



Fukuoka REIT Corporation

Overview of the 38th fiscal period performance [8968] Security code March 1st, 2023 ~ August 31st, 2023

Fukuoka REIT Corporation

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*Regarding rounding of amounts, percentage, and ratios: unless otherwise noted, in these materials, monetary amounts are rounded down to the nearest whole unit, and percentages and ratios are rounded off to one decimal places.

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Executive summary

Fiscal period ending August 2023 (38th period) Dividend is +153 yen compared to forecast. A dividend of 3,753 yen is an all-time high^{(*)1}

External Growth

- Acquisition of 3 new properties
- Better-than-expected progress made in leasing at Hakata FD Business Center

Name of property	Kumamoto East Front Building	Axion Befu-Ekimae Premium	Hakata FD Business Center
Acquisition date	38 th		39 th
	March 28, 2023	April 27, 2023	September 1, 2023
Acquisition price	1,450 mm yen	1,525 mm yen	14,100 mm yen
NOI yield (*2)	6.0%	3.5%	4.1%

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

Financial Management

Total debt	Committed line	Fixed rate	Average remaining duration to maturity	LTV (*3)
86,450 mm yen	13,000 mm yen	92.8%	4.9 years J-REITs' average: 4.1 years (*4)	42.4% J-REITs' average: 44.7% (*4)

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

(*4) Indicates the average value of the latest account settlement figures of all investment corporations as of August 2023, calculated by Fukuoka Realty based on their disclosure materials.

Internal Growth

- Retail properties**
 - Sales increased year on year at all active retail facilities
 - Canal City Hakata faced downtime due to renovations, but inbound tourism demand recovered better than expected

Initiatives by each facility	Details
Canal City Hakata	Sales up 18.0% year on year
Park Place Oita	Number of visitors increased year on year due to the continuous implementation of events
Konoha Mall Hashimoto	Sales increased in service and other business areas, due to the revival of demand for outings

- Office buildings**
 - The period-end occupancy rate: 98.5% (*5)

Increase in monthly rent (upon rent revision and tenant replacement) **+1.3 mm yen**

- Others**
 - Logistics : 100% occupancy rate. Rents revised upward for Tosu Logistics Center
 - Hotel : ADR at Fukuoka Washington Hotel recovered to pre-COVID levels. Variable rent continued to be generated at Tissage Hotel Naha

(*5) Residential floor spaces are removed from the total leasable floor space of Taihaku Street Business Center.

Sustainability

- External certification – GRESB Real Estate Assessment: “4 Stars”, Disclosure Assessment: “A Level” – Green Building certification obtained for 80.3% (As of Sept. 1, 2023)
- Assessment of financial impacts based on climate change scenario analysis (qualitative · quantitative analysis)

(*1) The dividend for the 2nd period is 3,802 yen, but the number of operating days is 296 days.

Dividend per unit



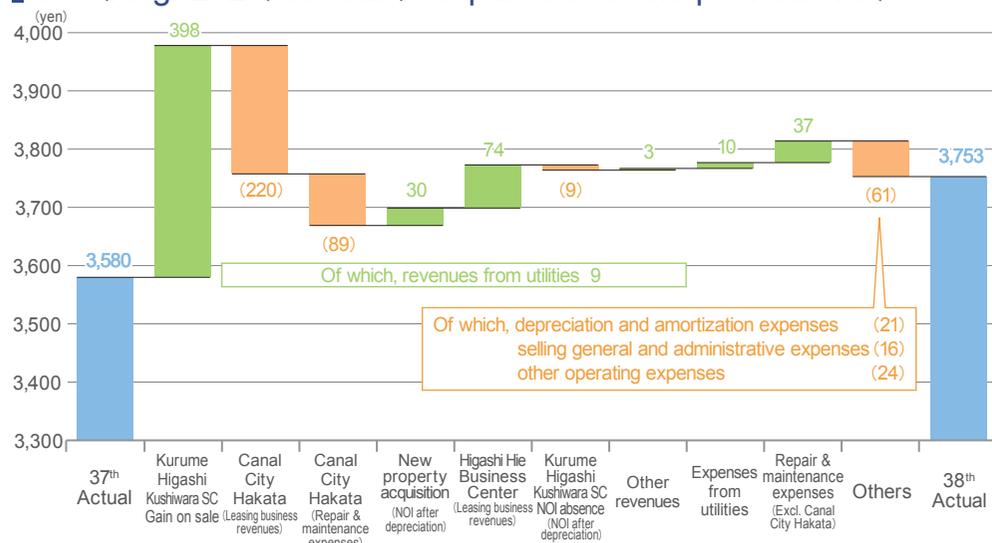
[Dividend per unit]

38th Actual 3,753 yen (compared with the forecast +153 yen)
 39th Forecast 3,755 yen (compared with the forecast at 37th +155 yen)
 40th Forecast 3,600 yen

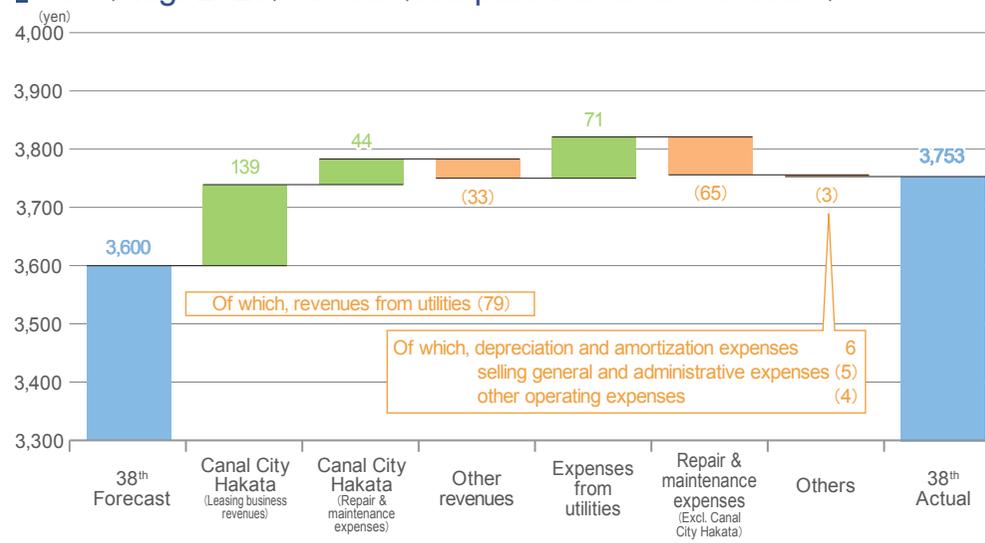
Dividend per unit

Forecast dividend of 3,600 yen for the 40th fiscal period achieves the target dividend level after the absence of gain on sale

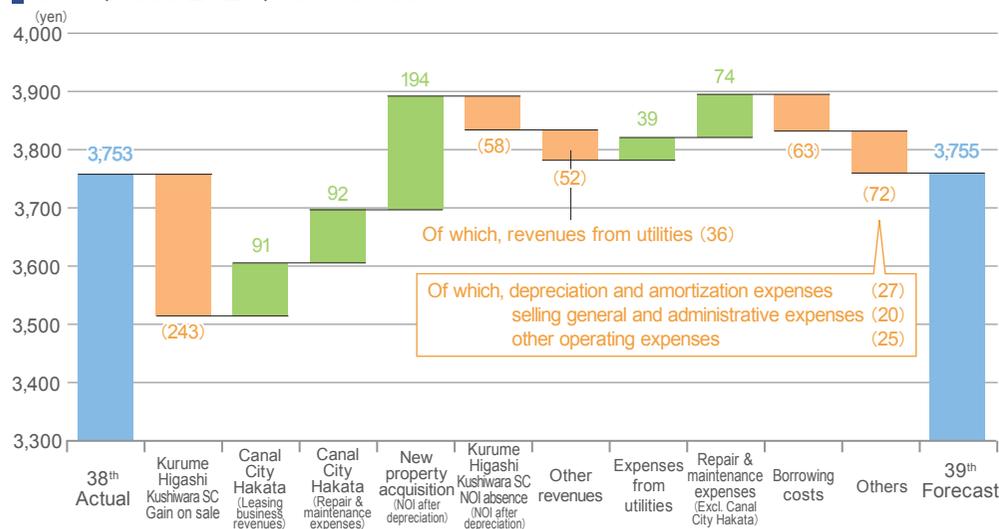
■ 38th (Aug. 2023) Actual (compared with the previous FP)



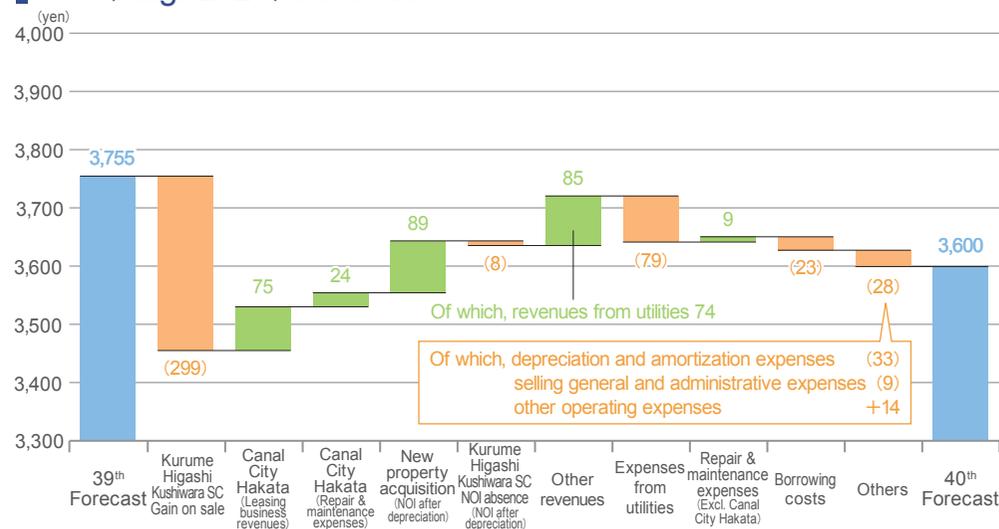
■ 38th (Aug. 2023) Actual (compared with the forecast)



■ 39th (Feb. 2024) Forecast

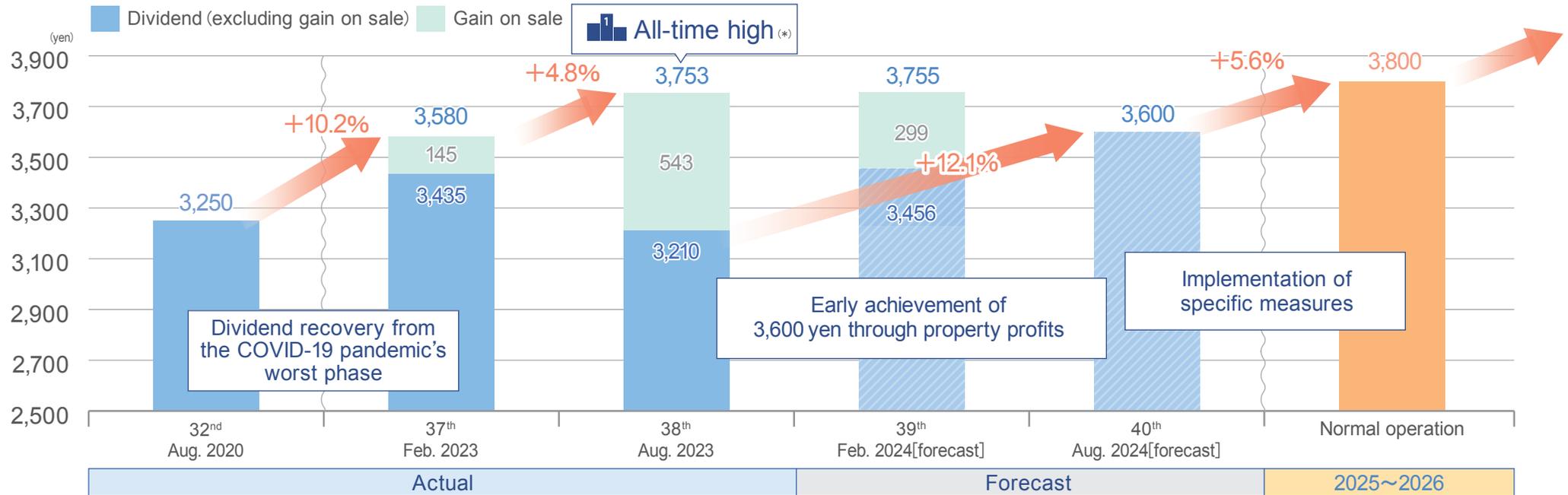


■ 40th (Aug. 2024) Forecast



Dividend in normal operation

Target dividend in normal operation : 3,800 yen



(*) The dividend for the 2nd period is 3,802 yen, but the number of operating days is 296 days.

Specific measures

Internal Growth

- Retail properties**
 - Execution of the future vision at Canal City Hakata
 - Capturing inbound demand (China, etc.)
- Office buildings**
 - New property Hakata FD Business Center in normal operation
 - Contract renewal and leasing by leveraging positive gaps in existing office buildings
- Logistics**
 - Rent renewal targeting market rent levels at existing logistics facilities
- Residence**
 - Continuation of rent increases due to replacement
- Hotel**
 - Performance-based rental income from the Tissage Hotel Naha generated by the recovery of inbound demand in Okinawa

External Growth

- Asset size as of September 2023 : 221.6 billion yen
- Target asset size : 300 billion yen
- Continue to expand the portfolio with a target asset size of 300 billion yen.

Utilization of gains on sale and retained earnings

- Unrealized gains for the period ended August 31, 2023: 48.4 billion yen
- Replacement of properties based on portfolio strategy
- Utilization of gain on sale
- Underpinning of distributions
- Consideration of internal reserve

External Growth Initiatives Policy

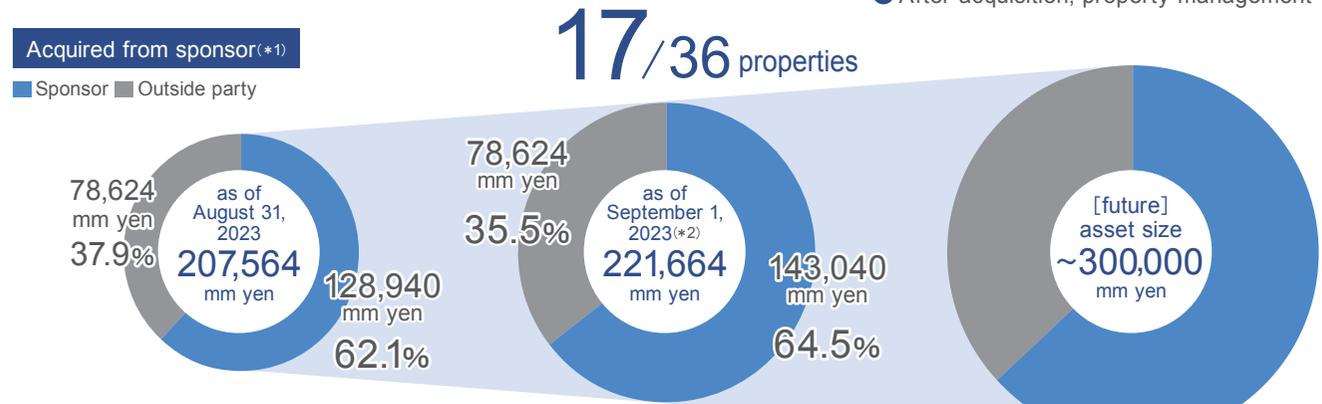
Aiming for an asset size of 250 bn yen by diversifying risks by investment type as a comprehensive REIT (300 bn yen in future)

Sponsor pipelines

- Several redevelopment projects are underway in the Tenjin and Hakata areas
- Several development of logistics facilities are underway
- Considering redevelopment of Canal City Hakata East Building
- Fukuoka Jisho owns 9.18% of FRC's investment units through same-boat investment (as of August 31, 2023)

Community-based sourcing strategy

- Acquire properties from external sources by utilizing the information-collecting ability and know-how of the Asset Manager which is well versed in individual conditions in the Fukuoka and Kyushu areas
- Propose wide-ranging CRE strategies by grasping customers' needs as early as possible (ex. leaseback, base consolidation, putting land with leasehold interest off the balance sheet, etc.)
- Powerful companies leading the Kyushu business world provide backup as sponsors of the Asset Manager
- After acquisition, property management that is closely tied to the community and assumes long-term ownership

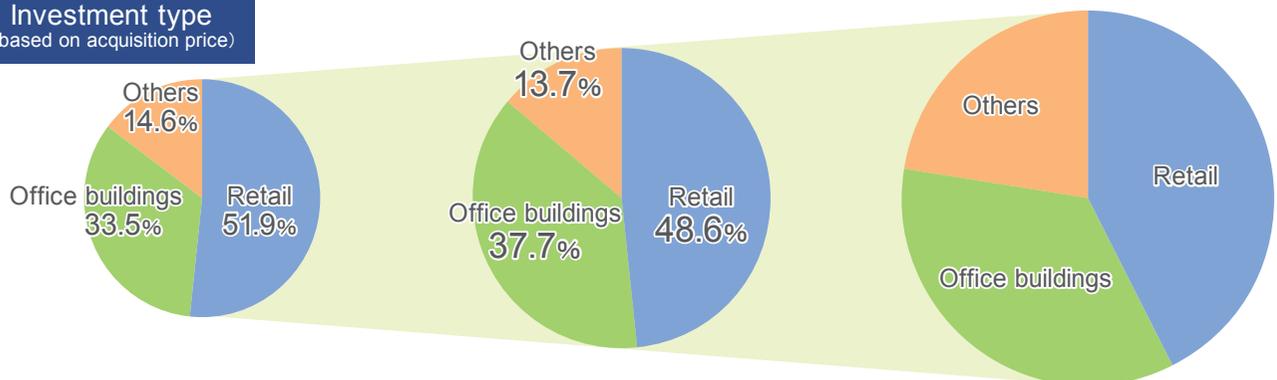


(*1) Because the Higashi Hie Business Center that was acquired in the 10th FP, August 31, 2009, was acquired from both the outside party and the sponsor, the purchase price has been added to the purchase prices from outside parties and the purchase prices from the sponsor after calculation on a per capita basis. Furthermore, with regard to the number of properties, one property has been added to the number of properties acquired from the sponsor.
 (*2) Calculated by adding the acquisition price of the Hakata FD Business Center from August 31, 2023.

New acquisition properties

38 th		39 th	
Kumamoto East Front Building	Axion Befu-Ekimaie Premium	Hakata FD Business Center	
Acquisition date			
March 28, 2023	April 27, 2023	September 1, 2023	
Acquisition price			
1,450 mm yen	1,525 mm yen	14,100 mm yen	
Source			
Outside party	Outside party	Sponsor	

Investment type (based on acquisition price)



Leasing progress for Hakata FD Business Center

Succeeded in attracting leading domestic and foreign blue-chip companies and achieved faster leasing progress than expected

Summary of Hakata FD Business Center

Name of property	Hakata FD Business Center
Acquisition date	September 1, 2023
Acquisition price	14,100 mm yen
Appraisal value	15,000 mm yen
Address	Tsunabamachi, Hakata Ward, Fukuoka City
Area (land)	2,202.31㎡
Built timing	February 2023
Total floor space	20,603.46㎡ (77% co-ownership interest)
Acquisition CAP rate	4.1%



*CASBEE Wellness Office Evaluation Certification on February 27, 2023 (S rank, first in Fukuoka)
 DBJ Green Building certification obtained on September 1, 2023 (3 stars)
 Good Design Award on October 5, 2023

Leasing Status

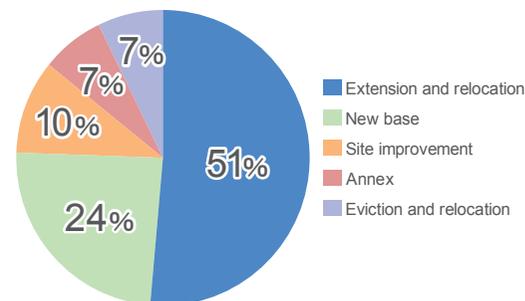
◎Occupancy rate 86.5% (contracted + applied) (*)

	Contracted	Applied	Under consideration
12F	Financial institution(Foreign-affiliated)		
11F	Financial institution(Foreign-affiliated)		
10F	Financial institution(Foreign-affiliated)		
9F	Consulting business(Foreign-affiliated)		
8F	Consulting business(Foreign-affiliated)		
7F	IT business	Vacant	Telecommunications business(Foreign-affiliated)
6F	Industrial systems business	Telecommunications business	
5F	Energy business	Trading company	Manufacturer
			Insurer (Foreign-affiliated)
4F	Office equipment/OA-related business		
3F	Independent administrative institution		
2F	Business process outsourcing business		
1F	Entrance hall	Vacant	

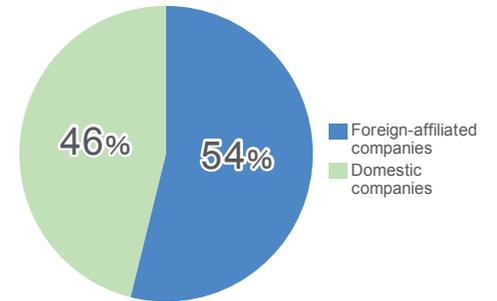
(*) The leasing status is as of September 30, 2023. Occupancy rates are based on assumptions as of January 1, 2024.
 The occupancy rate is 60.6% as of October 1, 2023.

Summary of Contracted and Applied Tenants (based on floor space)

【Reason for Occupancy】



【Domestic or Foreign】

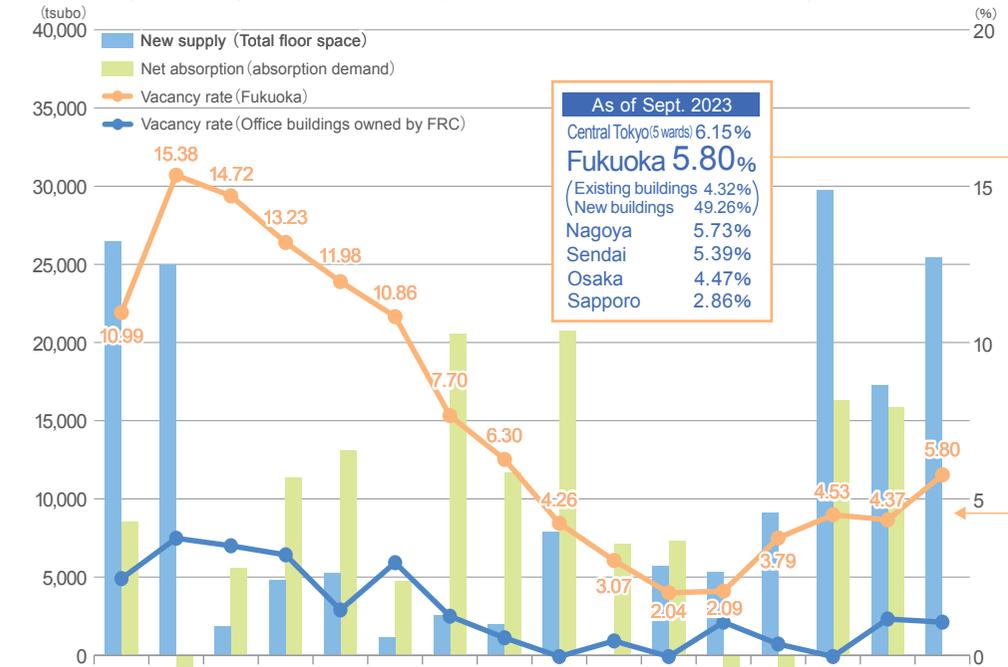


Trends in the Fukuoka office market

Tenant demand is robust, and progress of new building leasing is uneven

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

Existing buildings remain steady; occupancy in new buildings polarized



As of Sept. 2023
 Central Tokyo(5 wards) 6.15%
Fukuoka 5.80%
 (Existing buildings 4.32%)
 (New buildings 49.26%)
 Nagoya 5.73%
 Sendai 5.39%
 Osaka 4.47%
 Sapporo 2.86%

New buildings completed in 2023 (more than 100 tsubo per floor area)

Completed	Property name	Address	Total floor space (tsubo)
February	Hakata FD Business Center	Tsunabamachi, Hakata Ward	4,754
February	Taihaku Sky Square	Ten'yamachi, Hakata Ward	1,054
March	Daimyo Garden City	Daimyo, Chuo Ward	9,134
March	Hakata Station Parkside Building	Hakata Ekimae, Hakata Ward	1,362
April	Kyukan Suehiro-dori Building	Hakata Ekimae, Hakata Ward	1,591
June	Fukuoka K Square	Nakasunakashinamachi, Hakata Ward	3,394
	Total		21,289

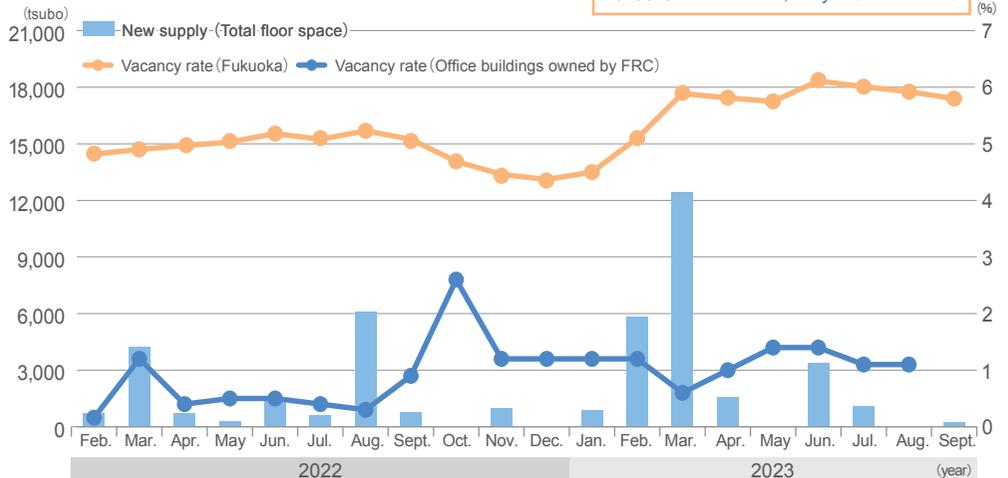
Over 80% of tenants informally decided

* Statistics from 2008 to 2022 are based on the figures at the end of December. The vacancy rate for 2023 is based on the figures at the end of September. (scheduled)
 * The vacancy rate for office buildings owned by the Investment Corporation in 2023 is based on figures as of the end of August.
 * 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 2023 have not been finalized, and the floor space and expected completion dates are subject to change.
 Source: Prepared by Fukuoka Realty based on data from "Office Market Data" Miki Shoji Co., Ltd.

Fukuoka business district / Average vacancy rate

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

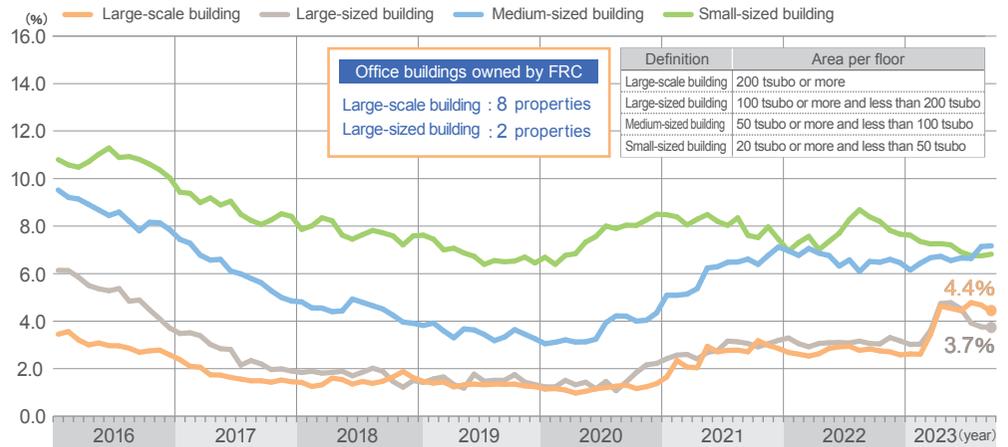
Average rent as of Sept. 2023 (yen / tsubo)
 Central Tokyo(5 wards) 19,750yen (YoY(2.0%))
Fukuoka 11,493yen (YoY(+0.7%))



Source: Prepared by Fukuoka Realty based on data from "Office Market Data" Miki Shoji Co., Ltd.

