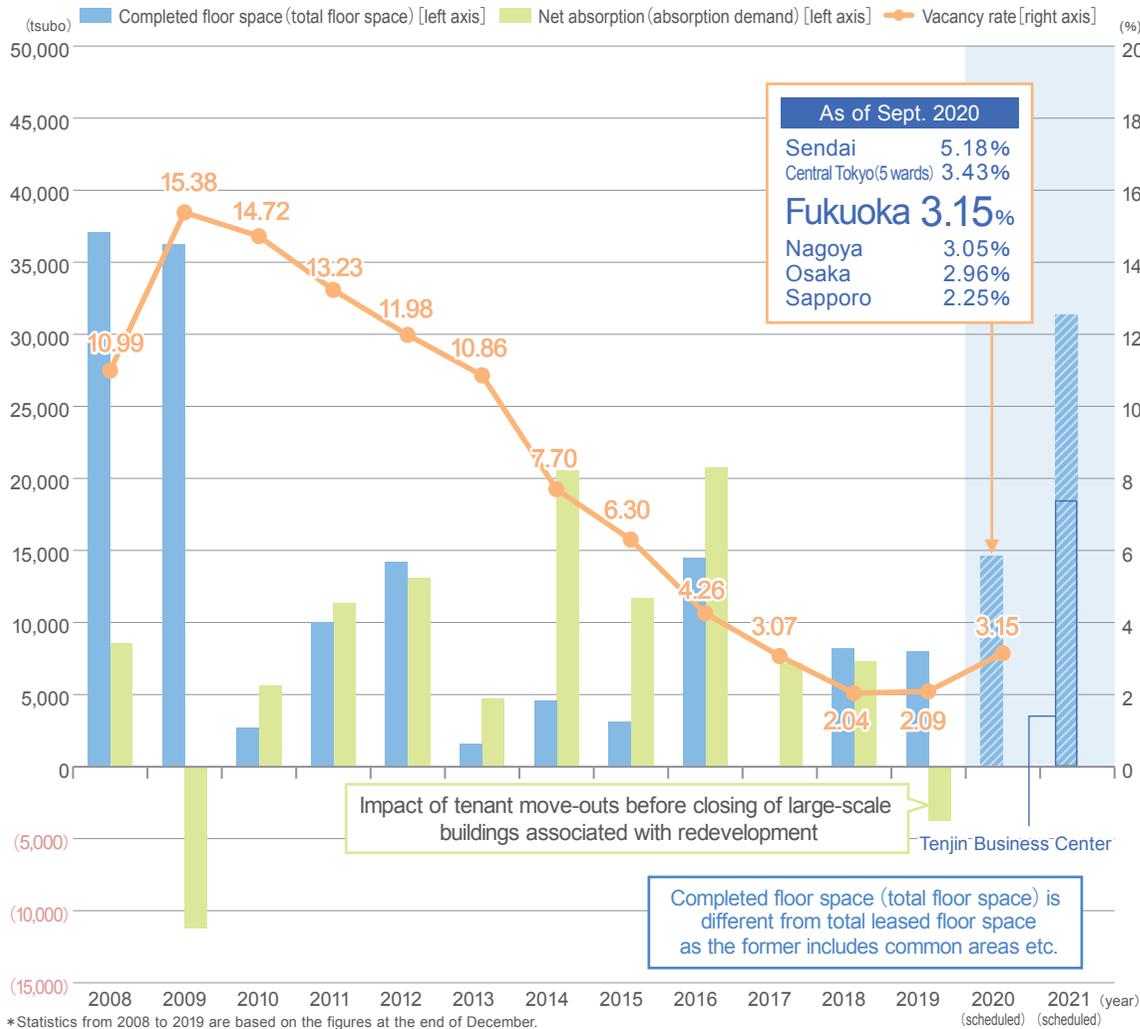
Plans are to renew tenants and refurbish common areas in autumn 2021 as a target. The plans represent a vitalization investment to enhance the facility competitiveness, as the surrounding environment has changed since the large-scale renovation in 2014. Take advantage of the renovation effect to expand future earnings.



Trends in the Fukuoka office market

Vacancy rate rises to 3% level, but rent has risen for 39 consecutive months

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

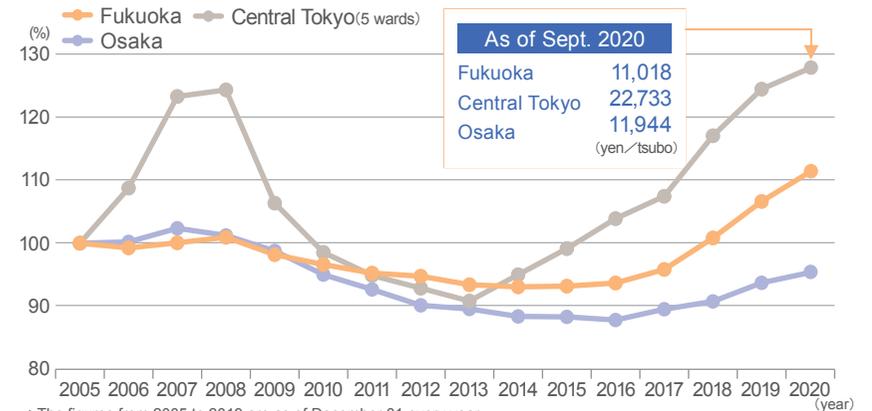


* Statistics from 2008 to 2019 are based on the figures at the end of December.
 * Office building-related data for each city are data for areas and buildings included in surveys conducted by Miki Shoji Co., Ltd.
 * Net absorption (absorption demand) shows the change in the occupied floor space during 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 2020 and 2021 have not been finalized, and the floor space and expected completion dates are subject to change.
 Source: Prepared by Fukuoka Realty Co., Ltd. based on data from "Office Market Data" Miki Shoji Co., Ltd.

Fukuoka business district / Average asking rents

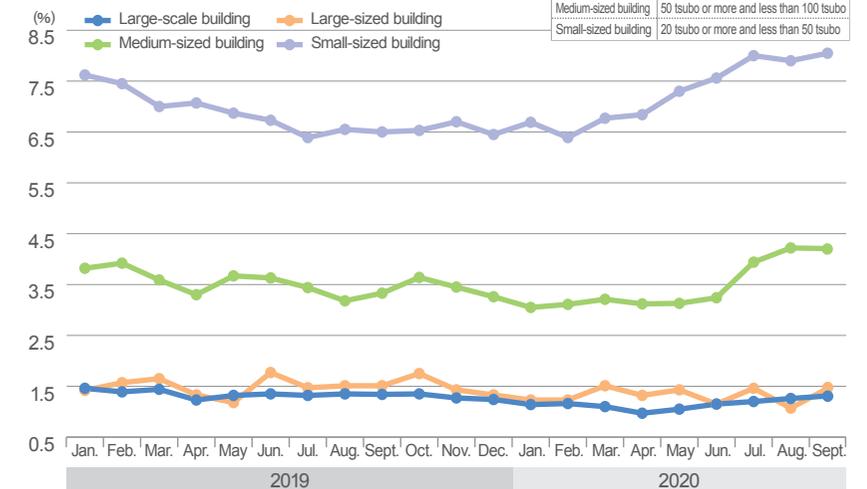
©Average asking rents during the past year [Y2005=100]

Average asking rent of the Fukuoka business district rose 6.1% in the 12 months from Sept. 2019 to Sept. 2020.



* The figures from 2005 to 2019 are as of December 31 every year.
 Source: Prepared by Fukuoka Realty Co., Ltd. based on data from "Office Market Data" Miki Shoji Co., Ltd.

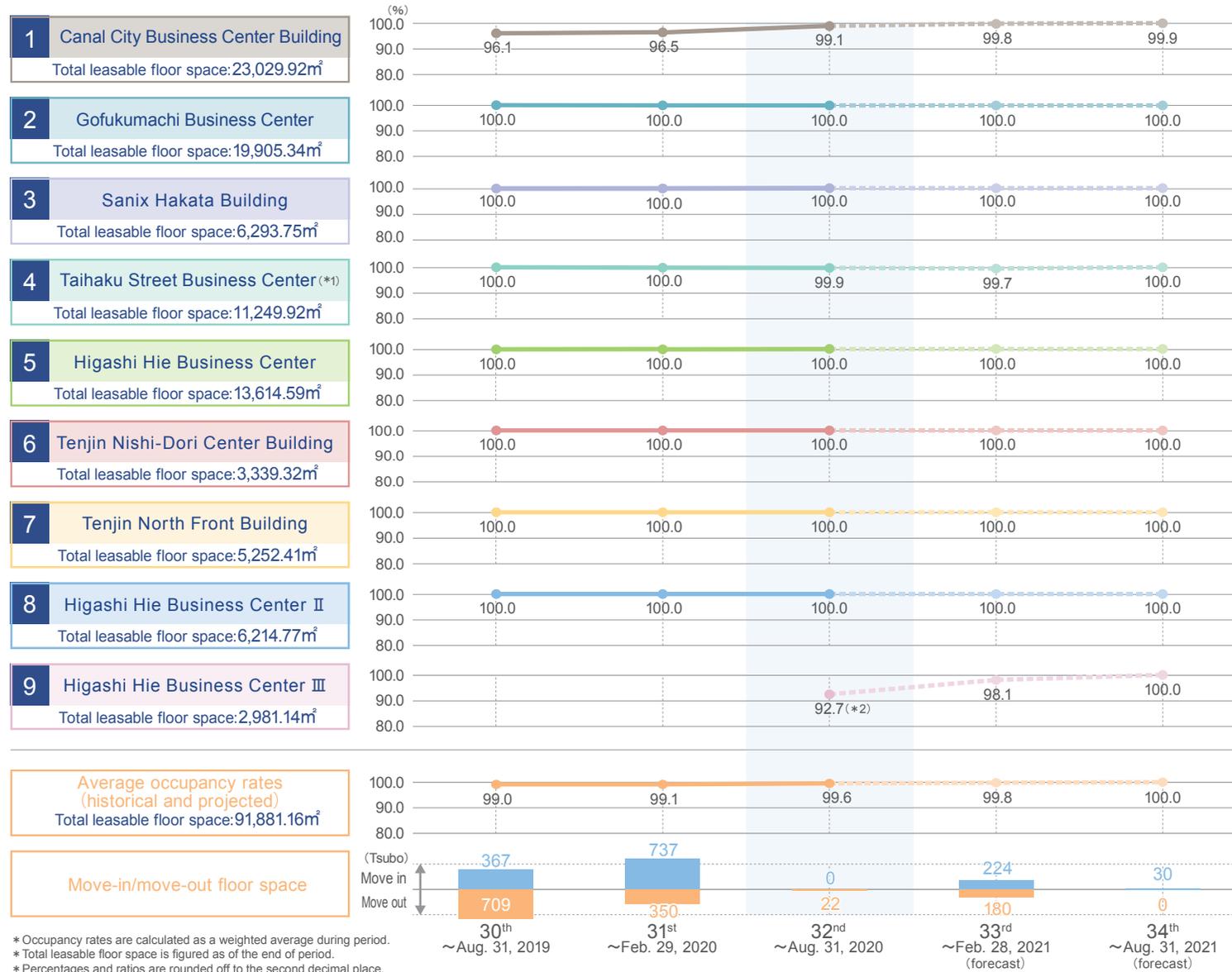
Trend of office building vacancy rate in Fukuoka City by size



Source: Prepared by Fukuoka Realty Co., Ltd. based on data "Office Market Monthly Survey (Time Series)" from Sanko Estate Co., Ltd.

Historical and projected office buildings' occupancy rates

Maintaining high occupancy levels while steadily increasing rent per unit area



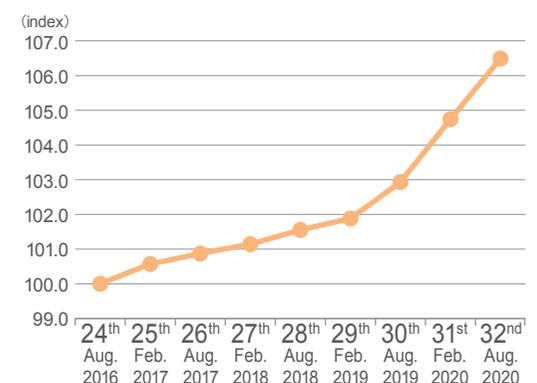
* Occupancy rates are calculated as a weighted average during period.
 * Total leasable floor space is figured as of the end of period.
 * Percentages and ratios are rounded off to the second decimal place.
 (*1) Residential floor spaces are removed from the total leasable floor space of Taihaku Street Business Center. (*2) Since Higashi Hie Business Center III was acquired on May 29, 2020, the occupancy rate is shown from the 32nd fiscal period.

Major indicators of owned properties(*3)

Total amount of acquisition	56,020 mm yen
Investment ratio	27.7%
Average age	16 years 9 months
Tenants	225
Total leasing revenues-real estate in the 32nd FP	2,352 mm yen
Rent gap	(27.0) % (*4)

(*3) The figures are indicated as of August 31, 2020.
 (*4) Rent gap indicated the gap between current rent: contract rent with common charges and market rent, and is calculated as "current rent - market rent / current rent". Moreover, market rent indicated average of assumed newly closed rent assessed by CBRE as of Aug. 2020.

Trend in rent unit price index of owned properties (*5)

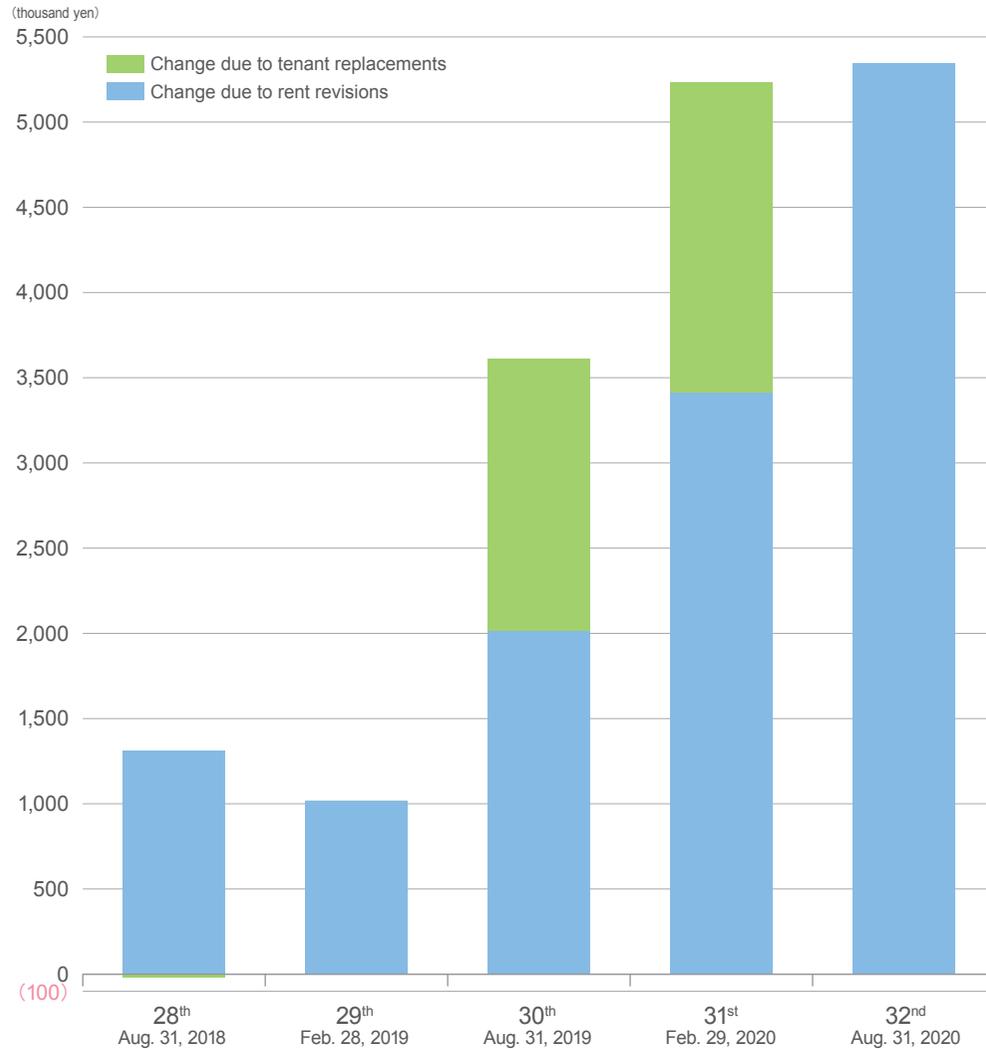


(*5) The rent unit price index is based on the average rent per unit area at the end of each fiscal period compared with the rent per unit area at the end of the 24th fiscal period (August 2016), which is set as 100. This covers all office building properties excluding Higashi Hie Business Center II and Higashi Hie Business Center III (But, for Canal City Business Center Building, only the spaces from the 2nd floor and above are covered).

Office building rent revisions and tenant replacement situation

The amount of rent expanded from the 32nd fiscal period

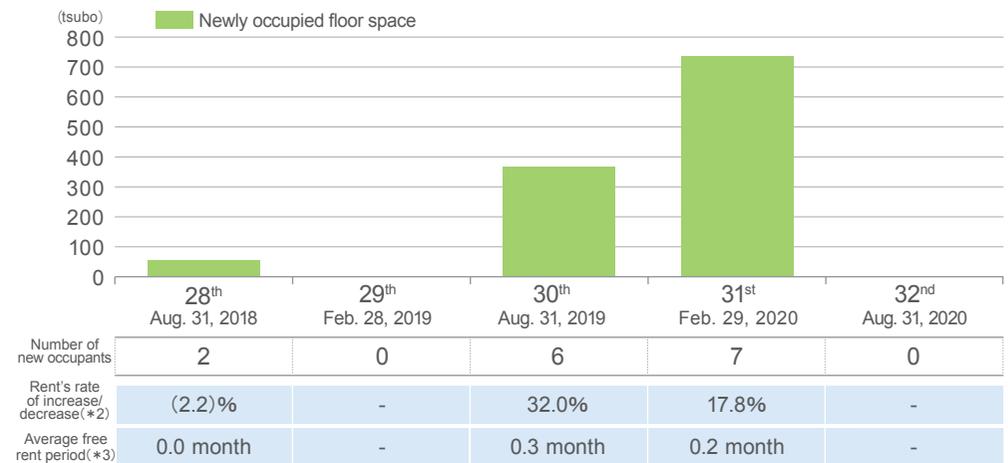
Change in monthly rent due to rent revisions and tenant replacements (*1)



* 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 and Higashi Hie Business Center III is not included).

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

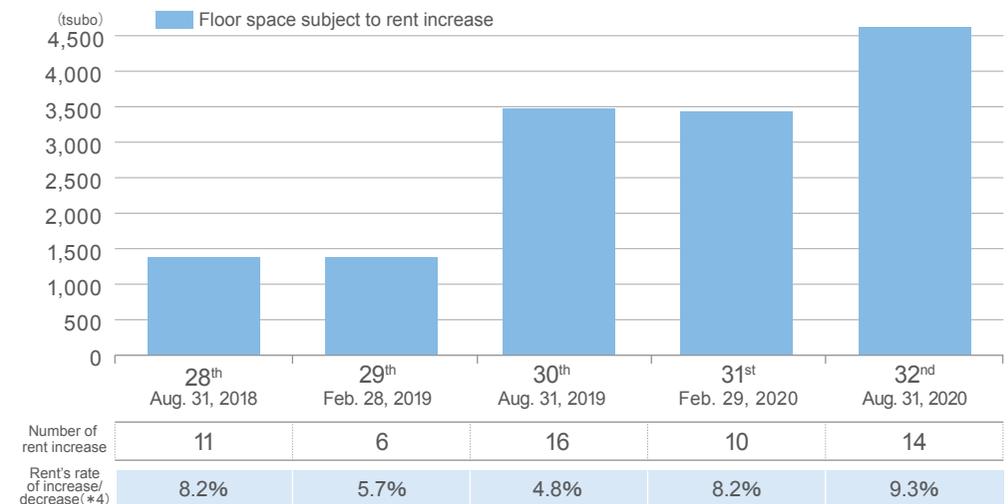
Newly occupied floor space and number of new occupants



(*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 (*1)



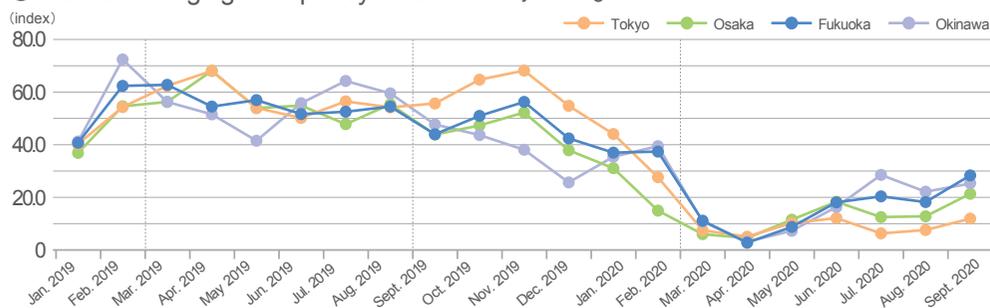
(*4) Rate of increase/decrease calculated based on previous rent at rent revision.

Situation of other assets (Hotel, Logistics, Residence)

Overview of Hotel

Hotel	Grand Hyatt Fukuoka [Canal City Hakata・B]	Fukuoka Washington Hotel [Canal City Hakata]	Hotel FORZA Oita	Tissage Hotel Naha
Type	Full-service	Specialized for accommodation	Specialized for accommodation	Specialized for accommodation
Leasing Form	Fixed+Variable rents	Fixed+Variable rents	Fixed rents	Fixed+Variable rents
Area	Fukuoka City	Fukuoka City	Oita City	Naha City
Rooms	370	423	205	132
Operator	FJ Hotels (Fukuoka Jisho Group)	WHG Nishinoh (Fujita Kanko Group)	FJ Hotels (Fukuoka Jisho Group)	Nest Hotel Japan Corporation
Business Status	Temporarily closed from Apr. 8 to May 31	Temporarily closed from Apr. 15 to May 24	No temporarily closure	No temporarily closure

©Trends in lodging occupancy index (monthly average)



Canal City Hakata / Canal City Hakata・B

©Average year-on-year comparison of RevPAR (*1)

32 nd (Aug. 2020) YoY	(85.0) %
-------------------------------------	-----------------

*The figure is calculated as the average value for Grand Hyatt Fukuoka and Canal City Fukuoka Washington Hotel.

