



Fukuoka REIT Corporation

Overview of the 27th fiscal period performance [8968] September 1st, 2017~February 28th, 2018



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[Security code 8968] September 1st, 2017~February 28th, 2018

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

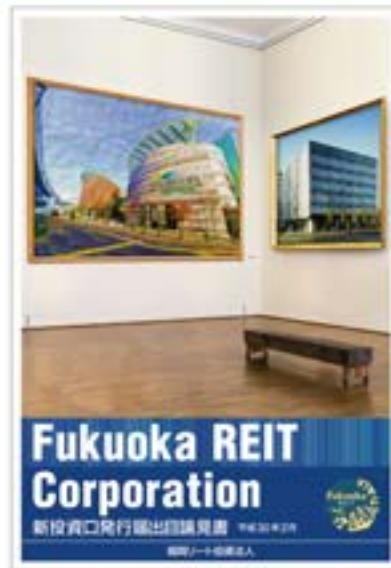
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Overview of public offering · Growth in dividends

Public Offering at the beginning of the 28th fiscal period

■ About 7.7 billion yen raised in issuance of new investment units

◎ March 2018 public offering marked fifth offering and first in three years



● Number of investment units offered	49,000 units
● Total number of investment units issued after offering	796,000 units
● Total gross proceeds	7,795,998,000 yen
● Authorization date	February 9, 2018
● Pricing date	February 21, 2018
● Payment date	March 1, 2018

■ Financing condition

◎ Conservative interest-bearing debt control

Total interest-bearing debt (*1)	75,500 mm yen
LTV (*1)(*2)	39.4%
Fixed rate (*1)	90.1%

(*1) As of March 30, 2018 (*2) The ratio was calculated as follows:
 (Interest-bearing debt at the end of 27th fiscal period [68,900 mm yen] + New debt of March 1, 2018 [6,600 mm yen]) / (Total assets at the end of 27th fiscal period + Acquisition price of new assets [14,230 mm yen])

■ Portfolio after acquiring new properties



■ Dividend's track record

◎ Dividend per unit (forecast) is 3,570 yen at the 28th FP ending in Aug. 2018 exceeding +100 yen compared with the previous forecast



New acquisition in the 28th fiscal period

Konoha Mall Hashimoto ~A community-based retail facility deeply rooted in people's daily life~①

■Konoha Mall Hashimoto



■Characteristics of facility



A food market focusing on locally produced items, very popular food section since its opening



More than 10,000 participants in annual "radio exercises" during summer break



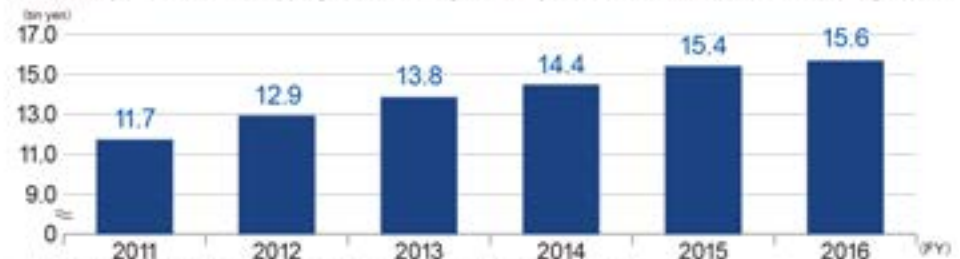
Free movie showing at a "garden theater" by setting a large-screen on Garden Court lawn

■ Awards

Awarded "the Fourth Local Community Contribution SC Award (2015)" of the Japan Council of Shopping Centers (May, 2015)
Awarded "CS Award" in the 20th Developer of Choice by Tenants Awards* hosted by Senken Shimbu (Japanese fashion industry newspaper) (March, 2018)

◎Historical sales of Konoha Mall Hashimoto

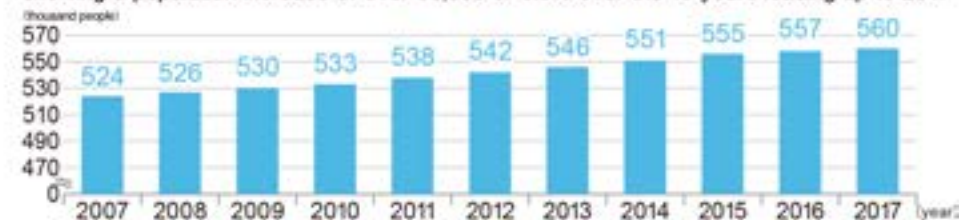
It is locally well-known shopping mall showing a steady increase in sales since its opening in 2011.



* The fiscal year reflects the fiscal year of Fukuoka Jisho Co., Ltd. (June 1-May 31)

◎Population change of Sawara Ward, Nishi Ward, and Jonan Ward

Major trading areas (Sawara Ward, Nishi Ward and Jonan Ward of Fukuoka City) are on the rise, showing a population increase of over 35,000 or 6.8% over the 10 years leading up to 2017



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Fukuoka City "Estimated Population" as of Oct. 1 in each year.

Acquisition Price	10,000 mm yen
Acquisition timing	March 1, 2018
Seller	Fukuoka Jisho Co., Ltd. (sponsor)
Location	2-27-2 Hashimoto, Nishi Ward, Fukuoka City
Construction timing	March, 2011
Tenants	126 (*1)
Primary tenants	SunLive, FUKUYA BOOKS, The Super Sports XEBIO
NOI yield	5.6% (*2)

- It faces National Route 202 and is equipped with parking lots for around 1,500 vehicles. It is directly connected with Hashimoto Stn. on the Fukuoka City Subway Nanakuma Line via a pedestrian bridge, offering excellent access from the greater Fukuoka area.

- Holds many events including annual "radio exercises" during summer holidays and free movie showings at a "garden theater"

- A community-based retail facility used by many local residents, as evidenced by over 40% of customers visiting the mall once a week or more

(*1) [The number of tenants shown is based on the total for properties Fukuoka REIT owns as of March 31, 2018.

(*2) The figure is calculated NOI based on appraisal value as of December 1, 2017.

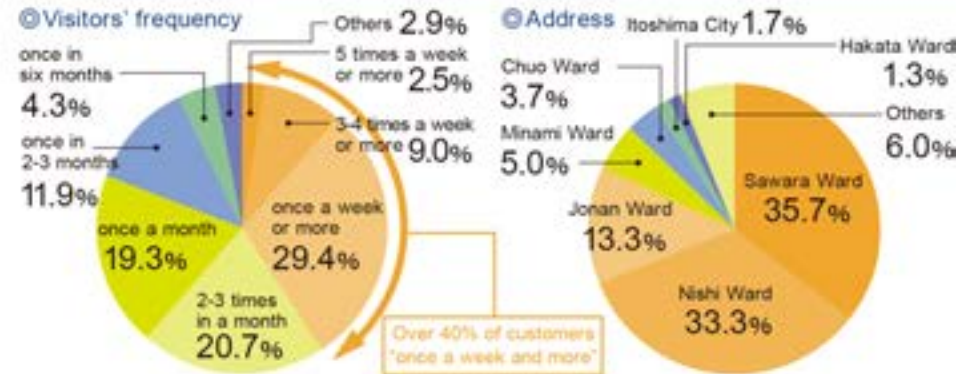
New acquisition in the 28th fiscal period

Konoha Mall Hashimoto ~A community-based retail facility deeply rooted in people's daily life~②

■Konoha Mall Hashimoto and the surrounding commercial area



■Characteristics of visitors



■Floor map



New acquisition in the 28th fiscal period

Highly functional office building directly connected with Higashihie Station

■ Higashi Hie Business Center II



Acquisition Price	4,230 mm yen
Acquisition timing	March 1, 2018
Seller	Fukuoka Jisho Co., Ltd (sponsor)
Location	1-5-13 Higashihie, Hakata Ward, Fukuoka City
Construction timing	February, 2016
Tenants	2 (*1)
Primary tenants	FUJITSU KYUSHU SYSTEMS LIMITED, Seven-Eleven Japan Co.,LTD
NOI yield	5.0% (*2)

- The property is directly connected with Higashihie Str., a Station between Hakata Stn. and Airport Stn. on the Fukuoka City Subway Kuko Line and boasts high transport convenience being approximately 2 minutes to Hakata Stn. and 3 minutes to Airport Stn. via subway.

- The Higashihie area, where the property is located, has been the site for development of several office buildings since the completion of Higashi Hie Business Center in February 2009 because it offers excellent transportation convenience, and its competitiveness as an office building site has increased.

- There is the Hakata-eki Higashi Ramp of the Fukuoka Urban Expressway nearby allowing for smooth access by car.

- High-grade office building with vibration damping structure constructed in Feb. 2016 and having highly energy efficient and rainwater recycling system

(*1) The number of tenants shown is based on the total for properties Fukuoka REIT owns as of March 31, 2018.
 (*2) The figure is calculated NOI based on appraisal value as of December 1, 2017.



Entrance security gates

Directly connected with subway

Financial highlights

Dividend per unit was 3,512 yen

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

Category	23 rd ~ Feb. 29, 2016	24 th ~ Aug. 31, 2016	25 th ~ Feb. 28, 2017	26 th ~ Aug. 31, 2017 A	27 th ~ Feb. 28, 2018 B	Difference B-A	28 th ~ Aug. 31, 2018 (forecast)	29 th ~ Feb. 28, 2019 (forecast)
Operating revenues	8,343	8,234	9,730	8,122	8,194	+71	9,173	9,116
Leasing NOI	5,237	5,164	5,010	4,998	5,079	+81	5,489	5,493
Depreciation and amortization expenses	1,471	1,470	1,455	1,474	1,500	+25	1,600	1,607
Operating income	3,141	3,069	4,585	2,920	2,965	+45	3,235	3,224
Ordinary income	2,670	2,616	4,199	2,562	2,624	+62	2,842	2,843
Profit	2,669	(*3) 938	(*3) 4,198	2,556	2,623	+67	2,841	2,842
Dividend per unit (yen) ①	3,574	(*3) 3,479	(*3) 3,398	3,422	3,512			
Latest dividend forecast per unit (yen) ②	3,500	3,430	3,300	3,400	3,470		3,570	3,570
Difference from forecast (yen) ①-②	+74	+49	+98	+22	+42		-	-
Total number of investment units outstanding (at period-end) (units)	747,000	747,000	747,000	747,000	747,000		796,000	796,000
Total assets (at period-end) (mm yen)	181,445	179,513	175,063	178,063	177,283			
Total liabilities (at period-end) (mm yen)	87,633	87,432	81,382	84,364	83,517			
Total net assets (at period-end) (mm yen)	93,812	92,081	93,681	93,699	93,766			
Days in fiscal period (days)	182	184	181	184	181			
Number of investment properties (at period-end)	27	27	25	26	26			
Number of tenants (at period-end) (*1)	1,003	997	871	877	879			
Total leasable floor space (at period-end) (m ²)	554,549.65	554,541.30	523,817.31	548,564.96	548,564.93			
Occupancy rate (at period-end) (%) (*2)	99.6	99.5	99.4	99.8	99.6			

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

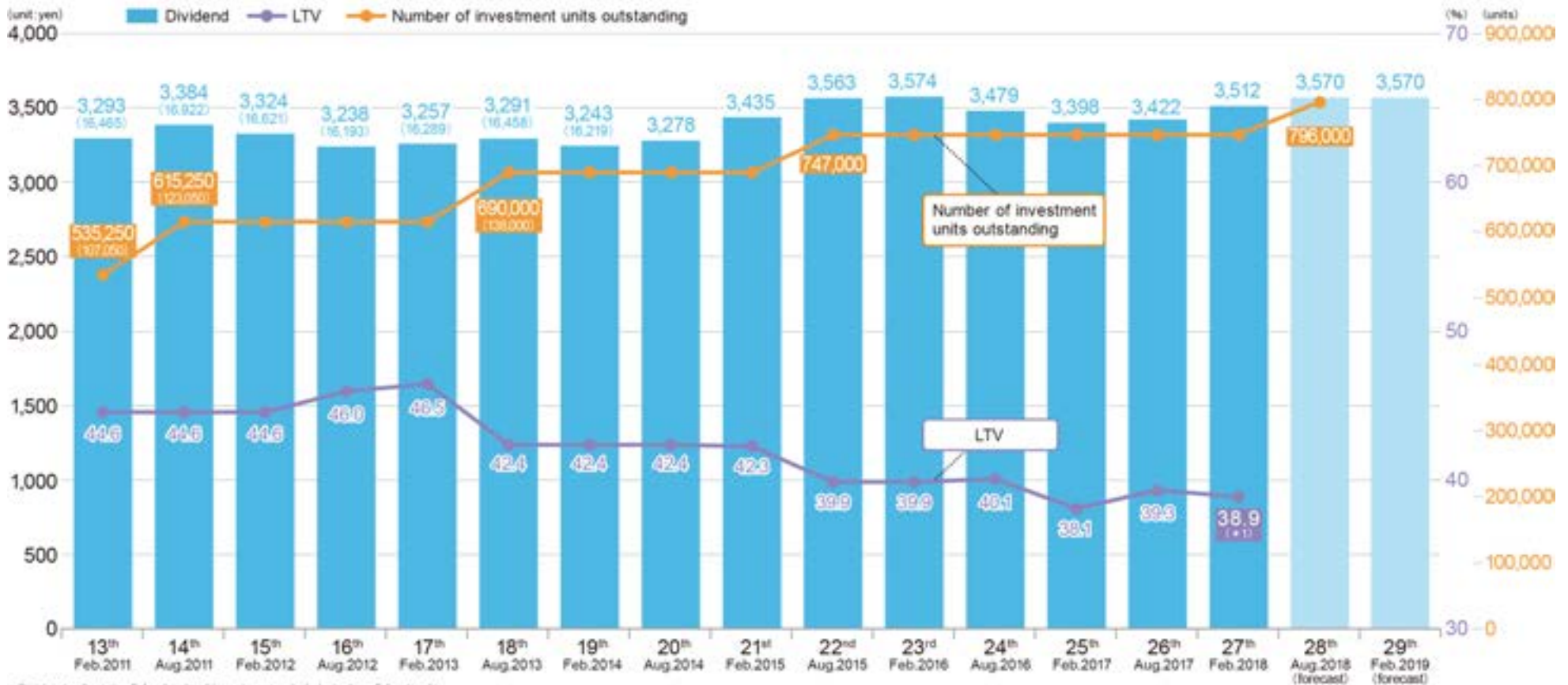
(※2) "Occupancy rate"="Total leased floor space at period-end" / "Total leasable floor space at period-end"

(※3) With regard to the disposition of AEON Hara Shopping Center ("AEON Hara") and Aqualia Kego ("Kego") (sale agreement concluded in the 24th FY and delivery of property in the 25th FY for both properties), due to the recording of the amount corresponding to the loss on the sale of AEON Hara as an impairment loss in the 24th FY and a gain on the sale of Kego in the 25th FY for accounting purposes, differences from tax treatment (recording of a gain or loss on the sale of AEON Hara and Kego in the 25th FY) occurred (The difference between accounting and taxation). For this reason, the impact of the difference between accounting and taxation on the dividend was reversed by means of the recording and reversal of a reserve for temporary difference adjustments on the dividend statement.

Dividend's track record

Dividend recovery to the 3,500 yen range

The 27 th fiscal period end	February 28, 2018 (semi-annual periods ending every February and August)	Days in fiscal period	181
Dividend (actual)	3,512 yen per unit	Dividend yield	4.1% [(Dividend / days in fiscal period × 365) / Unit price] (as of February 28, 2018)



* Dividend reflect the 5-for-1 split of investment unit, ()=before 5-for-1 split.
 * Investment units reflect the 5-for-1 split at period-end, ()=before 5-for-1 split.
 (*1) LTV is 39.4% as of March 30, 2018. The ratio was calculated as follows:
 (Interest-bearing debt at end of 27th fiscal period [68,900 mm yen]+ New debt of March 1, 2018 [6,600 mm yen]) / (Total assets at end of 27th fiscal period + Acquisition price of new assets [14,230 mm yen])

Balance sheets (compared with the previous fiscal period)

Account	26 th Aug. 31, 2017 A	27 th Feb. 28, 2018 B	Difference B-A
Total current assets	8,130	8,200	69
Cash and deposits	2,253	2,924	671
Cash and deposits in trust	4,926	4,514	(411)
Operating accounts receivable	431	459	28
Prepaid expenses	248	260	12
Consumption taxes receivable	258	-	(258)
Deferred tax assets	-	0	0
Others	13	40	27
Total non-current assets	169,894	169,051	(842)
Total property, plant and equipment	167,268	166,362	① (905)
Buildings in trust	63,565	62,735	(829)
Structures in trust	944	915	(28)
Machinery and equipment in trust	920	890	(29)
Tools and fixtures in trust	270	268	(2)
Lands in trust	101,545	101,545	-
Construction in progress in trust	21	6	(15)
Total intangible assets	1,784	1,782	(2)
Leasehold right in trust	1,765	1,765	-
Other intangible assets in trust	19	16	(2)
Total investment and other assets	840	906	65
Lease and guarantee deposits	10	10	-
Lease and guarantee deposits in trust	110	110	-
Long-term prepaid expenses	720	786	65
Total deferred assets	38	31	(7)
Total assets	178,063	177,283	(779)

■ Assets	
① Capital expenditures	+ 800
Depreciation and amortization expenses	(1,500)
Others	(5)
Total	(905)

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

Account	26 th Aug. 31, 2017 A	27 th Feb. 28, 2018 B	Difference B-A
Total current liabilities	14,489	5,110	(9,379)
Operating accounts payable	387	602	215
Short-term debt	1,500	-	② (1,500)
Current maturities of long-term debt	10,200	2,100	③ (8,100)
Account payable-other	21	21	(0)
Accrued expenses	327	328	0
Income taxes payable	0	0	0
Accrued consumption taxes	-	298	298
Advances received	997	990	(7)
Deposits received	1,054	768	(286)
Total non-current liabilities	69,874	78,406	8,531
Investment corporation bonds	4,000	4,000	-
Long-term debt	54,200	62,800	④ 8,600
Tenant leasehold and security deposits	368	373	4
Tenant leasehold and security deposits received in trust	11,305	11,233	(72)
Total liabilities	84,364	83,517	(847)
Total unitholders' equity	93,699	93,766	67
Unitholders' capital	91,142	91,142	-
Surplus	2,556	2,623	67
Total net assets	93,699	93,766	67
Total liabilities and net assets	178,063	177,283	(779)