Trend of office building vacancy rate in Fukuoka City by size

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



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

Historical and projected office buildings' occupancy rates

Unit rents are rising with high occupancy maintained

1	Canal City Business Center Building	Total leasable floor space: 23,031.14m ²
2	Gofukumachi Business Center	Total leasable floor space: 19,905.34m ²
3	Sanix Hakata Building	Total leasable floor space: 6,293.75m ²
4	Taihaku Street Business Center (*1)	Total leasable floor space: 11,249.97m ²
5	Higashi Hie Business Center	Total leasable floor space: 13,482.02m ²
6	Tenjin Nishi-Dori Center Building	Total leasable floor space: 3,339.32m ²
7	Tenjin North Front Building	Total leasable floor space: 5,261.64m ²
8	Higashi Hie Business Center II	Total leasable floor space: 6,214.77m ²
9	Higashi Hie Business Center III	Total leasable floor space: 2,981.14m ²
10	Tenjin Nishi-Dori Business Center (Land with leasehold interest)	Leased area (land): 1,343.51m ²
11	Hakata Chikushi-Dori Center Building	Total leasable floor space: 5,994.41m ²
12	Kumamoto East Front Building	Total leasable floor space: 3,139.20m ²

Average occupancy rates (historical and projected) (*2)	Total leasable floor space: 100,892.70m ²
Move-in/move-out floor space	



* Occupancy rates are calculated as a weighted average during period.
 * Total leasable floor space is figured as of the end of period.
 (*1) Residential floor spaces are removed from the total leasable floor space of Taihaku Street Business Center.
 (*2) Average occupancy rates (historical and projected) are calculated excluding Tenjin Nishi-Dori Business Center (Land with leasehold interest).

Overview of Office Buildings

⟨Average occupancy rates(actual): 38th:98.6%⟩

◎Keeping high occupancy rate from the 37th FP

⟨Average occupancy rates(projected): 39th:98.5% 40th:99.0%⟩

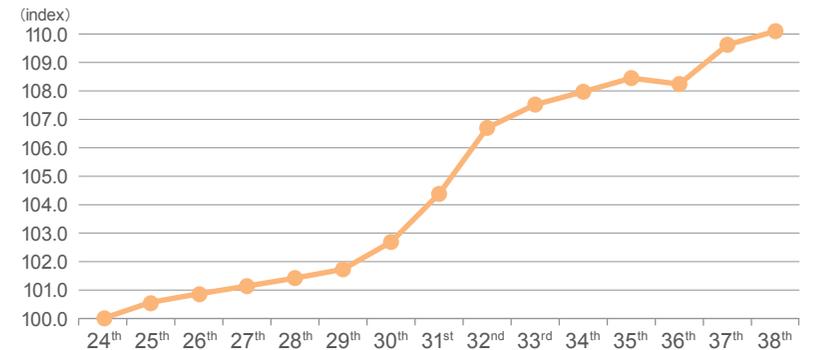
◎Continue with rent increase through rent revision upon contract renewal and tenant replacement

Major indicators of owned properties (*3)

Total amount of acquisition	69,490 mm yen
Investment ratio	33.5%
Average age (*4)	20 years 10 month
Tenants (*5)	192
Total leasing revenues-real estate in the 38 th FP	3,014 mm yen
Rent gap (*4)	12.5%(*6)

(*3) The figures are indicated as of the end of period.
 (*4) The average building age and the positive rent gap are calculated excluding Tenjin Nishi-Dori Business Center (Land with leasehold interest).
 (*5) The number of tenants is indicated excluding the residential portion of the Taihaku Street Business Center.
 (*6) Rent gap indicated the gap between current rent: contract rent with common charges and market rent, and is calculated as "market rent - current rent". Moreover, market rent indicated average of assumed newly closed rent assessed by CBRE as of Aug. 2023.

Trend in rent unit price index of owned properties (*7)

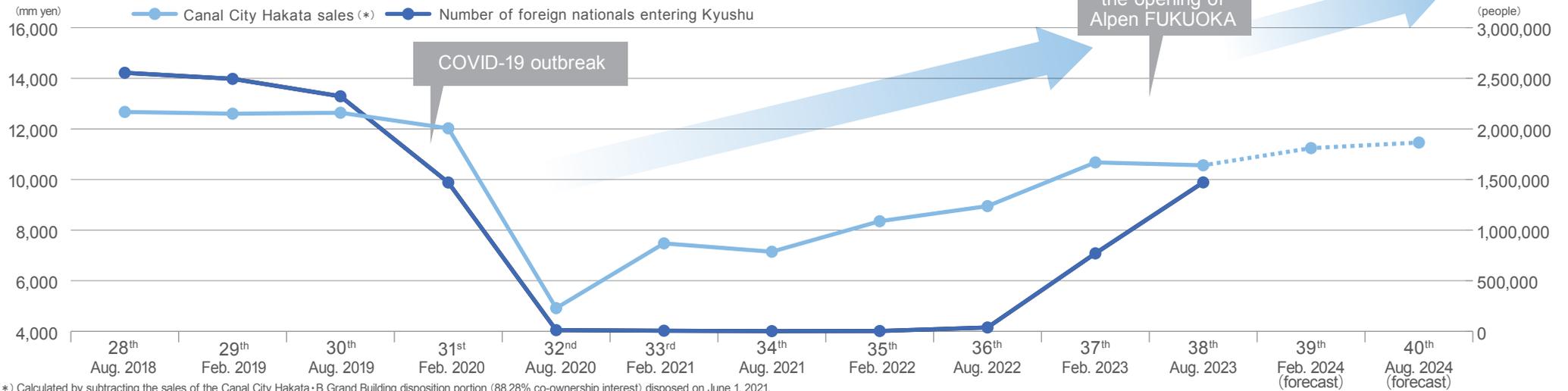


(*7) The rent unit price index is based on the average rent per unit area at the end of each fiscal period compared with the rent per unit area at the end of the 24th fiscal period (August 2016), which is set as 100. And the figures are calculated excluding Tenjin Nishi-Dori Business Center (Land with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

Initiatives at Canal City Hakata①

With sales on track to recovery to pre-pandemic levels, expectations are placed on further increase in the future

Canal City Hakata Sales Trends and Number of Foreign Nationals Entering Kyushu



(*) Calculated by subtracting the sales of the Canal City Hakata・B Grand Building disposition portion (88.28% co-ownership interest) disposed on June 1, 2021.

Situation of inbound

Number of foreign nationals entering Kyushu

Country / Region	2018	2023					
	monthly average	Mar.	Apr.	May	Jun.	Jul.	Aug.
Total number of immigrants	426,357	223,239	234,552	224,506	251,307	266,019	272,036
Korea	200,805	139,161	131,961	135,682	148,940	-	-
China	142,328	2,062	3,025	3,017	9,006	-	-
Taiwan	34,460	23,539	24,303	25,997	36,014	-	-
Hong Kong	23,792	13,780	20,121	21,528	27,374	-	-
Others	24,971	44,697	55,142	38,282	29,973	-	-

*The number of foreign visitors including cruise ship tourists. Figures for July and August 2023 are preliminary figures. Source: Prepared by Fukuoka Realty based on the data of the Kyushu District Transport Bureau of the Ministry of Land, Infrastructure, Transport and Tourism.

Cruise Ship Calls to Hakata Port

year	2016	2017	2018	2019	2020	2021	2022	2023 (scheduled)
Number of port calls	328	326	279	229	14	0	2	84

*The actual number of port calls from January to September 2023 is 49. Source: Prepared by Fukuoka Realty based on data as of October 12, 2023 from the Fukuoka City Port & Airport Bureau

Factors behind the sales recovery trend after the COVID-19 pandemic was settled



Expectations for future sales growth



Initiatives at Canal City Hakata②

Promote phased revamping in line with the future vision

Measures to attract customers

<p>Furimaniacs "SAKE"</p> 	<p>Canal Splash</p> 	<p>Kabukuwa Sugoizo!! Exhibition</p> 
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SPORTS & HEALTHCARE

Alpen FUKUOKA
Grand Opening
September 15, 2023

Store name	Alpen FUKUOKA SPORTS DEPO FLAGSHIP STORE AlpenOutdoors FLAGSHIP STORE GOLFS FLAGSHIP STORE
Location	South Building 1F (partial) through 3F
Opening date	September 15, 2023



CREATIVE | OPA
Revamped

©April 15, 2023
THE NORTH FACE+ extension completed



©Autumn and Winter 2023~
La Festa to be revamped



— Canal City Hakata — Canal City Hakata-B — Canal City Business Center Building

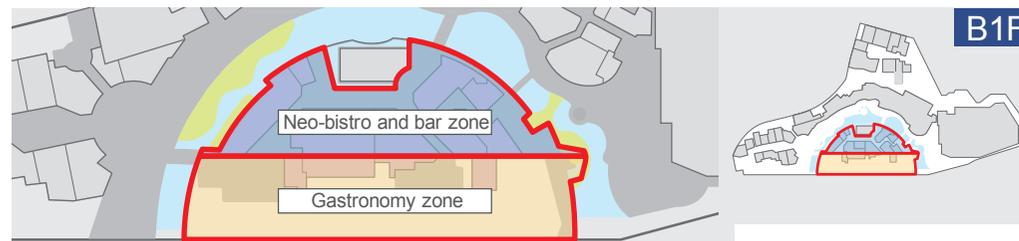
*Fukuoka REIT currently has no plan to acquire Canal City Hakata East Building and Canal City Theater.



FOOD

Planning renovating the Grand Building B1F dining zone

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



Seiryu Park Renewal
Spring 2025~



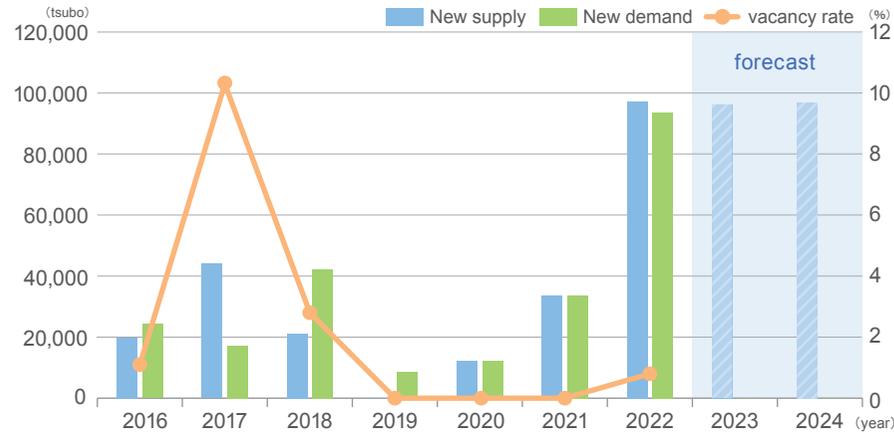
©The group represented by the sponsor, Fukuoka Jisho Co., Ltd., became the preferred bidder for the "Seiryu Park Development and Management/Operation Project."

Situation of other assets (Logistics)

Continued rise in unit rents

Supply and demand of logistic facilities and vacancy rates

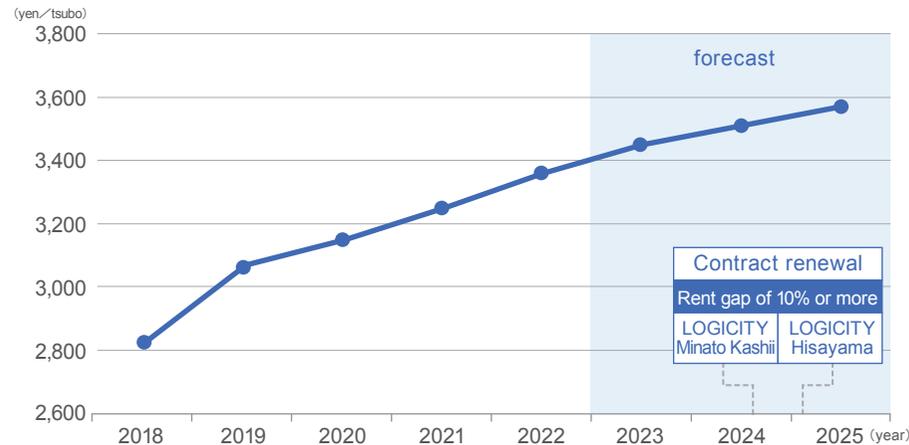
◎ There will be large supply in 2023 and 2024



* Medium and large logistics facilities with a total floor space of 5,000 m² or more in the Fukuoka metropolitan area are targeted.
Source: Prepared by Fukuoka Realty based on data of CBRE.

Trend in rent unit price

◎ Large supply, but rents expected to increase

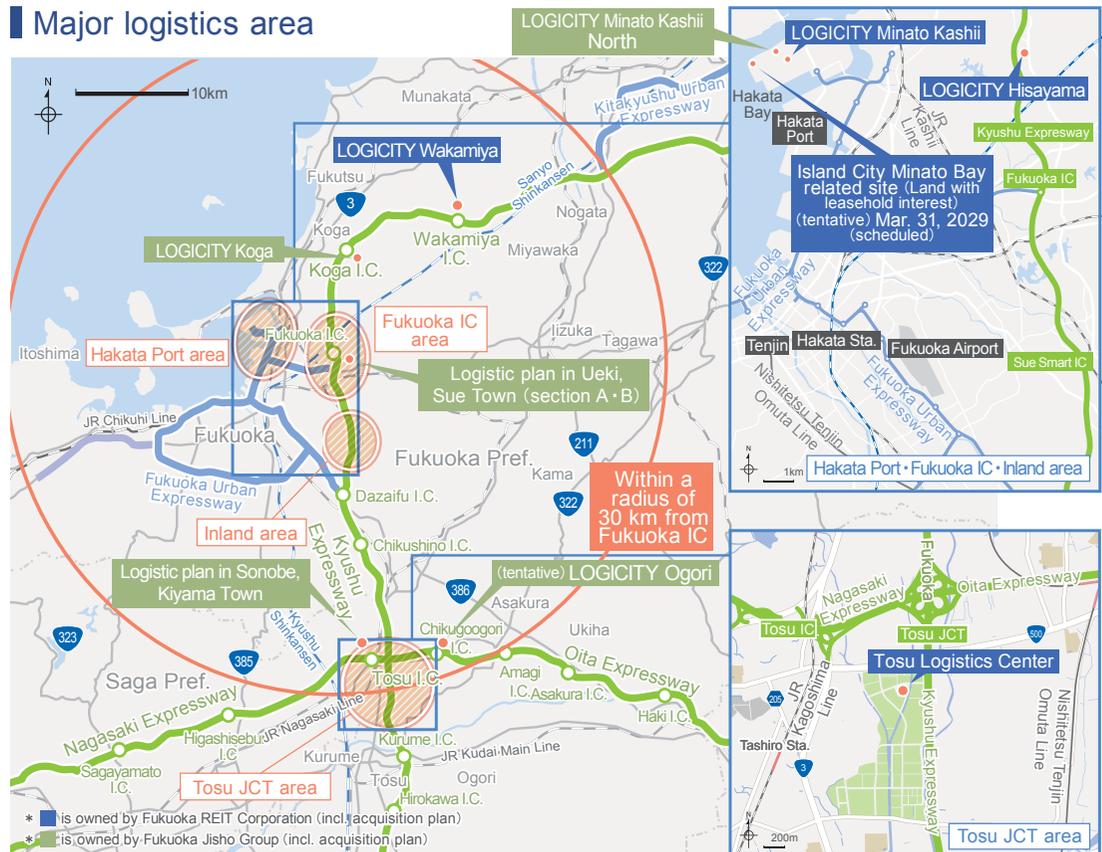


* Large multi-tenant logistics facilities with a total floor space of 5,000 tsubo or more in the Fukuoka metropolitan area are targeted.
Source: Prepared by Fukuoka Realty based on data of CBRE.

Overview of Logistics

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

Major logistics area



Situation of other assets (Residence, Hotel)

Residential assets are strong, hotel assets are recovering

Residential properties

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

Occupancy rates	34 th (Aug.2021)	35 th (Feb. 2022)	36 th (Aug.2022)	37 th (Feb. 2023)	38 th (Aug.2023)
Amex Akasakamon Tower	96.7%	96.9%	96.3%	94.2%	98.6%
City House Keyaki Dori	94.5%	98.6%	97.2%	98.8%	97.0%
Aqualia Chihaya	98.0%	99.3%	98.3%	98.9%	97.8%
D-Wing Tower (*1)	94.3%	93.4%	95.7%	97.3%	97.6%
Granfore Yakui Minami	97.7%	98.0%	97.2%	98.0%	95.3%
The weighted average of 5 properties	96.1%	96.7%	96.8%	97.3%	97.5%
			Axion Befu-Ekimae Premium (*1) (*2)		50.7%
The weighted average of 6 properties					94.5%

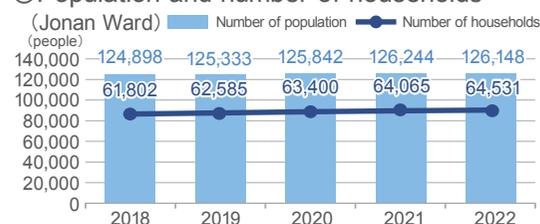
*The occupancy rate is calculated as a weighted average over the period.

(*1) The figure includes the retail portion.

(*2) Since Axion Befu-Ekimae Premium was acquired as of April 27, 2023, occupancy rates are shown for the period from April to August 2023.

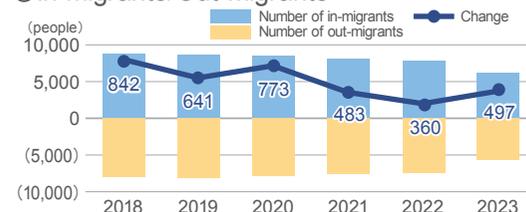
Residential Market in Fukuoka City's Jonan Ward

◎Population and number of households



Source: Prepared by Fukuoka Realty based on Fukuoka City Basic Resident Register (end of September of each year).

◎In-migrants/Out-migrants (Jonan Ward)



*Figures for 2023 are from January to August.

Source: Prepared by Fukuoka Realty based on "Population, Demographics and Number of Households Based on the Basic Resident Register" (Ministry of Internal Affairs and Communications).



Overview of Hotel

◎ADR at Fukuoka Washington Hotel recovered to pre-COVID levels

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

◎Tissage Hotel Naha

	37 th (Feb. 2023)	38 th (Aug. 2023)
Room occupancy rates	80.6%	71.0%
ADR (*3)	6,257 yen	7,369 yen
RevPAR (*4)	5,045 yen	5,231 yen

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

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

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

◎Trends in lodging occupancy index (monthly average)



*The period of the declaration of a state of emergency indicates the period when it was issued to Tokyo.

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

Financing condition①

Establishment of stable financial base

Financial Policy (Basic Policy)

Enhance financial soundness by realizing low financing costs while reducing the impact of future changes in the financial environment under good relationships with financial institutions to realize stable financing

◎Current financing policy

While diversifying debt maturities

☑ Adjust financing periods (used to be 7-10 years)

☑ Adjust ratio of fixed/floating interest

☑ Lower spread

Aim to control financing costs through the above

◎Borrowings (long-term) in the 38th period (fiscal period ended August 2023)

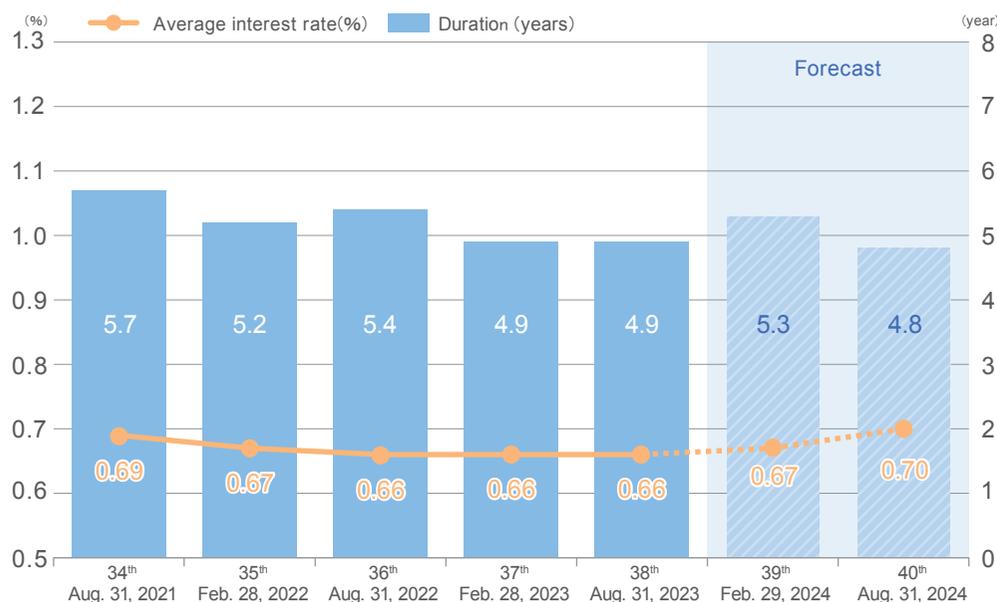
●New Borrowings

Date	Lender	Amount (mm yen)	Term	Interest rate
March 31, 2023	The Higo Bank	700	5.0-year	0.61500%
		750	10.0-year	3-month TIBOR +0.30%
June 30, 2023	The Hiroshima Bank	500	6.0-year	0.54125%
		1,000	7.0-year	0.63500%

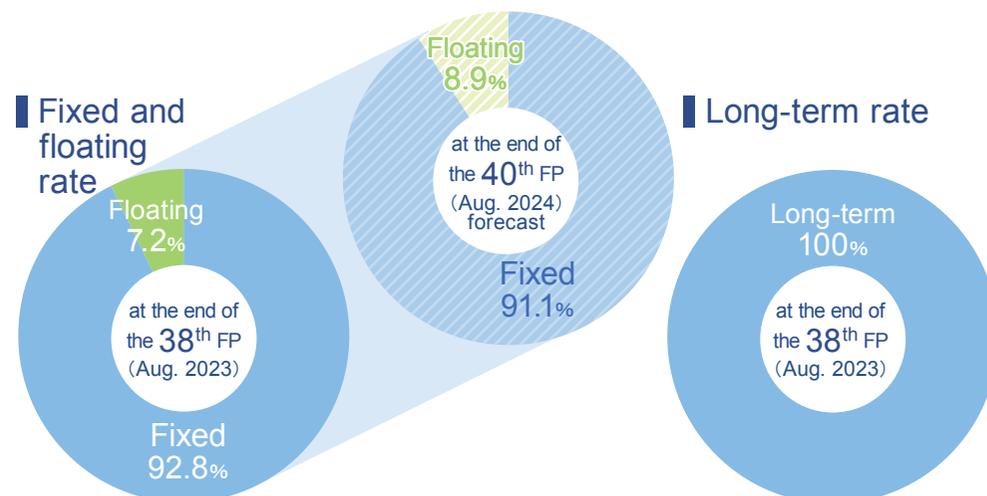
●Refinancing

Date	Lender	Amount (mm yen)	Term	Interest rate
July 31, 2023	Sumitomo Mitsui Trust Bank	900	5.0-year	0.50100%
		600	8.0-year	0.82900%
August 31, 2023	Development Bank of Japan	2,000	6.0-year	0.83750%
		2,000	6.5-year	0.90689%

Average interest rate (*1) and duration



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



Credit ratings (*2)

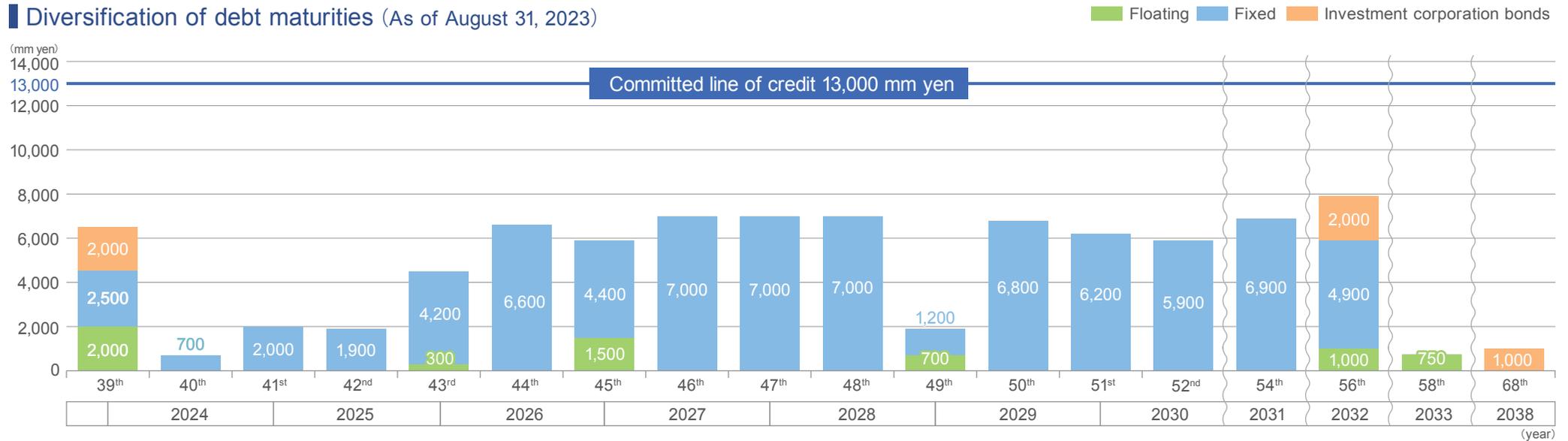
JCR	AA- (Stable)	R&I	A+ (Stable)
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(*2) JCR: long-term issuer rating obtained from Japan Credit Rating Agency, Ltd. R&I: issuer rating obtained from Rating and Investment Information, Inc.

