



# Fukuoka REIT Corporation

Overview of the 17th fiscal period performance [8968] Security code September 1<sup>st</sup>, 2012~February 28<sup>th</sup>, 2013



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Security code  
[8968] September 1<sup>st</sup>, 2012~February 28<sup>th</sup>, 2013

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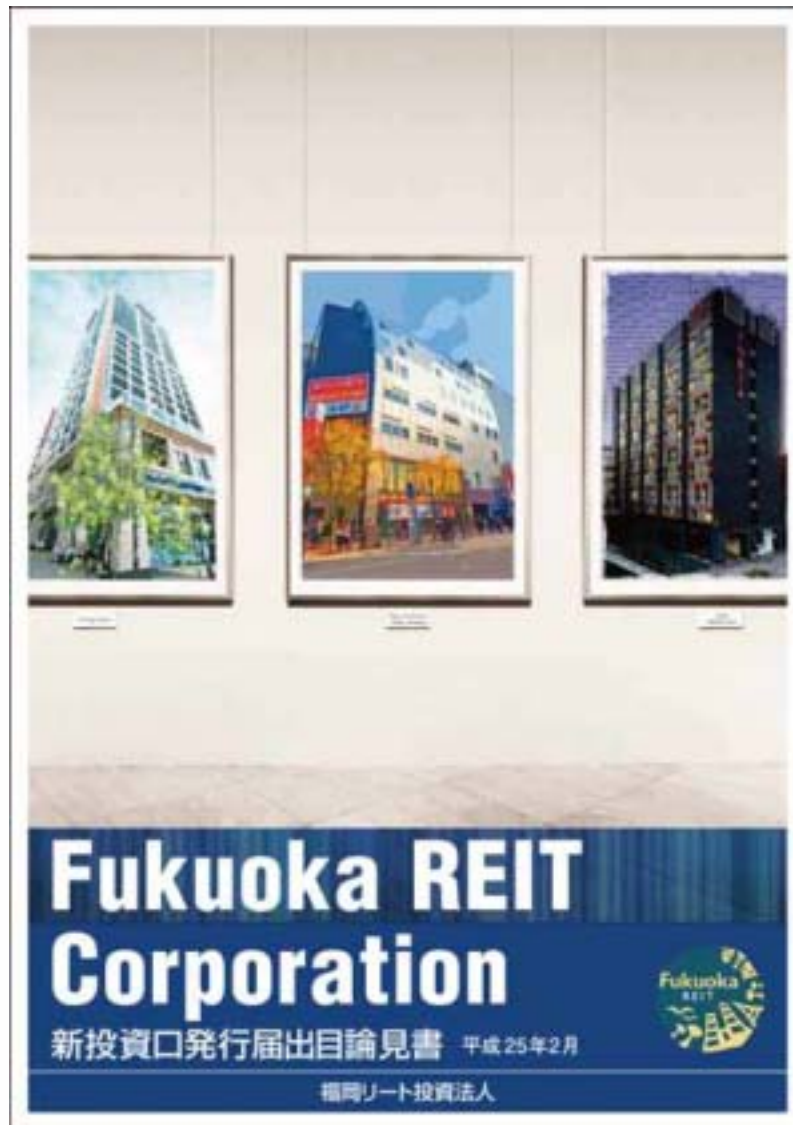
\*Regarding rounding of amounts, percentage, and ratios unless otherwise noted, in these materials, monetary amounts are rounded down to the nearest whole unit, and percentages and ratios are rounded off to two decimal places.

These materials may contain future performance, plans, management targets and strategies. These forward-looking descriptions are based on present assumptions on future events and trends in the business environment, but such assumptions may not necessarily be accurate. Actual results may differ materially due to various factors. Neither Fukuoka REIT Corporation nor Fukuoka Realty shall be liable for the accuracy, rationality and completeness of information contained in these materials, whether they were prepared by Fukuoka REIT Corporation or Fukuoka Realty or provided by a third party. These materials have not been prepared to entice investment. When applying to purchase investment units issued by Fukuoka REIT Corporation, do so based on your own judgment and responsibility.



# Overview of third public offering

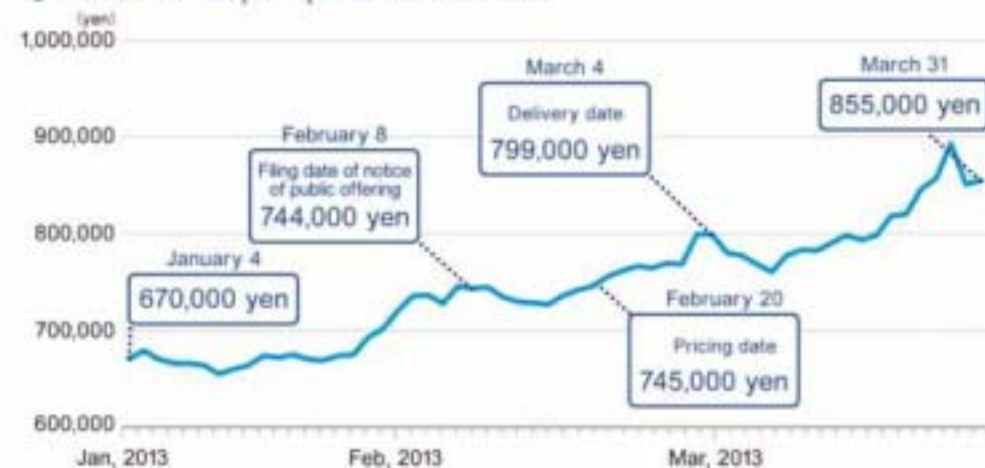
Raised 10,623 mm yen in public offering



## ■ Overview of public offering

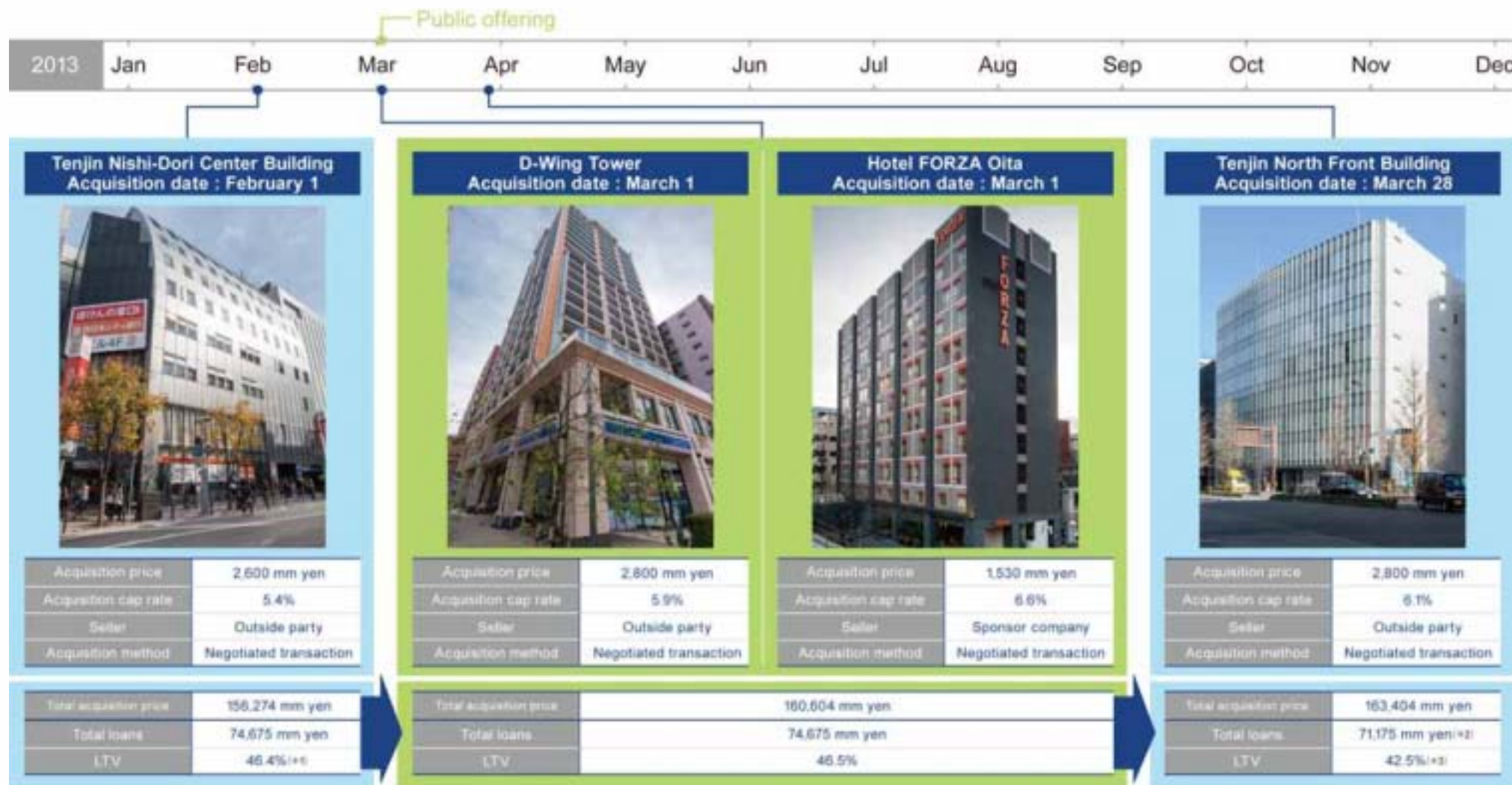
Type of offering	Domestic public offering
Number of investment units issued	Before offering: 123,050 After offering: 138,000
Issuance price / Net issuance price	710,580 yen / 686,529 yen
Total gross proceeds	10,623,171,000 yen
Total net proceeds	10,263,608,550 yen
Authorization date	February 8, 2013 (Friday)
Pricing date	February 20, 2013 (Wednesday)
Subscription period	February 21, 2013 (Thursday) – February 22, 2013 (Friday)
Payment date	March 1, 2013 (Friday)
Delivery date	March 4, 2013 (Monday)
Discount rate	2.5%

©Investment unit price performance in 2013



# Recent investments

Four properties acquired for a total of 9.73 bn yen in 2013



(+0) Calculated by dividing interest-bearing debt of 14,675 mm yen by total assets of 160,949 mm yen. Total assets were calculated as total assets at 100% fiscal period-end of 159,601 mm yen minus debt repayments made on October 31, 2012 and December 31, 2012 (totaling 1,175 mm yen) plus 2,300 mm yen in new debt associated with the Tenjin Nishi-Dori Center Building acquisition.  
 (+2) Total interest-bearing debt at March 31, 2013.  
 (+2) Calculated by dividing interest-bearing debt of 71,175 mm yen by total assets of 167,337 mm yen. Total assets were calculated as total assets at 100% fiscal period-end of 160,514 mm yen plus March 2013 public offering's total net proceeds of 10,263 mm yen minus debt repayments of 3,900 mm yen made in March 2013.  
 + Acquisition cap rate = direct capitalization (NOI / acquisition price) × 100(%)



# Property acquired in 17th fiscal period

First property in Tenjin area, acquired with support of secondary sponsor

## ■ Tenjin Nishi-Dori Center Building



### ◎ Outline

Use	Office Properties
Location	2-chome, Tenjin, Chuo-ku, Fukuoka City
Acquisition price	2,600 mm yen

Acquisition cap rate	5.4%
Acquisition date	February 1, 2013
Leasable space	3,339.32㎡



# Properties acquired in 18th fiscal period

Acquisition of diverse properties with stable cash flows

## ■ D-Wing Tower



### ◎ Outline

Use	Residence
Location	2-chome, Daimyo, Chuo-ku, Fukuoka City
Acquisition price	2,800 mm yen
Acquisition cap rate	5.9%

Acquisition date	March 1, 2013
Built	February, 2006
Leasable units	136 + 1
Leasable space	7,187.57㎡

(+1) The total of the residential portion (136 units) and shop portion (10 units) is recorded.

## ■ Hotel FORZA Oita



### ◎ Outline

Use	Hotel
Location	1-chome, Chuo-machi, Oita City
Acquisition price	1,530 mm yen
Acquisition cap rate	6.6%

Acquisition date	March 1, 2013
Built	August, 2008
Guest rooms	205
Leasable space	5,785.44㎡



# Properties acquired in 18th fiscal period

Recently constructed office property acquired in Tenjin area

## ■ Tenjin North Front Building

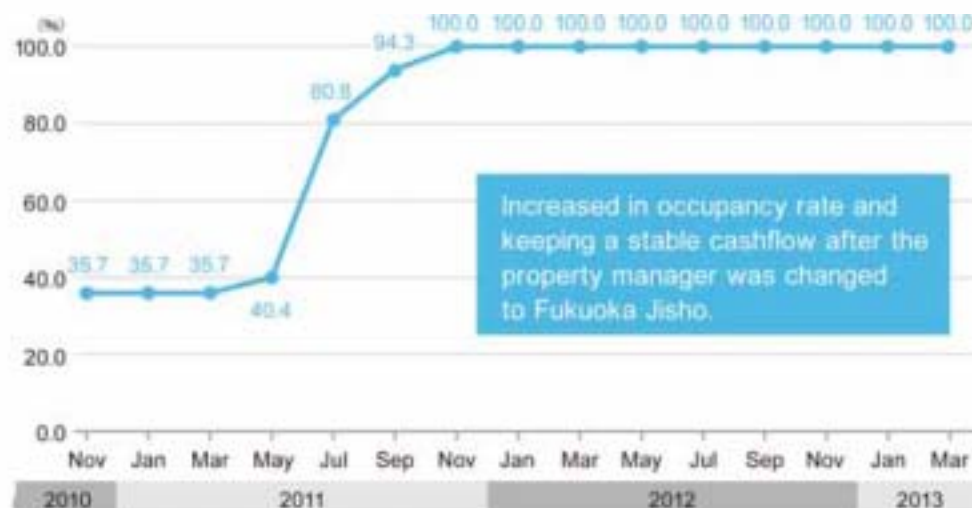


### © Outline

Use	Office Building
Location	4-chome,Tenjin,Chuo-ku, Fukuoka City
Acquisition price	2,800 mm yen
Acquisition cap rate	6.1%

Acquisition date	March 28 ,2013
Built	January ,2010
Leasable space	5,224.76㎡

## ■ Historical occupancy rate



## ■ Location



# Assets at present

Assets have doubled to 163,404 mm yen since IPO



[1] C-Rainwater Community Mall, acquired in the 3rd fiscal period and sold in the 6th fiscal period, was omitted from the acquired assets presented above.

[2] Nagasaki Ho Business Center, acquired in the 10th fiscal period, was acquired from both an Outside party and sponsor company. Consequently, half of its acquisition cost was counted as assets acquired from outside parties, and the other half, as assets acquired from sponsor company.

[3] A senior equity interest in an anonymous partnership managed by CCH Bridge YK, was redeemed in the 14th fiscal period. It was excluded from total acquired assets from the 14th fiscal period onward.

[4] Assets acquired from sponsor company include acquisitions arranged by sponsor company.



# Interest-bearing debt and LTV

LTV lowered as a result of equity offering

## ■ Total assets, interest-bearing debt and LTV



(\*) Total assets at March 31, 2013, were calculated as total assets at 17th fiscal period-end plus total net proceeds of March 2013 equity offering minus March 2013 debt repayments totaling 5,500 mm yen.

