



Fukuoka REIT Corporation

Overview of the 21st fiscal period performance [8968] Security code September 1st, 2014~February 28th, 2015



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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.

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.

Growth and stability in dividends



(*) Forecast released at the time of the announcement of financial results for the 20th fiscal year
*Dividends per investment unit for the 17th fiscal period to the 19th fiscal period reflect the five-for-one split of investment unit

Highlights of public offerings

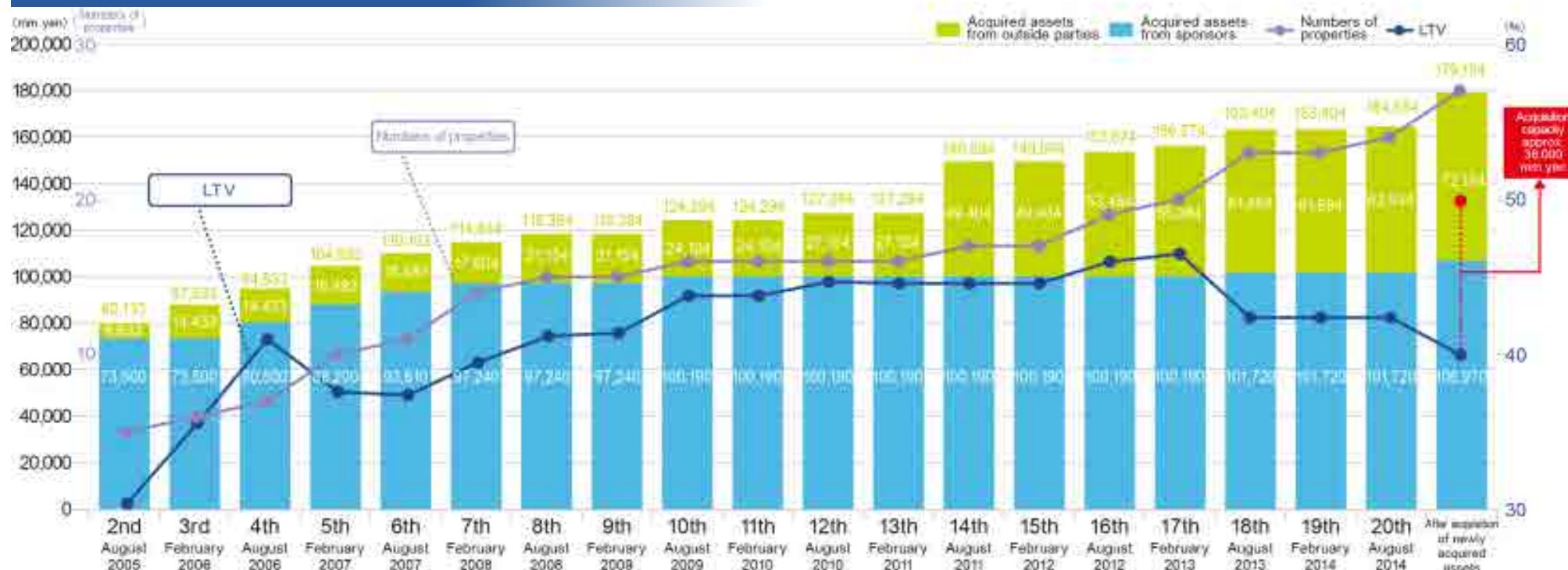
Acquired 3 properties in 21st and 22nd fiscal period

■ Overview of newly acquired assets

Portfolio as of August 31, 2014			Newly acquired assets			After acquisition of newly acquired assets		
No. of properties	Acquisition price	Appraisal value	No. of properties	Acquisition price	Appraisal value	No. of properties	Acquisition price	Appraisal value
24 properties	164,654 mm yen	172,491 mm yen	3 properties	14,500 mm yen	14,640 mm yen	27 properties	179,154 mm yen	187,131 mm yen

(+1) The figures are as of February 28, 2015. (+2) The sum of the appraisal value of Oramore Yakuh Minami as of February 28, 2015, the appraisal values of LOGIPORT Island-city Hekats and Marina City Fukuoka (Marina Side Building) at the time of acquisition. (+3) The sum of "Portfolio as of August 31, 2014" and "Newly acquired assets."

■ Growth of asset's size and LTV



*Konneda Community Mall, acquired in the 3rd fiscal period, is not included in the above assets under management since it was sold in the 6th fiscal period.

*Highgate Business Center, acquired in the 10th fiscal period, was acquired both from an outside party and a sponsor. Accordingly, its acquisition price has been divided equally and added to the acquisition price of assets acquired from outside parties and acquired from sponsor company, respectively.

*At the senior equity interest in an Anonymous partnership managed by COH Bridge, YK, was reassigned in the 14th fiscal period. It is excluded from total acquired assets from the 14th fiscal period onward. *Assets acquired from sponsor company include properties acquired through arrangements made by the sponsor company.

New acquisition in the 22nd fiscal period

Acquisition of one of the largest logistics properties in the Fukuoka area

■ LOGIPORT Island-City Hakata



property overview

Property	LOGIPORT Island-City Hakata
Address	2-chome, Minato Kaishi, Higashi Ward, Fukuoka City
Total Leasable area	43,233.72m ²
Acquisition price	8,150million yen
Appraisal value	8,180million yen
Acquisition CAP	5.2%
Acquisition timing	March 27, 2015
Property manager	Fukuoka Jisho Co.,Ltd



The property is one of the largest logistics facilities in the Fukuoka area

- ✓ With a total floor area of approximately 13,900 tsobos, the property is one of the largest logistics facilities in the Fukuoka area
- ✓ A raised-floor structure on the first floor and both raised-floor and low-floor structures on the second floor, enabling various methods of cargo handling

Located in a major logistics area, Fukuoka City

- ✓ Within a radius of 10 kilometers from the central part of Fukuoka City, which is a major consumption area
- ✓ A role as an extensive logistics base covering the entire area centering on northern Kyushu

Potential of Island-City

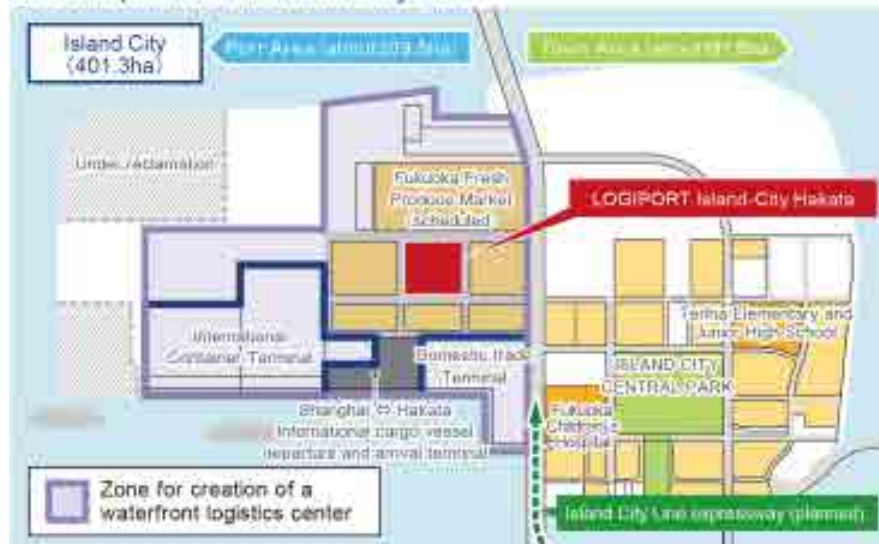
- ✓ Fresh-Produce Market of Fukuoka City as well as multiple warehouses and logistics centers of major companies are being or planned to be constructed in neighborhood
- ✓ The Motor Island City Line planned to be constructed within the Island City and extended from the Kashiwama Junction "tentative name" on the Fukuoka Urban Expressway

Current situation at Island city

The area expected future growth

■ Current situation at Island city

◎Development of the Island City area



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

Island City Development Project

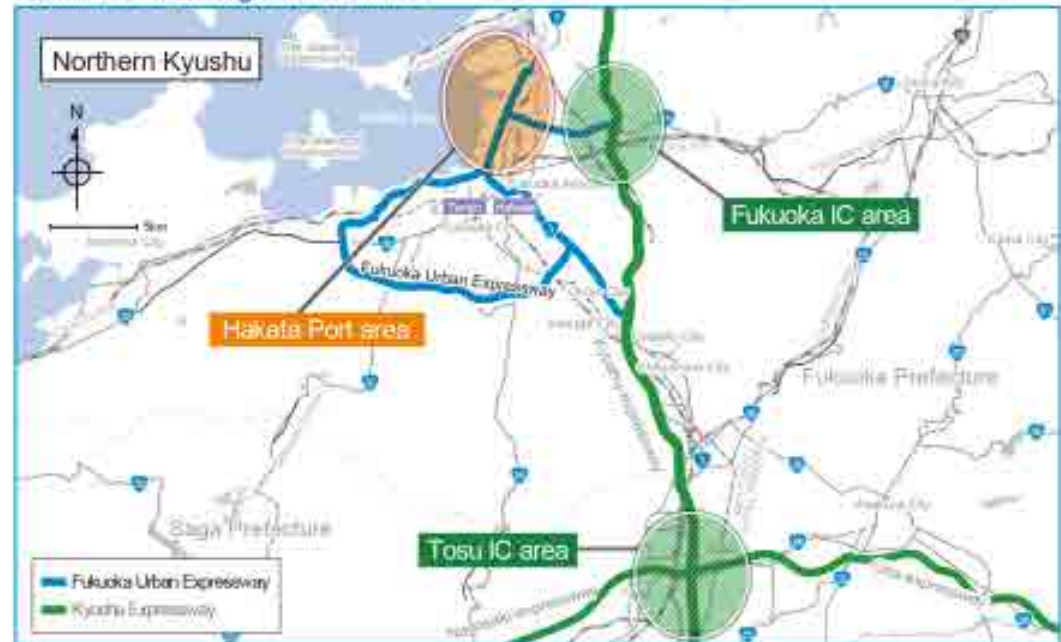
- ✓ Reclamation of approximately 90% (approx. 360.7 hectares) of the total area of 401.3 hectares has been completed (as of August 2014).
- ✓ Four objectives "enhancement of the port and harbor function", "creation of a pleasant urban space", "creation of a new industrial center" and "urban systems development in the east side area".

Island City as a Logistics Base

- ✓ In July 2008, 125 hectares of the port development area was designated as a zone for creation of a waterfront logistics center.
- ✓ A logistics center to function as a combined container terminal and advanced logistics facility will be created.

■ The logistics market in Fukuoka

◎Main area for logistics facilities



◎Change in average asking rent for logistics facilities



Source: Fukuoka Realty, based on "CBRE, Inc."

*CBRE, Inc. is a global commercial real estate services company whose business includes analysis of real estate information and data and the preparation of market research reports.

New acquisition in the 22nd fiscal period

Acquisition from a sponsor of a highly competitive retail facility

■ Marinao City Fukuoka(Marina Side Building)



property overview

Property	Marino City Fukuoka(Marina side building)
Address	2-chome, Odo, Nishi Ward, Fukuoka City
Seller	Fukuoka Jisho Co.,Ltd
Acquisition price	5,250million yen
Appraisal value	5,270million yen
Acquisition CAP	6.5%
Acquisition timing	May 1, 2015
Property manager	Fukuoka Jisho Co.,Ltd

Part of a Large Commercial Facility That includes One of Kyushu's Largest Outlet Malls

- ✓ Marino City Fukuoka is a commercial facility comprising one of Kyushu's largest outlet malls, large specialty shops, restaurants, and amusement facilities.
- ✓ Marina Side Building contains six large specialty shops:

Large Trade Area Population and Excellent Access from Inside and Outside Fukuoka Prefecture

- ✓ The facility is located approximately 8 km from central Fukuoka City, and access is mainly by car or bus.
- ✓ Many visitors have license plates from outside the prefecture, and the facility attracts customers from all over Kyushu.



New acquisition in the 21st fiscal period

Acquisition of a residential property in the popular Yakuin-Hirao area

■ Granfore Yakuin Minami



property overview

Property	Granfore Yakuin Minami
Address	1-Chome, Hirao, Chuo Ward, Fukuoka City
Acquisition Price	1,100million yen
Appraisal value(*1)	1,190million yen
Acquisition CAP	5.6%
Occupancy rate(*2)	94.0%
Acquisition Timing	Nov. 4, 2014
Property Manager	Good Property Inc.

(*1) This figure is the appraisal value as of the end of February, 2015. (*2) This figure is the occupancy rate as of the end of February, 2015.

Located in the Popular Yakuin-Hirao Area

- ✓ The Tenjin and Hakata areas are readily accessible by Nishitetsu Tenjin-Omuta Line, Fukuoka City Subway Nanakuma Line, and Nishitetsu Bus.
- ✓ Extension of the Fukuoka City Subway Nanakuma Line from Tenjin-Minami Station to Hakata Station is planned for 2020, and convenience is expected to further increase.
- ✓ The area is highly popular, especially among young people.

A Property with Extensive Facilities

- ✓ All units are in 1LDK format, suited to the needs of single-person households, an increasing demographic in Fukuoka City.
- ✓ A full range of security facilities, including a 24-hour emergency alert system and security cameras, are expected to ensure high competitiveness even in Fukuoka City, which has a high percentage of women.



Financial highlights

Dividend per investment unit was : 3,435 yen

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

Category	17th ~ Feb. 28, 2013	18th ~ Aug. 31, 2013	19th ~ Feb. 28, 2014	20th ~ Aug. 31, 2014 A	21st ~ Feb. 28, 2015 B	Variation B-A	22nd ~ Aug. 31, 2015 (forecast)	23rd ~ Feb. 29, 2016 (forecast)
Operating revenues	7,200	7,565	7,574	7,779	7,789	9	8,163	8,204
Leasing NOI (* 1)	4,444	4,751	4,732	4,800	4,829	29	5,159	5,174
Depreciation and amortization expenses	1,268	1,343	1,354	1,387	1,390	3	1,471	1,497
Operating income	2,622	2,848	2,801	2,824	2,860	35	3,086	3,063
Ordinary income	2,005	2,272	2,239	2,263	2,370	107	2,578	2,585
Net income	2,004	2,271	2,238	2,262	2,369	107	2,577	2,584
Dividend per investment unit (yen) ①(* 2)	16,289	16,458	16,219	3,278	3,435			
Latest dividend forecast (yen) ②(* 2)	16,200	16,200	16,200	3,220	3,350		3,450	3,460
Difference from forecast (yen) ①-②	+89	+258	+19	+58	+85		-	-
Total number of investment units outstanding (at period-end) (units) (* 2)	123,050	138,000	138,000	690,000	690,000		747,000	747,000
Total assets (at period-end) (unit : mm yen)	160,574	167,857	167,492	167,824	167,369			
Total net assets (at period-end) (unit : mm yen)	71,182	81,712	81,679	81,703	81,811			
Days in fiscal period (days)	181	184	181	184	181			
Number of properties owned (at period-end)	20	23	23	24	25			
Number of tenants (at period-end) (* 3)	751	886	868	894	1,003			
Total leasable floor space (at period-end) (m ²)	448,867.34	466,824.38	466,087.01	475,682.05	478,197.10			
Occupancy rate (at period-end) (%) (* 4)	99.3	98.8	98.1	99.3	99.6			

(* 1) "Leasing NOI" = "Leasing business revenues" - "Leasing business expenses" + "Depreciation"

(* 2) A 5-for-1 split of investment unit was effectuated on March 1, 2014.

(* 3) 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.

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

Dividend's track record

Keeping a stable dividend

■ Dividend results / forecasts

Category	15th ~ Feb. 29, 2012	16th ~ Aug. 31, 2012	17th ~ Feb. 28, 2013	18th ~ Aug. 31, 2013	19th ~ Feb. 28, 2014	20th ~ Aug. 31, 2014	21st ~ Feb. 28, 2015	22nd ~ Aug. 31, 2015 (forecast)	23rd ~ Feb. 29, 2016 (forecast)
Dividend per unit	16,621	16,193	16,289	16,458	16,219	3,278	3,435		
Dividend forecast per unit	16,300	16,000	16,200	16,200	16,200	3,220	3,350	3,450	3,460
Total number of investment units outstanding (at period-end)	123,050	123,050	123,050	138,000	138,000	690,000	690,000	747,000	747,000

■ Reference: Dividend's track record

Dividend per unit (The forecast dividend is multiplied by five)	16,621	16,193	16,289	16,458	16,219	16,390	17,175	17,250	17,300
Dividend per unit (The actual dividend is divided by five)	3,324	3,238	3,257	3,291	3,243	3,278	3,435	3,450	3,460

* A 5-for-1 split of investment unit was effectuated on March 1, 2014.

■ Dividend's track record(*1)



(*1) Dividends per investment unit for the 15th fiscal period to the 19th fiscal period reflect the 5-for-1 split of investment unit.