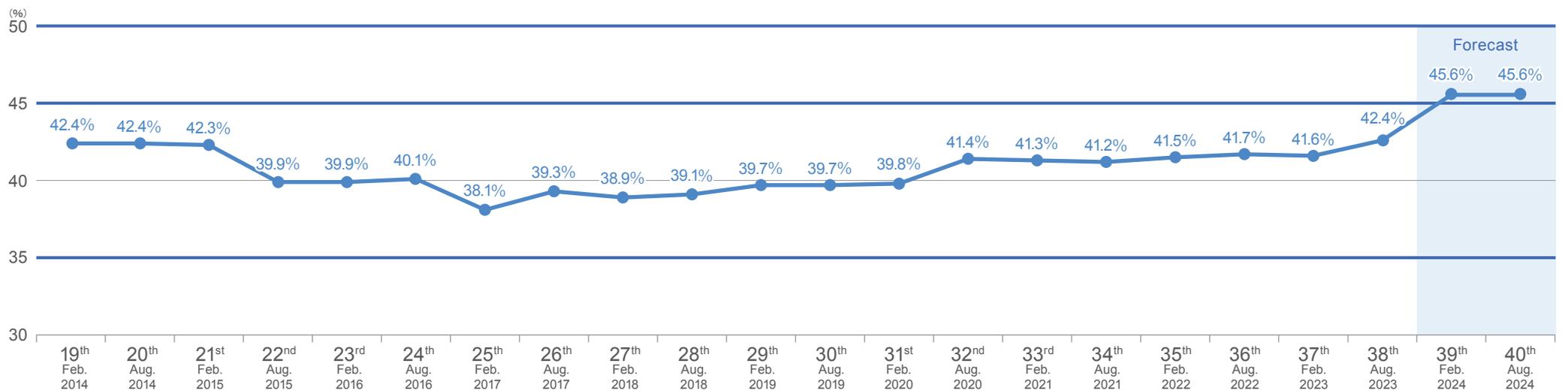
Financing condition②

LTV rose, but controlled within the upper limit of 50%

Diversification of debt maturities (As of August 31, 2023)



LTV



Appraisal value

The unrealized gains^(*1) totaled 48,478 million yen at the end of 38th fiscal period (increase of 1,947 million yen compared with previous fiscal period)

- unit : mm yen

	Property name	Acquisition price (*2)	Acquisition cap rate	At the end of the 38 th FP (Aug. 31, 2023)				At the end of the 37 th FP (Feb. 28, 2023)				Appraiser
				Appraisal value	Book value	Difference	Cap Rate by direct capitalization method	Appraisal value	Difference	Cap Rate by direct capitalization method	Difference	
				①	②	①-②	③	④	①-④	⑤	③-⑤	
Retail	Canal City Hakata	32,000	6.0%	29,300	29,899	(599)	4.2%	29,500	(200)	4.2%	0.0%	Tanizawa Sogo Appraisal
	Canal City Hakata・B	21,060	5.4%	21,700	20,506	1,193	4.3%	21,800	(100)	4.3%	0.0%	Tanizawa Sogo Appraisal
	Park Place Oita	19,610	6.0%	20,200	20,374	(174)	5.4%	20,500	(300)	5.4%	0.0%	Japan Real Estate Institute
	SunLive City Kokura	6,633	6.6%	8,540	5,449	3,090	5.6%	8,530	10	5.8%	(0.2)%	Japan Real Estate Institute
	Konoha Mall Hashimoto	10,000	5.3%	10,100	9,893	206	5.1%	10,100	0	5.1%	0.0%	Tanizawa Sogo Appraisal
	Square Mall Kagoshima Usuki	5,300	6.3%	4,700	4,187	512	5.5%	4,710	(10)	5.5%	0.0%	Japan Real Estate Institute
	Kumamoto Intercommunity SC	2,400	6.5%	2,840	1,900	939	5.4%	2,790	50	5.5%	(0.1)%	Japan Real Estate Institute
	Hanahata SC	1,130	6.4%	1,200	941	258	5.4%	1,200	0	5.4%	0.0%	Tanizawa Sogo Appraisal
	Kurume Higashi Kushiwara SC (*3)	750	6.1%	822	580	241	5.5%	825	(3)	5.5%	0.0%	Tanizawa Sogo Appraisal
	K's Denki Kagoshima	3,550	5.7%	3,490	2,819	670	5.4%	3,490	0	5.4%	0.0%	Tanizawa Sogo Appraisal
Marinoa City Fukuoka (Marina Side Building)	5,250	5.5%	5,860	5,311	548	4.8%	5,860	0	4.8%	0.0%	Tanizawa Sogo Appraisal	
	Total of retail	107,683	-	108,752	101,865	6,886	-	109,305	(553)	-	-	
Office buildings	Canal City Business Center Building	14,600	6.3%	19,300	12,646	6,653	3.8%	18,800	500	3.9%	(0.1)%	Tanizawa Sogo Appraisal
	Gofukumachi Business Center	11,200	6.3%	16,000	8,634	7,365	4.0%	15,600	400	4.1%	(0.1)%	Tanizawa Sogo Appraisal
	Sanix Hakata Building	4,400	5.9%	7,010	3,696	3,313	3.7%	6,850	160	3.8%	(0.1)%	Japan Real Estate Institute
	Taihaku Street Business Center	7,000	6.0%	10,100	5,507	4,592	4.1%	9,830	270	4.2%	(0.1)%	Japan Real Estate Institute
	Higashi Hie Business Center	5,900	6.0%	9,240	4,320	4,919	4.2%	8,990	250	4.3%	(0.1)%	Tanizawa Sogo Appraisal
	Tenjin Nishi-Dori Center Building	2,600	5.4%	3,400	2,630	769	3.5%	3,310	90	3.6%	(0.1)%	Japan Real Estate Institute
	Tenjin North Front Building	2,800	6.1%	5,050	2,297	2,752	3.6%	4,930	120	3.7%	(0.1)%	Japan Real Estate Institute
	Higashi Hie Business Center II	4,230	4.9%	4,900	3,821	1,078	4.2%	4,790	110	4.3%	(0.1)%	Tanizawa Sogo Appraisal
	Higashi Hie Business Center III	3,290	4.4%	3,530	3,179	350	4.0%	3,450	80	4.1%	(0.1)%	Tanizawa Sogo Appraisal
	Tenjin Nishi-Dori Business Center (Land with leasehold interest)	7,700	3.5%	8,770	7,754	1,015	3.0%	8,500	270	3.1%	(0.1)%	Japan Real Estate Institute
Hakata Chikushi-Dori Center Building	4,320	4.7%	4,580	4,477	102	4.1%	4,550	30	4.2%	(0.1)%	Tanizawa Sogo Appraisal	
Kumamoto East Front Building (*4)	1,450	5.0%	1,510	1,518	(8)	4.6%	1,460	50	4.7%	(0.1)%	Tanizawa Sogo Appraisal	
	Total of office buildings	69,490	-	93,390	60,484	32,905	-	91,060	2,330	-	-	
Others	Tosu Logistics Center (Logistics)	1,250	5.9%	1,640	1,117	522	4.5%	1,440	200	4.7%	(0.2)%	Japan Real Estate Institute
	LOGICITY Minato Kashii (Logistics)	8,150	5.2%	10,000	7,607	2,392	3.8%	9,760	240	3.9%	(0.1)%	Tanizawa Sogo Appraisal
	LOGICITY Hisayama (Logistics)	5,050	5.1%	5,950	4,613	1,336	4.0%	5,790	160	4.1%	(0.1)%	Tanizawa Sogo Appraisal
	LOGICITY Wakamiya (Logistics)	1,700	6.4%	2,590	2,108	481	5.1%	2,550	40	5.2%	(0.1)%	Tanizawa Sogo Appraisal
	Amex Akasakamon Tower (Residence)	2,060	5.4%	2,050	1,597	452	4.0%	2,000	50	4.1%	(0.1)%	Daiwa Real Estate Appraisal
	City House Keyaki Dori (Residence)	1,111	5.5%	1,150	850	299	4.0%	1,120	30	4.1%	(0.1)%	Daiwa Real Estate Appraisal
	Aqualia Chihaya (Residence)	1,280	6.8%	2,060	1,136	923	4.2%	2,060	0	4.2%	0.0%	Japan Real Estate Institute
	D-Wing Tower (Residence)	2,800	5.9%	4,020	2,575	1,444	4.0%	3,940	80	4.1%	(0.1)%	Tanizawa Sogo Appraisal
	Granfore Yakuin Minami (Residence)	1,100	5.6%	1,430	1,125	304	3.9%	1,390	40	4.0%	(0.1)%	Tanizawa Sogo Appraisal
	Axion Befu-Ekimae Premium (Residence) (*4)	1,525	3.4%	1,560	1,651	(91)	3.5%	1,530	30	3.6%	(0.1)%	Daiwa Real Estate Appraisal
Hotel FORZA Oita (Hotel)	1,530	6.6%	1,860	1,463	396	5.2%	1,900	(40)	5.1%	0.1%	Japan Real Estate Institute	
Tissage Hotel Naha (Hotel)	2,835	5.3%	2,940	2,715	224	4.9%	2,910	30	4.9%	0.0%	Tanizawa Sogo Appraisal	
	Total of others	30,391	-	37,250	28,563	8,686	-	36,390	860	-	-	
	Total properties	207,564	-	239,392	190,913	48,478	-	236,755	2,637	-	-	

(*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) For Kurume Higashi Kushiwara SC, having completed the disposition of 70% quasi co-ownership interest in the trust beneficiary interest on August 31, 2023, acquisition price and appraisal value are the figures after subtracting the 70% portion.

(*4) The appraisal value at the end of the 37th fiscal year and the most recent cap rate are figures based on the appraisal at the time of property acquisition.

Sustainability

Strengthening the organization of Sustainability Promotion Office (addition of two members including one dedicated member) (from June 2023)

Materially significant issues

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

Environment → P29

- Ratio of green buildings certified (as of September 1, 2023) <80.3% of entire portfolio>

Acquired DBJ Green Building Certification **NEW**
[Hakata FD Business Center (acquired on September 1)]



Building featuring excellent "environmental and social considerations"

Society → P31

- Implementation of corporate version of Furusato (hometown) tax payment by corporations **NEW** (Kikuyo-machi, Ozu-machi, and Koshi City, Kumamoto)

Support for development and revitalization in the areas in which we invest

Donation presentation ceremony
(July 31, 2023)



Assessment of Financial Impacts Based on Climate Change Scenario Analysis (qualitative analysis)

Updating qualitative analysis of risks and opportunities and financial impacts in line with the recommendations of the TCFD (Task Force on Climate-related Disclosures)

Climate Change Scenario Analysis

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

		Risk/Opportunity Factors and Financial Impacts	Severity		Response to Risks and Opportunities
			2030	2050	
Transition risks	Policy and law	Carbon tax burden increases with the introduction of carbon pricing	S	M	Promotion of CO2 reduction targets Energy-saving retrofits/introduction of renewable energy Operation to boost energy efficiency
	Technology	Increased costs for energy conservation/energy creation in existing properties (energy-saving, power storage, ZEB/ZEH conversion, photovoltaics, etc.)	L	L	Develop long-term renovation plans, eyeing the useful life of buildings Utilize subsidies, etc. Improved portfolio in terms of environmental performance through acquiring properties, including ZEB and ZEH
	Market	Market preferences cause vacancy rates to rise/rents to fall for non-decarbonization-compatible properties	S	S	Promote environmental certification acquisition Identify tenant needs through satisfaction surveys, etc.
	Reputation	Delayed response to decarbonization causes unit prices to fall, missing external growth opportunities	-	-	Promotion of green lease agreements Promotion of greening
Delayed response to decarbonization leads to shorter borrowing periods and higher interest rates		S	S	Appeal to investors who value environmental issues Improved portfolio in terms of environmental performance through property replacement	
Physical risks	Acute	More frequent disasters increase costs of damages/recovery	L	L	Risk monitoring of property location Implementation of disaster countermeasures (installation of watertight panels, waterproofing for central monitoring, effectiveness of power receiving and transforming facilities, etc.)
		More frequent disasters increase disaster preparedness costs	S	M	Conduct BCP training Provide property insurance Hazard risk surveys at the time of property acquisition
	Chronic	Increased air conditioning usage due to rising temperatures increases utility cost burden	S	S	Implementation of renovation to improve air conditioning efficiency
		Countermeasure costs increase due to sea level rise	S	S	Operation to boost energy efficiency
Opportunities	Higher resource efficiency	Energy procurement costs associated with energy conservation decrease	S	S	
	Energy sources	Progress in transition to clean energy leads to reduced carbon tax burden	S	S	Energy-saving retrofits/introduction of renewable energy Improved portfolio in terms of environmental performance through acquiring ZEB/ZEH properties, etc. Lower prices for high-efficiency equipment
	Products and services	Increased supply of ZEB properties in the market boosts opportunities to acquire ZEB properties	-	-	
	Markets	Market preferences increase occupancy/rents for decarbonized properties	S	M	Promote environmental certification acquisition Identify tenant needs through satisfaction surveys, etc.
		Successful decarbonization response expands borrowers and financing opportunities	S	S	Utilization of green finance
		Successful decarbonization response helps tap new investor base	-	-	Appeal to investors who value environmental issues
Resilience	Successful disaster preparedness measures reduce costs of damages caused by disasters/disaster recovery	M	M	Risk monitoring of property location Implementation of disaster countermeasures (installation of watertight panels, waterproofing for central monitoring, effectiveness of power receiving and transforming facilities, etc.) Risk transfer through property insurance	

*Items that are difficult to evaluate or calculate are indicated by "-".

Assessment of Financial Impacts Based on Climate Change Scenario Analysis (quantitative analysis)

Performing quantitative analysis of financial impacts based on scenario analysis in line with the recommendations of the TCFD (October 2023)

Financial Impacts

- unit : mm yen

Scenario	Financial Impact		4°C Scenario	1.5°C Scenario	Supplement
Transition risks/ Opportunities	Carbon tax burden increases	Risk	-	(352)	Increased carbon tax burden
		Countermeasure effects	-	188	Reduction due to retrofits for energy conservation/energycreation (on-site) -compatible
	Increased costs for retrofiting existing properties to make them energy conservation-/energycreation (on-site) -compatible	Risk	-	(783)	Increased CAPEX ncreased maintenance and management costs for renewable energy facilities
		Opportunity	Reflected in carbon tax measure effects and energy procurement costs/rental business opportunities		
	Energy procurement costs decrease with retrofits	Countermeasure effects/opportunity	-	119	Reduction due to retrofits for energy conservation/energycreation (on-site) -compatible
	Vacancy rates for non-decarbonization-compatible properties increase/rents for compatible properties increase	Risk	-	(91)	Decrease in leasing business revenues if no measures are taken
Opportunity		-	329	Increase in leasing business revenues when energy-saving/energy- (on-site) retrofit measures are taken	
Physical risks/ Opportunities	Damage from flooding/disaster recovery costs increase	Risk	(169)	(56)	Increased probability of torrential rains, resulting in direct damage from flooding and indirect damage from business shutdowns, etc.
		Countermeasure effects	38	13	Risk transfer of direct/indirect losses due to flooding through property insurance Diminishing risk effect thanks to flooding countermeasures
	Flood control costs increase	Risk	(103)	(65)	Increased non-life insurance premiums Increased CAPEX due to flood control construction
	Increased utility cost burden due to increased air conditioning usage	Risk	(14)	(3)	Increased utility costs due to more frequent use of air conditioning
		Countermeasure effects	-	2	Reduction due to retrofits for energy conservation/energy-creation (on-site)
Countermeasure costs increase due to sea level rise	Risk	-	-	No events were identified at this time that could have a significant impact on properties located in inundation zones, such as a decline in property values due to sea level rise or countermeasure costs incurred.	

*For figures less than a unit, the amount is rounded to the nearest round. *Unarticulated items are "-".

*This estimate reflects only the portion that is judged to be calculable at this time, and does not evaluate all climate-related risks posed by FRC. In the future, we will try to develop our analysis in response to trends in global and Japan climate-related risks.

*This estimate was made by taking into account the existing financial information of FRC and the information indicated by climate-related scenarios and literature. The unit is based on the impact amount on a cash basis (million yen) per year, and the time axis is assumed to be as of 2050.

The accuracy cannot be guaranteed at this time. In addition, the countermeasures assumed are based on trial calculations and are not planned or decided to be implemented.

Statements of Income (compared with the previous fiscal period)

Downtime due to revamping of Canal City Hakata covered by gain on sale

- unit : mm yen

Sign indicates impact on profit (unit : mm yen)

Account		37 th ~Feb. 28, 2023 A	38 th ~Aug. 31, 2023 B	Difference B - A
Operating profit and loss	Total operating revenues	9,037	9,284	247
	Operating revenues excluding gain on sales	8,921	8,852	① (69)
	Gain on sales	115	432	② 316
	Total operating expenses	5,813	5,912	98
	Expenses related to leasing business	5,147	5,231	③ 84
	Asset management fees	534	544	10
	Asset custody fees	7	7	0
	Administrative service fees	57	58	0
	Director's compensations	3	3	-
	Other operating expenses	63	66	2
	Operating income	3,223	3,372	148
	Non-Operating profit and loss	Total non-operating revenues	1	0
Total non-operating expenses		373	385	11
Interest expenses (incl. investment corporation bonds)		274	284	10
Financing related expenses		97	98	1
Others		2	2	-
Ordinary income	2,851	2,988	137	
Profit before income taxes	2,851	2,988	137	
Total income taxes	1	0	(0)	
Profit	2,849	2,987	137	

■ Operating profit and loss

① Contribution of new acquisition properties (2 properties)	+57
Active retail	(198)
-of which, Canal City Hakata/Canal City Hakata-B	(175)
Park Place Oita	(19)
Konoha Mall Hashimoto	+11
SunLive City Kokura	(15)
Absence of revenue accompanying disposition of Kurume Higashi Kushiwara SC	(13)
Higashi Hie Business Center	+59
Office buildings (excl. Higashi Hie Business Center)	+16
Tissage Hotel Naha	+5
Others	+5
Total	(69)
(of which, revenues from utilities +7)	
② Increase in gain on sale from disposition of Kurume Higashi Kushiwara SC	+316
Total	+316
③ Increase in outsourcing expenses	(18)
Decrease in expenses from utilities	+4
Increase in repair & maintenance expenses	(41)
Increase in taxes and other public charges	(32)
Increase in depreciation and amortization expenses	(31)
Decrease in other expenses	+34
(Higashi Hie Business Center Leasing Fee, etc.)	
Total	(84)

Dividend	Total dividends	2,849	2,987	137
	Dividend per unit (yen)	3,580	3,753	173

Statements of Income (compared with the forecast)

Distribution is +153 yen vs. forecast due to the better-than-expected recovery of Canal City Hakata

- unit : mm yen

Sign indicates impact on profit (unit : mm yen)

Account		38 th Forecast at 37 th A	38 th Actual B	Difference B - A
Operating profit and loss	Total operating revenues	9,200	9,284	① 84
	Operating revenues excluding gain on sales	8,767	8,852	84
	Gain on sales	432	432	0
	Total operating expenses	5,946	5,912	② (34)
	Expenses related to leasing business		5,231	
	Asset management fees		544	
	Asset custody fees		7	
	Administrative service fees		58	
	Director's compensations		3	
	Other operating expenses		66	
Operating income		3,253	3,372	118
Non-Operating profit and loss	Total non-operating revenues	0	0	(0)
	Total non-operating expenses	387	385	(2)
	Interest expenses (incl. investment corporation bonds)		284	
	Financing related expenses		98	
	Others		2	
Ordinary income		2,866	2,988	121
Profit before income taxes		2,866	2,988	121
Total income taxes		1	0	(0)
Profit		2,865	2,987	121

Operating profit and loss

① Active retail	+95
-of which, Canal City Hakata/Canal City Hakata-B	+111
Park Place Oita	(20)
SunLive City Kokura	+4
Office buildings	+5
Tissage Hotel Naha	(12)
Others	(4)
Total	+84
(of which, revenues from utilities)	(63)
② Increase in outsourcing expenses	(7)
Decrease in expenses from utilities	+56
Increase in repair & maintenance expenses	(17)
Decrease in taxes and other public charges	+3
Decrease in depreciation and amortization expenses	+4
Increase in other expenses	(5)
Total	+34

Dividend	Total dividends	2,865	2,987	121
	Dividend per unit (yen)	3,600	3,753	153

Business forecast (the 39th fiscal period, Feb. 2024)

Increased dividend of 3,755 yen due to the acquisition of new properties and opening of Alpen FUKUOKA in Canal City Hakata

- unit : mm yen

Account	38 th Actual A	39 th Forecast at 37 th B	39 th Forecast at 38 th C	38 th Actual difference C-A	39 th Forecast difference C-B
Operating revenues	9,284	9,280	9,313	28	33
Operating revenues excluding gain on sales	8,852	9,041	9,075	① 222	33
Gain on sales	432	238	238	② (194)	—
Operating expenses	5,912	5,956	5,888	③ (23)	(67)
Operating income	3,372	3,323	3,424	52	100
Non-operating revenues	0	0	0	0	—
Non-operating expenses	385	457	435	④ 50	(22)
Ordinary income	2,988	2,866	2,990	2	123
Profit	2,987	2,865	2,988	1	123
Total dividends	2,987	2,865	2,988	1	123
Dividend per unit (yen)	3,753	3,600	3,755	2	155

Sign indicates impact on profit (unit : mm yen)

■ Difference between the 38th FP actual and the 39th FP forecast

① Contribution of new acquisition properties (3 properties)	+253
Active retail	+68
-of which, Canal City Hakata/Canal City Hakata-B	+72
Park Place Oita	(12)
Konoha Mall Hashimoto	(6)
SunLive City Kokura	+15
Absence of revenue accompanying disposition of Kurume Higashi Kushiwara SC	(61)
Office buildings	(19)
Others	(19)
Total	+222
(of which, revenues from utilities (32))	
② Decrease in gain on sale from disposition of Kurume Higashi Kushiwara SC	(194)
Total	(194)
③ Increase in outsourcing expenses	(16)
Decrease in expenses from utilities	+26
Decrease in repair & maintenance expenses	+132
Decrease in taxes and other public charges	+2
Increase in depreciation and amortization expenses	(70)
Increase in selling general and administrative expenses	(16)
Increase in other expenses	(35)
Total	+23
④ Increase in borrowing costs	(50)
Total	(50)

Business forecast (the 40th fiscal period, Aug. 2024)

Dividend of 3,600 yen is secured after the absence of gain on sale

- unit : mm yen

Account	39 th Forecast at 38 th A	40 th Forecast at 38 th B	39 th Forecast difference B-A
Operating revenues	9,313	9,322	8
Operating revenues excluding gain on sales	9,075	9,322	① 247
Gain on sales	238	—	② (238)
Operating expenses	5,888	6,002	③ 113
Operating income	3,424	3,319	(104)
Non-operating revenues	0	0	—
Non-operating expenses	435	453	④ 18
Ordinary income	2,990	2,866	(123)
Profit	2,988	2,865	(123)
Total dividends	2,988	2,865	(123)
Dividend per unit (yen)	3,755	3,600	(155)

Sign indicates impact on profit (unit : mm yen)

■ Difference between the 39th FP forecast and the 40th FP forecast

① Contribution of new acquisition properties (3 properties)	+132
Active retail	+79
-of which, Canal City Hakata/Canal City Hakata-B	+60
Park Place Oita	+29
SunLive City Kokura	(10)
Absence of revenue accompanying disposition of Kurume Higashi Kushiwara SC	(13)
Office buildings	+27
Others	+22
Total	+247
(of which, revenues from utilities	+59)
② Decrease in gain on sale from disposition of Kurume Higashi Kushiwara SC	(238)
Total	(238)
③ Increase in outsourcing expenses	(6)
Increase in expenses from utilities	(63)
Decrease in repair & maintenance expenses	+18
Increase in taxes and other public charges	(64)
Increase in depreciation and amortization expenses	(24)
Increase in selling general and administrative expenses	(7)
Decrease in other expenses	+33
Total	(113)
④ Increase in borrowing costs	(18)
Total	(18)



Fukuoka REIT

Appendix

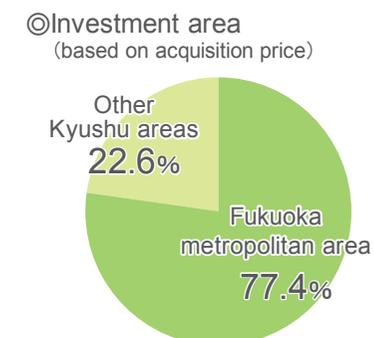
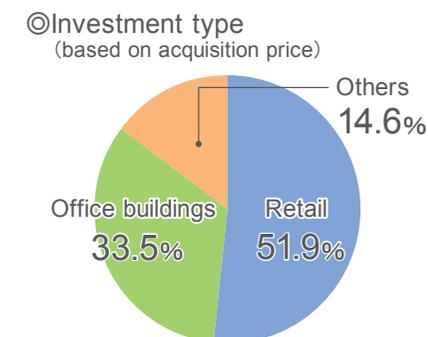
Profile

Special features of Fukuoka REIT Corporation

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

Portfolio summary (*1)	
Number of properties / Asset size (*2)	35 / 207,564 mm yen
Of which, acquisition from sponsors (*3)	16 / 128,940 mm yen
Unrealized gains	48,478 mm yen
Total leasable floor space	580,272.77 m ²
Occupancy rate	99.1%

Financial highlight (*1)	
Total debt	86,450 mm yen
LTV	42.4%
Fixed rate	92.8%
Average interest rate	0.66%
Credit ratings	JCR AA- (Stable) R&I A+ (Stable)



Overview of Fukuoka REIT Corporation

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

Investment unit price (*1)

Unit price	162,100 yen
Outstanding units	796,000 units
Market capitalization	129,031 mm yen (unit price * outstanding units)
Net assets value per unit	128,048 yen
Market net assets value per unit (*4)	185,197 yen
Dividend (actual)	3,753 yen per unit (Days in fiscal period 184days) at the 38 th FP
Dividend yield	4.6% { (Dividend / days in fiscal period * 365) / Unit price }

(*1) The figures are as of August 31, 2023 (excl. average interest rate)

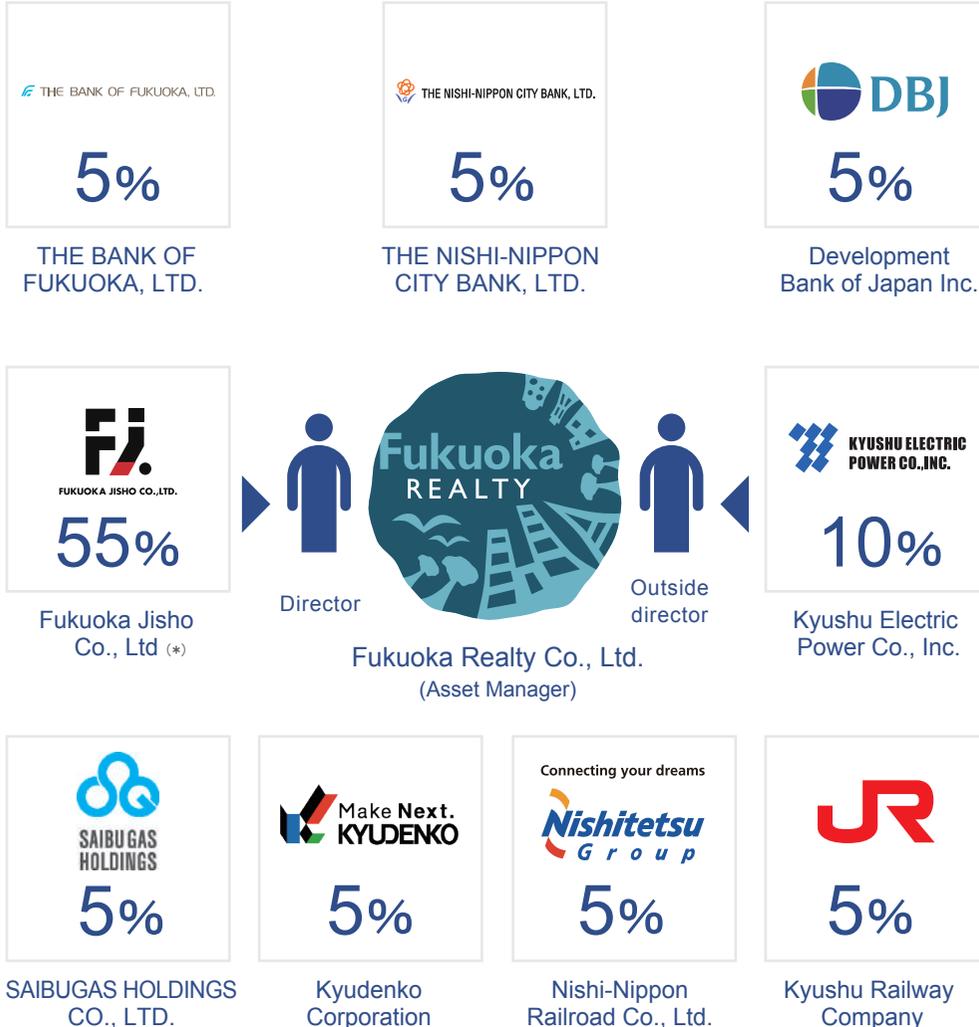
(*2) The figures are total of acquisition price.