# Fukuoka REIT's portfolio

Acquiring diverse properties as a general REIT

## ◎Investment area

(as of march 31, 2013)



## ◎Investment type





# Financial highlights

Dividend per unit : +89 yen (compared with the forecast) , +96 yen (compared with previous period)

Category	13th ~ Feb 29, 2011	14th ~ Aug 31, 2011	15th ~ Feb 29, 2012	16th ~ Aug 31, 2012 A	17th ~ Feb 28, 2013 B	Variation B-A	- unit : mm yen (Figures round down to nearest mm yen)	
							18th ~ Aug 31, 2013 (forecast)	19th ~ Feb 28, 2014 (forecast)
Operating revenues	5,662	7,045	6,931	7,094	7,200	+106	7,518	7,515
Rental NOI (*1)	3,537	4,406	4,351	4,372	4,444	+71	4,732	4,753
Depreciation	958	1,164	1,177	1,242	1,268	+25	1,348	1,368
Operating income	2,317	2,729	2,637	2,595	2,622	+27	2,819	2,812
Ordinary income	1,763	2,083	2,046	2,005	2,005	+0	2,236	2,236
Net income	1,762	2,082	2,045	1,992	2,004	+11	2,235	2,235
Dividend per unit (yen) ①	16,465	16,922	16,621	16,193	16,289	+96	16,200	16,200
Latest dividend forecast (yen) ②	16,100	16,600	16,300	16,000	16,200			
Difference from forecast (yen) ①-②	+365	+322	+321	+193	+89			
Number of investment units outstanding (at period-end) (units)	107,050	123,050	123,050	123,050	123,050			
Total assets (at period-end) (unit : mm yen)	132,497	155,657	155,792	159,601	160,574			
Total net assets (at period-end) (unit : mm yen)	62,026	71,259	71,222	71,170	71,182			
Days in fiscal period (days)	181	184	182	184	181			
Number of properties owned (at period-end)	16	17	17	19	20			
Number of tenants (at period-end) (*2)	421	502	515	701	751			
Total leasable floor space (at period-end) (m <sup>2</sup> )	362,249.39	425,906.83	425,773.30	445,001.37	448,867.34			
Occupancy rate (at period-end) (%) (*3)	98.6	99.6	98.1	97.0	99.3			

- (\*1) "Rental NOI" = "Leasing business revenues" - "Leasing business expenses" + "Depreciation"
- (\*2) 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.
- (\*3) "Occupancy rate" = "Total leased floor space at period-end" ÷ "Total leasable floor space at period-end"

# Balance sheets (compared with the previous fiscal period)

## Acquired Tenjin Nishi-Dori Center Building

- unit : mm yen (Figures round down to nearest mm yen)

Category		16th ~Aug 31, 2012 A	17th ~Feb 28, 2013 B	Variation B-A
Assets	<b>Current assets</b>	<b>8,398</b>	<b>7,583</b>	<b>(814)</b>
	Cash and deposits	2,370	2,134	(235)
	Cash and deposits in trust	5,293	4,918	① (375)
	Operating accounts receivable	311	278	(32)
	Prepaid expenses	308	236	(72)
	Deferred tax assets	0	0	(0)
	Consumption taxes receivable	91	-	(91)
	Others	22	15	(6)
	<b>Non-current assets</b>	<b>151,189</b>	<b>152,981</b>	<b>1,792</b>
	<b>Property, plant and equipment</b>	<b>148,827</b>	<b>150,637</b>	<b>② 1,810</b>
	Building in trust, net	58,633	58,320	(313)
	Structures in trust, net	813	794	(19)
	Machinery and equipment in trust, net	279	273	(6)
	Tools, and fixtures in trust, net	474	448	(25)
	Land in trust	88,615	90,801	2,186
	Construction in progress in trust	10	-	(10)
	<b>Intangible assets</b>	<b>1,786</b>	<b>1,784</b>	<b>(2)</b>
	Leasehold right in trust	1,765	1,765	-
	Other intangible assets in trust	21	18	(2)
	<b>Investment and other assets</b>	<b>575</b>	<b>559</b>	<b>(15)</b>
	Lease and security deposits	10	10	-
	Lease and security deposits in trust	100	100	-
	Long-term prepaid expenses	465	449	(15)
	<b>Deferred assets</b>	<b>13</b>	<b>8</b>	<b>(4)</b>
	<b>Total assets</b>	<b>159,601</b>	<b>160,574</b>	<b>972</b>

Category		16th ~Aug 31, 2012 A	17th ~Feb 28, 2013 B	Variation B-A
Liabilities	<b>Current liabilities</b>	<b>18,122</b>	<b>8,849</b>	<b>(9,273)</b>
	Operating account payable	881	463	③ (418)
	Short-term debt	1,100	2,700	④ 1,600
	Current maturities of long-term debt	13,850	3,750	(10,100)
	Accounting payable-other	66	32	(33)
	Accrued expenses	314	311	(3)
	Income taxes payable	5	0	(4)
	Accrued consumption taxes	-	157	157
	Advanced received	837	847	9
	Deposits received	1,066	585	⑤ (480)
	<b>Non-current liabilities</b>	<b>70,308</b>	<b>80,543</b>	<b>10,234</b>
	Long-term debt payable	58,400	68,225	⑥ 9,825
	Tenant leasehold and security deposits	305	316	11
	Tenant leasehold and security deposits received in trust	11,602	12,001	398
	<b>Total liabilities</b>	<b>88,431</b>	<b>89,392</b>	<b>961</b>
Net assets	<b>Unitholders' equity</b>	<b>71,170</b>	<b>71,182</b>	<b>11</b>
	Unitholders' capital	69,177	69,177	-
	Surplus	1,992	2,004	11
	<b>Total net assets</b>	<b>71,170</b>	<b>71,182</b>	<b>11</b>

<b>Total liabilities and net assets</b>	<b>159,601</b>	<b>160,574</b>	<b>972</b>
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■ Assets	
① Repayment of debt (1,100)	
Others +490	
<b>Total : (610)</b>	
② Tenjin Nishi-Dori Center Building +2,688	
Capital expenditures +431	
Depreciation (excluding intangible asset amortization of 3 mm yen) (1,265)	
Others (asset disposals, etc.) (44)	
<b>Total : +1,810</b>	

■ Liabilities	
③ Construction payables, etc. (418)	
④ Short-term debt repayment (October 31, 2012) (1,100)	
New short-term debt (February 28, 2013) +2,700	
<b>Total : +1,600</b>	
⑤ Seasonal factors (prepaid revenues, etc.) (480)	
⑥ Reclassified from long-term debt to current maturities of long-term debt (2,000)	
Refinanced (current maturities of long-term debt → long-term debt) +9,400	
New long-term debt (February 1, 2013) +2,500	
Loan amortization (long-term debt) (75)	
<b>Total : +9,825</b>	



# Income statements (compared with previous fiscal period)

- unit : mm yen (Figures round down to nearest mm yen)

Sign indicates impact on net income (unit : mm yen)

Category			16th ~ Aug 31, 2012 A	17th ~ Feb 28, 2013 B	Variation B-A
Ordinary profit and loss	Operating profit and loss	Operating revenues	7,094	7,200	① 106
		Rental revenues-real estate	6,596	6,784	187
		Other rental revenues-real estate	497	416	(80)
		Operating expenses	4,498	4,578	79
		Expenses related to rental business	3,964	4,025	② 61
		Asset management fees	421	422	0
		Asset custody fees	5	5	0
		Administrative service fees	48	47	(1)
		Director's compensations	9	9	-
		Other operating expenses	48	68	19
		Operating income	2,595	2,622	27
	Non-Operating profit and loss	Non-operating revenues	98	2	(95)
		Interest received	0	0	(0)
		Others	97	1	③ (95)
		Non-operating expenses	688	619	(69)
		Interest payment	510	492	④ (18)
		Financial related expenses	124	122	(2)
		Others	53	4	⑤ (48)
	Ordinary income		2,005	2,005	0
	Income before income taxes		2,005	2,005	0
	Income taxes		12	1	(11)
	Income taxes-current		13	1	(11)
	Income taxes-deferred		(0)	0	0
	Net income		1,992	2,004	11
	Retained earnings brought forward		0	0	0
	Unappropriated retained earnings		1,992	2,004	11

■ Operating profit and loss	
① [Retail]	
Canal City Hakata	+185
Canal City Hakata-B	+18
Park Place Oita	(6)
Nonrecurrence of revenues from lease cancellation penalties at Square Mall Kagoshima Usuki	(100)
Others	+1
[Office properties]	
Canal City Business Center Building	+13
Higashi Hie Business Center	(17)
Tenjin Nishi-Dori Center Building	+14
Others	(3)
[Others]	
Others	+1
Total:	+106
② Repair and maintenance expenses	(31)
-Of which, Park Place Oita	(28)
Depreciation	(26)
-Of which, Canal City Hakata, Canal City Hakata-B	(15)
-Of which, Park Place Oita	(8)
Others	(4)
Total:	(61)
■ Non-Operating profit and loss	
③ Municipal property tax refund	(95)
④ Reduction in expenses related to refinancing	+20
⑤ Municipal property tax refund expenses	+48

# Income statements (compared with forecast)

- unit : mm yen (Figures round down to nearest mm yen)

Category			Previous Forecast A	17th ~ Feb 28, 2013 B	Variation B－A B－A
Ordinary profit and loss	Operating profit and loss	Operating revenues	7,208	7,200	① (7)
		Rental revenues-real estate		6,784	
		Other rental revenues-real estate		416	
		Operating expenses	4,586	4,578	② (7)
		Expenses related to rental business		4,025	
		Asset management fees		422	
		Asset custody fees		5	
		Administrative service fees		47	
		Director's compensations		9	
		Other operating expenses		68	
	Operating income		2,622	2,622	0
	Non-Operating profit and loss	Non-operating revenues	1	2	1
		Interest received		0	
		Others		1	
		Non-operating expenses	629	619	③ (9)
		Interest payment		492	
		Financial related expenses		122	
		Others		4	
Ordinary income		1,994	2,005	11	
Income before income taxes		1,994	2,005	11	
Income taxes-current			1		
Income taxes-deferred			0		
Total income taxes		1	1	0	
Net income		1,993	2,004	10	

Sign indicates impact on net income (unit : mm yen)

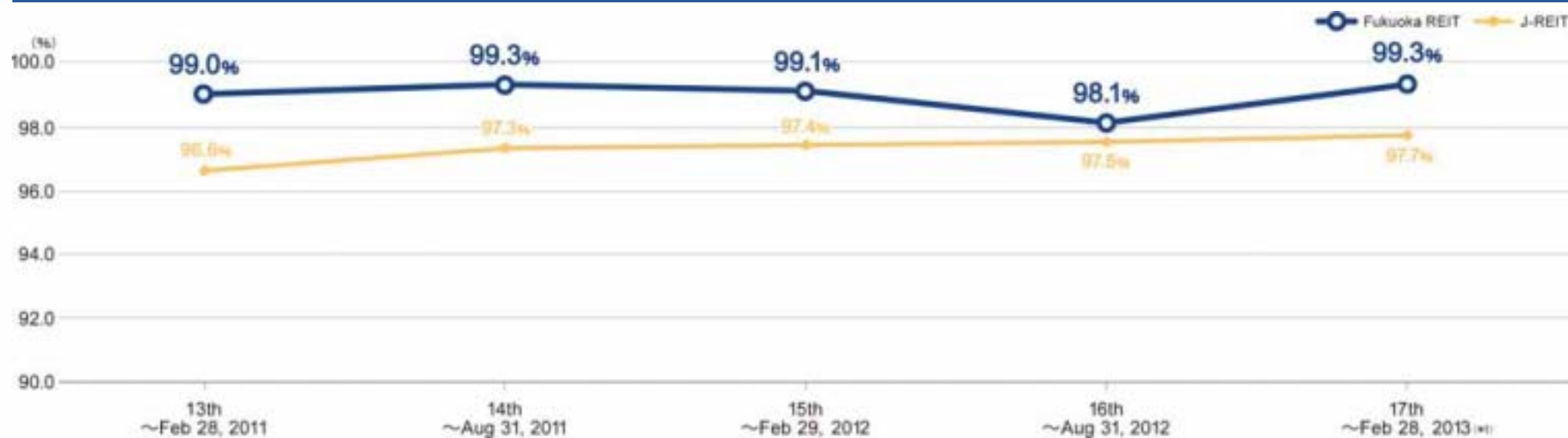
<b>■ Operating profit and loss</b>	
① [Retail]	
Canal City Hakata	(4)
Canal City Hakata・B	+7
Park Place Oita	(15)
- Of which, utilities expenses	(10)
Others	+2
[Office properties]	
Taihaku Street Business Center	(3)
Tenjin Nishi-Dori Center Building	+14
[Others]	
Others	(9)
<b>Total:</b>	<b>(7)</b>
② Outsourcing fees	(11)
Repair and maintenance expenses	+9
Depreciation	+8
Others	+1
<b>Total:</b>	<b>+7</b>
<b>■ Non-Operating profit and loss</b>	
③ Borrowing-related expenses	+9



# Portfolio properties' occupancy rate

Occupancy rate back above 99% following completion of Canal City Hakata South Building renovation

## ■ Historical occupancy rates (the weighted average during the period)



\* Calculated by weighted average during the period.

\* Overall of J-REITs' occupancy rates are calculated by weighted average based on historical figures of The Investment Trusts Association, Japan, at Fukuoka Realty.

(\* 1) J-REITs' occupancy rate in 17th fiscal period is calculated by weighted average based on the figures from September 1, 2012 to January 31, 2013

## ■ Occupancy rates

Category	13th ~ February 28, 2011	14th ~ August 31, 2011	15th ~ February 29, 2012	16th ~ August 31, 2012	17th ~ Feb 28, 2013	Investment percentage (based on acquisition price)
Active retail	99.7%	100.0%	99.5%	98.2%	99.9%	53.1%
Passive retail	100.0%	100.0%	99.8%	100.0%	100.0%	13.0%
Office properties	96.4%	96.8%	97.0%	97.7%	98.2%	29.2%
Others	95.4%	97.9%	98.4%	93.5%	94.7%	4.6%
<b>Total</b>	<b>99.0%</b>	<b>99.3%</b>	<b>99.1%</b>	<b>98.1%</b>	<b>99.3%</b>	<b>100.0%</b>

\* Calculated by weighted average during the period.

\* Active Retail = properties with variable rents such as Canal City Hakata, Canal City Hakata・B, Park Place Oita, and SunLiveCity Kokura. Passive Retail = properties without variable rents such as Square Mall Kagoshima Usuki, Kumamoto Intercommunity SC, AEON Hara Shopping Center, Hanahata SC, Kurume Higashi Kushiwara SC, and K's Denki Kagoshima.

# Appraisal value

Unrealized gains(\*1) totaled 6,522 mm yen at 17th fiscal period-end

- unit : mm yen (Figures round down to nearest mm yen)

	Property name	Acquisition Price (*2)	Acquisition cap rate	Appraisal values		Amount recognized in balance sheet at 17th ③	Variation		Direct capitalization values			Appraisal company
				17th ①	16th ②		From Appraisal value at 16th ①-②	From amount recognized in balance sheet at 17th ①-③	17th fiscal period-end Cap Rate ④	16th fiscal period-end Cap Rate ⑤	Variation ④-⑤	
Retail	Canal City Hakata	32,000	6.0%	32,200	32,200	31,504	0	695	5.1%	5.1%	0	Tanizawa Sogo Appraisal
	Canal City Hakata・B	28,700	5.4%	28,800	28,800	28,741	0	58	5.3%	5.3%	0	Tanizawa Sogo Appraisal
	Park Place Oita	15,700	6.5%	16,735	16,800	16,968	(65)	(233)	6.3%	6.3%	0	Japan Real Estate Institute
	SunLiveCity Kokura	6,633	6.6%	7,410	7,410	6,114	0	1,295	6.6%	6.6%	0	Japan Real Estate Institute
	Square Mall Kagoshima Usuki	5,300	6.2%	4,910	4,910	4,905	0	4	6.6%	6.7%	(0.1)	Japan Real Estate Institute
	Kumamoto Intercommunity SC	2,400	6.5%	2,440	2,440	2,194	0	245	6.6%	6.6%	0	Japan Real Estate Institute
	AEON Hara Shopping Center	5,410	6.8%	4,610	4,660	5,402	(50)	(792)	8.2%	8.1%	0.1	Japan Real Estate Institute
	Hanahata SC	1,130	6.4%	1,170	1,170	1,070	0	99	6.1%	6.1%	0	Tanizawa Sogo Appraisal
	Kurume Higashi Kushiwara SC	2,500	6.1%	2,530	2,530	2,315	0	214	6.1%	6.1%	0	Tanizawa Sogo Appraisal
	K's Denki Kagoshima	3,550	5.7%	3,400	3,400	3,348	0	51	6.0%	6.0%	0	Tanizawa Sogo Appraisal
	<b>Total of retail properties</b>	<b>103,323</b>	<b>-</b>	<b>104,205</b>	<b>104,320</b>	<b>102,565</b>	<b>(115)</b>	<b>1,639</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Office properties	Canal City Business Center Building	14,600	6.2%	14,700	14,800	13,922	(100)	777	5.3%	5.3%	0	Tanizawa Sogo Appraisal
	Gofukumachi Business Center	11,200	6.2%	12,700	12,800	9,941	(100)	2,758	5.2%	5.2%	0	Tanizawa Sogo Appraisal
	Sanix Hakata Building	4,400	5.9%	4,660	4,720	4,201	(60)	458	5.4%	5.4%	0	Japan Real Estate Institute
	Taihaku Street Business Center	7,000	6.0%	6,660	6,660	6,764	0	(104)	5.8%	5.8%	0	Japan Real Estate Institute
	Higashi Hie Business Center	5,900	6.0%	6,020	6,040	5,322	(20)	697	6.0%	6.0%	0	Tanizawa Sogo Appraisal
	Tenjin Nishi-Dori Center Building (*3)	2,600	5.4%	2,600	2,600	2,688	0	(88)	5.4%	-	-	Japan Real Estate Institute
	<b>Total of office properties</b>	<b>45,700</b>	<b>-</b>	<b>47,340</b>	<b>47,620</b>	<b>42,840</b>	<b>(280)</b>	<b>4,499</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Others	Amex Akasakamon Tower	2,060	5.4%	1,680	1,670	1,902	10	(222)	5.7%	5.9%	(0.2)	Daiwa Real Estate Appraisal
	City House Keyaki Dori	1,111	5.5%	1,040	1,020	1,043	20	(3)	5.6%	5.8%	(0.2)	Daiwa Real Estate Appraisal
	Aqualia Kego	2,800	6.3%	3,270	3,250	2,788	20	481	5.6%	5.7%	(0.1)	Japan Real Estate Institute
	Aqualia Chihaya	1,280	6.8%	1,410	1,390	1,282	20	127	6.1%	6.2%	(0.1)	Japan Real Estate Institute
	<b>Total of others</b>	<b>7,251</b>	<b>-</b>	<b>7,400</b>	<b>7,330</b>	<b>7,016</b>	<b>70</b>	<b>383</b>	<b>-</b>	<b>-</b>	<b>-</b>	
	<b>Total properties</b>	<b>156,274</b>	<b>-</b>	<b>158,945</b>	<b>159,270</b>	<b>152,422</b>	<b>(325)</b>	<b>6,522</b>	<b>-</b>	<b>-</b>	<b>-</b>	

(\*1) It does not include "construction in progress" in amount recognized in balance sheet at the end of period.