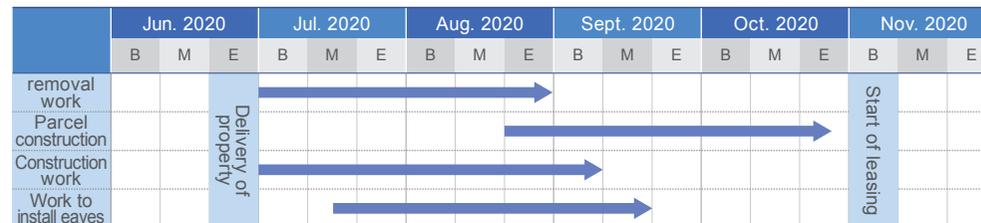
(*1) Revenue Per Available Room = Total accommodation-category sales over a certain period of time divided by the total number of guest rooms available for sale for the same period.
(*2) Average Daily Rate = Total accommodation-category sales over a certain period of time divided by the total number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

Tissage Hotel Naha

	30 th (Aug. 2019)	32 nd (Aug. 2020)	year-on-year
Room occupancy rates	87.2%	36.0%	(51.2) %
ADR (*2)	9,379 yen	5,030 yen	(4,348) yen
RevPAR(*1)	8,176 yen	1,812 yen	(6,363) yen

Logistics (renovation work status at LOGICITY Wakamiya)

©NOI yield (*3) is expected to improve from 6.7% to 7.0% due to reduction in the renovation cost.



(*3) It is calculated by NOI / (acquisition price + planned repair work amount) based on the NOI of the appraisal report.

Residential properties (occupancy rate by property at end of period)

©Residential properties have continued to operate at a high occupancy rate.

occupancy rates	28 th (Aug.2018)	29 th (Feb. 2019)	30 th (Aug.2019)	31 st (Feb. 2020)	32 nd (Aug.2020)
Amex Akasakamon Tower	93.7%	98.8%	98.5%	95.0%	90.6%
City House Keyaki Dori	95.5%	95.6%	92.3%	93.3%	100.0%
Aqualia Chihaya	98.6%	99.3%	100.0%	97.9%	97.9%
D-Wing Tower (*4)	95.1%	95.0%	94.0%	97.7%	96.7%
Granfore Yakuin Minami	95.0%	98.0%	100.0%	97.0%	99.0%
The weighted average of 5 properties	95.7%	97.3%	96.9%	96.6%	96.3%

(*4) The figure for D-Wing Tower includes the retail portion.

Key financing events in the 32nd fiscal period

Reduction of interest costs and extension of debt duration achieved

Results of long-term financing in the 32nd fiscal period

◎Procured 5,900 mm yen in total at fixed interest rates (0.53112% on average) with an average debt duration of 9.8 years

Date	Refinancing/ New	Lender	Amount (mm yen)	Term	Interest rate	Fixed/ Floating
Jun. 30 2020	Refinancing	Aozora Bank	1,000	10-year	0.56922%	Fixed
	New	Resona Bank	700	10-year	0.56922%	Fixed
	New	MUFG Bank	500	9-year	0.60000%	Fixed
	New	The Kagoshima Bank	500	8-year	0.46500%	Fixed
Jul. 31 2020	New	Development Bank of Japan	1,500	10-year	0.53000%	Fixed
	New	Mizuho Bank	1,000	10-year	0.47000%	Fixed
	New	The Kitakyushu Bank	500	10-year	0.52630%	Fixed
	New	The Iyo Bank	200	10-year	0.52630%	Fixed
Total and the weighted average rates ^(*1)			5,900	9.8-year	0.53112%	

(*1)Amounts are totals, and terms and interest rates are weighted averages.

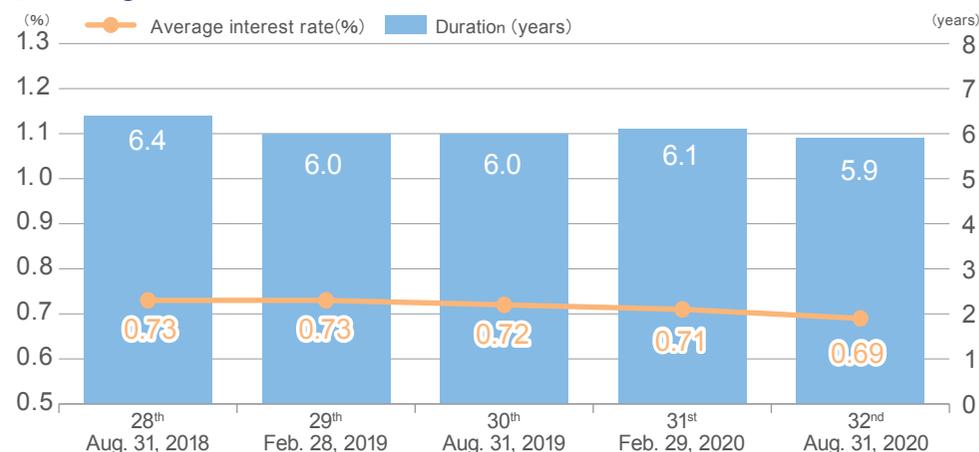
Extension of commitment line agreement period

◎Extended the period of the commitment line agreement with The Bank of Fukuoka serving as the agent by 2 years, setting the remaining term (commitment period) at 3 years

◎Secured flexible and stable financing means

	Lender	Credit Limit	Period	
			Start	End
Committed line of credit 1	The Bank of Fukuoka Resona Bank	6,000 mm yen	Aug. 1, 2018	Jul. 31, 2023
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 mm yen	Mar. 2, 2020	Feb. 28, 2023
Total		13,000 mm yen		

Average interest rate^(*2) and duration

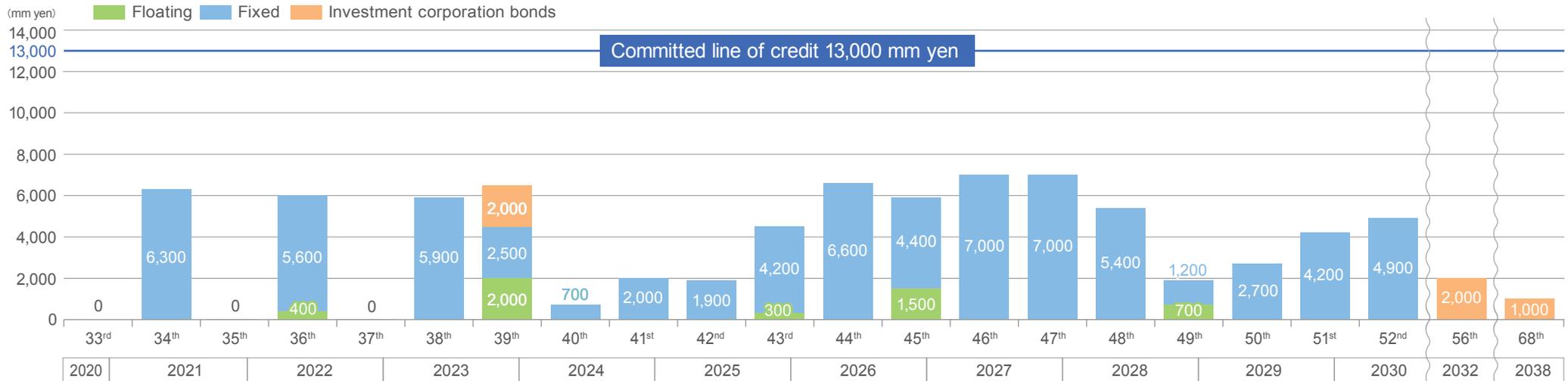


(*2)Interest rates are rounded off to the second decimal place.

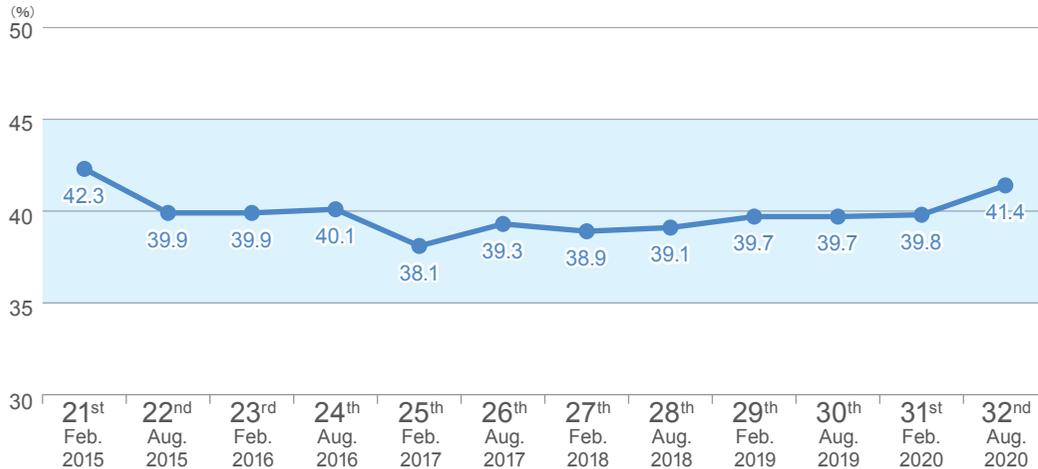
Financing condition①

Establishment of stable financial base

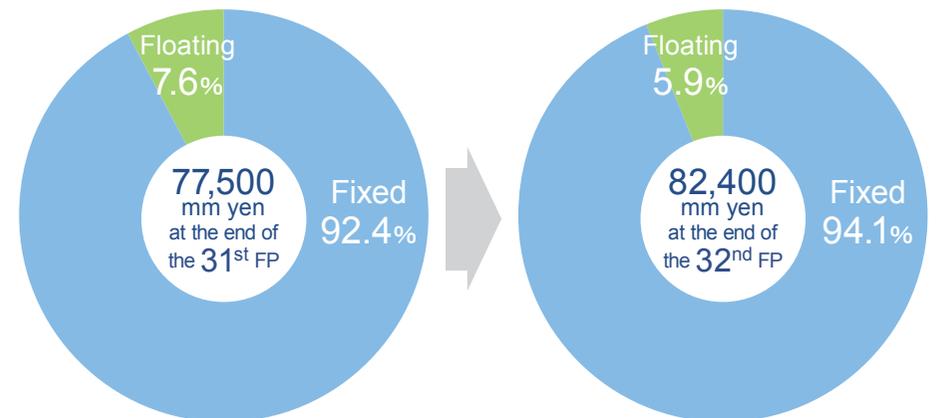
Diversification of debt maturities (As of August 31, 2020)



LTV



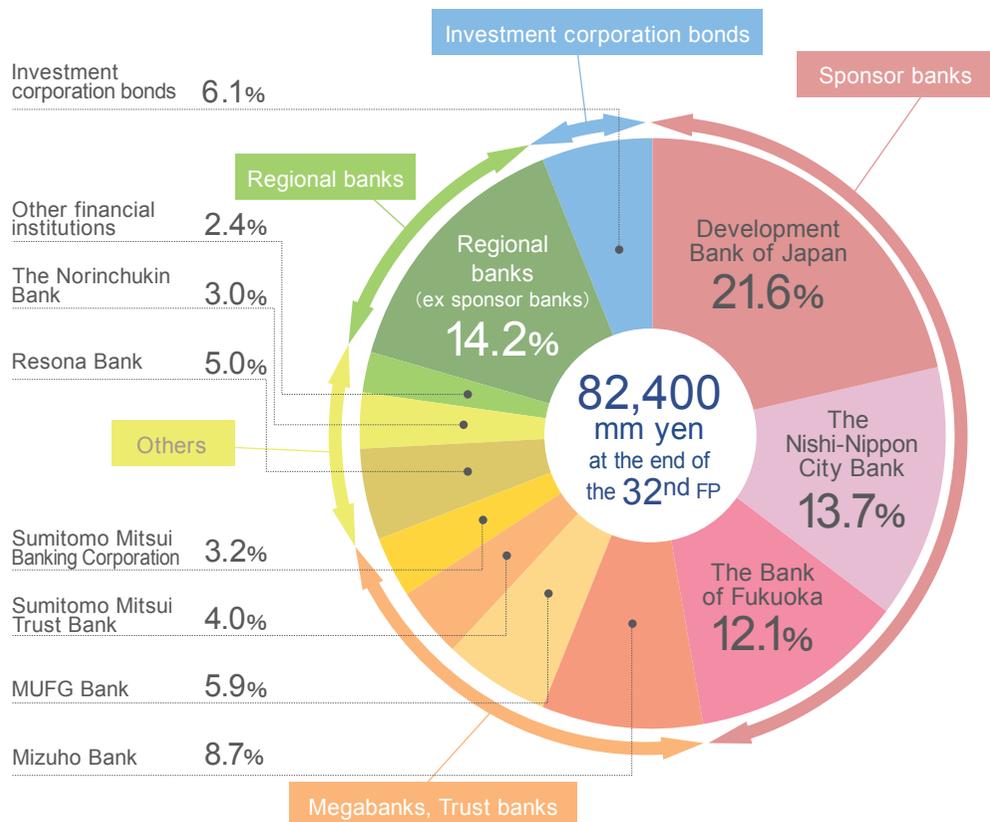
Fixed and floating rate



Financing condition②

A stable network of sponsor banks and other lenders

Breakdown of debt by lenders



Green finance

Category	Lender	Balance (mm yen)	Average Interest Rate	Drawdown Date	Repayment Date	Description
Long-term debt (Green Loan)	Mizuho Bank The Bank of Saga The Higo Bank	2,200	0.521% (*1)	Jul. 31 2019	Jul. 31 2029	No collateral, No guarantee Lump-sum upon maturity Fixed interest rate Green loan rating : Green 1(*2)

(*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).

A regional bank transaction network

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

*As of August 31, 2020
Borrowings:(mm yen)

The Bank of Fukuoka	The Nishi-Nippon City Bank	The Kitakyushu Bank			
Borrowing	10,000	Borrowing	11,300	Borrowing	2,200
Committed line of credit	5,000	Committed line of credit	5,000		

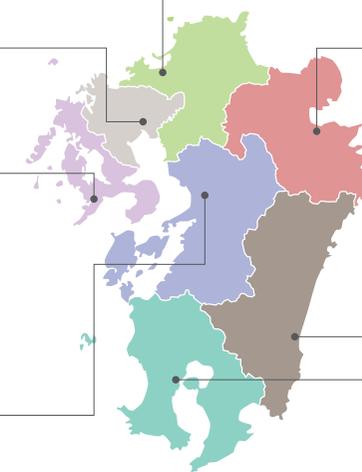
The Bank of Saga	
Borrowing	500
Committed line of credit	300

The Eighteenth Bank (*3)	
Borrowing	700

The Shinwa Bank (*3)	
Borrowing	800

The Bank of Nagasaki	
Committed line of credit	500

The Higo Bank	
Borrowing	1,300



The Oita Bank	
Borrowing	1,500
Committed line of credit	500

The Miyazaki Bank	
Borrowing	700

The Kagoshima Bank	
Borrowing	800

The Hiroshima Bank	
Borrowing	2,000

The Iyo Bank	
Borrowing	1,200

(*3)Shinwa Bank and Eighteenth Bank merged on October 1, 2020 to become The Juhachi-Shinwa Bank, Limited.

Credit ratings (*4)

JCR
AA-
(Stable)

R&I
A+
(Stable)

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

Appraisal value

Maintained unrealized gains for all properties (*1)

- unit : mm yen (Figures rounded down to the nearest mm yen)

	Property name	Acquisition price (*2)	Acquisition cap rate	Appraisal value		Book value at 32 nd	Difference		Direct capitalization values			Appraiser
				32 nd Aug. 31, 2020	31 st Feb. 29, 2020		From Appraisal value at 31 st	From Book value at 32 nd	32 nd Cap rate	31 st Cap rate	Difference	
				①	②		①-②	①-③	④	⑤	④-⑤	
Retail	Canal City Hakata	32,000	6.0%	31,500	31,800	29,616	(300)	1,883	4.5%	4.5%	0.0%	Tanizawa Sogo Appraisal
	Canal City Hakata・B	28,700	5.4%	29,700	29,900	28,858	(200)	841	4.7%	4.7%	0.0%	Tanizawa Sogo Appraisal
	Park Place Oita	(*3) 19,610	6.0%	21,300	(*4) 21,300	20,290	0	1,009	5.4%	(*5) 5.4%	0.0%	Japan Real Estate Institute
	SunLive City Kokura	6,633	6.6%	8,440	8,460	5,487	(20)	2,952	5.8%	5.8%	0.0%	Japan Real Estate Institute
	Konoha Mall Hashimoto	10,000	5.3%	10,400	10,500	9,979	(100)	420	5.1%	5.1%	0.0%	Tanizawa Sogo Appraisal
	Square Mall Kagoshima Usuki	5,300	6.3%	4,940	5,450	4,307	(510)	632	5.7%	5.7%	0.0%	Japan Real Estate Institute
	Kumamoto Intercommunity SC	2,400	6.5%	2,750	2,860	1,968	(110)	781	5.6%	5.6%	0.0%	Japan Real Estate Institute
	Hanahata SC	1,130	6.4%	1,250	1,250	973	0	276	5.4%	5.4%	0.0%	Tanizawa Sogo Appraisal
	Kurume Higashi Kushiwara SC	2,500	6.1%	2,790	2,790	2,026	0	763	5.5%	5.5%	0.0%	Tanizawa Sogo Appraisal
	K's Denki Kagoshima	3,550	5.7%	3,710	3,710	2,952	0	757	5.4%	5.4%	0.0%	Tanizawa Sogo Appraisal
	Marinoa City Fukuoka (Marina Side Building)	5,250	5.5%	6,080	6,080	5,425	0	654	4.8%	4.8%	0.0%	Tanizawa Sogo Appraisal
	Total of retail	117,073	-	122,860	124,100	111,885	(1,240)	10,974	-	-	-	
Office buildings	Canal City Business Center Building	14,600	6.3%	16,600	16,400	12,989	200	3,610	4.4%	4.4%	0.0%	Tanizawa Sogo Appraisal
	Gofukumachi Business Center	11,200	6.3%	14,900	14,600	8,819	300	6,080	4.3%	4.3%	0.0%	Tanizawa Sogo Appraisal
	Sanix Hakata Building	4,400	5.9%	6,410	6,400	3,756	10	2,653	4.1%	4.1%	0.0%	Japan Real Estate Institute
	Taihaku Street Business Center	7,000	6.0%	9,090	8,650	5,774	440	3,315	4.4%	4.4%	0.0%	Japan Real Estate Institute
	Higashi Hie Business Center	5,900	6.0%	8,030	8,000	4,444	30	3,585	4.5%	4.5%	0.0%	Tanizawa Sogo Appraisal
	Tenjin Nishi-Dori Center Building	2,600	5.4%	3,100	3,100	2,669	0	430	3.9%	3.9%	0.0%	Japan Real Estate Institute
	Tenjin North Front Building	2,800	6.1%	4,380	4,360	2,469	20	1,910	4.1%	4.1%	0.0%	Japan Real Estate Institute
	Higashi Hie Business Center II	4,230	4.9%	4,600	4,590	4,064	10	535	4.5%	4.5%	0.0%	Tanizawa Sogo Appraisal
	Higashi Hie Business Center III (*6)	3,290	4.4%	3,300	3,290	3,294	10	5	4.3%	4.3%	0.0%	Tanizawa Sogo Appraisal
	Total of office buildings	56,020	-	70,410	69,390	48,283	1,020	22,126	-	-	-	
Others	Amex Akasakamon Tower (Residence)	2,060	5.4%	1,840	1,840	1,668	0	171	4.5%	4.5%	0.0%	Daiwa Real Estate Appraisal
	City House Keyaki Dori (Residence)	1,111	5.5%	1,140	1,140	901	0	238	4.5%	4.5%	0.0%	Daiwa Real Estate Appraisal
	Aqualia Chihaya (Residence)	1,280	6.8%	1,860	1,820	1,169	40	690	4.8%	4.8%	0.0%	Japan Real Estate Institute
	D-Wing Tower (Residence)	2,800	5.9%	3,500	3,560	2,669	(60)	830	4.6%	4.5%	0.1%	Tanizawa Sogo Appraisal
	Granfore Yakuin Minami (Residence)	1,100	5.6%	1,320	1,320	1,098	0	221	4.4%	4.4%	0.0%	Tanizawa Sogo Appraisal
	Hotel FORZA Oita (Hotel)	1,530	6.6%	1,890	1,890	1,386	0	503	5.1%	5.1%	0.0%	Japan Real Estate Institute
	Tissage Hotel Naha (Hotel)	2,835	5.3%	2,880	2,990	2,853	(110)	26	4.9%	4.9%	0.0%	Tanizawa Sogo Appraisal
	Tosu Logistics Center (Logistics)	1,250	5.9%	1,300	1,420	1,168	(120)	131	5.2%	5.2%	0.0%	Japan Real Estate Institute
	LOGICITY Minato Kashii (Logistics)	8,150	5.2%	8,910	8,910	7,824	0	1,085	4.4%	4.4%	0.0%	Tanizawa Sogo Appraisal
	LOGICITY Hisayama (Logistics)	5,050	5.1%	5,270	5,270	4,838	0	431	4.6%	4.6%	0.0%	Tanizawa Sogo Appraisal
LOGICITY Wakamiya (*6) (Logistics)	1,700	6.4%	2,360	2,350	(*7) 2,141	10	218	5.7%	5.7%	0.0%	Tanizawa Sogo Appraisal	
Total of others	28,866	-	32,270	32,510	27,721	(240)	4,548	-	-	-		
Total properties	201,959	-	225,540	226,000	187,891	(460)	37,648	-	-	-		

(*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 figure includes Home Plaza NAFCO at Park Place Oita, which FRC acquired in the 32nd fiscal period. (*4) The appraisal value of Home Plaza NAFCO at Park Place Oita upon its acquisition has been added to the appraisal value at the end of the 31st fiscal period. (*5) The figure does not include Home Plaza NAFCO at Park Place Oita.