Balance sheets (compared with the previous fiscal period)

Acquisition of properties using cash reserves

Account		20th ~Aug. 31, 2014 A	21st ~Feb. 28, 2015 B	Variation B-A
Assets	Total current assets	8,041	7,554	(486)
	Cash and deposits	2,694	2,545	(149)
	Cash and deposits in trust	4,639	4,438	① (201)
	Operating accounts receivable	402	318	(83)
	Prepaid expenses	300	248	(52)
	Deferred tax assets	0	0	(0)
	Consumption taxes receivable	4	4	(0)
	Total noncurrent assets	159,747	159,786	39
	Total property, plant and equipment	157,347	157,487	② 140
	Buildings in trust	61,128	60,841	(287)
	Structures in trust	853	827	(25)
	Machinery and equipment in trust	363	344	(19)
	Tools and fixtures in trust	378	370	(7)
	Lands in trust	94,622	95,084	461
	Construction in progress in trust	-	18	18
	Total intangible assets	1,780	1,777	(3)
	Leasehold right in trust	1,765	1,765	-
	Other intangible assets in trust	15	12	(3)
	Total investment and other assets	618	521	(97)
	Lease and guarantee deposits	10	10	-
	Lease and guarantee deposits in trust	100	100	-
	Long-term prepaid expenses	508	411	(97)
Deferred assets		34	28	(6)
Total assets		167,824	167,369	(454)

Assets	
① Of which, debt repayment (300)	② Granfore Yakuri Minami acquisition + 1,100
	Capital expenditures + 328
	Depreciation (1,387)
	(including intangible assets amortization of 3 mm yen)
	Others + 99
	Total + 140

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

Account		20th ~Aug. 31, 2014 A	21st ~Feb. 28, 2015 B	Variation B-A
Liabilities	Total current liabilities	9,996	15,484	5,488
	Operating accounts payable	411	507	95
	Short-term debt	500	-	③ (500)
	Current maturities of long-term debt	6,650	12,850	④ 6,200
	Account payable-other	18	24	6
	Accrued expenses	332	330	(2)
	Income taxes payable	1	0	(0)
	Accrued consumption taxes	115	168	53
	Advances received	924	930	5
	Deposits received	1,042	673	⑤ (369)
	Total noncurrent liabilities	76,124	70,073	(6,051)
	Investment corporation bonds	2,000	2,000	-
	Long-term debt	62,000	55,925	⑥ (6,075)
	Tenant leasehold and security deposits	316	316	(0)
	Tenant leasehold and security deposits received in trust	11,808	11,832	24
Total liabilities		86,120	85,558	(562)
Net assets	Unitholders' equity	81,703	81,811	108
	Unitholders' capital	79,441	79,441	-
	Surplus	2,262	2,370	108
	Total net assets	81,703	81,811	108

Total liabilities and net assets	167,824	167,369	(454)
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Liabilities	
③ Refinancing by means of long-term debt (500)	⑥ Reclassification from long-term debt to current maturities of long-term debt (6,500)
	Contractual repayment (75)
④ Reclassification from long-term debt to current maturities of long-term debt + 6,500	Short-term debt maturity extension + 500
Repayment at maturity (September 30, 2014) (300)	Total (6,075)
Total + 6,200	
⑤ Seasonal factors (impact revenues, etc.) (369)	

Income statements (compared with previous fiscal period)

Increases in revenues and income attributable to new acquisitions and refinancing in the 20th fiscal period

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

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

Account			20th ~Aug. 31 , 2014 A	21st ~Feb. 28 , 2015 B	Variation B－A
Ordinary profit and loss	Operating profit and loss	Operating revenues	7,779	7,789	① 9
		Leasing revenues-real estate	7,285	7,342	56
		Other leasing revenues-real estate	494	446	(47)
		Operating expenses	4,955	4,928	② (26)
		Expenses related to leasing business	4,366	4,350	(16)
		Asset management fees	456	454	(1)
		Asset custody fees	6	6	(0)
		Administrative service fees	51	47	(3)
		Director's compensations	9	9	-
		Other operating expenses	65	60	(4)
	Operating income		2,824	2,860	35
	Non-Operating profit and loss	Non-operating revenues	1	2	1
		Interest received	0	0	(0)
		Others	0	1	1
		Non-operating expenses	562	492	③ (70)
		Interest payment(incl. investment corporation bond)	433	378	(54)
		Financing related expenses	122	107	(15)
		Amortization of investment unit issuance expenses	6	6	-
		Ordinary income		2,263	2,370
	Net income before income taxes		2,263	2,370	107
Income taxes		1	0	(0)	
Income taxes-current		1	0	(0)	
Income taxes-deferred		0	0	0	
Net income		2,262	2,369	107	
Surplus brought forward		0	0	0	
Unappropriated surplus		2,262	2,370	108	

Operating profit and loss

① Granfore Yakuri Minami	+24
Canal City Hakata	+1
Canal City Hakata-B	(1)
Park Place Oita	(35)
[-of which, utility reimbursement]	(19)
Office buildings	+17
[-of which Canal City Business Center Building]	+14
Others	+3
Total	+9
② Decrease in outsourcing fees	+40
Decrease in utility expenses	+17
[-of which, decrease in utility expenses at Park Place Oita]	+9
Increase in repair & maintenance expense	(61)
[-of which, Gofukumachi Business Center and 2 other office buildings]	(46)
Decrease in other expenses	+30
Total	+26

Non-Operating profit and loss

③ Decrease in debt-related expenses	+70
[-of which, cost decrease accompanying refinancing in the previous fiscal period]	+43
[-of which, difference attributable to a decrease of 3 days in the investment period compared to the previous fiscal period]	+6
[-of which, decrease in other cost]	+21
Total	+70

Income statements (compared with forecast)

Performance exceeding forecast resulting from new acquisitions and strong sales at Canal City Hakata

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

Unit: million yen. All figures rounded down to nearest million yen.

Account			Previous Forecast A	21st ~ Feb. 28, 2015 B	Variation B—A
Ordinary profit and loss	Operating profit and loss	Operating revenues	7,739	7,789	① 49
		Leasing revenues-real estate		7,342	
		Other leasing revenues-real estate		446	
		Operating expenses	4,924	4,928	② 3
		Expenses related to leasing business		4,350	
		Asset management fees		454	
		Asset custody fees		6	
		Administrative service fees		47	
		Director's compensations		9	
		Other operating expenses		60	
	Operating income	2,815	2,860	45	
	Non-Operating profit and loss	Non-operating revenues	1	2	0
		Interest received		0	
		Others		1	
		Non-operating expenses	504	492	③ (12)
		Interest payment(incl. investment corporation bond)		378	
		Financing related expenses		107	
		Amortization of investment unit issuance expenses		6	
		Ordinary income	2,312	2,370	58
		Net income before income taxes	2,312	2,370	58
Income taxes-current			0		
Income taxes-deferred		0			
Total income taxes	1	0	(0)		
Net income	2,311	2,369	58		

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

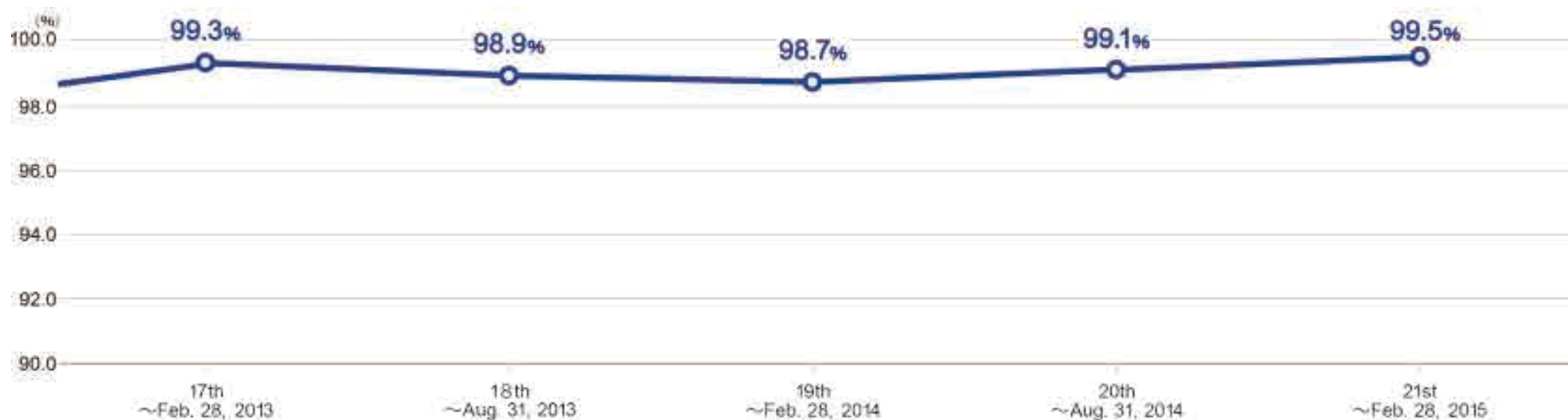
Operating profit and loss	
① Granfore Yakuri Minami	+24
Canal City Hakata	+55
Canal City Hakata-B	(9)
[of which, decrease in parking revenues	(16)]
Park Place Oita	(34)
[of which, decrease in utility reimbursement	(13)]
Office buildings	+18
[of which, Canal City Business Center Building +11]	
Others	(5)
Total	+49
② Decrease in outsourcing fees	+16
Increase in depreciation	(5)
[of which, Granfore Yakuri Minami	(6)]
Decrease in utility expenses	+3
[of which, decrease in utility expenses	+2]
at Park Place Oita	
Increase in other expenses	(17)
Total	(3)

Non-operating profit and loss	
③ Decrease in debt-related expenses	+12
Total	+12

Historical occupancy rates

Maintained high occupancy rates

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



■ Occupancy rates(the weighted average during the period)

Category	17th ~ Feb. 28, 2013	18th ~ Aug. 31, 2013	19th ~ Feb. 28, 2014	20th ~ Aug. 31, 2014	21st ~ Feb. 28, 2015	Investment percentage (based on acquisition price)
Active retail	99.9%	99.3%	99.2%	99.8%	100.0%	50.1%
Passive retail	100.0%	100.0%	100.0%	100.0%	100.0%	12.2%
Office buildings	98.2%	98.1%	97.5%	97.5%	98.8%	29.3%
Others	94.7%	95.5%	95.2%	96.1%	96.6%	8.4%
Total	99.3%	98.9%	98.7%	99.1%	99.5%	100.0%

* 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 14,434 mm yen at the end of 21st fiscal period (increase of 3,337 mm yen compared with previous fiscal period)

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

	Property name	Acquisition price (* 2)	Acquisition cap rate	Appraisal values		Amount recognized in balance sheet at 21st ③	Variation		Direct capitalization values			Appraisal company
				21st ①	20th ②		From appraisal value at 20th ①-②	From amount recognized in balance sheet at 21st ①-③	21st Cap rate ④	20th Cap rate ⑤	Variation ④-⑤	
Retail	Canal City Hakata	32,000	6.0%	32,600	32,200	30,784	400	1,815	4.9%	5.1%	(0.2)	Tanizawa Sogo Appraisal
	Canal City Hakata・B	28,700	5.4%	29,300	28,900	28,398	400	901	5.1%	5.3%	(0.2)	Tanizawa Sogo Appraisal
	Park Place Oita	15,700	6.5%	18,131	18,036	17,599	95	531	6.2%	6.2%	-	Japan Real Estate Institute
	SunLiveCity Kokura	6,633	6.6%	7,750	7,640	6,006	110	1,743	6.3%	6.4%	(0.1)	Japan Real Estate Institute
	Square Mall Kagoshima Usuki	5,300	6.2%	5,200	4,980	4,701	220	498	6.3%	6.5%	(0.2)	Japan Real Estate Institute
	Kumamoto Intercommunity SC	2,400	6.5%	2,610	2,530	2,120	80	489	6.2%	6.4%	(0.2)	Japan Real Estate Institute
	AEON Hara Shopping Center	5,410	6.8%	4,540	4,560	5,316	(20)	(776)	8.3%	8.3%	-	Japan Real Estate Institute
	Hanahata SC	1,130	6.4%	1,180	1,140	1,043	40	136	5.8%	6.0%	(0.2)	Tanizawa Sogo Appraisal
	Kurume Higashi Kushiwara SC	2,500	6.1%	2,660	2,580	2,227	80	432	5.8%	6.0%	(0.2)	Tanizawa Sogo Appraisal
	K's Denki Kagoshima	3,550	5.7%	3,550	3,440	3,228	110	321	5.7%	5.9%	(0.2)	Tanizawa Sogo Appraisal
	Total of retail	103,323	6.0%	107,521	106,006	101,427	1,515	6,093	5.6%	5.7%	(0.2)	
Office buildings	Canal City Business Center Building	14,600	6.2%	14,500	14,400	13,635	100	864	5.2%	5.3%	(0.1)	Tanizawa Sogo Appraisal
	Gofukumachi Business Center	11,200	6.2%	12,700	12,600	9,578	100	3,121	5.1%	5.2%	(0.1)	Tanizawa Sogo Appraisal
	Sanix Hakata Building	4,400	5.9%	4,860	4,790	4,059	70	800	5.1%	5.2%	(0.1)	Japan Real Estate Institute
	Taihaku Street Business Center	7,000	6.0%	6,900	6,790	6,498	110	401	5.5%	5.6%	(0.1)	Japan Real Estate Institute
	Higashi Hie Business Center	5,900	6.0%	6,260	6,210	5,009	50	1,250	5.7%	5.8%	(0.1)	Tanizawa Sogo Appraisal
	Tenjin Nishi-Dori Center Building	2,600	5.4%	2,850	2,790	2,711	60	138	4.9%	5.0%	(0.1)	Japan Real Estate Institute
	Tenjin North Front Building	2,800	6.1%	3,020	3,010	2,766	10	253	5.4%	5.5%	(0.1)	Japan Real Estate Institute
	Total of office buildings	48,500	6.1%	51,090	50,590	44,259	500	6,830	5.3%	5.4%	(0.1)	
Others	Amex Akasakamon Tower	2,060	5.4%	1,810	1,790	1,826	20	(16)	5.2%	5.3%	(0.1)	Daiwa Real Estate Appraisal
	City House Keyaki Dori	1,111	5.5%	1,000	1,000	999	0	0	5.2%	5.3%	(0.1)	Daiwa Real Estate Appraisal
	Aqualia Kego	2,800	6.3%	3,470	3,390	2,707	80	762	5.1%	5.3%	(0.2)	Japan Real Estate Institute
	Aqualia Chihaya	1,280	6.8%	1,530	1,480	1,241	50	288	5.6%	5.8%	(0.2)	Japan Real Estate Institute
	D-Wing Tower	2,800	5.9%	3,170	3,110	2,828	60	341	5.2%	5.3%	(0.1)	Tanizawa Sogo Appraisal
	Granfore Yakuin Minami(* 3)	1,100	5.6%	1,190	1,170	1,195	20	(5)	5.1%	5.2%	(0.1)	Tanizawa Sogo Appraisal
	Hotel FORZA Oita	1,530	6.6%	1,610	1,590	1,480	20	129	6.3%	6.4%	(0.1)	Japan Real Estate Institute
	Tosu Logistics Center	1,250	5.9%	1,290	1,270	1,279	20	10	5.7%	5.8%	(0.1)	Japan Real Estate Institute
	Total of others	13,931	6.0%	15,070	14,800	13,559	270	1,510	5.4%	5.5%	(0.1)	
	Total properties	165,754	6.0%	173,681	171,396	159,246	2,285	14,434	5.5%	5.6%	(0.1)	

(* 1) It does not include "construction in progress in trust" in amount recognized in balance sheet at the end of period. (* 2) "Acquisition price" does not include fees, public charge and expenses.

(* 3) Appraisal value at 20th is figured as of acquisition timing. The cap rate at 20th is based on appraisal value as of acquisition timing.

Business forecast (the 22nd fiscal period)

Dividends are grown although public offering during fiscal period

Forecast in the 22nd fiscal period

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

Account	21st Results A	22nd Forecast at 20th B	22nd Forecast at 21st C	21st results variation C-A	22nd forecast variation C-B
Operating revenues	7,789	7,745	8,163	① 373	417
Operating expenses	4,928	4,914	5,077	② 148	162
Operating income	2,860	2,830	3,086	225	255
Non-operating income	2	1	1	(0)	-
Non-operating expenses	492	512	509	③ 17	(3)
Ordinary income	2,370	2,319	2,578	207	258
Net income	2,369	2,318	2,577	207	258
Dividend per unit (yen)	3,435	3,360	3,450	15	90

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

Variance between the 21st fiscal period results and the 22nd fiscal period forecast

① Acquired 2 properties at 22nd fiscal period	+319
Granfore Yakuin Minami[full-period contribution]	+ 14
Canal City Hakata	+ 11
Canal City Hakata-B	+ 9
[-of which, increase in revenue from subsidies	+13]
Park Place Oita	(14)
[-of which, impact of the opening of a competing retail facility	(36)]
[-of which, increase in utility expenses	+23]
Office buildings	+ 24
[-of which, Gofukumachi Business Center	+21]
Others	+ 10
Total	+373
② Increase in outsourcing fees	(28)
Decrease in repair & maintenance expenses	+ 70
Increase in taxes & fees	(19)
[-of which, acquired 2 properties in previous year	(5)]
Increase in utility expenses	(40)
[-of which, Park Place Oita	(9)]
[-of which, LOGPORT Island City Hakata	(52)]
Increase in depreciation	(80)
[-of which, acquired 2 properties in the 22nd fiscal period	(72)]
Increase in other expenses	(51)
[-of which, Canal City Hakata	(30)]
Total	(148)
③ Increase in debt-related expenses	(11)
[-of which, difference attributable to an increase of 3 days in the investment period compared to the previous fiscal period	(6)]
Increase in amortization of investment unit issuance expenses	(6)
Total	(17)

Business forecast (the 23rd fiscal period)

Acquired assets in the 22nd fiscal period full-period contribution / Dividend was increased 10 yen

Forecast in the 23rd fiscal period

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

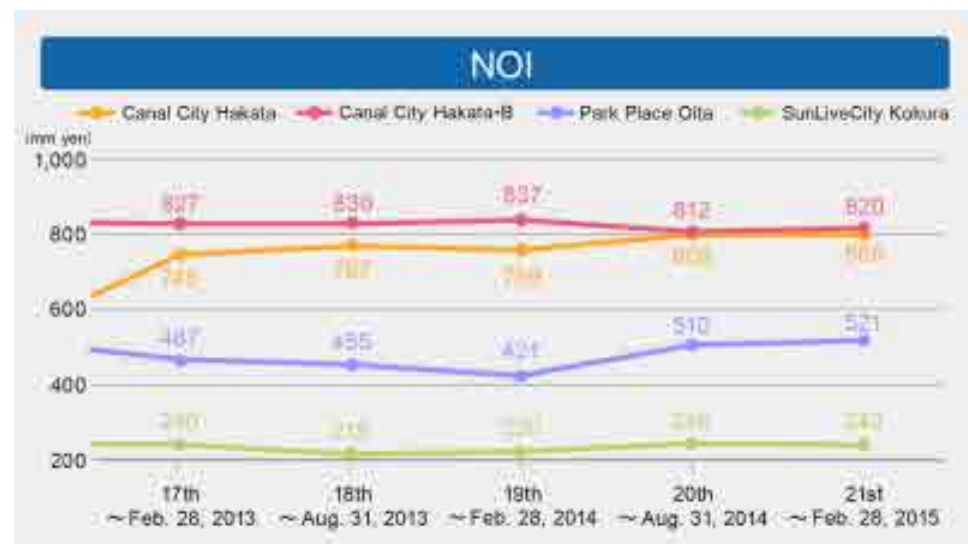
Account	22nd Forecast at 21th A	23rd Forecast at 21st B	22nd forecast variation B-A
Operating revenues	8,163	8,204	① 41
Operating expenses	5,077	5,141	② 64
Operating income	3,086	3,063	(22)
Non-operating income	1	1	-
Non-operating expenses	509	479	③ (30)
Ordinary income	2,578	2,585	7
Net income	2,577	2,584	7
Dividend per unit (yen)	3,450	3,460	10

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

Variance from updated the 22nd fiscal period forecast	
① Acquired 2 properties at 22nd fiscal period full-period contribution	+91
Canal City Hakata	(14)
Canal City Hakata-B	(38)
[-of which, decrease in parking revenues	(20)
[-of which, concurrence of revenue from subsidies	(13)
Park Place Oita	(5)
[-of which, decrease in utility expenses	(23)
Passive retail	+10
[-of which, increase in revenue from subsidies	+12
Others	(3)
Total	+41
② Decrease in utility expenses	+22
[-of which, decrease in utility expenses at Park Place Oita	+11
Increase in repair & maintenance expenses	(49)
Increase in depreciation	(26)
Increase in other expenses	(11)
Total	(64)
③ Decrease in debt-related expenses	+30
[-of which, decrease in expenses related to refinancing at 22nd fiscal period	+24
Total	+30

Active retail

Sales increase as a result of attracting inbound foreign visitors at Canal City Hakata and floor expansion and renovation at Park Place Oita and SunLive City Kokura



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



* Sales figures are rounded down to the nearest hundred million yen.