(\*2) "Acquisition price" do not include fees, public charge and expenses.

(\*3) The appraisal value at the time of acquisition is stated for the appraisal value for Aqualia Kego and Aqualia Chihaya at the end of the previous fiscal period.

# Business forecast (18th fiscal period)

Keeping 16,200 yen as a dividend after public offering

## Forecast in 18th fiscal period

- unit : mm yen (Figures round down to nearest mm yen)

Sign indicates impact on net income (unit : mm yen)

Category	17th Results	18th Forecast at 16th	18th Forecast at 17th	17th results variation	18th forecast variation
Operating revenues	7,200	7,191	7,518	① 317	327
Operating expenses	4,578	4,563	4,698	② 120	135
Operating income	2,622	2,628	2,819	196	191
Non-operating income	2	1	1	(1)	0
Non-operating expenses	619	635	584	③ (35)	(51)
Ordinary income	2,005	1,994	2,236	230	242
Net income	2,004	1,993	2,235	231	242
Dividend per unit (yen)	16,289	16,200	16,200	(89)	0

### Variance between 17th fiscal period results and 18th fiscal period forecast

① Canal City Hakata	(41)
- Of which, nonrecurrence of temporary revenues from South Building renovation	(32)
Canal City Hakata-B	(26)
- Of which, parking revenue seasonal factor	(12)
- Of which, tenant turnover	(11)
Park Place Oita	+18
- Of which, utilities expenses	+32
Office properties	+4
Others	+12
4 new properties	+350
<b>Total</b>	<b>+317</b>
② Depreciation, Repair and maintenance expenses	(3)
- Of which, 4 new properties	(78)
Utilities expenses	(89)
- Of which, 4 new properties	(15)
Asset management fee, administrative service fees	(26)
Municipal property tax (Aqualia Kego, Aqualia Chihaya)	(12)
Others	+10
- Of which, 4 new properties	(25)
<b>Total</b>	<b>(120)</b>
③ Borrowing-related expenses	+41
Depreciation and amortization with deferred assets of public offering	(6)
<b>Total</b>	<b>+35</b>



# Business forecast (19th fiscal period)

## Forecasting a stable dividend again in 19th fiscal period

### Forecast in 19th fiscal period

- unit : mm yen (Figures round down to nearest mm yen)

Category	18th Forecast at this period	19th Forecast at this period	18th forecast variation
Operating revenues	7,518	7,515	① (2)
Operating expenses	4,698	4,703	② 4
Operating income	2,819	2,812	(6)
Non-operating income	1	1	0
Non-operating expenses	584	577	③ (6)
Ordinary income	2,236	2,236	0
Net income	2,235	2,235	0
Dividend per unit (yen)	16,200	16,200	0

Sign indicates impact on net income (unit : mm yen)

### Variance from updated 18th fiscal period forecast

① Canal City Hakata	(4)
Canal City Hakata+B	+4
Park Place Oita	(16)
- Of which, utilities expenses	(14)
Office properties	(1)
Others	(3)
- Of which, utilities expenses	(4)
Tenjin North Front Building	+18
<b>Total:</b>	<b>(2)</b>
② Outsourcing fees	+5
Depreciation, Repair and maintenance expenses	+6
Utilities expenses	+1
Others	(16)
<b>Total:</b>	<b>(4)</b>
③ Borrowing-related expenses	+6
<b>Total:</b>	<b>+6</b>

# Dividend's track record

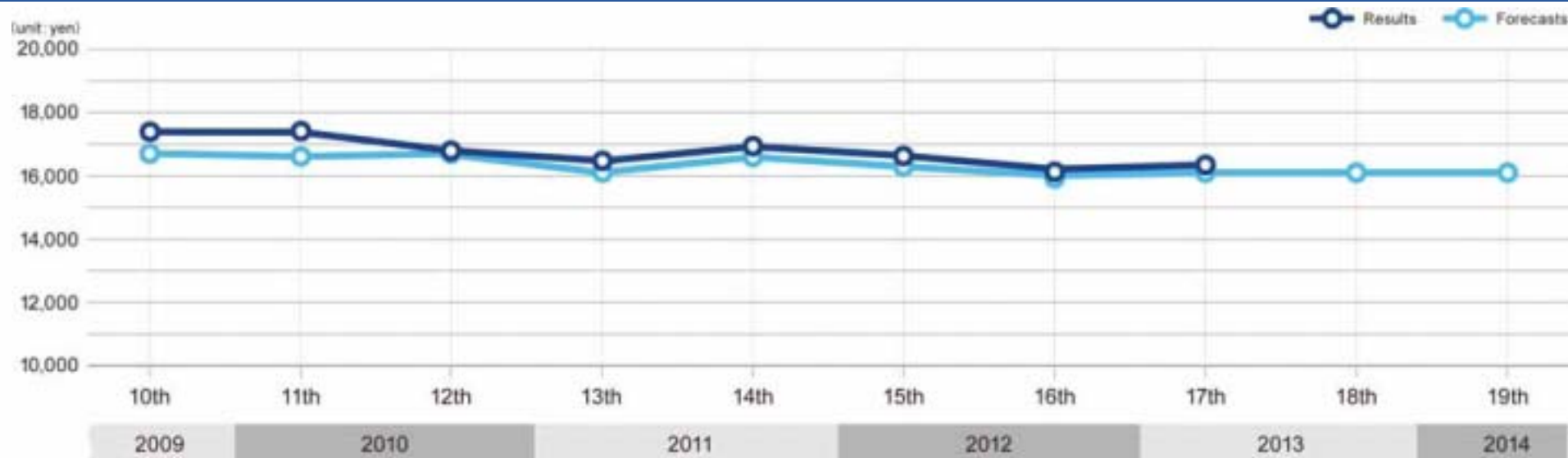
Keeping a stable dividend

## Dividend results / forecasts

(unit : yen)

Fiscal period	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th
Results	17,377	17,397	16,783	16,465	16,922	16,621	16,193	16,289		
Forecasts	16,700	16,600	16,700	16,100	16,600	16,300	16,000	16,200	16,200	16,200

## Dividend's track record



# Key financing events in 17th and 18th fiscal periods

Committed credit line's undrawn balance : 12 bn yen

## ■ Key financing events in 17th and 18th fiscal periods

- September, 2012 • **Refinanced maturing debt**  
Sumitomo Mitsui Trust Bank / 600 mm yen, 4-year loan (previously 3-year)  
Resona Bank / 2 bn yen, 5-year loan (previously 4-year)
- October, 2012 • **Repaid committed credit line borrowings with cash on hand (1,100 mm yen)**
- February, 2013 • **Borrowed funds to finance acquisitions**  
Nishi-Nippon City Bank / 2.5 bn yen, 85-month loan
- **Refinanced maturing debt / 9.5 bn yen in total**  
Nishi-Nippon City Bank / 1.9 bn yen, 5-year loan (previously 5-year)  
Mizuho Corporate Bank / 1.7 bn yen, 7-year loan (previously 5-year)  
Mitsubishi UFJ Trust & Banking Corp. / 1.5 bn yen, 5-year loan (previously 5-year)  
Sumitomo Mitsui Trust Bank / 1.1 bn yen, 5-year loan (previously 5-year)  
Aozora Bank / 600 mm yen, 5-year loan (previously 5-year)  
Committed credit line draw: 2.7 bn yen-repaid on March 31, 2013
- March, 2013 • **Repaid debt with public offering proceeds / 3.5 bn yen**  
• **Entered into interest-rate swaps to pay fixed / 8 bn yen of notional principal**

## ■ Credit ratings (\*1)

**S&P**  
**A-** (Stable)

**R&I**  
**A+** (Stable)

**JCR**  
**AA-** (Stable)

(\*1) S&P: long-term issuer rating obtained from Standard & Poor's Rating Japan K.K. (S&P)

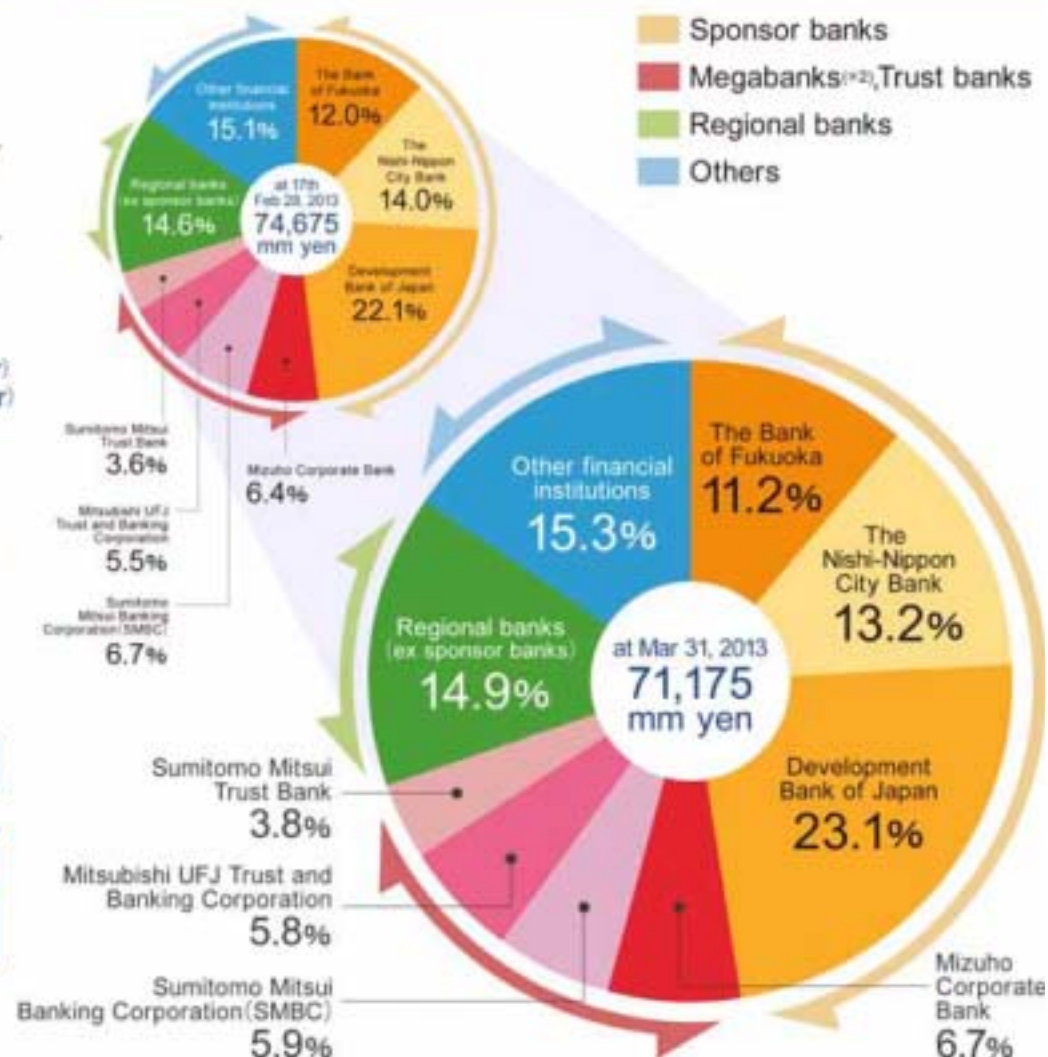
R&I: issuer rating obtained from Rating and Investment Information, Inc. (R&I)

JCR: long-term senior debt rating obtained from Japan Credit Rating Agency, Ltd. (JCR)

(\*2) Megabanks are Mizuho Corporate Bank, Sumitomo Mitsui Banking Corporation, and Bank of Tokyo-Mitsubishi UFJ.

\*Ratings are current as of February 28, 2013.

## ■ Breakdown of debt by lenders

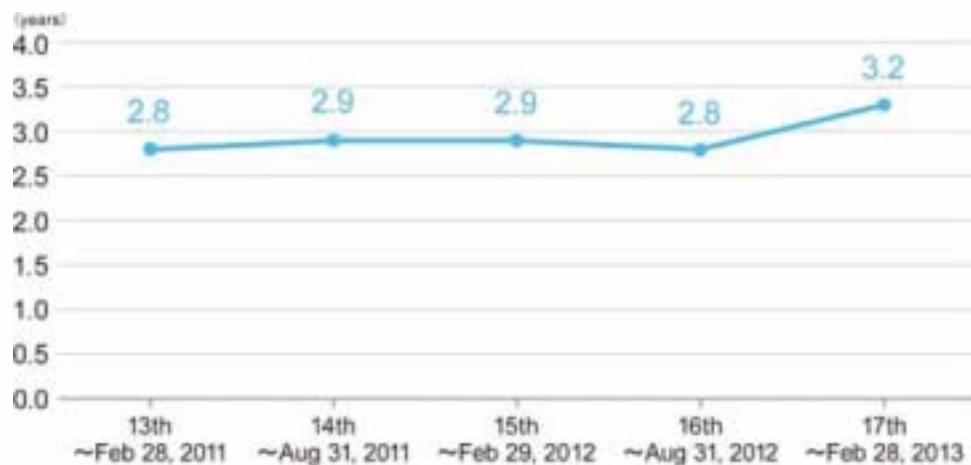




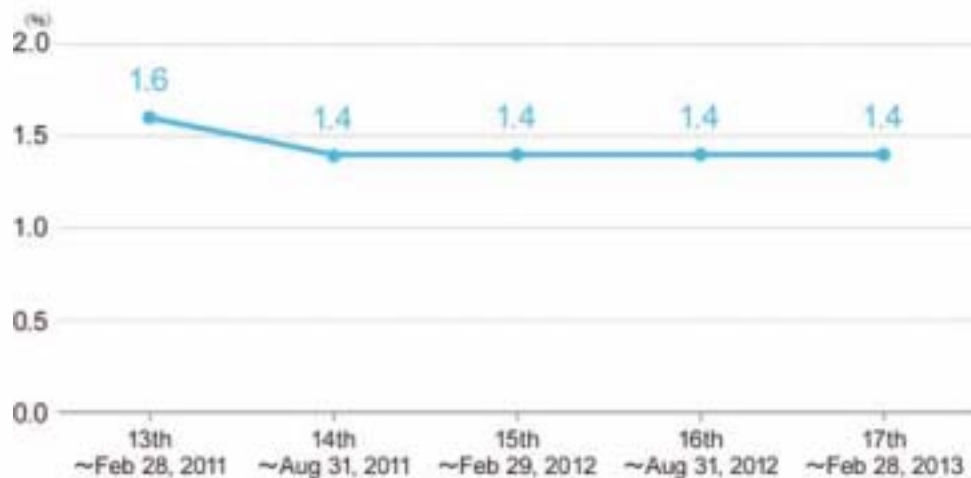
# Borrowings profile

Maintaining the stable financial conditions

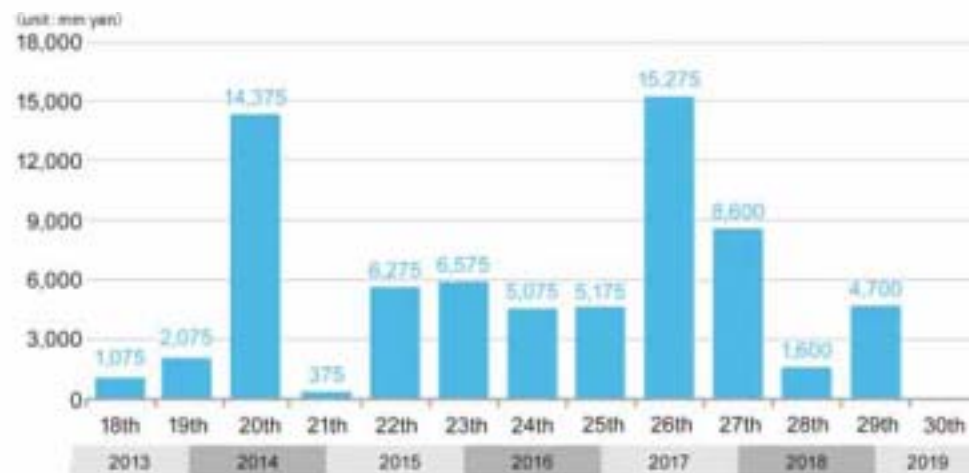
## ■ Duration –average time to maturity (years)



## ■ Average interest rate paid during fiscal periods



## ■ Diversification of debt maturities



## ■ Proportions of fixed and floating rate



# List of borrowings

## Stable financing

(As of February 28, 2013)