■ Liabilities and net assets	
② Committed line of credit extension	(500)
Contractual repayment	(1,000)
Total	(1,500)
③ Long-term debt	+ 500
→ Long-term debt of current maturities	
Long-term debt of current maturities	(8,600)
→ Long-term debt	
Total	(8,100)
④ Committed line of credit extension	+ 500
Long-term debt of current maturities	+ 8,600
→ Long-term debt	
Long-term debt	(500)
→ Long-term debt of current maturities	
Total	+ 8,600

Statements of Income (compared with previous fiscal period)

Dividend recovery to the 3,500 yen range

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

Sign indicates impact on profit (unit : mm yen)

Account		26 th ~Aug. 31, 2017 A	27 th ~Feb. 28, 2018 B	Difference B-A
Ordinary profit and loss	Total operating revenues	8,122	8,194	① 71
	Leasing revenues-real estate	7,605	7,725	119
	Other leasing revenues-real estate	511	468	(42)
	Dividends income	4	-	(4)
	Total operating expenses	5,202	5,228	25
	Expenses related to leasing business	4,593	4,614	② 20
	Asset management fees	479	482	2
	Asset custody fees	6	6	0
	Administrative service fees	51	51	0
	Director's compensations	9	9	-
	Other operating expenses	61	63	1
	Operating income	2,920	2,965	45
	Total non-operating revenues	8	2	(6)
	Total non-operating expenses	366	343	③ (22)
Interest expenses (incl. investment corporation bonds)	268	252	(16)	
Financing related expenses	87	84	(2)	
Others	10	7	(3)	
Ordinary income	2,562	2,624	62	
Profit before income taxes	2,562	2,624	62	
Total income taxes	5	1	(4)	
Profit	2,556	2,623	67	
Dividend	Total dividends	2,556	2,623	67
	Dividend per unit (yen)	3,422	3,512	90

■ Operating profit and loss	
① Full-period contribution of LOGICITY Hisayama	+62
Canal City Hakata	+25
Canal City Hakata-B	+39
Park Place Oita	(36)
[-of which, decrease in income from utilities (26)]	
[-of which, nonrecurrence of opening contributions (7)]	
Office buildings	(18)
[-of which, rent increase	+4
[-of which, decrease in income from utilities (8)]	
[-of which, downtime accompanying tenant turnover of Canal City Business Center Building etc. (14)]	
Others	(1)
Total	+71
② Decrease in outsourcing fees	+16
[-of which, Park Place Oita	+17
Decrease in expenses from utilities	+23
Increase in repair & maintenance expenses	(41)
Increase in depreciation and amortization expenses	(25)
[-of which, LOGICITY Hisayama	(18)]
Decrease in other expenses	+7
Total	(20)

■ Non-Operating profit and loss	
③ Decrease in non-operating expenses	+22
[-of which, decrease in debt-related expenses	+19]

Statements of Income (compared with forecast)

Results above forecast for Canal City Hakata, mainly the hotels

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

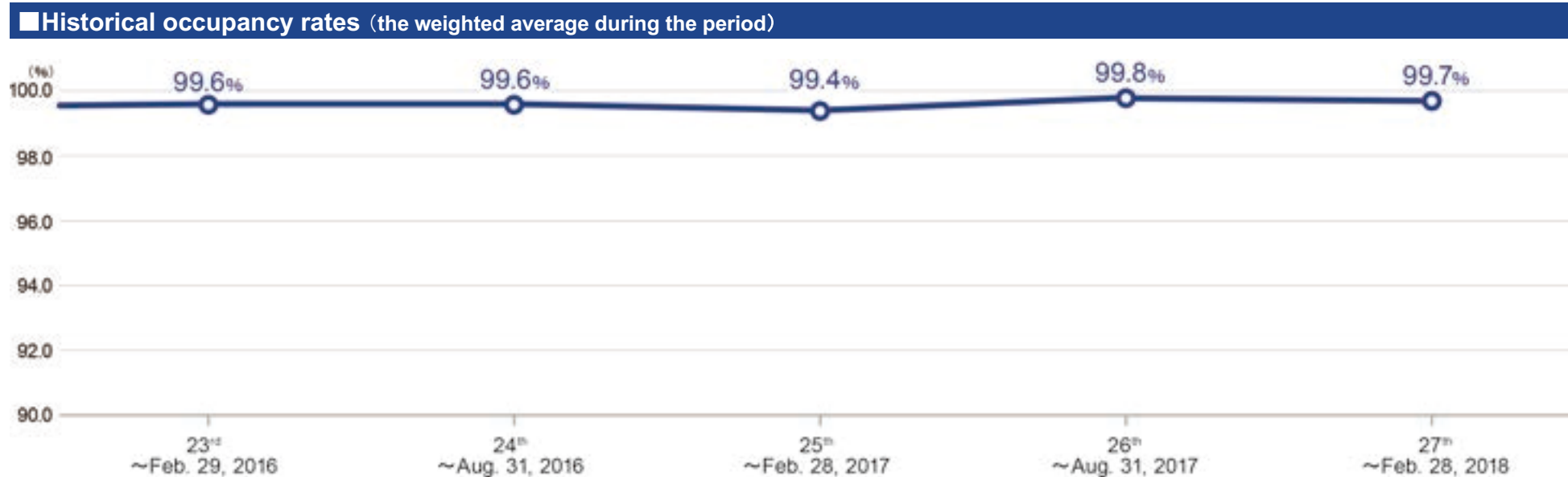
Sign indicates impact on profit (unit : mm yen)

Account		Previous Forecast A	27 th ~Feb. 28, 2018 B	Difference B-A
Ordinary profit and loss	Total operating revenues	8,134	8,194	① 59
	Leasing revenues-real estate		7,725	
	Other leasing revenues-real estate		468	
	Dividends income		-	
	Total operating expenses	5,195	5,228	② 33
	Expenses related to leasing business		4,614	
	Asset management fees		482	
	Asset custody fees		6	
	Administrative service fees		51	
	Director's compensations		9	
Other operating expenses		63		
	Operating income	2,939	2,965	25
Non-Operating profit and loss	Total non-operating revenues	0	2	1
	Total non-operating expenses	347	343	(4)
	Interest expenses (incl. investment corporation bonds)		252	
	Financing related expenses		84	
	Others		7	
	Ordinary income	2,593	2,624	31
	Profit before income taxes	2,593	2,624	31
	Total income taxes	1	1	0
	Profit	2,592	2,623	31
Dividend	Total dividends	2,592	2,623	31
	Dividend per unit (yen)	3,470	3,512	42

■ Operating profit and loss	
① Canal City Hakata	+26
Canal City Hakata-B	+26
Office buildings	+8
[-of which, Higashi He Business Center	+7]
Others	(1)
Total	+59
② Increase in repair & maintenance expenses	(28)
Increase in other expenses	(5)
Total	(33)

Portfolio properties' occupancy rates

Maintained high occupancy rates



■ Occupancy rates (the weighted average during the period)

Category	23 rd ~ Feb. 29, 2016	24 th ~ Aug. 31, 2016	25 th ~ Feb. 28, 2017	26 th ~ Aug. 31, 2017	27 th ~ Feb. 28, 2018	Investment ratio (based on acquisition price)
Active retail	99.7%	99.7%	99.5%	100.0%	99.8%	47.8%
Passive retail	100.0%	100.0%	99.9%	100.0%	100.0%	11.3%
Office buildings	99.6%	99.8%	99.7%	(*1) 99.9%	99.3%	27.2%
Others	98.5%	98.3%	98.6%	98.9%	99.3%	13.7%
Total	99.6%	99.6%	99.4%	99.8%	99.7%	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 SunLive City Kokura. Passive Retail = properties without variable rents such as Square Mall Kagoshima Usuki, Kumamoto Intercommunity SC, Hanahata SC, Kurume Higashi Kushiwara SC, K's Denki Kagoshima, and Marinao City Fukuoka (Marina Side Building).

(* 1) The occupancy rate of Taihaku Street Business Center(excl. residence) is 100%.

Appraisal value

Unrealized gains (* 1) totaled 25,541 mm yen at the end of 27th fiscal period

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

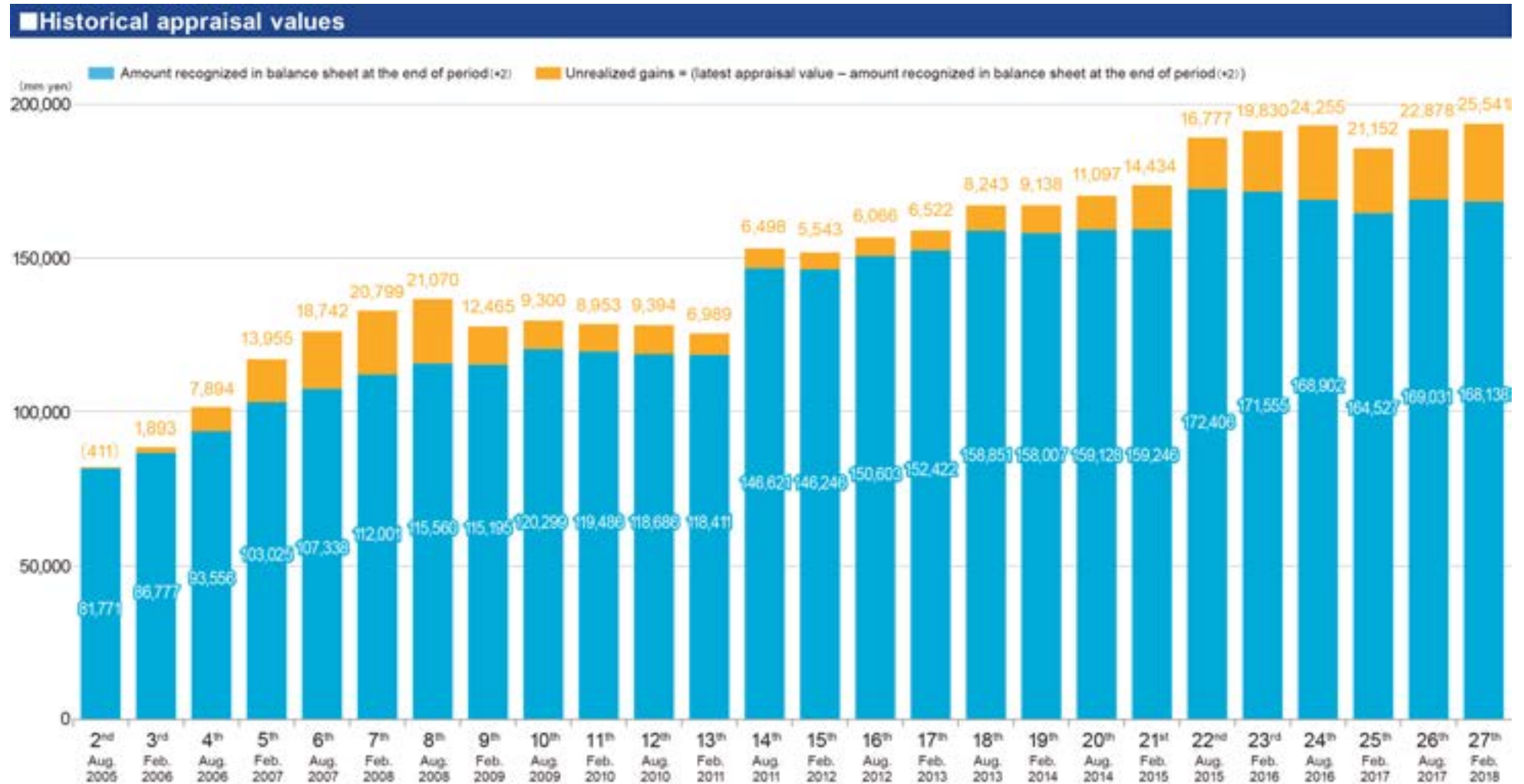
Property name	Acquisition price (* 2)	Acquisition cap rate	Appraisal value		Book value at 27 th	Difference		Direct capitalization values			Name of appraiser	
			27 th Feb. 28, 2018 ①	26 th Aug. 31, 2017 ②		From appraisal value at 26 th ①-②	From book value at 27 th ①-③	27 th Cap rate ④	26 th Cap rate ⑤	Difference (%) ④-⑤		
Retail	Canal City Hakata	32,000	6.0%	31,800	31,900	30,326	(100)	1,473	4.5%	4.5%	0.0	Tanizawa Sogo Appraisal
	Canal City Hakata・B	28,700	5.4%	29,700	29,900	29,101	(200)	598	4.7%	4.7%	0.0	Tanizawa Sogo Appraisal
	Park Place Oita	17,760	6.6%	19,400	19,100	18,919	300	480	5.7%	5.8%	(0.1)	Japan Real Estate Institute
	SunLive City Kokura	6,633	6.6%	8,150	7,930	5,723	220	2,426	6.0%	6.1%	(0.1)	Japan Real Estate Institute
	Square Mall Kagoshima Usuki	5,300	6.3%	5,450	5,420	4,489	30	960	6.0%	6.0%	0.0	Japan Real Estate Institute
	Kumamoto Intercommunity SC	2,400	6.5%	2,760	2,720	2,030	40	729	5.8%	5.9%	(0.1)	Japan Real Estate Institute
	Hanahata SC	1,130	6.4%	1,250	1,250	1,001	0	248	5.4%	5.4%	0.0	Tanizawa Sogo Appraisal
	Kurume Higashi Kushiwara SC	2,500	6.1%	2,780	2,790	2,109	(10)	670	5.5%	5.5%	0.0	Tanizawa Sogo Appraisal
	K's Denki Kagoshima	3,550	5.7%	3,710	3,710	3,066	0	643	5.4%	5.4%	0.0	Tanizawa Sogo Appraisal
	Marinoa City Fukuoka (Marina Side Building)	5,250	5.5%	5,940	5,940	5,456	0	483	4.9%	4.9%	0.0	Tanizawa Sogo Appraisal
Total of retail	105,223	-	110,940	110,660	102,225	280	8,714	-	-	-		
Office buildings	Canal City Business Center Building	14,600	6.3%	15,200	14,900	13,342	300	1,857	4.7%	4.8%	(0.1)	Tanizawa Sogo Appraisal
	Gofukumachi Business Center	11,200	6.3%	13,700	13,400	9,233	300	4,466	4.6%	4.7%	(0.1)	Tanizawa Sogo Appraisal
	Sanix Hakata Building	4,400	5.9%	5,510	5,430	3,896	80	1,613	4.4%	4.5%	(0.1)	Japan Real Estate Institute
	Taihaku Street Business Center	7,000	6.0%	7,740	7,590	6,146	150	1,593	4.8%	4.9%	(0.1)	Japan Real Estate Institute
	Higashi Hie Business Center	5,900	6.0%	7,090	6,710	4,569	380	2,520	4.9%	5.2%	(0.3)	Tanizawa Sogo Appraisal
	Tenjin Nishi-Dori Center Building	2,600	5.4%	3,030	2,970	2,700	60	329	4.3%	4.4%	(0.1)	Japan Real Estate Institute
	Tenjin North Front Building	2,800	6.1%	3,730	3,580	2,606	150	1,123	4.7%	4.8%	(0.1)	Japan Real Estate Institute
Total of office buildings	48,500	-	56,000	54,580	42,497	1,420	13,502	-	-	-		
Others	Amex Akasakamon Tower (Residence)	2,060	5.4%	1,940	1,940	1,747	0	192	4.7%	4.7%	0.0	Daiwa Real Estate Appraisal
	City House Keyaki Dori (Residence)	1,111	5.5%	1,090	1,090	946	0	143	4.7%	4.7%	0.0	Daiwa Real Estate Appraisal
	Aqualia Chihaya (Residence)	1,280	6.8%	1,640	1,630	1,200	10	439	5.2%	5.2%	0.0	Japan Real Estate Institute
	D-Wing Tower (Residence)	2,800	5.9%	3,480	3,420	2,733	60	746	4.6%	4.7%	(0.1)	Tanizawa Sogo Appraisal
	Granfore Yakuin Minami (Residence)	1,100	5.6%	1,290	1,290	1,145	0	144	4.5%	4.6%	(0.1)	Tanizawa Sogo Appraisal
	Hotel FORZA Oita (Hotel)	1,530	6.6%	1,860	1,860	1,431	0	428	5.4%	5.4%	0.0	Japan Real Estate Institute
	Tosu Logistics Center (Logistics)	1,250	5.9%	1,420	1,420	1,214	0	205	5.2%	5.2%	0.0	Japan Real Estate Institute
	LOGICITY Minato Kashii (Logistics)	8,150	5.2%	8,800	8,800	7,971	0	828	4.5%	4.5%	0.0	Tanizawa Sogo Appraisal
	LOGICITY Hisayama (Logistics)	5,050	5.1%	5,220	5,220	5,024	0	195	4.7%	4.7%	0.0	Tanizawa Sogo Appraisal
	Total of others	24,331	-	26,740	26,670	23,415	70	3,324	-	-	-	
Total properties	178,054	-	193,680	191,910	168,138	1,770	25,541	-	-	-		

(* 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.

Historical appraisal values (unrealized gains)

Maintained continuously since the 3rd fiscal period (13.2% ratio of unrealized gains at the 27th (*1))



(*1) Ratio of unrealized gains = (latest appraisal value – amount recognized in balance sheet at the end of period) / appraisal value at the end of period.
 (*2) Amount recognized in balance sheet at the end of period does not include construction in progress.

