



Fukuoka REIT Corporation  
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Etsuo Matsuyuki  
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(Securities Code: 8968)

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### **Notice Concerning Borrowing of Funds and Interest Rate Swap Transaction**

Fukuoka REIT Corporation announces that it will conduct the borrowing of funds and has executed an interest rate swap transaction, as described below.

#### 1. Borrowing of funds

##### 1) Reason for borrowings

Refining on existing borrowings

##### 2) Outline of borrowings

###### Borrowing 1 (long-term debt)

1. Lender: The Oita Bank
2. Amount: 200 million yen
3. Interest rate: To be determined (Note1) / Fixed rate
4. Drawdown date: February 28, 2019
5. Borrowing method: Loan agreement concluded as of February 26, 2019
6. Repayment date: February 27, 2026
7. Repayment method: Lump-sum upon maturity
8. Description: No collateral, No guarantee

###### Borrowing 2 (long-term debt)

1. Lender: The Kagoshima Bank
2. Amount: 200 million yen
3. Interest rate: To be determined (Note1) / Fixed rate
4. Drawdown date: February 28, 2019
5. Borrowing method: Loan agreement concluded as of February 26, 2019
6. Repayment date: February 27, 2026
7. Repayment method: Lump-sum upon maturity
8. Description: No collateral, No guarantee

### Borrowing 3 (long-term debt)

1. Lender: The Higo Bank
2. Amount: 200 million yen
3. Interest rate: To be determined (Note1) / Fixed rate
4. Drawdown date: February 28, 2019
5. Borrowing method: Loan agreement concluded as of February 26, 2019
6. Repayment date: February 27, 2026
7. Repayment method: Lump-sum upon maturity
8. Description: No collateral, No guarantee

### Borrowing 4 (long-term debt)

1. Lender: Resona Bank
2. Amount: 200 million yen
3. Interest rate: Base interest rate (JBA 3-month Japanese Yen TIBOR) +0.20% (Note2)
4. Drawdown date: February 28, 2019
5. Borrowing method: Loan agreement concluded as of February 26, 2019
6. Repayment date: February 28, 2029
7. Repayment method: Lump-sum upon maturity
8. Description: No collateral, No guarantee

(Note1) Interest rate will be announced once determined.

(Note2) The applied base interest rate is the JBA 3-month Japanese Yen TIBOR two business days before the last day of February, May, August, and November every year. (The repayment date will be the following business day if the date falls on a non-business day or the preceding business day if the date fall into the next month) Moreover, JBA Japanese Yen TIBOR can be checked on the website of JBA TIBOR Administration. <http://www.jbatibor.or.jp/rate/> (Japanese)

### 3) Outline of refinancing

#### Refinancing 1

1. Lender: The Bank of Fukuoka and Resona Bank
2. Amount: 400 million yen
3. Repayment date: February 28, 2019
4. Repayment method: Lump-sum upon maturity
5. Description: No collateral, No guarantee

#### Refinancing 2

1. Lender: The Nishi-Nippon City Bank, Resona Bank, The Oita Bank, The Bank of Nagasaki, and The Bank of Saga
2. Amount: 400 million yen
3. Repayment date: February 28, 2019
4. Repayment method: Lump-sum upon maturity
5. Description: No collateral, No guarantee

### 2. Interest rate swap transaction

#### 1) Reason for the execution of interest rate swap transaction

To hedge the risks of interest rate volatility by converting the floating interest rates payable to fixed interest rates for these borrowings.

#### 2) Outline of Interest rate swap transaction

1. Counterparty		Sumitomo Mitsui Trust Bank, Limited
2. Notional Amount		200 million yen
3. Interest rate	Fixed interest rate for payment	To be announced (Note3)
	Floating interest rate for receipt	Base interest rate (JBA3-month Japanese yen TIBOR)+0.20%
4. Commencement date		February 28, 2019
5. Termination date		February 28, 2029
6. Payment date		Fixed interest rate for payment and floating interest rate for receipt are due on February 28, 2029. The first payment will be made at the end of May 2019, and on the last day of February, May, August, and November every year. (the repayment date will be the following business day if the date falls on a non-business day or the preceding business day if the date fall into the next month)

(Note3) Interest rate will be announced once determined.

### 3. Status of Debt after Borrowing

(mm yen)

	Before borrowing	After borrowing	Change
Short-term debt (Note4)	800	0	(800)
Long-term debt	71,700	72,500	800
Of which, long-term debt payable due within one year	[4,200]	[4,200]	[0]
Total	72,500	72,500	0
Investment Corporation Bonds	5,000	5,000	0
Interest-bearing debt	77,500	77,500	0

(Note4) The borrowings are used from committed credit line [13,000 mm yen]

### 4. Others

Concerning risks related to repayments of this borrowing, etc., there are no material changes from the “Investment risks” disclosed in the latest Securities Report for the 28th Fiscal Period (submitted on November 29, 2018).

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\*Fukuoka REIT Corporation’s website is <https://www.fukuoka-reit.jp/eng/>