(*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

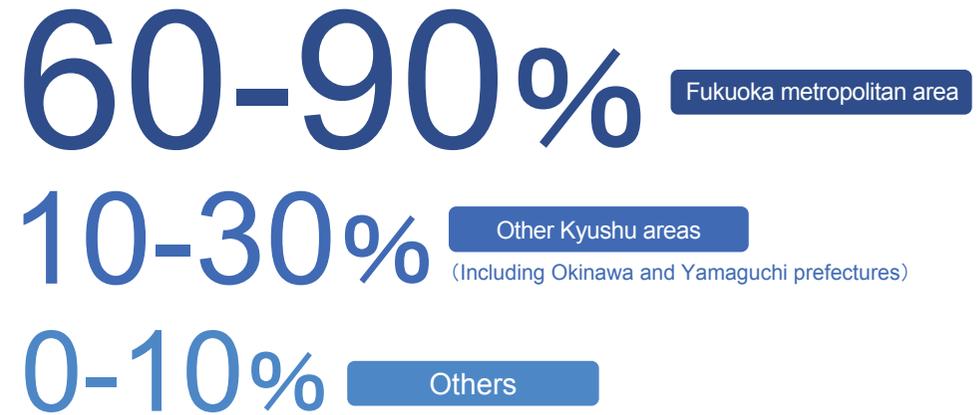
Sponsors



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

Investment policy

◎Investment area

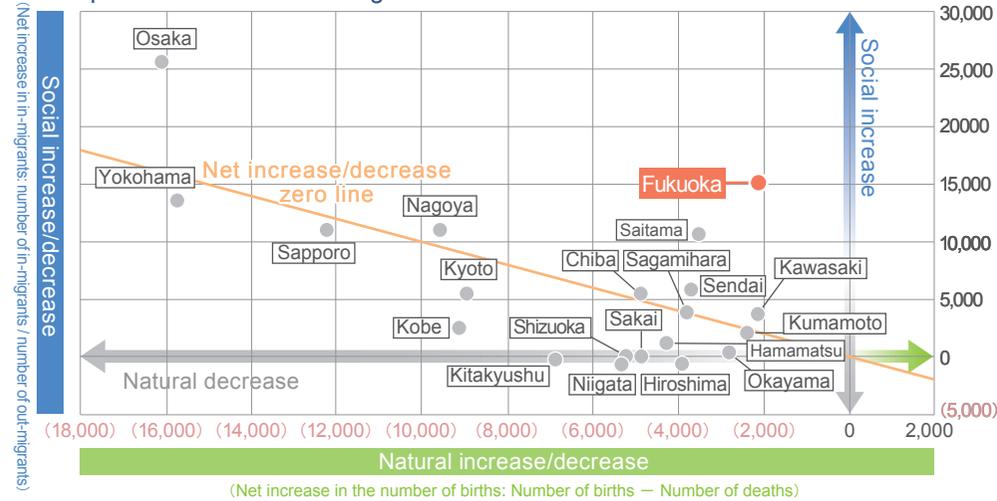


◎Investment type

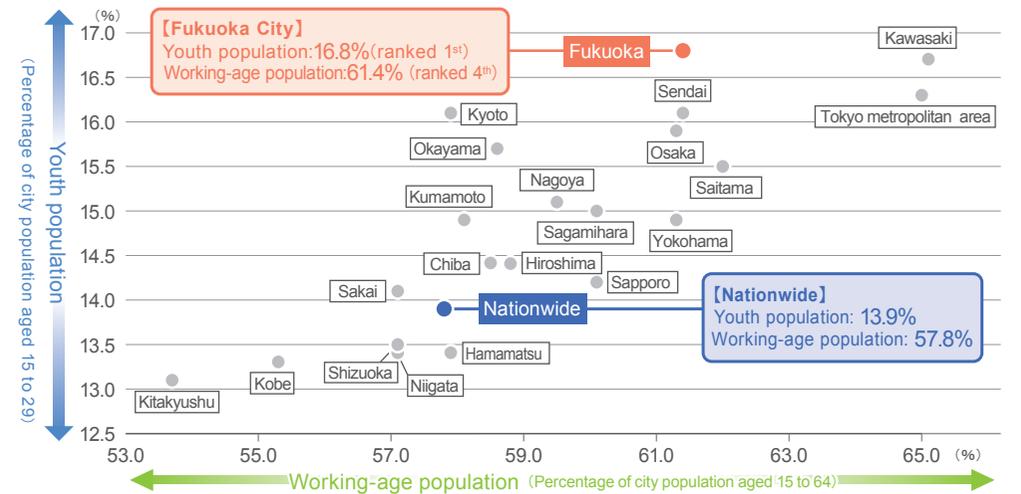


Current situation of Fukuoka City

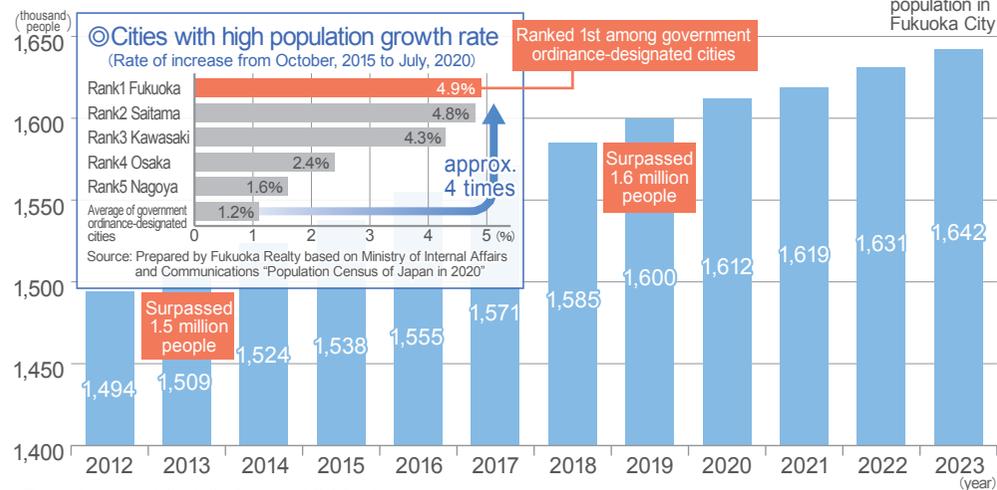
Distribution Chart of Net Increase/Decrease in Population (comparison of ordinance-designated cities) (2022)



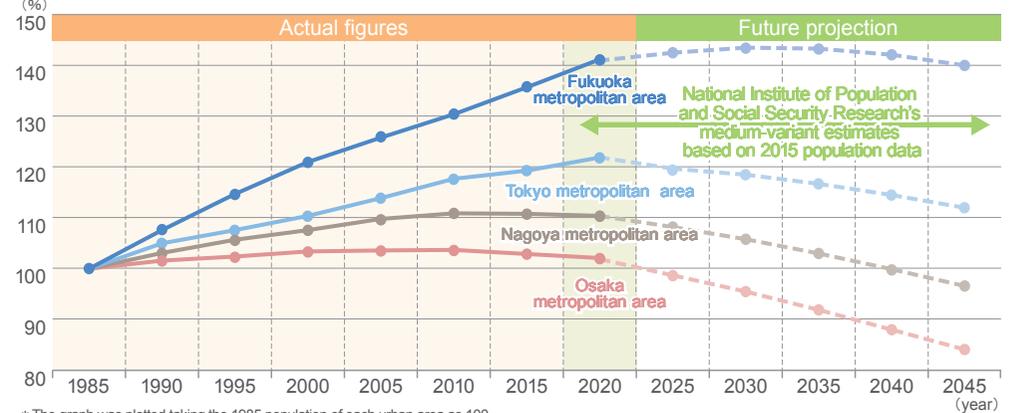
Youth and working-age population ratios of nationwide and major cities (2020)



Trends in number of population growth in Fukuoka City



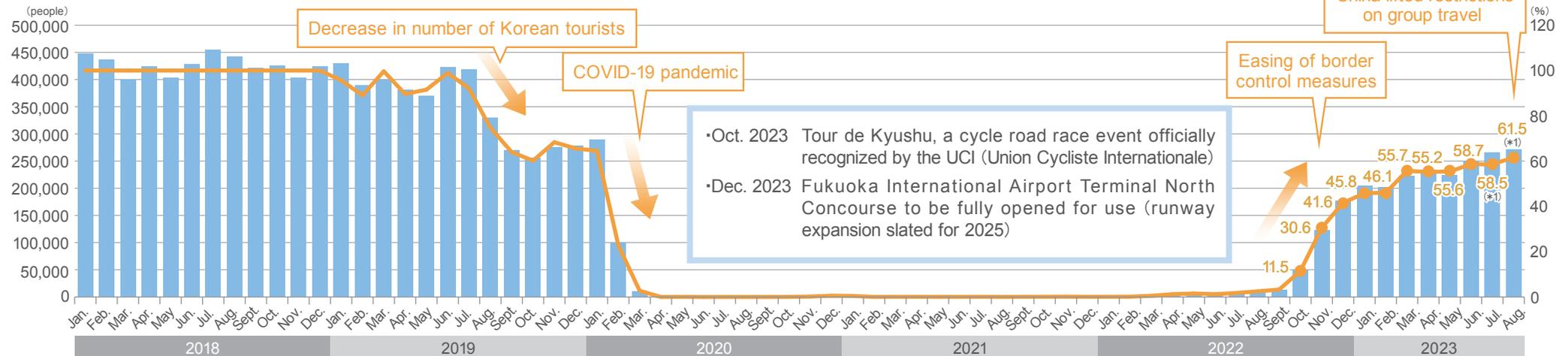
Population trends of major metropolitan areas



Condition of Inbound Tourists

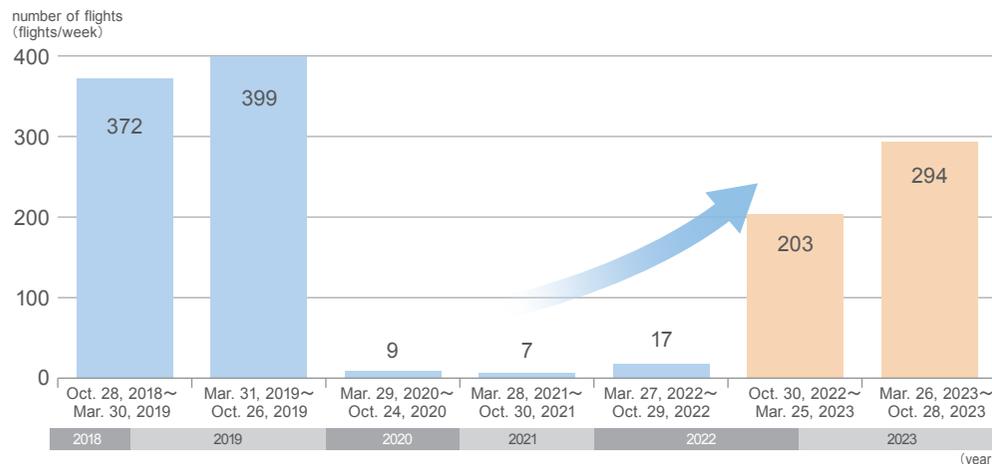
China lifts restrictions on group travel to Japan (from August 2023)

Change in Number of Foreign Nationals Entering Kyushu



(*1) The number of foreign visitors for July and August 2023 is a preliminary figure.
Source: Prepared by Fukuoka Realty based on the data of "Change in Number of Foreign Nationals Entering Kyushu" of the Kyushu District Transport Bureau of the Ministry of Land, Infrastructure, Transport and Tourism

Trend of International Flights (Passenger Flights) at Fukuoka Airport (*2)



(*2) The number of flights in airlines' operating plans applied for each period and approved by the Ministry of Land, Infrastructure, Transport and Tourism is indicated.
Source: Prepared by Fukuoka Realty based on the data of "Overview of Regular International Flights" of the Ministry of Land, Infrastructure, Transport and Tourism

Number of Foreign Nationals Entering Kyushu from Major Countries (Regions) (June 2023)

Country / Region	Jun. 2018	Jun. 2019	Jun. 2023	Jun. 2023 (Comparison with 2018)
Korea	189,739	182,328	148,940	78.5%
China	149,563	142,737	9,006	6.0%
Other Asia	77,793	86,326	81,435	104.7%
Total of Kyushu Region (*3)	427,996	423,361	251,307	58.7%

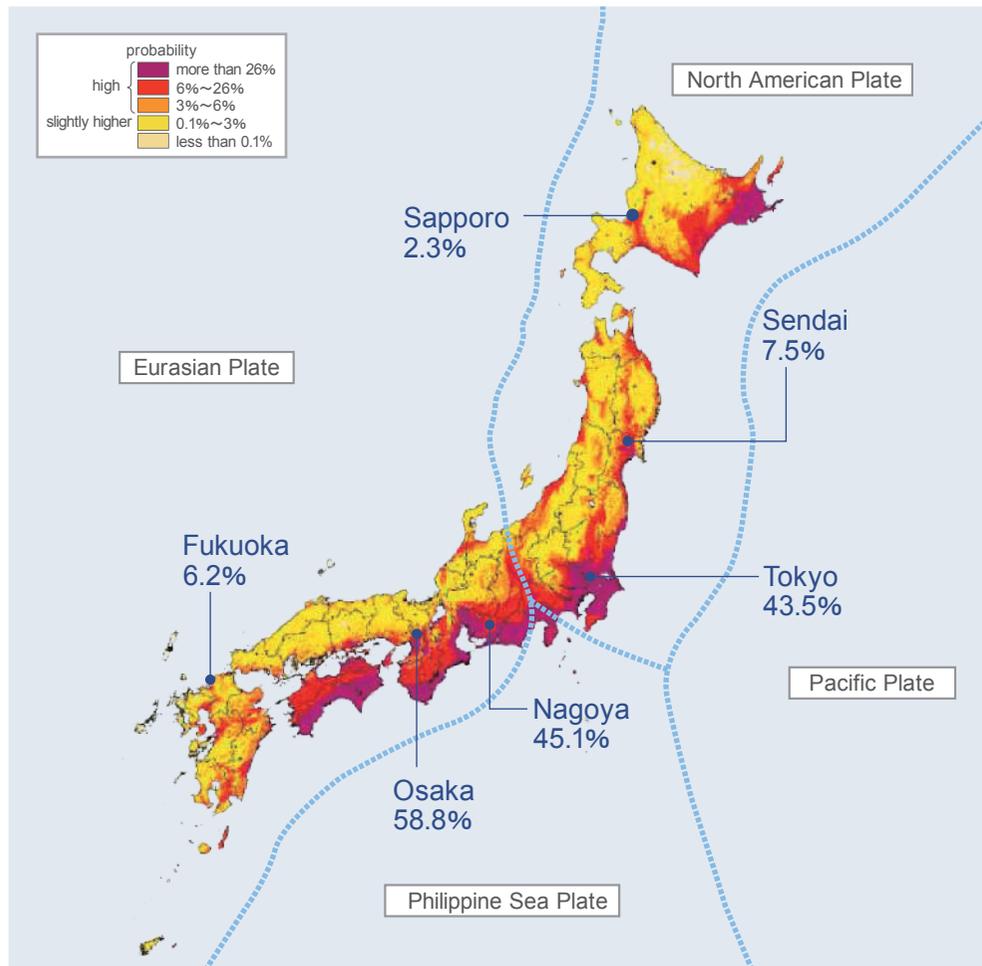
(*3) The total number for Kyushu includes the number of foreign visitors from regions other than Asia.
Source: Prepared by Fukuoka Realty based on the data of "Change in Number of Foreign Nationals Entering Kyushu" of the Kyushu District Transport Bureau of the Ministry of Land, Infrastructure, Transport and Tourism

Earthquake risk in Fukuoka, etc.

All properties owned by Fukuoka REIT are covered by earthquake insurance

Probabilistic earthquake prediction map

Probability of occurrence of an earthquake with a magnitude of nearly 6 or higher within the next 30 years [Average case / all earthquakes]

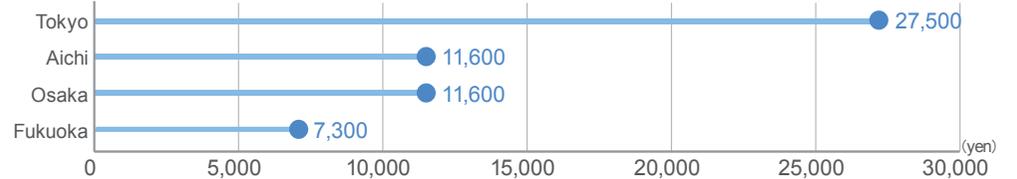


* According to the calculation model, meshes with zero probability are colored in white. Figures for each city are based on the baselines in 2023. Source: Prepared by Fukuoka Realty based on data from the Office of the Headquarters for Earthquake Research Promotion (Earthquake and Disaster-Reduction Research Division, Research and Development Bureau, Ministry of Education, Culture, Sports, Science and Technology); J-SHIS (Japan Seismic Hazard Information Station, National Research Institute for Earth Science and Disaster Resilience); and the website of the Japan Meteorological Agency, Ministry of Land, Infrastructure, Transport and Tourism.

Basic Rate of Earthquake Insurance

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

● In Fukuoka Prefecture, earthquake insurance can be bought at a relatively smaller cost than in other areas



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

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

☉Storm water storage facilities

● Capacity of storm water storage facilities



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 FY2023 Storm water drainage capacity has increased significantly

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

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

Certification from external organizations and information disclosure

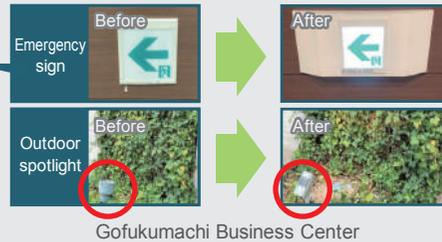
<p>Signatory of:</p>  <p>PRI Principles for Responsible Investment</p>	<p>Principles for Responsible Investment (PRI) (September 2018)</p>	<p>Refers to the six basic principles advocated in 2006 by Kofi Annan, the United Nations Secretary-General at the time, for the purpose of reflecting environmental, social and governance (ESG) factors to the investment process, as well as the international network of financial institutions that affirm the principles. The Asset Manager became a signatory to the Principles for Responsible Investment (PRI) in September 2018 in order to implement practices at an international level when it promotes ESG awareness in real estate investment and management operations.</p>
 <p>TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</p>	<p>Endorsement of TCFD (Task Force on Climate-related Financial Disclosures) (September 2022)</p>	<p>In September 2022, we endorsed the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), which was established by the Financial Stability Board (FSB) to examine climate-related disclosures and how financial institutions should respond. At the same time, we joined the TCFD Consortium, an organization of endorsing Japanese companies.</p>
 <p>PFA21 Principles for Financial Action for the 21st Century</p>	<p>Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) (September 2018)</p>	<p>Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) refers to the principles prepared in October 2011, with the Ministry of the Environment serving as the secretariat, as action guidelines for financial institutions that want to fulfill the responsibilities and roles necessary for forming a sustainable society. The Asset Management Company became a signatory in September 2018, affirming the ideas of the Principles.</p>
 <p>G R E S B REAL ESTATE</p>	<p>GRESB</p>	<p>GRESB is a benchmark evaluation system that annually assesses the environmental, social and governance (ESG) awareness of real estate companies and funds, as well as the name of the organization that operates it. GRESB was established in 2009 mainly by major European pension funds that led the Principles for Responsible Investment (PRI). FRC has been a participant since 2018.</p>
 <p>DBJ Green Building</p>	<p>DBJ Green Building Certification</p>	<p>The DBJ Green Building Certification is a certification system established in 2011 as an initiative to support real estate featuring "environmental and social considerations" and entities that own and operate such estate. The system evaluates real estate sustainability from five ESG-based perspectives. FRC has acquired the certification for 13 properties.</p>
 <p>CASBEE 不動産 2023</p>	<p>CASBEE (Comprehensive Assessment System for Built Environment Efficiency)</p>	<p>CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a method for evaluating and rating the environmental performance of buildings. It is a system that comprehensively evaluates the quality of buildings including not only environmental consideration such as using materials and equipment that save energy or achieve smaller environmental loads but also features like interior comfort and scenic aesthetics. 2 properties owned by FRC were certified.</p>
 <p>BELS</p>	<p>BELS</p>	<p>BELS is a system in which third parties evaluate and indicate the energy conservation performance of non-residential buildings based on the Evaluation Guidelines for the Building Energy-efficiency Labeling System for Non-Residential Buildings (2013). FRC has acquired the certification for 5 properties.</p>

ESG Initiatives (Environment)

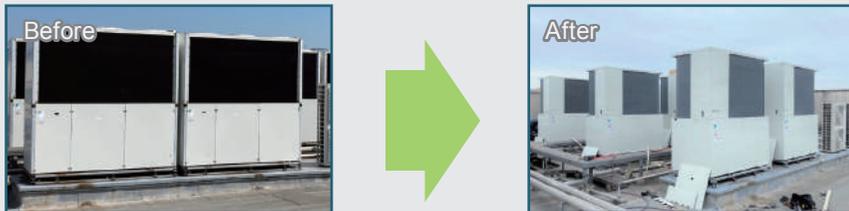
Reduction of environmental load

Enhancing energy efficiency

- Utilization of renewable energy **NEW** **Fukuoka REIT**
- Reduction in Air Conditioning Load (applied coating film containing a shading agent)
- Greening of common spaces / Arrangement of water areas / Creation of shaded spaces
- Installation of charging station for electric vehicles
- Installation of electronic circuit breaker
- Water and energy conservation Measures



<Gas Heat Pump (GHP) air conditioner replacement> **NEW**



- Contributing to reducing running costs and CO2 emissions by replacing with energy-saving equipment

Waste reduction / resource recycling / water resources, etc.

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

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



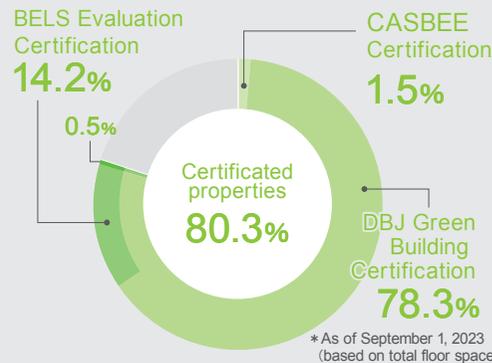
Canal water filtration system (rainwater reuse system)

Maintenance and enhancement of environmental and construction performance

Green Building certification

Green Building certification obtained for 80.3% of entire portfolio

Ratio of environmental certification acquisition



- DBJ Green Building Certification: 13 properties owned by FRC were certified (One property has been newly acquired, and two properties have been recertified.)

GRESB2023

- GRESB Real Estate Assessment: Received the rating of “4 stars” and “Green Star”

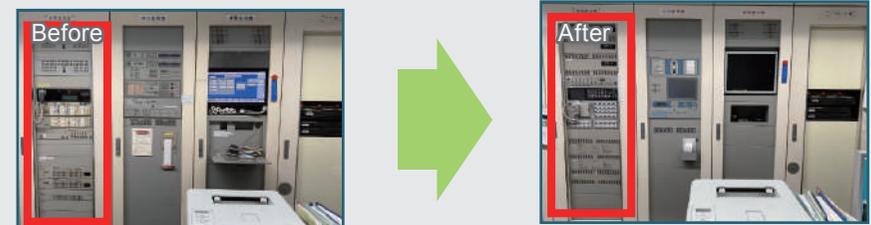
- Disclosure Assessment: Received the highest “A Level”



Conducting periodic property performance and functional assessments

Examples of Gofukumachi Business Center initiatives

<Upgrading of an automatic fire alarm equipment receiver (emergency broadcasting panel)> **NEW**



- It plays an important role in the safety and security of tenants by guiding them to evacuate in the event of a fire through early detection and sounding.

ESG Initiatives (Society①)

Creation of pleasant workplaces Fukuoka Realty

Initiatives for employees

《Fukuoka Realty: Numbers of credentialed personnel》

(As of August 31, 2023)

- The average number of years of continuous service of permanent employees: 8 years and 3 months
- Full-time personnel: 47 [Male:21 Female:26] *Gender ratio
 - Male : 44.7%
 - Female : 55.3%
- Employees seconded from sponsors : 3
- Employees seconded to a sponsor : 9

■ Number of credentialed personnel

- Real estate brokers : 23
- ARES Certified Masters : 22
- Certified Building Administrators : 5
- First-class registered architect : 3
- Real estate appraisers : 3
- Attorney : 1
- MBA : 2
- CMA : 3
- Licensed Representative of Condominium Management Company : 1

*The total number of permanent employees, contract employees and employees seconded from other companies.



Certified as a "Fukuoka 'Work-Style Reform' Promotion System" (August 2018)



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



SDGs in Fukuoka Prefecture Entry into registration system (February 2023)

《Support for flexible working styles》

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

《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

《Training for employees》

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

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

Other Initiatives

《health management・Improvement of office environment》

- Initiatives to prevent infectious diseases such as influenza (Implementation of influenza vaccination and full coverage of vaccination costs)
- Mandatory health checkups and comprehensive medical examinations
- Application system to restrict excessive overtime work
- Assistance for use of sports clubs
- Installation of personal booths, meeting booths, plants, etc.
- Installation of personal lockers



personal booths, meeting booths



plants, etc.



Installation of personal lockers

Create an attractive workplace (tenants) Fukuoka REIT

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

- Improvement of employee lounge
- Implementation of tenant satisfaction surveys
- Park Place Oita and Konoha Mall Hashimoto introduced "Flexible Business Hours System (*)" for tenants on a trial basis. **NEW**

*System in which opening and closing hours are set at the discretion of the store

ESG Initiatives (Society②)

Contribute to increased attractiveness and vitalization of Fukuoka and Kyushu area

Provision of regional information Fukuoka Realty

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

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

Support for Yamakasa Festival, Hakata Dontaku, Nakasu Jazz, Funa Norikomi (boat boarding; Kabuki stars unveiling their arrival) and locally based professional sports, etc.
Local companies and regional supporters supported "O-Vision Ice Arena Fukuoka" and "the sponsors of Avispa Fukuoka"

Implementation of Corporate Version of Hometown Tax System Fukuoka Realty

Continue to implement the corporate version of the hometown tax payment system **NEW**
(Kikuyo-machi, Ozu-machi, and Koshi City, Kumamoto)

● Participation in local event (Yamakasa)



Employees of the Company participated in the Hakata Gion Yamakasa Oiyama, the first regular event held in four years (Hachiban Yamakasa Kamikawabata Dori)

● Implementation of corporate version of Furusato (hometown) tax payment by corporations



Donations to 3 municipalities in Kumamoto **NEW**
(Photo: Presentation ceremony in Koshi City)

Involvement in local community

Initiatives for local communities, etc. Fukuoka Realty

- Regional collaboration events (9 sake breweries from Fukuoka/Kyushu, Furimaniacs "SAKE" and "SDGs WEEK," a hands-on experience of the recycling of waste plastic, etc. were organized) **NEW**
- Participates in Hakata Town Planning Promotion Council (Clean Day, etc.)
- Participates in Fukuoka Directive Council
- Hosts the Kyushu IR Workshop
- Hosted the Real Estate, Finance and Economic Networking

Others Fukuoka Realty Fukuoka REIT

- Child-rearing support
- Individual facility initiatives
- Safety and security activities (crime prevention patrol, AED installation)
- Local contribution (bike share service, EV charging station), etc.