Type	Lender	Amount(JPY)	Borrowing Date	Repayment Maturity	Payment Method	Annual Interest	Description
Short-term debt	-	-	-	-	-	-	-
Long-term debt payable due within year	Mitsubishi UFJ Trust and Banking Corporation	600,000,000	Mar 31, 2010	Mar 29, 2013	Lump-sup payment upon maturity	0.90917% (*1) (*7)	No collateral No guarantee
	Aozora Bank	1,000,000,000	Jun 30, 2008	Jun 28, 2013		0.80917% (*1) (*7)	
	Sumitomo Mitsui Banking Corporation	2,000,000,000	Jun 30, 2010	Dec 30, 2013		1.10917% (*1) (*7)	
	<b>Subtotal</b>	<b>3,600,000,000</b>					
Long-term debt	Development Bank of Japan Inc.	2,475,000,000	Jun 30, 2009	Jun 30, 2017	Repayment instalment (*6)	2.20000% (*2)	No collateral No guarantee
	Development Bank of Japan Inc.	4,000,000,000	Aug 31, 2009	Aug 29, 2014		1.71000% (*2)	
	Development Bank of Japan Inc.	4,000,000,000	Aug 31, 2009	Aug 31, 2015		1.95000% (*2)	
	Development Bank of Japan Inc.	4,000,000,000	Aug 31, 2009	Aug 31, 2016		2.17000% (*2)	
	Sumitomo Mitsui Banking Corporation	2,000,000,000	Jun 30, 2010	Jun 30, 2015	Lump-sup payment upon maturity	1.20917% (*1) (*7)	
	Mizuho Corporate Bank, The Nourinchukin Bank, The Hiroshima Bank, The Kitakyushu Bank, The Iyo Bank, The Bank of Saga, Higo Bank, Shinwa Bank	10,300,000,000	Jul 30, 2010	Jul 31, 2014		1.41000% (※3)	
	Resona Bank	300,000,000	Sep 30, 2010	Sep 30, 2014		1.32493% (*2)	
	The Bank of Fukuoka	1,500,000,000	Dec 30, 2010	Dec 30, 2016		0.75917% (*1) (*7)	
	The Bank of Fukuoka	2,000,000,000	Mar 1, 2011	Feb 29, 2016		0.72000% (*1) (*8)	
	The Nishi-Nippon City Bank	2,000,000,000	Mar 1, 2011	Feb 29, 2016		0.72000% (*1) (*8)	
	Development Bank of Japan Inc.	2,000,000,000	Mar 1, 2011	Feb 29, 2016		0.87000% (*1) (*8)	
	The Bank of Fukuoka	2,000,000,000	Jul 29, 2011	Jul 31, 2017		1.30452% (*2)	
	The Nishi-Nippon City Bank	2,000,000,000	Jul 29, 2011	Jul 31, 2017		1.30452% (*2)	
	The Dai-ichi Mutual Life Insurance	1,000,000,000	Jul 29, 2011	Jul 31, 2018		1.80000% (*2)	
	Shinsei Bank	1,000,000,000	Jul 29, 2011	Jul 29, 2016		1.20829% (*2)	
	Sumitomo Mitsui Trust Bank	1,000,000,000	Jul 29, 2011	Jul 31, 2015		1.04086% (*2)	
	The Bank of Fukuoka	1,500,000,000	Dec 30, 2011	Dec 30, 2017		0.90917% (*1) (*7)	
	The Hiroshima Bank	500,000,000	Dec 30, 2011	Dec 30, 2016		1.18195% (*2)	
	Oita Bank	500,000,000	Dec 30, 2011	Dec 30, 2016		1.18195% (*2)	
	The Eighteenth Bank	500,000,000	Dec 30, 2011	Dec 30, 2016		1.18195% (*2)	
	Shinwa Bank	500,000,000	Dec 30, 2011	Dec 30, 2016		1.18195% (*2)	
	The Kitakyushu Bank	500,000,000	Dec 30, 2011	Dec 30, 2016		1.18195% (*2)	
	Kagoshima Bank	100,000,000	Jan 31, 2012	Jan 31, 2017		1.16841% (*2)	
	Resona Bank	400,000,000	Jan 31, 2012	Jan 31, 2017		1.21841% (*2)	
	Sumitomo Mitsui Banking Corporation	500,000,000	Jan 31, 2012	Jan 31, 2019		1.33830% (*2)	
	Mizuho Corporate Bank	500,000,000	Feb 29, 2012	Feb 29, 2016		1.11724% (*2)	
	Mitsubishi UFJ Trust and Banking Corporation	2,000,000,000	Mar 1, 2012	Mar 31, 2017		1.16973% (*2)	
	Sumitomo Mitsui Banking Corporation	500,000,000	Mar 31, 2012	Mar 31, 2017		1.20346% (*2)	
	Resona Bank	600,000,000	Mar 31, 2012	Mar 31, 2017		1.25346% (*2)	
	Higo Bank	300,000,000	Mar 30, 2012	Mar 31, 2017		1.20346% (*2)	
	The Bank of Fukuoka, The Nishi-Nippon City Bank, Oita Bank, The Miyazaki Bank, Shinwa Bank, The Iyo Bank, The Bank of Saga, The Eighteenth Bank, The Kitakyushu Bank	6,000,000,000	Jun 29, 2012	Jun 30, 2017		0.80917% (*1) (*7)	
	Sumitomo Mitsui Trust Bank	600,000,000	Sep 28, 2012	Sep 30, 2016		0.70917% (*1) (*7)	
	Resona Bank	2,000,000,000	Sep 28, 2012	Sep 30, 2017		1.03319% (*2)	
	The Nishi-Nippon City Bank	2,500,000,000	Feb 1, 2013	Feb 29, 2020		0.82583% (*1) (*9)	
	The Nishi-Nippon City Bank	1,900,000,000	Feb 28, 2013	Feb 28, 2018		0.77000% (*1) (*8)	
	Mizuho Corporate Bank	1,700,000,000	Feb 28, 2013	Feb 29, 2020		0.77000% (*1) (*8)	
	Sumitomo Mitsui Trust Bank	1,100,000,000	Feb 28, 2013	Feb 28, 2018		0.82000% (*1) (*8)	
	Mitsubishi UFJ Trust and Banking Corporation	1,500,000,000	Feb 28, 2013	Feb 28, 2018		0.62000% (*1) (*8)	
	Aozora Bank	600,000,000	Feb 28, 2013	Feb 28, 2018		0.62000% (*1) (*8)	
	<b>Subtotal</b>	<b>68,375,000,000</b>					
Committed line of credit	The Bank of Fukuoka (*4), Resona Bank (*4), Kumamoto Family Bank (*4) (*11), Shinwa Bank (*4)	1,400,000,000	Feb 28, 2013	Mar 29, 2013	Lump-sup payment upon maturity	0.52000% (*10)	No collateral
	The Nishi-Nippon City Bank (*5), Resona Bank (*5), The Bank of Nagasaki (*5)	1,300,000,000	Feb 28, 2013	Mar 29, 2013		0.52000% (*10)	No guarantee
	<b>Subtotal</b>	<b>2,700,000,000</b>					
<b>Total</b>		<b>74,675,000,000</b>					

## Committed line of credit

Type	Lender	Credit Limit(JPY)	Commitment Period		Type
			Start	End	
Committed line of credit 1	The Bank of Fukuoka, Resona Bank, Kumamoto Family Bank (*11), Shinwa Bank	6,000,000,000	Aug 1, 2011	Jul 31, 2013	No collateral No guarantee
Committed line of credit 2	The Nishi-Nippon City Bank, Resona Bank, The Bank of Nagasaki	6,000,000,000	Mar 1, 2012	Feb 28, 2014	
<b>Total</b>		<b>12,000,000,000</b>			

- (\*1) It is variable interest.
- (\*2) It is fixed interest.
- (\*3) A swap agreement has been concluded to fix the interest rate on variable interest debt and the indicated interest rate is the rate when the swap agreement is incorporated.
- (\*4) Borrowings by committed line of credit 1.
- (\*5) Borrowings by committed line of credit 2.
- (\*6) 75 mm yen at end-December and end-June(5% of initial annually);remaining balance of 1,875 mm yen to be repaid on final principal repayment date.
- (\*7) It is from December 28, 2012 to March 29, 2013 (not including the concerned date).
- (\*8) It is from February 28, 2013 to May 31, 2013 (not including the concerned date).
- (\*9) It is from February 1, 2013 to May 31, 2013(not including the concerned date).
- (\*10) It is from February 28, 2013 to March 29, 2013(not including the concerned date).
- (\*11) The name of Kumamoto Family Bank is changed to The Kumamoto Bank as of April 1, 2013

# Active retail

Canal City Hakata's sales rebounded by reopening of South Building's renovation



\* The above graph plots the four properties' respective NOI, rounded down to the nearest million yen, by fiscal period.



Canal City Hakata  
Canal City Hakata-B



Park Place Oita



SunLiveCity Kokura



Sales (annual total) (¥100)

Period	Sales (annual total)
Mar. 2011 – Feb. 2012	26.6 bn yen
Mar. 2012 – Feb. 2013	26.1 bn yen

(1.8)%

Annual sales decreased due to store closures during South Building renovations from February to September 2012, but their margin of decline shrank to (1.8)% from (3.6)%.

(※1) Total sales for Fukuoka REIT-owned Canal City Hakata and Canal City Hakata-B.

Sales (annual total)

Period	Sales (annual total)
Mar. 2011 – Feb. 2012	25.4 bn yen
Mar. 2012 – Feb. 2013	25.7 bn yen

+1.0%

Sales have increased upon completion of enlargement of the Shangri-La Zone (DAISO, etc.), a former Ferris wheel site. SUNNY WALK and GARDEN WALK tenants' sales grew.

Sales (annual total) (¥100)

Period	Sales (annual total)
Mar. 2011 – Feb. 2012	-
Mar. 2012 – Feb. 2013	-

(2.4)%

After growing continuously since the property opened, sales declined in the year ended February 28, 2013 as a result of competition from a newly opened SUNLIVE store in the same vicinity.

(※2) Sales figures are omitted because SunLive did not consent to their disclosure.



# Breakdown of active retail rents

The rents have rebounded since renovations were completed in Canal City Hakata

## Breakdown of rents by property



## Breakdown of total rents

◎ Total rents in 16th fiscal period : 3,733 mm yen

Variable rent : 16.6%  
(620 mm yen)

16th



◎ Total rents in 17th fiscal period : 3,900 mm yen

Variable rent : 17.8%  
(694 mm yen)

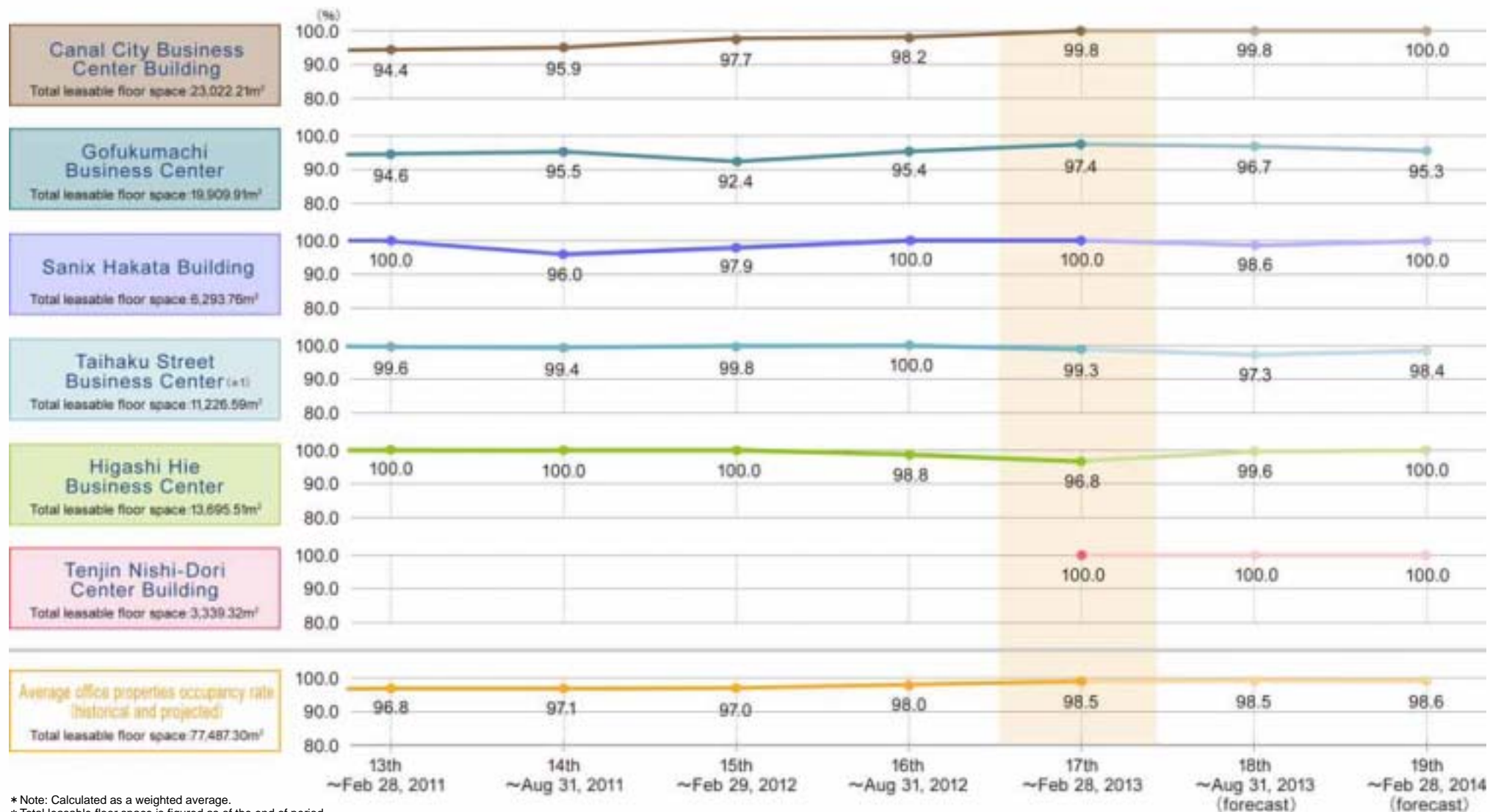
17th



(\*)1) Fixed rent is the sum of property rental revenues derived from (1) fixed monthly rents, (2) the minimum guaranteed portion, if any, of rents from tenants with variable rent (pursuant to which monthly rent is partly or wholly calculated as a percentage of the tenants' monthly sales), (3) common area fees, and (4) parking fees are calculated by total rents from Canal City Hakata-B (contract of sales compensation with parking management company) and rents from parking fee at Park Place Oita.  
(\*)2) Variable rent is the sum of the portion of rents collected from tenants with variable rent that varies as a function of the tenants' sales (net of minimum guaranteed rent) and parking income of Canal City Hakata-B (net of guaranteed sales).

# Historical and projected office properties occupancy rates

Keeping high occupancy rate, +0.5% from previous period



\* Note: Calculated as a weighted average.

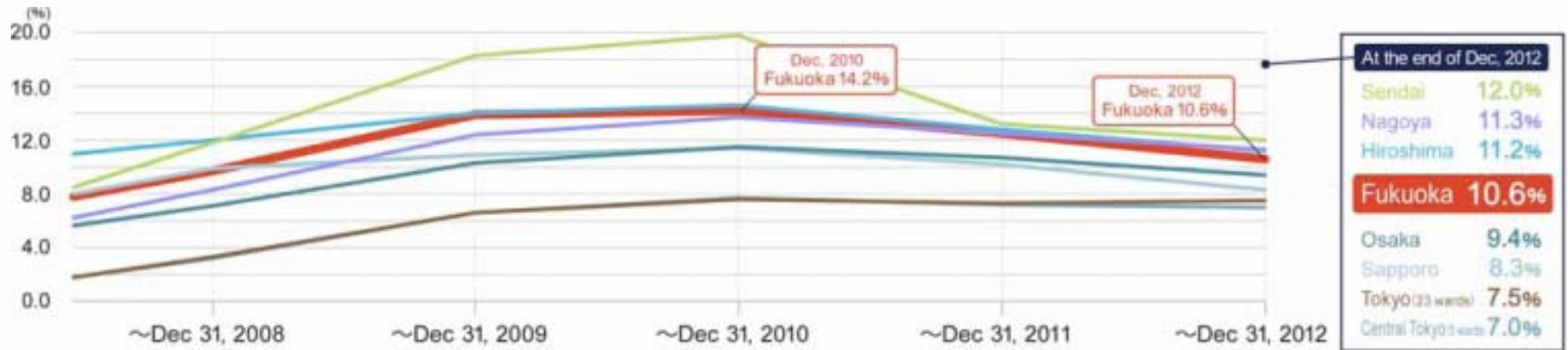
\* Total leasable floor space is figured as of the end of period.

(\* 1) Residential floor spaces are removed from Taihaku Street Business Center.

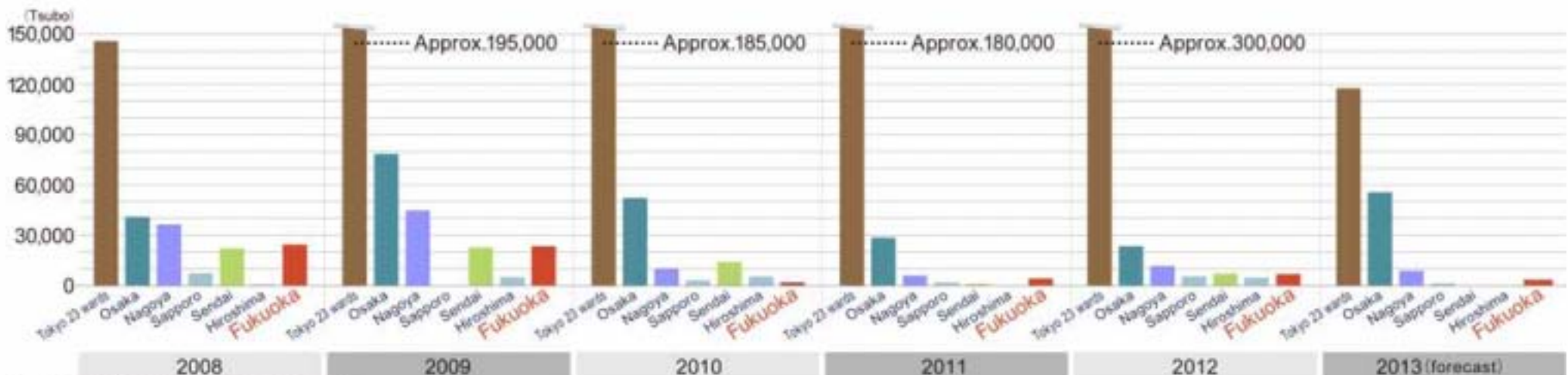
# Fukuoka office market

Fukuoka's supply of office will remain limited

## ■ Average vacancy rates in major Japanese cities



## ■ New supply in major cities



Source: Fukuoka Realty, based on data published by CBRE Co.