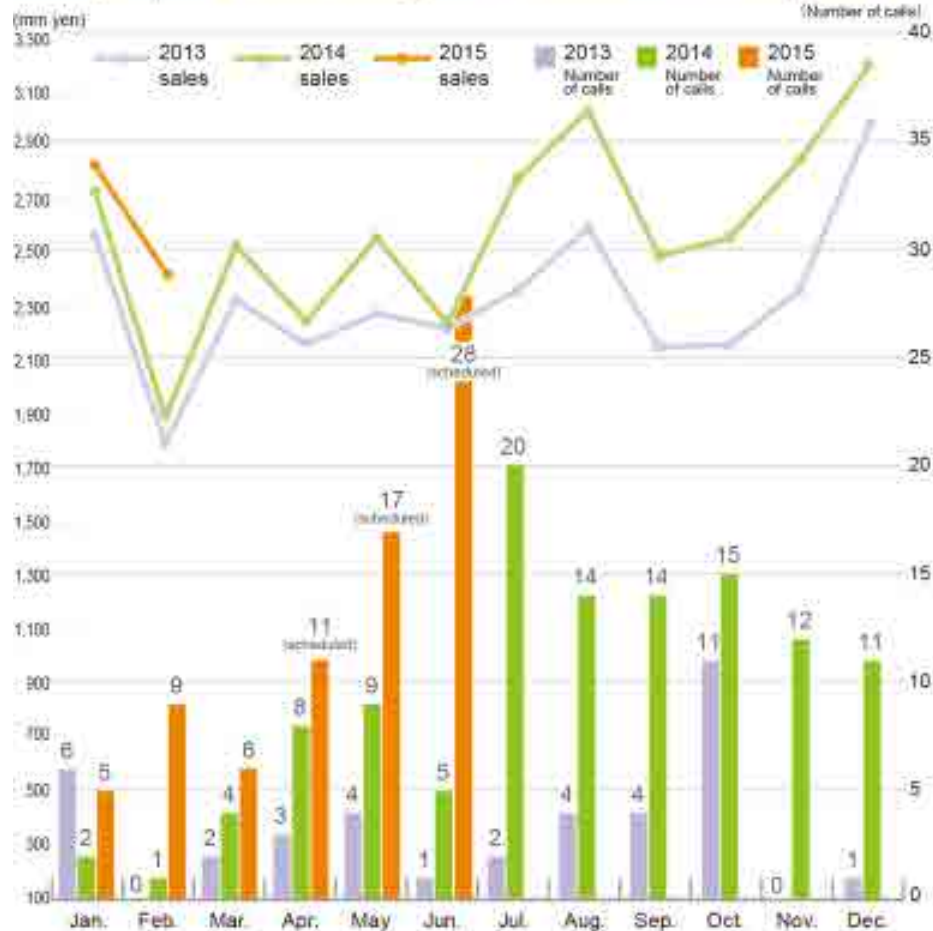


Current situation at Canal City Hakata (overall)

Strong sales as a result of an increase in the number of cruise ship port calls

Change in sales of Canal City Hakata and the number of cruise ship port calls

◎Monthly comparison of sales of Canal City Hakata (※1) and the number of cruise ship port calls (※2)



Source: Fukuoka Realty, based on "Port of Hakata Cruise Ship Record", posted on the Port of Hakata website
 (※1) Combined sales of Canal City Hakata and Canal City Hakata + 8 properties owned by Fukuoka REIT
 (※2) Figures include plans as of April 1, 2015.

Strong performance at Canal City Hakata thanks to initiatives targeting inbound foreign visitors

◎Many foreign tourists visit



◎Measures to attract inbound tourists to the complex



International information counter set up during the Chinese New Year

Ceremony marking the introduction of a Shinhan house sale



At Chuo Wharf

◎Number of visitors to main tourist facilities in Fukuoka City

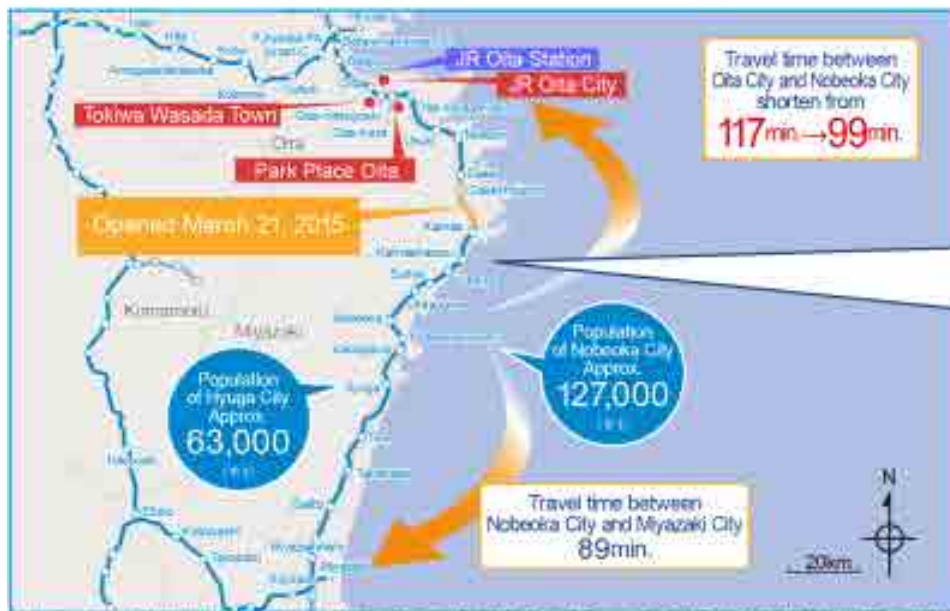
Rank	2009	2010	2011	2012	2013
1	Canal City Hakata	Canal City Hakata	JR Hakata City	JR Hakata City	JR Hakata City
2	Marina City Fukuoka	Marina City Fukuoka	Canal City Hakata	Canal City Hakata	Canal City Hakata
3	Hakata Riverain	YAHOO! DOME	Marina City Fukuoka	Marina City Fukuoka	Marina City Fukuoka
4	YAHOO! DOME	Hakata Riverain	YAHOO! DOME	YAHOO! DOME	YAHOO! DOME
5	Bayside Place HAKATA	asmy teeny tiny mo.	Hakata Riverain	Hakata Riverain	Hakata Riverain

Source: Prepared by Fukuoka Realty based on data from Fukuoka City Tourism Statistics 2013 (January 13, 2015, Tourism Strategy Section, Economy, Tourism & Culture Bureau, Fukuoka City)

Current situation at Park Place Oita

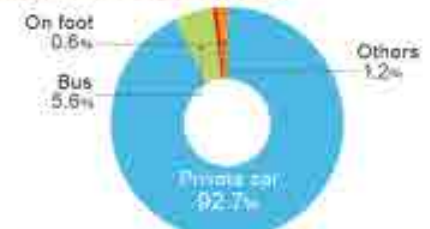
Opening of the Higashi-Kyushu Expressway (between Oita and Miyazaki) in March 2015

■ Inflow of customers from outside the prefecture because of the opening of the Higashi-Kyushu Expressway (between Oita and Miyazaki)



(*) 1) "Recent change in Resident Population, Number of Households, etc. of Nobeoka City as of September 1, 2014," published on the Nobeoka City website, and "Population of Hyuga City (by Area) in August 2014," published on the Hyuga City website.
Source: Prepared by Fukuoka Realty based on data from the West Nippon Expressway Company website and 2014 Outline of Kyushu Economy

◎ Means of transportation



◎ Surrounding area at Park Place Oita



- ① Sales promotions targeting Miyazaki Prefecture have increased since before the expressway opening.
- ② Visits from many shoppers from outside the prefecture, mainly Miyazaki Prefecture residents, are expected after the opening.
- ③ Visitors are mainly families with small children.

■ Annually attractive events(*1)

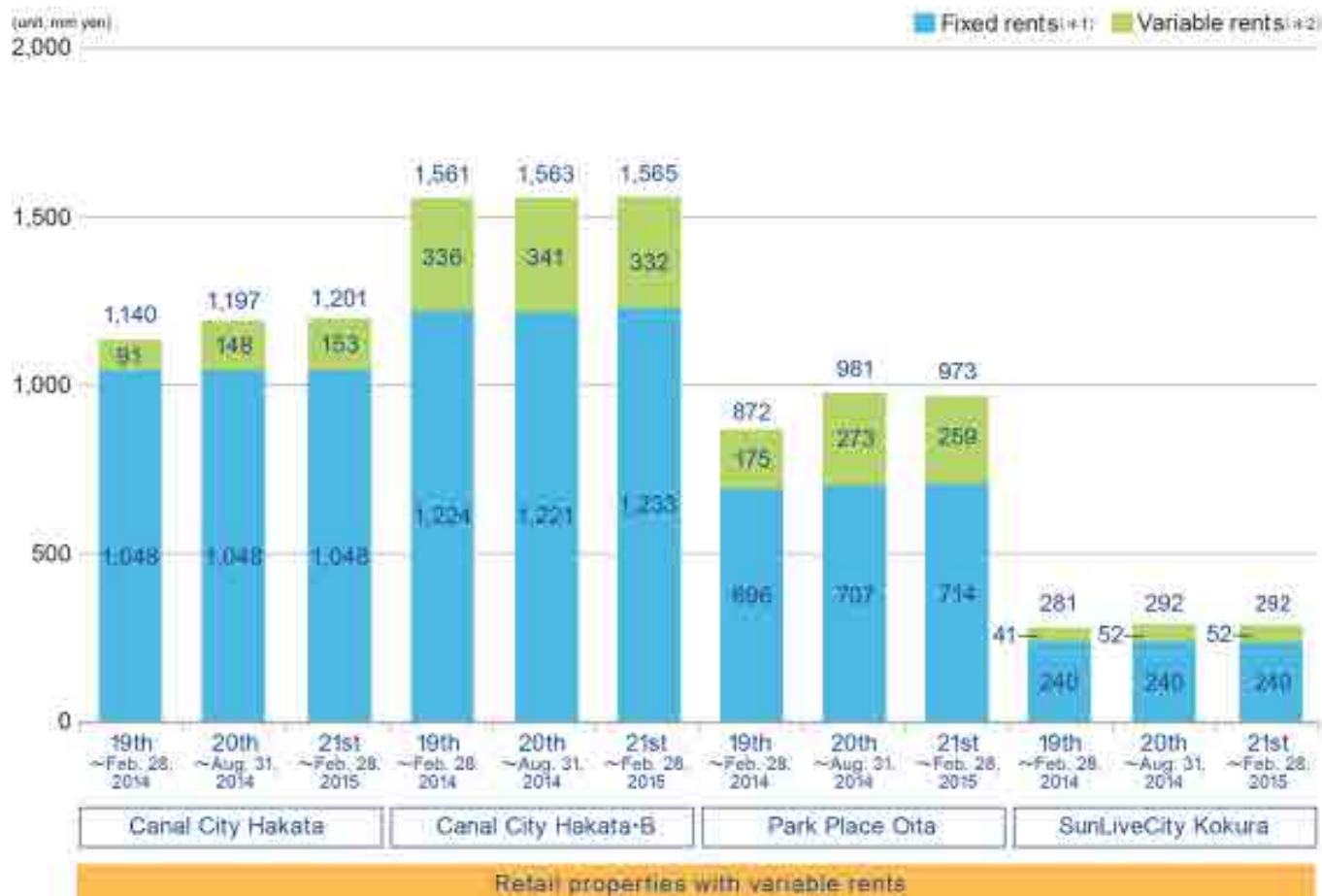


(*1) These pictures are one example of events.

Breakdown of active retail rents

Continuation of the strong percentage rent results at Canal City Hakata achieved in the 20th fiscal period

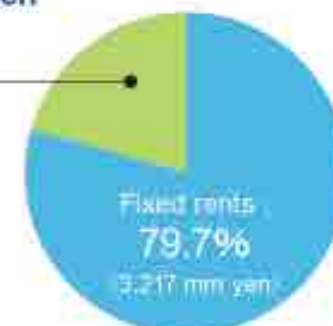
■ Breakdown of rents by property



■ Breakdown of total rents

◎ Total rents in the 20th fiscal period : 4,034 mm yen

Variable rents : 20.3% (816 mm yen)



◎ Total rents in the 21st fiscal period : 4,033 mm yen

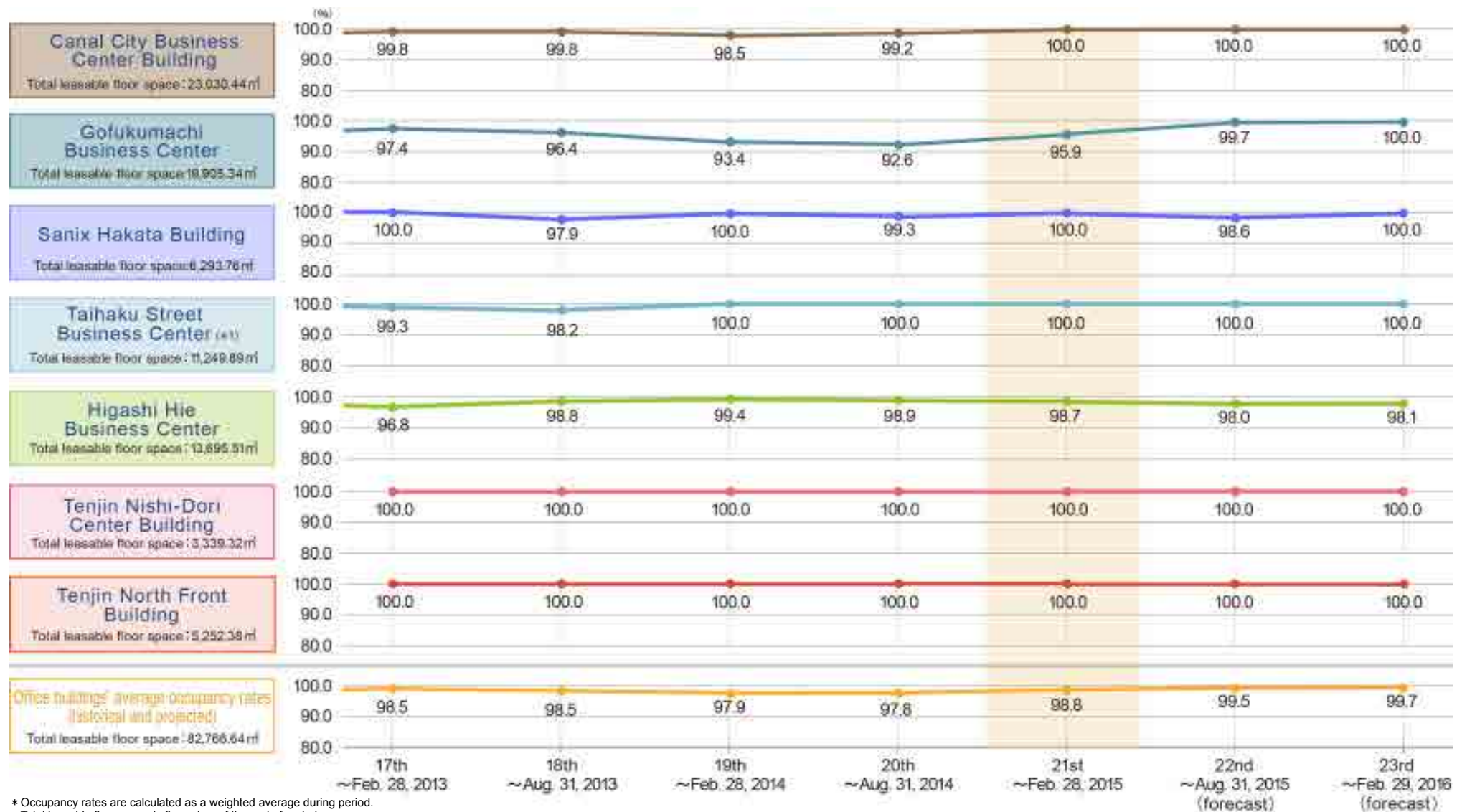
Variable rents : 19.8% (797 mm yen)



(※1) Fixed rents are 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 rents (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 parking fee at Park Place Oita.
 (※2) Variable rents are the sum of the portion of rents collected from tenants with variable rents that varies as a function of the tenants' sales.