Business forecast (the 28th fiscal period, Aug. 2018)

Dividend per unit of 3,570 yen due to new acquisition of two properties

Forecast in the 28th fiscal period

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

Account	27 th Actual A	28 th Forecast at 26 th B	28 th Forecast at 27 th C	27 th Actual difference C-A	28 th Forecast difference C-B
Operating revenues	8,194	8,110	9,173	① 979	1,063
Operating expenses	5,228	5,159	5,938	② 709	778
Operating income	2,965	2,950	3,235	269	284
Non-operating revenues	2	0	0	(1)	(0)
Non-operating expenses	343	358	393	③ 49	34
Ordinary income	2,624	2,593	2,842	218	249
Profit	2,623	2,592	2,841	218	249
Total dividends	2,623	2,592	2,841	218	249
Dividend per unit (yen)	3,512	3,470	3,570	58	100

Sign indicates impact on profit (unit : mm yen)

Difference between the 27 th FP actual and the 28 th FP forecast	
① Acquired properties at 28 th FP	+1,001
Canal City Hakata	(19)
[-of which, a seasonal factor of variable rents	(20)]
Canal City Hakata-B	(68)
[-of which, a seasonal factor of variable rents	(30)]
Park Place Oita	+29
[-of which, increase in income from utilities	+28]
Office buildings	+24
[-of which, Canal City Business Center Building	+10]
[-of which, Taihaku Street Business Center	+2]
[-of which, Higashi Hie Business Center	+2]
Others	+12
Total	+979
② Acquired properties at 28 th FP	(689)
Increase in outsourcing fees	(20)
[-of which, Park Place Oita	(12)]
Increase in expenses from utilities	(37)
[-of which, Park Place Oita	(22)]
Decrease in repair & maintenance expenses	+75
Increase in taxes and other public charges	(22)
Decrease in depreciation and amortization expenses	+23
Increase in selling general and administrative expenses	(39)
Total	(709)
③ Non-operating expenses	(49)
[-of which, increase in debt-related expenses	(40)]

Business forecast (the 29th fiscal period, Feb. 2019)

Dividend per unit forecast of 3,570 yen the same amount as for the 28th fiscal period

Forecast in the 29th fiscal period

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

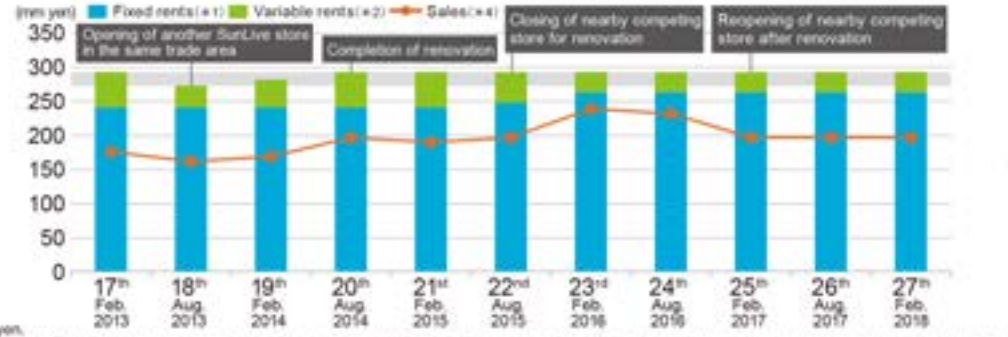
Account	28 th Forecast at 27 th A	29 th Forecast at 27 th B	28 th Forecast difference B-A
Operating revenues	9,173	9,116	① (57)
Operating expenses	5,938	5,891	② (46)
Operating income	3,235	3,224	(11)
Non-operating revenues	0	1	0
Non-operating expenses	393	382	③ (10)
Ordinary income	2,842	2,843	0
Profit	2,841	2,842	0
Total dividends	2,841	2,841	-
Dividend per unit (yen)	3,570	3,570	-

Sign indicates impact on profit (unit : mm yen)

Variance from updated the 28 th FP forecast	
① Canal City Hakata-B	+33
Park Place Oita	(29)
[-of which, decrease in income from utilities	(27)]
Konoha Mall Hashimoto	(49)
[-of which, decrease in income from utilities	(10)]
Others	(12)
Total :	(57)
② Decrease in outsourcing fees	+12
[-of which, Park Place Oita	+9]
Decrease in expenses from utilities	+35
Decrease in repair & maintenance expenses	+18
Increase in selling general and administrative expenses	(7)
Increase in other expenses	(12)
Total :	+46
③ Non-operating expenses	+10
[-of which, decrease in debt-related expenses	+9]

Active retail

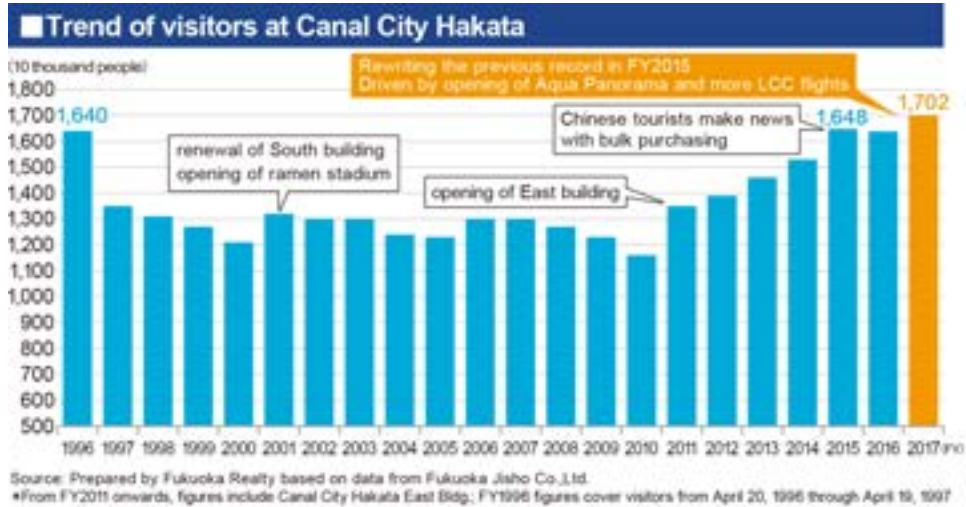
Stable rent levels maintained over the long term



* Sales figures are rounded down to the nearest 100 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. (※3) Combined sales of Canal City Hakata and Canal City Hakata・B, properties owned by Fukuoka REIT. (※4) Sales figures are omitted because SunLive did not consent to their disclosure.

Current situation at Canal City Hakata (overall)

Canal City Hakata, an evolving “Urban Theater”



Canal Aqua Panorama's 6th original Godzilla show

Will Godzilla destroy the streets of Fukuoka and the Canal?
 The movie is presented on a massive screen 20m high and 65m wide for a powerful, lifelike experience.



Advanced screening	April 27, 2018 ~ May 6, 2018 * 1st show 19:30~
Regular screening	June 1, 2018 ~ May 31, 2019

Godzilla appears up close and real in this powerful and exciting movie with added effects like fountains, sound and lights to intensify the Godzilla's might with explosive force. The staff of the major release "Shin Godzilla" led the production, ensuring a top-quality experience. This is a must-see event!

Foreign visitors to Japan

Change in number of overseas visitors to Fukuoka Airport (unit: thousands)

	2015	2016	2017
Korea	706	874	1,378
China	150	156	171
Taiwan	228	255	290
Hong Kong	117	138	154
Other Asia	130	141	140
Others	58	65	69
Total	1,392	1,631	2,205

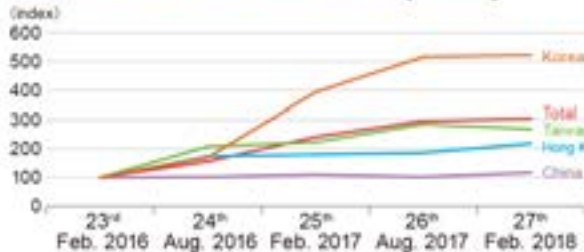
Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Statistics on Legal Migrants (Ministry of Justice)

Change in number of international flights at Fukuoka Airport (unit: flights / week)

	2015 Winter	2017 Winter	Difference
Total	302	346.5	+44.5
Korean routes	133	195	+62
Korean routes (LCC)	66.5	132	+65.5

Source: Prepared by Fukuoka Realty Co., Ltd. based on data from "Overview of Regularly Scheduled International Flights" (Ministry of Land, Infrastructure, Transport and Tourism)

Number of Tax-free counter users by country



Source: Prepared by Fukuoka Realty based on data from Fukuoka Jisho Co., Ltd.
 *The graph was plotted taking the 23rd fiscal period (Feb. 2016) number as 100.



Tax-free counter



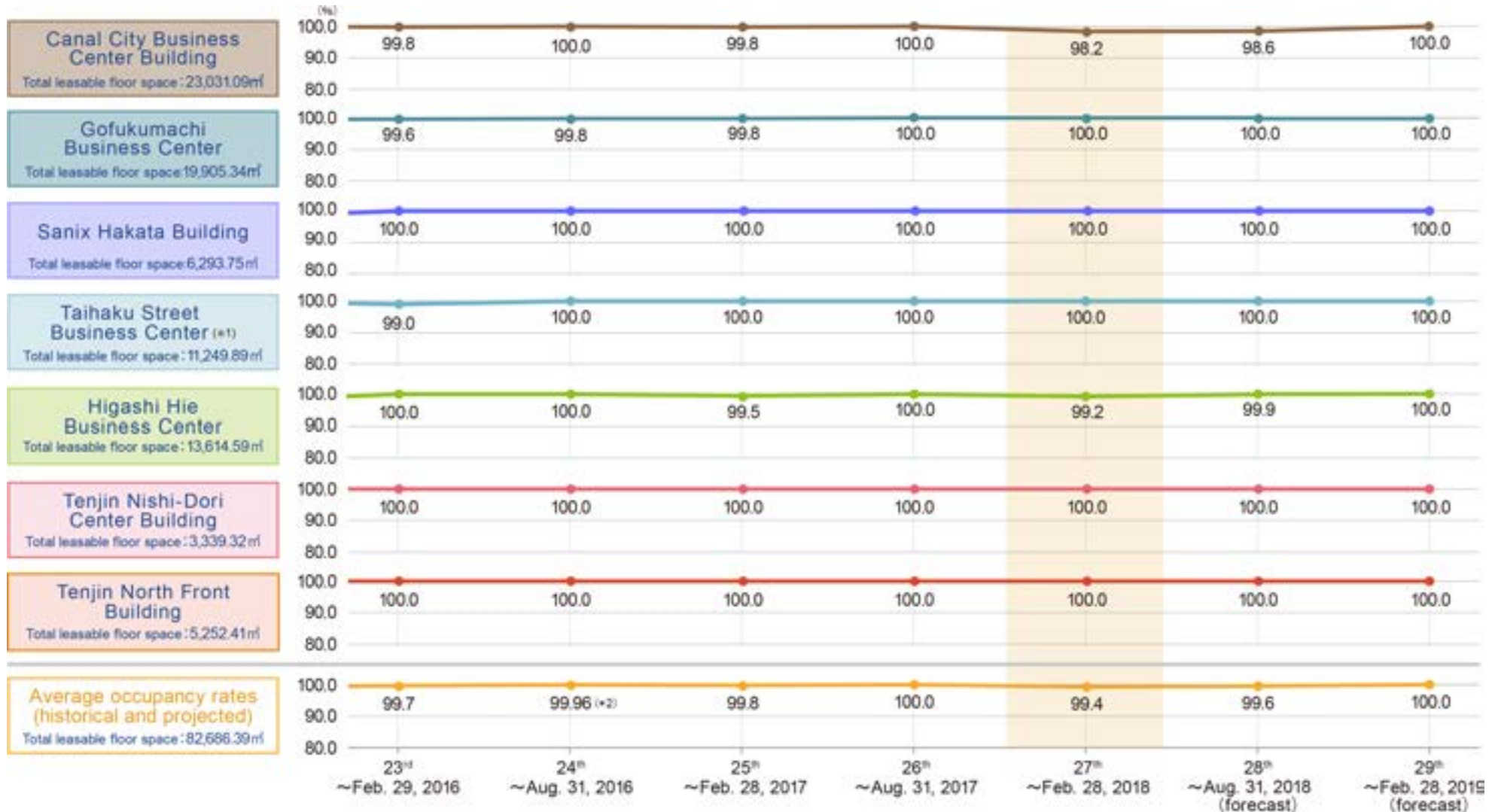
Breakdown of active retail rents



(*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.
 (*3) The figures are included parking fee in variable rents of Canal City Hakata-B.

Historical and projected office buildings' occupancy rates

Keeping to maintain well occupancy rate

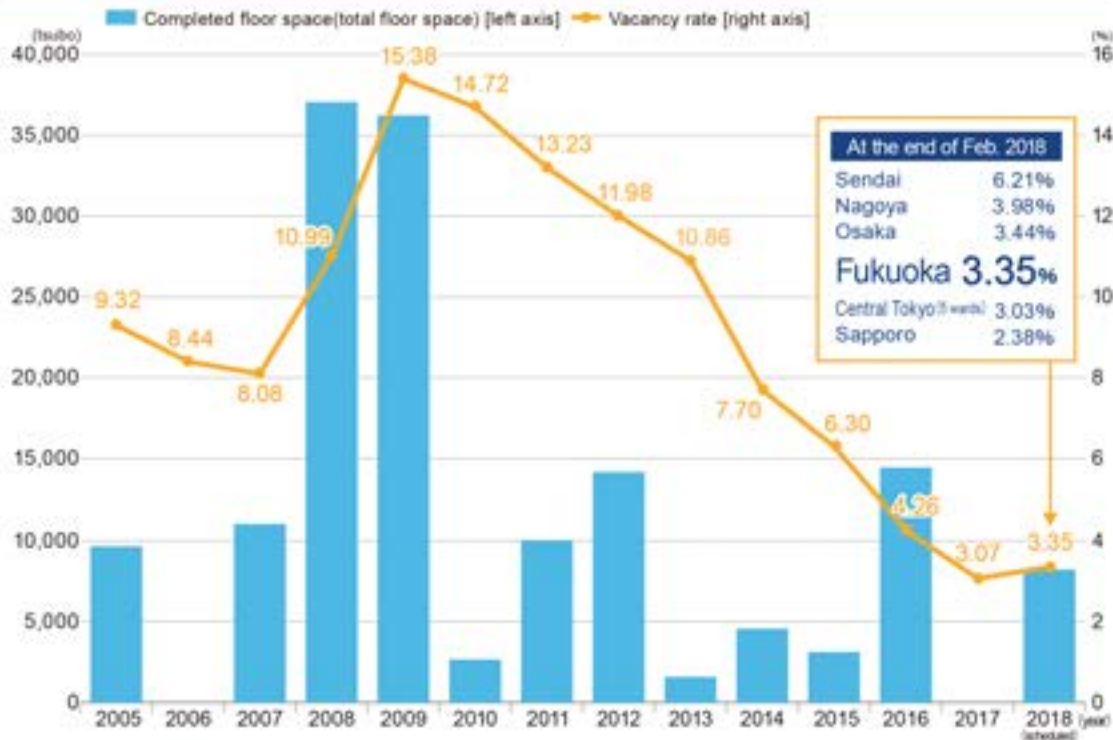


* Occupancy rates are calculated as a weighted average during period. * Total leasable floor space is figured as of the end of period.
 (* 1) Residential floor spaces are removed from the total leasable floor space of Taihaku Street Business Center. (* 2) Percentages and ratios are rounded off to the second decimal place.

Fukuoka office market

Vacancy rate declined to the lower 3% range, and supply will remain limited in the future

Fukuoka business district / Change in vacancy rate and office building completions



Change in leased floor space and vacant floor space

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Leased (tsubo)	623,944	626,668	635,633	666,006	687,297	688,570	689,859	694,865	691,406	689,993	692,139	699,043	697,782
Vacant (tsubo)	58,122	52,901	51,360	73,220	105,685	101,367	91,287	83,241	75,078	53,156	43,638	29,790	21,412

* Statistics from 2005 to 2017 are based on the figures at the end of December.
 * Office building-related data for each city are data for areas and buildings included in surveys conducted by Miki Shoji Co., Ltd.
 * One tsubo = 3,30579rf
 Source: Fukuoka Realty, based on data published by Miki Shoji Co., Ltd.

Fukuoka Office Market / Average asking rents



Source: Fukuoka Realty, based on data published by Miki Shoji Co., Ltd.

Status of rent increase for owned properties



(*1) The rent increase amount resulting from contract revisions for each fiscal period is shown on a monthly rent basis.
 (*2) The figures shown are the floor area ratio subject to rent increase for each period divided by total leased floor space at the end of each fiscal period.
 *Note: There were no rent decreases.

Key financing events

Achievement of both interest cost reduction and borrowing term extension and diversification

Key financing events in the 27th FP or later

Date	Lender	Amount (mm yen)	Term	Interest rate	Fixed/Floating
September 29, 2017	Resona Bank	2,000	10.0-year	0.49350% ^(*)1)	Fixed
December 29, 2017	The Bank of Fukuoka	1,500	10.0-year	0.81209%	Fixed
	Development Bank of Japan	500	10.0-year	0.68000%	Fixed
February 28, 2018	The Nishi-Nippon City Bank	1,900	10.0-year	0.75000% ^(*)1)	Fixed
	Sumitomo Mitsui Trust Bank	1,100	9.0-year	0.60000% ^(*)1)	Fixed
	Mitsubishi UFJ Trust and Banking Corporation	1,500	8.0-year	0.50000%	Fixed
March 1, 2018 NEW	Resona Bank	600	10.0-year	0.56700% ^(*)1)	Fixed
	Development Bank of Japan	2,500	10.0-year	0.72000%	Fixed
March 30, 2018 NEW	Mitsubishi UFJ Trust and Banking Corporation	600	8.0-year	0.48000%	Fixed
	The Nishi-Nippon City Bank	600	10.0-year	0.80219%	Fixed
	The Bank of Fukuoka	500	10.0-year	0.80219%	Fixed
	Mizuho Bank	500	10.0-year	0.63000%	Fixed
	Sumitomo Mitsui Banking Corporation	500	7.0-year	0.50400% ^(*)1)	Fixed
	The Bank of Tokyo-Mitsubishi UFJ ^(*)2)	500	9.0-year	0.49000%	Fixed
	Sumitomo Mitsui Trust Bank	400	9.0-year	0.57600% ^(*)1)	Fixed
	The Oita Bank	400	10.0-year	0.64630%	Fixed
	The Hiroshima Bank	400	10.0-year	0.64630%	Fixed
	Shinsei Bank	300	7.0-year	0.40000%	Fixed
Total and the weighted average rates^(*)3)		16,300	9.5-year	0.63621%	

(*)1) FRC has concluded a swap agreement to practically fix interest rate on debt. The indicated interest rate reflects the effect of the swap agreement.
 (*)2) Effective April 1, 2018, the company name has changed from The Bank of Tokyo-Mitsubishi UFJ, Ltd. to MUFG Bank, Ltd. The same applies below.
 (*)3) Amounts are totals, and terms and interest rates are weighted averages.