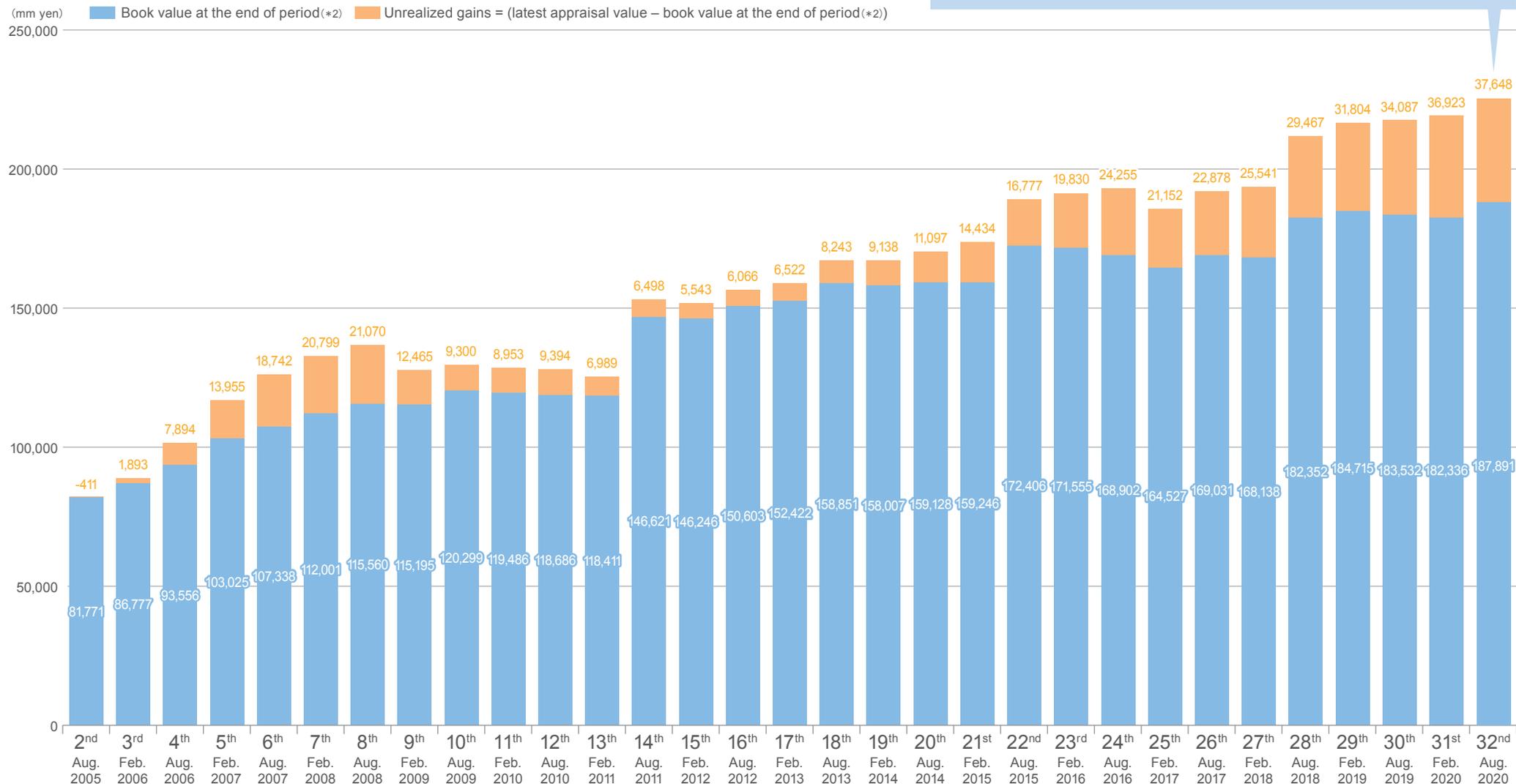
(*6) The appraisal value and the cap rate using the direct capitalization value indicate the figures based on the appraisal upon acquiring the property. (*7) The figure indicates the amount obtained by adding the planned renovation cost to the book value, as the renovation work has not been completed at the end of the 32nd fiscal period.

Historical appraisal values (unrealized gains)

Maintained continuously since the 3rd fiscal period (Unrealized gains 37,648 mm yen, 20.0% ratio of unrealized gains at the 32nd FP ^(*))

Historical appraisal values

Unrealized gain increased by 725 mm yen period-on-period



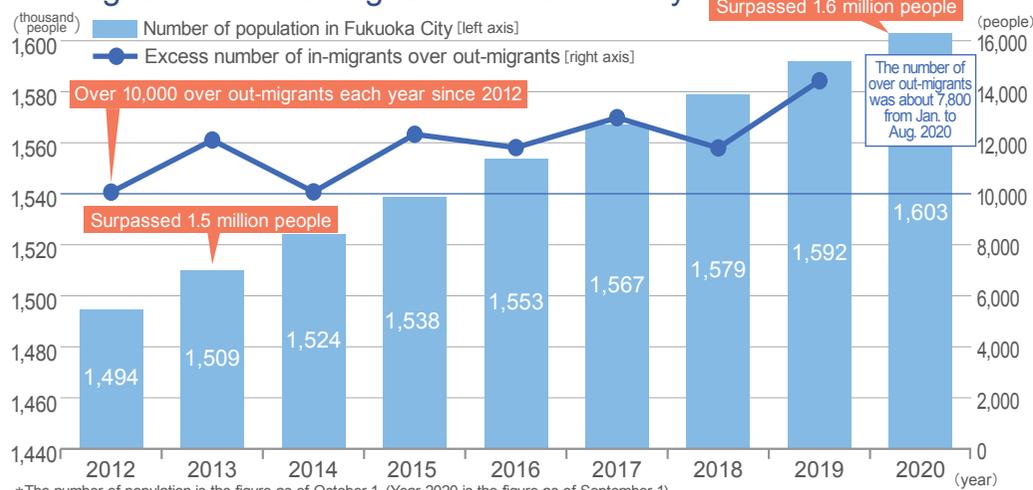
(*1) Ratio of unrealized gains = (latest appraisal value – book value at the end of period(*2)) / book value at the end of period(*2).

(*2) Book value at the end of period does not include construction in progress. Since the renovation of LOGICITY Wakamiya had not been completed as of the end of the 32nd schedule period, the estimated amount of renovation is added to the book value at the end of the fiscal period.

Current situation of Fukuoka City①

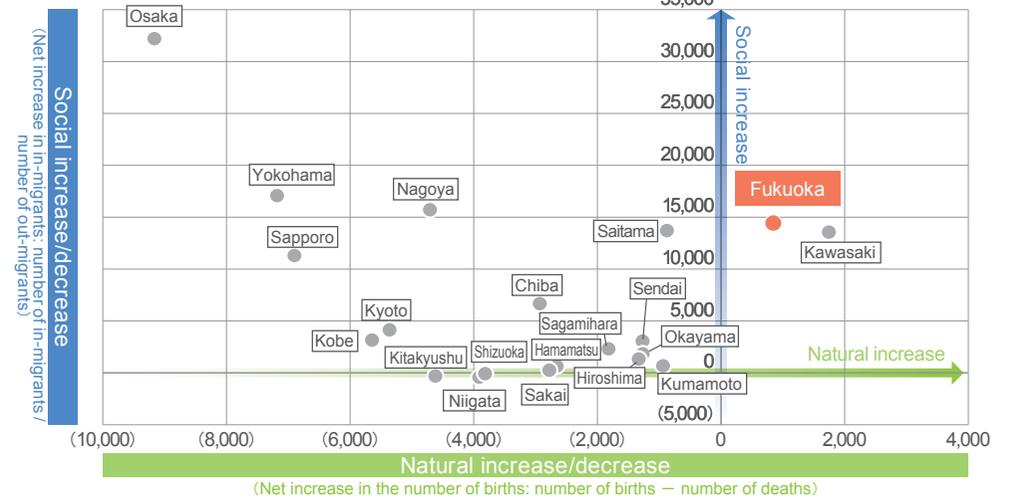
Fukuoka City has seen an excess of more than 10,000 in-migrants over out-migrants for 8 straight years

Trends in number of population growth the excess number of in-migrants over out-migrants in Fukuoka City



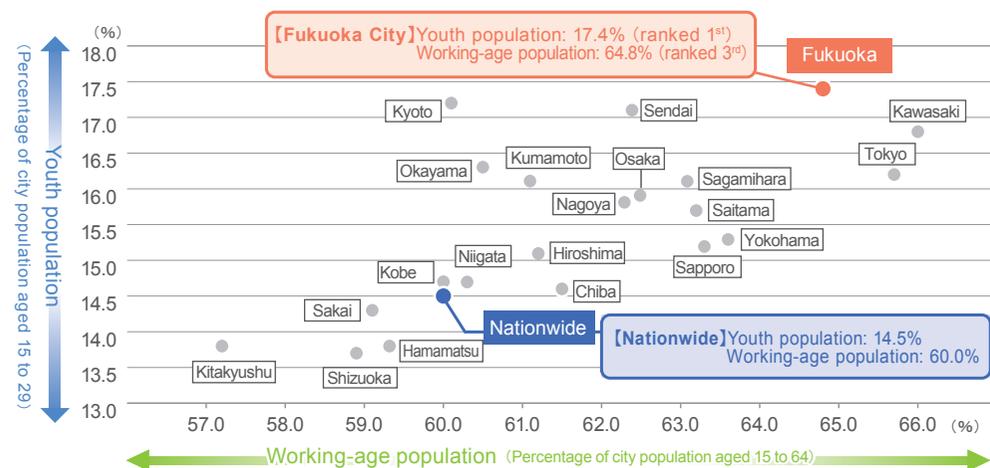
*The number of population is the figure as of October 1. (Year 2020 is the figure as of September 1)
 Source: Prepared by Fukuoka Realty Co., Ltd. based on data from "Estimated Population" (Fukuoka City General Affairs and Planning Bureau) and "Population, Demographics and Number of Households Based on the Basic Resident Register" (Local Administration Bureau, Ministry of Internal Affairs and Communications)

Distribution chart of net increase/decrease in population (comparison of ordinance-designated cities) (2019)



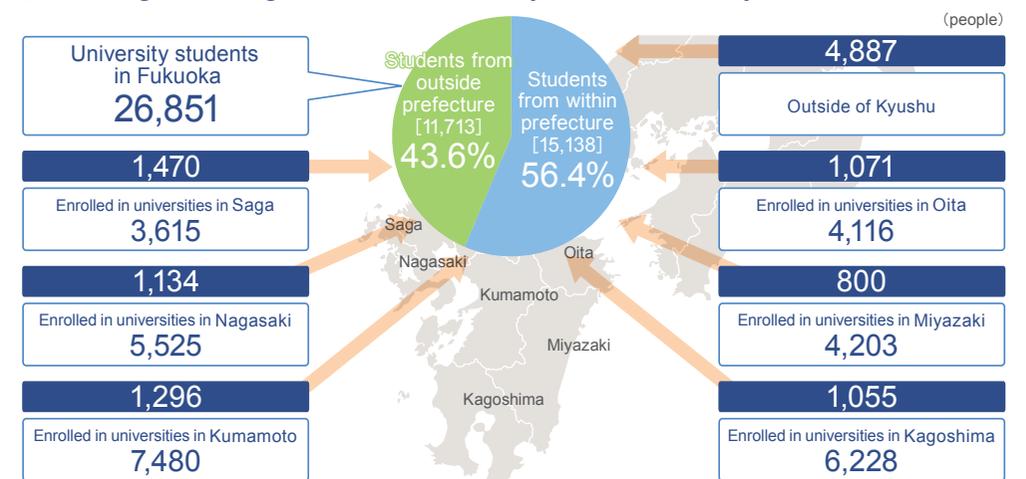
Source: Prepared Fukuoka Realty Co., Ltd. based on data "Estimated Population" from Fukuoka City General Affairs and Planning Bureau and "Population, vital statistics and number of households based on the Basic Resident Registration" from Ministry of Internal Affairs and Communications.

Youth and working-age population ratios of nationwide and major cities [2015]



Source: Prepared by Fukuoka Realty Co., Ltd. based on Ministry of Internal Affairs and Communications "Population Census of Japan"

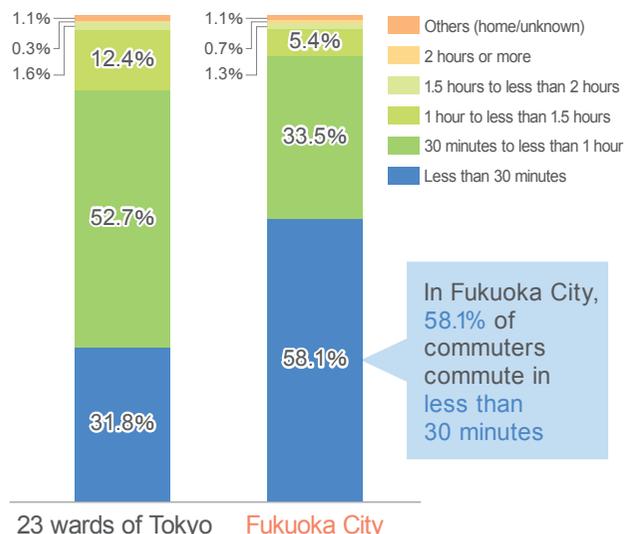
Interregional migration of university students in Kyushu



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from FY2019 School Basic Survey (Preliminary Results) (Statistic Bureau, Ministry of Internal Affairs and Communications)

Current situation of Fukuoka City②

Comparison of commuting times (Fukuoka City and 23 wards of Tokyo)



Short commuting time to work and school (comparison with the world's cities)

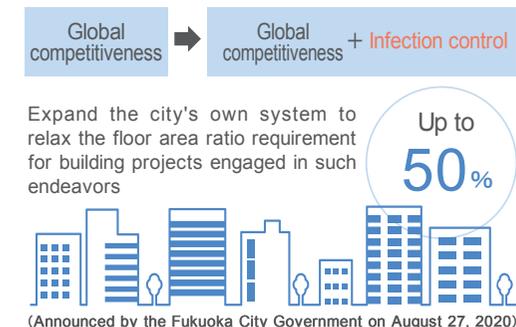
Rank	City
1	Geneva
2	Vienna
3	Frankfurt
4	Barcelona
5	Fukuoka
...	...
27	Tokyo

Source: Prepared by Fukuoka Realty Co., Ltd. based on data from "Global Power City Index YEARBOOK 2019" by the Institute for Urban Strategies, The Mori Memorial Foundation

Becoming an infection-controlling city ahead of the world

Amid progress made in rebuilding projects under the Tenjin Big Bang and Hakata Connected projects, it becomes important to create a safe and secure city tailored to the era of infection. Thus, Fukuoka City promotes such endeavors as securing ventilation, non-contact operations, physical distancing and enhanced telecommunications setting at buildings, on top of improving earthquake resistance through rebuilding and creating/utilizing open spaces.

◎Assessing endeavors on town creation



TEAM FUKUOKA established to attract international financial functions

The Japanese government aims to expand acceptance of foreign financial institutions and overseas financial talents. In response, TEAM FUKUOKA, a promotion organization of industry-academia-government collaboration throughout Fukuoka, was established so that a variety of entities involved in attracting international financial functions to Fukuoka will mutually share and exchange information and work by taking advantage of respective features.



September 29, 2020
General Meeting of Establishment of TEAM FUKUOKA to Attract International Financial Functions
Photo by Fukuoka Economic Editorial Department

◎List of Officers

*As of September 29, 2020

Position	Group name	Name
Chairman	Kyushu Economic Federation	Aso, Chairman
Vice-President	Fukuoka Prefecture	Ogawa, Governor
	Fukuoka City	Takashima, Mayor
Advisor	Kyushu University	Kubo, President
	Fukuoka Prefectural Assembly Summary	Yoshimatsu, Chairman
	Fukuoka City Council	Abe, Chairman
	The Fukuoka Chamber of Commerce & Industry	Fujinaga, Chairman
Secretary	Kyushu Electric Power Company	Ikebe, President and CEO
	Kyushu Railway Company	Aoyagi, President and CEO
	Kyudenko	Sato, President
	Saibu Gas	Michinaga, President
	The Nishi-Nippon City Bank	Tanigawa, President
	Nishi-Nippon Railroad	Kuratomi, President and CEO
	The Bank of Fukuoka	Shibato, President
	Fukuoka Jisho	Enomoto, President and CEO
	Fukuoka Stock Exchange	Odahara, President

Source: Prepared by Fukuoka Realty Co., Ltd. based on data from 2018 Housing and Land Survey by the Statistics Bureau of the Ministry of Internal Affairs and Communications

Rate of remote work implementation by region

◎The rate of remote work implementation in Fukuoka Prefecture is lower than the Tokyo metropolitan area or Osaka Prefecture.

Rank	Prefecture	Implementation rate in May	Change in implementation rate from April
1	Tokyo	48.1%	(1.0)%
2	Kanagawa	39.2%	(3.5)%
3	Saitama	29.6%	(4.6)%
4	Chiba	27.8%	(10.2)%
5	Osaka	26.9%	(2.2)%
...
14	Fukuoka	17.3%	(6.5)%

Source: Prepared by Fukuoka Realty Co., Ltd. based on data from "The Third Emergency Survey on the Impact of COVID-19 on Telework", PERSOL RESEARCH AND CONSULTING CO., LTD.

Sustainability

Materially significant issues

Materially significant issues		Policies 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
	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
Social	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
		Tenant <ul style="list-style-type: none"> Promote improvement of employee satisfaction and work towards increasing job satisfaction of tenant employees
Social	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
	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
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
	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

Environment → P32

■ A countermeasure against river floods due to extraordinary typhoons and local heavy rains occurring in recent years under the influence of global warming

- Canal City Hakata
Reviewed the specifications and installation locations of existing water stop



Social → P33

■ Measures against the spread of COVID-19 infection

- Measures against Infectious Diseases for Tenants and Employees
- Support for tenants (restaurant/eatery)
- Installation of alert posters, etc.



Governance → P34

■ Changes to the asset management fee structure

- Effective on September 1, 2020 (beginning of the 33rd fiscal period)

The Management Fees 1 and 3 were reviewed for the purpose of further reinforcing the linkage between unitholder interest and the asset management fee structure

• Management Fee 1
Reduced the rate of total assets at the end of the fiscal year from 0.3% to 0.25%

• Management Fee 3
Raised the rate from 2.0% to 3.6% on the amount available for distribution before payment of the management fee 3

Certification from external organizations and information disclosure → P31

■ Publication of "Integrated Report 2019": first in the J-REIT industry



■ Please refer to the Integrated Report 2019.
URL : https://www.fukuoka-reit.jp/eng/ir/pdf/integrated_report_print.pdf

■ External evaluation

- The GRESB survey 2019



Received the rating of "Green Star" and "4 star" in the GRESB survey 2019

■ Green Building certificate

- Green Building certificate acquisition ratio



※As of August 31, 2020 (based on total floor space)



Fukuoka REIT

Appendix

Profile

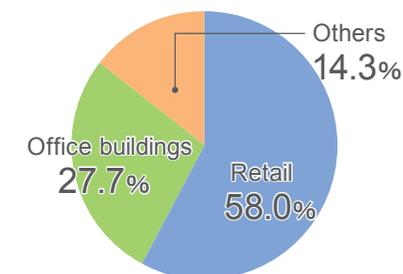
Special features of Fukuoka REIT Corporation

1	<p>Proven track record over 32 fiscal periods as a region-specific REIT</p> <p>Asset management leveraging our in-depth knowledge of the real estate environment of Fukuoka and Kyushu region, one of our greatest strengths</p>
2	<p>Excellent portfolio centered on Fukuoka metropolitan area</p> <p>A portfolio of carefully selected investments in the high growth area of Fukuoka City attention from around Japan and overseas</p>
3	<p>Solid support from a sponsor company involved in property development</p> <p>Asset portfolio expansion and high occupancy rates facilitated through coordination with our sponsors</p>
4	<p>Establishment of stable financial base</p> <p>Conservative control of interest-bearing debt ratio, long-term diversification of repayment deadlines</p>
5	<p>DPU kept at a constant level ever since the IPO</p> <p>Maintain and improve of the dividend provision through effective asset management</p>

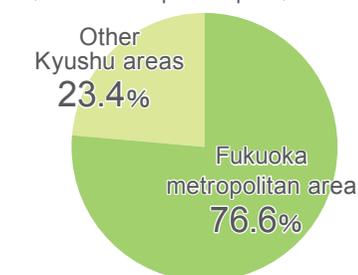
Portfolio summary (*1)	
Number of properties / Asset size (*2)	31 / 201,959 mm yen
Of which, acquisition from sponsors (*3)	15 / 122,990 mm yen
Unrealized gains	37,648 mm yen
Total leasable floor space	591,021.51 m ²
Occupancy rate	99.7%

Financial highlight (*1)	
Total debt	82,400 mm yen
LTV	41.4%
Fixed rate	94.1%
Average interest rate	0.69%
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., Nishi-Nippon Railroad Co., Ltd., ROYAL HOLDINGS Co., Ltd., THE BANK OF FUKUOKA, LTD., THE NISHI-NIPPON CITY BANK, LTD., SAIBU GAS CO., LTD., Kyudenko Corporation, Kyushu Railway Company, Development Bank of Japan Inc.