Historical and projected office buildings' occupancy rates

Recovery in the occupancy rate of Gofukumachi Business Center to 99.5% as of February 28, 2015



* Occupancy rates are calculated as a weighted average during period.

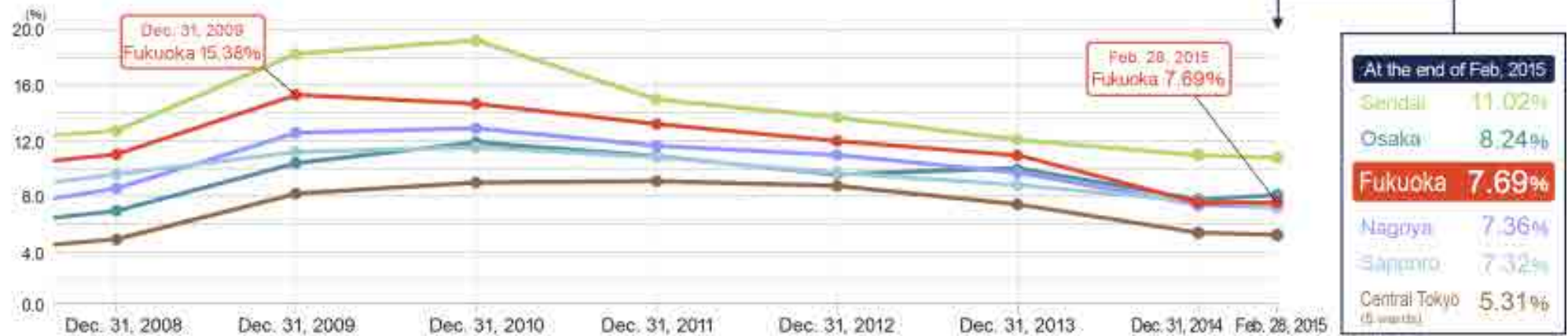
* Total leasable floor space is figured as of the end of period.

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

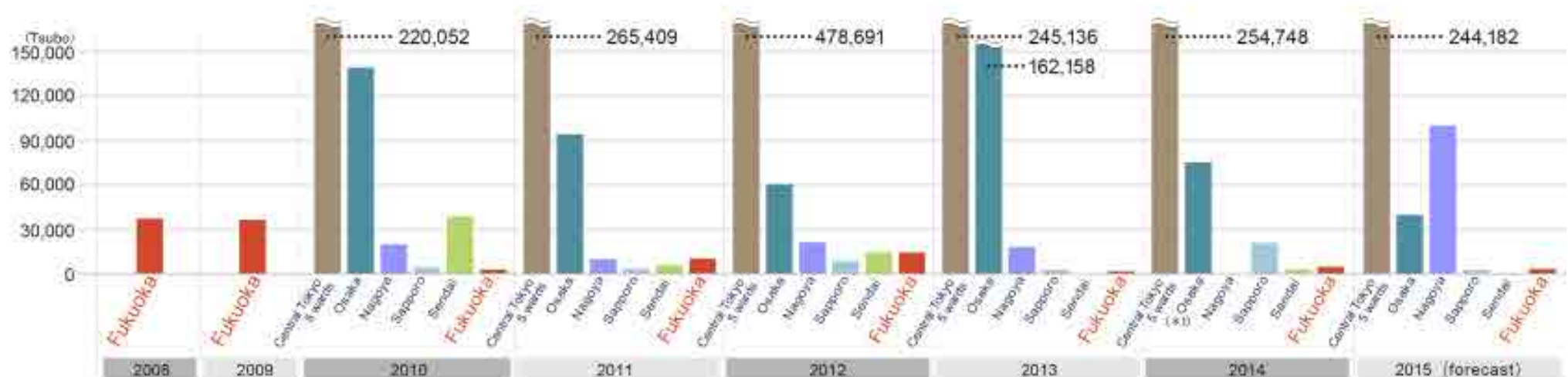
Fukuoka office market

Continuing decline in the average vacancy rate in Fukuoka City

■ Average vacancy rates in major Japanese cities



■ New supply in major cities



Sources: Fukuoka Realty, based on data published by Miki Shoji Co., Ltd.
 (*1) Includes Abeno Harukas
 * Office building-related data for each city are data for areas and buildings included in surveys conducted by Miki Shoji Co., Ltd.

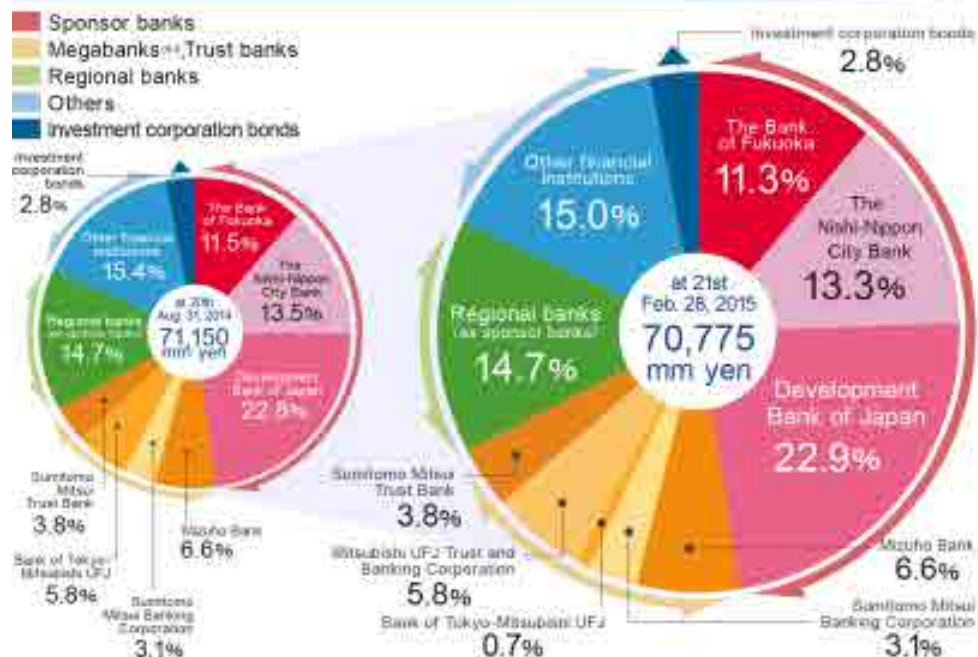
Key financing events in the 21st fiscal period

Construction of a solid financial base through the fixing of a variable interest rate and the addition of a new bank

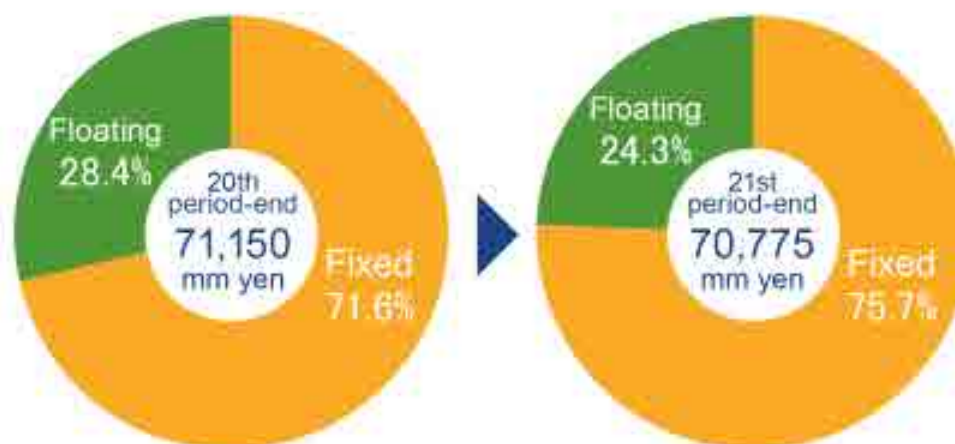
Financial performance in the 21st and 22nd fiscal periods (as of March 31, 2016)

- September, 2014
- Refinanced a maturing committed line of credit with a long-term debt
Committed line of credit in the amount of 500 mm yen (short-term, 1-month TIBOR + 0.35%)
—Refinanced with a long-term debt of 500 mm yen (5-year term, 0.520% fixed rate) from The Bank of Tokyo-Mitsubishi UFJ, marking the start of a business relationship with The Bank of Tokyo-Mitsubishi UFJ
 - Repaid a long-term debt with cash on hand (300 mm yen)
- February, 2015
- Fixed an interest rate by concluding an interest rate swap contract (notional principal of 2,500 mm yen)
- New**
March, 2015
- New financing accompanying acquisition of properties
Financed the 8,150 mm yen LOGIPORT Island-city Hakata acquisition by means of a committed line of credit of 8,000 mm yen

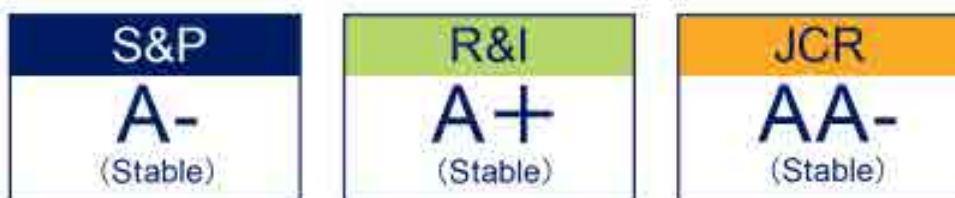
Breakdown of debt by lenders



Proportions of fixed and floating rate



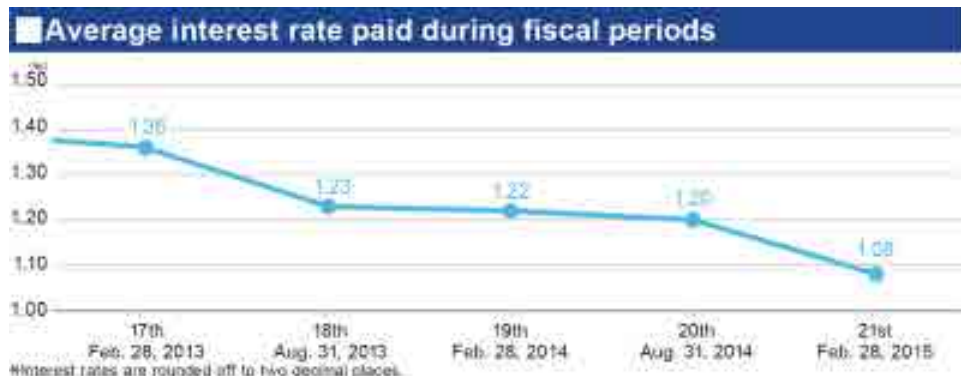
Credit ratings (※2)



(※1) Megabanks are Mizuho Bank, Sanjoma Mitsui Banking Corporation, and Bank of Tokyo-Mitsubishi UFJ
 (※2) 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)
 ※As of February 28, 2015

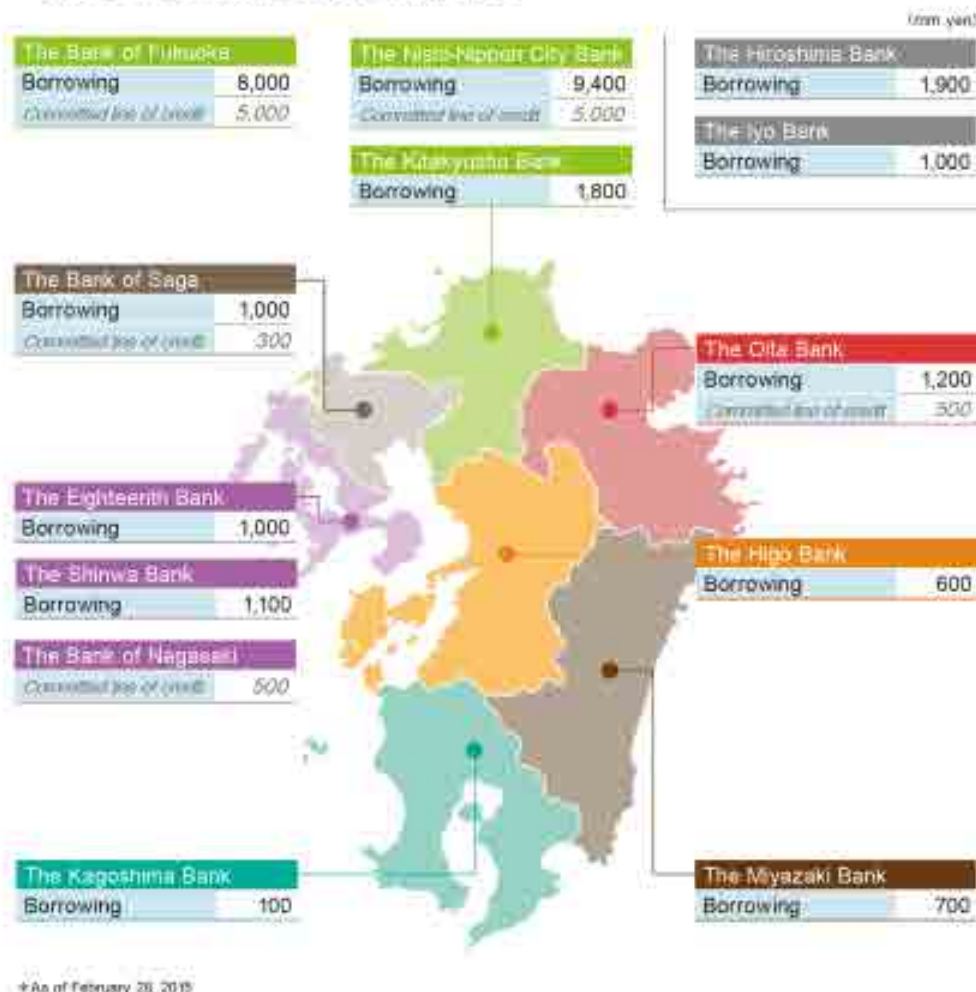
Financing condition

Decrease in average interest rate paid during fiscal periods through refinancing in the 20th fiscal period



■ A regional bank transaction network that covers the entire Kyushu region

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



List of borrowings

Stable debt financing

(As of February 28, 2015)

Type	Lender	Balance (JPY)	Drawdown Date	Repayment Date	Repayment Method	Average Interest Rate	Description
Short-term debt		-	-	-	-	-	-
	Subtotal	0					
Current maturities of long-term debt	Sumitomo Mitsui Banking Corporation	1,200,000,000	Jun.30.2010	Jun.30.2015	Lump-sum upon maturity	1.08091% (*1) (*4)	No collateral No guarantee
	Sumitomo Mitsui Trust Bank	1,000,000,000	Jul.29.2011	Jul.29.2015		1.04086% (*2)	
	Development Bank of Japan Inc.	4,000,000,000	Aug.31.2009	Aug.31.2015		1.95000% (*2)	
	The Bank of Fukuoka	2,000,000,000	Mar.1.2011	Feb.29.2016		0.62182% (*1) (*5)	
	The Nishi-Nippon City Bank	2,000,000,000	Mar.1.2011	Feb.29.2016		0.77400% (*3)	
	Development Bank of Japan Inc.	2,000,000,000	Mar.1.2011	Feb.29.2016		0.77182% (*1) (*5)	
	Mizuho Bank	500,000,000	Feb.29.2012	Feb.29.2016		1.11724% (*2)	
	Subtotal	12,700,000,000					
Long-term debt	Development Bank of Japan Inc.	2,175,000,000	Jun.30.2009	Jun.30.2017	Repayment installment (*6)	2.20000% (*2)	No collateral No guarantee
	Development Bank of Japan Inc.	4,000,000,000	Aug.31.2009	Aug.31.2016		2.17000% (*2)	
	The Bank of Fukuoka	1,500,000,000	Dec.30.2010	Dec.30.2016		0.63091% (*1) (*4)	
	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)	
	The Bank of Fukuoka	1,500,000,000	Dec.30.2011	Dec.30.2017		0.78091% (*1) (*4)	
	The Hiroshima Bank	500,000,000	Dec.30.2011	Dec.30.2016		1.18195% (*2)	
	The 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)	
	The 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)	
	The 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)	
	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.30.2012	Mar.31.2017		1.20346% (*2)	
	Resona Bank	600,000,000	Mar.30.2012	Mar.31.2017		1.25346% (*2)	
	The Higo Bank	300,000,000	Mar.30.2012	Mar.31.2017		1.20346% (*2)	
	The Bank of Fukuoka・The Nishi-Nippon City Bank・The Oita Bank・The Miyazaki Bank・The 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		0.85750% (*3)	
	Sumitomo Mitsui Trust Bank	600,000,000	Sep.28.2012	Sep.30.2016		0.58091% (*1) (*4)	
	Resona Bank	2,000,000,000	Sep.28.2012	Sep.29.2017		1.03319% (*2)	
	The Nishi-Nippon City Bank	2,500,000,000	Feb.1.2013	Sep.29.2020		0.77500% (*3)	
	The Nishi-Nippon City Bank	1,900,000,000	Feb.28.2013	Feb.28.2018		0.67182% (*1) (*5)	
	Mizuho Bank	1,700,000,000	Feb.28.2013	Feb.29.2020		0.67182% (*1) (*5)	
	Sumitomo Mitsui Trust Bank	1,100,000,000	Feb.28.2013	Feb.28.2018		0.72182% (*1) (*5)	
	Mitsubishi UFJ Trust and Banking Corporation	1,500,000,000	Feb.28.2013	Feb.28.2018		0.52182% (*1) (*5)	
	Aozora Bank	600,000,000	Feb.28.2013	Feb.28.2018		0.52182% (*1) (*5)	
	Mitsubishi UFJ Trust and Banking Corporation	600,000,000	Mar.29.2013	Mar.30.2018		0.53091% (*1) (*4)	
	Aozora Bank	1,000,000,000	Jun.28.2013	Jun.30.2020		0.58091% (*1) (*4)	
	Mizuho Bank・The Norinchukin Bank・The Bank of Saga	3,700,000,000	Jul.31.2014	Jul.31.2019		0.53800% (*3)	
	Mizuho Bank・The Norinchukin Bank・The Hiroshima Bank・The Kitakyushu Bank・The Iyo Bank・The Higo Bank	6,300,000,000	Jul.31.2014	Jul.30.2021		0.83500% (*3)	
	Development Bank of Japan Inc.	4,000,000,000	Aug.29.2014	Aug.31.2022		1.01000% (*2)	
	Bank of Tokyo-Mitsubishi UFJ	500,000,000	Sep.25.2014	Sep.25.2019		0.52000% (*2)	
	Subtotal	56,075,000,000					
	Total	68,775,000,000					

Investment corporation bonds

Type	Issue	Balance (JPY)	Issue date	Maturity Date	Maturity Method	Coupon	Description
Investment corporation bonds	The first series of unsecured bonds	2,000,000,000	Dec.30.2013	Dec.29.2023	Lump-sum upon maturity	1.32000%	-
Total		2,000,000,000					

(*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)It is from December 30, 2014 to March 31, 2015 (not including the concerned date).