# Supply of office space

Only one new office building scheduled to be completed in fall, 2013





Fukuoka REIT

# Appendix

# Profile

## Profile

■ <b>Name</b>	Fukuoka REIT Corporation
■ <b>Asset manager</b>	Fukuoka Realty Co.,Ltd Licensed by Fukuoka Local Finance Branch Bureau (financial instruments)No.10
■ <b>Sponsors</b>	Fukuoka Jisho Co.,Ltd, Kyushu Electric Pwer Co.,Inc, ROYAL HOLDINGS Co., Ltd., THE BANK OF FUKUOKA, LTD, The Nishi-Nippon City Bank Ltd., Nishi-Nippon Railroad Co., Ltd, Saibu Gas Co.,Ltd, Kyudenko Corporation, Kyushu Railway Company, Development Bank of Japan Inc.
■ <b>Listed date</b>	June 21, 2005 (Tokyo Stock Exchange, Fukuoka Stock Exchange)

## Financial highlight

■ <b>Total assets</b>	160.5 bn yen (as of February 28, 2013)
■ <b>Total debt</b>	74.6 bn yen (as of February 28, 2013)
■ <b>Credit ratings</b>	S&P : A- (Stable) R&I : A+ (Stable) JCR : AA- (Stable)
■ <b>LTV (Interest-bearing liabilities/total assets)</b>	46.5%

## Dividend information

■ <b>The 17th fiscal period end</b>	February 28, 2013 (semi-annual periods ending every February and August)
■ <b>Dividend (actual)</b>	16,289 yen per unit
■ <b>Days in fiscal period</b>	181 days
■ <b>Dividend yield</b>	4.3% [(Dividend / days in fiscal period × 365) / unit price]

## Investment unit price

■ <b>Unit price</b>	768,000 yen (as of February 28, 2013)
■ <b>Number of investment units outstanding</b>	123,050 units (as of February 28, 2013)
■ <b>Market capitalization</b>	94.5 bn yen (unit price × outstanding units) (as of February 28, 2013)
■ <b>Historical high</b>	1,300,000 yen (February 26, 2007)
■ <b>Historical low</b>	297,000 yen (November 20, 2008)
■ <b>Net asset value per share</b>	578,480 yen (as of February 28, 2013)
■ <b>Market net asset value per share</b>	631,490 yen (as of February 28, 2013)

Market net asset value per share = [(Total appraisal value at the end of period based on appraisal reports - Total book value at the end of period based on balance sheet) + (Net asset at the end of period)] / Outstanding units as of the end of period

## Portfolio summary (\*1)

■ <b>Asset type</b> (based on acquisition price)	<div> <div>Retail 66.1%</div> <div>Office properties 29.2%</div> <div>Others 4.6%</div> </div>
■ <b>Asset location</b> (based on acquisition price)	<div> <div>Fukuoka metropolitan area 76.9%</div> <div>Other Kyushu areas 23.1%</div> </div>
■ <b>Total leasable floor space</b>	448,867.34m <sup>2</sup>
■ <b>Occupancy rates at the end of period</b>	99.3%

(\*1) Figures have been calculated by properties at as of February 28, 2013.



# A real estate investment trust specializing in regional properties

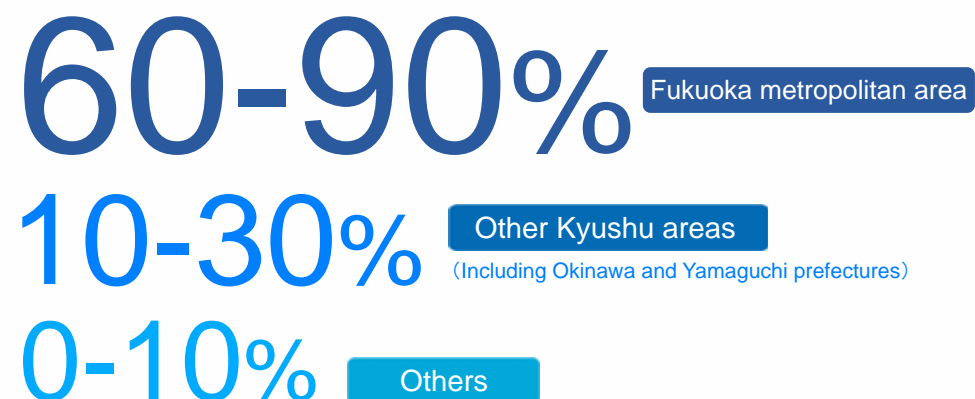
## ■ Sponsors



(\*1) Concluded MOU with Fukuoka REIT Co. and Fukuoka Realty Co. concerning pipeline support.

## ■ Investment policy

### ◎ Investment area



### ◎ Investment type



# Portfolio table

(as of February 28, 2013)

	Real estate property name	Age (* 1)	Acquisition price(mm yen) (* 2)	Investment ratio	Acquisition timing	Source (* 3)	Total leasable floor space (㎡)	Occupancy rate at end of period	Number of tenants at end of period (* 4)	Primary tenants at end of period
Retail	Canal City Hakata	16yr 10m	32,000	20.5%	Nov 9, 2004	Sponsor	46,486.61	100.0%	49	Washington Hotel and United Cinema Canal City 13
	Canal City Hakata・B	16yr 10m	28,700	18.4%	Mar 2, 2011	Outside party (SPC)	68,814.45	99.9%	50	Grand Hyatt Fukuoka and OPA
	Park Place Oita	10yr 11m	15,700	10.0%	Nov 9, 2004	Sponsor	104,917.10	99.1%	105	AEON and K's Denki
	SunLiveCity Kokura	7yr 11m	6,633	4.2%	Jul 1, 2005	Outside party	61,450.22	100.0%	1	SunLive
	Square Mall Kagoshima Usuki	6yr 5m	5,300	3.4%	Sep 28, 2006	Sponsor	14,602.59	100.0%	12	Sports Depo / Golf5 / Don Quijote
	Kumamoto Intercommunity SC	6yr 3m	2,400	1.5%	Nov 30, 2006	Sponsor	6,968.66	100.0%	2	Sports Depo / Golf5 and Starbucks Coffee
	AEON Hara Shopping Center	36yr 4m	5,410	3.5%	Mar 1, 2007	Sponsor	27,580.75	100.0%	1	AEON
	Hanahata SC	5yr 7m	1,130	0.7%	Sep 3, 2007	Sponsor	2,801.15	100.0%	2	BON REPAS and Matsumoto Kiyoshi
	Kurume Higashi Kushiwara SC	5yr 2m	2,500	1.6%	Feb 1, 2008	Sponsor	6,467.80	100.0%	1	Sports Depo / Golf5
	K's Denki Kagoshima	5yr 3m	3,550	2.3%	Mar 27, 2008	Outside party	7,296.17	100.0%	1	K's Denki
	Total of retail	—	103,323	66.1%	—	—	347,385.50	99.7%	224	—
Office properties	Canal City Business Center Building	16yr 10m	14,600	9.3%	Nov 9, 2004	Sponsor	23,022.21	100.0%	60	TOTO and Bell System24
	Gofukumachi Business Center	9yr 4m	11,200	7.2%	Nov 9, 2004	Sponsor	19,909.91	94.8%	26	Sumitomo Mitsui Banking Corporation and NTT West Japan-Kyushu
	Sanix Hakata Building	11yr 10m	4,400	2.8%	Sep 30, 2005	Outside party	6,293.76	100.0%	19	SANIX and The Nishi-Nippon City Bank
	Taihaku Street Business Center	10yr 11m	7,000	4.5%	Mar 16, 2006	Sponsor	14,653.97	97.5%	66	NTT COMWARE and Tokyo Marine Nichido Jimu Outsourcing
	Higashi Hie Business Center	3yr 11m	5,900	3.8%	Mar 13, 2009	Outside party + Sponsor	13,695.51	97.8%	20	Fujitsu and Forest Holdings
	Tenjin Nishi-Dori Center Building	16yr 5m	2,600	1.7%	Feb 1, 2013	Outside party	3,339.32	100.0%	1	The Nishi-Nippon City Bank
	Total of office properties	—	45,700	29.2%	—	—	80,914.68	97.9%	192	—
Others	Amex Akasakamon Tower	7yr 7m	2,060	1.3%	Sep 1, 2006	Outside party	4,821.25	96.8%	65	—
	City House Keyaki Dori	5yr 3m	1,111	0.7%	Dec 20, 2007	Outside party	2,710.86	97.8%	41	—
	Aqualia Kego	4yr 3m	2,800	1.8%	Mar 1, 2012	Outside party	7,415.36	97.3%	127	—
	Aqualia Chihaya	5yr 2m	1,280	0.8%	Mar 1, 2012	Outside party	5,619.69	97.5%	102	—
	Total of others	—	7,251	4.6%	—	—	20,567.16	97.3%	335	—
	Total or weighted average of all properties	13yr 6m	156,274	100.0%	—	—	448,867.34	99.3%	751	—

(\* 1) "Age" as of the end of the fiscal period.

(\* 2) Acquisition costs do not include fees, public charge and expenses.

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

(\* 4) "Occupancy rate" is obtained by divided the total lease area by the total lease as of the end of the fiscal period. "Age" is obtained by divided the total ages by the total acquisition price as the end of the fiscal period.

# Portfolio (1/9)



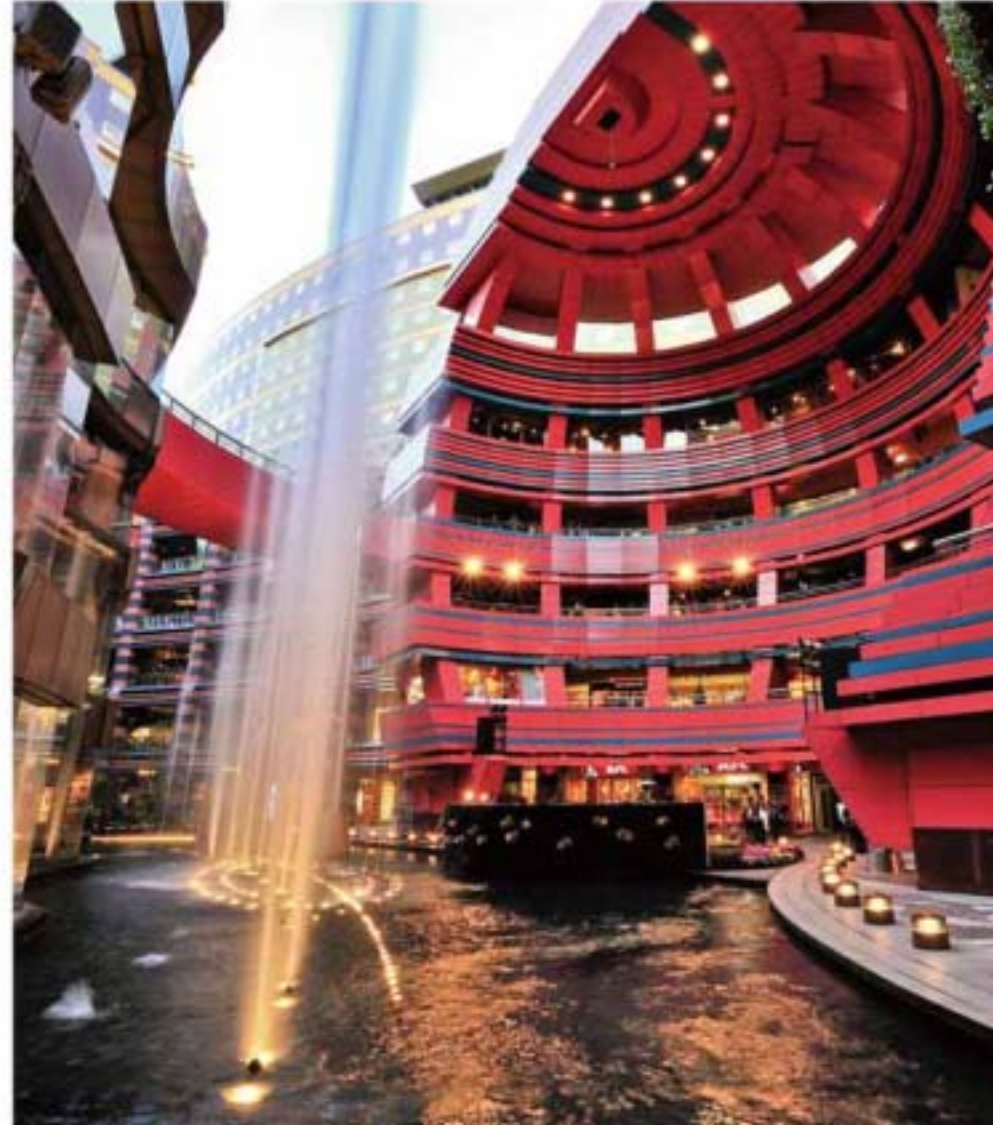


# Portfolio(2/9)

## Active retail

### ① Canal City Hakata

- Address: 1-chome, Sumiyoshi, Hakata-ku, Fukuoka City
- Total leasable space: 46,486.61㎡
- Built: April 15, 1996
- Property manager: Fukuoka Jisho



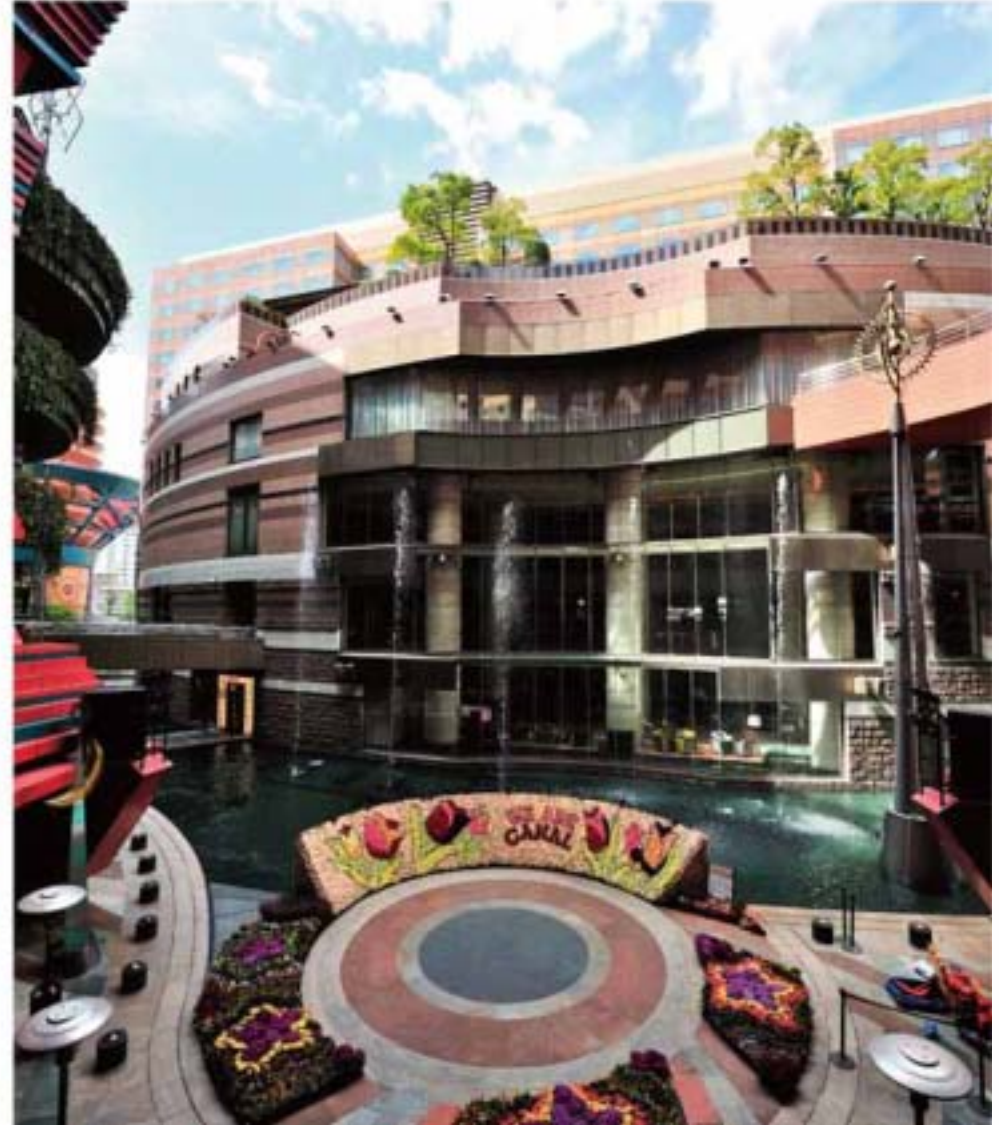


# Portfolio(3/9)

Active retail

## ② Canal City Hakata・B

- Address: 1-chome, Sumiyoshi, Hakata-ku, Fukuoka City
- Total leasable space: 68,814.45㎡
- Built: April 15, 1996
- Property manager: Fukuoka Jisho