Investment unit price (*1)

Unit price	136,500 yen
Outstanding units	796,000 unit
Market capitalization	108,654 mm yen (unit price * outstanding units)
Net assets value per unit	127,544 yen
Market net assets value per unit (*4)	171,592 yen
Dividend (actual)	3,250 yen per unit (Days in fiscal period 184days) at the 32 nd FP
Dividend yield	4.7% { (Dividend / days in fiscal period * 365) / Unit price }

(*1) The figures are as of August 31, 2020 (excl. average interest rate)

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

(*3) Because the Higashi Hie 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

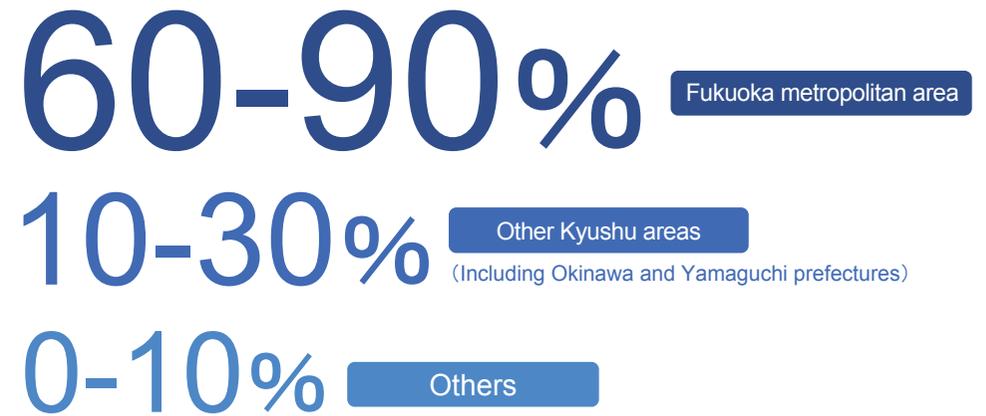
Sponsors



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

Investment policy

◎Investment area



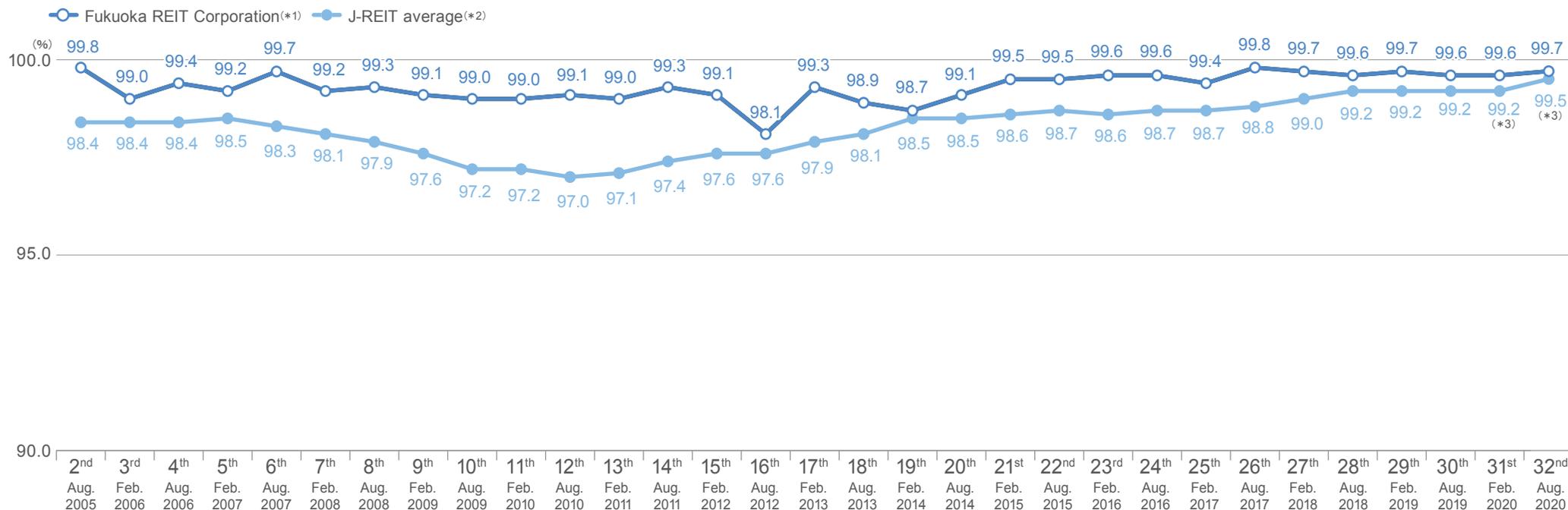
◎Investment type



Portfolio properties' occupancy rates

Maintained high occupancy rates

Historical occupancy rates [the weighted average during the period]



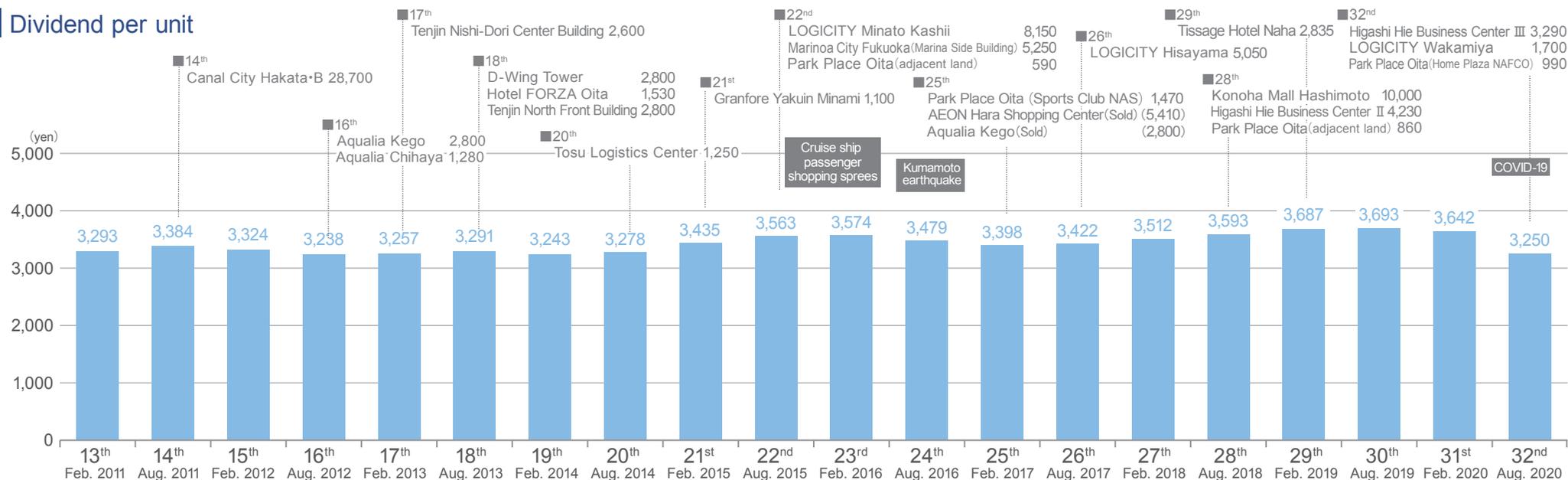
(*1) The investment corporation's occupancy rates in the 2nd fiscal period through the 4th fiscal period were the occupancy rates at the end of each fiscal period. For the 5th fiscal period through the 32nd fiscal period, the occupancy rates are the weighted average occupancy rates during the fiscal 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 31st and 32nd fiscal periods are preliminary figures. The figures for the 32nd fiscal period are the figures for June 2020.

Occupancy rates [the weighted average during the period]

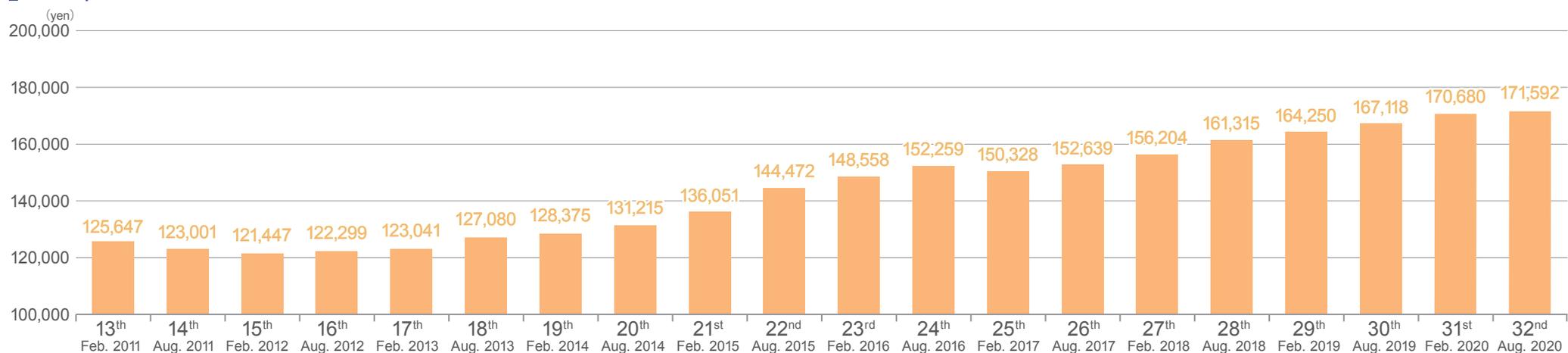
Category	Investment ratio (based on acquisition price)	28 th ~ Aug. 31, 2018	29 th ~ Feb. 28, 2019	30 th ~ Aug. 31, 2019	31 st ~ Feb. 29, 2020	32 nd ~ Aug. 31, 2020
Retail	58.0%	99.8%	99.8%	99.8%	99.9%	99.8%
Office buildings	27.7%	99.5%	99.8%	99.0%	99.1%	99.5%
Others	14.3%	99.1%	99.1%	99.2%	99.2%	99.1%
Total	100.0%	99.6%	99.7%	99.6%	99.6%	99.7%

Dividend and NAV per unit

Dividend per unit



NAV per unit (*)



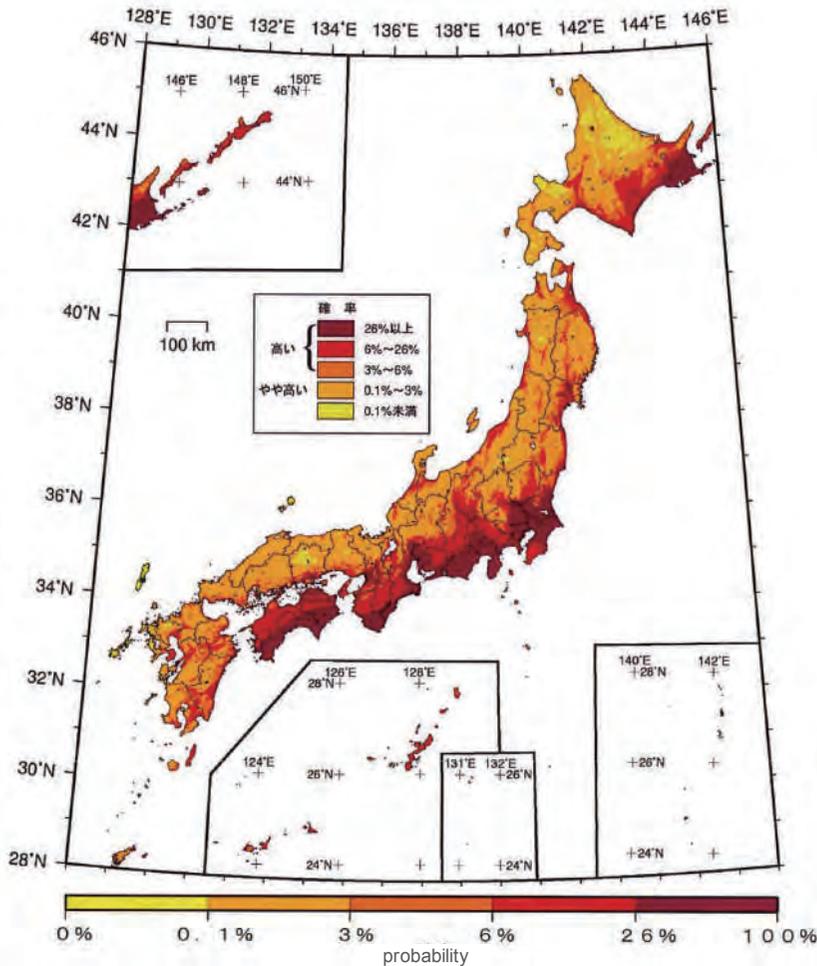
* A 5-for-1 split of investment unit was effected on March 1, 2014. A 5-for-1 split of dividends and NAV per units before the 19th FP.
 (*) Market net asset value per unit = (Total net assets + Unrealized gains - Total amount of dividends) / Total number of investment units outstanding

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 in the next 30 years [Average case / all earthquakes] [Reference date: January 1, 2018] [Updated in January 2019]

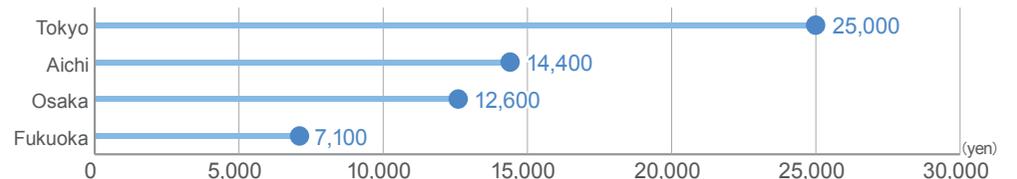


*The mesh for zero probability based on the model calculation conditions is shown in white.
Source: Office of the Headquarters for Earthquake Research Promotion, Earthquake and Disaster-Reduction Research Division, Research and Development Bureau, Ministry of Education, Culture, Sports, Science and Technology

Basic Rate of Earthquake Insurance

Earthquake insurance with coverage starting on January 1, 2019 and thereafter

In Fukuoka Prefecture, earthquake insurance can be bought at a relatively smaller cost than in other areas. FRC has bought earthquake insurance for all of its owned properties.



*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: Prepared by Fukuoka Realty Co., Ltd. based on data from Basic Rate of Earthquake Insurance (earthquake insurance contract with coverage starting on January 1, 2019 and thereafter) by the Ministry of Finance.

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

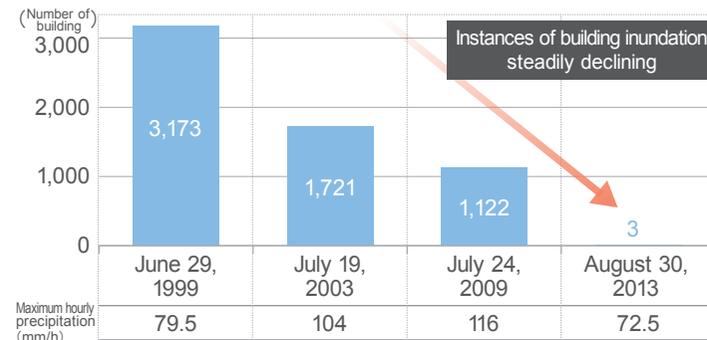
Storm water storage facilities

Capacity of storm water storage facilities



Storm water management capacity increased from 59.1mm/h to 79.5 mm/h (city center)

Instances of building inundation in Fukuoka City



Between FY2000 and FY2018... Storm water drainage capacity has increased significantly.

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

*Number of buildings: Total number of buildings inundated above and below floor level; Period: June 29, 1999 to December 31, 2018. Source: Prepared by Fukuoka Realty Co., Ltd. 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

Institution of signatory

Signing of the PRI and PFA21 as of September 2018

©Principles for Responsible Investment (PRI)

©Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)

Signatory of:



DBJ Green Building Certification

©DBJ Green Building Certification

Fukuoka REIT has obtained DBJ Green Building Certification, a system by Development Bank of Japan Inc. (DBJ) to certify real estate properties evincing high environmental and social awareness for the following 11 properties.



(based on total floor space)

5-star	● Canal City Hakata (2018) , ● Canal City Hakata ・ B (2018)
4-star	● Park Place Oita (2018) , ● Canal City Business Center Building (2018) , ● LOGICITY Hisayama (2017) , ● Konoha Mall Hashimoto (2017)
3-star	● Gofukumachi Business Center (2018) , ● Higashi Hie Business Center (2018) , ● Higashi Hie Business Center II (2017)
1-star	● SunLive City Kokura (2019) , ● Marinoa City Fukuoka (Marina Side Building) (2019)

©Green Building certificate acquisition ratio [as of August 31, 2020]

Green Building certification obtained for 79.8% of entire portfolio

Aim to enhance the environmental performance of owned properties through external evaluation in order to help realize a sustainable society and maximize unitholder value over a medium to long term.

External evaluation

©The GRESB survey 2019



For the second consecutive year, we participated in GRESB Real Estate Assessment of GRESB (Global Real Estate Sustainability Benchmark) conducted in 2019, Received the rating of “Green Star” and “4 star” in the GRESB survey 2019.

Publication of “Integrated Report 2019”: first in the J-REIT industry



FRC published the “Integrated Report 2019,” which integrally provides its financial and non-financial information and encompasses its initiatives for sustainable growth and medium-to long-term corporate value creation, as of January 6, 2020.

Aimed at demonstrating FRC’s value-creation process in an easy-to-understand manner, the Report presents its history, management philosophy, value-creation activities and the foundations underpinning management, etc.

This report was compiled in reference to “International Integrated Reporting Framework” by the International Integrated Reporting Council (IIRC) and “Guidance for Collaborative Value Creation” by the Ministry of Economy, Trade and Industry.

◀ Integrated Report Card

■ Please refer to the Integrated Report 2019. ▼

URL : https://www.fukuoka-reit.jp/eng/ir/pdf/integrated_report_print.pdf

©Points of interest of investors in the Integrated Report

- Corporate value creation story
- Relationship between materiality and risks/opportunities

BELS (Building-Housing Energy-efficiency Labeling System) Evaluation

This is a system in which a third party evaluates and announces the energy-conservation performance of non-residential buildings based on the “Guidelines for Evaluation of Energy Conservation Performance of Non-residential Buildings (2013).” Four properties owned by the Fukuoka REIT corporation were certified.



ESG Initiatives (Environment)

Environment Initiatives in the 32nd fiscal period

Canal City Hakata



●Renewal of rooftop greening

Renewed the rooftop garden used as a venue for the guests to relax and talk, with an aim to enhance biodiversity by planting tall and mid-height trees, shrubs and ground covers, etc. of various species.



●Replacement and new installation of water stops

Reviewed the specifications and installation locations of existing water stops throughout Canal City Hakata, and newly installed or repaired the equipment as a countermeasure against river floods due to typhoons and local heavy rains, which are said to be frequent and severe global warming in the future.



In contrast to the existing water stops of +50 cm from the standard level, (*) the new water stops are +100 cm from the standard level, enhancing the anti-inundation function,



(*) The reference point is "0" for the entrance and exit closest to the lowest road in the vicinity of Canal City Hakata.

Other Environment Initiatives

Retail



●Filtration System : rainwater reuse system

◎Canal City Hakata

Canal City Hakata's symbolic canal has both a recreational function and as a source of water to fight fires in the case of an emergency. At all times, this canal holds roughly 1,200 tons of water, and this water uses rainwater in order to conserve resources.

●Greywater plant: kitchen drainage reuse system

◎Canal City Hakata and Konoha Mall Hashimoto the kitchen drainage from restaurants are processed to greywater and re-used as washing water for toilets within the buildings.



Office buildings

◎Progress with switch to LED lighting

- Switch to LED lighting
- Gofukumachi Business Center (Interior shared spaces, some external areas, etc.)
- Sanix Hakata Building (Interior recessed lighting)
- Taihaku Street Business Center (Entrance, interior shared spaces, etc.)



Others [Logistics]

◎Utilization of renewable energy

Solar panels have been installed on the roofs of LOGICITY Minato Kashii and LOGICITY Hisayama.



ESG Initiatives (Society)

Initiatives for employees and tenants

Retail

Major anti-infection measures

- Install alcohol disinfectants and anti-splash screens
- Call for attention to social distancing
- Conduct thorough health management of tenants' employees by taking their temperature, etc.
- Reduce chair and table counts in common areas



Support for tenants (restaurant/eatery)

Lunch box market

Canal City Hakata restaurants sell take-out lunch boxes only on weekdays.
(6/22-7/17, 9/28-10/9)

Office buildings

Major anti-infection measures

- Install alcohol disinfectants at the entrance
- Strengthen ventilation in common areas, etc.
- Post warnings about anti-infection measures in elevators



Posters for infection control measures

Raise awareness of the infection control measures by displaying posters in elevators, etc.

Initiatives for employees

Major anti-infection measures

- Establish a satellite office (in Tenjin chuo-ward, Fukuoka)
- Implement work from home, staggered work hours and holiday work
- Distribute masks and thermometers
- Conduct morning assemblies and meetings using the Internet, etc.

Install anti-splash screens and antiseptic solutions, etc. at offices and reception desks



《Fukuoka Realty: Numbers of credentialed personnel》

(As of August 31, 2020)

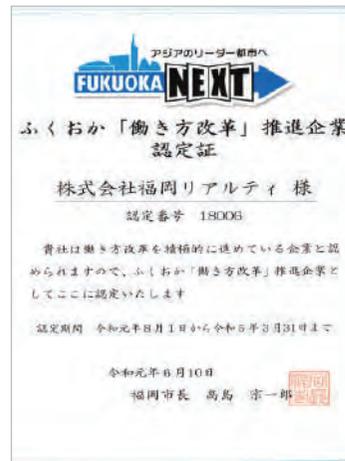
■ The average number of years of continuous service of permanent employees: 8 years and 10 months

■ Full-time personnel: 41 [Male:20 Female:21] ※51.2% Female

- Employees seconded from sponsors : 2
- Employees seconded to a sponsor : 4

■ Number of credentialed personnel

- | | |
|---|---------------------------------|
| • Real estate brokers : 26 | • Attorneys : 1 |
| • Certified Building Administrators : 5 | • MBA : 1 |
| • First-class registered architect : 2 | • Administrative Scrivener : 1 |
| • Real estate appraisers : 2 | • SME management consultant : 1 |
| • ARES Certified Masters : 23 | |



《Support for flexible working styles》

- Child-rearing support (maternity leave, childcare leave system)
- Nursing care leave
- Leave for voluntary work
- No overtime days
- Employee welfare (401K, cumulative investment system, etc.)
- Encouraging use of paid holidays, 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.

《Training for employees》

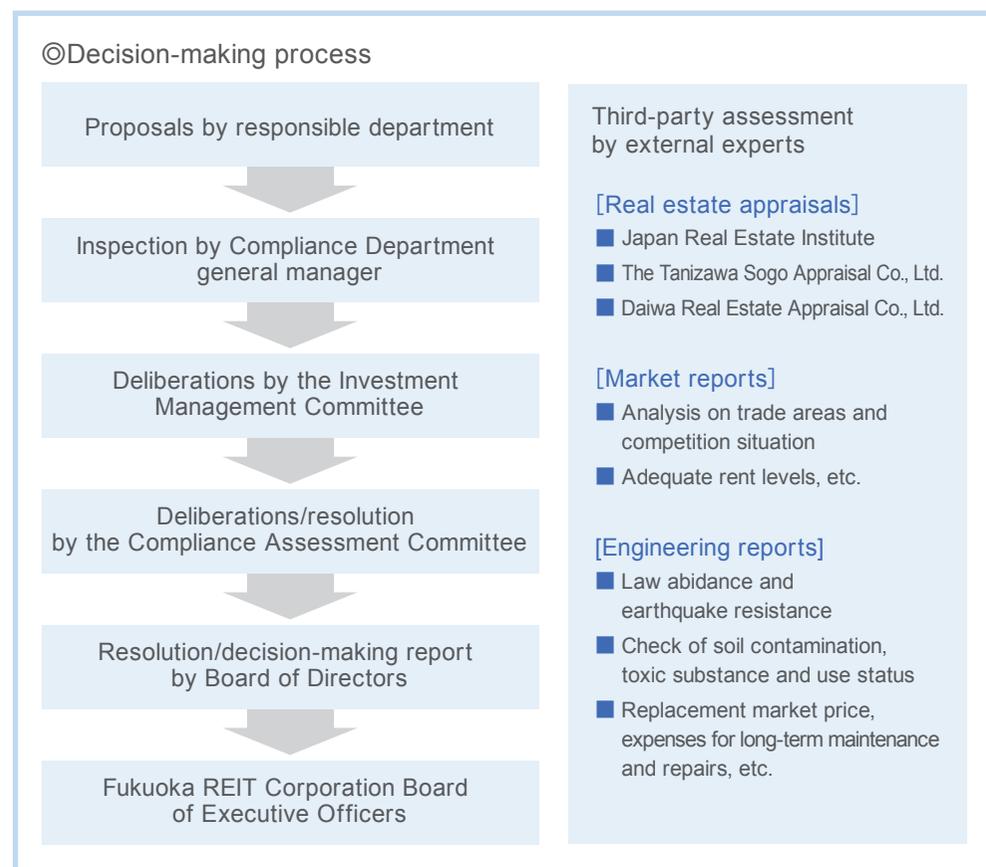
- Regular lectures by Kyushu Economic Research Center
- Compliance training
- ESG training
- Nursing care training
- In-house recreation, etc.