(*5)It is from February 27, 2015 to May 29, 2015 (not including the concerned date).

(*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.

Committed line of credit

Type	Lender	Credit Limit (JPY)	Commitment Period		Description
			Start	End	
Committed line of credit 1	The Bank of Fukuoka, Resona Bank	6,000,000,000	Aug.1.2014	Jul.31.2015	No collateral No guarantee
Committed line of credit 2	The Nishi-Nippon City Bank, Resona Bank, The Oita Bank, The Bank of Nagasaki, The Bank of Saga	7,000,000,000	Mar.3.2014	Feb.29.2016	
Total		13,000,000,000			

The condition of Fukuoka City Center

Preparation for redevelopment in the Tenjin area and the area fronting Hakata Station is progressing.



The condition of suburb area in Fukuoka

Fukuoka city, the compact city, has well-organized infrastructure of transportation





Fukuoka REIT

Appendix

Profile

Profile

■ Name	Fukuoka REIT Corporation
■ Asset manager	Fukuoka Realty Co., Ltd. Licensed by Fukuoka Local Finance Branch Bureau (financial instruments) No. 10
■ Sponsors	Fukuoka Jisho Co., Ltd., Kyushu Electric Power 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.
■ Listed date	June 21, 2005 (Tokyo Stock Exchange, Fukuoka Stock Exchange)

Financial highlight

■ Total assets	167,369 mm yen (as of February 28, 2015)
■ Total debt	70,775 mm yen (as of February 28, 2015)
■ Credit ratings	S&P: A- (Stable) R&I: A+ (Stable) JCR: AA- (Stable)
■ LTV (Interest-bearing liabilities/total assets)	42.3%

Dividend information

■ The 21th fiscal period end	February 28, 2015 (semi-annual periods ending every February and August)
■ Dividend (actual)	3,435 yen per unit
■ Days in fiscal period	181 days
■ Dividend yield	3.1% {(Dividend / days in fiscal period × 365) / unit price} (as of February 28, 2015)

Investment unit price

■ Unit price	227,000 yen (as of February 28, 2015)
■ Total number of investment units outstanding	690,000 units (as of February 28, 2015)
■ Market capitalization	156,630 mm yen (unit price × outstanding units) (as of February 28, 2015)
■ Net asset value per share	118,567 yen (as of February 28, 2015)
■ Market net asset value per share	139,486 yen (as of February 28, 2015)

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)] / (Total number of investment units outstanding)

Portfolio summary (*1)

■ Asset type (based on acquisition price)	<div> <div>Retail 62.3%</div> <div>Office buildings 29.3%</div> <div>Others 8.4%</div> </div>
■ Asset location (based on acquisition price)	<div> <div>Fukuoka metropolitan area 76.6%</div> <div>Other Kyushu areas 23.4%</div> </div>
■ Total leasable floor space	478,197.10㎡
■ Occupancy rates at the end of period	99.6%

(*1) Figures have been calculated by properties at as of February 28, 2015.

A real estate investment trust specializing in regional properties

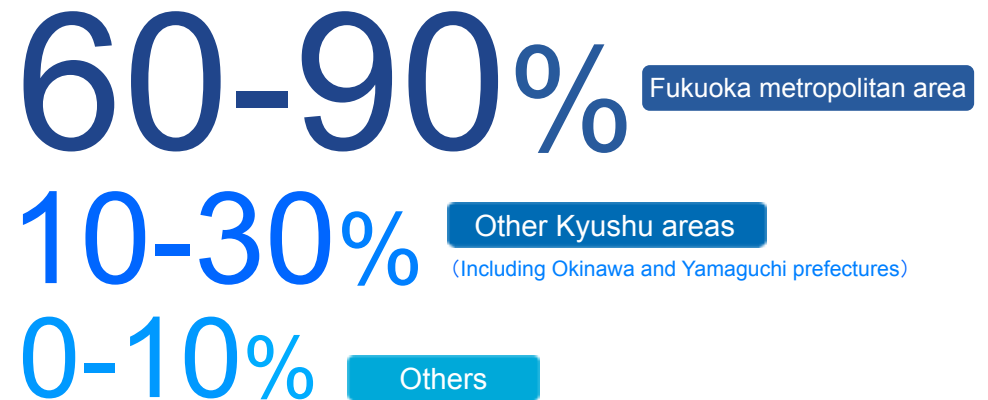
■ Sponsors



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

■ Investment policy

◎ Investment area



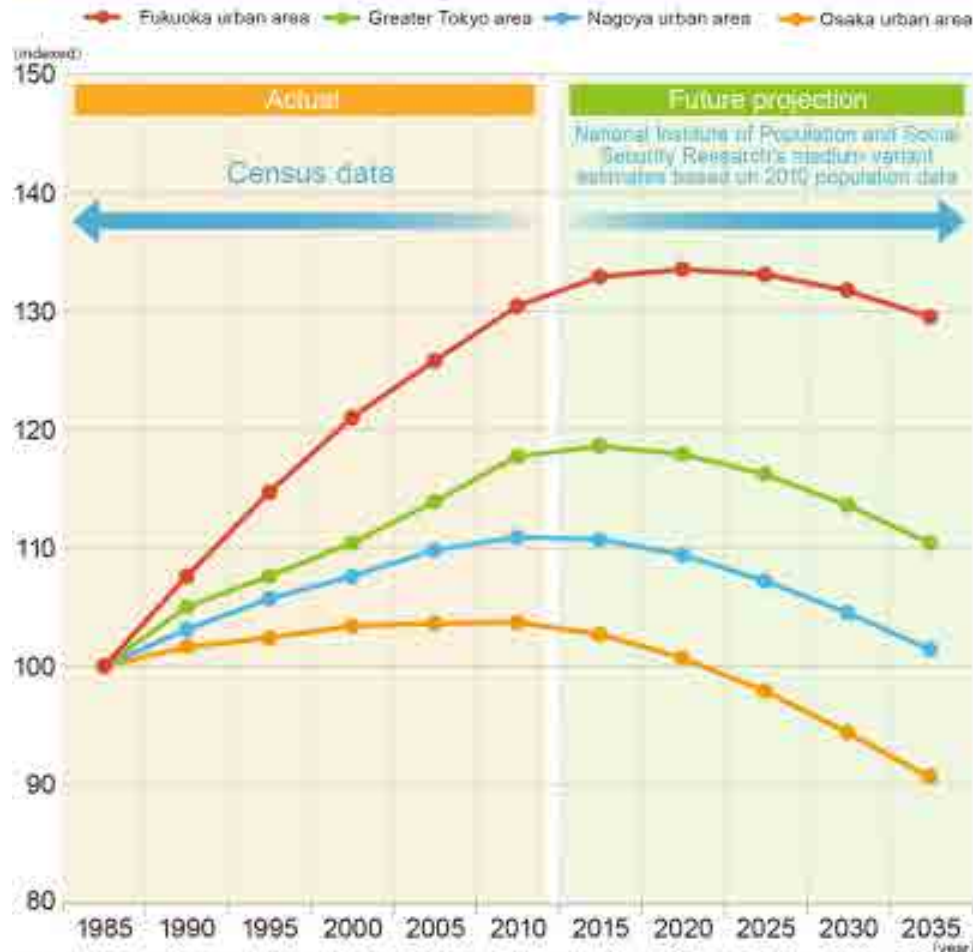
◎ Investment type



Population movement of Fukuoka city

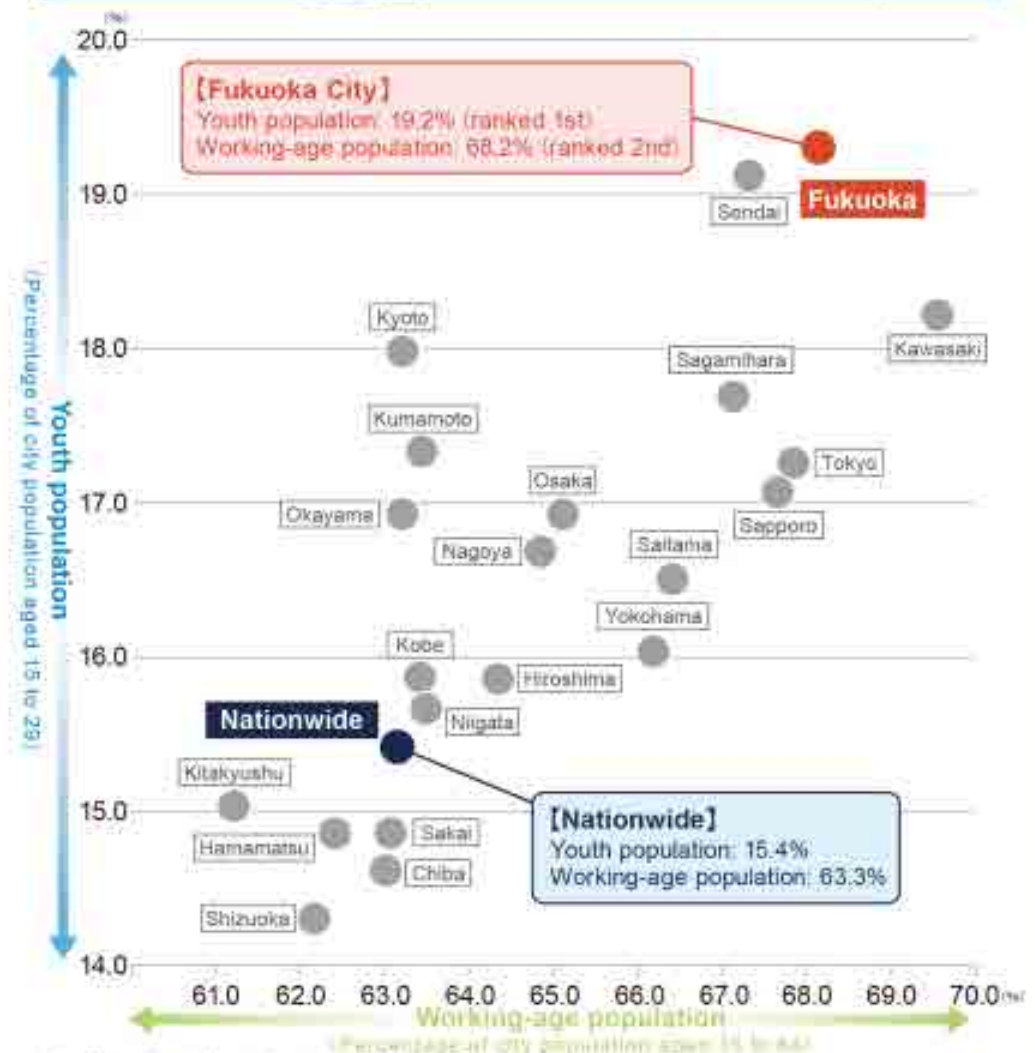
The population of Fukuoka City continues to increase

■ Major Japanese metropolitan area's population trends



*The graph was created taking the 1985 population of each urban area as 100.
 *Fukuoka urban area refers to Fukuoka City, Chikushi City, Kasuga City, Ono City, Sawaki City, Nishikuwa Town, Koga City, Umi Town, Sasaguri Town, Shima Town, Sue Town, Shingo Town, Hasegawa Town, Kitakyu Town, Munakata City, Fukuoka City, and Iizumi City.
 *Greater Tokyo area refers to Tokyo Metropolis, Kanagawa Prefecture, Saitama Prefecture, and Chiba Prefecture. *Nagoya urban area refers to Aichi Prefecture, Gifu Prefecture, and Mie Prefecture. *Osaka urban area refers to Osaka Prefecture, Kyoto Prefecture, Hyogo Prefecture, and Nara Prefecture.
 Source: Prepared by Fukuoka Prefecture based on data from "Changes in Fukuoka City as Seen in Data," March 2012, Fukuoka City General Affairs and Planning Bureau.
 *Population Census of Japan; Ministry of Internal Affairs and Communications; and "Population Projections by Municipality, Japan," National Institute of Population and Social Security Research.

■ Youth and working-age population ratios nationwide and in major cities



Source: Ministry of Internal Affairs and Communications "2010 Population Census of Japan"

Portfolio table

(as of February 28, 2015)

	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	18yr10m	32,000	19.3%	Nov.9,2004	Sponsor	46,483.22	100.0%	48	Washington Hotel and United Cinema
	Canal City Hakata・B	18yr10m	28,700	17.3%	Mar.2,2011	Outside party	68,806.12	100.0%	50	Grand Hyatt Fukuoka and OPA
	Park Place Oita	12yr11m	15,700	9.5%	Nov.9,2004	Sponsor	109,603.80	99.7%	104	AEON and K's Denki
	SunLiveCity Kokura	9yr11m	6,633	4.0%	Jul.1,2005	Outside party	61,450.22	100.0%	1	SunLive
	Square Mall Kagoshima Usuki	8yr 5m	5,300	3.2%	Sep.28,2006	Sponsor	14,602.88	100.0%	12	Sports Depo / Golf5 and Edion
	Kumamoto Intercommunity SC	8yr 3m	2,400	1.4%	Nov.30,2006	Sponsor	6,968.66	100.0%	2	Sports Depo / Golf5 and Starbucks Coffee
	AEON Hara Shopping Center	38yr 4m	5,410	3.3%	Mar.1,2007	Sponsor	27,313.53	100.0%	1	AEON
	Hanahata SC	7yr 7m	1,130	0.7%	Sep.3,2007	Sponsor	2,801.15	100.0%	2	BON REPAS and Matsumoto Kiyoshi
	Kurume Higashi Kushiwara SC	7yr 2m	2,500	1.5%	Feb.1,2008	Sponsor	6,467.80	100.0%	1	Sports Depo / Golf5
	K's Denki Kagoshima	7yr 3m	3,550	2.1%	Mar.27,2008	Outside party	7,296.17	100.0%	1	K's Denki
	Total of retail	—	103,323	62.3%	—	—	351,793.55	99.9%	222	—
Office buildings	Canal City Business Center Building	18yr10m	14,600	8.8%	Nov.9,2004	Sponsor	23,030.44	100.0%	61	TOTO and Bell System24
	Gofukumachi Business Center	11yr 4m	11,200	6.8%	Nov.9,2004	Sponsor	19,905.34	99.5%	36	SMBC CONSUMER FINANCE and Sumitomo Mitsui Banking Corporation
	Sanix Hakata Building	13yr10m	4,400	2.7%	Sep.30,2005	Outside party	6,293.76	100.0%	19	SANIX and The Nishi-Nippon City Bank
	Taihaku Street Business Center	12yr11m	7,000	4.2%	Mar.16,2006	Sponsor	14,677.27	99.5%	70	NTT COMWARE and Tokyo Marine Nichido Jimu Outsourcing
	Higashi Hie Business Center	6yr 0m	5,900	3.6%	Mar.13,2009	Outside party + Sponsor	13,695.51	98.7%	22	Fujitsu and Forest Holdings
	Tenjin Nishi-Dori Center Building	18yr 5m	2,600	1.6%	Feb.1,2013	Outside party	3,339.32	100.0%	1	The Nishi-Nippon City Bank
	Tenjin North Front Building	5yr 1m	2,800	1.7%	Mar.28,2013	Outside party	5,252.38	100.0%	13	Rakuten Card and Rakuten
	Total of office buildings	—	48,500	29.3%	—	—	86,194.02	99.6%	222	—
Others	Amex Akasakamon Tower	9yr 7m	2,060	1.2%	Sep.1,2006	Outside party	4,821.25	98.6%	66	—
	City House Keyaki Dori	7yr 3m	1,111	0.7%	Dec.20,2007	Outside party	2,710.86	97.2%	41	—
	Aqualia Kego	6yr 3m	2,800	1.7%	Mar.1,2012	Outside party	7,415.36	94.2%	123	—
	Aqualia Chihaya	7yr 2m	1,280	0.8%	Mar.1,2012	Outside party	5,619.69	98.2%	103	—
	D-Wing Tower	9yr 0m	2,800	1.7%	Mar.1,2013	Outside party	7,187.58	94.6%	131	—
	Granfore Yakuin Minami	7yr 2m	1,100	0.7%	Nov.4,2014	Outside party	2,496.06	94.0%	93	—
	Hotel FORZA Oita	6yr 6m	1,530	0.9%	Mar.1,2013	Sponsor	5,785.44	100.0%	1	FJ Hotels
	Tosu Logistics Center	6yr 9m	1,250	0.8%	Mar.28,2014	Outside party	4,173.29	100.0%	1	nondisclosure
	Total of others	—	13,931	8.4%	—	—	40,209.53	97.0%	559	—
	Total or weighted average of all properties	15yr 1m	165,754	100.0%	—	—	478,197.10	99.6%	1,003	—