# Portfolio(4/9)

## Active retail

### ⑫ Park Place Oita

- Address: 2-chome, Koen Dori Nishi, Oita City
- Total leasable space: 104,917.10㎡
- Built: March 26, 2002/April 17, 2002  
April 28, 2004/April 9, 2007  
March 31, 2008/Jun 29, 2012
- Property manager: Park Place Oita





# Portfolio (5/9)

## Active retail

### ⑬ SunLive City Kokura

- Address: 2-chome, Kami Kuzuhara, Kokura Minami-ku, Kitakyushu City
- Total leasable space: 61,450.22㎡
- Built: March 17, 2005
- Property manager: Fukuoka Jisho



\* [ ] = opening year



# Portfolio (6/9)

## Passive retail

### ⑩ AEON Hara Shopping Center

- Address: 6-chome, Hara Sawara-ku, Fukuoka City
- Total leasable space: 27,580.75㎡
- Built: October 26, 1976 (Renovated in 2007)
- Property manager: Fukuoka Jisho



## Passive retail

### ⑪ Hanahata SC

- Address: 4-chome, Hanahata, Minami-ku, Fukuoka City
- Total leasable space: 2,801.15㎡
- Built: July 10, 2007
- Property manager: Fukuoka Jisho



## Passive retail

### ⑮ Kumamoto Intercommunity SC

- Address: 1-chome, Kozono, Higashi-ku, Kumamoto City
- Total leasable space: 6,958.66㎡
- Built: November 15, 2006
- Property manager: Fukuoka Jisho



## Passive retail

### ⑯ Square Mall Kagoshima Usuki

- Address: 2-chome, Usuki, Kagoshima City
- Total leasable space: 14,602.59㎡
- Built: September 19, 2006
- Property manager: Fukuoka Jisho



## Passive retail

### ⑭ Kurume Higashi Kushiwara SC

- Address: Higashi kushiwara-cho, Kurume City
- Total leasable space: 6,467.80㎡
- Built: December 3, 2007
- Property manager: Fukuoka Jisho



## Passive retail

### ⑰ K's Denki Kagoshima

- Address: Tokai-cho, Kagoshima City
- Total leasable space: 7,296.17㎡
- Built: November 17, 2007
- Property manager: Fukuoka Jisho





# Portfolio(7/9)

## Office properties

### ③ Canal City Business Center Building

- Address: 1-chome, Sumiyoshi, Hakata-ku, Fukuoka City
- Total leasable space: 23,022.21㎡
- Built: April 15, 1996
- Property manager: Fukuoka Jisho



## Office properties

### ④ Gofukumachi Business Center

- Address: Kami Gofukumachi, Hakata-ku, Fukuoka City
- Total leasable space: 19,909.91㎡
- Built: October 16, 2003
- Property manager: Fukuoka Jisho



## Office properties

### ⑤ Taihaku Street Business Center

- Address: Gokushomachi, Hakata-ku, Fukuoka City
- Total leasable space: 11,226.59㎡(office)  
3,427.38㎡(residence)
- Built: March 7, 2002
- Property manager: Fukuoka Jisho



## Office properties

### ⑥ Sanix Hakata Building

- Address: 2-chome Hakataekihigashi, Hakata-ku, Fukuoka City
- Total leasable space: 6,293.76㎡
- Built: March 31, 2001
- Property manager: Fukuoka Jisho





# Portfolio (8/9)

Office

## ⑦ Higashi Hie Business Center

■ Address: 3-chome, Higashi-hie, Hakata-ku, Fukuoka City  
 ■ Built: February 6, 2009 ■ Total leasable space: 13,695.51㎡  
 ■ Property manager: Fukuoka Jisho



Office

## ⑩ Tenjin Nishi-Dori Center Building

■ Address: 2-chome, Tenjin, Chuo-ku, Fukuoka City  
 ■ Built: September 9, 1996 ■ Total leasable space: 3,339.32㎡  
 ■ Property manager: Fukuoka Jisho



Office

## ⑬ Tenjin North Front Building

■ Address: 4-chome, Tenjin, Chuo-ku, Fukuoka City  
 ■ Built: January 9, 2010 ■ Total leasable space: 5,224.76㎡  
 ■ Property manager: Fukuoka Jisho





# Portfolio(9/9)

Others

## ⑧Amex Akasakamon Tower

- Address: 2-chome, Maizuru, Chuo-ku, Fukuoka City
- Total leasable space: 4,821.25㎡
- Built: July 26, 2005
- Property manager: DMC (the Daio Group)



Others

## ⑨City House Keyaki Dori

- Address: 2-chome, Kego, Chuo-ku, Fukuoka City
- Total leasable space: 2,710.86㎡
- Built: November 17, 2007
- Property manager: DMC (the Daio Group)



Others

## ⑬Aqualia Kego

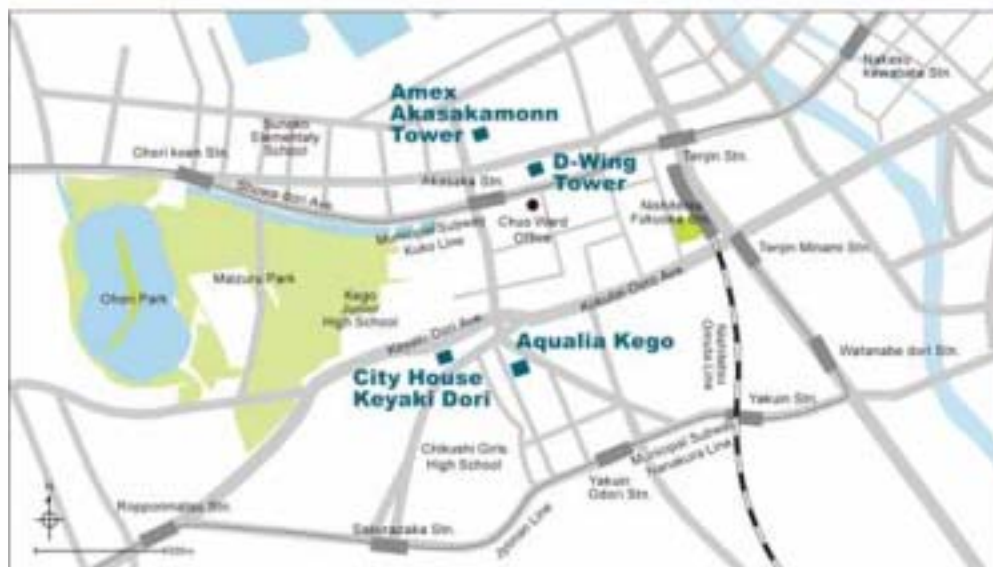
- Address: 2-chome, Kego, Chuo-ku, Fukuoka City
- Total leasable space: 7,415.36㎡
- Built: November 21, 2008
- Property manager: Miyoshi Asset Management (Miyoshi Real Estate Group)



Others

## ⑲Aqualia Chihaya

- Address: 4-chome, Chihaya, Higashi-ku, Fukuoka City
- Total leasable space: 5,619.69㎡
- Built: December 5, 2007
- Property manager: Miyoshi Asset Management (Miyoshi Real Estate Group)



Others

## ⑳D-Wing Tower

- Address: 2-chome, Daimyo, Chuo-ku, Fukuoka City
- Total leasable space: 7,187.57㎡
- Built: February 20, 2006
- Property manager: Good Fudousan inc. (Good Real estate group)



Others

## ㉒Hotel FORZA Oita

- Address: 1-chome, Chuo-machi, Oita City
- Total leasable space: 5,785.44㎡
- Built: August 22, 2008
- Property manager: Fukuoka Jisho



# Top tenants by leased floor area

				<div> <div>Ordinary lease</div> <div>Fixed-term lease</div> </div>			
	Tenant	Lessee	Share of total leased space	18th ~Aug 31, 2013	19th ~Feb 28, 2014	20th ~Aug 31, 2014	Remaining lease term (years) (*1)
1	AEON	AEON Kyushu Co., Ltd.	19.3%	●Park Place Oita			9
				●AEON Hara Shopping Center			6
2	SunLive	SunLive Co., Ltd.	13.8%	●SunLiveCity Kokura			12
3	Grand Hyatt Fukuoka	FJ Hotels Co., Ltd.	8.7%	●Canal City Hakata・B			11
4	OPA	Canal City OPA Co., Ltd.	5.8%	●Canal City Hakata			3
				●Canal City Hakata・B			
5	Sports Depo, Golf 5	Alpen Co., Ltd.	4.1%	●Square Mall Kagoshima Usuki			13
				●Kumamoto Intercommunity SC			13
				●Kurume Higashi Kushiwara SC			14
6	K's Denki	K's Holdings Corporation	3.1%	●Park Place Oita			9
7	Washington Hotel	Canal City Fukuoka Washington Hotel	2.9%	●Canal City Hakata			3
8	United Cinema	United Cinema Co., Ltd.	1.6%	●Canal City Hakata			3
9	K's Denki Kagoshima	Kyushu K's Denki Co., Ltd.	1.6%	●K's Denki Kagoshima			9
10	T-JOY	T-JOY Co., Ltd.	1.3%	●Park Place Oita			9

(\*1) Remaining lease term data are current as of February 28, 2012 and rounded down to the nearest whole year.



# Passive retail

## Keeping stable revenues



\* The above graph plots the six properties' respective NOI, rounded down to the nearest whole mm yen, by fiscal period.  
 (\*) Figures for Square Mall Kagoshima Usuki do not include revenues from lease cancellation penalties.

<b>Square Mall Kagoshima Usuki</b>  Date acquired: September 28, 2006 Acquisition price: 5.3 bn yen Acquisition cap rate: 6.2% ● Sports Depo, Golf 5 ● Don Quijote	<b>Kumamoto Intercommunity SC</b>  Date acquired: November 30, 2006 Acquisition price: 2.4 bn yen Acquisition cap rate: 6.5% ● Sports Depo, Golf 5 ● Starbucks Coffee	<b>Kurume Higashi Kushiwara SC</b>  Date acquired: February 1, 2008 Acquisition price: 2.5 bn yen Acquisition cap rate: 6.1% ● Sports Depo, Golf 5
<b>AEON Hara Shopping Center</b>  Date acquired: March 1, 2007 Acquisition price: 5.41 bn yen Acquisition cap rate: 6.8% ● AEON Kyushu	<b>K's Denki Kagoshima</b>  Date acquired: March 27, 2008 Acquisition price: 3.55 bn yen Acquisition cap rate: 5.7% ● K's Denki	<b>Hanahata SC</b>  Date acquired: September 3, 2007 Acquisition price: 1.13 bn yen Acquisition cap rate: 6.4% ● BON REPAS ● Matsumoto Kiyoshi

# Income and expenditure by properties (Active retail)

- unit : mm yen (Figures round down to nearest mm yen)

Category	(Length) (days)	Canal City Hakata	Canal City Hakata・B	Park Place Oita	SunLive City Kokura	17th Total A	16th Total B	Variation A－B	Forecast C	Variation A－C
		17th fiscal period (September 1, 2012 ~ February 28, 2013)								
		181	181	181	181	181	184	(3)		
① Total leasing business revenues		1,194	1,604	1,093	292	4,185	3,988	196	4,197	(11)
Rent revenue-real estate		1,137	1,561	907	292	3,900	3,733	166		
Other rent revenue-real estate		56	42	185	-	285	255	30		
② Total leasing business expenses		448	777	626	51	1,903	1,859	44	1,900	3
Outsourcing fees		284	511	300	8	1,106	1,096	9		
Maintenance expenses		49	47	51	6	153	127	26		
Expenses for restoration to former state		-	-	-	-	-	2	(2)		
Tax and public charges		71	150	86	34	343	338	4		
Insurance premiums and trust compensation		7	16	5	1	31	31	(0)		
Unities expense		24	47	119	-	190	194	(3)		
Other expenses		11	2	63	0	78	67	10		
③ NOI (=①-②)		745	827	467	240	2,281	2,129	152	2,296	(14)
④ Depreciation for the period		225	199	187	46	660	635	24		
⑤ Leasing business profit (=③-④)		519	627	279	194	1,621	1,493	127		
⑥ NOI yield (acquisition price)		4.7%	5.8%	6.0%	7.3%	5.5%	5.1%	0.4%		
⑦ Capital expenditures		206	87	78	25	399	1,086	(687)		

# Income and expenditure by properties (Passive retail)

- unit : mm yen (Figures round down to nearest mm yen)

Category	(Length) (days)	Square Mall Kagoshima Usuki	Kumamoto Inter Community SC	AEON Hara Shopping Center	Hanahata SC	Kurume Higashi Kushiwara SC	K's Denki Kagoshima	17th Total A	16th Total B	Variation A—B	Forecast C	Variation A—C
		17th fiscal period (September 1, 2012 ~ February 28, 2013)							184	(3)		
① Total leasing business revenues		250	90	212	40	88	111	793	892	(98)	792	1
Rent revenue-real estate		221	89	212	40	88	111	764	761	2		
Other rent revenue-real estate		29	0	0	0	0	-	29	131	(101)		
② Total leasing business expenses		90	10	22	6	9	10	151	155	(3)	153	(1)
Outsourcing fees		37	2	6	1	2	1	52	52	0		
Maintenance expenses		3	0	2	1	0	0	8	3	5		
Expenses for restoration to former state		-	-	-	-	-	-	-	-	-		
Tax and public charges		17	5	12	3	5	7	52	52	(0)		
Insurance premiums and trust compensation		1	0	0	0	0	0	3	3	(0)		
Unities expense		28	-	-	-	-	-	28	31	(2)		
Other expenses		2	0	0	0	0	0	5	11	(6)		
③ NOI (=①-②)		159	79	190	33	78	100	642	737	(94)	638	3
④ Depreciation for the period		52	18	22	7	22	30	153	153	(0)		
⑤ Leasing business profit (=③-④)		107	61	167	26	56	70	489	583	(94)		
⑥ NOI yield (acquisition price)		6.0%	6.6%	7.0%	6.0%	6.3%	5.7%	6.3%	7.3%	(0.9)%		
⑦ Capital expenditures		-	-	-	-	-	-	-	3	(3)		



# Income and expenditure by properties (Office properties)

- unit : mm yen (Figures round down to nearest 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	17th Total A	16th Total B	Variation A—B	Forecast C	Variation A—C
	(Length) (days)	17th fiscal period (September 1, 2012 ~ February 28, 2013)									
		181	181	181	181	181	28	181	184	(3)	
① Total leasing business revenues		613	504	198	297	322	14	1,950	1,943	7	1,939
Rent revenue-real estate		611	455	183	296	297	14	1,859	1,843	16	
Other rent revenue-real estate		2	49	14	0	24	0	90	100	(9)	
② Total leasing business expenses		201	169	58	93	130	0	653	658	(4)	650
Outsourcing fees		135	71	19	56	41	0	324	323	1	
Maintenance expenses		6	11	2	6	2	0	29	29	(0)	
Expenses for restoration to former state		2	-	-	-	-	-	2	-	2	
Tax and public charges		44	35	17	25	17	-	140	140	(0)	
Insurance premiums and trust compensation		4	2	0	1	2	0	11	11	(0)	
Unities expense		6	46	15	-	26	-	94	101	(6)	
Other expenses		2	2	1	3	41	-	50	51	(0)	
③ NOI (=①-②)		412	334	140	203	191	13	1,297	1,285	12	1,288
④ Depreciation for the period		94	95	36	76	78	1	383	381	2	
⑤ Leasing business profit (=③-④)		318	238	103	127	112	12	913	903	9	
⑥ NOI yield (acquisition price)		5.7%	6.0%	6.4%	5.8%	6.5%	6.9%	5.9%	6.0%	0.1%	
⑦ Capital expenditures		15	-	9	5	1	-	32	194	(162)	

# Income and expenditure by properties (Others and Total)

Others

Category	Amex Akasakamon Tower	City House Keyaki Dori	Aqualia Kego	Aqualia Chihaya	17th Total A	16th Total B	Variation A-B	Forecast C	Variation A-C
(Length) (days)	17th fiscal period (September 1, 2012 ~ February 28, 2013)								
	181	181	181	181	181	184	(3)		
① Total leasing business revenues	63	37	113	56	270	269	1	280	(9)
Rent revenue-real estate	61	37	106	54	259	259	0		
Other rent revenue-real estate	2	0	6	1	11	10	0		
② Total leasing business expenses	15	8	15	7	47	48	(0)	53	(5)
Outsourcing fees	5	2	6	3	16	17	(0)		
Maintenance expenses	0	0	0	0	0	0	(0)		
Expenses for restoration to former state	0	-	3	1	5	9	(3)		
Tax and public charges	5	1	-	-	7	7	0		
Insurance premiums and trust compensation	0	0	0	0	1	2	(0)		
Unities expense	1	0	1	0	3	3	0		
Other expenses	2	3	4	1	11	9	2		
③ NOI (=①-②)	48	28	97	48	223	220	2	226	(3)
④ Depreciation for the period	22	12	24	11	71	72	(0)		
⑤ Leasing business profit (=③-④)	25	15	72	37	151	148	2		
⑥ NOI yield (acquisition price)	4.7%	5.1%	7.0%	7.6%	6.2%	6.1%	0.1%		
⑦ Capital expenditures	-	-	-	-	-	0	(0)		