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

ESG Initiatives (Governance)

Governance System

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 conflict of interest risk management pertaining to our dealings 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).



(*) 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.

Matching unitholder interests and sponsor interests, etc.

- Same-boat investment by sponsor
Fukuoka Jisho Co., Ltd., the main sponsor, has 9.18% of FRC's investment units as of the end of the 32nd fiscal period.
- Cumulative investment system for investment units
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.

Changes to the asset management fee structure

The Management Fees 1 and 3 were reviewed for the purpose of further reinforcing the linkage between unitholder interest and the asset management fee structure, and the following changes were resolved at the ninth General Meeting of Unitholders held on May 26, 2020 for further enhancing unitholder value. The changes became effective on September 1, 2020 (beginning of the 33rd fiscal period)

Asset management fees	Calculation method
Management Fee 1 (based on total assets)	[3 months from the day following the last day of the immediately preceding fiscal period] Total assets at the end of the immediately preceding fiscal period × <u>0.25%</u> (previously 0.3%) × number of days / 365 [From the day following the last day of the period above to the end of the fiscal period] (Total assets at the end of the immediately preceding fiscal period + value of acquired assets - value of disposed assets) × <u>0.25%</u> (previously 0.3%) × number of days / 365
Management Fee 2 (based on operating revenue)	Operating revenue for the immediately preceding fiscal period × 2.0%
Management Fee 3 (based on distributable profit)	(Distributable amount before paying Management Fee 3 for the immediately preceding fiscal period) × <u>3.6%</u> (previously 2.0%)
Management Fee 4 (acquisition fee)	Value of acquired assets × 0.5% (Value of acquired assets × 0.25% in the case of acquisition from interested parties)
Management Fee 5 (transfer fee)	Value of transferred assets × 0.5% (Value of transferred assets × 0.25% in the case of transfer to interested parties)

IR initiatives

IR activities under the COVID-19 Pandemic

◎ 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)
- Setting tours to individual properties

◎ IR for overseas institutional investors

- Articipation in global conferences (online) sponsored by securities companies
- Roadshows on financial results (North America, Europe and Asia)
- Timely information disclosure (held simultaneously as the delivery of Japanese press releases)

◎ IR for individual investors

- Holding of a general meeting of unitholders (Thoroughly taking measures against COVID-19 infection)
- Responding to individual calls
- * Considering participation in on-line briefing sessions and fairs in the 33rd fiscal period

Status of integration into indexes (as of September 30, 2020)

◎ Global indexes, etc

FTSE All-World (small / New entry)	
FTSE EPRA / NAREIT Global Real Estate Index	Russell Global Index
S&P Global REIT Index / S&P Developed REIT Index	MSCI Small Cap Index

Publicity activities

◎ Advertising (Fukuoka Keizai)

Posted advertisement on the special issue of Fukuoka Keizai EX, a local economic magazine, to demonstrate the review of FRC's footsteps at the threshold year (15th year since listing) and introduce the issuance of the integrated report, the first among J-REITs, to wide readership. (Issued in April 2020)

Other activities

The 10th IR Workshop series, which was started in fiscal 2011. Fukuoka REIT, together with listed companies having their head offices in Fukuoka or Kyushu for the purpose of engaging in research in the latest IR theories and techniques with IR representatives. Partially utilizing online functions due to the impact of COVID-19 infection in this year.

◎ Details of the Workshop held

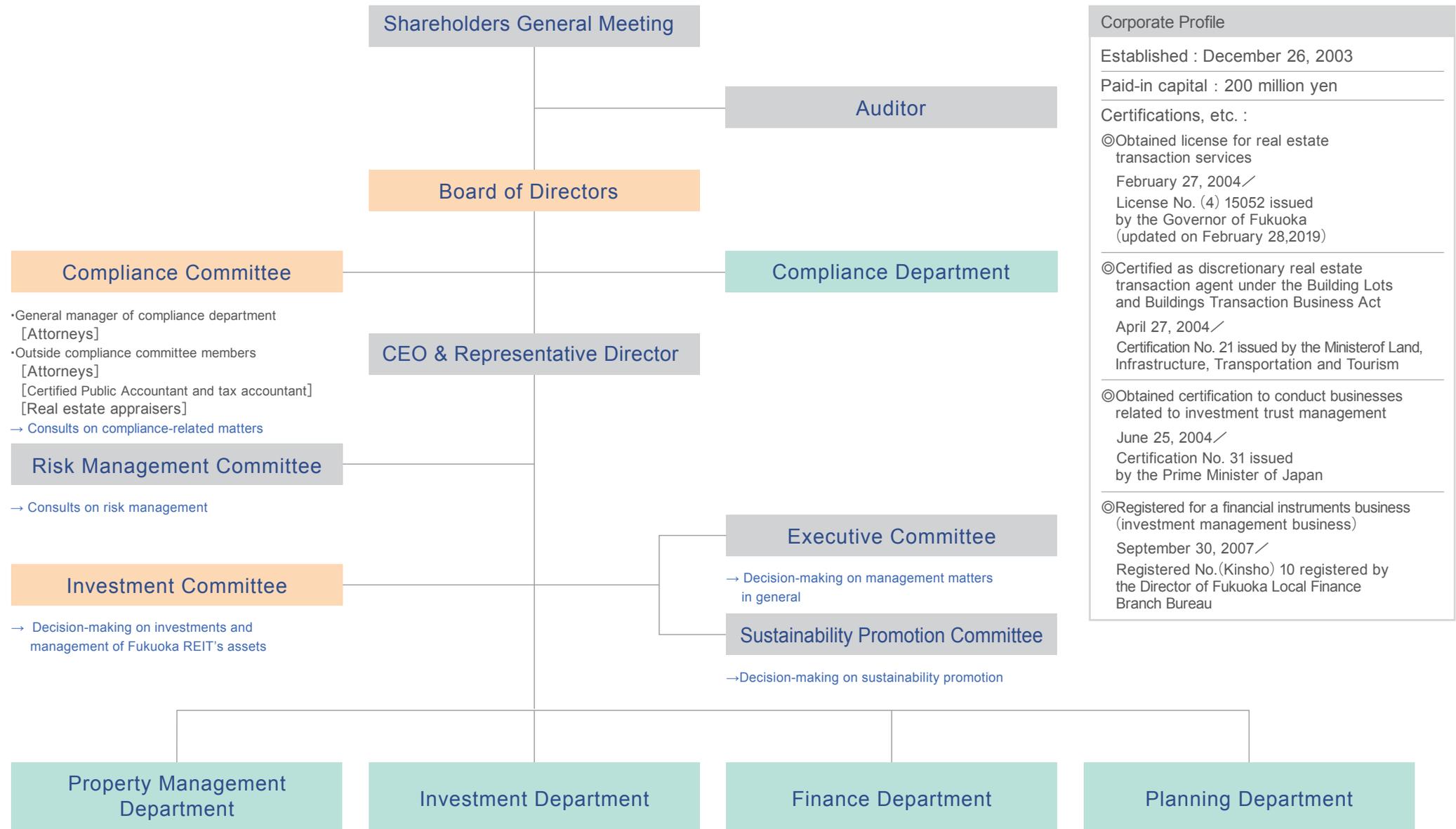
Date	Theme & lecturer
1st workshop: August 2020	Initiatives for constructive dialogues between institutional investors and issuers Mr. Shunji Okumura, General Manager of Investor Relations Department, Global Investor & Brand Communications Headquarters, OMRON Corporation

◎ Advertising

(Nishinippon Shimbun)

- Posted an article introducing Fukuoka Realty on the summer issue of Nishinippon Shimbun Oh! En!, a monthly money information magazine published by a local newspaper company since 2017, in which President Matsuyuki explained the J-REIT scheme and features of FRC with illustrations in an easy to understand manner. (Issued in August 2020)

Asset management company's organization



Corporate Profile

Established : December 26, 2003

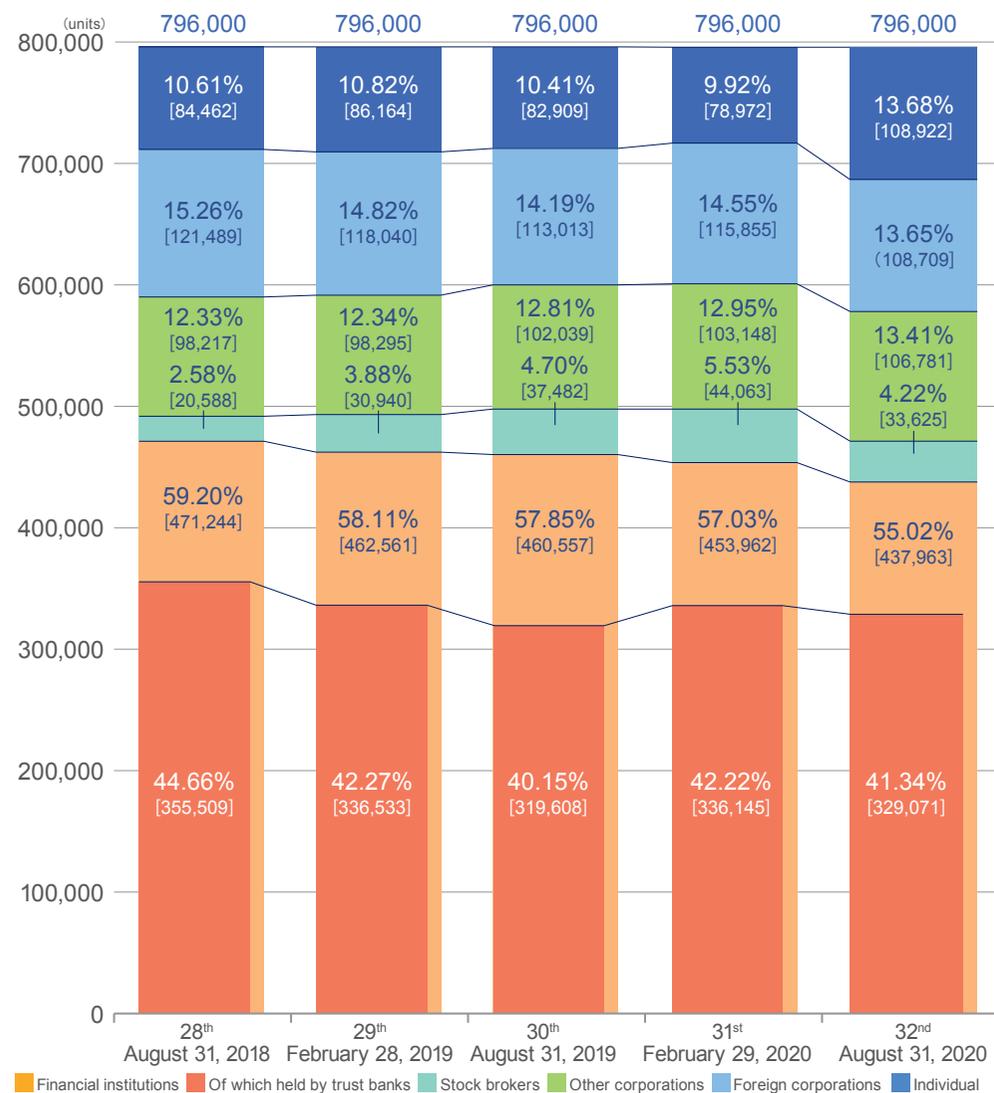
Paid-in capital : 200 million yen

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

Unitholders' data

Distribution by investor category [breakdown of investment units]



* 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 32nd FP]

	No. of unitholders	Percentage	Investment units held	Percentage
Individual	13,877	95.91%	108,922	13.68%
Foreign corporations	210	1.45%	108,709	13.65%
Other corporations	274	1.89%	106,781	13.41%
Stock brokers	24	0.16%	33,625	4.22%
Financial institutions	83	0.57%	437,963	55.02%
(Of which held by trust banks)	11	0.07%	329,071	41.34%
Total	14,468	100.00%	796,000	100.00%

Major investors [at the end of the 32nd FP]

Rank	Name	Investment units held	Percentage
1	Custody Bank of Japan, Ltd.(Trust account)	169,654	21.31%
2	The Master Trust Bank of Japan, Ltd.(Trust account)	86,221	10.83%
3	Fukuoka Jisho Co., Ltd.	73,136	9.18%
4	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	37,002	4.64%
5	Custody Bank of Japan, Ltd. (Securities investment trust account)	19,059	2.39%
6	NORTHERN TRUST CO.(AVFC) RE HCR00	14,083	1.76%
7	STATE STREET BANK WEST CLIENT - TREATY 505234	11,597	1.45%
8	MetLife, Inc.	10,227	1.28%
9	Shikoku Railway Company	9,130	1.14%
10	Nomura Securities Co., Ltd.	8,961	1.12%

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 3,250 yen

- unit : mm yen (Figures rounded down to the nearest mm yen)

Category	28 th ~ Aug. 31, 2018	29 th ~ Feb. 28, 2019	30 th ~ Aug. 31, 2019	31 st ~ Feb. 29, 2020 A	32 nd ~ Aug. 31, 2020 B	Difference B-A	33 rd ~ Feb. 28, 2021 (forecast)	34 th ~ Aug. 31, 2021 (forecast)
Operating revenues	9,178	9,242	9,231	9,162	8,518	(644)	8,903	9,127
Leasing NOI	5,493	5,591	5,633	5,596	5,307	(288)	5,299	5,448
Depreciation and amortization expenses	1,602	1,622	1,651	1,660	1,686	25	1,631	1,607
Operating income	3,238	3,306	3,318	3,273	2,966	(307)	3,013	3,174
Ordinary income	2,861	2,935	2,939	2,900	2,587	(312)	2,628	2,787
Profit	2,860	2,934	2,939	2,899	2,586	(312)	2,627	2,786
Dividend per unit (yen) (①)	3,593	3,687	3,693	3,642	3,250			
Latest dividend forecast per unit (yen)(②)	3,570	3,600	3,680	3,650	3,150		3,300	3,500
Difference from forecast (yen) ① - ②	+23	+87	+13	(8)	+100		-	-
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)	193,112	195,433	195,106	194,795	199,004			
Total liabilities (at period-end)	91,312	93,559	93,228	92,958	97,478			
Total net assets (at period-end)	101,799	101,874	101,878	101,837	101,525			
Days in fiscal period (days)	184	181	184	182	184			
Number of investment properties (at period-end)	28	29	29	29	31			
Number of tenants (at period-end) (*1)	1,003	1,011	1,020	1,007	1,016			
Total leasable floor space (at period-end) (m ²)	576,907.98	580,665.27	580,664.27	580,662.77	591,021.51			
Occupancy rate (at period-end) (%) (*2)	99.6	99.7	99.6	99.7	99.7			
FFO (Funds from Operation)(mm yen) (*3)	4,462	4,557	4,591	4,559	4,273			
FFO per unit (yen)	5,606	5,725	5,767	5,728	5,368			

(*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		31 st Feb. 29, 2020 A	32 nd Aug. 31, 2020 B	Difference B—A
Assets	Total current assets	11,047	9,901	(1,146)
	Cash and deposits	5,417	3,733	(1,683)
	Cash and deposits in trust	4,664	4,660	(3)
	Operating accounts receivable	659	1,043	384
	Prepaid expenses	288	282	(5)
	Consumption taxes receivable	-	177	177
	Others	19	3	(15)
	Total non-current assets	183,704	189,064	5,360
	Total property, plant and equipment	176,771	182,014	① 5,242
	Buildings	-	974	974
	Structures	-	17	17
	Lands	-	830	830
	Buildings in trust	69,586	70,403	816
	Structures in trust	1,101	1,229	128
	Machinery and equipment in trust	931	891	(39)
	Tools and fixtures in trust	218	196	(21)
	Lands in trust	104,918	107,452	2,533
	Construction in progress in trust	15	18	2
	Total intangible assets	5,580	5,575	(5)
	Leasehold right in trust	5,545	5,545	-
	Other intangible assets in trust	34	29	(5)
	Total investment and other assets	1,351	1,475	123
	Deferred tax assets	0	0	(0)
Lease and guarantee deposits	10	10	-	
Lease and guarantee deposits in trust	327	327	-	
Long-term prepaid expenses	1,014	1,138	123	
Total deferred assets	43	37	(5)	
Total assets	194,795	199,004	4,208	

■ Assets

① Higashi Hie Business Center III	+3,290	Capital expenditures	+790
LOGICITY Wakamiya	+1,700	Depreciation and amortization expenses	(1,686)
Home Plaza NAFCO at Park Place Oita	+990	Others	+158
		Total	+5,242

- unit : mm yen (Figures rounded down to the nearest mm yen)

Account		31 st Feb. 29, 2020 A	32 nd Aug. 31, 2020 B	Difference B—A
Liabilities	Total current liabilities	4,148	9,027	4,878
	Operating accounts payable	614	340	(273)
	Current maturities of long-term debt	1,000	6,300	5,300
	Account payable-other	19	12	(6)
	Accrued expenses	372	355	(16)
	Income taxes payable	1	0	(0)
	Accrued consumption taxes	191	-	(191)
	Advances received	1,082	1,123	40
	Deposits received	867	894	26
	Total non-current liabilities	88,809	88,451	(358)
	Investment corporation bonds	5,000	5,000	-
Long-term debt	71,500	71,100	② (400)	
Tenant leasehold and security deposits	403	366	(36)	
Tenant leasehold and security deposits received in trust	11,905	11,984	78	
Total liabilities	92,958	97,478	4,520	

Net assets	Total unitholders' equity	101,837	101,525	(312)
	Unitholders' capital	98,938	98,938	-
	Surplus	2,899	2,587	(312)
Total net assets	101,837	101,525	(312)	

Total liabilities and net assets	194,795	199,004	4,208
---	----------------	----------------	--------------

■ Liabilities and net assets

② New borrowing of debts	+4,900
Refinancing of current maturities of long-term debt	+1,000
Transfer to long-term debt of current maturities	(6,300)
Total	(400)

Cash flow statements (compared with the previous fiscal period)

- unit : mm yen (Figures rounded down to the nearest mm yen)

Category	31 st A ~Feb. 29, 2020	32 nd B ~Aug. 31, 2020	Difference B-A
Net cash provided by (used in) operating activities	3,985	3,450	(534)
Profit before income taxes	2,900	2,587	(312)
Depreciation and amortization expenses	1,660	1,686	25
Amortization of investment corporation bond issuance expenses	2	2	-
Amortization of investment unit issuance expenses	3	3	(0)
Interest received	(0)	(0)	0
Interest expenses	275	278	3
Decrease (increase) in operating accounts receivables	45	(384)	(430)
Decrease (increase) in consumption taxes refund receivable	-	(177)	(177)
Increase (decrease) in accrued consumption taxes	(70)	(191)	(120)
Increase (decrease) in operating accounts payable	9	(3)	(13)
Increase (decrease) in accounts payable-other	8	(6)	(14)
Increase (decrease) in accrued expenses	2	(20)	(22)
Increase (decrease) in advances received	28	40	12
Increase (decrease) in deposits expenses	(493)	26	520
Decrease (increase) in prepaid expenses	(16)	5	22
Decrease (increase) in long-term prepaid expenses	(76)	(123)	(47)
Others, net	(14)	3	18
Subtotal	4,263	3,726	(537)
Interest income received	0	0	(0)
Interest expenses paid	(277)	(274)	2
Income taxes paid	(0)	(1)	(0)
Net cash provided by (used in) investment activities	(220)	(7,136)	(6,915)
Purchase of property, plant and equipment	-	(1,809)	(1,809)
Purchase of property, plant and equipment in trust	(289)	(5,371)	(5,082)
Purchase of intangible assets in trust	-	-	-
Proceeds from tenant leasehold and security deposits	24	29	5
Repayments of tenant leasehold and security deposits	(13)	(66)	(52)
Proceeds from tenant leasehold and security deposits in trust	198	316	118
Repayments of tenant leasehold and security deposits in trust	(139)	(238)	(98)
Proceeds from restricted trust deposits	1	5	3
Payments for restricted trust deposits	(2)	(2)	0
Net cash provided by (used in) financial activities	(2,938)	2,000	4,939
Proceeds from short-term debt	-	6,400	6,400
Repayments of short-term debt	-	(6,400)	(6,400)
Proceeds from long-term debt	4,700	5,900	1,200
Repayments of long-term debt	(4,700)	(1,000)	3,700
Dividends paid	(2,938)	(2,899)	39
Net increase (decrease) in cash and cash equivalents	826	(1,684)	(2,510)
Balance of cash and cash equivalents at beginning of period	9,205	10,032	826
Balance of cash and cash equivalents at end of period	10,032	8,348	(1,684)

Income and expenditure by properties (Retail)

- unit : mm yen (Figures rounded down to the nearest mm yen)