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

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

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

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

Portfolio



Kyushū Shinkansen Line
 JR (conventional rail lines)
 Expressway



- 1 Canal City Hakata
 - 2 Canal City Hakata-B
 - 3 Park Place Oita
 - 4 SunLiveCity Kokura
 - 5 Square Mall Kagoshima Usuki
 - 6 Kumamoto Intercommunity SC
 - 7 AEON Hara Shopping Center
 - 8 Hanahata SC
 - 9 Kurume Higashi Kushiwara SC
 - 10 K's Denki Kagoshima
 - 11 Canal City Business Center Building
 - 12 Gofukumachi Business Center
 - 13 Sanix Hakata Building
 - 14 Taihaku Street Business Center
 - 15 Higashi Hie Business Center
 - 16 Tenjin Nishi-Dori Center Building
 - 17 Tenjin North Front Building
 - 18 Amox Akasakamon Tower
 - 19 City House Keyaki Don
 - 20 Aquana Kago
 - 21 Aquana Chihaya
 - 22 D-Wing Tower
 - 23 Granfore Yakuli Minami (Acquired on the 21st fiscal period)
 - 24 Hotel FORZA Oita
 - 25 Tosa Logistics Center
- Retail
 Office buildings
 Others

As of February 28, 2015

Portfolio : Active retail

Active retail

① Canal City Hakata

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



Active retail

② Canal City Hakata・B

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



Portfolio : Active retail

Active retail

③ Park Place Oita

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



Active retail

④ SunLive City Kokura

■ Address 2-chome, Kamikuzuhara,
Kokura Minami Ward, Kitakyushu City



Portfolio : Passive retail

Passive retail

⑤ Square Mall Kagoshima Usuki

■ Address: 2-chome, Usuki, Kagoshima City



Passive retail

⑥ Kumamoto Intercommunity SC

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



Passive retail

⑦ AEON Hara Shopping Center

■ Address: 6-chome, Hara, Sawara Ward, Fukuoka City



Passive retail

⑧ Hanahata SC

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



Passive retail

⑨ Kurume Higashi Kushiwara SC

■ Address: Higashi kushiwaramachi, Kurume City



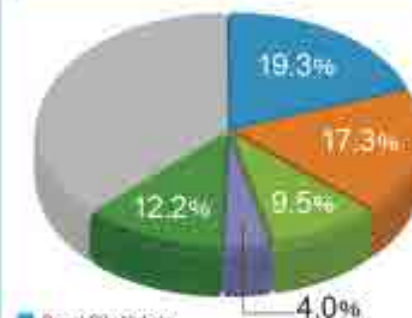
Passive retail

⑩ K's Denki Kagoshima

■ Address: Tokai-cho, Kagoshima City



Investment ratio (Retail)



Retail total
62.3%
As of February 28, 2015

Portfolio : Office buildings

Office buildings

⑪ Canal City Business Center Building

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



Office buildings

⑫ Gofukumachi Business Center

■ Address: Kamigofukumachi, Hakata Ward, Fukuoka City



Office buildings

⑬ Sanix Hakata Building

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



Office buildings

⑭ Taihaku Street Business Center

■ Address: Gokushomachi, Hakata Ward, Fukuoka City



Office buildings

⑮ Higashi Hie Business Center

■ Address: 3-chome, Higashihie, Hakata Ward, Fukuoka City



Office buildings

⑯ Tenjin Nishi-Dori Center Building

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



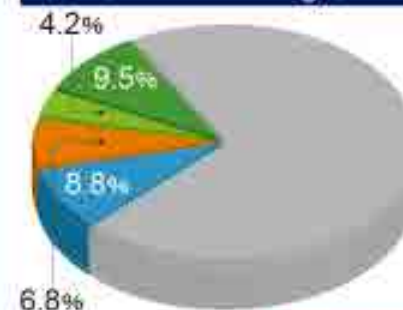
Office buildings

⑰ Tenjin North Front Building

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



Investment ratio (Office buildings)



■ Canal City Business Center Building
■ Gofukumachi Business Center
■ Taihaku Street Business Center
■ Others

Office buildings
total
29.3%
As of February 28, 2015

Portfolio : Others

Others

18 Amex Akasakamon Tower

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



Others

19 City House Keyaki Dori

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



Others

20 Aqualia Kego

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



Others

21 Aqualia Chihaya

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



Others

22 D-Wing Tower

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



Others

23 Granfore Yakuin Minami

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



Others

24 Hotel FORZA Oita

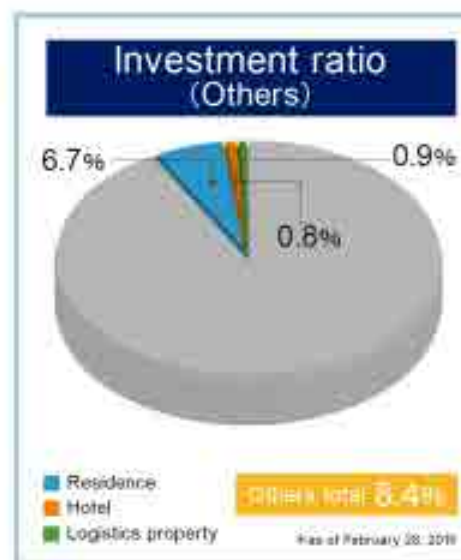
■ Address: 1-chome, Chuo-cho, Oita City



Others

25 Tosu Logistics Center

■ Address: Himekata-machi, Tosu City



Top tenants by leased floor area

				Ordinary lease		Fixed-term lease	
	Lessee	Tenant	Share of total leased space	22nd ~Aug. 31, 2015	23rd ~Feb. 29, 2016	24th ~Aug. 31, 2016	Remaining lease term (years) (*1)
1	AEON Kyushu Co., Ltd.	AEON	18.0%	●Park Place Oita			7
				●AEON Nara Shopping Center			4
2	SunLive Co., Ltd.	SunLive	12.9%	●SunLiveCity Kokura			10
3	FJ Hotels Co., Ltd.	Grand Hyatt Fukuoka	9.3%	●Canal City Hakata・B			9
		Hotel FORZA Oita		●Hotel FORZA Oita			13
4	Canal City OPA Co., Ltd.	OPA	5.4%	●Canal City Hakata			1
				●Canal City Hakata・B			1
5	Alpen Co., Ltd.	Sports Depo, Golf 5	3.8%	●Square Mall Kogoshima Utsuki			11
				●Kumamoto Intercommunity SC			11
				●Kurume Higashi Koshiwara SC			12
6	K's Holdings Corporation	K's Denki	2.9%	●Park Place Oita			7
7	Canal City Fukuoka Washington Hotel	Washington Hotel	2.7%	●Canal City Hakata			1
8	United Cinema Co., Ltd.	United Cinema	1.5%	●Canal City Hakata			1
9	Kyushu K's Denki Co., Ltd.	K's Denki	1.5%	●K's Denki Kogoshima			7
10	T-JOY Co., Ltd.	T-JOY	1.2%	●Park Place Oita			7

(*1) Remaining lease term data are current as of February 28, 2015 and rounded down to the nearest whole year.

Passive retail

Keeping a stable NOI



* The above graph plots the six properties' respective NOI rounded down to the nearest whole mm yen, by fiscal period.

<p>Square Mall Kagoshima Usuki</p> <p>Date acquired: September 28, 2006 Acquisition price: 5.3 bn yen Acquisition cap rate: 6.2%</p> <ul style="list-style-type: none"> Sports Depo, Golf 5 Edion 	<p>Kumamoto Intercommunity SC</p> <p>Date acquired: November 30, 2006 Acquisition price: 2.4 bn yen Acquisition cap rate: 6.5%</p> <ul style="list-style-type: none"> Sports Depo, Golf 5 Starbucks Coffee 	<p>Kurume Higashi Kushiwara SC</p> <p>Date acquired: February 1, 2009 Acquisition price: 2.5 bn yen Acquisition cap rate: 6.1%</p> <ul style="list-style-type: none"> Sports Depo, Golf 5
<p>AEON Hara Shopping Center</p> <p>Date acquired: March 1, 2007 Acquisition price: 5.41 bn yen Acquisition cap rate: 6.8%</p> <ul style="list-style-type: none"> AEON 	<p>K's Denki Kagoshima</p> <p>Date acquired: March 27, 2008 Acquisition price: 3.55 bn yen Acquisition cap rate: 5.7%</p> <ul style="list-style-type: none"> K's Denki 	<p>Hanahata SC</p> <p>Date acquired: September 3, 2007 Acquisition price: 1.13 bn yen Acquisition cap rate: 6.4%</p> <ul style="list-style-type: none"> BON REPAS Matsumoto Kiyoshi

Income and expenditure by properties (Active retail)

Active retail

Category		Canal City Hakata	Canal City Hakata・B	Park Place Oita	SunLive City Kokura	21st Total A	20th Total B		Variation A-B	Forecast C (*1)	Variation A-C
	(Length) (days)	21st fiscal period (September 1, 2014 ~ February 28, 2015)									
		181	181	181	181	181	184	(3)			
①Total leasing business revenues		1,230	1,607	1,183	292	4,313	4,348	(35)		4,301	11
Leasing revenue-real estate		1,201	1,565	973	292	4,033	4,034	(1)			
Other leasing revenue-real estate		28	42	209	0	280	314	(33)			
②Total leasing business expenses		421	786	662	49	1,919	1,969	(50)		1,941	(21)
Outsourcing fees		290	518	304	8	1,122	1,165	(43)			
Maintenance expenses		17	37	48	1	104	88	15			
Expenses for restoration to former state		-	-	-	-	-	-	-			
Tax and public charges		71	150	83	34	340	340	(0)			
Insurance premiums and trust compensation		8	18	6	1	35	35	(0)			
Unities expenses		25	50	183	-	260	270	(10)			
Other expenses		7	11	35	2	56	68	(11)			
③NOI (=①-②)		808	820	521	243	2,394	2,379	15		2,360	33
④Depreciation for the period		232	209	205	47	694	691	2			
⑤Leasing business profit (=③-④)		576	611	316	196	1,700	1,687	12			
⑥NOI yield (acquisition price)		5.1%	5.7%	6.6%	7.3%	5.8%	5.7%	0.0%			
⑦Capital expenditures		37	140	74	-	252	658	(406)			

(* 1)Forecast at the financial results of 20th fiscal period

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

Appendix

Income and expenditure by properties (Passive retail)

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

Category		Square Mall Kagoshima Usuki	Kumamoto Inter-Community SC	AEON Hara Shopping Center	Hanahata SC	Kurume Higashi Kushiwara SC	K's Denki Kagoshima	21st Total A	20th Total B	Variation A－B	Forecast C (※1)	Variation A－C
	(Length) (days)	21st fiscal period (September 1, 2014 ~ February 28, 2015)										
		181	181	181	181	181	181	181	184	(3)		
①Total leasing business revenues		254	89	212	40	88	111	797	800	(3)	796	1
	Leasing revenue-real estate	222	89	212	40	88	111	764	764	0		
	Other leasing revenue-real estate	32	0	0	-	-	0	32	36	(3)		
②Total leasing business expenses		100	10	23	7	9	11	163	158	4	152	11
	Outsourcing fees	38	2	6	1	2	1	53	53	0		
	Maintenance expenses	8	0	1	2	0	0	14	11	3		
	Expenses for restoration to former state	-	-	-	-	-	-	-	-	-		
	Tax and public charges	17	5	12	3	5	7	51	51	(0)		
	Insurance premiums and trust compensation	1	0	0	0	0	0	3	3	(0)		
	Unities expenses	31	-	-	-	-	-	31	33	(1)		
	Other expenses	3	1	1	0	0	1	8	5	2		
③NOI (=①-②)		154	79	189	33	78	99	634	641	(7)	644	(9)
④Depreciation for the period		49	18	22	7	21	29	148	151	(3)		
⑤Leasing business profit (=③-④)		105	60	166	25	56	70	485	489	(4)		
⑥NOI yield (acquisition price)		5.8%	6.6%	7.0%	5.8%	6.3%	5.6%	6.3%	6.3%	(0.1)%		
⑦Capital expenditures		0	-	-	-	-	-	0	0	0		

(* 1)Forecast at the financial results of 20th fiscal period

Income and expenditure by properties (Office buildings)

- unit : mm yen (Figures rounded 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	Tenjin North Front Building	21st Total A	20th Total B	Variation A—B	Forecast C (*1)	Variation A—C
	(Length) (days)	21st fiscal period (September 1, 2014 ~ February 28, 2015)										
		181	181	181	181	181	181	181	184	(3)		
①Total leasing business revenues		622	497	195	297	332	86	129	2,143	17	2,143	18
Leasing revenue-real estate		620	446	179	297	306	86	106	2,017	24		
Other leasing revenue-real estate		2	51	15	0	26	-	23	126	(7)		
②Total leasing business expenses		207	188	71	104	131	28	41	744	28	764	8
Outsourcing fees		135	71	19	57	41	1	9	335	0		
Maintenance expenses		16	25	15	15	1	14	0	48	41		
Expenses for restoration to former state		-	-	-	-	-	-	-	4	(4)		
Tax and public charges		44	35	17	25	17	11	8	159	0		
Insurance premiums and trust compensation		2	3	0	1	1	0	0	11	(0)		
Unities expenses		6	51	16	-	29	-	20	129	(5)		
Other expenses		2	1	1	4	40	0	0	55	(3)		
③NOI (=①-②)		414	309	124	193	200	57	88	1,399	(10)	1,379	9
④Depreciation for the period		96	96	37	75	78	8	32	426	(1)		
⑤Leasing business profit (=③-④)		317	213	87	117	121	49	56	973	(8)		
⑥NOI yield (acquisition price)		5.7%	5.5%	5.7%	5.5%	6.8%	4.5%	6.3%	5.8%	(0.0) %		
⑦Capital expenditures		9	14	-	6	0	33	-	63	(0)		

(*1)Forecast at the financial results of 20th fiscal period

Income and expenditure by properties (Others and Total)

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

Others

Category	Amex Akasaka-mon Tower	City House Keyaki Dori	Aqualia Kego	Aqualia Chihaya	D-Wing Tower	Hotel FORZA Oita	Tosu Logistics Center	Granfore Yakuin Minami	21st Total A	20th Total B	Variation A-B	Forecast C (*1)	Variation A-C
(Length) (days)	21st fiscal period (September 1, 2014 ~ February 28, 2015)								Nov. 4, ~ Feb.28,				
	181	181	181	181	181	181	181	117	181	184	(3)		
①Total leasing business revenues	65	37	113	57	113	63	42	24	516	486	30	498	18
Leasing revenue-real estate	61	37	110	56	108	63	42	23	502	469	32		
Other leasing revenue-real estate	3	0	3	0	5	-	0	0	14	17	(2)		
②Total leasing business expenses	17	8	24	13	24	9	1	4	104	106	(2)	101	2
Outsourcing fees	5	2	6	3	7	0	0	1	28	26	1		
Maintenance expenses	1	0	2	2	1	-	0	0	9	8	0		
Expenses for restoration to former state	0	-	2	1	1	-	-	0	5	9	(3)		
Tax and public charges	5	3	8	4	7	7	-	-	36	36	(0)		
Insurance premiums and trust compensation	0	0	0	0	0	0	0	0	3	3	(0)		
Unities expenses	1	0	1	0	2	-	-	0	7	7	0		
Other expenses	2	1	3	0	2	0	0	1	12	14	(1)		
③NOI(=①-②)	47	29	88	43	89	53	40	19	412	380	32	396	15
④Depreciation for the period	20	10	25	11	16	19	12	6	123	117	5		
⑤Leasing business profit (=③-④)	27	18	63	31	72	34	27	13	289	262	26		
⑥NOI yield (acquisition price)	4.6%	5.2%	6.3%	6.8%	6.4%	7.0%	6.5%	3.6%	5.9%	5.9%	(0.0) %		
⑦Capital expenditures	0	-	2	3	2	-	-	1	11	17	(5)		

(*1)Forecast at the financial results of 20th fiscal period

Total income and expenditures

21st Total 1	20th Total 2	Variation 1-2	Forecast 3 (*1)	Variation 1-3
181	184	(3)		
7,789	7,779	9	7,739	49
7,342	7,285	56		
446	494	(47)		
2,959	2,979	(20)	2,958	0
1,539	1,580	(40)		
217	156	61		
5	14	(8)		
588	588	(0)		
53	54	(0)		
423	440	(17)		
130	143	(13)		
4,829	4,800	29	4,781	48
1,390	1,387	3		
3,439	3,413	26		
5.8%	5.8%	(0.0) %		
328	740	(411)		

Appendix

Cash flow statements (compared with previous fiscal period)