Canal City Hakata



Canal City Hakata



Canal City Hakata



Participation in Clean Day



Hosted the Real Estate, Finance and Economic Networking



Child-rearing support

Parking lot dedicated to pregnant women and stroller users



Park Place Oita

Crime prevention patrol (Jointly conducted with communities and schools)



Canal City Hakata, others

AED installation



Canal City Hakata, others

bike share service



Canal City Hakata, others

EV charging station

ESG Initiatives (Governance)

Compliance / Risk management

Governance System

Fukuoka Realty Fukuoka REIT

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

◎Decision-making process (*1)



◎Third-party assessment by external experts

[Real estate appraisals]

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

[Market reports]

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

[Engineering reports]

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

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

Conjunction with investors' and sponsors' profit

Fukuoka Realty Fukuoka REIT

- Same-boat investment by sponsor
Fukuoka Jisho Co., Ltd., the main sponsor, has 9.18% of FRC's investment units
- Cumulative investment system for investment units
(About 1/3 of officers and employees participate in this system)
A cumulative investment system for investment units was introduced for the Asset Manager officers and employees in April 2015 in order to enhance their mindset for FRC's investment unit price and better performance as well as promote their assets formation.

Management Fee Structure

Fukuoka Realty

Unitholder interest-linked asset management fees

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

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

Appointment of Outside Directors (other than interested persons)

Fukuoka Realty

Secure transparency and fairness of the Board of Directors

Title	Name	Attendance at board meetings at 38 th
President and CEO	Zenji Koike	100% attendance
Vice President Board of Directors(Non-Executive)	Hiroshi Shimuta	100% attendance
Vice President Board of Directors(Non-Executive)	Yukitaka Ohara	100% attendance
Vice President Board of Directors(Non-Executive)	Masanori Kozuma	100% attendance
Vice President Board of Directors(Non-Executive)	Kazuomi Kamikawa	100% attendance

Information on attendance at board meetings at 38th, etc.

Fukuoka REIT

Title	Name	Total fees(thousand yen)	Attendance at board meetings
Executive director	Zenji Koike	-	100% attendance
Supervisory director	Yasuo Kawasho	3,600	100% attendance
Supervisory director	Takashi Tanabe		100% attendance

Information Security

Fukuoka Realty

- Established information management regulations (for protection and handling of information assets and prevention of information loss, leakage, etc.) (June 10, 2014)

Customer-oriented Business Operations

Fukuoka Realty

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

Regular Compliance Training

Fukuoka Realty

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

Oct. 2020 – Sept. 2021	Oct. 2021 – Sept. 2022	Oct. 2022 – Sept. 2023
6 times	6 times	7 times

(including e-learning)

Information disclosure and dialogue with stakeholders



Publication of Integrated Report

Fukuoka REIT

- Published fifth integrated report in December 2023 (aim to expand non-financial information)

Integrated Report 2022
(published in December 2022)

- ESG interview (from December 2022)
Conducted more than ten times

IR initiatives

Major IR activities implemented

◎IR for domestic institutional investors

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

◎IR for overseas institutional investors

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

◎IR for individual investors

- In-person financial results presentation for individual unitholders (Fukuoka)(June 2023)**

For the first time since the COVID-19 pandemic, an in-person presentation for individual unitholders was held in Fukuoka.

- Fukusho IR Fair Online(July 2023)
- Responding to individual calls,etc.



In-person financial results presentation for individual unitholders(June 2023) **NEW**



Fukusho IR Fair Online(July 2023)

Major achievements in public relations activities

- ◎Posted interviews with President Zenji Koike in an ad in local business magazine Fukuoka Keizai (EX2023) and in Jutaku Shimpo (June 27, 2023 issue) , etc.



Fukuoka Keizai (EX2023)



JUTAKU-SHIMPO(June 27, 2023 issue)

Status of integration into indexes (as of August 31, 2023)

- ◎Global indexes, etc

FTSE EPRA/NAREIT Global Real Estate Index
FTSE Developed Small Cap
S&P Global REIT Index
MSCI Japan Small Cap Index

Other Activities

The Kyushu IR Workshop, which started in collaboration with the Japan Investor Relations Association, is entering its 13 year in 2023. It is utilized as a venue to study the latest IR trends with IR staff of companies from Fukuoka and Kyushu and to build networks among such companies.



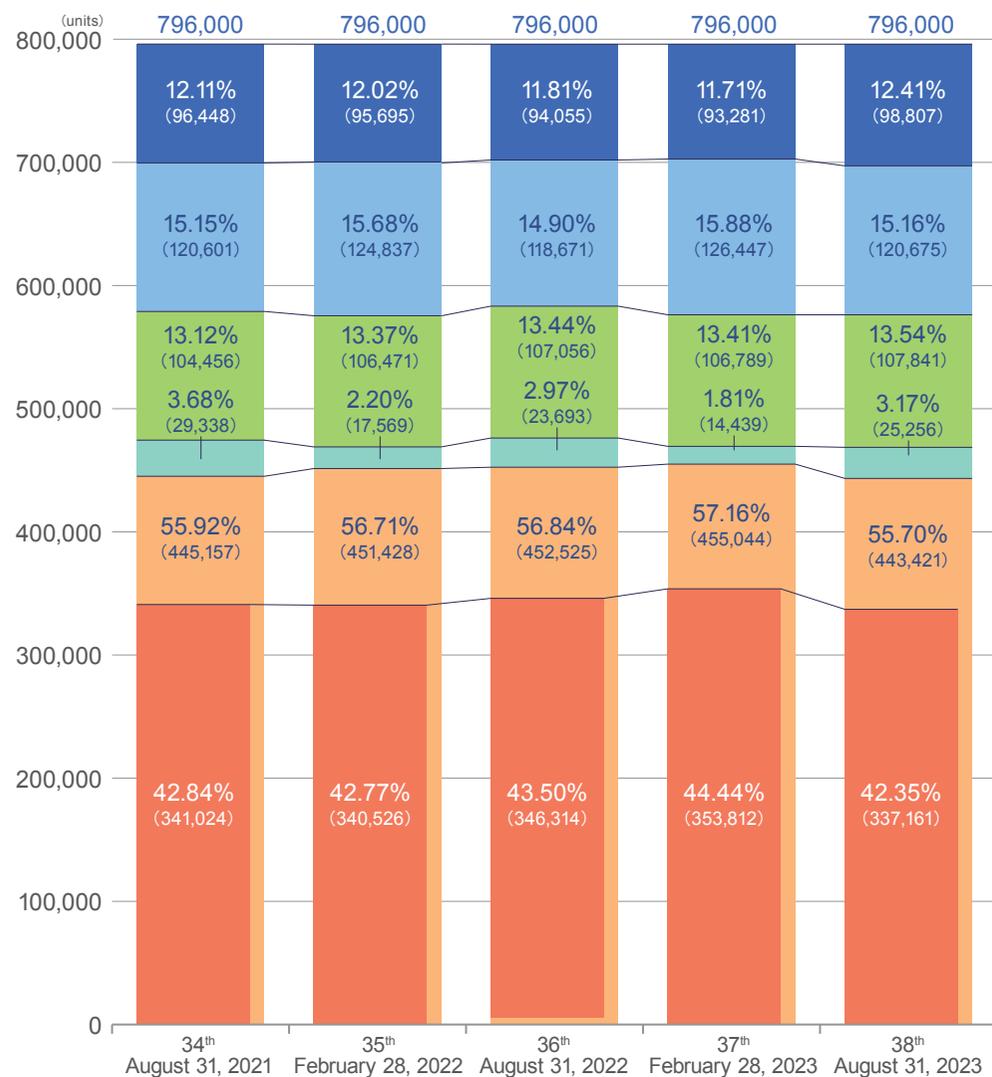
the 1st IR Kyushu Subcommittee (July 2023)

Date	Theme & lecturer
1st workshop July 2023	“IR Leading to Sustainable Evaluations :Trends in IR and Disclosure in FY2023” Executive Director, Japan Investor Relations Association Ms. Yoshiko Sato

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

Unitholders' data

Distribution by investor category [breakdown of investment units]



■ Financial institutions
 ■ Of which held by trust banks
 ■ Stock brokers
 ■ Other corporations
 ■ Foreign corporations
 ■ Individual-other

* 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 38th FP]

(As of August 31, 2023)

	No. of unitholders	Percentage	Investment units held	Percentage
Individual • other	13,572	95.82%	98,807	12.41%
Foreign corporations	238	1.68%	120,675	15.16%
Other domestic corporations	252	1.77%	107,841	13.54%
Stock brokers	19	0.13%	25,256	3.17%
Financial institutions	83	0.58%	443,421	55.70%
(Of which held by trust banks)	8	0.05%	337,161	42.35%
Total	14,164	100.00%	796,000	100.00%

Major investors [at the end of the 38th FP]

(As of August 31, 2023)

Rank	Name	Investment units held	Percentage
1	Custody Bank of Japan, Ltd.(Trust account)	207,964	26.12%
2	The Master Trust Bank of Japan, Ltd.(Trust account)	86,725	10.89%
3	Fukuoka Jisho Co., Ltd.	73,136	9.18%
4	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	35,601	4.47%
5	The Shinkumi Federation Bank	14,760	1.85%
6	STATE STREET BANK WEST CLIENT-TREATY 505234	13,184	1.65%
7	JP MORGAN CHASE BANK 385771	10,671	1.34%
8	MetLife, Inc.	10,227	1.28%
9	SSBTC CLIENT OMNIBUS ACCOUNT	9,718	1.22%
10	Shikoku Railway Company	9,130	1.14%

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 3,753 yen

Category	34 th	35 th	36 th	37 th	38 th	Difference B-A	- unit : mm yen	
	~ Aug. 31, 2021	~ Feb. 28, 2022	~ Aug. 31, 2022	~ Feb. 28, 2023 A	~ Aug. 31, 2023 B		39 th	40 th
							~ Feb. 29, 2024 (forecast)	~ Aug. 31, 2024 (forecast)
Operating revenues	8,867	8,658	8,830	9,037	9,284	247	9,313	9,322
Gain on sales	104	-	-	115	432	316	238	-
Leasing NOI	5,336	5,334	5,370	5,274	5,152	(122)	5,484	5,650
Depreciation and amortization expenses	1,552	1,486	1,514	1,499	1,531	31	1,601	1,626
Operating income	3,204	3,185	3,181	3,223	3,372	148	3,424	3,319
Ordinary income	2,817	2,816	2,805	2,851	2,988	137	2,990	2,866
Profit	2,816	2,814	2,804	2,849	2,987	137	2,988	2,865
Dividend per unit (yen) (①)	3,539	3,536	3,523	3,580	3,753			
Latest dividend forecast per unit (yen)(②)	3,500	3,500	3,500	3,520	3,600		3,755	3,600
Difference from forecast (yen) (① - ②)	+39	+36	+23	+60	+153		-	-
Total number of investment units outstanding (at period-end) (units)	796,000	796,000	796,000	796,000	796,000		796,000	796,000
Total assets (at period-end)	199,804	198,745	201,223	201,442	203,868			
Total liabilities (at period-end)	98,049	96,991	99,480	99,653	101,941			
Total net assets (at period-end)	101,755	101,753	101,743	101,788	101,926			
Days in fiscal period (days)	184	181	184	181	184			
Number of investment properties (at period-end)	32	32	33	33	35			
Number of tenants (at period-end)(*1)	1,010	1,016	1,021	1,007	1,018			
Total leasable floor space (at period-end) (m ²)	572,215.71 m ²	572,288.25 m ²	578,255.35 m ²	577,161.81 m ²	580,272.77 m ²			
Occupancy rate (at period-end) (%)(*2)	99.5%	99.4%	99.4%	97.9%	99.1%			
FFO (Funds from Operation)(*3)	4,265	4,301	4,318	4,234	4,086			
FFO per unit (yen)	5,358	5,403	5,425	5,319	5,133			

(*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		37 th Feb. 28, 2023 A	38 th Aug. 31, 2023 B	Difference B—A
Assets	Total current assets	11,331	11,591	259
	Cash and deposits	6,069	6,267	197
	Cash and deposits in trust	4,236	4,243	6
	Operating accounts receivable	738	791	52
	Prepaid expenses	270	259	(10)
	Others	16	29	12
	Total non-current assets	190,086	192,254	2,167
	Total property, plant and equipment	183,203	185,374	2,170
	Buildings	1,112	1,918	805
	Structures	19	23	3
	Tools and fixtures	1	0	(0)
	Lands	989	1,684	695
	Buildings in trust	65,587	66,140	552
	Structures in trust	1,043	1,033	(10)
	Machinery and equipment in trust	708	703	(5)
	Tools and fixtures in trust	231	238	7
	Lands in trust	113,501	113,622	120
	Construction in progress in trust	8	9	0
	Total intangible assets	5,551	5,548	(2)
	Leasehold right in trust	5,545	5,545	-
Other intangible assets in trust	5	2	(2)	
Total investment and other assets	1,331	1,331	0	
Deferred tax assets	0	0	(0)	
Lease and guarantee deposits	10	10	-	
Lease and guarantee deposits in trust	327	327	-	
Long-term prepaid expenses	994	994	0	
Total deferred assets	24	22	(1)	
Total assets	201,442	203,868	2,425	

- unit : mm yen

Account		37 th Feb. 28, 2023 A	38 th Aug. 31, 2023 B	Difference B—A
Liabilities	Total current liabilities	15,867	10,625	(5,241)
	Operating accounts payable	662	771	108
	Investment corporation bonds scheduled to be redeemed within one year	2,000	2,000	-
	Current maturities of long-term debt	10,400	5,200	(5,200)
	Account payable-other	21	16	(4)
	Accrued expenses	422	433	11
	Income taxes payable	1	0	(0)
	Accrued consumption taxes	366	11	(355)
	Advances received	1,068	1,065	(2)
	Deposits received	924	1,125	201
Total non-current liabilities	83,786	91,316	7,529	
Investment corporation bonds	3,000	3,000	-	
Long-term debt	68,500	76,250	7,750	
Tenant leasehold and security deposits	758	837	78	
Tenant leasehold and security deposits received in trust	11,528	11,229	(298)	
Total liabilities	99,653	101,941	2,287	

Account		37 th Feb. 28, 2023 A	38 th Aug. 31, 2023 B	Difference B—A
Net assets	Total unitholders' equity	101,788	101,926	137
	Unitholders' capital	98,938	98,938	-
	Surplus	2,850	2,987	137
Total net assets	101,788	101,926	137	

Total liabilities and net assets	201,442	203,868	2,425
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Cash flow statements (compared with the previous fiscal period)

- unit : mm yen

Category	37 th A ~Feb. 28, 2023	38 th B ~Aug. 31, 2023	Difference B-A
Net cash provided by (used in) operating activities	4,688	3,939	(748)
Profit before income taxes	2,851	2,988	137
Depreciation and amortization expenses	1,499	1,531	31
Amortization of investment corporation bond issuance expenses	1	1	-
Interest received	(0)	(0)	(0)
Interest expenses	274	284	10
Gain on sales of real estate property	(115)	(432)	(316)
Decrease (increase) in operating accounts receivables	50	(52)	(103)
Decrease (increase) in consumption taxes refund receivable	124	-	(124)
Increase (decrease) in accrued consumption taxes	366	(355)	(722)
Increase (decrease) in operating accounts payable	59	31	(27)
Increase (decrease) in accounts payable-other	4	(4)	(9)
Increase (decrease) in accrued expenses	3	5	1
Increase (decrease) in advances received	(16)	(2)	14
Increase (decrease) in deposits expenses	(101)	201	303
Decrease (increase) in prepaid expenses	(42)	10	53
Decrease (increase) in long-term prepaid expenses	3	(0)	(3)
Others, net	2	12	10
Subtotal	4,966	4,219	(747)
Interest income received	0	0	0
Interest expenses paid	(277)	(278)	(1)
Income taxes paid	(0)	(1)	(0)
Net cash provided by (used in) investment activities	(117)	(3,436)	(3,318)
Purchase of property, plant and equipment	-	(1,539)	(1,539)
Proceeds from sales of property, plant and equipment in trust	407	1,495	1,087
Purchase of property, plant and equipment in trust	(443)	(3,172)	(2,728)
Purchase of intangible assets in trust	-	-	-
Proceeds from tenant leasehold and security deposits	142	94	(47)
Repayments of tenant leasehold and security deposits	(125)	(16)	108
Proceeds from tenant leasehold and security deposits in trust	55	195	140
Repayments of tenant leasehold and security deposits in trust	(154)	(494)	(339)
Proceeds from restricted trust deposits	6	1	(4)
Payments for restricted trust deposits	(6)	(2)	4
Net cash provided by (used in) financial activities	(2,803)	(298)	2,504
Proceeds from short-term debt	-	3,000	3,000
Repayments of short-term debt	-	(3,000)	(3,000)
Proceeds from long-term debt	-	8,450	8,450
Repayments of long-term debt	-	(5,900)	(5,900)
Dividends paid	(2,803)	(2,848)	(45)
Net increase (decrease) in cash and cash equivalents	1,766	204	(1,562)
Balance of cash and cash equivalents at beginning of period	8,488	10,255	1,766
Balance of cash and cash equivalents at end of period	10,255	10,459	204

Income and expenditure by properties (Retail)

- unit : mm yen

Category	Canal City Hakata	Canal City Hakata・B	Park Place Oita	SunLive City Kokura	Konoha Mall Hashimoto	38 th Total A	37 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	38 th FP (Mar. 1, 2023 ~Aug. 31, 2023)						181 days	3 days		
	(Length)	184 days								
①Total leasing business revenues	850	942	1,197	278	856	4,126	4,324	(198)	4,030	95
Leasing revenue-real estate	826	908	997	278	682	3,693	3,882	(189)		
Other leasing revenue-real estate	23	34	199	-	173	432	441	(9)		
②Total leasing business expenses	525	568	631	47	574	2,347	2,305	42	2,384	(36)
Outsourcing fees	284	375	291	8	306	1,266	1,258	7		
Repair and maintenance expenses	88	34	32	1	38	195	169	26		
Expenses for restoration to former state	-	-	-	-	-	-	-	-		
Tax and other public charges	85	104	99	34	42	366	359	7		
Insurance premiums and trust compensation	5	7	5	1	2	21	21	(0)		
Utilities expenses	29	43	175	-	107	356	350	6		
Other expenses	32	3	26	0	77	141	146	(5)		
③NOI(=①-②)	325	373	566	230	282	1,778	2,018	(240)	1,646	131
④Depreciation and amortization expenses	233	190	205	52	100	782	774	7		
⑤Leasing business profit(=③-④)	91	183	360	178	182	995	1,244	(248)		
NOI yield (acquisition price)	2.0%	3.6%	5.8%	6.9%	5.7%	4.0%	4.5%	(0.5)%		
Capital expenditures	508	161	187	5	60	923	185	738		

Category	Square Mall Kagoshima Usuki	Kumamoto Intercommunity SC	Hanahata SC	Kurume Higashi Kushiwara SC	K's Denki Kagoshima	Marinoa City Fukuoka (Marina Side Building)	38 th Total A	37 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	38 th FP (Mar. 1, 2023 ~Aug. 31, 2023)						181 days	3 days			
	(Length)	184 days									
①Total leasing business revenues	253	89	40	74	105	177	742	765	(22)	742	(0)
Leasing revenue-real estate	222	89	40	74	105	177	711	728	(17)		
Other leasing revenue-real estate	31	0	-	-	0	-	31	36	(5)		
②Total leasing business expenses	86	9	5	7	11	25	145	153	(7)	144	1
Outsourcing fees	38	2	1	2	1	1	48	48	(0)		
Repair and maintenance expenses	5	0	0	-	1	3	11	12	(0)		
Expenses for restoration to former state	-	-	-	-	-	-	-	-	-		
Tax and other public charges	16	5	3	4	7	18	56	57	(0)		
Insurance premiums and trust compensation	0	0	0	0	0	0	2	2	0		
Utilities expenses	24	-	-	-	-	-	24	26	(2)		
Other expenses	0	0	0	-	0	0	3	6	(3)		
③NOI(=①-②)	167	80	35	67	94	151	596	611	(15)	598	(2)
④Depreciation and amortization expenses	31	9	5	13	22	22	105	108	(3)		
⑤Leasing business profit(=③-④)	136	70	29	53	72	129	491	503	(11)		
NOI yield (acquisition price)	6.3%	6.7%	6.2%	6.3% (*2)	5.3%	5.8%	6.0%	6.1%	(0.0)%		
Capital expenditures	1	-	1	-	0	1	4	17	(13)		

(*1)Forecast at the financial results of the 37th fiscal period. (*2)For Kurume Higashi Kushiwara SC, since the disposition of the 55% quasi co-ownership interest portion took place at the end of the fiscal period (on August, 2023), the calculation is done without subtracting it from the acquisition price.

Income and expenditure by properties (Office buildings - Others)

- unit : mm yen

Category	Canal City Business Center Building	Gofukumachi Business Center	Sanix Hakata Building	Taihaku Street Business Center	Higashi Hie Business Center	Tenjin Nishi-Dori Center Building	Tenjin North Front Building	Higashi Hie Business Center II	Higashi Hie Business Center III	Tenjin Nishi-Dori Business Center (Land with leasehold interest)	Hakata Chikushi-Dori Center Building	Kumamoto East Front Building	38 th Total A	37 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	38 th FP (Mar. 1, 2023 ~ Aug. 31, 2023)													181 days	3 days		
	(Length)	184 days															
① Total leasing business revenues	656	594	209	331	372	86	152	162	98	159	146	44	3,014	2,894	120	3,009	5
Leasing revenue-real estate	652	525	197	331	343	86	123	149	94	159	132	40	2,836	2,731	104		
Other leasing revenue-real estate	3	69	12	0	29	-	28	12	3	-	13	4	178	162	15		
② Total leasing business expenses	240	184	69	107	147	20	54	53	20	21	51	14	984	985	(0)	987	(2)
Outsourcing fees	158	74	19	56	42	1	10	18	7	-	18	7	416	405	10		
Repair and maintenance expenses	19	4	9	18	12	1	8	1	0	-	7	1	85	66	19		
Expenses for restoration to former state	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Tax and other public charges	50	40	25	29	16	16	9	9	7	21	12	-	238	214	23		
Insurance premiums and trust compensation	1	2	0	1	1	0	0	0	0	-	0	0	12	11	1		
Utilities expenses	8	60	12	-	29	-	24	11	4	-	8	3	164	169	(4)		
Other expenses	1	1	1	2	44	0	0	10	0	0	3	0	67	118	(51)		
③ NOI (=①-②)	416	409	140	223	225	66	98	109	77	137	94	30	2,030	1,909	120	2,021	8
④ Depreciation and amortization expenses	81	71	29	64	44	10	32	40	19	-	16	10	419	404	15		
⑤ Leasing business profit (=③-④)	335	337	111	159	181	55	65	68	58	137	78	19	1,610	1,504	105		
NOI yield (acquisition price)	5.7%	7.3%	6.4%	6.4%	7.7%	5.1%	7.0%	5.2%	4.7%	3.6%	4.4%	4.9%	5.9%	5.6%	0.2%		
Capital expenditures	97	90	8	106	49	0	0	0	-	-	2	-	355	128	227		

Category	Tosu Logistics Center	LOGICITY Minato Kashii	LOGICITY Hisayama	LOGICITY Wakamiya	Amex Akasakamon Tower	City House Keyaki Dori	Aqualia Chihaya	D-Wing Tower	Granfore Yakuin Minami	Axion Befu-Ekimaie Premium	Hotel FORZA Oita	Tissage Hotel Naha	38 th Total A	37 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	38 th FP (Mar. 1, 2023 ~ Aug. 31, 2023)													181 days	3 days		
	(Length)	184 days															
① Total leasing business revenues					67	39	60	117	38	13	63	45	969	938	30	984	(15)
Leasing revenue-real estate					66	39	58	112	37	10	63	45	913	891	22		
Other leasing revenue-real estate					1	0	2	5	1	2	-	-	55	46	8		
② Total leasing business expenses					17	8	15	24	13	2	30	10	221	203	18	222	(0)
Outsourcing fees					5	2	3	7	2	0	0	0	35	34	0		
Repair and maintenance expenses	Non-disclosure (*2)	Non-disclosure (*2)	Non-disclosure (*2)	Non-disclosure (*2)	1	0	2	1	1	-	1	3	16	19	(2)		
Expenses for restoration to former state					1	-	3	2	3	0	-	-	10	10	0		
Tax and other public charges					5	3	4	8	2	-	7	5	90	88	1		
Insurance premiums and trust compensation					0	0	0	0	0	0	0	0	5	5	0		
Utilities expenses					0	0	0	2	0	0	-	-	30	32	(2)		
Other expenses					1	1	1	2	2	0	20	0	33	12	20		
③ NOI (=①-②)	38	188	125	72	50	30	44	92	25	11	32	34	747	735	12	762	(14)
④ Depreciation and amortization expenses	9	38	38	15	14	10	12	18	10	6	25	24	224	212	11		
⑤ Leasing business profit (=③-④)	29	149	87	56	35	19	32	74	14	4	7	10	523	523	0		
NOI yield (acquisition price)	6.2%	4.6%	5.0%	8.5%	4.9%	5.5%	7.0%	6.6%	4.7%	2.1%	4.3%	2.5%	5.0%	5.1%	(0.1)%		
Capital expenditures	1	-	0	1	23	0	6	3	79	-	201	0	318	54	263		

(*1) Forecast at the financial results of the 37th fiscal period. (*2) Information is not disclosed because the permission of tenants has not been obtained.