Active retail	Category	Canal City Hakata	Canal City Hakata・B	Park Place Oita	SunLive City Kokura	Konoha Mall Hashimoto	32 nd Total A	31 st Total B	Difference A-B	Forecast C (*)	Difference A-C	
	(Length)	32 nd FP (Mar. 1, 2020 ~Aug. 31, 2020) 184 days						182 days	2 days			
	① Total leasing business revenues	1,016	1,306	1,113	262	710	4,409	5,108	(699)	4,740	(330)	
	Leasing revenue-real estate	985	1,265	940	262	576	4,030	4,685	(655)			
	Other leasing revenue-real estate	30	41	172	-	133	378	422	(44)			
	② Total leasing business expenses	386	649	529	46	486	2,098	2,452	(354)	2,477	(379)	
	Outsourcing fees	237	406	254	7	269	1,174	1,458	(283)			
	Repair and maintenance expenses	8	15	10	0	7	42	75	(33)			
	Expenses for restoration to former state	-	-	-	-	-	-	-	-			
	Tax and other public charges	80	165	94	34	42	418	411	6			
	Insurance premiums and trust compensation	6	13	6	1	2	30	32	(1)			
	Utilities expenses	20	41	144	-	88	295	315	(20)			
	Other expenses	32	6	18	1	76	136	158	(21)			
	③ NOI (=①-②)	629	657	583	216	223	2,311	2,656	(344)	2,262	(48)	
	④ Depreciation and amortization expenses	250	280	235	47	88	902	892	9			
	⑤ Leasing business profit (=③-④)	379	377	348	168	135	1,408	1,763	(354)			
	⑥ NOI yield (acquisition price)	3.9%	4.6%	6.0%	6.5%	4.5%	4.8%	5.5%	(0.8)%			
	⑦ Capital expenditures	123	307	203	-	26	660	291	368			
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)	32 nd Total A	31 st Total B	Difference A-B	Forecast C (*)	Difference A-C
	(Length)	32 nd FP (Mar. 1, 2020 ~Aug. 31, 2020) 184 days						182 days	2 days			
		① Total leasing business revenues	253	89	40	88	111	748	767	(19)	761	(12)
		Leasing revenue-real estate	223	89	40	88	111	718	730	(11)		
		Other leasing revenue-real estate	29	0	-	-	0	29	37	(7)		
		② Total leasing business expenses	83	13	5	9	10	149	154	(5)	155	(6)
		Outsourcing fees	38	2	1	2	1	48	48	(0)		
		Repair and maintenance expenses	2	4	0	-	0	13	10	2		
		Expenses for restoration to former state	-	-	-	-	-	-	-	-		
		Tax and other public charges	17	5	3	5	7	56	56	(0)		
		Insurance premiums and trust compensation	0	0	0	0	0	2	2	(0)		
		Utilities expenses	23	-	-	-	-	23	26	(2)		
	Other expenses	0	0	0	0	0	4	8	(4)			
	③ NOI (=①-②)	169	76	35	79	100	599	613	(13)	605	(6)	
	④ Depreciation and amortization expenses	37	12	5	16	22	116	117	(0)			
	⑤ Leasing business profit (=③-④)	131	64	29	62	78	482	496	(13)			
	⑥ NOI yield (acquisition price)	6.4%	6.4%	6.3%	6.3%	5.7%	6.0%	6.1%	(0.1)%			
	⑦ Capital expenditures	1	0	-	-	-	19	7	11			

(*) Forecast at the financial results of the 31st 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	32 nd Total A
(Length)	32 nd FP (Mar. 1, 2020 ~ Aug. 31, 2020) 184 days									
① Total leasing business revenues	624	554	207	318	349	86	145	164	47	2,497
Leasing revenue-real estate	621	493	191	317	324	86	122	150	45	2,352
Other leasing revenue-real estate	2	60	16	0	25	-	23	13	1	144
② Total leasing business expenses	195	174	64	89	129	19	44	53	5	775
Outsourcing fees	129	73	19	55	41	1	11	19	3	354
Repair and maintenance expenses	5	3	5	2	3	1	2	-	-	25
Expenses for restoration to former state	-	-	-	-	-	-	-	-	-	-
Tax and other public charges	47	37	22	27	16	15	8	9	-	185
Insurance premiums and trust compensation	1	3	0	1	1	0	0	0	0	10
Utilities expenses	5	50	14	-	25	-	20	12	1	131
Other expenses	4	6	1	3	40	0	0	10	0	68
③ NOI (=①-②)	428	380	143	228	220	67	101	110	41	1,721
④ Depreciation and amortization expenses	104	104	40	77	41	9	33	40	12	465
⑤ Leasing business profit (=③-④)	324	275	102	150	178	58	67	69	28	1,255
⑥ NOI yield (acquisition price)	5.9%	6.8%	6.5%	6.5%	7.5%	5.2%	7.2%	5.2%	4.9%	6.3%
⑦ Capital expenditures	47	15	29	0	-	3	0	-	-	96

- unit : mm yen (Figures rounded down to the nearest mm yen)

31 st Total B	Difference A-B	Forecast C (*1)	Difference A-C
182 days	2 days		
2,406	90	2,521	(24)
2,261	90		
144	(0)		
783	(7)	807	(31)
358	(3)		
18	6		
-	-		
182	3		
11	(0)		
135	(4)		
78	(9)		
1,623	98	1,714	6
450	15		
1,173	82		
6.2%	0.1%		
140	(43)		

Others

Category	Amex Akasakamon Tower	City House Keyaki Dori	Aqualia Chihaya	D-Wing Tower	Granfore Yakuin Minami	Hotel FORZA Oita	Tissage Hotel Naha	Tosu Logistics Center	LOGICITY Minato Kashii	LOGICITY Hisayama	LOGICITY Wakamiya (*3)	32 nd Total A
(Length)	32 nd FP (Mar. 1, 2020 ~ Aug. 31, 2020) 184 days											
① Total leasing business revenues	64	38	59	117	38	63	43					863
Leasing revenue-real estate	60	37	57	110	37	63	43					810
Other leasing revenue-real estate	3	0	2	6	1	-	-					52
② Total leasing business expenses	21	8	16	23	9	10	7					187
Outsourcing fees	5	2	3	7	2	0	0					33
Repair and maintenance expenses	0	0	2	1	0	1	0	Non-disclosure (*2)	Non-disclosure (*2)	Non-disclosure (*2)	Non-disclosure (*2)	11
Expenses for restoration to former state	5	-	3	1	1	-	-					12
Tax and other public charges	5	3	4	7	2	7	5					83
Insurance premiums and trust compensation	0	0	0	0	0	0	0					5
Utilities expenses	0	0	0	2	0	-	-					29
Other expenses	2	1	2	2	1	0	0					12
③ NOI (=①-②)	42	29	43	93	29	52	35	36	187	122	-	675
④ Depreciation and amortization expenses	19	10	12	17	10	22	24	9	37	37	-	201
⑤ Leasing business profit (=③-④)	23	19	31	75	19	30	11	27	149	84	-	473
⑥ NOI yield (acquisition price)	4.2%	5.4%	6.8%	6.7%	5.3%	6.9%	2.5%	5.9%	4.6%	4.9%	-	5.0%
⑦ Capital expenditures	2	1	-	6	0	-	-	0	-	2	-	13

31 st Total B	Difference A-B	Forecast C (*1)	Difference A-C
182 days	2 days		
879	(16)	873	(10)
836	(26)		
42	10		
176	11	187	0
33	0		
11	0		
12	8		
83	(0)		
5	(0)		
28	1		
10	1		
703	(28)	686	(11)
200	0		
502	(28)		
5.2%	(0.2)%		
25	(11)		

(* 1) Forecast at the financial results of the 31st fiscal period. (* 2) Information is not disclosed because the permission of tenants has not been obtained. (* 3) No income and expenditure is incurred because renovation work is underway.

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

- unit : mm yen (Figures rounded down to the nearest mm yen)

Category	32 nd Total A	31 st Total B	Difference A-B	Forecast C (*)	Difference A-C
	(Length)	184 days	182 days	2 days	
① Total leasing business revenues	8,518	9,162	(644)	8,893	(375)
Leasing revenue-real estate	7,912	8,515	(602)		
Other leasing revenue-real estate	605	647	(42)		
② Total leasing business expenses	3,210	3,566	(355)	3,644	(433)
Outsourcing fees	1,611	1,898	(286)		
Repair and maintenance expenses	92	116	(23)		
Expenses for restoration to former state	12	3	8		
Tax and other public charges	743	734	9		
Insurance premiums and trust compensation	49	51	(2)		
Utilities expenses	479	505	(26)		
Other expenses	221	255	(34)		
③ NOI (=①-②)	5,307	5,596	(288)	5,249	58
④ Depreciation and amortization expenses	1,686	1,660	25		
⑤ Leasing business profit (=③-④)	3,621	3,935	(314)		
⑥ NOI yield (acquisition price)	5.3%	5.7%	(0.4) %		
⑦ Capital expenditures	790	465	324		

(*) Forecast at the financial results of the 31st fiscal period.

Repair and maintenance expenses, capital expenditures, and depreciation



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	Mizuho Bank, and others (*1)	6,300	Jul.31, 2014	Jul.30, 2021	7.0	Fixed	0.83500% (*2)
	Total	6,300					
Long-term debt	Development Bank of Japan	4,000	Aug.29, 2014	Aug.31, 2022	8.0	Fixed	1.01000%
	Sumitomo Mitsui Banking Corporation	1,600	Jun.30, 2015	Jun.30, 2022	7.0	Fixed	0.79000% (*2)
	Sumitomo Mitsui Trust Bank	1,500	Jul.31, 2015	Jul.31, 2023	8.0	Fixed	0.56400% (*2)
	Development Bank of Japan	4,000	Aug.31, 2015	Aug.31, 2023	8.0	Fixed	0.88000%
	The Bank of Fukuoka	400	Aug.31, 2015	Aug.31, 2022	7.0	Floating	0.41909%
	The Nishi-Nippon City Bank	400	Aug.31, 2015	Aug.31, 2023	8.0	Fixed	0.87000% (*2)
	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	0.41909%
	The Nishi-Nippon City Bank	2,000	Feb.29, 2016	Feb.29, 2024	8.0	Fixed	0.44000% (*2)
	Mizuho Bank	500	Feb.29, 2016	Feb.29, 2024	8.0	Fixed	0.44000% (*2)
	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	0.41309%
	Development Bank of Japan, and others (*3)	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	0.41909%
	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%
	The Bank of Fukuoka, and others (*4)	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%
	The Nishi-Nippon City Bank, and others(*5)	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% (*2)
	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% (*2)
	Sumitomo Mitsui Trust Bank	1,100	Feb.28, 2018	Feb.26, 2027	9.0	Fixed	0.60000% (*2)
	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% (*2)
	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% (*2)	
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% (*2)	
The Oita Bank	400	Mar.30, 2018	Mar.31, 2028	10.0	Fixed	0.64630%	

* For floating-rate debts, the interest rates applicable as of August 31, 2020 are indicated. * All debts have been borrowed with no collateral and no guarantee, to be repaid in lump-sum upon maturity.

(*1) The lenders are Mizuho Bank · The Norinchukin Bank · The Hiroshima Bank · The Kitakyushu Bank · The Iyo Bank · The Higo Bank (*2) FRC has concluded a swap agreement to practically fix interest rate on debt. The indicated interest rate reflects the effect of the swap agreement.

(*3) The lenders are Development Bank of Japan · The Oita Bank · The Kagoshima Bank · The Kitakyushu Bank · The Eighteenth Bank · The Shinwa Bank · The Hiroshima Bank (*4) The lenders are The Bank of Fukuoka · The Nishi-Nippon City Bank · The Oita Bank · The Kitakyushu Bank · The Miyazaki Bank · The Shinwa Bank · The Iyo Bank · The Eighteenth Bank (*5) The lenders are The Nishi-Nippon City Bank · The Bank of Fukuoka · The Oita Bank · The Kitakyushu Bank · The Eighteenth Bank · The Shinwa Bank · The Hiroshima Bank

(*6) The lenders are Mizuho Bank · The Bank of Saga · The Higo Bank (*7) The lenders are The Bank of Fukuoka · Resona Bank (*8) 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, 2020)

Category	Lender	Balance (mm yen)	Drawdown Date	Repayment Date	Term (year)	Fixed/Floating	Average Interest Rate
Long-term debt	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	0.41909%
	The Bank of Fukuoka	300	Jan.31, 2019	Jan.31, 2029	10.0	Floating	0.41909%
	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% (*2)
	Mizuho Bank, and others (*6)	2,200	Jul.31, 2019	Jul.31, 2029	10.0	Fixed	0.52100% (*2)
	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% (*2)
	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%	
Total		71,100					
Total		77,400					

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 of credit 1	The Bank of Fukuoka, and others (*7)	6,000	Aug.1, 2018	Jul.31, 2023
Committed line of credit 2	The Nishi-Nippon City Bank and others (*8)	7,000	Mar.2, 2020	Feb.28, 2023
Total		13,000		

Portfolio table

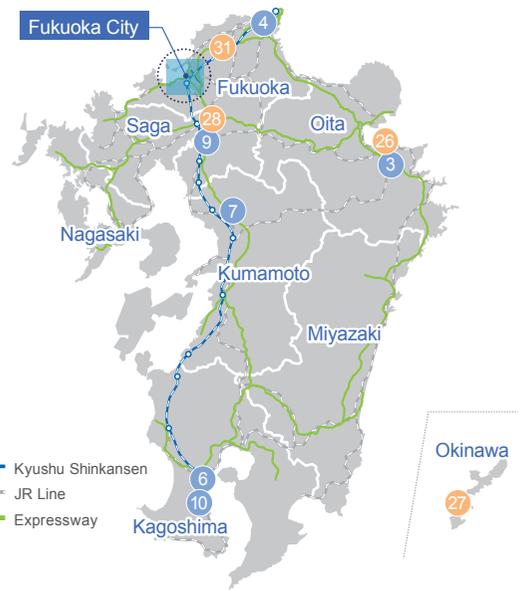
(As of August 31, 2020)

	Real estate property name	Age (*1)	Acquisition price (mm yen) (*2)	Investment ratio	Acquisition timing	Source (*3)	Total leasable floor space (m)	Occupancy rate	Tenants (*4)	Primary tenants
Retail	Canal City Hakata	24yr 4m	32,000	15.8%	Nov. 9, 2004	Sponsor	46,604.75	100.0%	50	Washington Hotel and United Cinema
	Canal City Hakata・B	24yr 4m	28,700	14.2%	Mar. 2, 2011	Outside party	68,825.90	99.5%	45	Grand Hyatt Fukuoka and OPA
	Park Place Oita (*5)	18yr 5m	19,610	9.7%	Nov. 9, 2004	Sponsor	121,212.26	100.0%	106	AEON and K's Denki
	SunLive City Kokura	15yr 5m	6,633	3.3%	Jul. 1, 2005	Outside party	61,450.22	100.0%	1	SunLive
	Konoha Mall Hashimoto	9yr 5m	10,000	5.0%	Mar. 1, 2018	Sponsor	22,121.05	100.0%	126	SunLive and The Super Sports XEBIO
	Square Mall Kagoshima Usuki	13yr11m	5,300	2.6%	Sept.28, 2006	Sponsor	14,602.88	100.0%	13	Sports Depo / Golf5 and Edion
	Kumamoto Intercommunity SC	13yr 9m	2,400	1.2%	Nov.30, 2006	Sponsor	6,968.66	100.0%	2	Sports Depo / Golf5 and Starbucks Coffee
	Hanahata SC	13yr 1m	1,130	0.6%	Sept. 3, 2007	Sponsor	2,801.15	100.0%	2	BON REPAS and Matsumoto Kiyoshi
	Kurume Higashi Kushiwara SC	12yr 8m	2,500	1.2%	Feb. 1, 2008	Sponsor	6,467.80	100.0%	1	Sports Depo / Golf5
	K's Denki Kagoshima	12yr 9m	3,550	1.8%	Mar.27, 2008	Outside party	7,296.17	100.0%	1	K's Denki
	Marinoa City Fukuoka (Marina Side Building)	19yr10m	5,250	2.6%	May 1, 2015	Sponsor	33,069.82	100.0%	1	FJ. Entertainment Works Ltd.
Total or the weighted average of retail	—	117,073	58.0%	—	—	391,420.66	99.9%	348	—	
Office buildings	Canal City Business Center Building	24yr 4m	14,600	7.2%	Nov. 9, 2004	Sponsor	23,029.92	99.2%	60	TOTO and Bell System24
	Gofukumachi Business Center	16yr10m	11,200	5.5%	Nov. 9, 2004	Sponsor	19,905.34	100.0%	36	SMBC CONSUMER FINANCE and Sumitomo Mitsui Banking Corporation
	Sanix Hakata Building	19yr 5m	4,400	2.2%	Sept.30, 2005	Outside party	6,293.75	100.0%	16	SANIX and The Nishi-Nippon City Bank
	Taihaku Street Business Center	18yr 5m	7,000	3.5%	Mar.16, 2006	Sponsor	14,677.30	98.4%	67	NTT COMWARE and Tokio Marine & Nichido Outsourcing Management
	Higashi Hie Business Center	11yr 6m	5,900	2.9%	Mar.13, 2009	Outside party+Sponsor	13,614.59	100.0%	27	Fujitsu and Forest Holdings
	Tenjin Nishi-Dori Center Building	23yr11m	2,600	1.3%	Feb. 1, 2013	Outside party	3,339.32	100.0%	1	The Nishi-Nippon City Bank
	Tenjin North Front Building	10yr 7m	2,800	1.4%	Mar.28, 2013	Outside party	5,252.41	100.0%	11	Rakuten Card and Prudential
	Higashi Hie Business Center II	4yr 6m	4,230	2.1%	Mar. 1, 2018	Sponsor	6,214.77	100.0%	2	FUJITSU KYUSHU SYSTEMS LIMITED and Seven-Eleven Japan Co.,LTD
	Higashi Hie Business Center III	0yr 5m	3,290	1.6%	May 29, 2020	Sponsor	2,981.14	94.1%	5	Mitsui Home Co.,LTD and NIPPON ENGINEERING CONSULTANTS CO.,LTD
	Total or the weighted average of office buildings	—	56,020	27.7%	—	—	95,308.54	99.4%	225	—
Others	Amex Akasakamon Tower (Residence)	15yr 1m	2,060	1.0%	Sept. 1, 2006	Outside party	4,821.25	90.6%	61	—
	City House Keyaki Dori (Residence)	12yr 9m	1,111	0.6%	Dec.20, 2007	Outside party	2,710.86	100.0%	42	—
	Aqualia Chihaya (Residence)	12yr 8m	1,280	0.6%	Mar. 1, 2012	Outside party	5,619.69	97.9%	103	—
	D-Wing Tower (Residence)	14yr 6m	2,800	1.4%	Mar. 1, 2013	Outside party	7,187.59	96.7%	133	—
	Granfore Yakuin Minami (Residence)	12yr 8m	1,100	0.5%	Nov. 4, 2014	Outside party	2,496.06	99.0%	98	—
	Hotel FORZA Oita (Hotel)	12yr 0m	1,530	0.8%	Mar. 1, 2013	Sponsor	5,785.44	100.0%	1	FJ Hotels
	Tissage Hotel Naha (Hotel)	2yr 6m	2,835	1.4%	Dec. 7, 2018	Outside party	3,758.76	100.0%	1	Nest Hotel Japan Corporation
	Tosu Logistics Center (Logistics)	12yr 3m	1,250	0.6%	Mar.28, 2014	Outside party	4,173.29	100.0%	1	non-disclosure
	LOGICITY Minato Kashii (Logistics)	6yr 4m	8,150	4.0%	Mar.27, 2015	Outside party	43,233.72	100.0%	2	Fukuoka Logistic System and F-LINE CORPORATION
	LOGICITY Hisayama (Logistics)	5yr 7m	5,050	2.5%	Jun. 1, 2017	Outside party	24,505.65	100.0%	1	KASEI.inc Co., Ltd.
	LOGICITY Wakamiya (Logistics)	15yr 6m	1,700	0.8%	Jun.30, 2020	Outside party	(*6)	(*6)	(*6)	Tsukasa Kigyou (scheduled)
	Total or the weighted average of others	—	28,866	14.3%	—	—	104,292.31	99.2%	443	—
	Total or the weighted average of all properties	17yr 6m	201,959	100.0%	—	—	591,021.51	99.7%	1,016	—

(*1) The age of the building is listed with the end of the period as the starting date. 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) Parking contracts, etc., are excluded from "Number of tenants".

(*5) The figure includes Home Plaza NAFCO at Park Place Oita, which FRC acquired in the 32nd fiscal period. (*6) LOGICITY Wakamiya is not included in the totals because it has been renovated and is scheduled to start operation around Nov. 2020.