Fixed and floating ratio

③ Increase in the fixed rate to 89.1%



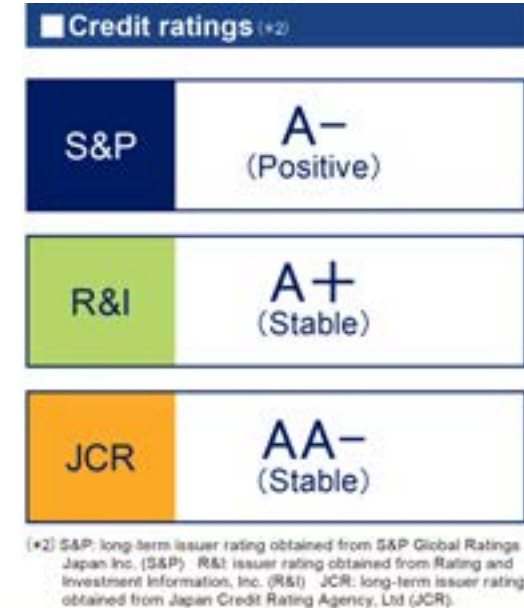
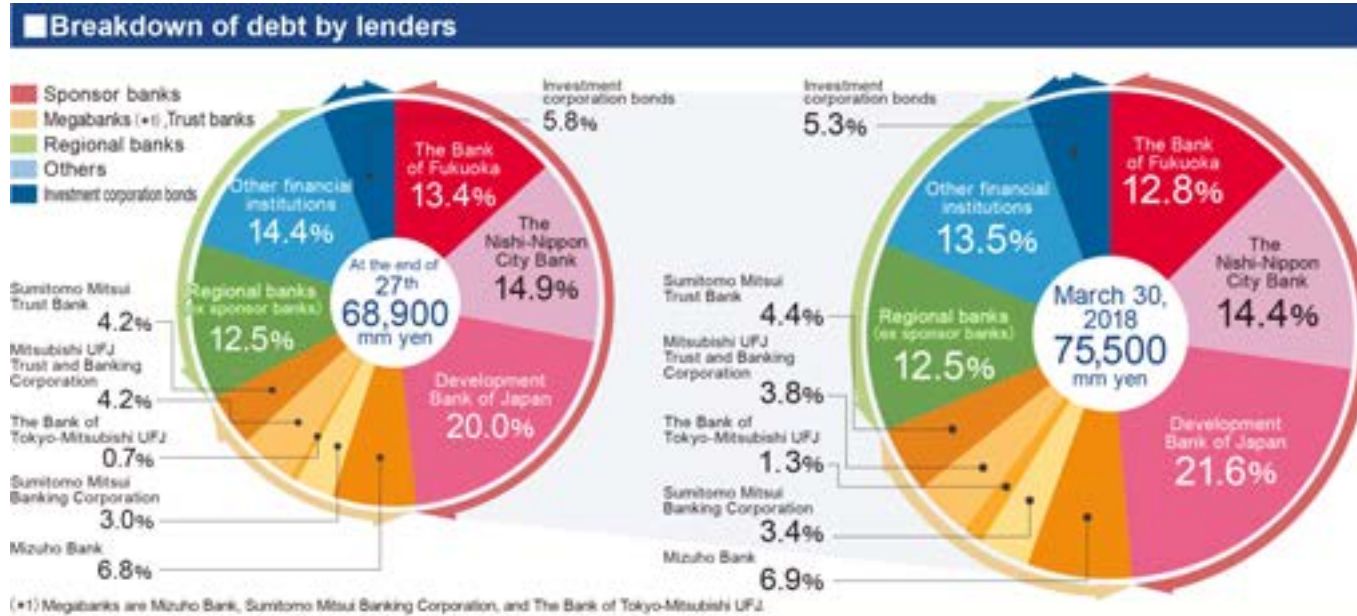
Average interest rate^(*)4) and duration



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

Financing condition

A stable network of sponsor banks and other lenders



List of borrowings

Stable debt financing

(As of February 28, 2018)

Category	Lender	Balance (mm yen)	Drawdown Date	Repayment Date	Term (year)	Fixed/Floating	Average Interest Rate
Short-term debt	-	-	-	-	-	-	-
Current maturities of long-term debt	Mitsubishi UFJ Trust and Banking Corporation	600	Mar.29, 2013	Mar.30, 2018	5.0	Floating	0.41727%
	The Dai-ichi Life Insurance Company	1,000	Jul.29, 2011	Jul.31, 2018	7.0	Fixed	1.80000%
	Sumitomo Mitsui Trust Bank	500	Jan.31, 2012	Jan.31, 2019	7.0	Fixed	1.33830%
	Subtotal	2,100					
Long-term debt	The Nishi-Nippon City Bank	2,500	Feb.1, 2013	Feb.29, 2020	7.1	Fixed	0.77500% (*1)
	Mizuho Bank	1,700	Feb.28, 2013	Feb.29, 2020	7.0	Floating	0.56909%
	Aozora Bank	1,000	Jun.28, 2013	Jun.30, 2020	7.0	Floating	0.46727%
	Mizuho Bank, and others (*2)	3,700	Jul.31, 2014	Jul.31, 2019	5.0	Fixed	0.53800% (*1)
	Mizuho Bank, and others (*3)	6,300	Jul.31, 2014	Jul.30, 2021	7.0	Fixed	0.83500% (*1)
	Development Bank of Japan	4,000	Aug.29, 2014	Aug.31, 2022	8.0	Fixed	1.01000%
	The Bank of Tokyo-Mitsubishi UFJ	500	Sep.25, 2014	Sep.25, 2019	5.0	Fixed	0.52000%
	Sumitomo Mitsui Banking Corporation	1,600	Jun.30, 2015	Jun.30, 2022	7.0	Fixed	0.79000% (*1)
	Sumitomo Mitsui Trust Bank	1,500	Jul.31, 2015	Jul.31, 2023	8.0	Fixed	0.56400% (*1)
	Development Bank of Japan	4,000	Aug.31, 2015	Aug.31, 2023	8.0	Fixed	0.88000%
	The Bank of Fukuoka	400	Aug.31, 2015	Aug.31, 2022	7.0	Floating	0.41909%
	The Nishi-Nippon City Bank	400	Aug.31, 2015	Aug.31, 2023	8.0	Fixed	0.87000% (*1)
	Development Bank of Japan	2,000	Feb.29, 2016	Feb.28, 2025	9.0	Fixed	0.62000%
	The Bank of Fukuoka	2,000	Feb.29, 2016	Feb.29, 2024	8.0	Floating	0.41909%
	The Nishi-Nippon City Bank	2,000	Feb.29, 2016	Feb.29, 2024	8.0	Fixed	0.44000% (*1)
	Mizuho Bank	500	Feb.29, 2016	Feb.29, 2024	8.0	Fixed	0.44000% (*1)
	Shinsei Bank	700	Jul.29, 2016	Jul.31, 2024	8.0	Fixed	0.40000%
	Sumitomo Mitsui Trust Bank	300	Sep.30, 2016	Sep.30, 2025	9.0	Floating	0.41127%
	Development Bank of Japan, and others (*4)	2,100	Dec.30, 2016	Dec.30, 2025	9.0	Fixed	0.71750%
	The Bank of Fukuoka	1,500	Dec.30, 2016	Dec.30, 2026	10.0	Floating	0.41727%
	Resona Bank	600	Mar.31, 2017	Mar.31, 2027	10.0	Fixed	0.65846%
The Higo Bank	300	Mar.31, 2017	Mar.31, 2025	8.0	Fixed	0.48130%	
Mitsubishi UFJ Trust and Banking Corporation	800	Mar.31, 2017	Mar.31, 2025	8.0	Fixed	0.48130%	

Category	Lender	Balance (mm yen)	Drawdown Date	Repayment Date	Term (year)	Fixed/Floating	Average Interest Rate
Long-term debt	The Bank of Fukuoka, and others (*5)	6,000	Jun.30, 2017	Jun.30, 2026	9.0	Fixed	0.77677%
	Development Bank of Japan	1,800	Jun.30, 2017	Dec.31, 2026	9.5	Fixed	0.65000%
	The Bank of Fukuoka	2,000	Jul.31, 2017	Jul.31, 2027	10.0	Fixed	0.79195%
	The Nishi-Nippon City Bank	2,000	Jul.31, 2017	Jul.31, 2027	10.0	Fixed	0.89195%
	The Nishi-Nippon City Bank, and others (*6)	1,500	Aug.31, 2017	Aug.31, 2027	10.0	Fixed	0.84952%
	Resona Bank	2,000	Sep.29, 2017	Sep.30, 2027	10.0	Fixed	0.49350% (*1)
	The Bank of Fukuoka	1,500	Dec.29, 2017	Dec.30, 2027	10.0	Fixed	0.81209%
	Development Bank of Japan	500	Dec.29, 2017	Dec.30, 2027	10.0	Fixed	0.68000%
	The Nishi-Nippon City Bank	1,900	Feb.28, 2018	Feb.29, 2028	10.0	Fixed	0.75000% (*1)
	Sumitomo Mitsui Trust Bank	1,100	Feb.28, 2018	Feb.26, 2027	9.0	Fixed	0.60000% (*1)
	Mitsubishi UFJ Trust and Banking Corporation	1,500	Feb.28, 2018	Feb.26, 2026	8.0	Fixed	0.50000%
	Resona Bank	600	Feb.28, 2018	Feb.29, 2028	10.0	Fixed	0.56700% (*1)
	Subtotal	62,800					
Total	64,900						

Investment corporation bonds

Category	Issue	Balance (mm yen)	Issue date	Maturity Date	Term (year)	Coupon
Investment corporation bonds	The first series of unsecured bonds	2,000	Dec.30, 2013	Dec.29, 2023	10.0	1.32000%
	The second series of unsecured bonds	2,000	Jul.31, 2017	Jul.30, 2032	15.0	1.00000%
Total		4,000				

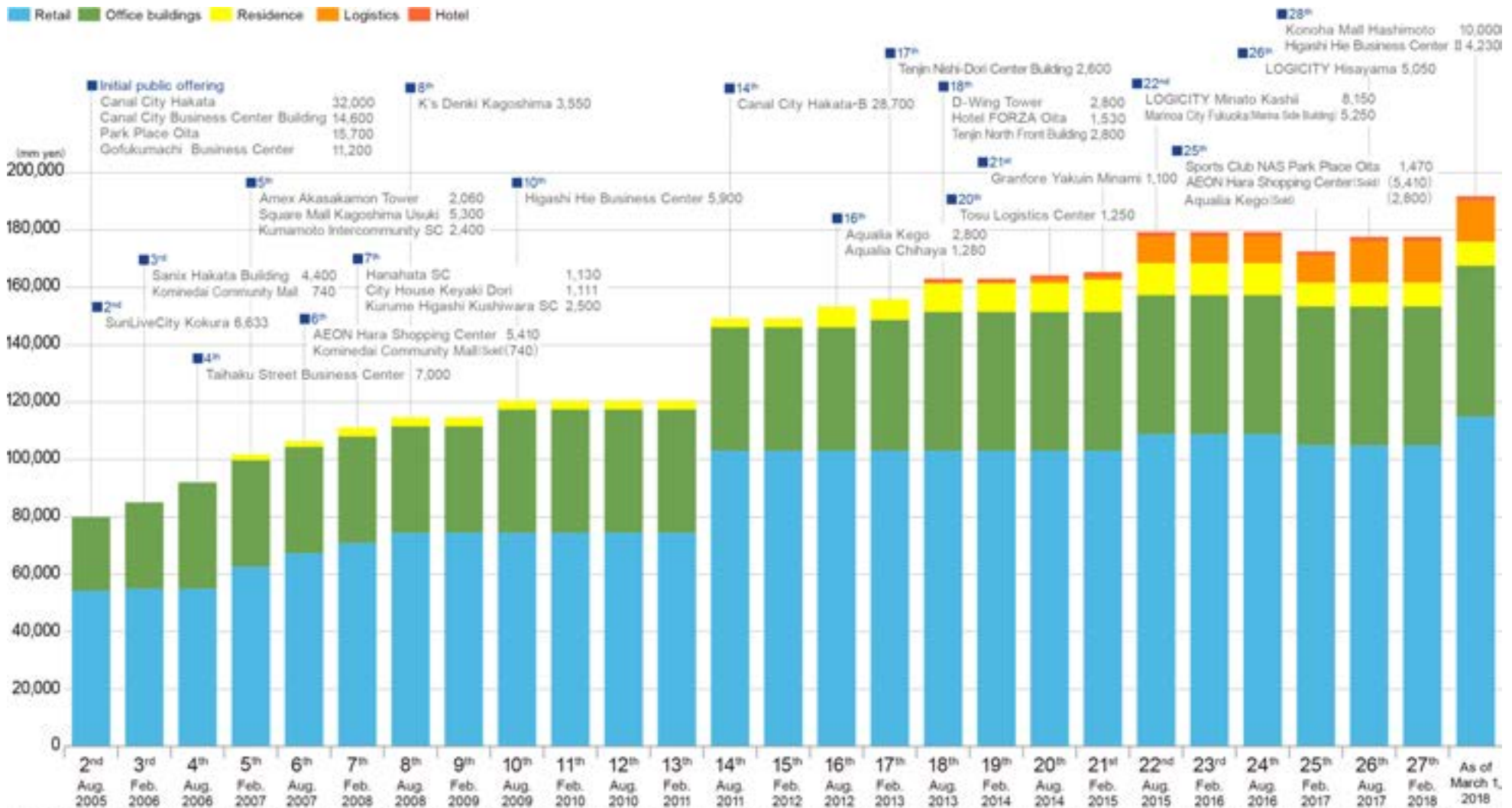
Committed line of credit

Category	Lender	Credit Limit (mm yen)	Period	
			Start	End
Committed line of credit 1	The Bank of Fukuoka, and others (*7)	6,000	Aug.1, 2017	Jul.31, 2018
Committed line of credit 2	The Nishi-Nippon City Bank, and others (*8)	7,000	Mar.1, 2018	Feb.28, 2020
Total		13,000		

* For floating-rate debts, the interest rates applicable as of February 28, 2018 are indicated. * All debts have been borrowed with no collateral and no guarantee, to be repaid in lump-sum upon maturity.
 (*1) FRC has concluded a swap agreement to practically fix interest rate on debt. The indicated interest rate reflects the effect of the swap agreement. (*2) The lenders are Mizuho Bank · The Norinchukin Bank · The Bank of Saga (*3) The lenders are Mizuho Bank · The Norinchukin Bank · The Hiroshima Bank · The Kitakyushu Bank · The Iyo Bank · The Higo Bank (*4) The lenders are Development Bank of Japan · The Oita Bank · The Kagoshima Bank · The Kitakyushu Bank · The Eighteenth Bank · The Shinwa Bank · The Hiroshima Bank (*5) The lenders are The Bank of Fukuoka · The Nishi-Nippon City Bank · The Oita Bank · The Kitakyushu Bank · The Miyazaki Bank · The Shinwa Bank · The Iyo Bank · The Eighteenth Bank (*6) The lenders are The Nishi-Nippon City Bank · The Bank of Fukuoka · The Oita Bank · The Kitakyushu Bank · The Eighteenth Bank · The Shinwa Bank · The Hiroshima Bank (*7) The lenders are The Bank of Fukuoka · Resona Bank (*8) The lenders are The Nishi-Nippon City Bank · Resona Bank · The Oita Bank · The Bank of Nagasaki · The Bank of Saga

Historical trends of asset's size by investment type

Asset site is 192,284 million yen after acquiring Konoha Mall Hashimoto and Higashi Hie Business Center II

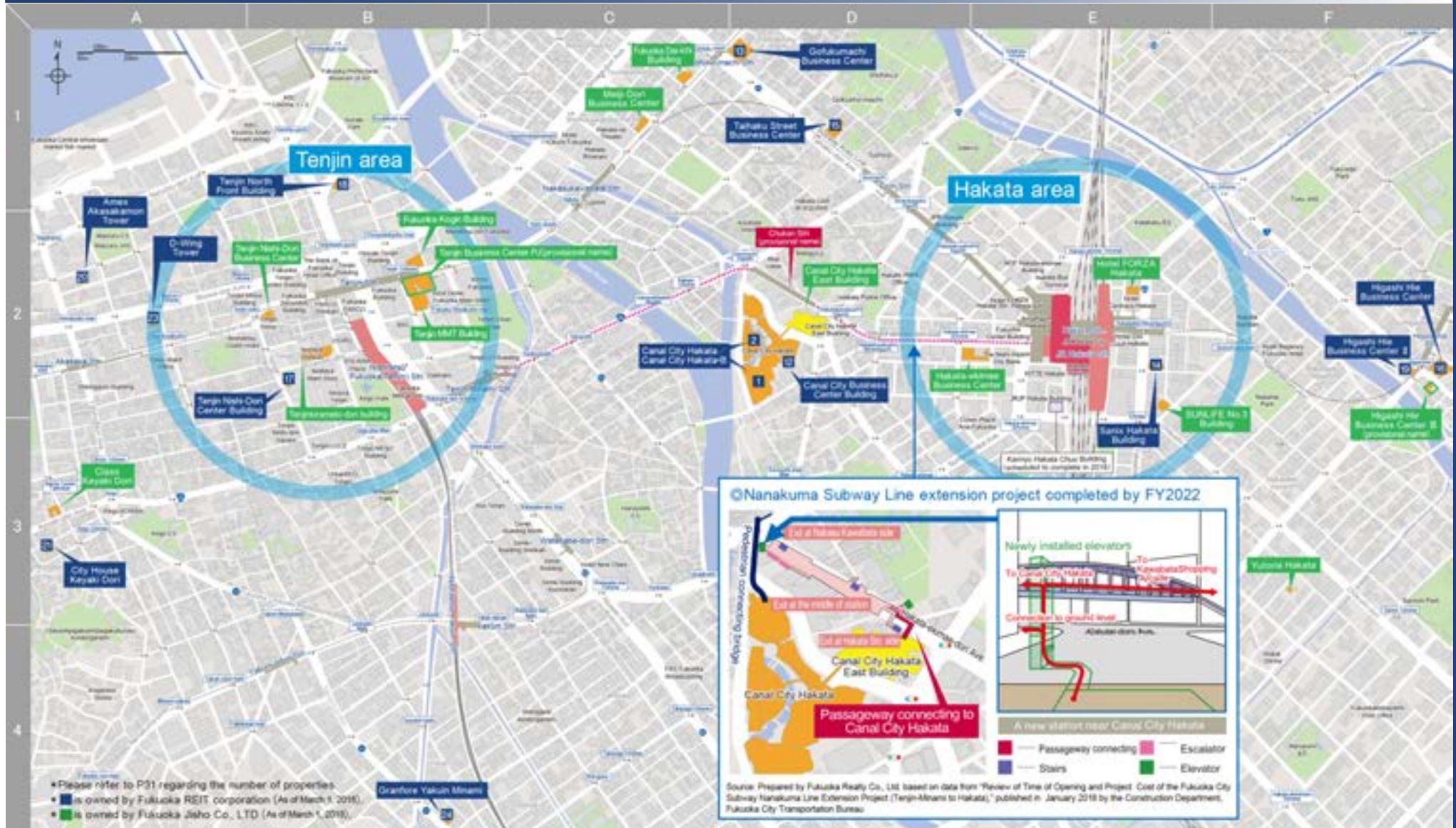


*As the senior equity interest in an anonymous partnership managed by COH Bridge Y.K. was redeemed in the 14th FP, it is excluded from total acquired assets from the 14th FP onward. Since interest in the anonymous partnership managed by Limited Liability Company FRCT is scheduled to be redeemed on June 1, 2017, it is excluded from acquired assets hereafter.