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

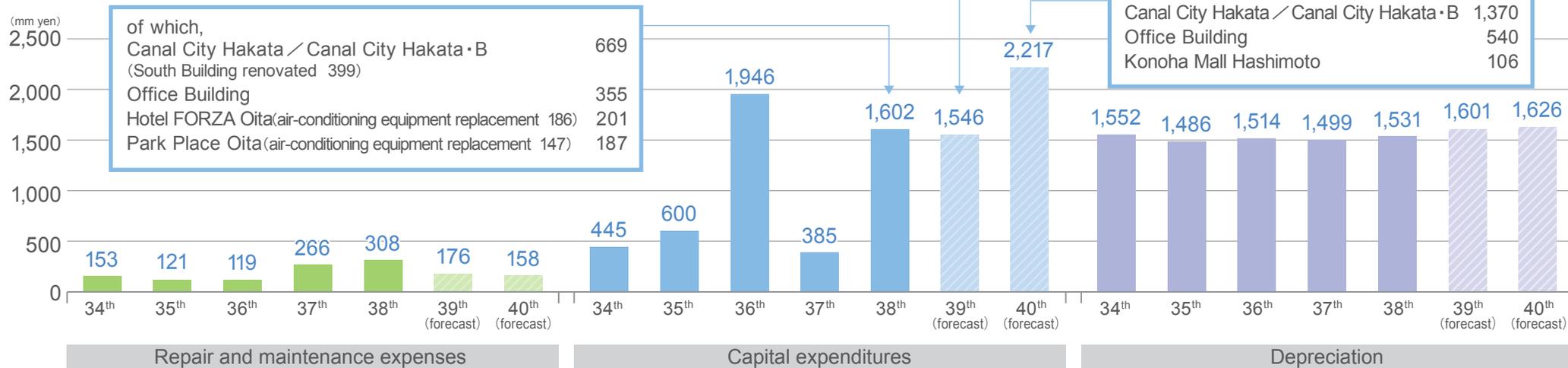
- unit : mm yen

Category	38 th Total A	37 th Total B	Difference A-B	Forecast C (*)	Difference A-C
	(Length)	Mar. 1, 2023 ~Aug. 31, 2023	Sept. 1, 2022 ~Feb. 28, 2023		
		184 days	181 days	3 days	
① Total leasing business revenues	8,852	8,921	(69)	8,767	84
Leasing revenue-real estate	8,154	8,233	(79)		
Other leasing revenue-real estate	697	687	9		
② Total leasing business expenses	3,700	3,647	53	3,734	(34)
Outsourcing fees	1,765	1,746	18		
Repair and maintenance expenses	308	266	41		
Expenses for restoration to former state	10	10	0		
Tax and other public charges	752	719	32		
Insurance premiums and trust compensation	42	41	1		
Utilities expenses	575	579	(4)		
Other expenses	245	283	(38)		
③ NOI (=①-②)	5,152	5,274	(122)	5,033	118
④ Depreciation and amortization expenses	1,531	1,499	31		
⑤ Leasing business profit (=③-④)	3,620	3,774	(154)		
NOI yield (acquisition price)	4.9%	5.1%	(0.2)%		
Capital expenditures	1,602	385	1,216		

(*)Forecast at the financial results of the 37th fiscal period.

of which,
Office Building 689
Canal City Hakata / Canal City Hakata · B 207
D-Wing Tower (exterior wall repair work) 128

Repair and maintenance expenses, capital expenditures, and depreciation



Portfolio table①

(As of August 31, 2023)

	Real estate property name	Age (*1)	Acquisition price(mm yen)(*2)	Investment ratio	Acquisition timing	Source (*3)	Total leasable floor space (m) (*4)	Occupancy rate	Tenants (*5)	Primary tenants
Retail	Canal City Hakata	27yr 4m	32,000	15.4%	2004/11/9	Sponsor	48,176.33	97.6%	22	Washington Hotel and United Cinema
	Canal City Hakata・B	27yr 4m	21,060	10.1%	2011/3/2	Outside party	31,141.44	96.7%	42	OPA and MUJI Canal City Hakata
	Park Place Oita	21yr 5m	19,610	9.4%	2004/11/9	Sponsor	121,184.13	99.9%	101	AEON and K's Denki
	SunLive City Kokura	18yr 5m	6,633	3.2%	2005/7/1	Outside party	61,450.22	100.0%	1	SunLive
	Konoha Mall Hashimoto	12yr 5m	10,000	4.8%	2018/3/1	Sponsor	22,191.52	100.0%	124	SunLive and The Super Sports XEBIO
	Square Mall Kagoshima Usuki	16yr11m	5,300	2.6%	2006/9/28	Sponsor	14,602.88	100.0%	13	Sports Depo / Golf5 and Edion
	Kumamoto Intercommunity SC	16yr 9m	2,400	1.2%	2006/11/30	Sponsor	6,968.66	100.0%	2	Sports Depo / Golf5 and Starbucks Coffee
	Hanahata SC	16yr 1m	1,130	0.5%	2007/9/3	Sponsor	2,801.15	100.0%	2	BON REPAS and Matsumoto Kiyoshi
	Kurume Higashi Kushiwara SC	15yr 8m	750	0.4%	2008/2/1	Sponsor	1,940.34	100.0%	1	Sports Depo / Golf5
	K's Denki Kagoshima	15yr 9m	3,550	1.7%	2008/3/27	Outside party	7,296.17	100.0%	1	K's Denki
	Marinoa City Fukuoka (Marina Side Building)	22yr10m	5,250	2.5%	2015/5/1	Sponso	33,069.82	100.0%	1	FJ. Entertainment Works Ltd.
Total or the weighted average of retail	—	107,683	51.9%	—	—	350,822.66	99.3%	310	—	
Office buildings	Canal City Business Center Building	27yr 4m	14,600	7.0%	2004/11/9	Sponsor	23,031.14	100.0%	64	Bell System24 and TOTO
	Gofukumachi Business Center	19yr10m	11,200	5.4%	2004/11/9	Sponsor	19,905.34	97.7%	34	SMBG CONSUMER FINANCE and Sumitomo Mitsui Banking Corporation
	Sanix Hakata Building	22yr 5m	4,400	2.1%	2005/9/30	Outside party	6,293.75	100.0%	16	SANIX and The Nishi-Nippon City Bank
	Taihaku Street Business Center	21yr 5m	7,000	3.4%	2006/3/16	Sponsor	14,677.35	99.2%	(*6) 70	NTT COMWARE and Tokio Marine & Nichido Outsourcing Management
	Higashi Hie Business Center	14yr 6m	5,900	2.8%	2009/3/13	Outside party+Sponsor	13,482.02	99.4%	24	Forest Holdings and Fujitsu
	Tenjin Nishi-Dori Center Building	26yr11m	2,600	1.3%	2013/2/1	Outside party	3,339.32	100.0%	1	The Nishi-Nippon City Bank
	Tenjin North Front Building	13yr 7m	2,800	1.3%	2013/3/28	Outside party	5,261.64	100.0%	12	Rakuten Card and The Prudential Life Insurance Company, Ltd.
	Higashi Hie Business Center II	7yr 6m	4,230	2.0%	2018/3/1	Sponsor	6,214.77	100.0%	2	Fujitsu Limited and Seven-Eleven Japan Co.,LTD
	Higashi Hie Business Center III	3yr 5m	3,290	1.6%	2020/5/29	Sponsor	2,981.14	100.0%	6	Mitsui Home Co.,LTD and NIPPON ENGINEERING CONSULTANTS CO.,LTD
	Tenjin Nishi-Dori Business Center (Land with leasehold interest)	—	7,700	3.7%	2021/6/1	Sponsor	1,343.51	100.0%	1	Fukuoka Jisho Co., Ltd
	Hakata Chikushi-Dori Center Building	31yr 7m	4,320	2.1%	2022/3/1	Outside party	5,994.41	92.8%	13	YAMAEHISANO Co.,Ltd and WESCO Inc.
	Kumamoto East Front Building	29yr 8m	1,450	0.7%	2023/3/28	Outside party	3,139.20	82.0%	6	Mitsui Sumitomo Insurance Company, Limited, NICHINOKEN
	Total or the weighted average of office buildings	—	69,490	33.5%	—	—	105,663.59	98.4%	249	—
Others	Tosu Logistics Center	15yr 3m	1,250	0.6%	2014/3/28	Outside party	4,173.29	100.0%	1	non-disclosure
	LOGICITY Minato Kashii	9yr 4m	8,150	3.9%	2015/3/27	Outside party	43,233.72	100.0%	2	Fukuoka Logistic System and F-LINE CORPORATION
	LOGICITY Hisayama	8yr 7m	5,050	2.4%	2017/6/1	Outside party	24,505.65	100.0%	1	KASEI.linc Co., Ltd.
	LOGICITY Wakamiya	18yr 6m	1,700	0.8%	2020/6/30	Outside party	17,556.32	100.0%	1	Tsukasa Kigyuu
	Amex Akasakamon Tower	18yr 1m	2,060	1.0%	2006/9/1	Outside party	4,821.25	100.0%	67	—
	City House Keyaki Dori	15yr 9m	1,111	0.5%	2007/12/20	Outside party	2,710.86	100.0%	42	—
	Aqualia Chihaya	15yr 8m	1,280	0.6%	2012/3/1	Outside party	5,619.69	95.7%	101	—
	D-Wing Tower	17yr 6m	2,800	1.3%	2013/3/1	Outside party	7,187.59	96.1%	131	—
	Granfore Yakuin Minami	15yr 8m	1,100	0.5%	2014/11/4	Outside party	2,496.06	97.0%	96	—
	Axion Befu-Ekimae Premium	0yr 5m	1,525	0.7%	2023/4/27	Outside party	1,937.89	55.1%	15	—
	Hotel FORZA Oita	15yr 0m	1,530	0.7%	2013/3/1	Sponsor	5,785.44	100.0%	1	FJ Hotels
	Tissage Hotel Naha	5yr 6m	2,835	1.4%	2018/12/7	Outside party	3,758.76	100.0%	1	Nest Hotel Japan Corporation
Total or the weighted average of others	—	30,391	14.6%	—	—	123,786.52	98.8%	459	—	
Total or the weighted average of all properties	20yr11m	207,564	100.0%	—	—	580,272.77	99.1%	1,018	—	

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

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

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

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

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

(*6) The Taihaku Street Business Center is an office building combined with a residential tower. There are 13 office tenants and 57 residential tenants.

Portfolio table②

Retail
11 properties



Canal City Hakata



Canal City Hakata · B



Park Place Oita



SunLive City Kokura



Konoha Mall Hashimoto



Square Mall
Kagoshima Usuki



Kumamoto
Intercommunity SC



Hanahata SC



Kurume
Higashi Kushiwara SC



K' s Denki Kagoshima



Marinoa City Fukuoka
(Marina Side Building)

Office buildings
13 properties



Canal City
Business Center Building



Gofukumachi
Business Center



Sanix Hakata Building



Taihaku Street
Business Center



Higashi Hie
Business Center



Tenjin Nishi-Dori
Center Building

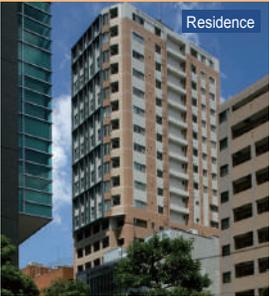
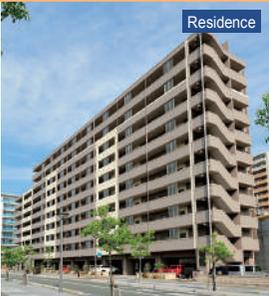


Tenjin North Front Building

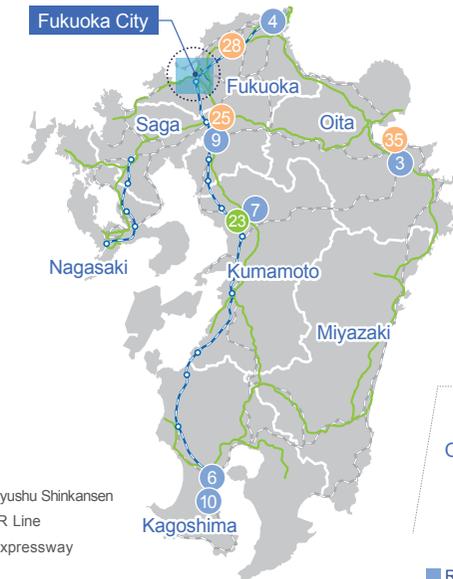


Higashi Hie
Business Center II

Portfolio table③

 <p>Higashi Hie Business Center III</p>	 <p>Tenjin Nishi-Dori Business Center (Land with leasehold interest)</p>	 <p>Hakata Chikushi-Dori Center Building</p>	 <p>NEW Kumamoto East Front Building</p>	 <p>NEW (*1) Acquired on September 1, 2023 Hakata FD Business Center (*1)</p>	<p>Others 12 properties</p>	 <p>Logistics Tosu Logistics Center</p>
 <p>Logistics LOGICITY Minato Kashii</p>	 <p>Logistics LOGICITY</p>	 <p>Logistics LOGICITY Wakamiya</p>	 <p>Residence Amex Akasakamon Tower</p>	 <p>Residence City House Keyaki Dori</p>	 <p>Residence Aqualia Chihaya</p>	 <p>Residence D-Wing Tower</p>
 <p>Residence Granfore Yakuin Minami</p>	 <p>NEW Residence Axion Befu-Ekimae Premium</p>	 <p>Hotel Hotel FORZA Oita</p>	 <p>Hotel Tissage Hotel Naha</p>	<p>1 property to be acquired</p>	 <p>Logistics (*2) Scheduled to be acquired on March 31, 2023 Island City Minato Bay related site (Land with leasehold interest) (*2)</p>	<p>Total acquisition price 221.6 bn yen (As of September 1, 2023)</p>

Portfolio map



1 Canal City Hakata

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

2 Canal City Hakata•B

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

3 Park Place Oita

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

4 SunLive City Kokura

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

5 Konoha Mall Hashimoto

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

6 Square Mall Kagoshima Usuki

■Address : 2-chome, Usuki, Kagoshima City

7 Kumamoto Intercommunity SC

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

8 Hanahata SC

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

9 Kurume Higashi Kushiwara SC

■Address : Higashi kushiwara, Kurume City

10 K's Denki Kagoshima

■Address : Tokai-cho, Kagoshima City

11 Marinao City Fukuoka (Marina Side Building)

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

12 Canal City Business Center Building

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

13 Gofukumachi Business Center

■Address : Kami Gofukumachi, Hakata Ward, Fukuoka City

14 Sanix Hakata Building

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

15 Taihaku Street Business Center

■Address : Gokushomachi, Hakata Ward, Fukuoka City

16 Higashi Hie Business Center

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

17 Tenjin Nishi-Dori Center Building

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

18 Tenjin North Front Building

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

19 Higashi Hie Business Center II

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

20 Higashi Hie Business Center III

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

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

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

22 Hakata Chikushi-Dori Center Building

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

NEW Acquired on March 28, 2023

23 Kumamoto East Front Building

■Address : 1-chome, Shinyashiki, Chuo Ward, Kumamoto City

24 Hakata FD Business Center

■Address : Tsunabamachi, Hakata Ward, Fukuoka City

25 Tosu Logistics Center

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

26 LOGICITY Minato Kashii

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

27 LOGICITY Hisayama

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

28 LOGICITY Wakamiya

■Address : Shimoaruki, Miyawaka City

29 Amex Akasakamon Tower

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

30 City House Keyaki Dori

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

31 Aqualia Chihaya

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

32 D-Wing Tower

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

33 Granford Yakuin Minami

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

34 Axion Befu-Ekimae Premium

NEW Acquired on April 27, 2023
■Address : 3-chome, Befu, Jonan Ward, Fukuoka City

35 Hotel FORZA Oita

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

36 Tissage Hotel Naha

■Address : 2-chome, Nishi, Naha City

Scheduled to be acquired on March 31, 2029

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

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

Disposition of property (Kurume Higashi Kushiwara SC)

Overview of disposition property (planned)

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

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



Reasons for Disposition

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

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

② Decreasing the commercial property investment ratio

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

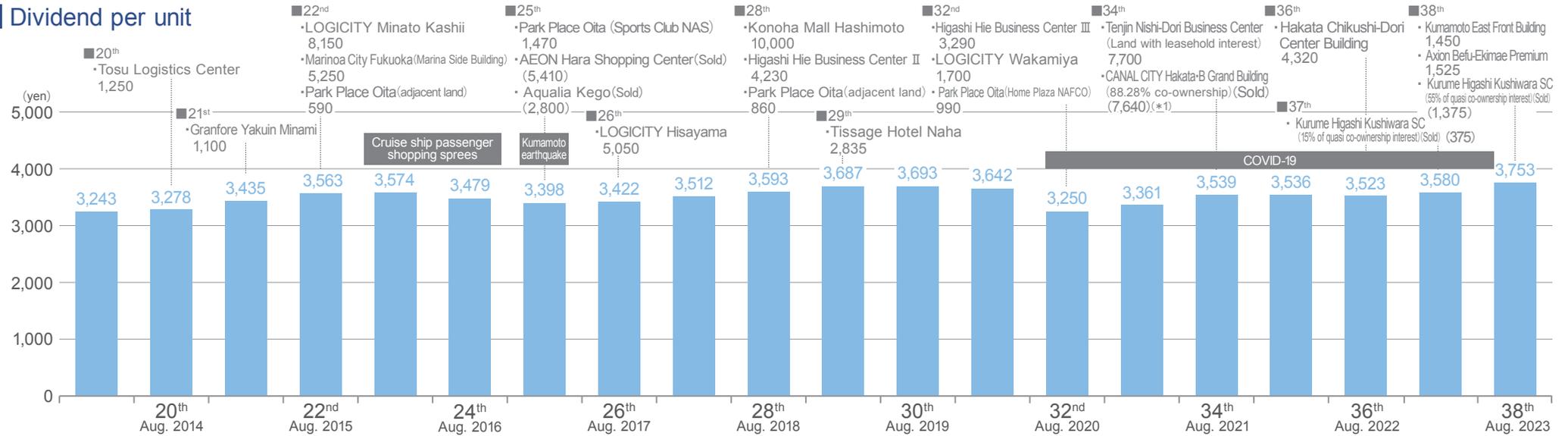
③ Use of disposition capital

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

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

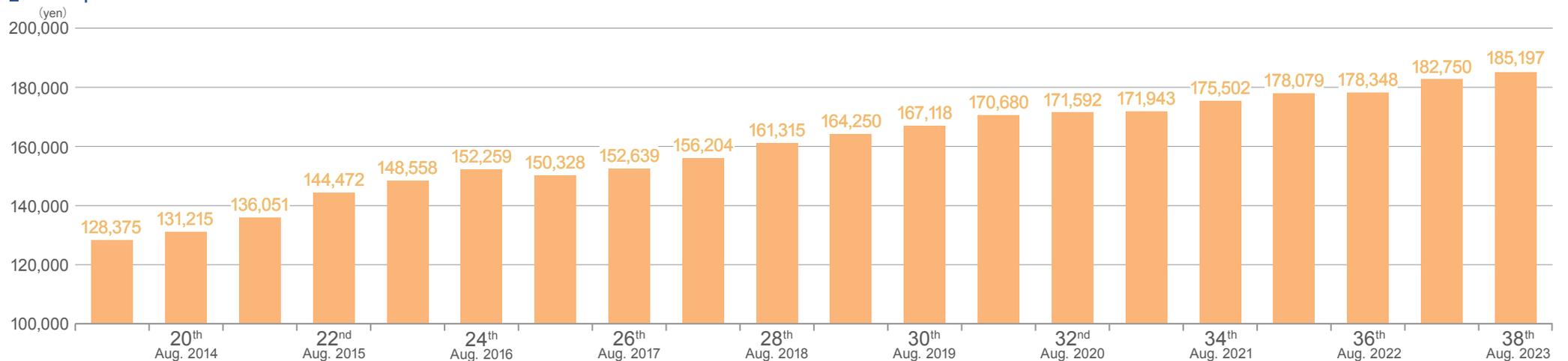
Dividend and NAV per unit

Dividend per unit



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

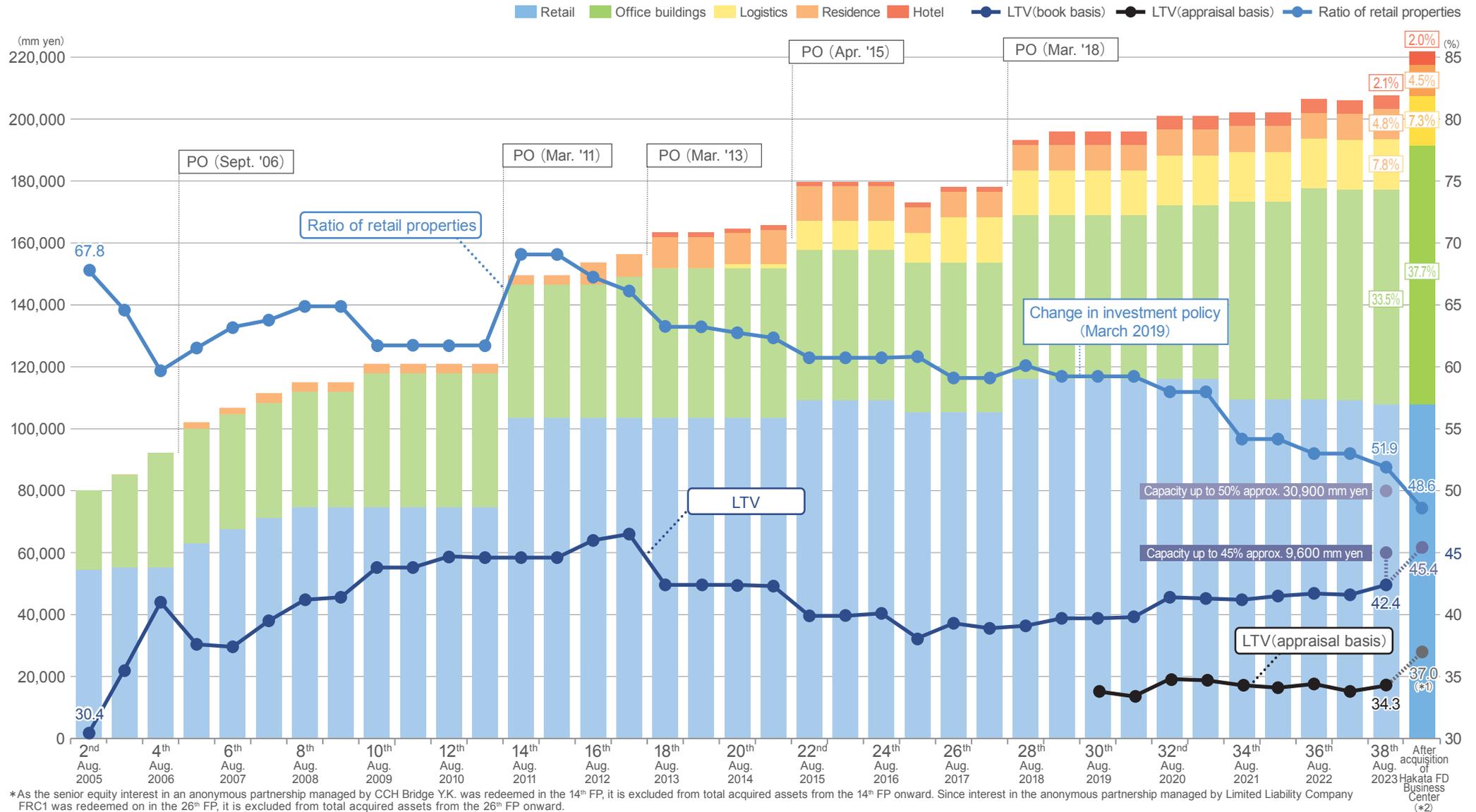
NAV per unit (*2)



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

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

Ratio of retail properties in the portfolio fell below 50%



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

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

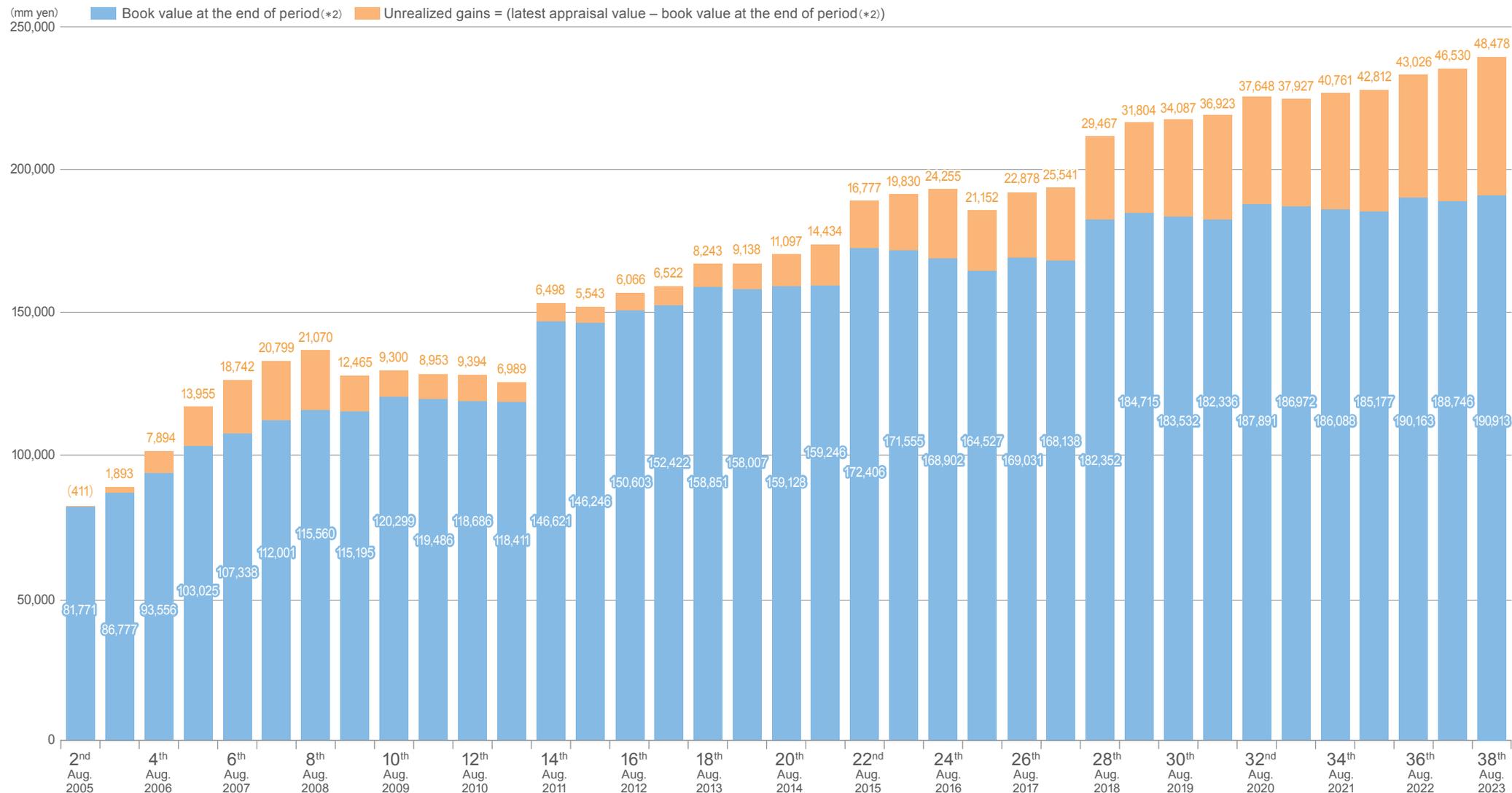
(*1) Unrealized gain on LTV (appraisal basis) after acquisition of the Hakata FD Business Center is calculated by the difference between the appraisal value at the time of acquisition and the acquisition price.

(*2) Calculated by adding the acquisition price of the Hakata FD Business Center from the end of the 38th fiscal year. In addition, the 30% quasi-co-ownership interest in Kurume Higashi-Kushihara SC, which is scheduled to be transferred on November 30, 2023, has not been deducted.

Historical appraisal values (unrealized gains)

Unrealized gains: 48,478 million yen, ratio of unrealized gains: 25.4% (*1)

Historical appraisal values

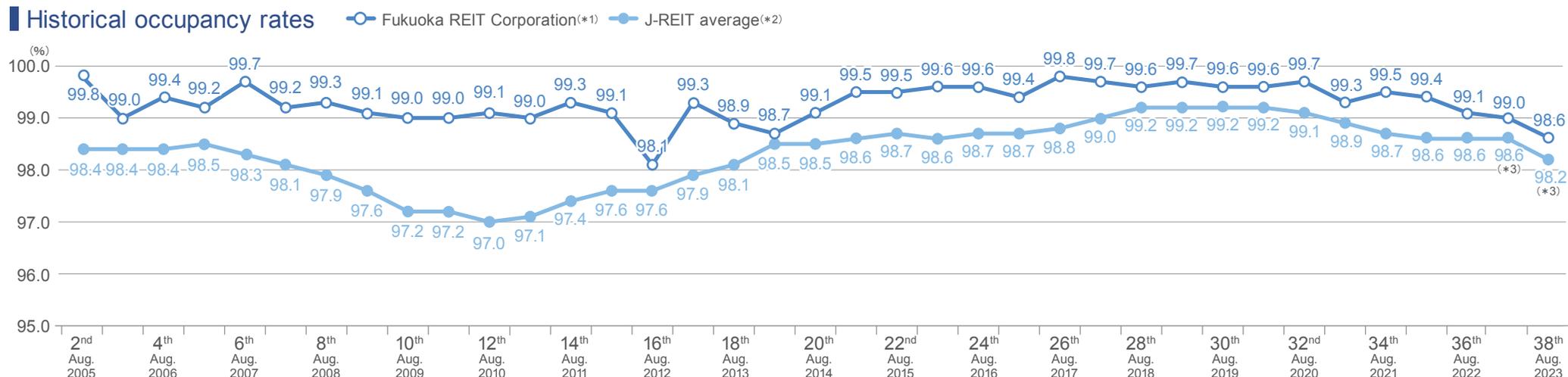


(*1) Ratio of unrealized gains = (latest appraisal value – book value at the end of period (*2)) / book value at the end of period (*2).