- unit : mm yen (Figures round down to nearest mm yen)

Total income and expenditures

17th Total 1	16th Total 2	Variation 1-2	Forecast 3	Variation 1-3
181	184	(3)		
7,200	7,094	106	7,208	(7)
6,784	6,596	187		
416	497	(80)		
2,756	2,721	35	2,758	(1)
1,500	1,489	11		
193	161	31		
7	11	(4)		
543	539	4		
47	48	(0)		
318	330	(12)		
146	140	5		
4,444	4,372	71	4,450	(6)
1,268	1,242	25		
3,175	3,130	45		
5.7%	5.6%	0.1%		
431	1,285	(853)		

Appendix

# Cash flow statements (compared with previous fiscal period)

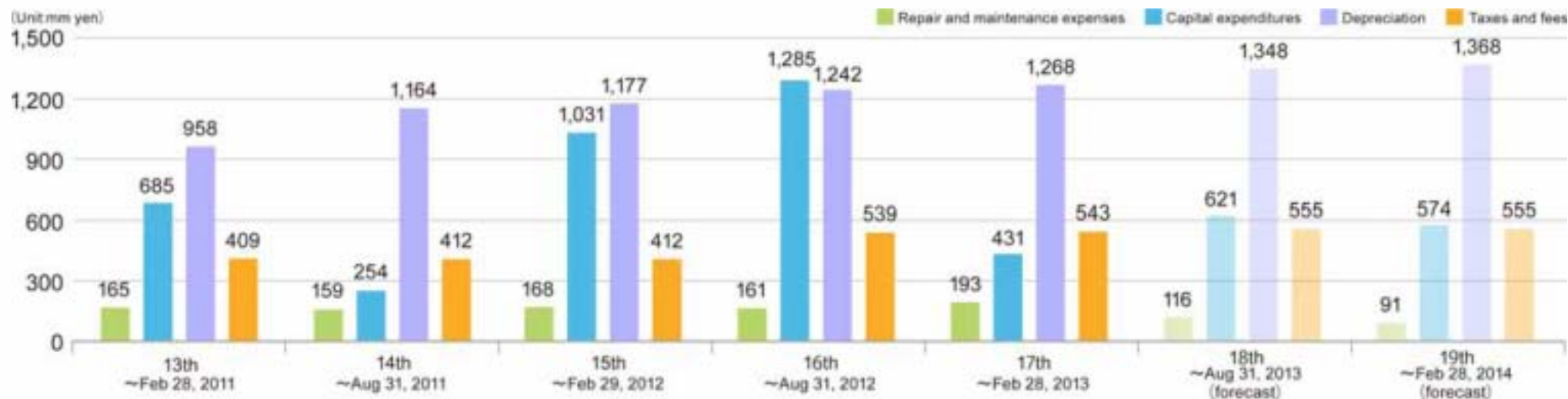
- unit : mm yen (Figures round down to nearest mm yen)

Category	16th ~Aug 31, 2012 A	17th ~Feb 28, 2013 B	Variation B—A
<b>Net cash provided by (used in) operating activities</b>	<b>3,617</b>	<b>3,120</b>	<b>(497)</b>
Net income before income taxes	2,005	2,005	0
Depreciation and amortization	1,242	1,268	25
Redemption of investment units	4	4	-
Interest income	(0)	(0)	0
Interest expenses	510	492	(18)
Decrease (increase) in operating accounts receivable	(33)	32	66
Decrease (increase) in accrued consumption taxes	(91)	91	183
Increase (decrease) in accrued consumption taxes	(150)	157	308
Increase (decrease) in operating accounts payable	141	(64)	(206)
Increase (decrease) in account payable-other	49	(34)	(84)
Increase (decrease) in accrued expenses	3	2	(0)
Increase (decrease) in advances received	42	9	(33)
Increase (decrease) in deposits expenses	394	(480)	(875)
Decrease (increase) in prepaid expenses	(33)	72	106
Decrease (increase) in long-term prepaid expenses	18	15	(2)
Other, net	24	51	26
<b>Subtotal</b>	<b>4,126</b>	<b>3,624</b>	<b>(502)</b>
Interest income received	0	0	(0)
Interest expenses paid	(501)	(498)	2
Income taxes paid	(8)	(5)	3
Income taxes refund	0	-	(0)
<b>Net cash provided by (used in) investment activities</b>	<b>(6,016)</b>	<b>(3,067)</b>	<b>2,948</b>
Purchase of property, plant and equipment in trust	(5,229)	(3,475)	1,753
Purchase of intangible assets in trust	(3)	(0)	3
Proceeds from tenant leasehold and security deposits	-	15	15
Repayments of tenant leasehold and security deposits	(25)	(4)	21
Proceeds from tenant leasehold and security deposits in trust	158	464	306
Repayments of tenant leasehold and security deposits in trust	(889)	(66)	822
Proceeds from restricted trust deposits	2	2	0
Payments for restricted trust deposits	(29)	(4)	25
<b>Net cash provided by (used in) investment activities</b>	<b>1,881</b>	<b>(666)</b>	<b>(2,547)</b>
Increase in short-term debt payable	8,600	3,800	(4,800)
Decrease in short-term debt payable	(8,000)	(2,200)	5,800
Proceed from long-term debt payable	9,400	11,900	2,500
Repayment of long-term debt payable	(6,075)	(12,175)	(6,100)
Dividends paid	(2,043)	(1,991)	52
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(516)</b>	<b>(612)</b>	<b>(95)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>8,154</b>	<b>7,637</b>	<b>(516)</b>
<b>Cash and cash equivalents at end of period</b>	<b>7,637</b>	<b>7,024</b>	<b>(612)</b>



# Repair and maintenance expenses, etc.

## ■ Repair and maintenance expenses, capital expenditures, depreciation, and taxes and fees



- unit : mm yen (Figures round down to nearest mm yen)

Fiscal period for renovation work	Property	Purpose	Construction cost
17th (actual)	Canal City Hakata	South Building renovation works	164
		Common area repairs and improvements	11
	Canal City Hakata・B	Environmental beautification	17
		Common area repairs and improvements	52
	Park Place Oita	Environmental beautification	23
	SunLive City Kokura	Exterior wall maintenance	25
18th/19th (planned)	Canal City Hakata	Common area repairs and improvements	103
	Canal City Hakata・B	Common area repairs and improvements	134
		Renovation works	18
		Common area repairs and improvements	88
	Park Place Oita	Renovation works	244
		Common area repairs and improvements	249
		Environmental beautification	42
		Update management system of sales	36
	SunLive City Kokura	Common area repairs and improvements	80
	Taihaku Street Business Center	Common area repairs and improvements	28

\* Table lists major actual or planned capital expenditures related to repair or renovation of properties owned by Fukuoka REIT.

# CSR initiatives

## Supporting sustained development of the local community

### ■Fukuoka Urban Growth Strategy Project

The Fukuoka Urban Growth Strategy Project is a collaboration between businesses and academia launched by Fukuoka Realty and academics active in different fields in the aim of planning and executing specific projects to ensure that Fukuoka remains a highly livable city.

#### ◎Fukuoka Strategy Evenings

The Project has held four Fukuoka Strategy Evening events between August 2012 and March 2013, at which participants interested in Fukuoka City's future discussed various topics.

1st	What is Fukuoka City's hub strategy?
2nd	Where lies Fukuoka City's creativity?
3rd	Where does the creative class congregate in Fukuoka?
4th	Hospitality is essential to Fukuoka City's urban growth strategy!



#### ◎OnRAMP Kyushu Entrepreneur club

OnRAMP is a members-only entrepreneurs' salon established as a forum to support and cultivate entrepreneurs and facilitate networking among them. Its focus is practical application of the Fukuoka Urban Growth Strategy Project's research.

(OnRAMP is a general incorporated association established by Fukuoka Realty and Dogan Advisors.)



### ■CSR initiative at Park Place Oita

#### ◎"Warmhearted Parking" for the disabled

From March 2013, Park Place Oita has reserved a portion of its underground parking garage (18 parkingspaces) for disabled guests. Called "Warmhearted Parking," the reserved parking spaces enable shoppers who are confined to wheelchairs or have difficulty walking to shop at Park Place Oita without having to worry about parking facilities.



### ■CSR workshops

Fukuoka Realty periodically conducts CSR workshops led by invited instructors, mainly for CSR personnel of companies that operate chiefly in Fukuoka and elsewhere in Kyushu. The workshops have helped to build a stronger network among local CSR professionals. Fukuoka Realty plans to continue holding CSR workshops to promote development of the local economy and community.

#### ◎Opening of Fukuoka International House

The Fukuoka Urban Growth Strategy Project has opened the Fukuoka International House, a communal residence for foreign students of Kyushu University and employees of international companies.

Address : Shimoyamato 1-chome, Nishi-ku, Fukuoka City

Building : 4-story reinforced concrete

Rooms : 15 n (male residents only)

Maximum occupancy : 30 residents





# IR initiatives

©Fukuoka REIT's homepage



©Nikko Investor Relations Award

Ranking of all publicly traded companies' websites	
Overall ranking <b>20th place</b> Excellent site	Sector ranking <b>1st place</b> Excellent site

©Daiwa Investor Relations Award



©Dialogue with Fukuoka Mayor posted on website



A dialogue between Fukuoka Realty CEO Etsuo Matsuyuki and the Mayor of Fukuoka City regarding Fukuoka's appeal and growth prospects was published in Linking Japan, an IR/PR magazine that publicizes Japanese companies to overseas institutional investors.

©Autumn 2012 J-REIT Fair



Fukuoka REIT presented at last autumn's J-REIT Fair sponsored by the Tokyo Stock Exchange. The presentation was attended by a crowd of nearly 100, substantially more than the 60-person capacity for the presentation.

- One-on-one meetings with foreign investors
- Property tours (for analysts and institutional investors)

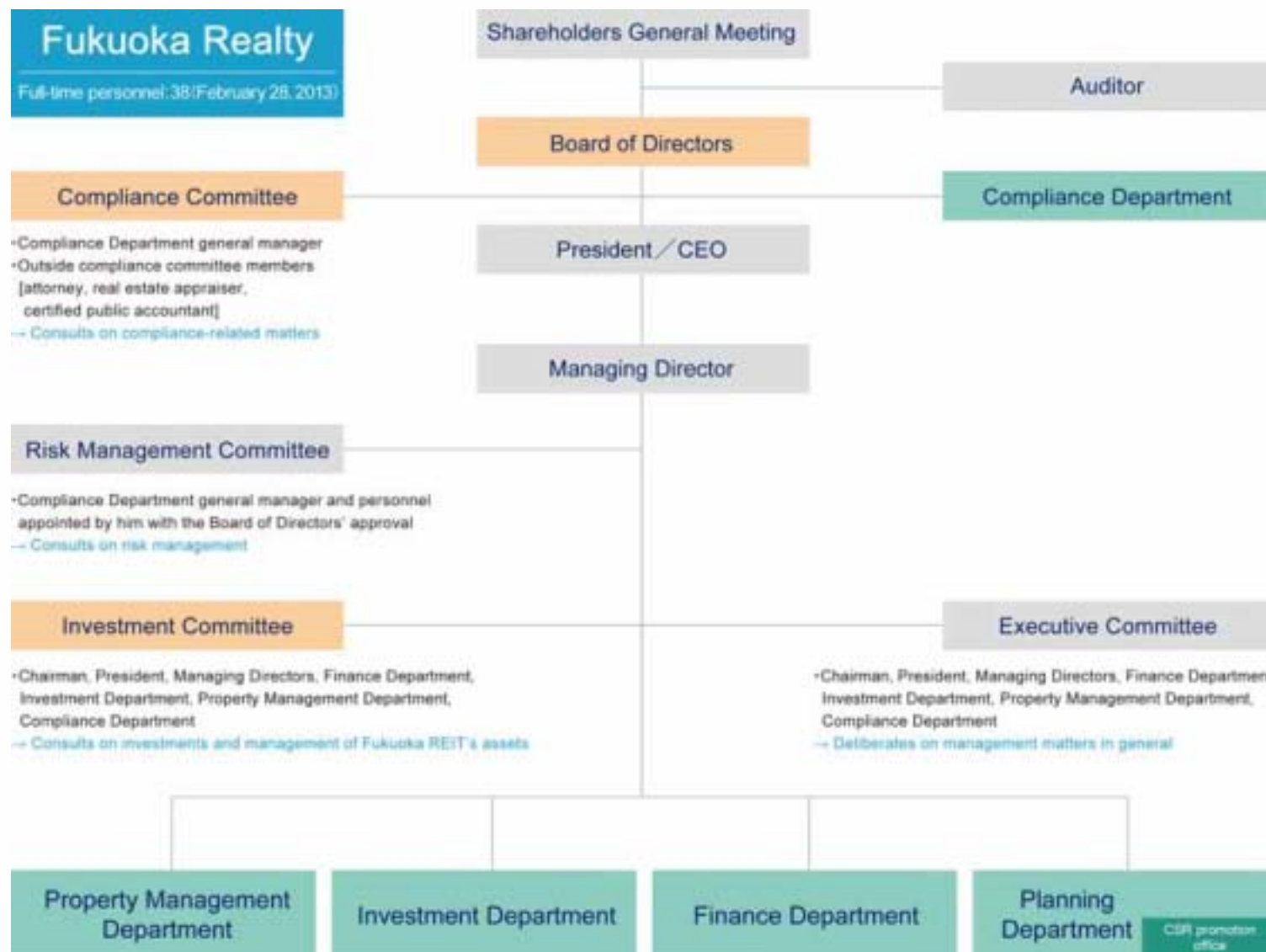
©Kyushu IR workshops



The Japan Investor Relations Association and Fukuoka Realty jointly sponsored three IR workshops in fiscal 2012. Attended by employees of some 20 Kyushu companies, the discussion-filled workshops promoted networking among Fukuoka- and Kyushu-based companies.



# Asset management company's organization

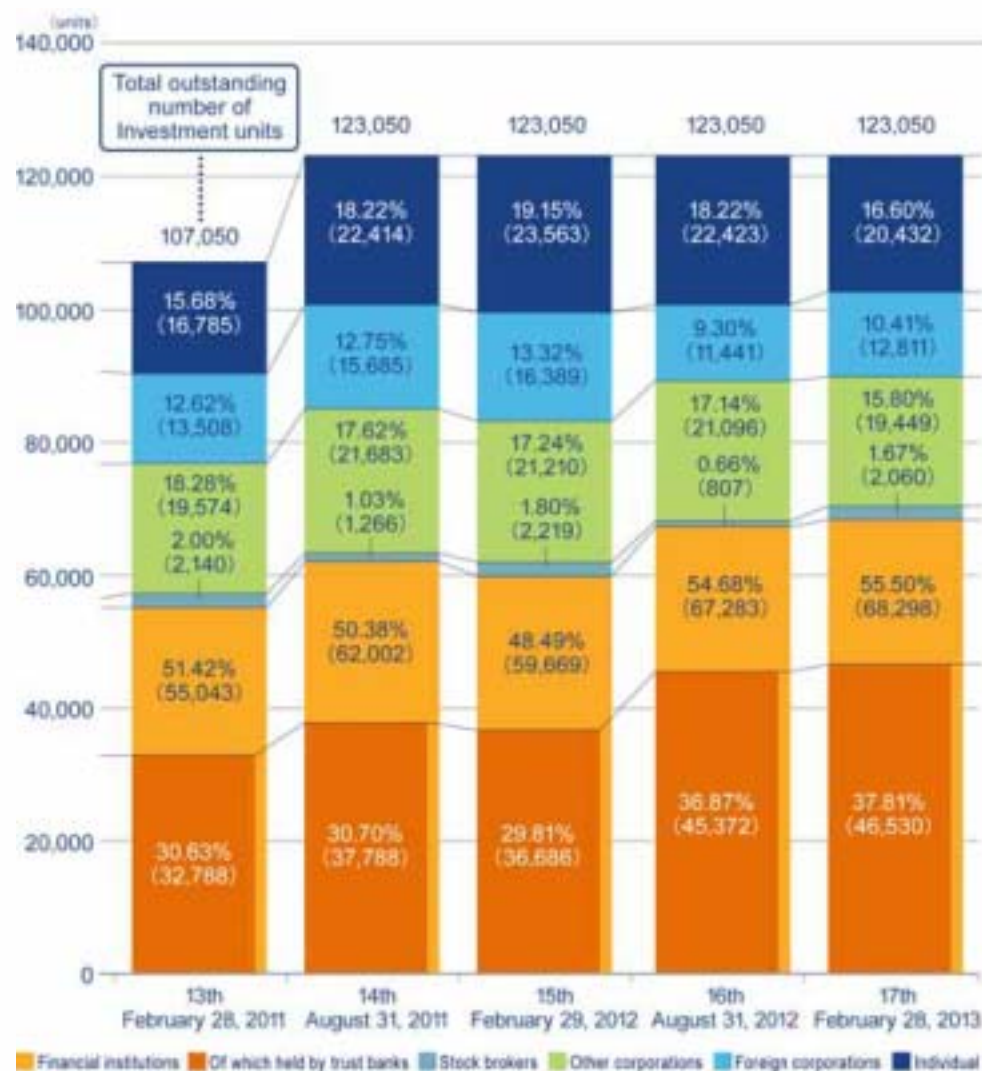


## Numbers of credentialed personnel

• Real estate brokers	15
• Japanese securities analysts	2
• ARES Certified Masters	13
• Management operation officer	1
• SME management consultants	1
• Certificated office building manager	7
• Real estate appraisers	3
• MBAs	3
• Attorney	2