Asset's growth

The condition of Fukuoka City Center

Nanakuma Subway Line extension project completed by FY2022



The condition of suburb area in Fukuoka

Compact city of Fukuoka, well-organized transport infrastructure



Current situation of Fukuoka City



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	177,283 mm yen (as of February 28, 2018)
■ Total debt	68,900 mm yen (as of February 28, 2018)
■ Credit ratings	S&P A- (Positive) R&I A+ (Stable) JCR AA- (Stable)
■ LTV (interest-bearing debt / total assets)	38.9% (as of February 28, 2018)

Dividend information

■ The 27th fiscal period end	February 28, 2018 (semi-annual periods ending every February and August)
■ Dividend (actual)	3,512 yen per unit
■ Days in fiscal period	181
■ Dividend yield	4.1% [(Dividend / days in fiscal period × 365) / Unit price] (as of February 28, 2018)

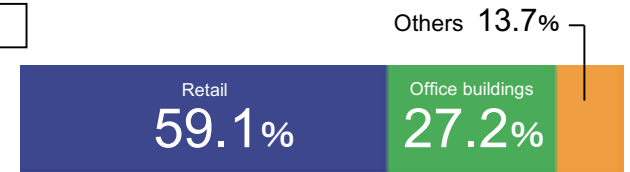
Investment unit price

■ Unit price	173,100 yen (as of February 28, 2018)
■ Total number of investment units outstanding	747,000 units (as of February 28, 2018)
■ Market capitalization	129,305 mm yen (unit price × outstanding units) (as of February 28, 2018)
■ Net assets value per unit	125,524 yen (as of February 28, 2018)
■ Market net assets value per unit	159,716 yen (as of February 28, 2018)

Market net assets value per unit = [(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 assets at the end of period)] / (Total number of investment units outstanding)

Portfolio summary (*1)

Investment type (based on acquisition price)



Investment area (based on acquisition price)



■ Total leasable floor space	548,564.93m ²
■ Occupancy rate at the end of period	99.6%

(*1) Figures are based on properties owned as of February 28, 2018.

A real estate investment trust specializing in regional properties

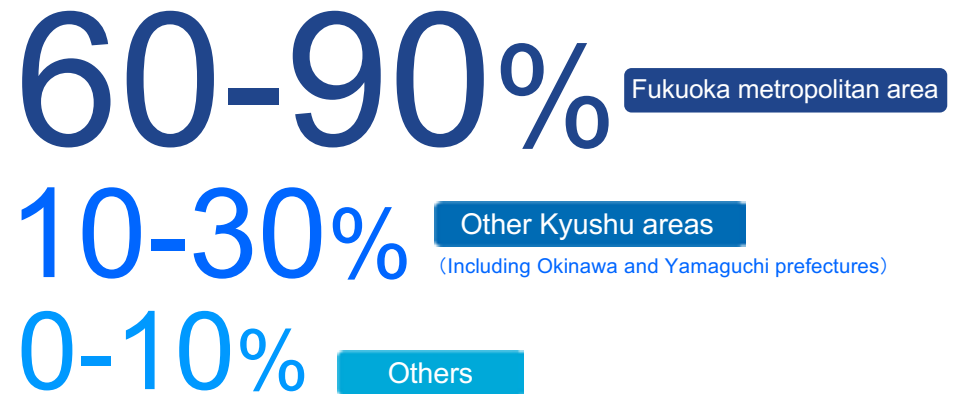
■ Sponsors



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

■ Investment policy

◎ Investment area

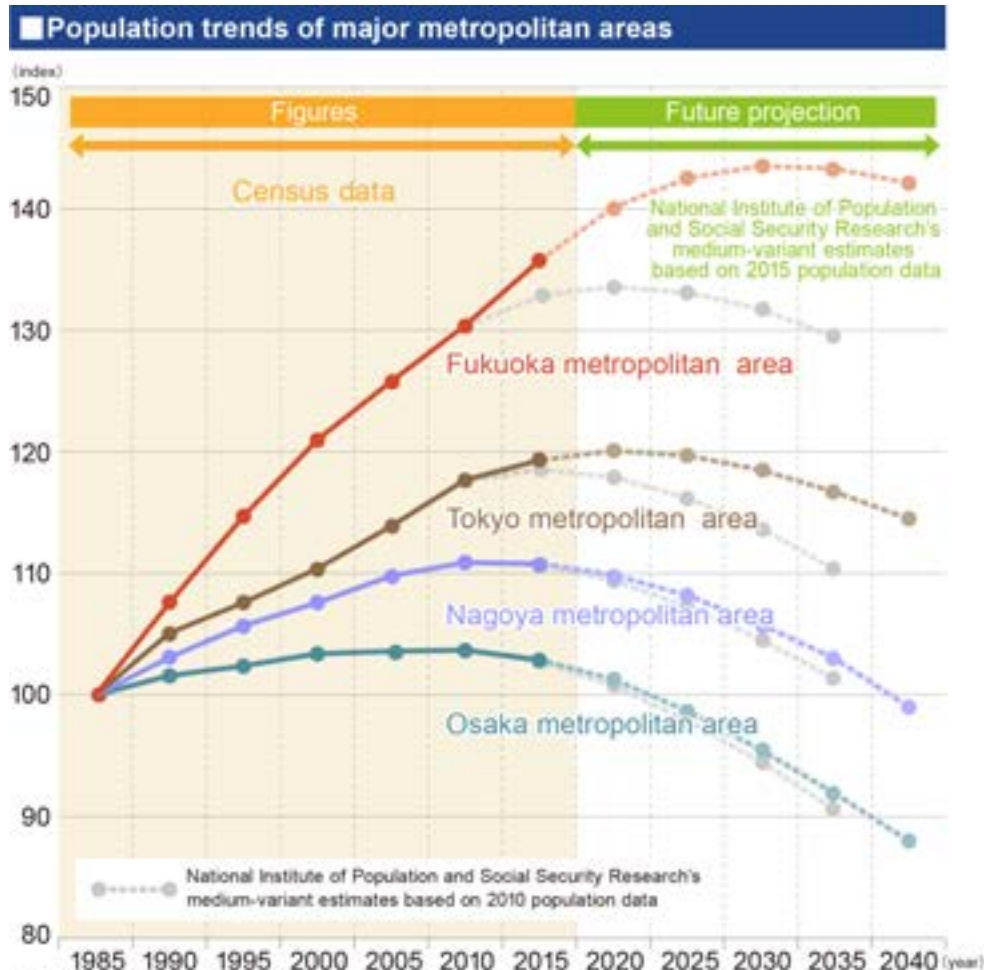


◎ Investment type

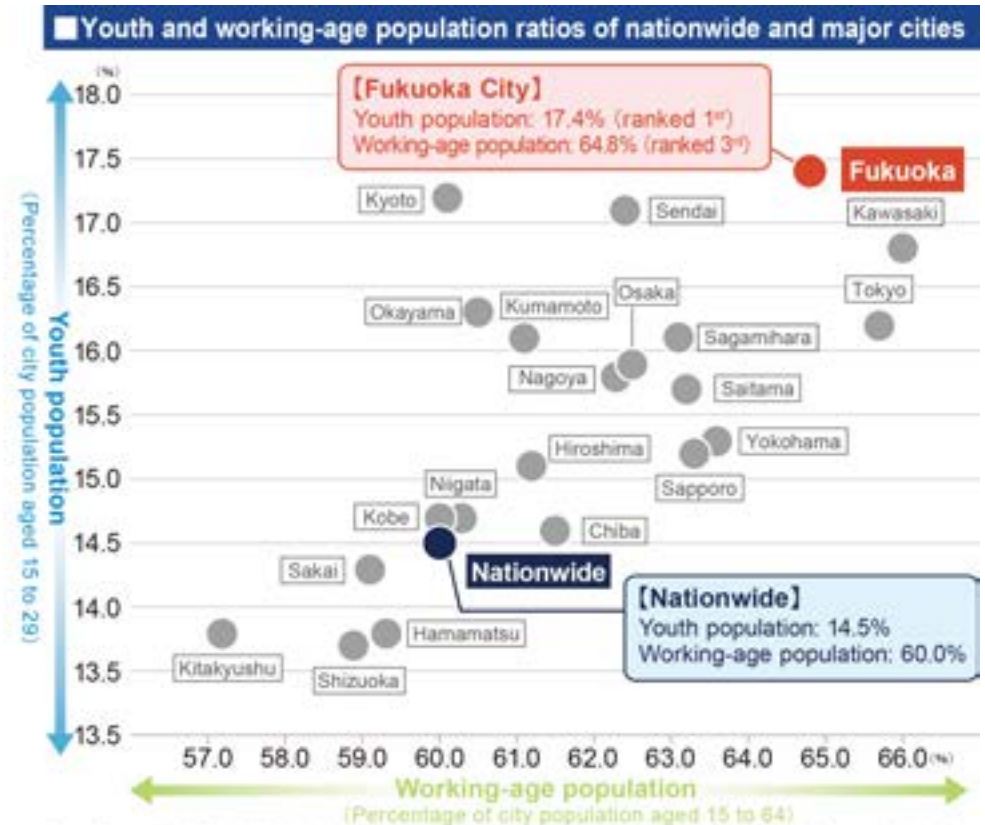


Population movement of Fukuoka metropolitan area

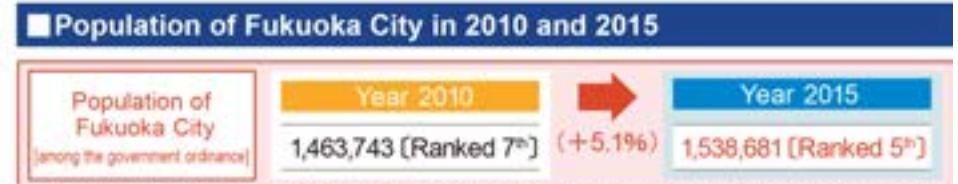
The population of Fukuoka metropolitan area continues to increase



* The graph was plotted taking the 1985 population of each urban area as 100.
 * "Fukuoka metropolitan area" refers to Fukuoka City, Chikushi City, Kasuga City, Ono City, Munakata City, Dazaifu City, Koga City, Fukuoka City, Itoshima City, Nakagawa Town, Umi Town, Sasaguri Town, Shimo Town, Sun Town, Shingū Town, Hayama Town, and Kasuga Town.
 * "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 Realty based on data from "Changes in Fukuoka City as Seen in Data," 2015 and 2010 Population Census of Japan, Preliminary Counts of the Population and Households, Ministry of Internal Affairs and Communications, and "Population Projections by Municipality, Japan," National Institute of Population and Social Security Research.



Source: Prepared by Fukuoka Realty based on Ministry of Internal Affairs and Communications "2015 Population Census of Japan"



Source: Prepared by Fukuoka Realty based on data from "2010 Population Census of Japan" (Statistics Bureau, Ministry of Internal Affairs and Communications) and "2015 Population Census of Japan, Preliminary Counts of the Population and Households" (Statistics Bureau, Ministry of Internal Affairs and Communications)

Portfolio table

(As of February 28, 2018)

	Real estate property name	Age (*1)	Acquisition Price (mm yen) (*2)	Investment ratio	Acquisition timing	Source (*3)	Total leasable floor space (㎡)	Occupancy rate	Tenants (*4)	Primary tenants
Retail	Canal City Hakata	21yr 10m	32,000	18.0%	Nov. 9, 2004	Sponsor	46,602.94	99.1%	49	Washington Hotel and United Cinema
	Canal City Hakata・B	21yr 10m	28,700	16.1%	Mar. 2, 2011	Outside party	68,820.27	99.4%	47	Grand Hyatt Fukuoka and OPA
	Park Place Oita	15yr 11m	17,760	10.0%	Nov. 9, 2004	Sponsor	113,837.70	99.7%	104	AEON and K's Denki
	SunLive City Kokura	12yr 11m	6,633	3.7%	Jul. 1, 2005	Outside party	61,450.22	100.0%	1	SunLive
	Square Mall Kagoshima Usuki	11yr 5m	5,300	3.0%	Sep. 28, 2006	Sponsor	14,602.88	100.0%	12	Sports Depo / Golf5 and Edion
	Kumamoto Intercommunity SC	11yr 3m	2,400	1.3%	Nov. 30, 2006	Sponsor	6,968.66	100.0%	2	Sports Depo / Golf5 and Starbucks Coffee
	Hanahata SC	10yr 7m	1,130	0.6%	Sep. 3, 2007	Sponsor	2,801.15	100.0%	2	BON REPAS and Matsumoto Kiyoshi
	Kurume Higashi Kushiwara SC	10yr 2m	2,500	1.4%	Feb. 1, 2008	Sponsor	6,467.80	100.0%	1	Sports Depo / Golf5
	K's Denki Kagoshima	10yr 3m	3,550	2.0%	Mar. 27, 2008	Outside party	7,296.17	100.0%	1	K's Denki
	Marinoa City Fukuoka (Marina Side Building)	17yr 4m	5,250	2.9%	May 1, 2015	Sponsor	33,069.82	100.0%	1	Fukuoka Jisho Co.,Ltd
Total or the weighted average of retail	—	105,223	59.1%	—	—	361,917.61	99.7%	220	—	
Office buildings	Canal City Business Center Building	21yr 10m	14,600	8.2%	Nov. 9, 2004	Sponsor	23,031.09	98.0%	59	TOTO and Bell System24
	Gofukumachi Business Center	14yr 4m	11,200	6.3%	Nov. 9, 2004	Sponsor	19,905.34	100.0%	35	SMBC CONSUMER FINANCE and Sumitomo Mitsui Banking Corporation
	Sanix Hakata Building	16yr 11m	4,400	2.5%	Sep. 30, 2005	Outside party	6,293.75	100.0%	16	SANIX and The Nishi-Nippon City Bank
	Taihaku Street Business Center	15yr 11m	7,000	3.9%	Mar. 16, 2006	Sponsor	14,677.27	99.2%	69	NTT COMWARE and Tokyo Marine Nichido Jimu Outsourcing
	Higashi Hie Business Center	9yr 0m	5,900	3.3%	Mar. 13, 2009	Outside party + Sponsor	13,614.59	100.0%	25	Fujitsu and Forest Holdings
	Tenjin Nishi-Dori Center Building	21yr 5m	2,600	1.5%	Feb. 1, 2013	Outside party	3,339.32	100.0%	1	The Nishi-Nippon City Bank
	Tenjin North Front Building	8yr 1m	2,800	1.6%	Mar. 28, 2013	Outside party	5,252.41	100.0%	11	Rakuten Card and Prudential
	Total or the weighted average of office buildings	—	48,500	27.2%	—	—	86,113.77	99.3%	216	—
Others	Amex Akasakamon Tower (Residence)	12yr 7m	2,060	1.2%	Sep. 1, 2006	Outside party	4,821.25	96.7%	66	—
	City House Keyaki Dori (Residence)	10yr 3m	1,111	0.6%	Dec. 20, 2007	Outside party	2,710.86	100.0%	42	—
	Aqualia Chihaya (Residence)	10yr 2m	1,280	0.7%	Mar. 1, 2012	Outside party	5,619.69	92.9%	97	—
	D-Wing Tower (Residence)	12yr 0m	2,800	1.6%	Mar. 1, 2013	Outside party	7,187.59	97.6%	134	—
	Granfore Yakuin Minami (Residence)	10yr 2m	1,100	0.6%	Nov. 4, 2014	Outside party	2,496.06	100.0%	99	—
	Hotel FORZA Oita (Hotel)	9yr 6m	1,530	0.9%	Mar. 1, 2013	Sponsor	5,785.44	100.0%	1	FJ Hotels
	Tosu Logistics Center (Logistics)	9yr 9m	1,250	0.7%	Mar. 28, 2014	Outside party	4,173.29	100.0%	1	non-disclosure
	LOGICITY Minato Kashii (Logistics)	3yr10m	8,150	4.6%	Mar. 27, 2015	Outside party	43,233.72	100.0%	2	Fukuoka Logistic System and KYUSHU F-LINE CORPORATION
	LOGICITY Hisayama (Logistics)	3yr 1m	5,050	2.8%	Jun. 1, 2017	Outside party	24,505.65	100.0%	1	KASEI inc. Co., Ltd
	Total or the weighted average of others	—	24,331	13.7%	—	—	100,533.55	99.3%	443	—
Total or the weighted average of all properties	16yr 4m	178,054	100.0%	—	—	548,564.93	99.6%	879	—	

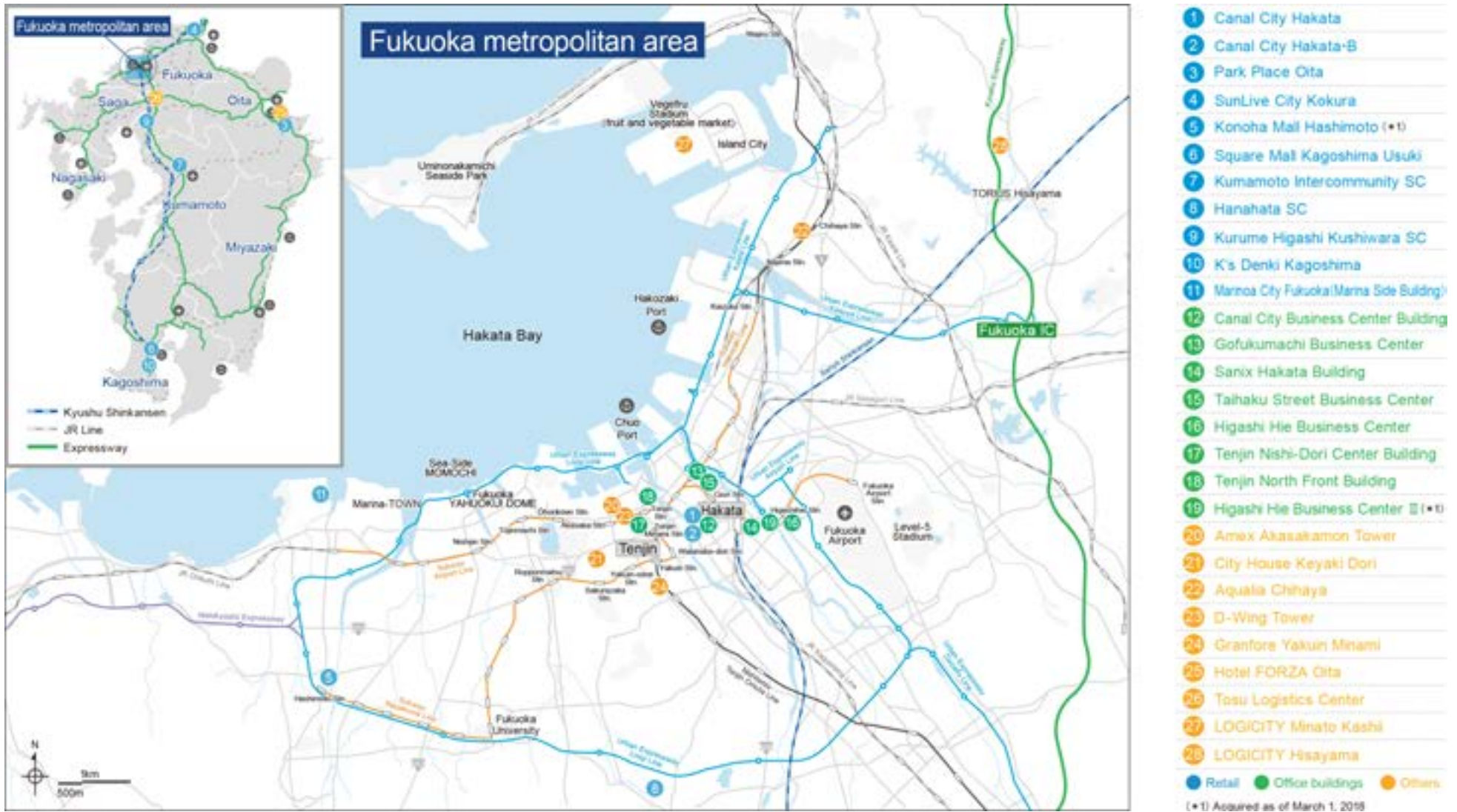
(*1) "Age" as of the end of the fiscal period.