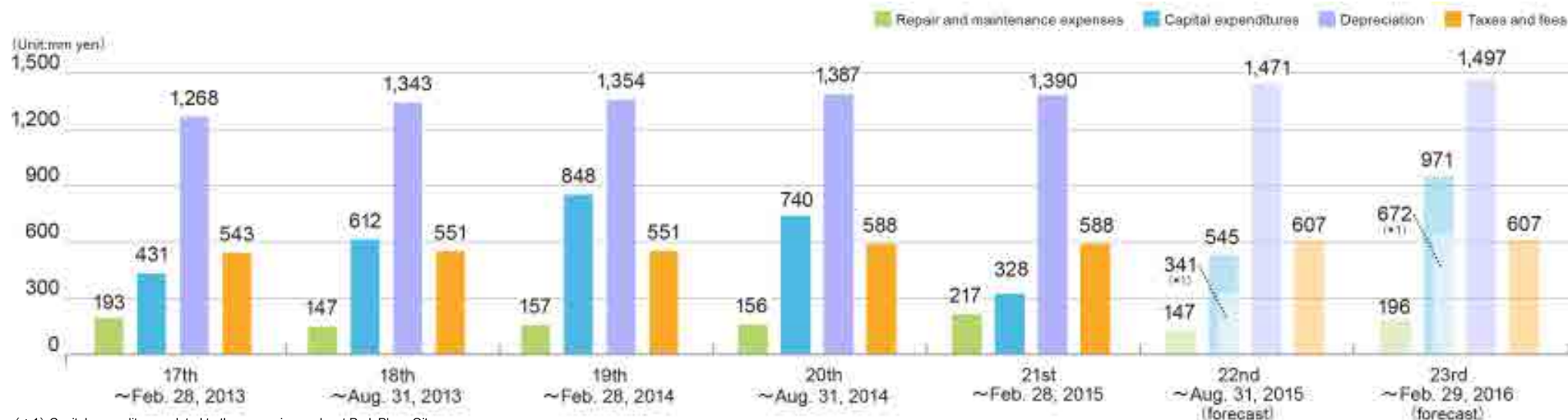
- unit : mm yen (Figures rounded down to nearest mm yen)

Category	20th ~Aug. 31, 2014 A	21st ~Feb. 28, 2015 B	Variation B—A
Net cash provided by (used in) operating activities	3,890	3,735	(155)
Net income before income taxes	2,263	2,370	107
Depreciation and amortization expenses	1,387	1,390	3
Amortization of investment corporation bond issuance expenses	0	0	-
Amortization of investment unit issuance expenses	5	5	-
Interest received	(0)	(0)	0
Interest payment	433	378	(54)
Decrease (increase) in operating account receivable	(134)	83	218
Increase (decrease) in accrued consumption taxes	(43)	53	97
Increase (decrease) in operating accounts payable	47	39	(7)
Increase (decrease) in account payable-other	(7)	6	14
Increase (decrease) in accrued expenses	12	2	(10)
Increase (decrease) in advances received	69	5	(64)
Increase (decrease) in deposits expenses	377	(369)	(747)
Decrease (increase) in prepaid expenses	(41)	52	93
Decrease (increase) in long-term prepaid expenses	(65)	97	163
Others, net	21	0	(20)
Subtotal	4,326	4,118	(207)
Interest income received	0	0	(0)
Interest expenses paid	(434)	(382)	51
Income taxes paid	(1)	(1)	0
Net cash provided by (used in) investment activities	(2,312)	(1,452)	860
Purchase of property, plant and equipment in trust	(2,174)	(1,473)	701
Purchase of intangible assets in trust	(4)	-	4
Proceeds from tenant leasehold and security deposits	5	0	(5)
Repayments of tenant leasehold and security deposits	(13)	(0)	12
Proceeds from tenant leasehold and security deposits in trust	272	84	(188)
Repayments of tenant leasehold and security deposits in trust	(399)	(59)	339
Proceeds from restricted trust deposits	8	5	(2)
Payments for restricted trust deposits	(6)	(8)	(1)
Net cash provided by (used in) investment activities	(2,115)	(2,635)	(520)
Increase in short-term debt	3,000	-	(3,000)
Decrease in short-term debt	(2,500)	(500)	2,000
Proceed from long-term debt	14,000	500	(13,500)
Repayment of long-term debt	(14,375)	(375)	14,000
Proceeds from issuance of Investment units	(2,240)	(2,260)	(20)
Net increase (decrease) in cash and cash equivalents	(537)	(353)	183
Balance of cash and cash equivalents at beginning of period	7,810	7,273	(537)
Balance of cash and cash equivalents at end of period	7,273	6,920	(353)

Maintenance expenses, etc.

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

■ Maintenance expenses, capital expenditures, depreciation, and taxes and fees



◎ Capital expenditures of the 21st fiscal period

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

Property	Purpose	Construction cost
Canal City Hakata	Common area repairs and improvements	21
Canal City Hakata・B	Common area repairs and improvements	99
Park Place Oita	Common area repairs and improvements	52
Gofukumachi Business Center	Common area repairs and improvements	10
Tenjin Nishi-Dori Center Building	Common area repairs and improvements	33

◎ Planned capital expenditures of the 22nd and 23rd

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

Property	Purpose	Planned construction cost		
		Total amount	Construction cost in the 21st	Paid in total amount
Canal City Hakata	Common area repairs and improvements	256	-	-
Canal City Hakata・B	Common area repairs and improvements	605	11	11
Park Place Oita	Common area repairs and improvements	115	-	-
Canal City Business Center Building	Common area repairs and improvements	26	-	-
Gofukumachi Business Center	Common area repairs and improvements	120	-	-
Tenjin Nishi-Dori Center Building	Common area repairs and improvements	57	-	-

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

CSR initiatives

Fukuoka Realty initiatives to support and cooperate in enhancing the appeal of Kyushu and Fukuoka

■DBJ Green Building Certification



In December 2014, retail facilities owned by Fukuoka REIT were certified as properties with exceptionally high (or excellent) environmental and social awareness under DBJ Green Building Certification, a program for certifying real estate properties evincing high environmental and social awareness operated by Development Bank of Japan Inc. Canal City Hakata, Canal City Hakata II, and Park Place Oita became the first retail facilities in the Kyushu area to be certified under the DBJ Green Building Certification program for commercial properties.
*In June 2011, Gotokumachi Business Center and Higashi Hie Business Center were awarded three stars (as buildings with excellent environmental and social awareness).

■Support for regional revitalization

◎OnRAMP

OnRAMP is a members-only entrepreneurs' salon with business incubation facilities established to support and cultivate entrepreneurs and facilitate networking among them. Total number of OnRAMP occupants: 6 companies

(OnRAMP is operated by General Incorporated Association OnRAMP, established by DCCAN, Inc. and Fukuoka Realty)



◎Operation of Fukuoka International House

Primary function: A communal residence for foreign students and employees of international companies



A private showing



■Environmentally friendly community development

◎Support for Fukuoka Hana Shirube, sponsored by the Fukuoka Hana Shirube Executive Committee



• Terasu Flower Beds

Flower beds planted around Fukuoka fill the city with cheery, colorful flowers all year round.



◎Donation to Fukuoka City Greenery Town Planning Association's (public interest incorporated foundation) Fukuoka City Urban Greening Fund

Support for an initiative to create a lush green urban landscape and promote development of a pleasant, tranquil community



■Support for and participation in the activities of other organizations

◎"Hakata Community Development Promotion Conference"

Primary function: Community development activities around Hakata Station

Opening of a cafe utilizing a vacant shop in the Hakata area during the five-day period from February 7th to 11th



Clean day

◎The Fukuoka Asian Urban Research Center

(public interest incorporated foundation) Primary function: Hosting of trainees from the Asia-Pacific region

◎Support for international exchange and personnel development activities of The Asian-Pacific Children's Convention in Fukuoka (NPO), Fukuoka International School, and OISKA (public interest incorporated foundation), etc.

IR initiatives

■ IR activities / Public relations activities

◎1-on-1 meetings for foreign investors

◎Results briefing roadshows in Japan and overseas (Singapore, Hong Kong)

◎"J-REIT Fair 2014 for Individual Investors", held jointly by ARES and TSE

Approximately 900 individual investors attended J-REIT Fair 2014, held in November 2014 at the Tokyo Stock Exchange. The fair drew higher numbers of young people and women than last year. An overflow audience of about 60 investors participated in an IR presentation given by Fukuoka REIT.



IR presentation venue Exhibition booth

◎Briefings for individual investors in regional areas

Fukuoka REIT actively held briefings for individual investors in Fukuoka and other regional areas as well as in Tokyo.



J-REIT Promotion Nationwide Campaign: the 54th Fukuoka Stock Exchange 2014, hosted by ARES and NihonSecu - IR Fair (Fukuoka City)
Oita Journal (Oita City, Oita)

◎2014 Annual IR Grand Prix Award

Fukuoka Realty received a IR Grand Prix Award Best for Small to Medium Sized Capitalization Companies in the 2014 Annual IR Grand Prix sponsored by the Japan Investor Relations Association, becoming the first real estate investment trust (J-REIT) asset management company to receive the award. The award was conferred in recognition of the company's engagement in proactive, continuous IR activities in its role as the asset management company of a regional REIT focused on Fukuoka and the Kyushu region.



Nippon Keizai Shimbun, November 14, 2014

◎2014 Kyushu IR workshops

Program	Workshop Theme
First June, 2014	The Reality of IR Activities — Focusing on Activities Targeting Individual Investors Akiko Saito, Section Manager, IR Team, Corporate Communications Division, POLA ORBIS HOLDINGS Inc.
Second August, 2014	IR Workshop for Platinum Female Individual Investors Held by Fukuoka Realty
Third March, 2015	The Past and Future of IR — What IR Is Necessary for Your Company? Akane Ueno, Section Manager, IR Office, Akebono Brake Industry Co., Ltd.

◎Public relations initiatives



The Year Ahead 2015
Fourth Japan special report:
"The Road to Growth"
Issued November 7, 2014

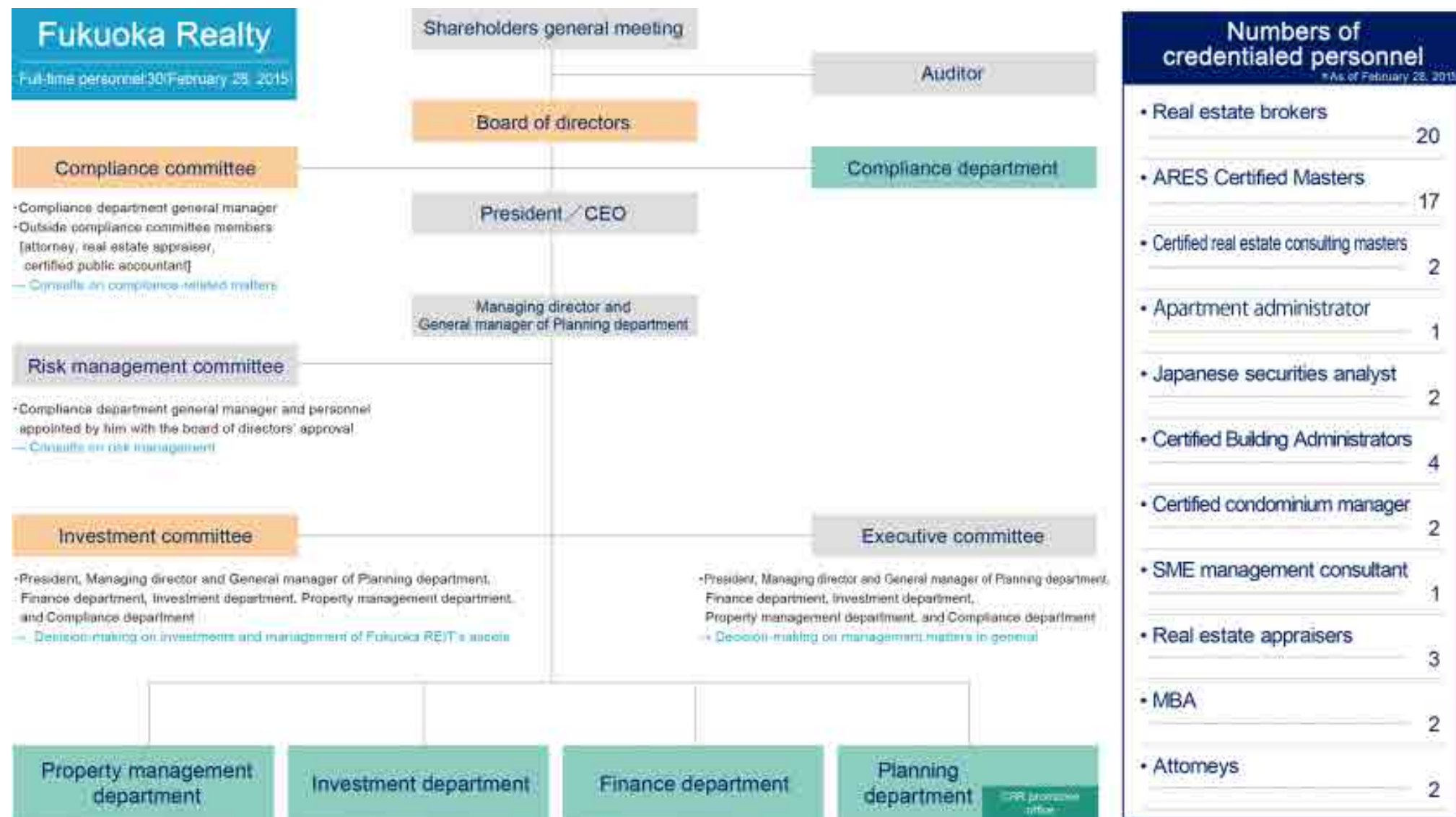
An interview with Development Bank of Japan Deputy President Masanori Yanagi on the strengths and future outlook for Fukuoka and Kyushu in the areas of finance, real estate, and the economy (980,000 copies issued)

◎Website renewal



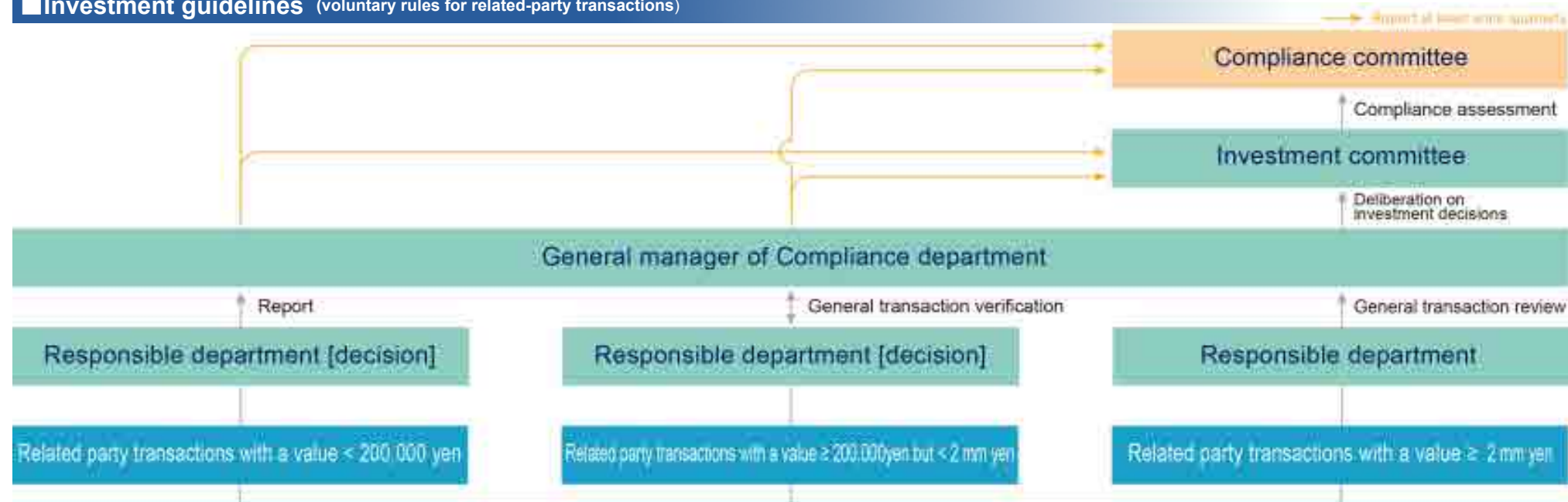
The corporate website was renewed for the first time in five years with the objective of creating a simple, easy-to-understand site. The website disseminates timely information on Fukuoka REIT, Fukuoka, and Kyushu.

Asset management company's organization



Corporate governance

■ Investment guidelines (voluntary rules for related-party transactions)



[investment guidelines] Determination of voluntary rules for related-party transactions

Fukuoka REIT strives to prevent the risk of legal violations and risk of conflicts of interest by instituting a basic compliance policy and compliance regulations, confirming compliance with laws and regulations through the Compliance Department general manager and Compliance Committee, and confirming the presence or absence of provision of excessive benefits in transactions with interested parties through the Compliance Committee. (Risk strategies: Active purchasing of earthquake insurance, timely and appropriate information disclosure, development of a rigorous legal compliance system, etc.)

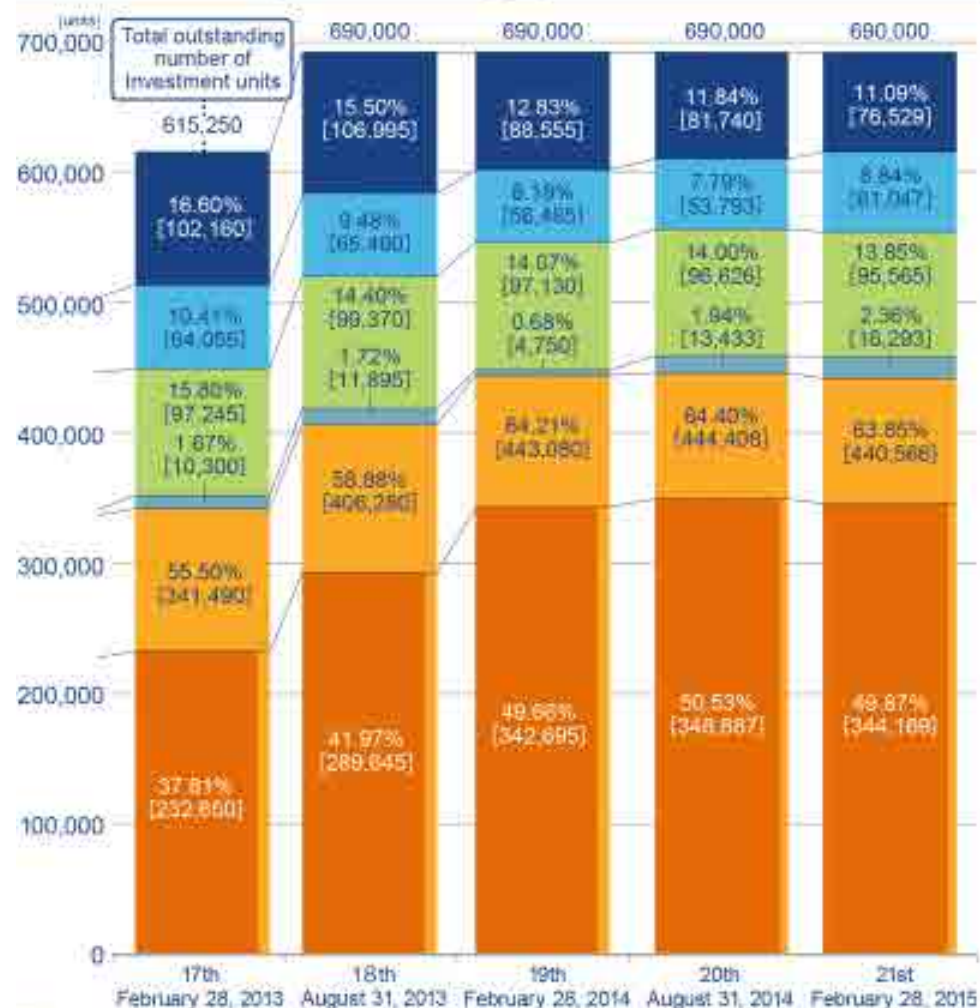
The Compliance Committee met six times during the 21st fiscal period (September 1, 2014 to February 28, 2015).