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

22 City House Keyaki Dori
 ■Address : 2-chome, Kego, Chuo Ward, Fukuoka City

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

24 D-Wing Tower
 ■Address : 2-chome, Daimyo, Chuo Ward, Fukuoka City

25 Granfore Yakuin Minami
 ■Address : 1-chome, Hirao, Chuo Ward, Fukuoka City

26 Hotel FORZA Oita
 ■Address : 1-chome, Chuo-machi, Oita City

27 Tissage Hotel Naha
 ■Address : 2-chome, Nishi, Naha City

28 Tosu Logistics Center
 ■Address : Himekata-cho, Tosu City, Saga.

29 LOGICITY Minato Kashii
 ■Address : 2-chome, Minatokashii, Higashi Ward, Fukuoka City

30 LOGICITY Hisayama
 ■Address : Hisayama-machi, Kasuya-gun, Fukuoka City

31 LOGICITY Wakamiya
 ■Address : Shimoaruki, Miyawaka City

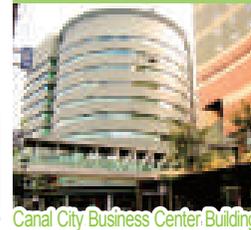
■ Retail
 ■ Office buildings
 ■ Others

Portfolio

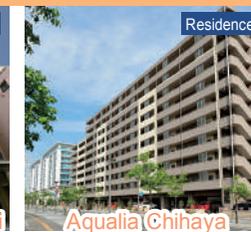
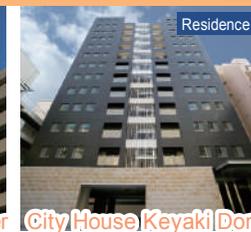
Retail 11 properties



Office buildings 9 properties



Others 11 properties



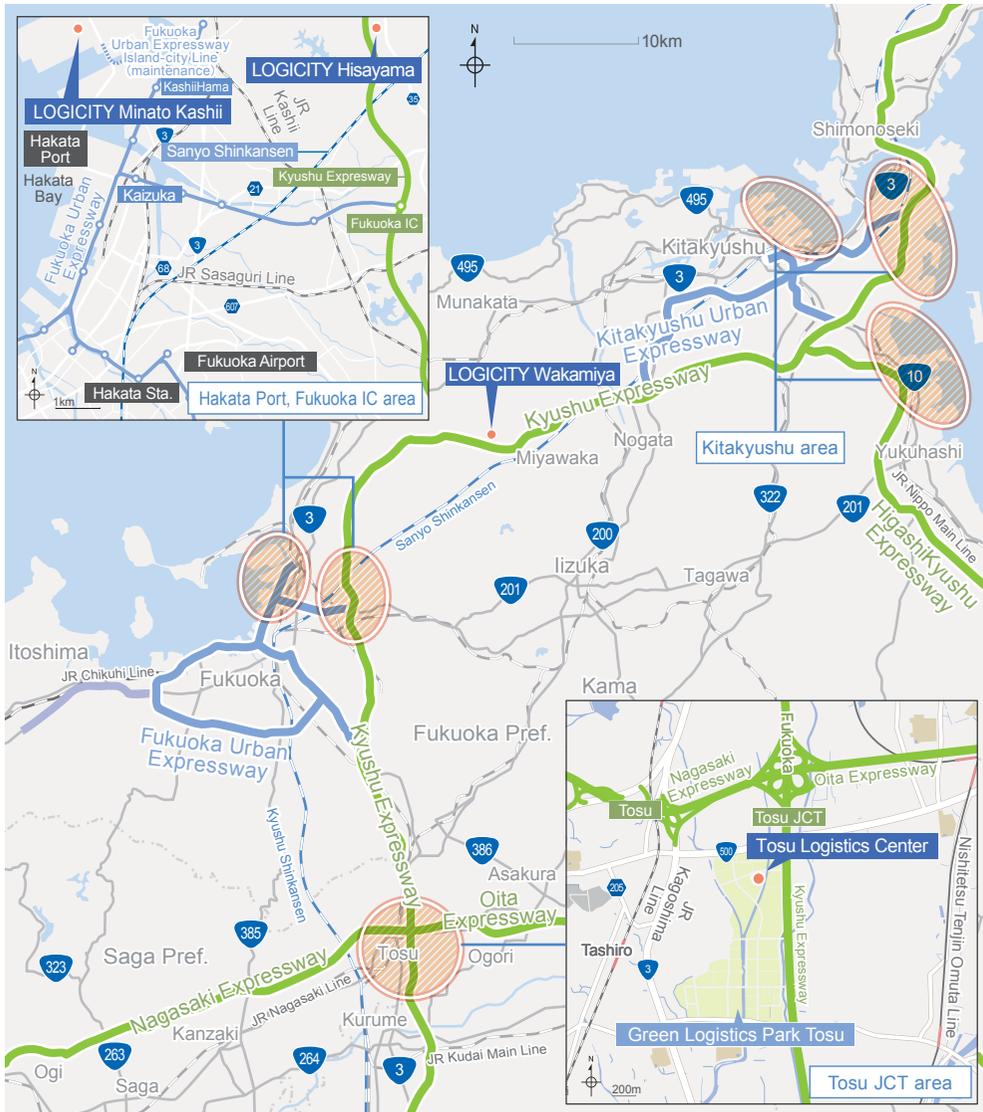
Total **31** properties
Total acquisition price
201.9 bn yen

(As of August 31, 2020)
*Figures round down to nearest 100 mm yen

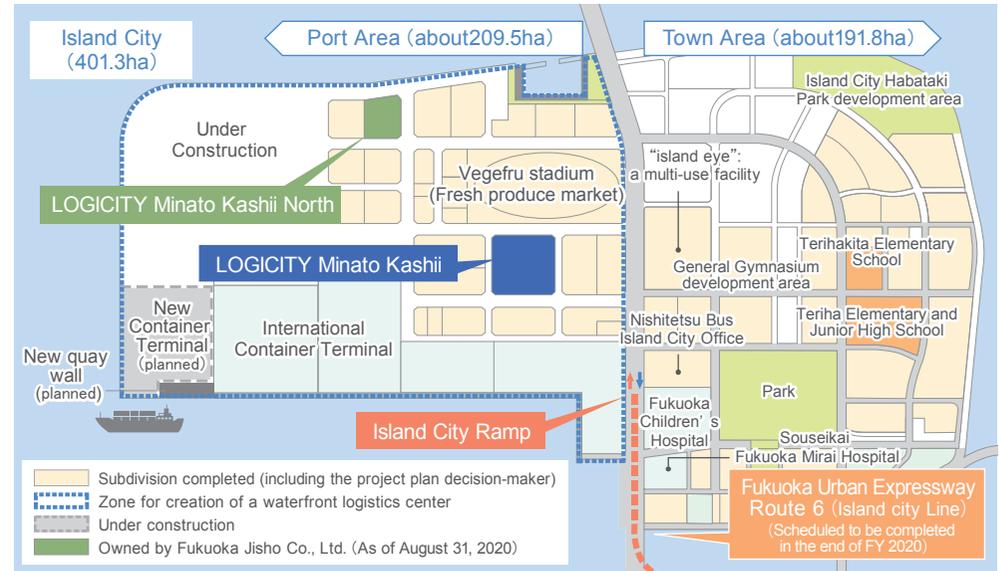
Logistics market in northern part of Kyushu

The supply and demand balance remains tight

Major logistics area

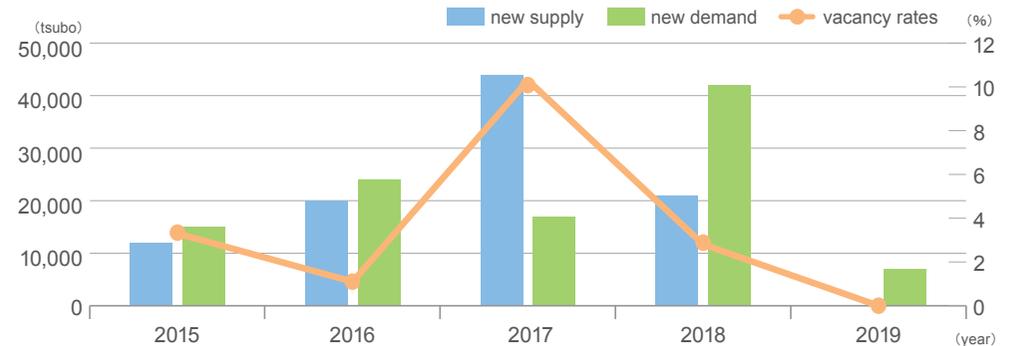


Development of the Island City area



Source: Fukuoka Realty Co., Ltd. based on Island City Outline Pamphlet (Fukuoka City, Port and Harbor Bureau)

Supply and demand of logistic facilities and vacancy rates



* The figures are covered total floor spaces (more than 5,000m²) which owned by real estate investment company and real estate development company in Fukuoka and Saga.
Source: Prepared by Fukuoka Realty Co., Ltd. based on data of CBRE

Top tenants by leased floor area

Lessee		Tenant	Share of total leased space (*1)	33 rd ~Feb. 28, 2021	34 th ~Aug. 31, 2021	35 th ~Feb. 28, 2022	Remaining lease term (years) (*2)
1	SunLive Co., Ltd.	SunLive	11.0%	● SunLive City Kokura			4
				● Konoha Mall Hashimoto			10
2	AEON Kyushu Co., Ltd.	AEON	9.9%	● Park Place Oita			1
3	FJ Hotels Co., Ltd	Grand Hyatt Fukuoka	7.5%	● Canal City Hakata · B			3
		Hotel FORZA Oita		● Hotel FORZA Oita			7
4	FJ. Entertainment Works Ltd.	—	5.7% (*3)	● Marinoa City Fukuoka (Marina Side Building)			14
5	Canal City OPA Co., Ltd.	OPA	4.4%	● Canal City Hakata			3
				● Canal City Hakata · B			1
6	KASEI inc Co., Ltd.	—	4.2%	● LOGICITY Hisayama			4
7	Fukuoka Logistic System Corporation	—	3.9%	● LOGICITY Minato Kashii			4
8	F—LINE CORPORATION	—	3.4%	● LOGICITY Minato Kashii			non-disclosure (*4)
9	Alpen Co., Ltd.	Sports Depo, Golf 5	3.1%	● Square Mall Kagoshima Usuki			6
				● Kumamoto Intercommunity SC			6
				● Kurume Higashi Kushiwara SC			7
10	K's Holdings Corporation	K's Denki	2.3%	● Park Place Oita			1

(*1)Share of total leased space is calculated using the formula "Leased floor area by tenant / Total leased floor space," as of August 31, 2020 with residential space excluded from leased floor space by tenant.

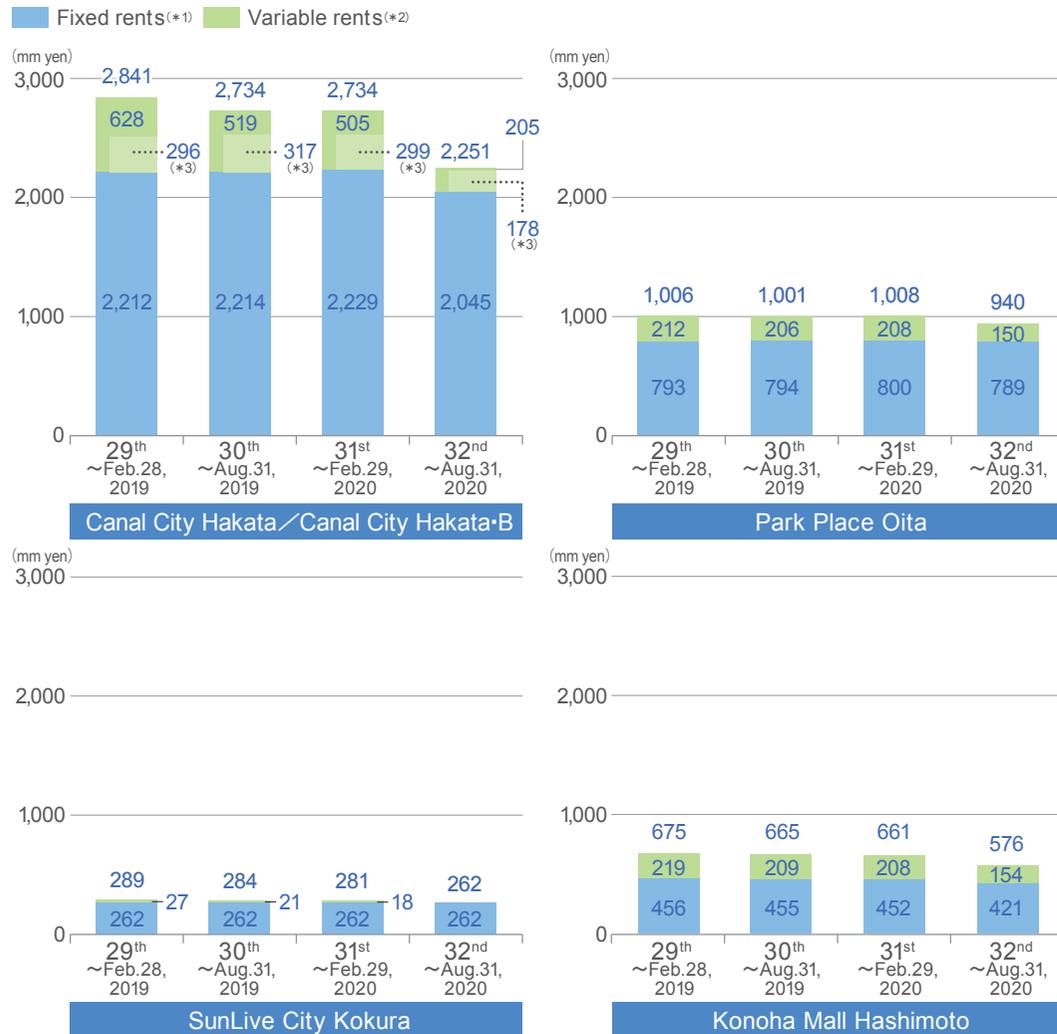
(*2)Remaining lease periods shown are the remaining periods of lease contracts as of August 31, 2020 with periods shorter than one year rounded down to the nearest whole year.

(*3)The 5.7% includes a 0.1% office portion. (3 ordinary leases have been concluded for Canal City Business Center Building.)

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

Breakdown of variable rents

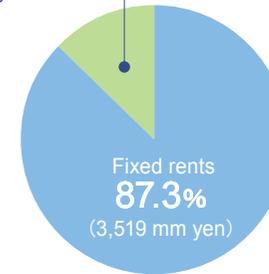
Breakdown of active retail rents by property



Breakdown of active retail rents

◎The 32nd FP

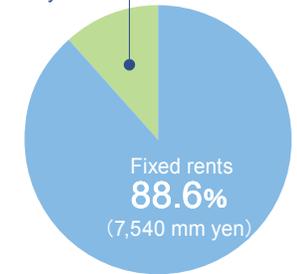
Variable rents
12.7%
(511 mm yen)



Portfolio overall

◎The 31st FP

Variable rents
11.4%
(974 mm yen)

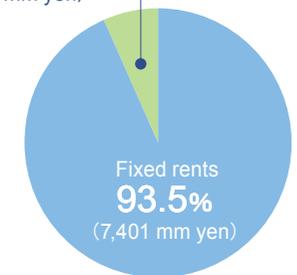


Breakdown of Tissage Hotel Naha



◎The 32nd FP

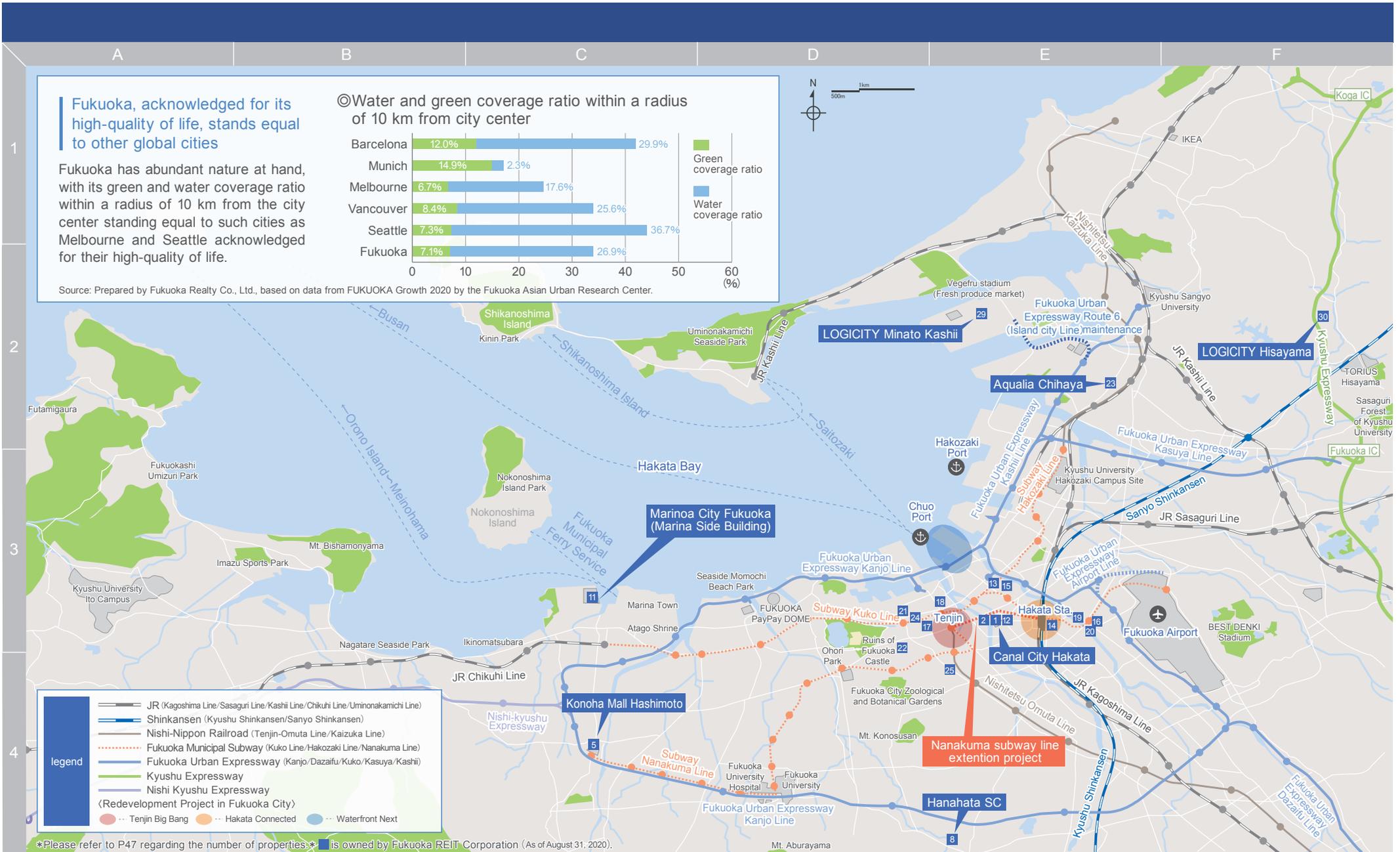
Variable rents
6.5%
(511 mm yen)



*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".

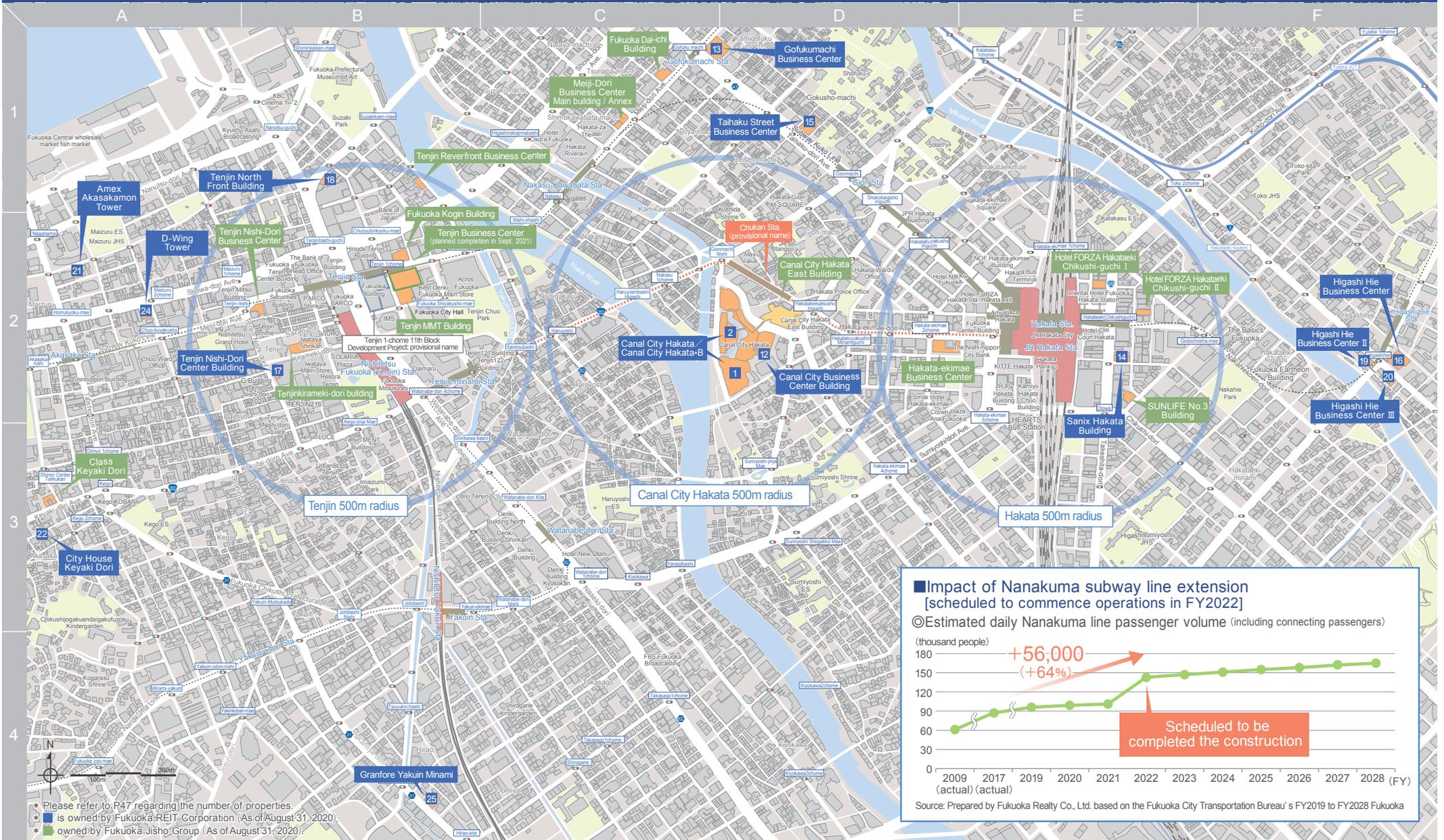
(*2) Variable rents are the sum of the portion of rents collected from tenants with variable and GOP rents that varies as a function of the tenants' sales. (*3) The figures are included parking fee in variable rents of Canal City Hakata / Canal City Hakata·B.