(*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



Portfolio : Active retail

Active retail

① Canal City Hakata

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



Active retail

② Canal City Hakata・B



Active retail

③ Park Place Oita

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



Portfolio : Active retail

Active retail

④ SunLive City Kokura

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



Active retail

⑤ Konoha Mall Hashimoto^(*)

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



(*) Acquired as of March 1, 2018

Portfolio : Passive retail

Passive retail

⑥ Square Mall Kagoshima Usuki

■ Address: 2-chome, Usuki, Kagoshima City



Passive retail

⑦ Kumamoto Intercommunity SC

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



Passive retail

⑪ Marinao City Fukuoka (Marina Side Building)

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



Investment type ratio(Retail)



* Note: Since the above investment ratios are current as of February 28, 2018, they do not include Korcha Mall Hashimoto, acquired on March 1, 2018.

Portfolio : Office buildings

Office buildings

⑫ Canal City Business Center Building

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



Office buildings

⑬ Gofukumachi Business Center

■ Address: Kamigofukumachi, Hakata Ward, Fukuoka City



Office buildings

⑭ Sanix Hakata Building

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



Office buildings

⑮ Taihaku Street Business Center

■ Address: Gokushomachi, Hakata Ward, Fukuoka City



Office buildings

⑯ Higashi Hie Business Center

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



Office buildings

⑰ Tenjin Nishi-Dori Center Building

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



Office buildings

⑱ Tenjin North Front Building

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



Office buildings

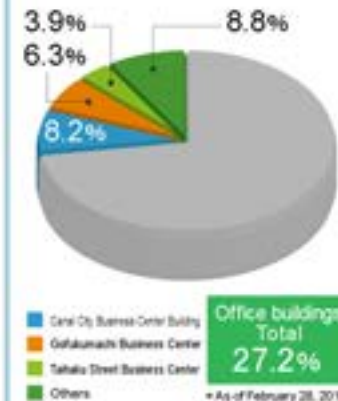
⑲ Higashi Hie Business Center II^(*)

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



(*) Acquired as of March 1, 2018

Investment type ratio (Office buildings)



* Note: Since the above investment ratios are current as of February 28, 2018, they do not include Higashi Hie Business Center 2, acquired on March 1, 2018.

Portfolio : Others

Others (Residence)

⑳ Amex Akasakamon Tower

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



Others (Residence)

㉑ City House Keyaki Dori

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



Others (Residence)

㉒ Aqualia Chihaya

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



Others (Residence)

㉓ D-Wing Tower

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



Others (Residence)

㉔ Granfore Yakuin Minami

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



Others (Hotel)

㉕ Hotel FORZA Oita

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



Others (Logistics)

㉖ Tosu Logistics Center

■ Address : Himekata-machi, Tosu City



Others (Logistics)

㉗ LOGICITY Minato Kashii

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



Others (Logistics)

㉘ LOGICITY Hisayama

■ Address : Hisayama-cho, Kasuya-gun, Fukuoka Prefecture



Top tenants by leased floor space

	Lessee	Tenant	Share of total leased space (*1)	Lease Term			Remaining lease term (years) (*2)
				28 th ~ Aug. 31, 2018	29 th ~ Feb. 28, 2019	30 th ~ Aug. 31, 2019	
1	SunLive Co., Ltd.	SunLive	11.3%	● SunLive City Kokura			7
2	AEON Kyushu Co., Ltd.	AEON	10.7%	● Park Place Oita			4
3	FJ Hotels Co., Ltd	Grand Hyatt Fukuoka	8.1%	● Canal City Hakata - B			6
		Hotel FORZA Oita		● Hotel FORZA Oita			10
4	Fukuoka Jisho Co., Ltd.	—	6.4% (*3)	● Marina City Fukuoka (Marina Side Building)			17
5	Canal City OPA Co., Ltd.	OPA	4.7%	● Canal City Hakata			1
				● Canal City Hakata - B			1
6	KASEI inc Co., Ltd.	—	4.5%	● LOGICITY Hisayama			6
7	Fukuoka Logistic System Corporation	—	4.2%	● LOGICITY Minato Kashii			6
8	KYUSHU F-LINE CORPORATION	—	3.7%	● LOGICITY Minato Kashii			non-disclosure (*4)
9	Alpen Co., Ltd.	Sports Depo, Golf 5	3.3%	● Square Mall Kagoshima Usuki			8
				● Kumamoto Intercommunity SC			8
				● Kurume Higashi Kushiwara SC			9
10	K's Holdings Corporation	K's Denki	2.5%	● Park Place Oita			4

(*1) Share of total leased space is calculated using the formula "Leased floor area by tenant / Total leased floor space," as of February 28, 2018 with residential space excluded from leased floor space by tenant. (*2) Remaining lease periods shown are the remaining periods of lease contract as of February 28, 2018 with periods shorter than one year rounded down to the nearest whole year. (*3) The 6.4% includes a 0.3% office portion. [Five ordinary leases (with automatic renewal provisions for periods of one or two years) have been concluded for Canal City Business Center Building.] (*4) Information is not disclosed because the permission of tenants has not been obtained.

Income and expenditure by properties (Active retail)

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

Category	Canal City Hakata	Canal City Hakata・B	Park Place Oita	SunLive City Kokura	27 th Total A	26 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	27 th FP (Sep 1, 2017 ~ Feb. 28, 2018)					184 days	(3) days		
(Length)	181 days								
① Total leasing business revenues	1,275	1,638	1,191	292	4,398	4,369	28	4,352	45
Leasing revenue-real estate	1,245	1,592	1,009	292	4,141	4,078	62		
Other leasing revenue-real estate	29	45	181	-	256	290	(33)		
② Total leasing business expenses	481	792	666	47	1,988	2,020	(31)	1,981	6
Outsourcing fees	317	532	299	8	1,158	1,175	(16)		
Repair and maintenance expenses	20	28	61	2	113	103	10		
Expenses for restoration to former state	-	-	-	-	-	-	-		
Tax and other public charges	74	156	93	33	358	358	0		
Insurance premiums and trust compensation	8	18	7	1	36	37	(0)		
Utilities expenses	25	49	166	-	241	256	(15)		
Other expenses	34	6	38	0	80	89	(9)		
③ NOI (=①-②)	794	845	524	244	2,409	2,349	59	2,370	38
④ Depreciation and amortization expenses	241	258	225	47	773	765	8		
⑤ Leasing business profit (=③-④)	552	586	298	196	1,635	1,583	51		
⑥ NOI yield (acquisition price)	5.0%	5.9%	5.9%	7.4%	5.7%	5.5%	0.1%		
⑦ Capital expenditures	51	147	219	-	418	449	(31)		

(*1) Forecast at the financial results of 26th fiscal period

Income and expenditure by properties (Passive retail)

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

Category	Square Mall Kagoshima Usuki	Kumamoto Inter-Community SC	Hanahata SC	Kurume Higashi Kushiwara SC	K's Denki Kagoshima	Marinoa City Fukuoka (Marina Side Building)	27 th Total A	26 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	27 th FP (Sep 1, 2017 ~ Feb. 28, 2018)							184 days	(3) days		
(Length)	181 days										
① Total leasing business revenues	254	90	40	88	111	177	762	764	(2)	760	2
Leasing revenue-real estate	222	89	40	88	111	177	729	728	0		
Other leasing revenue-real estate	32	0	0	-	0	-	33	35	(2)		
② Total leasing business expenses	91	10	6	16	11	24	161	175	(13)	158	3
Outsourcing fees	38	2	1	2	1	1	48	48	(0)		
Repair and maintenance expenses	2	1	1	7	0	3	17	29	(12)		
Expenses for restoration to former state	-	-	-	-	-	-	-	-	-		
Tax and other public charges	17	5	3	5	7	18	57	57	(0)		
Insurance premiums and trust compensation	1	0	0	0	0	0	3	3	(0)		
Utilities expenses	30	-	-	-	-	-	30	32	(1)		
Other expenses	1	0	0	0	0	0	4	3	0		
③ NOI (=①-②)	163	79	34	71	100	152	600	589	11	601	(0)
④ Depreciation and amortization expenses	38	12	6	18	24	21	122	123	(0)		
⑤ Leasing business profit (=③-④)	124	66	27	53	75	130	478	465	12		
⑥ NOI yield (acquisition price)	6.2%	6.6%	6.0%	5.7%	5.6%	5.8%	6.0%	5.9%	0.1%		
⑦ Capital expenditures	7	-	-	-	-	4	12	206	(193)		

(*1) Forecast at the financial results of 26th fiscal period

Income and expenditure by properties (Office buildings)

- unit : mm yen (Figures rounded down to the 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	27 th Total A	26 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	27 th FP (Sep 1, 2017 ~ Feb. 28, 2018)											
(Length)	181 days								184 days	(3) days		
① Total leasing business revenues	624	537	198	300	333	86	140	2,221	2,239	(18)	2,212	8
Leasing revenue-real estate	623	474	183	299	308	86	114	2,090	2,101	(10)		
Other leasing revenue-real estate	0	63	14	0	25	-	26	131	138	(7)		
② Total leasing business expenses	199	185	57	99	153	16	51	764	749	14	734	29
Outsourcing fees	135	72	19	54	41	1	10	336	337	(1)		
Repair and maintenance expenses	5	18	1	16	23	1	6	73	58	15		
Expenses for restoration to former state	-	-	-	-	-	-	-	-	-	-		
Tax and other public charges	44	34	18	25	16	12	8	161	161	(0)		
Insurance premiums and trust compensation	2	3	0	1	2	0	0	11	11	(0)		
Utilities expenses	6	54	15	-	27	-	23	127	132	(4)		
Other expenses	4	2	1	1	42	0	0	53	47	5		
③ NOI (=①-②)	424	352	140	200	179	69	89	1,457	1,490	(32)	1,478	(20)
④ Depreciation and amortization expenses	101	100	38	77	71	8	32	431	436	(5)		
⑤ Leasing business profit (=③-④)	323	251	102	123	108	61	56	1,026	1,053	(27)		
⑥ NOI yield (acquisition price)	5.8%	6.3%	6.4%	5.7%	6.1%	5.4%	6.4%	6.0%	6.1%	(0.1)%		
⑦ Capital expenditures	49	21	27	5	4	-	21	130	53	77		

(*1) Forecast at the financial results of 26th fiscal period

Income and expenditure by properties (Others)

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

Category	Amex Akasakamon Tower	City House Keyaki Dori	Aqualia Chihaya	D-Wing Tower	Granfore Yakuin Minami	Hotel FORZA Oita	Tosu Logistics Center	LOGICITY Minato Kashii	LOGICITY Hisayama	27 th Total A	26 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	27 th FP (Sep 1, 2017 ~ Feb. 28, 2018)													
(Length)	181 days										184 days	(3) days		
① Total leasing business revenues	69	38	58	116	38	63				812	743	68	809	2
Leasing revenue-real estate	65	38	56	109	36	63				764	697	67		
Other leasing revenue-real estate	3	-	2	6	2	-				47	46	0		
② Total leasing business expenses	16	14	29	31	15	10				199	173	26	185	14
Outsourcing fees	5	2	3	7	2	0				33	31	1		
Repair and maintenance expenses	1	7	16	9	6	0	Non-disclosure (*2)	Non-disclosure (*2)	Non-disclosure (*2)	45	17	28		
Expenses for restoration to former state	0	-	2	2	1	-				5	8	(2)		
Tax and other public charges	5	3	4	7	2	7				66	66	(0)		
Insurance premiums and trust compensation	0	0	0	0	0	0				5	5	0		
Utilities expenses	1	0	0	2	0	-				31	33	(1)		
Other expenses	2	1	1	1	2	0				10	10	0		
③ NOI (=①-②)	52	23	29	84	22	52	36	180	129	612	569	42	623	(11)
④ Depreciation and amortization expenses	18	10	12	17	9	20	9	36	37	172	148	23		
⑤ Leasing business profit (=③-④)	34	13	17	67	12	32	27	143	92	440	421	18		
⑥ NOI yield (acquisition price)	5.1%	4.3%	4.6%	6.0%	4.1%	6.9%	5.8%	4.4%	5.1%	5.0%	5.3%	(0.2)%		
⑦ Capital expenditures	3	5	3	0	6	20	-	-	-	38	31	7		

(*1) Forecast at the financial results of 26th fiscal period (*2) Information is not disclosed because the permission of tenants has not been obtained.

Income and expenditure by properties (Total)

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

Category	27 th Total A	26 th Total B	Difference A-B	Forecast C (* 1)	Difference A-C
	(Length) 181 days	184 days	(3) days		
① Total leasing business revenues	8,194	8,117	76	8,134	59
Leasing revenue-real estate	7,725	7,605	119		
Other leasing revenue-real estate	468	511	(42)		
② Total leasing business expenses	3,114	3,119	(4)	3,079	35
Outsourcing fees	1,576	1,593	(16)		
Repair and maintenance expenses	251	209	41		
Expenses for restoration to former state	5	8	(2)		
Tax and other public charges	644	644	(0)		
Insurance premiums and trust compensation	56	57	(0)		
Utilities expenses	430	454	(23)		
Other expenses	149	151	(2)		
③ NOI (=①-②)	5,079	4,998	81	5,055	24
④ Depreciation and amortization expenses	1,500	1,474	25		
⑤ Leasing business profit (=③-④)	3,579	3,524	55		
⑥ NOI yield (acquisition price)	5.7%	5.7%	0.0%		
⑦ Capital expenditures	600	741	(140)		

(* 1) Forecast at the financial results of 26th fiscal period

Total

Appendix

Cash flow statements (compared with previous fiscal period)

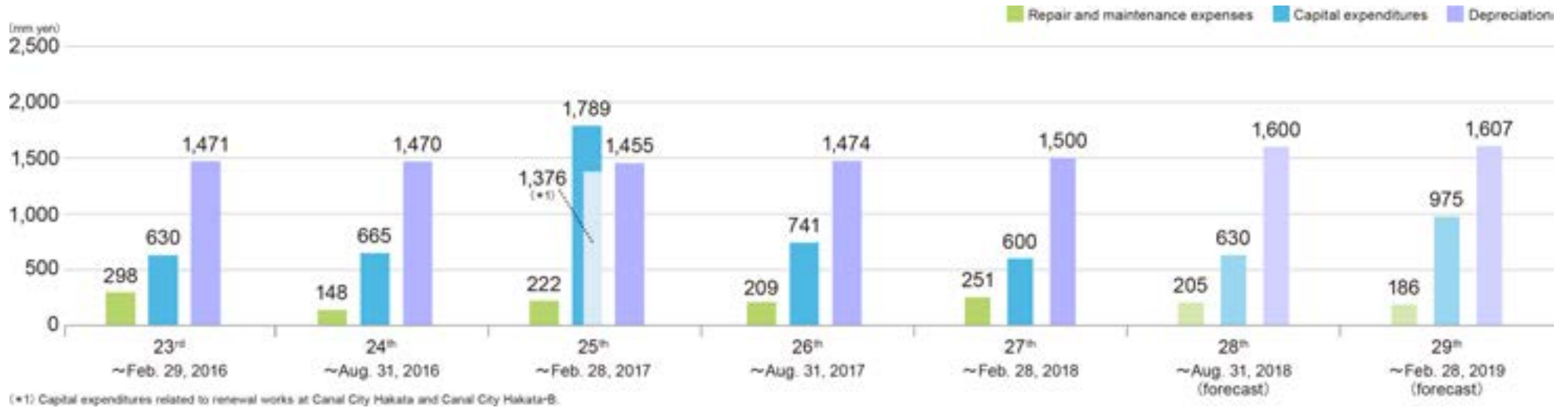
- unit : mm yen (Figures rounded down to the nearest mm yen)