◎Major matters reviewed during the 21st fiscal period

- **Purchase of the Granfore Yakuin Minami**
⇒The Compliance Committee carefully examined information including the appraisal report and other reports and determined that no problems existed with the decision-making process and results under the law and internal rules.
- **Placing of orders with related parties pertaining to work performed on owned properties, etc.**
The Compliance committee referred to competitive quotes and third-party reports and determined that no problems existed with respect to the necessity for placing orders, purchase order amounts, etc. under the law and internal rules.

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
 * A 1-for-1 split of Fukuoka REIT investment units was effected on March 1, 2014. Accordingly, investment unit prices and issuance prices until March 1, 2014 have been divided by five.
 * Percentages and ratio are rounded off to two decimal places.

■ Major investors [end of the 21st fiscal period]

[As of February 28, 2015]

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)	223,480	32.38%
2	Fukuoka Jisho Co., Ltd.	64,775	9.38%
3	Trust & Custody Services Bank, Ltd. (Securities investment trust account)	37,390	5.41%
4	The Master Trust Bank of Japan, Ltd. (Trust account)	35,296	5.11%
5	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	26,583	3.85%
6	MetLife Insurance K.K.	17,045	2.47%
7	Individual investor	11,985	1.73%
8	Shikoku Railway Company	9,130	1.32%
9	Trust & Custody Services Bank, Ltd. (Cash trust account)	8,741	1.26%
10	The Joyo Bank, Ltd.	8,570	1.24%

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

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 five.

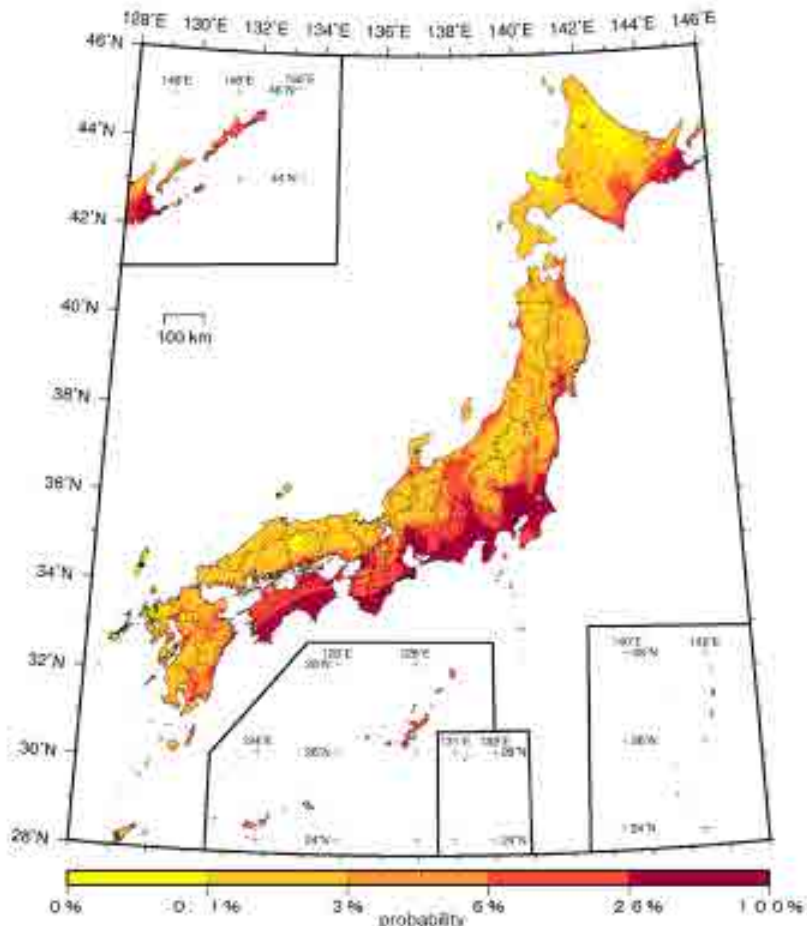
(+2) Turnover by February 25, 2014 was multiplied by 5.

Analysis of earthquake risk in Fukuoka

All properties owned by Fukuoka REIT are covered by earthquake insurance

■ Probabilistic earthquake prediction map

Probability of occurrence of an earthquake with a magnitude of nearly 6 or higher in the next 30 years
(Average case / all earthquakes) (Reference date: January 1, 2014)



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

■ Overview of earthquake risk analysis

Property	Inspector	Report date	PML (%)(*1)
Canal City Hakata(*2)	Takenaka Corporation	Nov. 30, 2010 Jan. 21, 2011	(A) 8.0
			(B) 7.6
			(C) 5.3
			(D) 11.1
Canal City Hakata・B(*3)	Takenaka Corporation	Jan. 21, 2011	(A) 8.2
			(B) 6.1
			(C) 11.1
Park Place Oita(*4)	Takenaka Corporation	Nov. 30, 2010 Jun. 21, 2012 Apr. 11, 2014	(A) 13.7
			(B) 11.2
			(C) 9.1
			(D) 15.1
SunLive City Kokura	Takenaka Corporation	Aug. 31, 2011	6.7
Square Mall Kagoshima Usuki	Takenaka Corporation	Feb. 28, 2013	9.2
Kumamoto Intercommunity Shopping Center	Takenaka Corporation	Feb. 28, 2013	15.8
Aeon Hara Shopping Center	Takenaka Corporation	Feb. 19, 2007	13.2
Hanahata Shopping Center	Takenaka Corporation	Feb. 28, 2014	5.4
Kurume Higashi Kushiwara Shopping Center	Takenaka Corporation	Aug. 31, 2014	8.9
K's Denki Kagoshima	Takenaka Corporation	Aug. 31, 2014	6.5
Canal City Business Center Building(*5)	Takenaka Corporation	Nov. 30, 2010 Jan. 21, 2011	(A) 6.9
			(B) 11.1
Gofukumachi Business Center	Takenaka Corporation	Nov. 30, 2010	4.0
Sanix Hakata Building	Takenaka Corporation	Aug. 31, 2011	4.3
Taihaku Street Business Center	Takenaka Corporation	Feb. 28, 2013	6.7
Higashi Hie Business Center	Tokyo Marine & Nichido Risk Consulting	Feb. 27, 2015	1.7
Tenjin Nishi-Dori Center Building	Tokyo Marine & Nichido Risk Consulting	Dec. 20, 2012	5.4
Tenjin North Front Building	Tokyo Marine & Nichido Risk Consulting	Feb. 5, 2013	3.6
Amex Akasakamon Tower	Takenaka Corporation	Feb. 28, 2013	11.1
City House Keyaki Dori	Takenaka Corporation	Aug. 31, 2014	1.9
Aqualia Kego	Takenaka Corporation	Sep. 1, 2011	13.3
Aqualia Chihaya	Takenaka Corporation	Sep. 1, 2011	7.5
D-wing Tower	NIPPON KANZAI Corporation	Dec. 20, 2012	3.8
Granfore Yakuin Minami	Tokyo Marine & Nichido Risk Consulting	Sep.15, 2014	2.7
Hotel FORZA Oita	Takenaka Corporation	Dec. 28, 2012	14.5
Tosu Logistics Center	Tokyo Marine & Nichido Risk Consulting	Jan. 16, 2014	8.9
Overall portfolio(*6)	Takenaka Corporation	Feb. 28, 2015	5.7

(*1) PML: probable maximum loss (maximum expected loss due to earthquake expressed as a percentage of the total replacement cost of the building).

(*2) Canal City Hakata was divided into four segments (A, B, C and D), each of which was inspected separately.

Segment A is Center Walk (Washington Hotel), B is Center Walk (former amusement building), C is the South Building, and D is common area.

(*3) Canal City Hakata-B was divided into three segments (A, B and C), each of which was inspected separately.

Segment A is the Grand Hyatt Fukuoka, B is the North Building, and C is common area.

(*4) Park Place Oita was divided into three segments (A, B, C and D), each of which was inspected separately. Segment B is a 7-Eleven store, C is Magnolia Court, D is K's Denki, and A is the areas other than B, C and D.

(*5) Canal City Business Center Building was divided into two segments (A and B), each of which was inspected separately. Segment A is the Canal City Business Center Building and B is common area.

(*6) The PML for Fukuoka REIT's overall portfolio was calculated based on the assumption that the earthquake's epicenter is in central Fukuoka city, which is one of several hypothetical earthquake scenarios considered.

Strengths of Fukuoka and Kyushu ①

Increase in business demand due to companies expanding into or starting up in Fukuoka

The high potential of Fukuoka City

Fukuoka, a City near Continental Asia



A highly developed transportation network

— Concentrated transportation functions with airport, port, JR and Shinkansen lines and road network —



Source: Prepared by Fukuoka Realty based on data from Fukuoka City

Measures

National Strategic Special Zone in Fukuoka City

Selection on March 28, 2014 as a National Strategic Special Zone for Global Startups and Job Creation

Special zone policies the prime minister indicated to Fukuoka City on May 1, 2014

Start-up percentages of major cities designated by government ordinance (2007 to 2009)



Source: Prepared by Fukuoka Realty based on Fukuoka City data

③ Increase the start-up rate through support for start-ups

③ Promote innovation and creation of new businesses by means including attracting MICE

Increasing number of international conventions

Rank	2009	2010	2011	2012	2013
1	Tokyo (497)	Tokyo (491)	Tokyo (470)	Tokyo (500)	Tokyo (531)
2	Fukuoka (206)	Fukuoka (218)	Fukuoka (221)	Fukuoka (252)	Fukuoka (263)
3	Yokohama (179)	Yokohama (174)	Yokohama (169)	Kyoto (196)	Yokohama (228)
4	Kyoto (164)	Kyoto (155)	Kyoto (137)	Yokohama (191)	Kyoto (176)
5	Nagoya (124)	Nagoya (122)	Nagoya (112)	Osaka (140)	Osaka (172)

Source: Prepared by Fukuoka Realty based on database Japan National Tourism Organization (JNTO)

Initiative example

[Promotion of business startups]

Planned submission of a bill at the 2015 regular Diet session:
Promotion of acceptance of foreign national entrepreneurs
Planned submission of a bill at the 2015 regular Diet session:
Simplification and speeding up of procedures for establishing corporations
Request submitted to the national government: Tax reduction for startup companies

Opening of the STARTUP CAFE to expand the horizon for entrepreneurship and startups

(Oct. 2014, TSUTAYA BOOKSTORE TENJIN 3F)



[Creation of an environment for business startups]

December 2014 revised plan approved in September 2014: Implementation begins in November 2014 (Relaxation of road occupancy standards to generate activity at MICE events)

Relaxation of road occupancy standards to generate activity at MICE events (project implementation beginning November 2014)



Special approval at the area level of building height restrictions under the Civil Aeronautics Act to promote creation of an appealing urban area

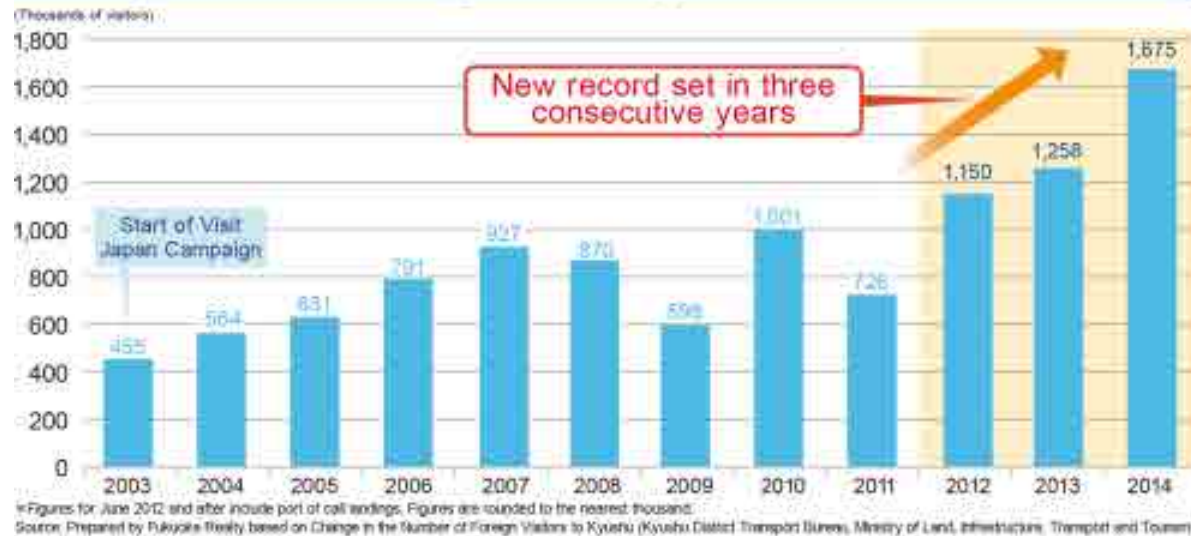


National Strategic Special Zone
Relaxation at the area level of Civil Aeronautics Act building height restrictions
① Construction of symbolic buildings
② Setting of green open space for living area
③ Creation of an appealing cityscape
④ Development of a creative area for facilitation of new businesses and value

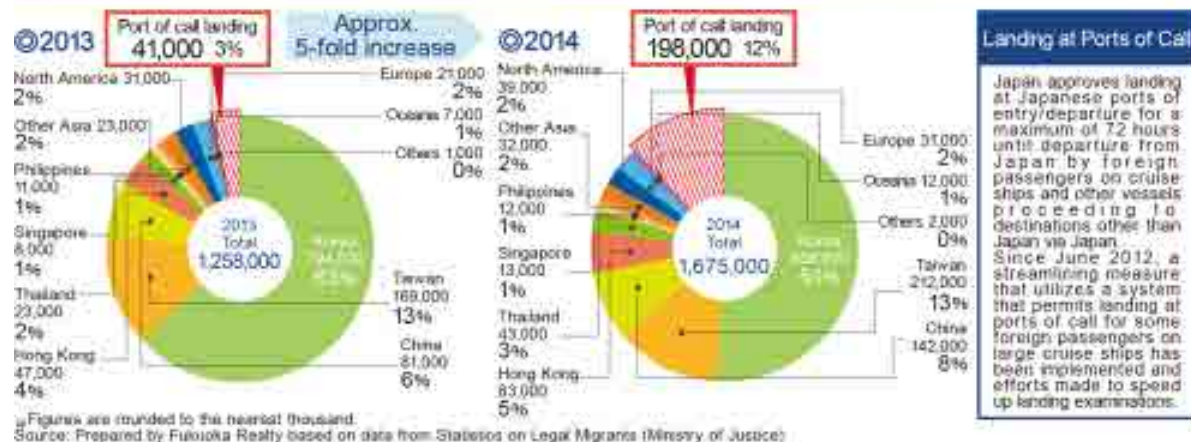
Strengths of Fukuoka and Kyushu ②

Inbound of Fukuoka and Kyushu

Change in the number of foreign visitors to Kyushu



Breakdown of overseas visitors to Kyushu by country and region



Number of tourists visiting Japan and travel expenditure in 2014

① Number of tourists and travel expenditure by country (Japan) Japan Kyushu

Country	No. of travelers (1,000 persons)	Year-on-year change (%)	No. of travelers (1,000 persons)	Year-on-year change (%)
Taiwan	2,830	28.0	212	25.2
Korea	2,755	12.2	856	7.7
China	2,409	83.3	142	74.8
Hong Kong	926	24.1	83	78.7
America	892	11.6	31	25.0
Thailand	658	45.0	43	90.4
Australia	303	23.8	11	103.7
Malaysia	250	41.4	6	59.5
Singapore	228	20.4	13	57.6
United Kingdom	220	14.7	9	75.5
Philippines	184	70.0	12	15.3
Canada	183	19.7	7	35.2
France	179	15.3	3	23.0
Indonesia	159	16.0	4	21.2
Deutschland	140	15.2	3	50.5
Vietnam	124	47.1	8	34.1
India	88	17.1	2	7.3
Russian	64	5.9	1	(10.3)
Other	823	19.8	29	38.2

*Numbers of tourists are rounded to the nearest thousand, and travel expenditure figures are rounded to the nearest 100 million yen.
Source: Numbers of tourists and travel expenditure figures have been prepared by Fukuoka Realty based on data from Statistics on Foreigners Visiting Japan (2014) (Japan Tourism Agency) and Consumption Trend Survey for Foreigners Visiting Japan (2014) (Japan Tourism Agency).

Breakdown of travel expenditure