# Unitholders' data

■ Distribution by investor category (breakdown of investment units)



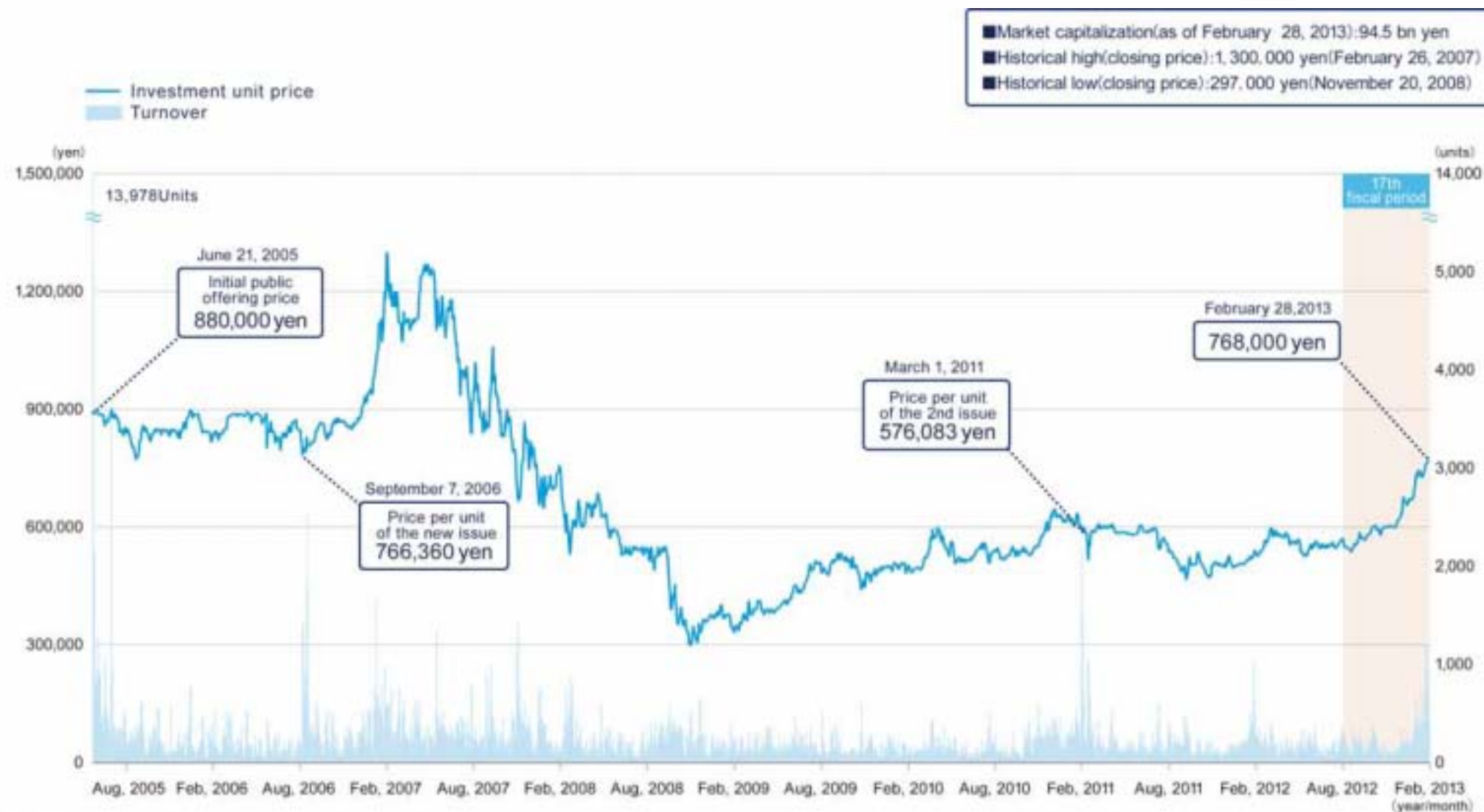
■ Major investors (end of the 17th fiscal period)

(As of February 28, 2013)

Rank	Investor name	Investment unit held	Share of investment units held over total number of units outstanding (%)
1	Japan Trustee Services Bank, Ltd. (Investment trust account)	24,801	20.15%
2	Fukuoka Jisho Co., Ltd.	13,955	11.34%
3	Trust & Custody Services Bank, Ltd. (Securities investment trust account)	8,128	6.60%
4	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	5,637	4.58%
5	The Master Trust Bank of Japan, Ltd. (Trust account)	4,270	3.47%
6	MetLife Alico Insurance Company JPY	3,409	2.77%
7	NOMURA BANK (LUXEMBOURG) S.A	3,353	2.72%
8	JOYO BANK Co., Ltd.	3,214	2.61%
9	Kazuhiko Enomoto	3,070	2.49%
10	The Senshu Ikeda Bank, Ltd.	1,909	1.55%

(\*) Percentages and ratio are rounded off to three decimal places.

# Unit price chart



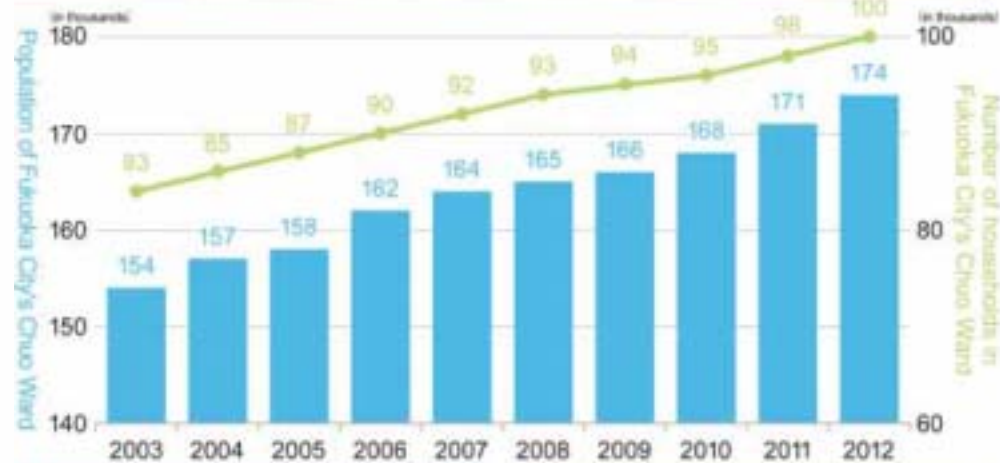
\*Each data is month-end values.



# Housing market in Fukuoka City's Chuo Ward

Fukuoka's Chuo Ward is an area with a high percentage of renters and continued net in-migration

■ Population and number of households in Fukuoka City's Chuo Ward



Population: **13% growth**

Number of households: **20% growth**

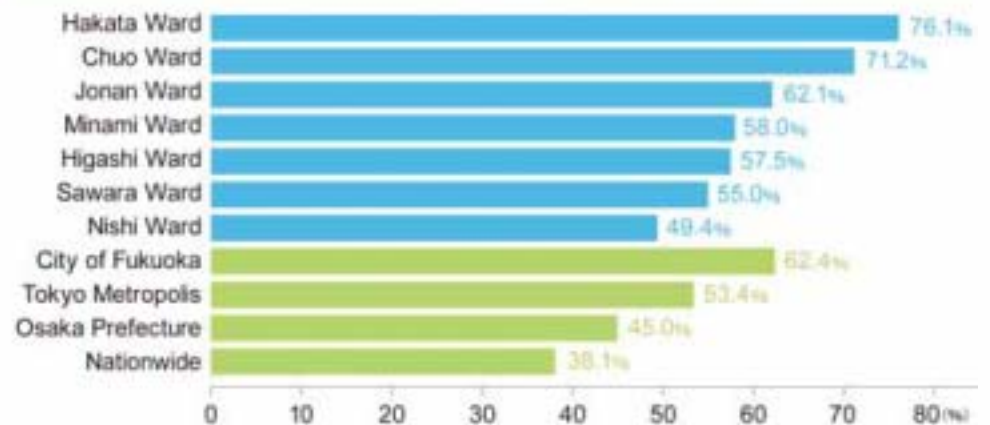
Source: City of Fukuoka resident registry data

■ Migration to and from Fukuoka City's Chuo Ward

		Units: persons						
City of Fukuoka Chuo Ward		2005	2006	2007	2008	2009	2010	2011
	In-migration	20,632	20,831	20,457	20,352	19,288	19,973	20,483
	Out-migration	19,314	18,188	19,231	19,010	18,948	18,854	17,872
	Net in-migration	1,318	2,643	1,226	1,342	340	1,119	2,611

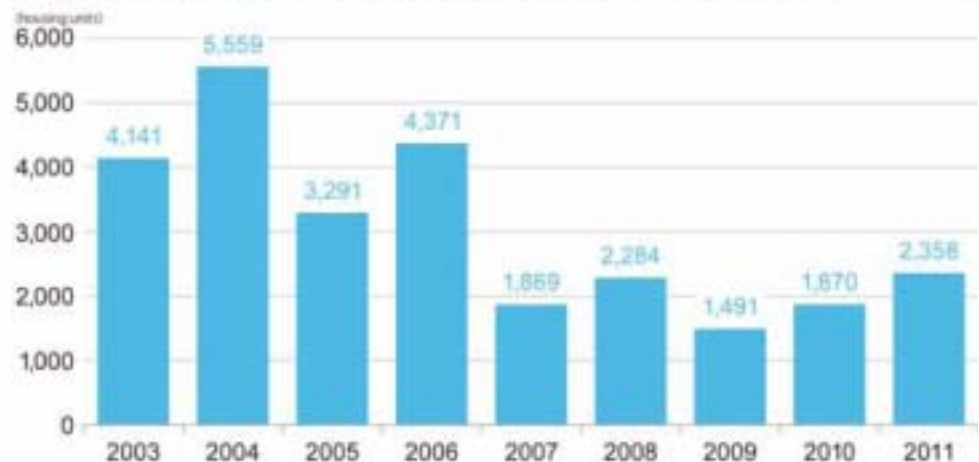
Source: Fukuoka Prefecture's Fukuoka Data Web

■ Percentage of renters in Fukuoka City's wards



Source: Fiscal 2010 National Census

■ New housing starts in Fukuoka City's Chuo Ward



Source: Housing starts data compiled by Fukuoka City's Housing & Urban Planning Bureau's Building Instruction Department's Building Instruction Section

# Fukuoka City's strengths①

Growing influx of foreign visitors by virtue of expansion of overseas networks



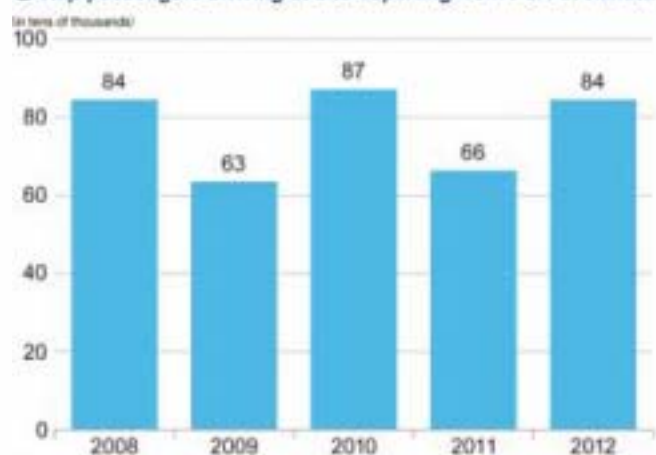
©Flight times from Fukuoka Airport to major destinations



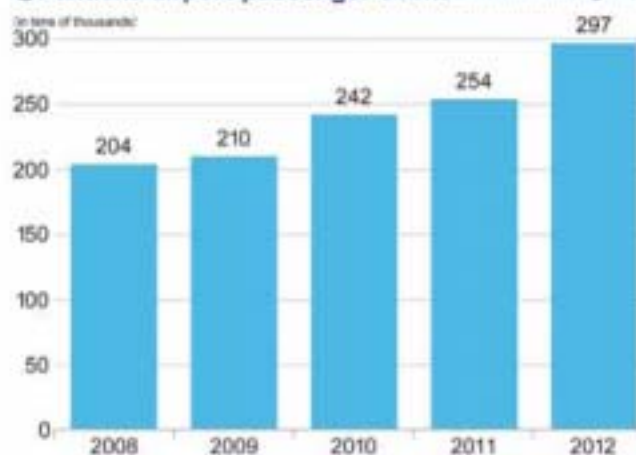
©Ongoing expansion of overseas flight networks

Mar. 2010	Start of Air Busan service (to Busan)
Dec. 2011	Start of T'way Airline service (to Incheon/Seoul)
Dec. 2011	Start of Delta Air Lines service (to Honolulu)
Mar. 2012	Start of Jeju Air service (to Incheon/Seoul)
Apr. 2012	Start of Hawaiian Airlines service (to Honolulu)
Jul. 2012	Expansion of Delta Air Lines service (to Honolulu)
Apr. 2013	Start of KLM Royal Dutch Airlines service (to Amsterdam)

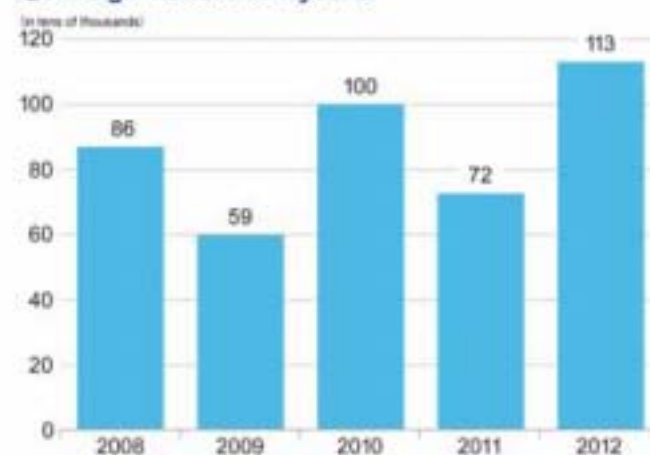
©Ship passengers arriving at and departing from Port of Hakata



©Fukuoka airport passenger traffic (international flights)



©Foreign visitors to Kyushu

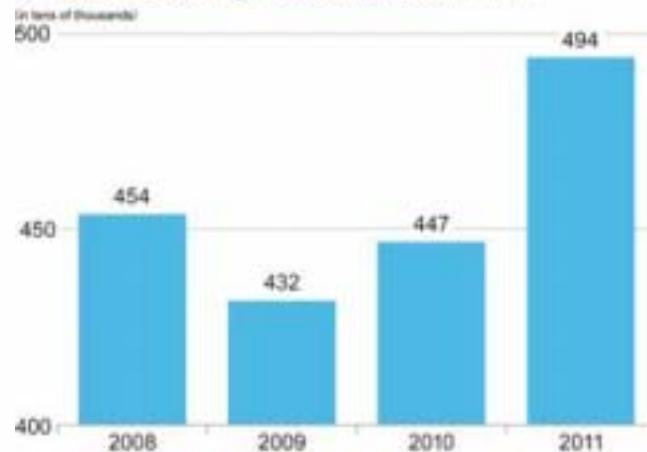


# Fukuoka City's strengths②

Low-cost carriers (LCC) and Kyushu bullet train service are driving growth in domestic travel



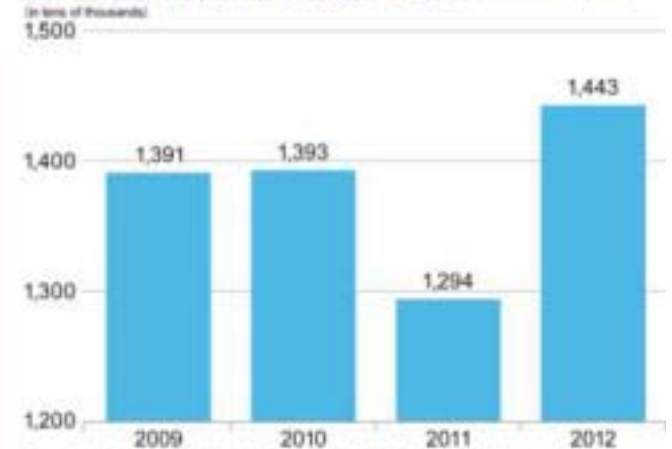
©Tourists entering Hakata Station (estimated)



©Nanakuma Subway Line extension project to commence earlier than originally scheduled



©Fukuoka Airport passenger traffic (domestic flights)



©LCCs commencing Fukuoka service in rapid succession since 2012

Peach Aviation	Mar. 2012	Fukuoka Airport – Kansai International Airport
Jetstar Japan	Jul. 2012	Fukuoka Airport – Narita International Airport
	Mar. 2013	Fukuoka Airport – Chubu International Airport
AirAsia Japan	Aug. 2012	Fukuoka Airport – Narita International Airport
	Mar. 2013	Fukuoka Airport – Chubu International Airport

©Transportation within Fukuoka City