Category	26 th ~Aug. 31, 2017 A	27 th ~Feb. 28, 2018 B	Difference B-A
Net cash provided by (used in) operating activities	3,590	4,292	701
Profit before income taxes	2,562	2,624	62
Depreciation and amortization expenses	1,474	1,500	25
Amortization of investment corporation bond issuance expenses	1	1	0
Amortization of investment unit issuance expenses	5	5	-
Interest received	(0)	(0)	(0)
Interest expenses	268	252	(16)
Decrease (increase) in operating accounts receivables	(54)	(28)	26
Decrease (increase) in consumption taxes refund receivable	(258)	258	516
Increase (decrease) in accrued consumption taxes	(239)	298	538
Increase (decrease) in operating accounts payable	(15)	24	40
Increase (decrease) in accounts payable-other	(3)	(0)	3
Increase (decrease) in accrued expenses	1	2	1
Increase (decrease) in advances received	24	(7)	(31)
Increase (decrease) in deposits expenses	302	(286)	(588)
Decrease (increase) in prepaid expenses	3	(12)	(16)
Decrease (increase) in long-term prepaid expenses	(192)	(65)	126
Others, net	(4)	(20)	(16)
Subtotal	3,874	4,547	673
Interest income received	0	0	0
Interest expenses paid	(277)	(254)	22
Income taxes paid	(6)	(1)	5
Income taxes refund	-	0	0
Net cash provided by (used in) investment activities	(6,029)	(478)	5,551
Purchase of property, plant and equipment in trust	(5,995)	(409)	5,585
Purchase of of intangible assets in trust	(20)	-	20
Proceeds from tenant leasehold and security deposits	-	34	34
Repayments of tenant leasehold and security deposits	(0)	(30)	(29)
Proceeds from tenant leasehold and security deposits in trust	144	42	(102)
Repayments of tenant leasehold and security deposits in trust	(255)	(114)	140
Proceeds from redemption of investment securities	100	-	(100)
Purchase of investment securities	(0)	-	0
Proceeds from restricted trust deposits	3	3	(0)
Payments for restricted trust deposits	(7)	(3)	3
Net cash provided by (used in) financial activities	667	(3,555)	(4,223)
Proceeds from short-term debt	14,500	4,500	(10,000)
Repayments of short-term debt	(13,000)	(6,000)	7,000
Proceeds from long-term debt	15,000	9,100	(5,900)
Repayments of long-term debt	(15,275)	(8,600)	6,675
Proceeds from issuance of investment corporation bonds	2,000	-	(2,000)
Payments of investment corporation bond issuance expenses	(19)	-	19
Dividends paid	(2,537)	(2,555)	(18)
Net increase (decrease) in cash and cash equivalents	(1,771)	258	2,029
Balance of cash and cash equivalents at beginning of period	8,905	7,134	(1,771)
Balance of cash and cash equivalents at end of period	7,134	7,392	258

Repair and maintenance expenses, capital expenditures, and depreciation

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

Repair and maintenance expenses, capital expenditures, and depreciation



Major capital expenditures in the 27th fiscal period

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

Property	Purpose	Construction cost
Canal City Hakata	Central monitoring system replacement, etc.	51
Canal City Hakata · B	Firefighting equipment renewal, etc., Pump upgrades, etc.	147
Park Place Oita	Air-conditioning equipment replacement, etc.	219
Canal City Business Center Building	Tenant space creation, etc.	49
Sanix Hakata Building	Central monitoring system replacement, etc.	27

Major capital expenditures in the 28th fiscal period and the 29th fiscal period

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

Property	Purpose	Planned construction cost		
		Total amount	Construction cost in the 27 th	Paid in total amount
Canal City Hakata	Exterior wall repairs, etc., Emergency telephone replacement, etc.	284	0	0
Canal City Hakata · B	Exterior wall repairs, etc., Emergency telephone replacement, etc.	559	1	1
Park Place Oita	Installation of parking management system, etc.	246	-	-
Konoha Mall Hashimoto	Installation of parking management system, etc.	203	-	-
Canal City Business Center Building	Exterior wall repairs, etc.	64	0	0

IR initiatives

IR activities

Major IR activities

For institutional investors

- Results briefing roadshows in Japan
- One-on-one meetings

For individual investors

- Briefings for individual investors (Tokyo, Fukuoka)
- Participation in J-REIT Fair 2017

For overseas investors

- Participation in global conferences in Japan
- Overseas IR activities
- One-on-one meetings in Japan
- Start of results briefing video distribution
- Start of online registration for IR mail delivery



The 80th FSE fair (Fukuoka)



New Year SMBC Nikko J-REIT Fair (Tokyo)



J-REIT Fair for Individual Investors 2017 (Tokyo), held jointly by ARES and TSE

Complete renewal of the Fukuoka Realty website

Renewal of the website of asset management company Fukuoka Realty (<https://fukuoka-realty.jp/english/>)

1 New design

The new main image on the website conveys "Fukuoka and Kyushu today"

2 Responsiveness

The new design allows easier access and viewing by smartphones and tablets

3 Fuller information

The site includes pages on "recruiting", "compliance", "sustainability and local community initiatives to provide detailed information on the activities of asset management company Fukuoka Realty



IR Kyushu Workshop

The IR workshop series, which was started in 2011, Fukuoka REIT, together with listed companies having their head offices in Fukuoka or Kyushu, holds three workshops each year for the purpose of engaging in research in the latest IR theories and techniques with IR representatives.

Schedule	Theme
Part 1 July 2017	"The Latest Trends in IR and Corporate IR Activities" Ms. Yoshiko Sato, Executive Managing Director, Japan Investor Relations Association
Part 2 December 2017	"A Scenario for Corporate Value Enhancement Utilizing Non-financial Information" Ms. Asumi Kantake, Section Manager, Corporate Planning Department, Manai Group Co., Ltd.
Part 3 March 2018	"Fair Disclosure Rules and IR" Ms. Yoshiko Sato, Executive Managing Director, Japan Investor Relations Association



1st IR Kyushu Workshop



2nd IR Kyushu Workshop



3rd IR Kyushu Workshop

Publicity activities

Coverage in Newspaper and Local economic journal



Fukuoka Keizai November issue "Fukuoka Companies in the Spotlight"

Zaikei Kyushu January, 2018 issue "Top Group Leading Kyushu and Okinawa-People and Companies"



Advertisement in the March 15, 2018 morning edition of The Nikkei

Other Coverages

- December 8, 2017 morning edition of The Nikkei "Interview with President Etsuo Matsuyuki of Fukuoka Realty"
- Fukuoka Keizai December issue "10th Real estate, economics and finance gathering"
- January 1, 2018 Nikkin Investment Trust News "New Year Investment Company Top Management Questionnaire"

Sustainability (Environment initiatives)

■ Introducing a Sustainability Policy

Fukuoka Realty Co., Ltd. introduced a Sustainability Policy on January 29, 2018 in recognition of the importance of incorporating environment, society, and governance (ESG) into the real estate investment management process.

Sustainability Policy

- ① Promoting energy conservation of portfolio properties
- ② Responding to climate change risks
- ③ Contributing to creation of a recycling society
- ④ Pursuing well-being and safety
- ⑤ Utilizing green building certifications
- ⑥ Enlightening employees
- ⑦ Collaboration with tenants and suppliers
- ⑧ Establishing internal organizations
- ⑨ Monitoring and disclosing environmental and social performances

Disclosed on Fukuoka Realty Co., Ltd. website



■ ESG Dialogue Platform



The Ministry of the Environment provides the ESG Dialogue Platform as an Environmental Reporting Platform Development Pilot Project for the purpose of supporting effective disclosure of environmental information and substantive dialogue between parties including companies and investors. In fiscal 2017, Fukuoka Realty Co., Ltd. participated in a Step-Up Program under the ESG Dialogue Platform project. We commenced initiatives about disclosure of ESG information concerning Fukuoka REIT Corporation's asset management and dialogue with investors and was recognized for completing the program.

■ Environmentally conscious facility operation and external evaluation

Fukuoka REIT Corporation engages in a wide range of initiatives to contribute to the establishment of a sustainable society. These initiatives are evaluated by independent third-party organizations. We will continue striving to fulfill our corporate social responsibilities.

◎ Environmental Initiatives in Facility Operation



● Canal City Hakata
Constructing environmentally friendly facilities designed for energy- and resource-efficiency



● Canal City Hakata
A mist generating system is used to cool the air with a watering effect in summer, when solar radiation is strong



● Park Place Oita
Park Place Oita aims for harmonization with nature by planting trees and installing various planters within the facility.

◎ DBJ Green Building Certification

Six properties had obtained certification as of the end of 2017.



● LOGICITY Hisayama



● Canal City Hakata
● Park Place Oita
● Canal City Business Center Building



● Gofukumachi Business Center
● Higashi-Hie Business Center

◎ Contribution to local communities



● Clean-up days
Employees actively participate in community clean-up activities.

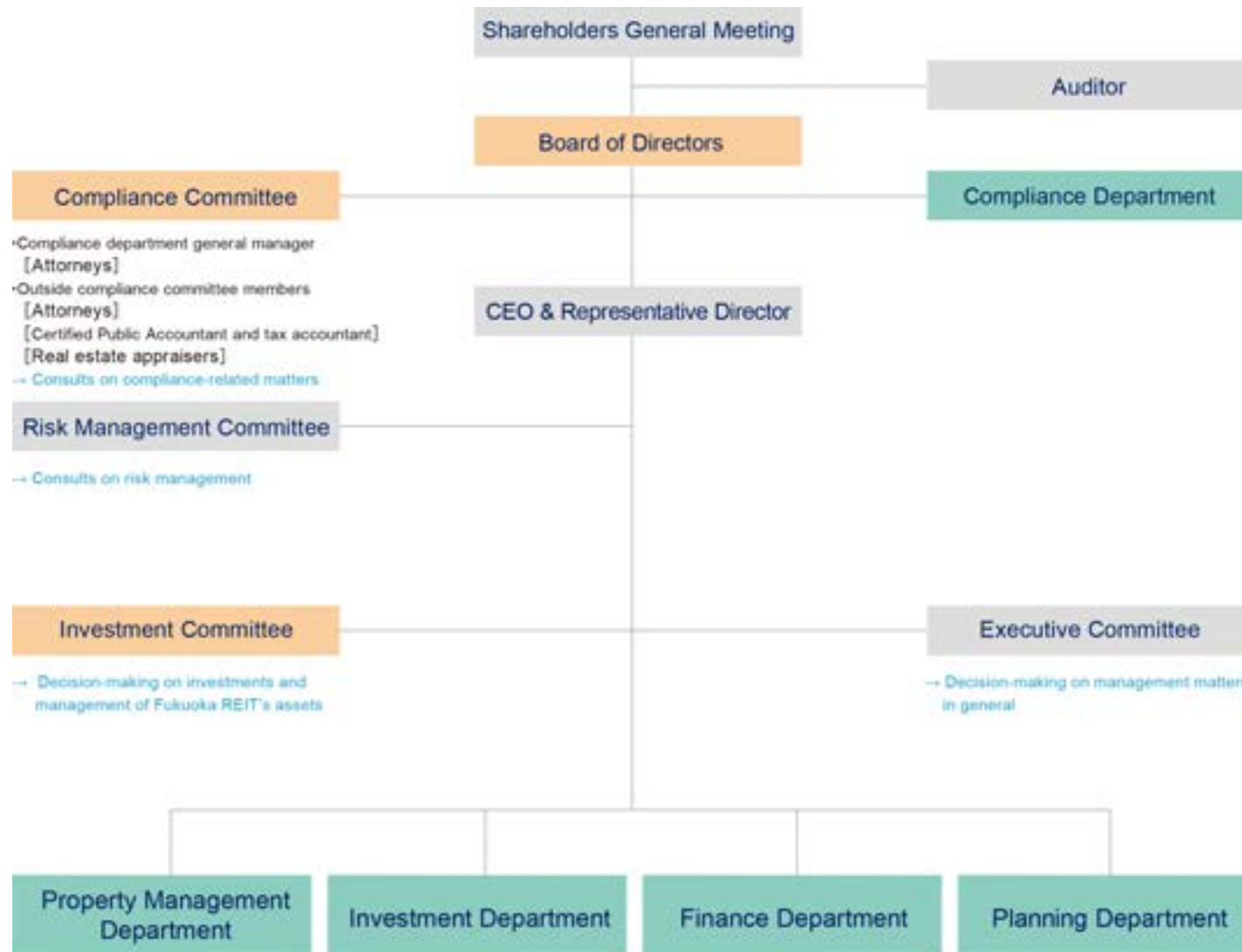


● Flower plants
Fukuoka Realty Co., Ltd. supports a flowers planting program on streets from Hakata to Tenjin area, in cooperation with local residents and companies.



● Activities for well-being
Employees participate in sprinkling water events to cool down sidewalks and streets to promote well-being.

Asset management company's organization



Fukuoka Realty

Full-time personnel:38
[Male:21 Female:17]
(February 28, 2018)

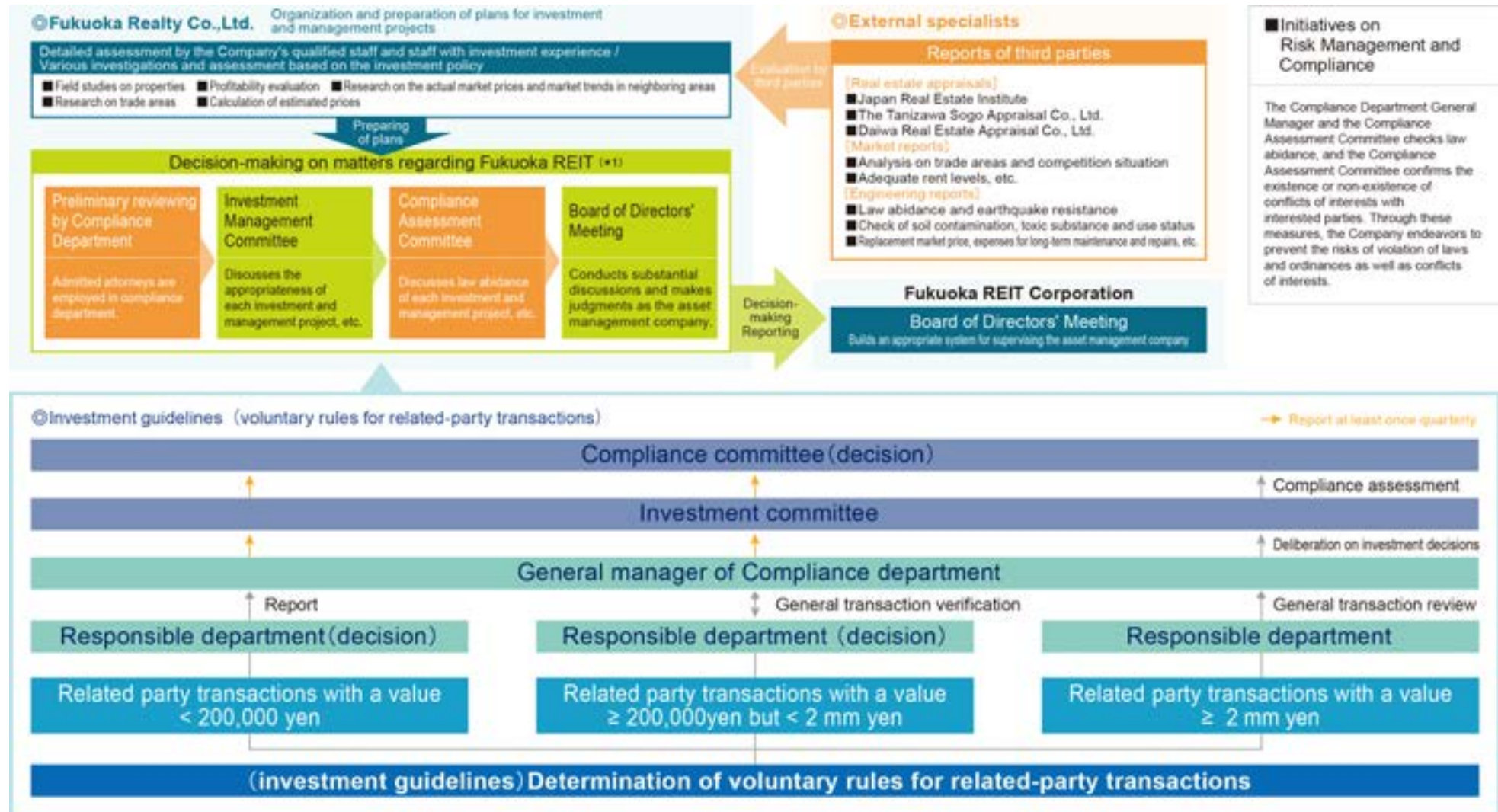
Employees seconded from sponsors	2
Employees seconded to sponsors	3

Numbers of credentialed personnel

*As of February 28, 2018

• Real estate brokers	21
• ARES Certified Masters	16
• Certified Building Administrators	3
• Real estate appraisers	3
• Attorneys	2
• First-class registered architect	2
• MBA	1
• SME management consultant	1
• Administrative Scrivener	1

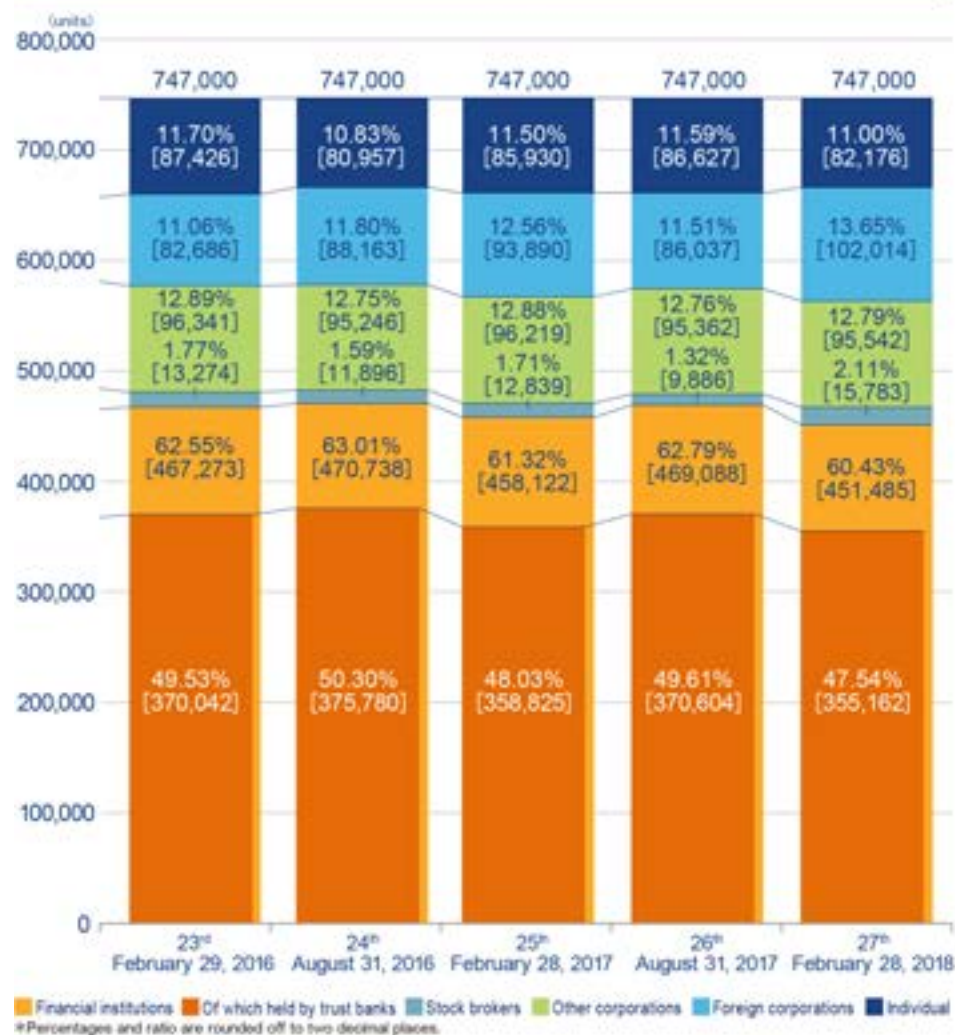
Corporate governance



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

Unitholders' data

■ Distribution by investor category (breakdown of investment units)



■ Major investors (end of the 27th FP)

(As of February 28, 2018)

Rank	Investor name	Investment units held	Percentage of total number of investment units outstanding
1	Japan Trustee Services Bank, Ltd. (Trust account)	184,681	24.72%
2	The Master Trust Bank of Japan, Ltd. (Trust account)	95,811	12.82%
3	Fukuoka Jisho Co., Ltd.	66,075	8.84%
4	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	28,028	3.75%
5	Trust & Custody Service Bank, Ltd. (Securities investment trust account)	25,131	3.36%
6	STATE STREET BANK - WEST PENSION FUND CLIENTS EXEMPT 505233	11,895	1.59%
7	Met Life Inc.	11,200	1.49%
8	NORTHERN TRUST CO. (AVFC) RE HCR00	10,016	1.34%
9	STATE STREET BANK WEST CLIENT - TREATY 505234	9,630	1.28%
10	Shikoku Railway Company	9,130	1.22%

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

Earthquake insurance basic premium rates

It is possible to purchase earthquake insurance in the Fukuoka and Kyushu areas at a relatively lower cost than in other areas. Fukuoka REIT has taken out earthquake insurance on all owned buildings.