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

Portfolio properties' occupancy rates

Maintained a higher occupancy rate than the J-REIT average



(*1) The investment corporation's occupancy rates in the 2nd fiscal period through the 4th fiscal period were the occupancy rates at the end of each fiscal period. For the 5th fiscal period through the 38th 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 37th and 38th fiscal periods are preliminary figures. The figures for the 38th fiscal period are the figures for May 2023.

Occupancy rates [the weighted average during the period]

Category	Investment ratio (based on acquisition price)	34 th ~ Aug. 31, 2021	35 th ~ Feb. 28, 2022	36 th ~ Aug. 31, 2022	37 th ~ Feb. 28, 2023	38 th ~ Aug. 31, 2023
Retail	51.9%	99.5%	99.3%	98.8%	98.9%	98.6%
Office buildings	33.5%	99.8%	99.8%	99.4%	98.6%	98.4%
Others	14.6%	99.3%	99.4%	99.4%	99.5%	98.9%
Total	100.0%	99.5%	99.4%	99.1%	99.0%	98.6%

Top tenants by leased floor area

Rank	Lessee	Tenant	Share of total leased space (*1)	Lease Term			Remaining lease term (years) (*2)
				39 th ~Feb. 29, 2024	40 th ~Aug. 31, 2024	41 st ~Feb. 28, 2025	
1	SunLive Co., Ltd.	SunLive	11.3%	● SunLive City Kokura			18
				● Konoha Mall Hashimoto			7
2	AEON Kyushu Co., Ltd.	AEON	10.2%	● Park Place Oita			0
3	FJ. Entertainment Works Ltd.	—	6.2%(*3)	● Marinao City Fukuoka (Marina Side Building)			11
4	Canal City OPA Co., Ltd.	OPA	4.5%	● Canal City Hakata			0
				● Canal City Hakata · B			1
5	KASEI inc Co., Ltd.	—	4.3%	● LOGICITY Hisayama			1
6	Alpen Co., Ltd.	Alpen FUKUOKA Sports Depo, Golf 5	4.1%	● Canal City Hakata			10
				● Square Mall Kagoshima Usuki			3
				● Kumamoto Intercommunity SC			3
				● Kurume Higashi Kushiwara SC			4
7	Fukuoka Logistic System Corporation	—	4.0%	● LOGICITY Minato Kashii			1
8	F—LINE CORPORATION	—	3.5%	● LOGICITY Minato Kashii			non-disclosure (*4)
9	Tsukasa Kigyō	—	3.1%	● LOGICITY Wakamiya			7
10	K'S HOLDINGS CORPORATION	K's Denki	2.4%	● Park Place Oita			1

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

(*2) Remaining lease periods shown are the remaining periods of lease contracts as of August 31, 2023 with periods shorter than one year rounded down to the nearest whole year.

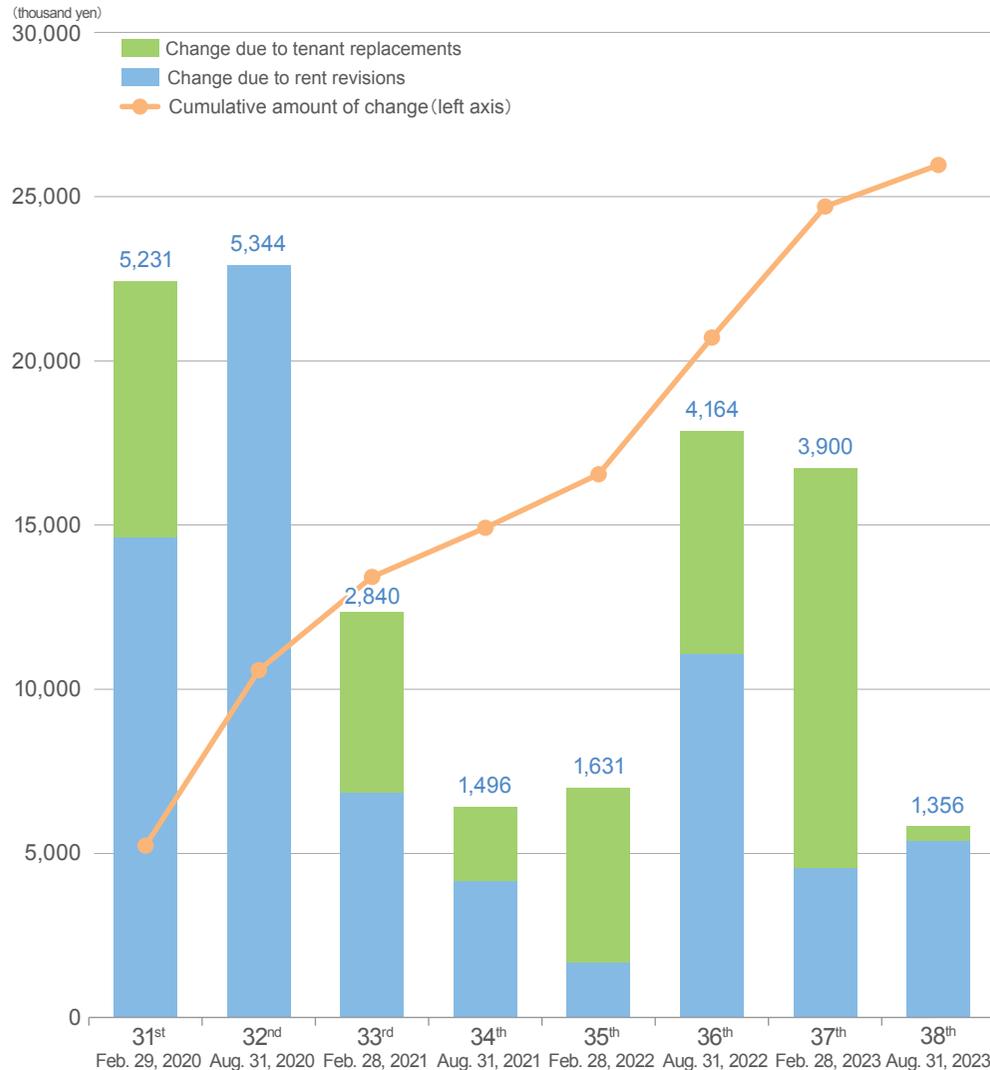
(*3) The 6.2% includes a 0.4% office portion. (7 ordinary leases have been concluded for Canal City Business Center Building and Park Place Oita.)

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

Office building rent revisions and tenant replacement situation

Continue to increase the amount in line with rent revisions

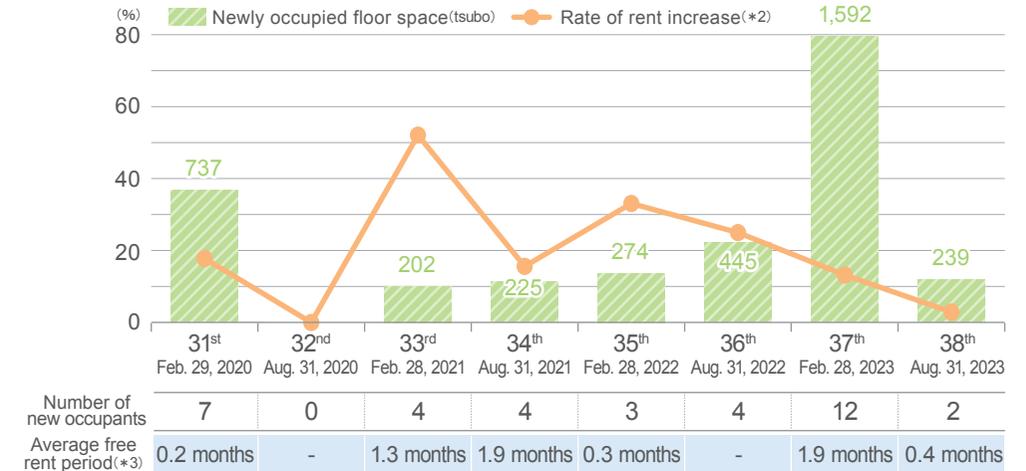
Change in monthly rent due to rent revisions and tenant replacements (*1)



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

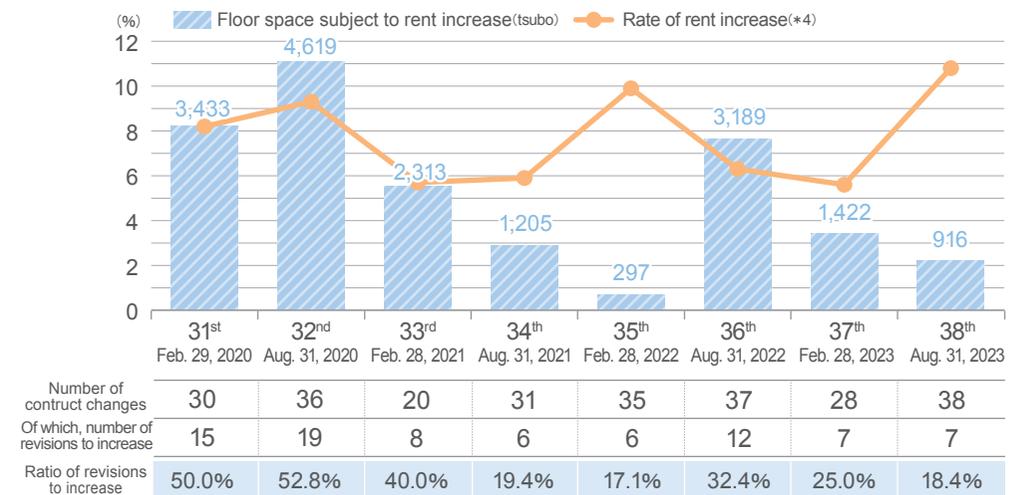
(*1) There were no revisions to the rent reductions.

Newly occupied floor space and number of new occupants



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

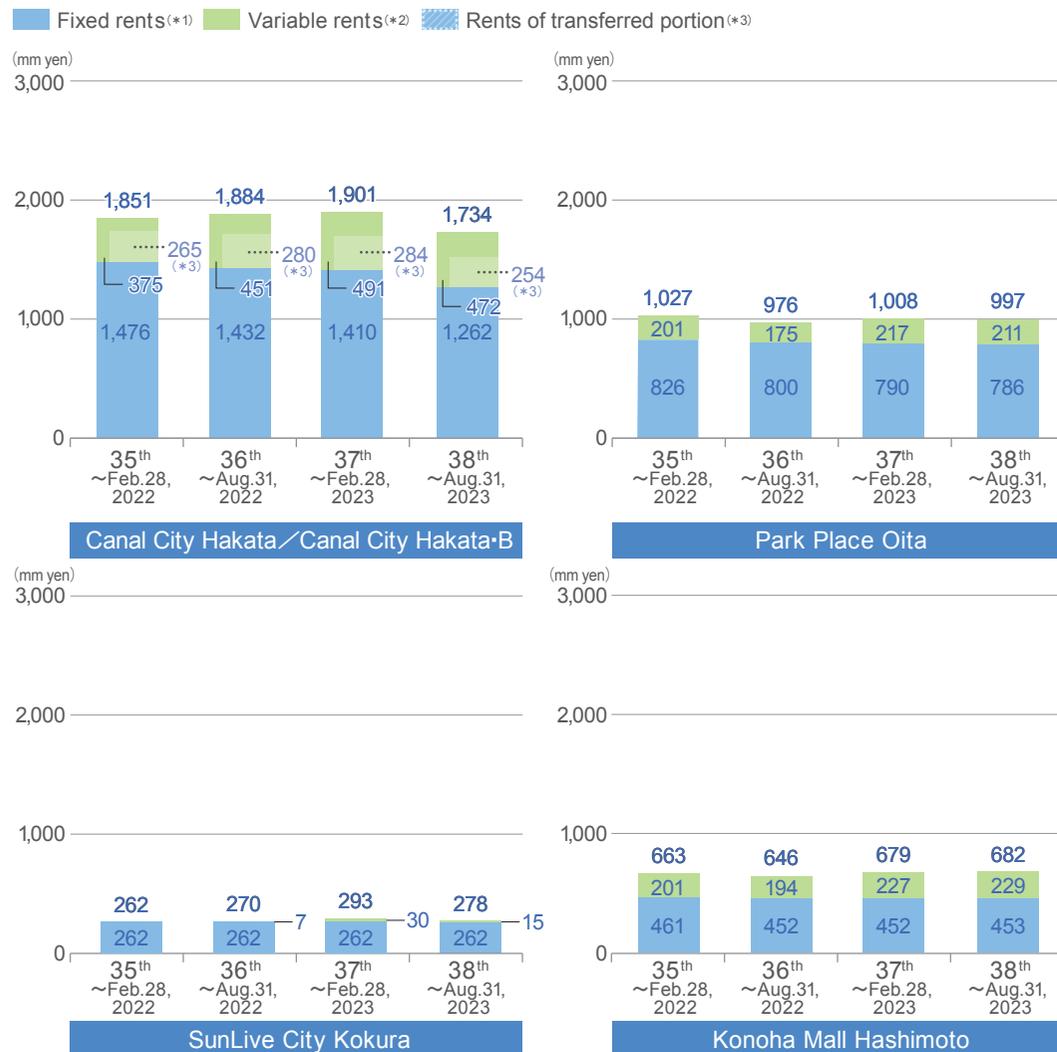
Floor space subject to rent increase and number of properties subject to rent increases



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

Breakdown of variable rents

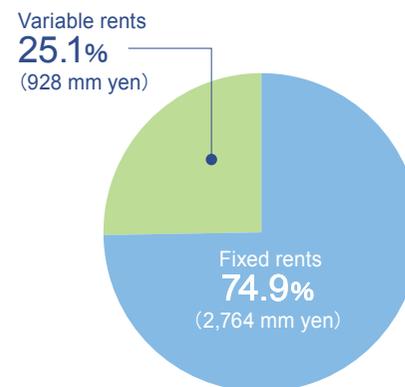
Breakdown of active retail rents by property



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

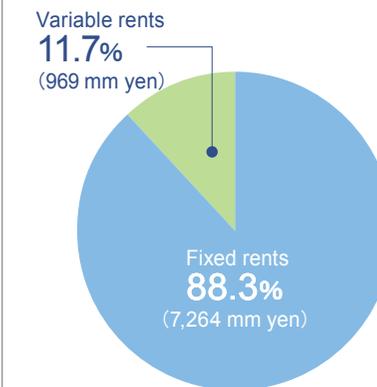
Breakdown of active retail rents

◎The 38th FP

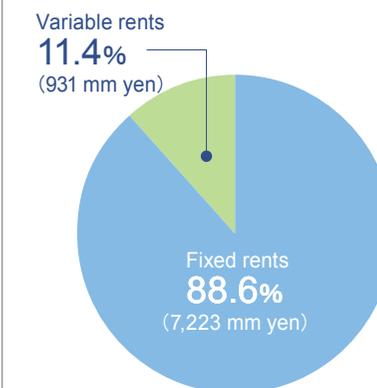


Portfolio overall

◎The 37th FP



◎The 38th FP



Breakdown of Tissage Hotel Naha

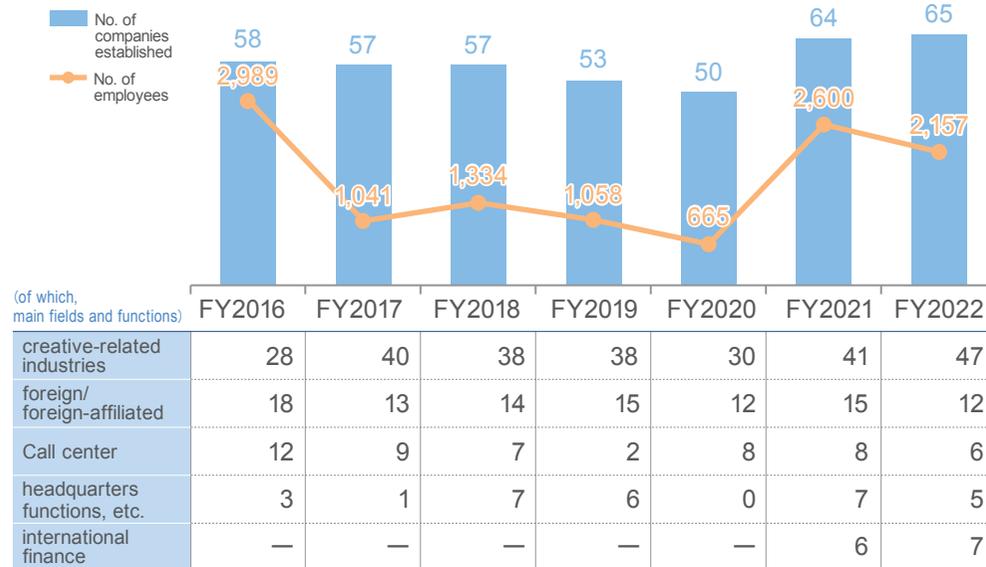


Initiatives by Fukuoka City Government and status of office workers

Driving up future office demand

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

© Strong demand for creative-related industries and call centers



Source: Prepared by Fukuoka Realty based on data from "The actual number of established companies in Headquarters functions/in growth area" by the Fukuoka City Economy, Tourism & Culture Bureau.

(Key Companies Establishing Fukuoka Locations in FY2022)

- International Finance, Foreign & Foreign-affiliated / M-DAQ Japan K.K. Codo Advisory, Inc.
- Creative-related / COMICSMART INC., Smaregi, Inc., PlatinumGames Inc.

(Key Companies Establishing Fukuoka Locations in FY2023)

- E. Sun Bank (Taiwan) : Opened Fukuoka Branch as its second base in Japan (September 1)
- NN Life Insurance Co., Ltd.: Established "Technology Operation Center Fukuoka" as part of its BCP (Business Continuity Plan) (September 1)

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

Initiatives Aimed at Attracting Companies to Fukuoka City

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

Effects of concentrated priority attraction areas

- Asset management business**
 - ✓ Providing growth capital from outside sources to startups and local companies
 - ✓ Promoting attraction and corporate growth through fund function initiatives
- FinTech**
 - ✓ Creating innovations and providing advanced financial services
 - ✓ Active participation of engineers and science/engineering personnel
- BCP response operations**
 - ✓ Diversification of international financial centers in Japan (Correction of excess concentration of population and industry in Tokyo)

Fukuoka City tops list of business opening rate in Japan for 4 consecutive years

Business Opening Rate FY2021 **6.3%**

1st
21 major urban areas

Source: Prepared by Fukuoka Realty based on data from "The general condition of the Fukuoka City Economy March 2023" by the Fukuoka City Economy, Tourism & Culture Bureau.

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

Initiatives to support startups

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



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

Situation of active retail

Overall sales are increasing

- Canal City Hakata
- Canal City Hakata・B



Sales (annual total^{(*)1})
Sept. 2022 - Aug. 2023

21.2 bn yen
YoY +22.8%
(vs. 2 years ago +29.8%)

A highly entertaining urban multi-purpose retail facility. Sales are on a recovery trend due to inbound tourism demand from Asia, excluding China, etc.

- Park Place Oita



Sales (annual total^{(*)2})
Sept. 2022 - Aug. 2023

26.0 bn yen
YoY +6.2%
(vs. 2 years ago +7.9%)

A suburban mall anchored by a GMS and tenants involved in daily necessities. Stronger efforts to draw customers through continuous implementation of participatory events.

- Konoha Mall Hashimoto



Sales (annual total)
Sept. 2022 - Aug. 2023

16.1 bn yen
YoY +10.8%
(vs. 2 years ago +16.9%)

A daily-life-oriented mall anchored by a supermarket and tenants involved in daily necessities. A resurgence in demand for travel and outings led to higher sales at stores in the service category.

- SunLive City Kokura



Sales (annual total^{(*)3})
Sept. 2022 - Aug. 2023

—
YoY +1.3%
(vs. 2 years ago +17.9%)

A daily-life-oriented mall anchored by a supermarket and tenants involved in daily necessities. Restaurants that match the characteristics of the facilities are performing well.

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

Change in sales from a year earlier

...Effective period of the priority measures to prevent the spread of disease in Fukuoka

Property name	2022										2023							
	3/6 Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.
	36 th Aug. 2022					37 th Feb. 2023					38 th Aug. 2023							
Canal City Hakata / Canal City Hakata・B ^{(*)1}	+16.8%					+27.8%					+18.0%							
Park Place Oita ^{(*)2}	+2.0%					+6.4%					+5.9%							
Konoha Mall Hashimoto	+8.3%					+10.5%					+11.1%							
SunLive City Kokura	+18.2%					+0.4%					+2.1%							
Other retail properties ^{(*)4}	+2.4%					+1.5%					+2.6%							

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

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	The Bank of Fukuoka	2,000	Feb.29.2016	Feb.29.2024	8.0	Floating	0.42000%
	The Nishi-Nippon City Bank	2,000	Feb.29.2016	Feb.29.2024	8.0	Fixed	0.44000% (*1)
	Mizuho Bank	500	Feb.29.2016	Feb.29.2024	8.0	Fixed	0.44000% (*1)
	SBI Shinsei Bank	700	Jul.29.2016	Jul.31.2024	8.0	Fixed	0.40000%
Long-term debt	Development Bank of Japan	2,000	Feb.29.2016	Feb.28.2025	9.0	Fixed	0.62000%
	Sumitomo Mitsui Trust Bank	300	Sep.30.2016	Sep.30.2025	9.0	Floating	0.41855%
	Syndicated loan (*2)	2,100	Dec.30.2016	Dec.30.2025	9.0	Fixed	0.71750%
	The Bank of Fukuoka	1,500	Dec.30.2016	Dec.30.2026	10.0	Floating	0.42455%
	Resona Bank	600	Mar.31.2017	Mar.31.2027	10.0	Fixed	0.65846%
	The Higo Bank	300	Mar.31.2017	Mar.31.2025	8.0	Fixed	0.48130%
	MUFG Bank	800	Mar.31.2017	Mar.31.2025	8.0	Fixed	0.48130%
	Syndicated loan (*3)	6,000	Jun.30.2017	Jun.30.2026	9.0	Fixed	0.77677%
	Development Bank of Japan	1,800	Jun.30.2017	Dec.31.2026	9.5	Fixed	0.65000%
	The Bank of Fukuoka	2,000	Jul.31.2017	Jul.31.2027	10.0	Fixed	0.79195%
	The Nishi-Nippon City Bank	2,000	Jul.31.2017	Jul.31.2027	10.0	Fixed	0.89195%
	Syndicated loan (*4)	1,500	Aug.31.2017	Aug.31.2027	10.0	Fixed	0.84952%
	Resona Bank	2,000	Sep.29.2017	Sep.30.2027	10.0	Fixed	0.49350% (*1)
	The Bank of Fukuoka	1,500	Dec.29.2017	Dec.30.2027	10.0	Fixed	0.81209%
	Development Bank of Japan	500	Dec.29.2017	Dec.30.2027	10.0	Fixed	0.68000%
	The Nishi-Nippon City Bank	1,900	Feb.28.2018	Feb.29.2028	10.0	Fixed	0.75000% (*1)
	Sumitomo Mitsui Trust Bank	1,100	Feb.28.2018	Feb.26.2027	9.0	Fixed	0.60000% (*1)
	MUFG Bank	1,500	Feb.28.2018	Feb.27.2026	8.0	Fixed	0.50000%
	Resona Bank	600	Feb.28.2018	Feb.29.2028	10.0	Fixed	0.56700% (*1)
	Development Bank of Japan	2,500	Mar.1.2018	Mar.1.2028	10.0	Fixed	0.72000%
	MUFG Bank	600	Mar.30.2018	Mar.31.2026	8.0	Fixed	0.48000%
	The Nishi-Nippon City Bank	600	Mar.30.2018	Mar.31.2028	10.0	Fixed	0.80219%
	The Bank of Fukuoka	500	Mar.30.2018	Mar.31.2028	10.0	Fixed	0.80219%
	Mizuho Bank	500	Mar.30.2018	Mar.31.2028	10.0	Fixed	0.63000%
	Sumitomo Mitsui Banking Corporation	500	Mar.30.2018	Mar.31.2025	7.0	Fixed	0.50400% (*1)
	MUFG Bank	500	Mar.30.2018	Mar.31.2027	9.0	Fixed	0.49000%
	Sumitomo Mitsui Trust Bank	400	Mar.30.2018	Mar.31.2027	9.0	Fixed	0.57600% (*1)
	The Oita Bank	400	Mar.30.2018	Mar.31.2028	10.0	Fixed	0.64630%
	The Hiroshima Bank	400	Mar.30.2018	Mar.31.2028	10.0	Fixed	0.64630%
	SBI 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	0.42000%	
The Bank of Fukuoka	300	Jan.31.2019	Jan.31.2029	10.0	Floating	0.42000%	
The Oita Bank	200	Feb.28.2019	Feb.27.2026	7.0	Fixed	0.33380%	
The Kagoshima Bank	200	Feb.28.2019	Feb.27.2026	7.0	Fixed	0.33380%	
The Higo Bank	200	Feb.28.2019	Feb.27.2026	7.0	Fixed	0.33380%	
Resona Bank	200	Feb.28.2019	Feb.28.2029	10.0	Fixed	0.48845% (*1)	
Syndicated loan (Green loan) (*5)	2,200	Jul.31.2019	Jul.31.2029	10.0	Fixed	0.52100% (*1)	

* For floating-rate debts, the interest rates applicable as of August 31, 2023 are indicated. *All debts have been borrowed with no collateral and no guarantee, to be repaid in lump-sum upon maturity.