The condition of suburb area in Fukuoka



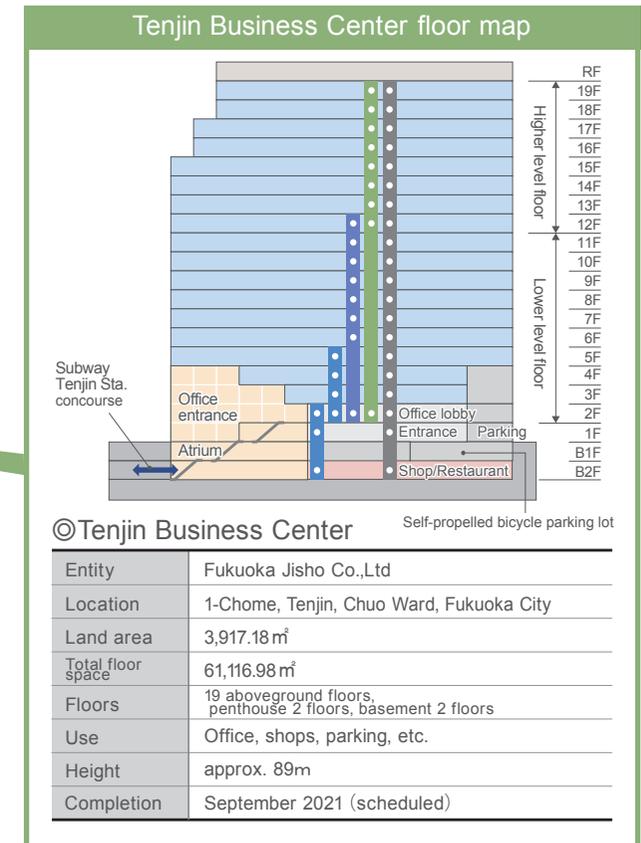
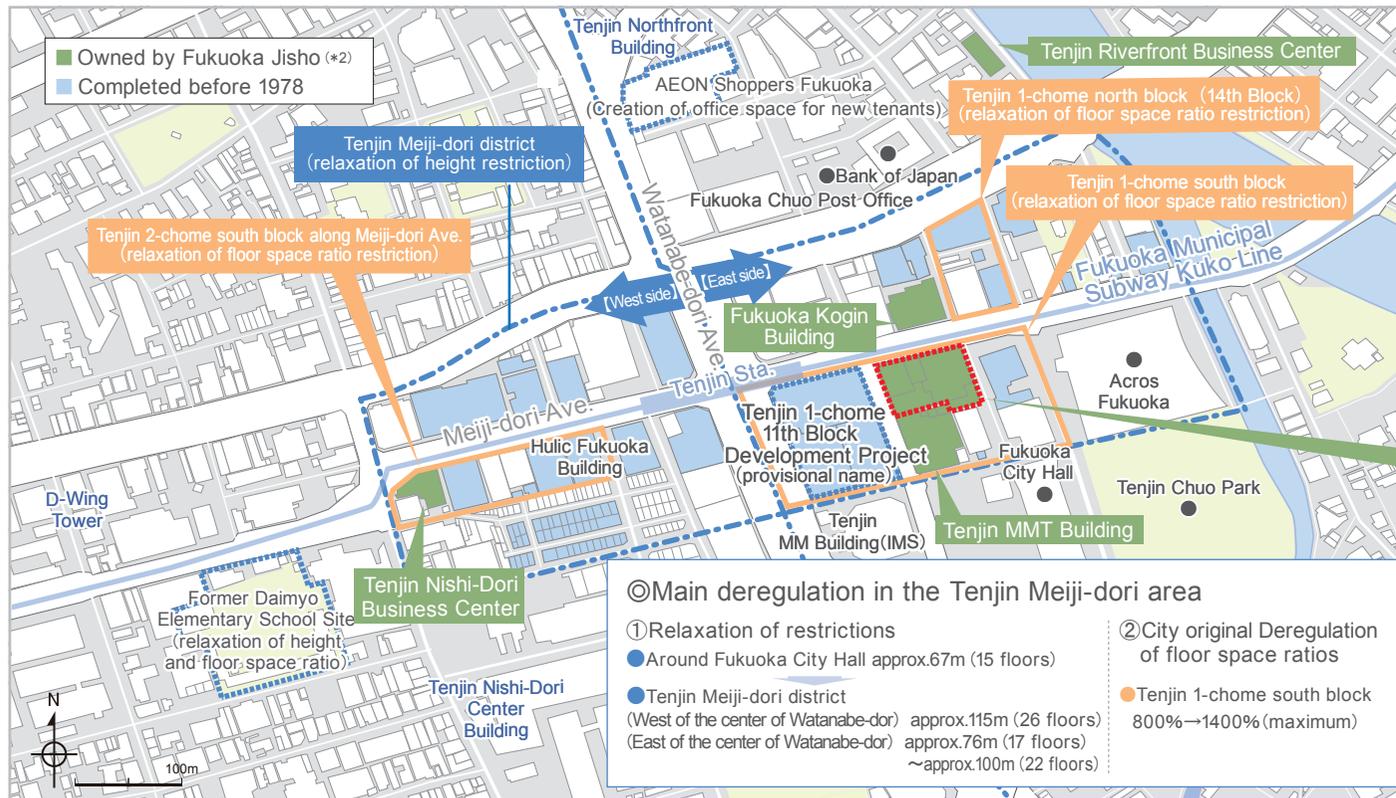
The condition of Fukuoka city center

Nanakuma subway line extension project will be completed by FY2022



Redevelopment in Tenjin area (Tenjin Big Bang)

2-year extension 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) Includes properties co-owned with other companies
 Source: Prepared by Fukuoka Realty Co., Ltd. based on Tenjin Meiji-dori Avenue Grand Design 2009 authored by the Tenjin Meiji-dori Development Council and each company.

Redevelopment schedule in Tenjin area

~Year 2020	Year 2021	Year 2022	Year 2023 and beyond
● In the Tenjin 1-chome 11th Block Project: provisional name, Demolition to start for Tenjin Core Building (2019)	● Completion of Tenjin Business Center ● Tenjin MM Building (IMS) to close	● Completion of Daimyo Elementary School site redevelopment construction work	● Opening of Tenjin 1-chome 11th Block Development Project: provisional name, Completion of Tenjin MM Building (IMS) site construction work, Hūlic Fukuoka Building Rebuilding Project to be completed (2024)

Source: Prepared by Fukuoka Realty Co., Ltd. based on press releases of each company.

Initiatives for becoming an infection-controlling city

©Urban central areas

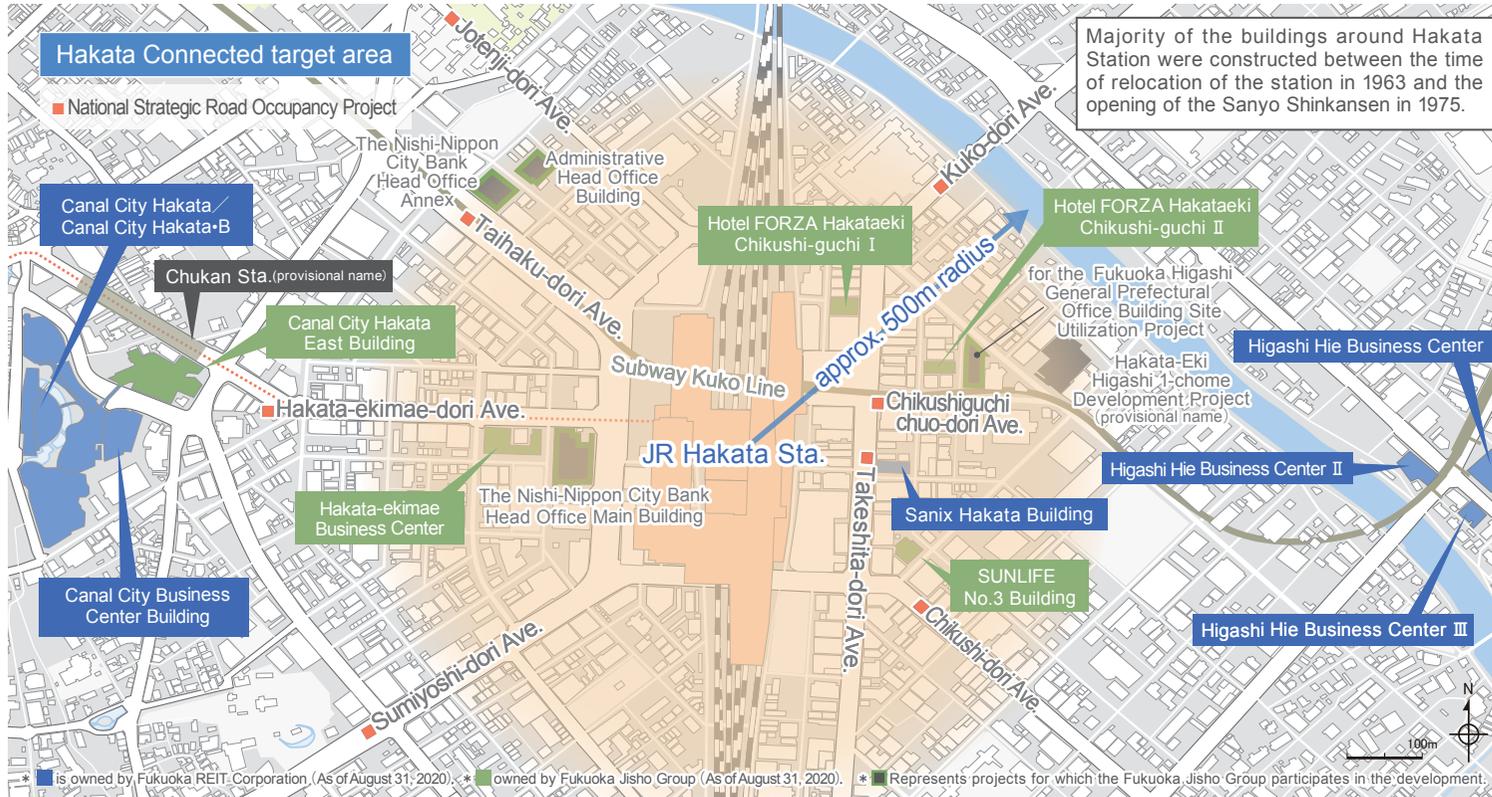
Anti-infection measures in central urban areas were added as a new item of floor area ratio assessment to the measures facilitate renewal of city center functions.

Relaxation of floor area ratio by up to (Tenjin Big Bang Area) **50%** Completion deadline of buildings that take anti-infection measures is extended to December 31, 2026

*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)

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)

①Increase 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)

②Evaluate public open spaces, even including plazas with roofs, by up to 2.5 times from the viewpoint of more bustles and excursions.

Secure floor areas for upper floors



Even plazas with roofs are evaluated as public open spaces. Up to 2.5 times

0.1 or **2.5** times

Redevelopment schedule in Hakata area

Year 2020 ~ 2022	Year 2023 ~ 2025	Year 2026 ~ 2028
<ul style="list-style-type: none"> ● Demolition to start for The Nishi-Nippon City Bank Head Office Main Building(2020) ● Completion of Hakata-Eki Higashi 1-chome Development Project: provisional name(2022) 	<ul style="list-style-type: none"> ● Completion of new facilities for the Fukuoka Higashi General Prefectural Office Building Site Utilization Project(2024) ● Completion of The Nishi-Nippon City Bank New Head Office Building(2025) ● Demolition to start for The Nishi-Nippon City Bank Head Office Annex and Administrative Head Office Building (2025) 	<ul style="list-style-type: none"> ● Completion of The Nishi-Nippon City Bank Head Office Annex and Administrative Head Office Building (2028)

Source: Prepared by Fukuoka Realty Co., Ltd. based on press releases of each company.v

Sponsor pipeline (Fukuoka Jisho Group)

Overview of Fukuoka Jisho Co., Ltd.

Name	Fukuoka Jisho Co., Ltd.
Established	July 1961
Industries	Real estate (comprehensive developer)
Representative	Ichiro Enomoto, President and C.E.O
Employees	213 (as of May 31, 2020)
Net sales	30.3 billion yen (period ended May 31, 2020)
Ordinary income	5.8 billion yen (period ended May 31, 2020)
Total assets	198.2 billion yen (period ended May 31, 2020)
Borrowings	106.0 billion yen (period ended May 31, 2020)
Equity ratio	31.0% (period ended May 31, 2020)

Major properties owned by Fukuoka Jisho Group

Use	No.	Name	Year of completion	Total floor space
Office buildings	1	Fukuoka Daiichi Building(during dismantling)	1961	9,962㎡
	2	Fukuoka Kogin Building	1970	15,160㎡
	3	Fukuoka Asahi Building	1970	44,762㎡
	4	Meiji-Dori Business Center	1974(Main Building) / 1986(Annex)	9,844㎡
	5	Sun Life No. 3 Building	1978	8,262㎡
	6	Tenjin Nishi-Dori Business Center	1978	10,394㎡
	7	Tenjin MMT Building(during dismantling)	1979	19,874㎡
	8	Tenjin Riverfront Business Center	1999	4,106㎡
	9	Hakata Ekimae Business Center	1999	23,542㎡
	10	Naha Business Center	2018	8,994㎡
	11	Tenjin Business Center	FY2021(scheduled)	61,116㎡
Retail	12	Marinoa City Fukuoka (Outlet Building)	2000(Building I) / 2004(Building II) / 2007(Building III)	46,663㎡
	13	Tenjin Kirameki Dori Building	2003	24,525㎡
Residence	14	Canal City Hakata East Building	2011	18,534㎡
Hotel	15	Class Keyaki Dori	2008	6,500㎡
	16	Hotel FORZA Hakataeki Chikushi-guchi I	2012 / 2017(Annex Building)	7,335㎡
Hotel	17	Hotel FORZA Hakataeki Chikushi-guchi II	2019	4,876㎡
	18	Hotel FORZA Sapporo Ekimae	2020	11,344㎡
Logistics	19	LOGICITY Minato Kashii North	2020	47,150㎡

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

Tenjin Business Center



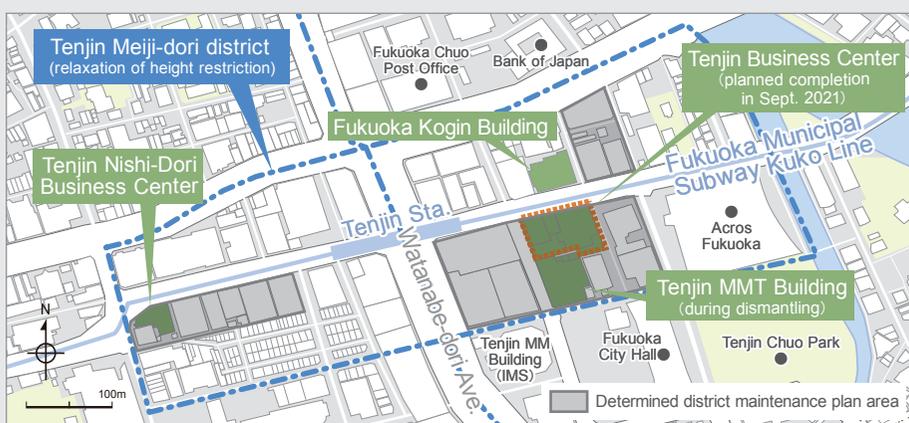
LOGICITY Minato Kashii North



Naha Business Center



Major properties owned or under development in the Tenjin Big Bang area



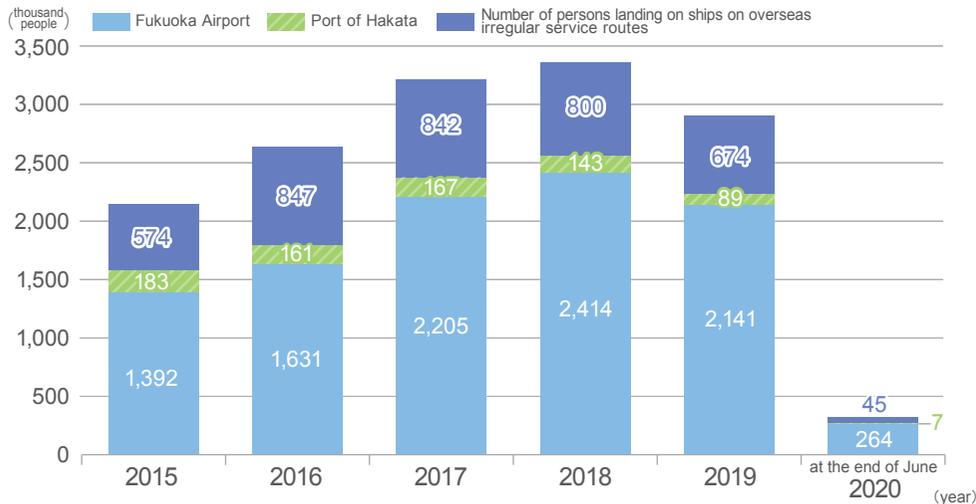
Projects for which the Fukuoka Jisho Group participates in development in the Hakata Connected area

Project name	planned completion
the Fukuoka Higashi General Prefectural Office Building Site Utilization Project	Mar.-Apr. 2024
Successive redevelopment of buildings owned by The Nishi-Nippon City Bank	Around Feb. 2025, around Sept. 2028

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

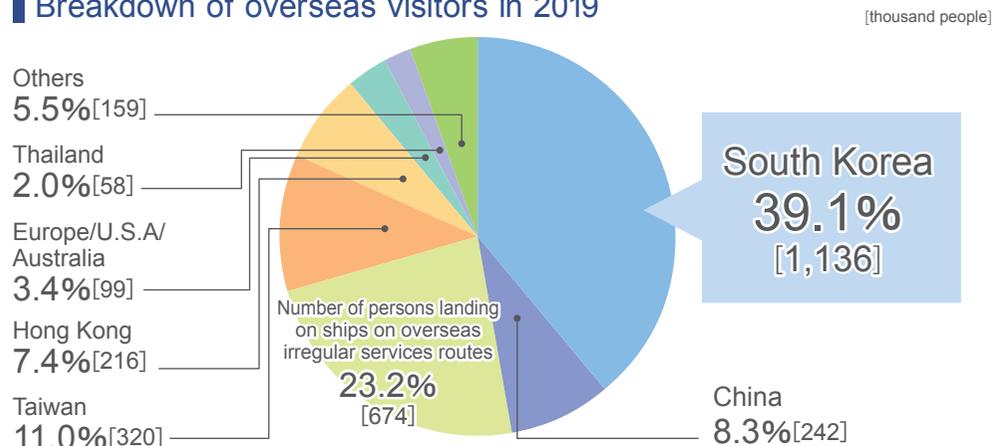
Condition of Inbound Tourists

Change in number of overseas visitors



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from "Statistics on Legal Migrants" (Ministry of Justice) and "Number of Passengers on Overseas Routes" (Port and Airport Bureau, Fukuoka City).

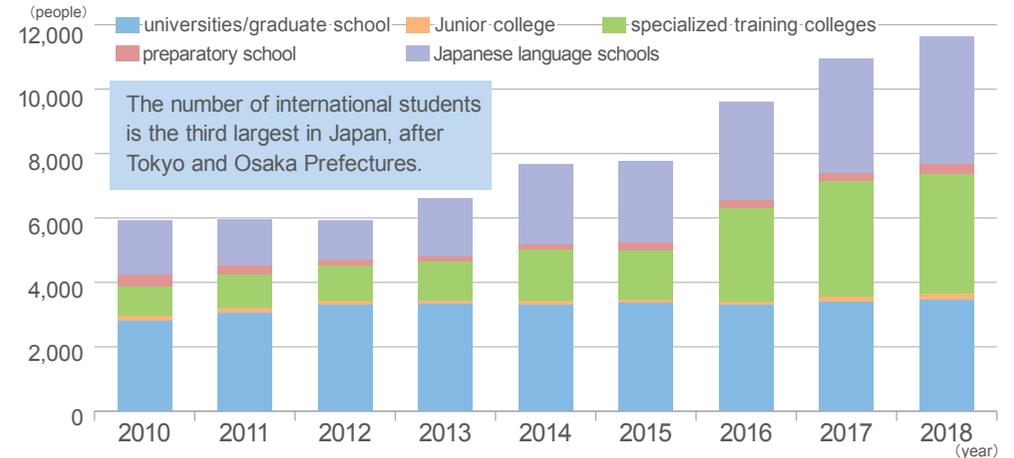
Breakdown of overseas visitors in 2019



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from "Statistics on Legal Migrants" (Ministry of Justice) and "Number of Passengers on Overseas Routes" (Port and Airport Bureau, Fukuoka City).

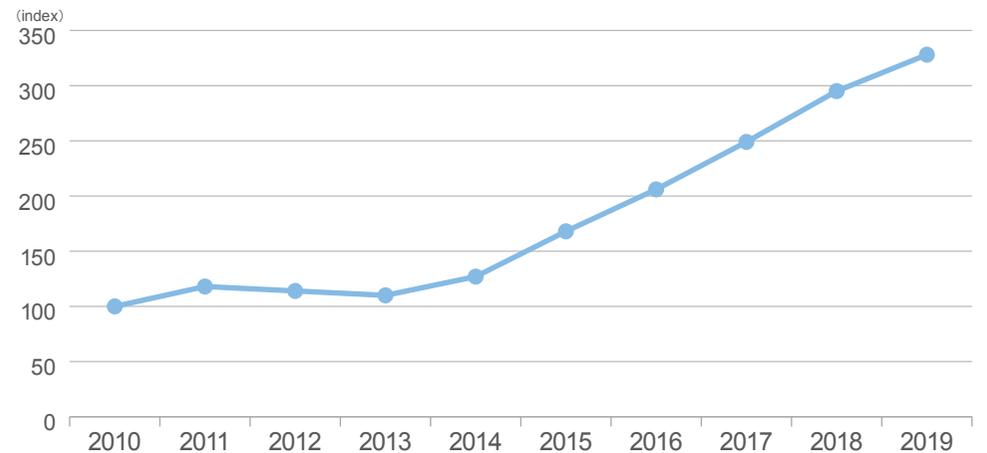
Trends of increase in international students and foreign workers (professionals)

◎Trends of international students at universities, specialized training colleges and Japanese language schools in Fukuoka City



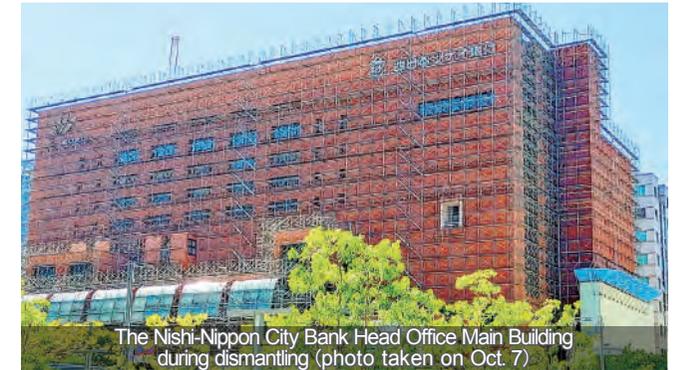
Source: Prepared by Fukuoka Realty Co., Ltd. based on data from FUKUOKA Growth 2020 by the Fukuoka Asian Urban Research Center.

◎Trends in the number of foreign workers (with residential status in professional and technical areas) in Fukuoka Prefecture (*)

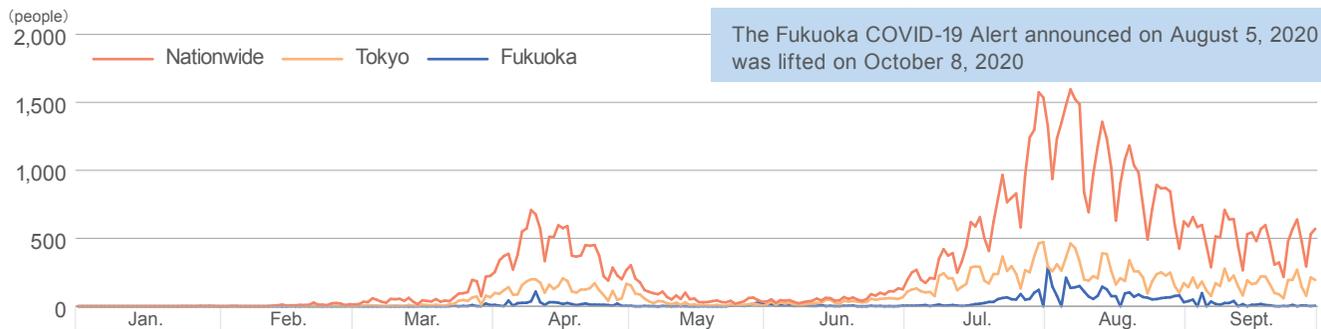


Source: Prepared by Fukuoka Realty Co., Ltd. based on data from the Ministry of Health, Labor and Welfare's "Employment of Foreigners." (year)
 (*) The figures for 2010 are indexed as 100.

Situation of Fukuoka City



Trends in COVID-19 cases (nationwide, Tokyo and Fukuoka) from January to end of September 2020



Source: Prepared by Fukuoka Realty Co., Ltd. based on the data of "DATA SALAD", Kyushu Economic Research Center.