<Earthquake risk classifications>

■ Class-1 area ■ Class-2 area ■ Class-3 area

<Basic premium rates>

Rate for Class 1 structures
(insurance amount of 10 million yen, insurance term of 1 year)

Construction Class	Standard
Class A	Fireproof buildings, semi-fireproof buildings, ministerial-ordinance-compliant semi-fireproof buildings, etc.
Class B	Buildings other than class-A structures



Source: Prepared by Fukuoka Realty Co., Ltd. based on Overview of Standard Premiums for Earthquake Insurance (published January, 2017) (General Insurance Rating Organization of Japan)

Overview of earthquake risk analysis

Property	Inspector	Report date	PML (%) (※1)
Canal City Hakata (※2)	Takenaka Corporation	Nov. 30, 2010	(A) 8.0
		Jan. 21, 2011	(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, Tokyo Marine & Nichido Risk Consulting	Nov. 30, 2010	(A) 13.7
		Jun. 21, 2012	(B) 11.2
		Apr. 11, 2014	(C) 9.1
		Aug. 10, 2016	(D) 15.1
			(E) 11.2
SunLive City Kokura	Takenaka Corporation	Aug. 31, 2011	6.7
Square Mall Kagoshima Utsuki	Takenaka Corporation	Feb. 28, 2013	9.2
Kumamoto Intercommunity SC	Takenaka Corporation	Feb. 28, 2013	15.8
Hanahata SC	Takenaka Corporation	Feb. 28, 2014	5.4
Kunime Higashi Kushiwara SC	Takenaka Corporation	Aug. 31, 2014	8.9
K's Denki Kagoshima	Takenaka Corporation	Aug. 31, 2014	6.5
Marinoa City Fukuoka (Marina side building)	Tokyo Marine & Nichido Risk Consulting	Mar. 13, 2015	4.3
Canal City Business Center Building (※5)	Takenaka Corporation	Nov. 30, 2010	(A) 6.9
		Jan. 21, 2011	(B) 11.1
			4.0
Gofukumachi Business Center	Takenaka Corporation	Nov. 30, 2010	4.0
Sanix Hakata Building	Takenaka Corporation	Aug. 31, 2011	4.3
Tahaku Street Business Center	Takenaka Corporation	Feb. 28, 2013	6.7
Higashi Hie Business Center	Tokyo Marine & Nichido Risk Consulting	Feb. 27, 2015	1.7
Terjin Nishi-Dori Center Building	Tokyo Marine & Nichido Risk Consulting	Dec. 20, 2012	5.4
Terjin 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 Chihaya	Takenaka Corporation	Sep. 1, 2011	7.5
D-wing Tower	NIPPON KANZAI Corporation	Dec. 20, 2012	3.8
Granfore Yakun 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
LOGICITY Minato Kashi	Engineering and Risk Services Corporation, OYO RMS Corporation	Feb. 13, 2015	1.3
LOGICITY Hisayama	Tokyo Marine & Nichido Risk Consulting	Mar. 23, 2017	0.6
Overall portfolio (※6)	Takenaka Corporation	Aug. 31, 2017	5.0

(※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 five segments (A, B, C, D and E), each of which was inspected separately. Segment A is the areas other than B, C, D and E, B is a 7-Eleven store, C is Magnolia Court, D is K's Denki, and E is Sports Club NAS Park Place Oita.
 (※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.

Fukuoka Jisho Group

Major properties owned by Fukuoka Jisho Group

Use	Name	Year of completion	Total floor space
Office buildings	Hakata Ekimae Business Center	1999	24,731mf
	Tenjin MMT Building	1979	19,874mf
	Fukuoka Kogin Building	1970	15,408mf
	Tenjin Nishi-Dori Business Center	1978	10,394mf
	Fukuoka Daichi Building	1961	9,962mf
	Meiji-Dori Business Center	1974(Main Building) / 1986(Annex)	9,844mf
	Sun Life No. 3 Building	1978	8,302mf
	Naha Business Center(provisional name)(Office)	FY2018(planned)	9,050mf
	Higashi Hie Business Center III(provisional name)	FY2019(planned)	4,616mf
	Tenjin Business Center Project (provisional name)	FY2020(planned)	60,250mf
Retail	Marinoa City Fukuoka(Outlet Building)	2000(Building I) / 2004(Building II) / 2007(Building III)	48,330mf
	Tenjin Kirameki Dori Building	2003	25,284mf
	Canal City Hakata East Building	2011	17,007mf
Residence	Class Keyaki Dori	2008	5,492mf
Hotel	Hotel FORZA Hakata(Chikushi-guchi)	2012 / 2017(Annex Building)	7,359mf
	Hotel FORZA Sapporo Ekimae (provisional name)	FY2019(planned)	11,346mf
Logistics	Island City Logistics Development Project	FY2019(planned)	47,361mf

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



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

Trend of their managed floor space and vacancy rate

Top share of office building managed floor space in Fukuoka City and high occupancy rate maintained



*Note: Figures are as of December 31 of each year.

Development plan of Fukuoka Jisho Group

planned completion	FY2018	FY2019	FY2020
Property name	Naha Business Center (provisional name)	Higashi Hie Business Center III (provisional name) Hotel FORZA Sapporo Ekimae (provisional name) Island City Logistics Development Project	Tenjin Business Center Project (provisional name)

*The fiscal year reflects the fiscal year of Fukuoka Jisho Co., Ltd. (June 1-May 31)

Logistics market in Northern part of Kyushu

Market formation centered on Hakata Port, Fukuoka Interchange, and Tosu Junction

■ Main area of Logistics Center



■ Properties

LOGICITY Minato Kashi [Hakata Port area]



Location	Minatokashi, Higashi Ward, Fukuoka City
Construction timing	April 2014
Structure / floor	Steel-framed, 2 floors
Land area	43,803.89㎡
Total floor space	45,885.65㎡
Acquisition timing	March 2015
Acquisition Price	8,150 mm yen

LOGICITY Hisayama [Fukuoka IC area]



Location	Hisayama-cho, Kasuya-gun, Fukuoka Prefecture
Construction timing	January 2015
Structure / floor	Steel-framed, 3 floors
Land area	16,156.23㎡
Total floor space	24,492.91㎡
Acquisition timing	June 2017
Acquisition Price	5,050 mm yen

Tosu Logistics Center [Tosu JCT area]



Location	Himekata-machi, Tosu City
Construction timing	May 2008
Structure / floor	Steel-framed, 2 floors
Land area	10,263.09㎡
Total floor space	4,169.40㎡
Acquisition timing	March 2014
Acquisition Price	1,250 mm yen

Current situation of Fukuoka and Kyushu①

Inbound Visitor Situation



Change in number of international flights of LCC at major airports

◎Comparison of Winter 2015 and Winter 2017

(Unit: flights / week)

	2015 Winter	2017 Winter	Increase in the number of flights	Rate of increase
Fukuoka	102.5	157	54.5	53.2%
Haneda・Narita	208.5	327	118.5	56.8%
Kansai	351.5	420.5	69	19.6%
Nagoya (Centrair)	61	47	(14)	(23.0)%

Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Overview of Regularly Scheduled International Flights (Ministry of Land, Infrastructure, Transport and Tourism)



Current situation of Fukuoka and Kyushu②

Influx of visitors from within Japan and overseas

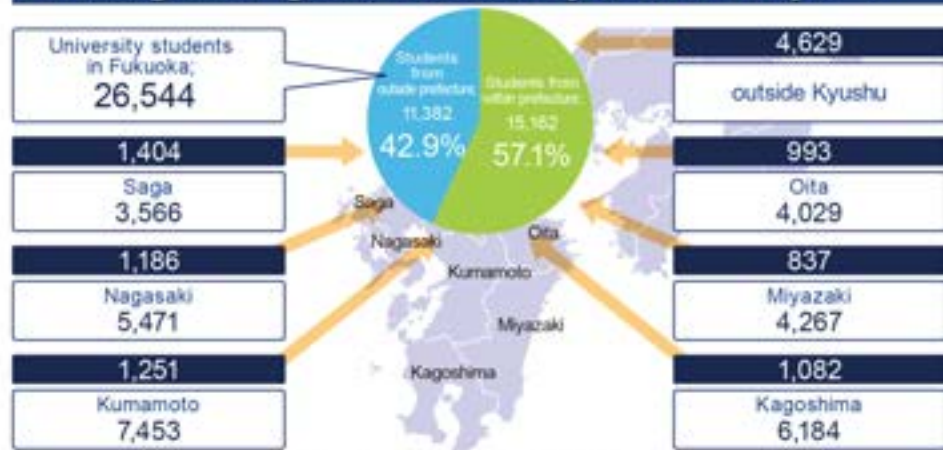
Increasing number of international conventions

ⓄRanked 2nd for eight consecutive years

Rank	(Number of conventions)							
	2009	2010	2011	2012	2013	2014	2015	2016
1	Tokyo [497]	Tokyo [491]	Tokyo [470]	Tokyo [500]	Tokyo [531]	Tokyo [543]	Tokyo [557]	Tokyo [574]
2	Fukuoka [206]	Fukuoka [216]	Fukuoka [221]	Fukuoka [252]	Fukuoka [253]	Fukuoka [336]	Fukuoka [363]	Fukuoka [363]
3	Yokohama [179]	Yokohama [174]	Yokohama [169]	Kyoto [196]	Yokohama [226]	Kyoto [202]	Sendai [221]	Kyoto [278]
4	Kyoto [164]	Kyoto [155]	Kyoto [137]	Yokohama [191]	Kyoto [176]	Yokohama [200]	Kyoto [218]	Kobe [260]
5	Nagoya [124]	Nagoya [122]	Nagoya [112]	Osaka [140]	Osaka [172]	Nagoya [163]	Yokohama [190]	Nagoya [203]

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

Interregional migration of university students in Kyushu



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from FY2017 School Basic Survey (Preliminary Results) (Statistics Bureau, Ministry of Internal Affairs and Communications)

Current situation of hotels in Fukuoka City

ⓄGuest room occupancy rate rankings of cities designated by government ordinance (2017 second half)



Source: Prepared by Fukuoka Realty based on Statistical Survey on Overnight Travel (Japan Tourism Agency) and Kyushu Economic Research Center data

Number of population growth in Fukuoka City



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from the Statistics Bureau, Ministry of Internal Affairs and Communications, "Estimated Population" (Fukuoka City General Affairs and Planning Bureau), and "Natural Dynamics of the Population" (Fukuoka City Public Health & Welfare Bureau)

Current situation of Fukuoka and Kyushu③

Future potential and population dynamics

■ Top-ranking cities for growth potential

Rank	City
1	Fukuoka
2	Kagoshima
3	Tsukuba
4	Matsuyama
5	Kurume
6	Matsumoto
7	Sapporo
8	Miyazaki
9	Naha
10	Kumamoto

Rank 1 Fukuoka City

- Fukuoka City has a culture conducive to innovation, and even companies that will lead the industries of tomorrow may emerge. Further start-up support and fostering of industries are expected.
- The residents are highly tolerant of diversity and have the disposition to accept different things and take on new challenges.

Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Visualization of the Growth Potential of Cities According to Rankings (Nomura Research Institute, Ltd.)

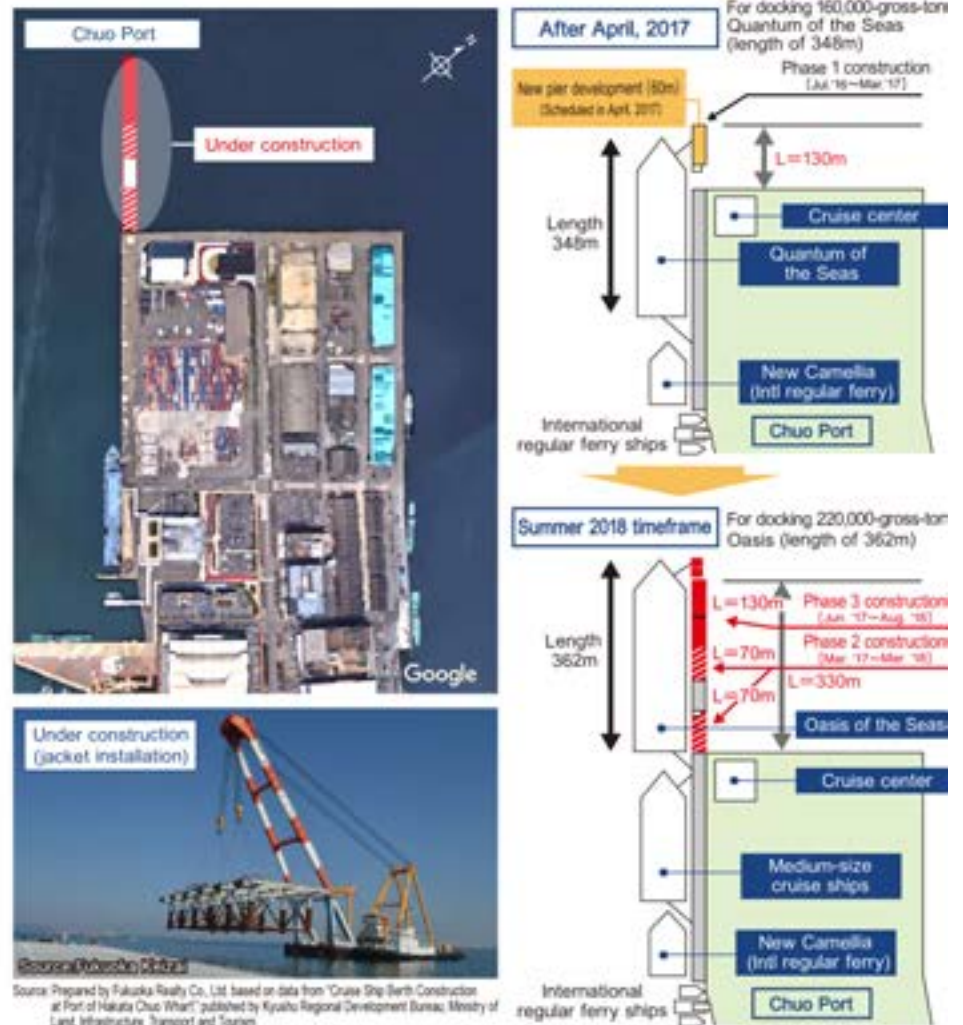
■ Fukuoka Growth Next: Expanding the range of Fukuoka City entrepreneurship

◎ Leveraging national strategic special zones to expand support for start-ups and rate of business establishments

The Fukuoka Growth Next program was launched in April 2017 to establish Fukuoka City as a start-up hub, utilizing the former Daimyo Elementary School renovated after closing in March 2014. The site provides a labor-creation environment for start-ups and global companies, while serving as a start-up platform to bolster Fukuoka City's transformation into a global business creation city.



■ Water front district ~berth development~



Current situation of Fukuoka and Kyushu④

Implementation of urban redevelopment in Tenjin area

■Preparation made for functional renewal of buildings in the Tenjin district

①Creation of an attractive environment that promotes Tenjin as a start-up location

Issues pertaining to functional renewal in the Tenjin district

- ① Problem of existing noncompliant buildings (use exceeding the current designated floor space ratio)
- ② Problem of building height restrictions under the Civil Aeronautics Act

① Deregulation of floor space ratios through a district development plan

- Tenjin 1-chome south block 800%→1400%
- Former Daimyo Elementary School Site approx.450%→800%
- Tenjin Meiji-dori district approx.67m→approx.76m
- Former Daimyo Elementary School Site approx.76m→approx.115m

② Relaxation of restrictions

- Tenjin Meiji-dori district approx.76m→From the Watanabe-dori Street center line
[West side] approx.115m
[East side] approx.76~100m
- Waterfront district approx.70~90m→approx.100m
- Area surrounding Hakata Station To be reconsidered in light of surrounding existing buildings at the time of submission of a specific zone



Source: Prepared by Fukuoka Realty Co., Ltd. based on Tenjin Meiji-dori Avenue Grand Design 2009 authored by the Tenjin Meiji-dori Development Council
 (※1) The fiscal year reflects the fiscal year of Fukuoka Jisho Co., Ltd. (June 1-May 31) (※2) Includes properties co-owned with other companies



Tenjin Business Center Project (provisional name)

Developer	Fukuoka Jisho Co.,Ltd
Location	1-Chome, Tenjin, Chuo Ward, Fukuoka City
Land area	approx. 3,900㎡
Total floor space	approx. 60,250㎡ <small>*Including the floor space not covered floor space ratio restriction</small>
Floors	16 aboveground floors, penthouse 2 floors, basement 2 floors
Use	Office, shops, parking etc.
Height	approx. 76m
Completion	FY 2020 (planned) (※1)