(*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) The lenders are Development Bank of Japan・The Oita Bank・The Kagoshima Bank・The Kitakyushu Bank・The Juhachi-Shinwa Bank・The Hiroshima Bank

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

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

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

(As of August 31, 2023)

Category	Lender	Balance (mm yen)	Drawdown Date	Repayment Date	Term (year)	Fixed/Floating	Average Interest Rate	
Long-term debt	The Norinchukin Bank	1,500	Jul.31.2019	Jan.29.2027	7.5	Fixed	0.30300%	
	MUFG Bank	500	Sep.25.2019	Sep.29.2028	9.0	Fixed	0.48000%	
	The Nishi-Nippon City Bank	2,500	Feb.28.2020	Feb.28.2030	10.0	Fixed	0.48000% (*1)	
	Mizuho Bank	1,700	Feb.28.2020	Feb.28.2030	10.0	Fixed	0.42000%	
	Aozora Bank	1,000	Jun.30.2020	Jun.28.2030	10.0	Fixed	0.56922%	
	Resona Bank	700	Jun.30.2020	Jun.28.2030	10.0	Fixed	0.56922%	
	MUFG Bank	500	Jun.30.2020	Jun.29.2029	9.0	Fixed	0.60000%	
	The Kagoshima Bank	500	Jun.30.2020	Jun.30.2028	8.0	Fixed	0.46500%	
	Development Bank of Japan	1,500	Jul.31.2020	Jul.31.2030	10.0	Fixed	0.53000%	
	Mizuho Bank	1,000	Jul.31.2020	Jul.31.2030	10.0	Fixed	0.47000%	
	The Kitakyushu Bank	500	Jul.31.2020	Jul.31.2030	10.0	Fixed	0.52630%	
	The Iyo Bank	200	Jul.31.2020	Jul.31.2030	10.0	Fixed	0.52630%	
	The Juhachi-Shinwa Bank (donation-type loan)	1,000	Mar.31.2021	Mar.31.2031	10.0	Fixed	0.59000%	
	Syndicated loan (*6)	5,300	Jul.31.2021	Jul.31.2031	10.0	Fixed	0.49000% (*1)	
	Mizuho Trust & Banking	1,000	Mar.31.2022	Mar.31.2032	10.0	Floating	0.37455%	
	Sumitomo Mitsui Banking Corporation	1,600	Jun.30.2022	Jun.29.2029	7.0	Fixed	0.72625%	
	Syndicated loan (sustainability-linked loan) (*7)	4,900	Aug.31.2022	Aug.31.2032	10.0	Fixed	0.91875% (*8)	
	The Higo Bank	700	Mar.31.2023	Mar.31.2028	5.0	Fixed	0.61500%	
	The Higo Bank	750	Mar.31.2023	Mar.31.2033	10.0	Floating	0.37455%	
	The Hiroshima Bank	500	Jun.30.2023	Jun.29.2029	6.0	Fixed	0.54125%	
	The Hiroshima Bank	1,000	Jun.30.2023	Jun.28.2030	7.0	Fixed	0.63500%	
	Sumitomo Mitsui Trust Bank (Green loan)	900	Jul.31.2023	Jul.31.2028	5.0	Fixed	0.50100%	
	Sumitomo Mitsui Trust Bank (Green loan)	600	Jul.31.2023	Jul.31.2031	8.0	Fixed	0.82900%	
	Development Bank of Japan (Green loan)	2,000	Aug.31.2023	Aug.31.2029	6.0	Fixed	0.83750%	
	Development Bank of Japan (Green loan)	2,000	Aug.31.2023	Feb.28.2030	6.5	Fixed	0.90689%	
	Total		81,450					

Investment corporation bonds

Category	Issue	Balance (mm yen)	Issue date	Maturity Date	Term (year)	Coupon (year)
Investment corporation bonds	The first series of unsecured bonds	2,000	Dec.30.2013	Dec.29.2023	10.0	1.32000%
	The second series of unsecured bonds	2,000	Jul.31.2017	Jul.30.2032	15.0	1.00000%
	The third series of unsecured bonds	1,000	Jul.31.2018	Jul.30.2038	20.0	1.20000%
Total		5,000				

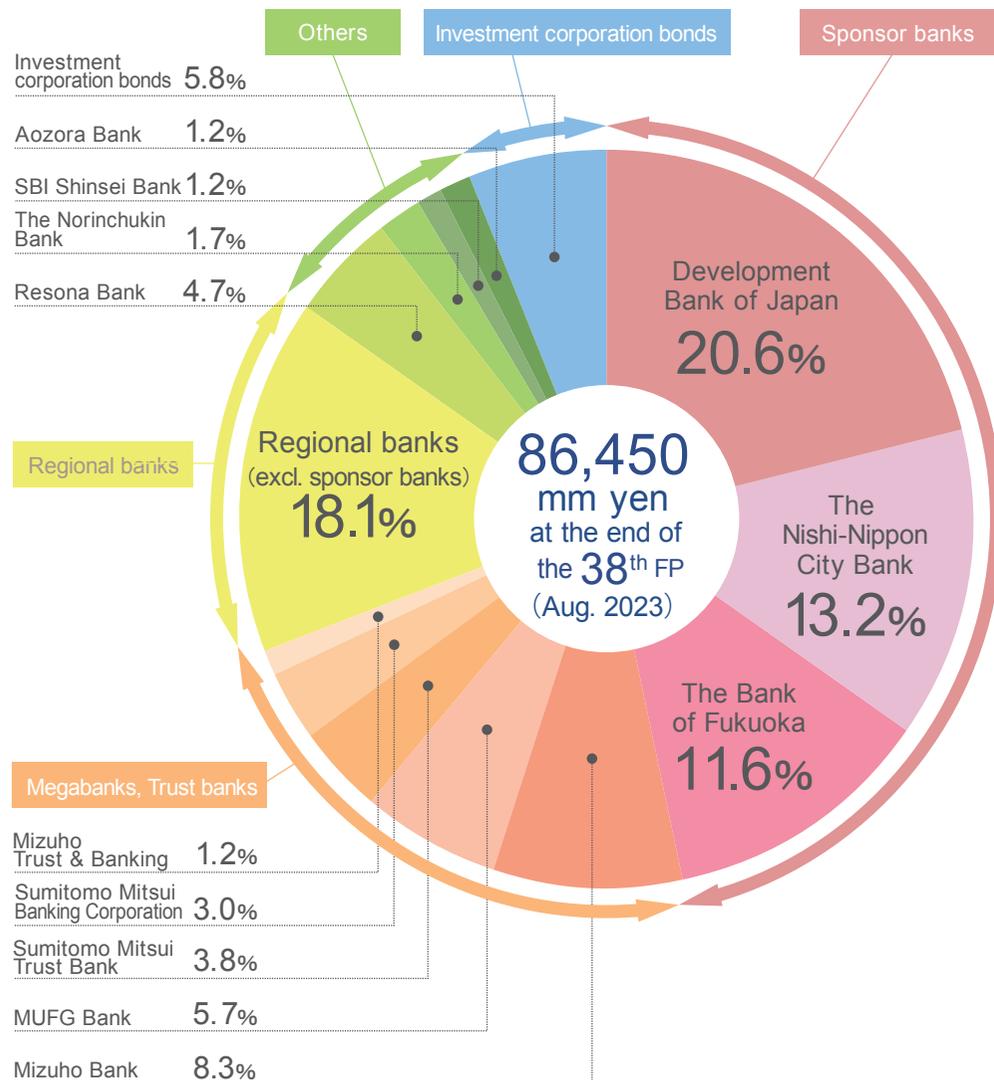
Committed line of credit

Category	Lender	Credit Limit (mm yen)	Period	
			Start	End
Committed line	Committed line 1 (*9)	6,000	Aug. 1, 2018	Jul.31, 2025
	Committed line 2 (*10)	7,000	Mar. 2, 2020	Feb.28, 2026
Total		13,000		

Lenders

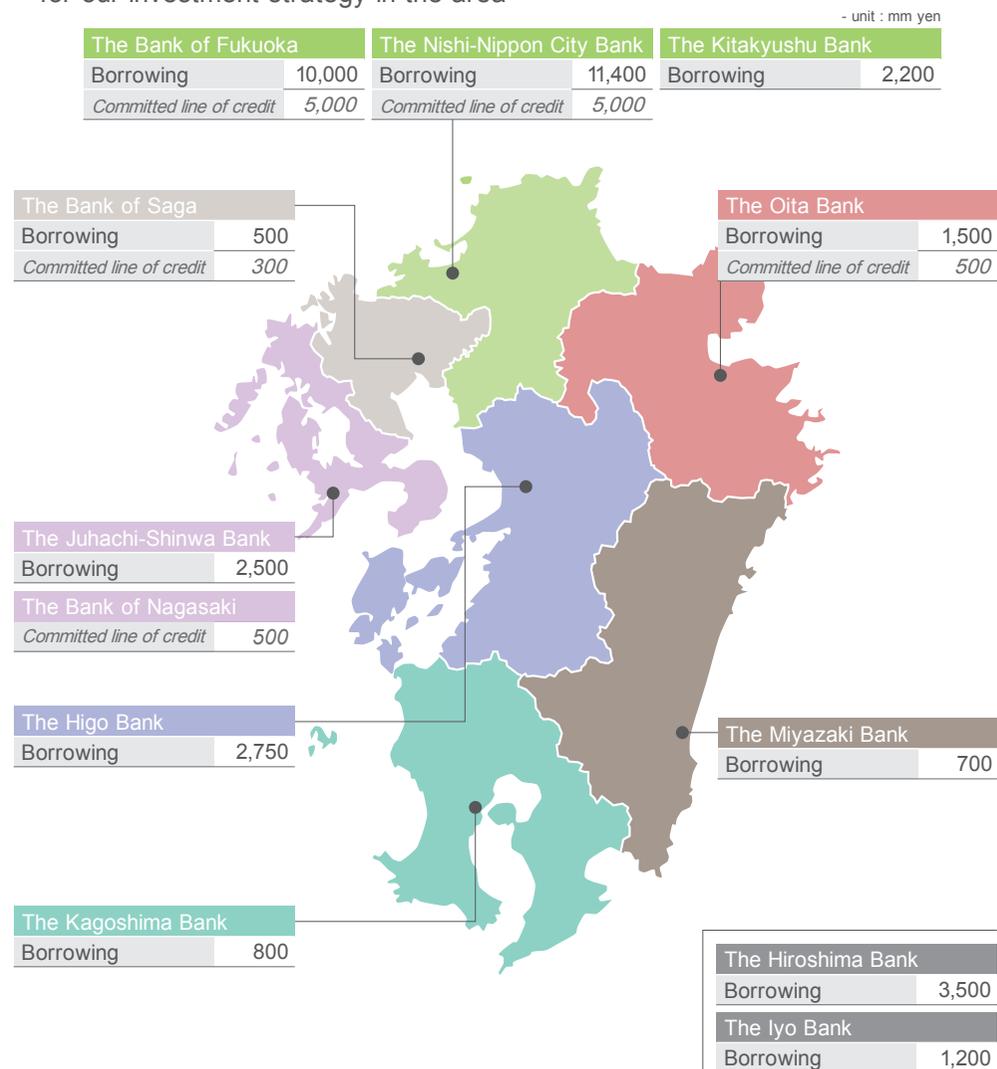
A stable network of sponsor banks and other lenders

Breakdown of debt by lenders

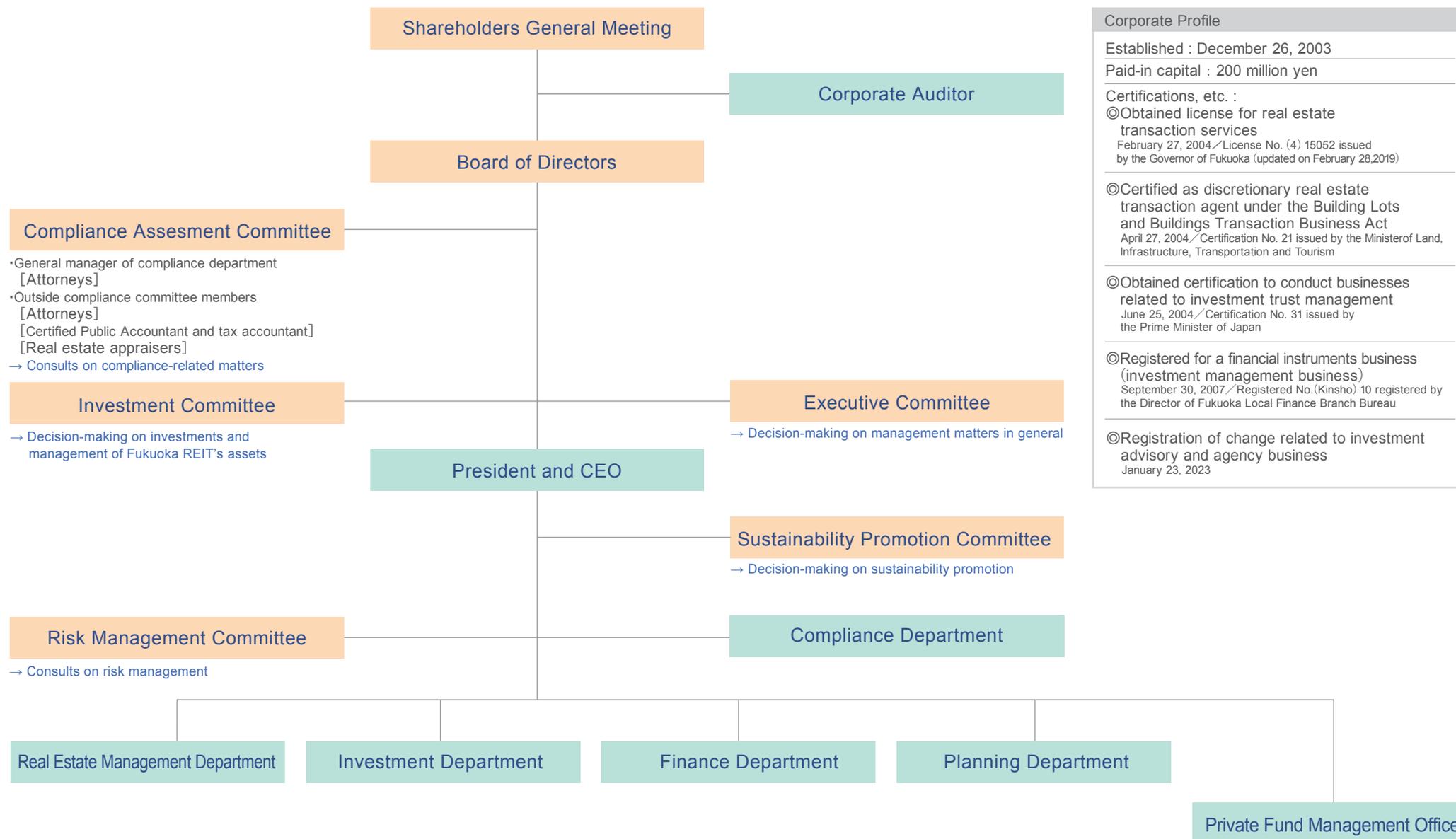


A regional bank transaction network

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

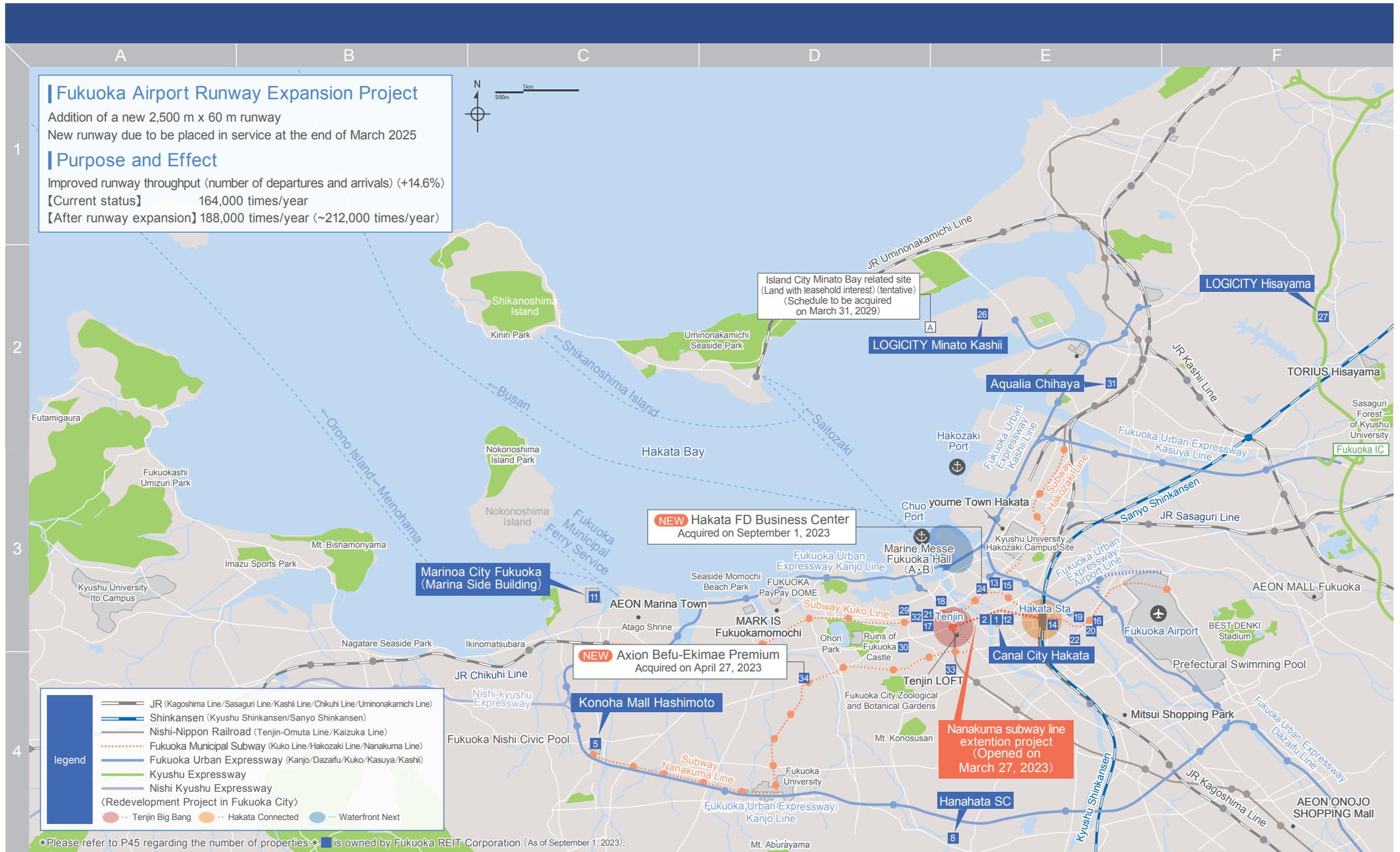


Asset management company's organization



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
◎Registration of change related to investment advisory and agency business January 23, 2023

The condition of suburb area in Fukuoka



The condition of Fukuoka city center

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



©Nanakuma subway Line extension opened [Kushida Shrine Sta.] (Taken on March 27, 2023)

◎Overview of Nanakuma subway line extension

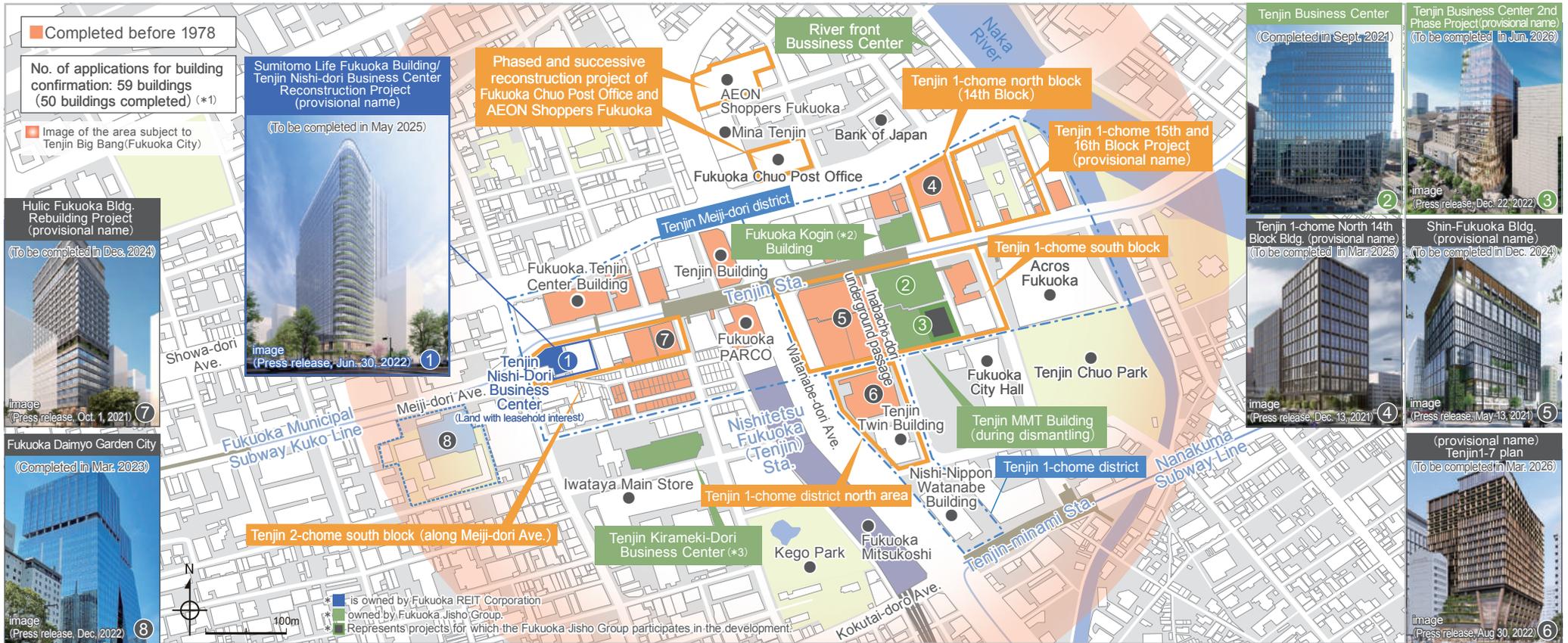


- Extended section : Between Tenjin-Minami Station and Hakata Station
- Construction distance : approx. 1.4 km
- Travel within city center :
 Yakuin Sta. ↔ Hakata Sta. 7 min.
 Watanabe-dori Sta. ↔ Hakata Sta. 5 min.
- Directly connected to Hakata Station;
 transfer at Tenjin not necessary

Source: Prepared by Fukuoka Realty based on data from the Fukuoka Municipal Subway "Reiwa 4 Overview Pamphlet".

* Please refer to P45 regarding the number of properties.
 ■ is owned by Fukuoka REIT Corporation (As of September 1, 2023).
 ■ is owned by Fukuoka Jisho Group (As of September 1, 2023).
 (*) The property is co-owned by the Fukuoka Jisho Group with the other company.

Redevelopment in Tenjin area (Tenjin Big Bang)



(*1) February 2015 to May 2022 after the start of Tenjin Big Bang. Number of completed buildings as of May 2022. (announced by Fukuoka City). (*2) The property is co-owned by the Fukuoka Jisho Group with the other company.
 Source: Prepared by Fukuoka Realty based on press releases of Fukuoka City and the content of the Tenjin Big Bang introduction website (<https://www.city.fukuoka.lg.jp/jutaku-toshi/kaihatsu/shisei/20150226.html>).

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

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

● Around Fukuoka City Hall
 approx. 67m (15 floors)



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

② Deregulation of floor space ratios (Fukuoka City original)

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

◎Initiatives for becoming an infection-controlling city

● Urban central areas

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

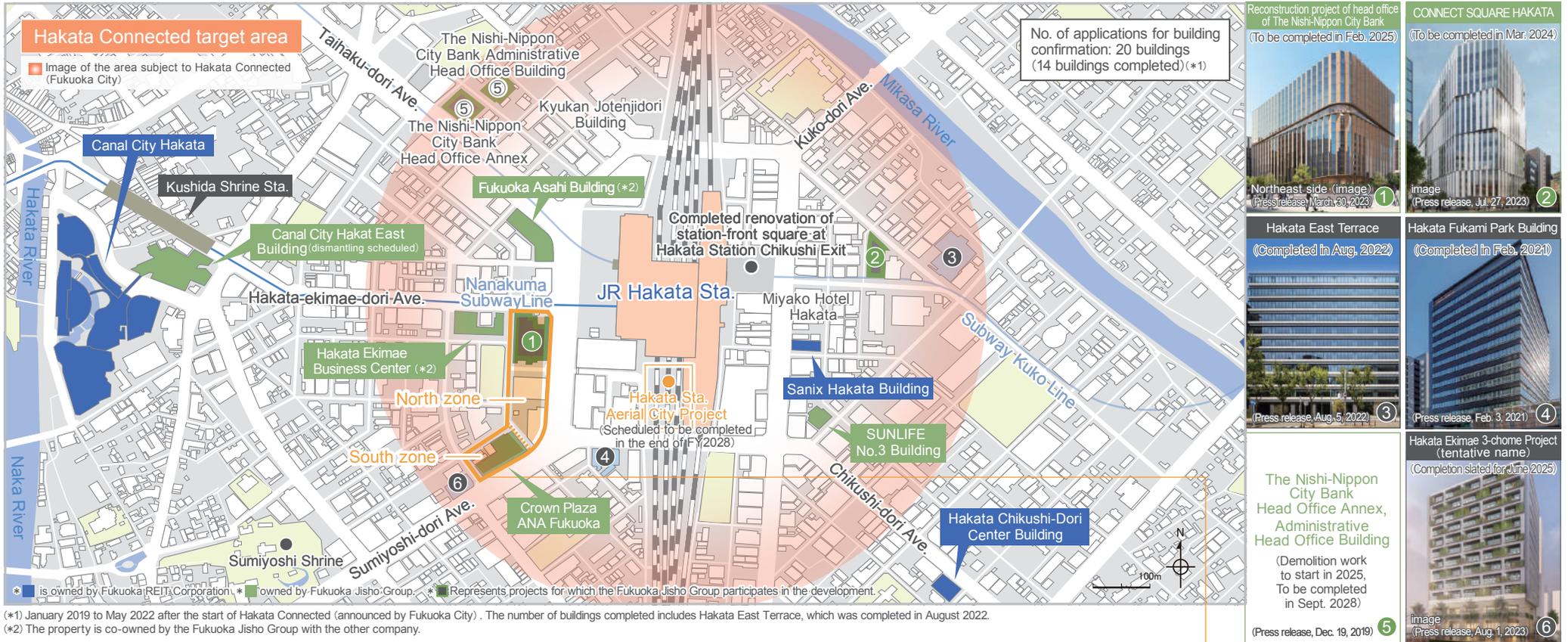
Relaxation of floor area ratio by up to **50%**

Tenjin Big Bang Area

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

Redevelopment in Hakata area (Hakata Connected)

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



Hakata Connected Bonus

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

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

Existing system to relax floor area ratio



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

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

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

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

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

City's own mitigation of floor space ratio restriction

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

Sponsor pipeline (Fukuoka Jisho Group)

Overview of Fukuoka Jisho Co., Ltd. (period ended May 31, 2023)

Name	Fukuoka Jisho Co., Ltd.
Established	July 1961
Industries	Real estate (comprehensive developer)
Representative	Ichiro Enomoto, President and C.E.O
Employees	176

Net sales	20.2 billion yen
Ordinary income	5.8 billion yen
Net income	10.4 billion yen
Total assets	239.6 billion yen
Equity ratio	37.1%

Tenjin Business Center



Tenjin Business Center 2nd Phase Project (provisional name)



LOGICITY Minato Kashii North



Class Keyaki Dori



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

Major properties owned by Fukuoka Jisho Group

Use	No.	Name	Year of completion	Total floor space
Office buildings	1	Fukuoka Kogin Building	1970	15,160m ²
	2	Fukuoka Asahi Building	1970	44,762m ²
	3	Hakata Ekimae Business Center	1999	23,542m ²
	4	Naha Business Center	2018	8,994m ²
	5	Tenjin Business Center	2021	61,100m ²
	6	Sumitomo Life Fukuoka Building/ Tenjin Nishi-dori Business Center Reconstruction Project (provisional name) (*)	May 2025 (scheduled)	42,000m ²
	7	Tenjin Business Center 2nd Phase Project (provisional name)	June 2026 (scheduled)	62,932m ²
Retail	8	Marinoa City Fukuoka (Outlet Building)	2000(Building I) / 2004(Building II) / 2007(Building III)	46,663m ²
	9	Tenjin Kirameki Dori Building	2003	24,525m ²
	10	Canal City Hakata East Building (dismantling scheduled)	2011	18,534m ²
Residence	11	Class Keyaki Dori	2008	6,500m ²
	12	Imagawa 1-chome rental apartment (provisional name)	July 2024 (scheduled)	2,648m ²
Hotel	13	Hotel FORZA Sapporo Ekimae	2020	11,344m ²
Logistics	14	LOGICITY Minato Kashii North	2020	47,150m ²
	15	LOGICITY Koga	March 2023	49,545m ²
	16	LOGICITY Ogori (provisional name)	July 2024 (scheduled)	28,364m ²
	17	Logistic plan in Ueki, Sue Town (section A-B)	Not announced	—
	18	Logistic plan in Sonobe, Kiyama Town	Not announced	—
	19	Island city Logistic Plan	2030 (scheduled)	—

*Includes properties owned by the Fukuoka Jisho Group and properties co-owned with other companies.
(*) FRC acquired land with leasehold interest on June 1, 2021.