



Fukuoka REIT

Appendix

Financial highlights

Dividend per unit was 3,687 yen

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

Category	25 th ~ Feb. 28, 2017	26 th ~ Aug. 31, 2017	27 th ~ Feb. 28, 2018	28 th ~ Aug. 31, 2018 A	29 th ~ Feb. 28, 2019 B	Difference B-A	30 th ~ Aug. 31, 2019 (forecast)	31 st ~ Feb. 29, 2020 (forecast)
Operating revenues	9,730	8,122	8,194	9,178	9,242	+64	9,305	9,321
Leasing NOI	5,010	4,998	5,079	5,493	5,591	+98	5,642	5,673
Depreciation and amortization expenses	1,455	1,474	1,500	1,602	1,622	+20	1,654	1,666
Operating income	4,585	2,920	2,965	3,238	3,306	+68	3,311	3,328
Ordinary income	4,199	2,562	2,624	2,861	2,935	+74	2,930	2,946
Profit	(*3) 4,198	2,556	2,623	2,860	2,934	+74	2,929	2,945
Dividend per unit (yen) ①	(*3) 3,398	3,422	3,512	3,593	3,687			
Latest dividend forecast per unit (yen)②	3,300	3,400	3,470	3,570	3,600		3,680	3,700
Difference from forecast (yen)①-②	+98	+22	+42	+23	+87		-	-
Total number of investment units outstanding (at period-end) (units)	747,000	747,000	747,000	796,000	796,000		796,000	796,000
Total assets (at period-end) (mm yen)	175,063	178,063	177,283	193,112	195,433			
Total liabilities (at period-end) (mm yen)	81,382	84,364	83,517	91,312	93,559			
Total net assets (at period-end) (mm yen)	93,681	93,699	93,766	101,799	101,874			
Days in fiscal period (days)	181	184	181	184	181			
Number of investment properties (at period-end)	25	26	26	28	29			
Number of tenants (at period-end) (*1)	871	877	879	1,003	1,011			
Total leasable floor space (at period-end) (m ²)	523,817.31	548,564.96	548,564.93	576,907.98	580,665.27			
Occupancy rate (at period-end) (%) (*2)	99.4	99.8	99.6	99.6	99.7			

(*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) For the 25th fiscal period, profit amounted to 4,198 million yen as a result of recording 1,057 million yen from gain on sales of real estate. However, because 1,660 million yen in reserve for temporary difference adjustments was reversed, the total dividend obtained by deducting the amount of the reserve for temporary difference adjustments from unappropriated surplus of 4,199 million yen came to 2,538 million yen, and dividend per unit came to 3,398 yen.

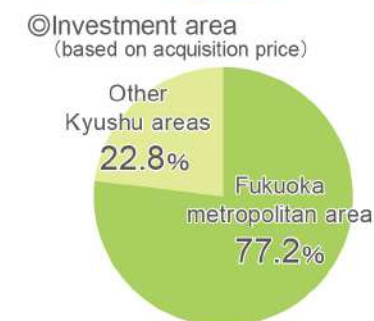
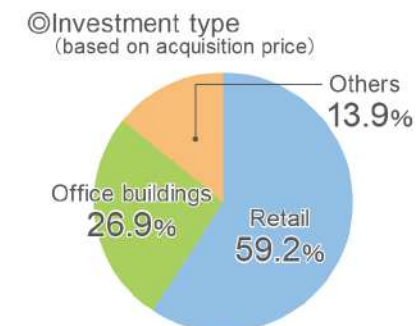
Profile

Special features of Fukuoka REIT Corporation

1	<p>Proven track record over 29 fiscal periods as a region-specific REIT Asset management leveraging our in-depth knowledge of the real estate environment of Fukuoka and Kyushu region, one of our greatest strengths</p>
2	<p>Excellent portfolio centered on Fukuoka metropolitan area A portfolio of carefully selected investments in the high growth area of Fukuoka City attention from around Japan and overseas</p>
3	<p>Solid support from a sponsor company involved in property development Asset portfolio expansion and high occupancy rates facilitated through coordination with our sponsors</p>
4	<p>Establishment of stable financial base Conservative control of interest-bearing debt ratio, long-term diversification of repayment deadlines</p>
5	<p>DPU kept at a constant level ever since the IPO Maintain and improve of the dividend provision through effective asset management</p>

Portfolio summary (*1)	
Number of properties / Asset size (*2)	29 /195,979 mm yen
Of which, acquisition from sponsors	14 /121,660 mm yen
Unrealized gains	31,804 mm yen
Total leasable floor space	580,665.27 m ²
Occupancy rate	99.7%

Financial highlight (*1)	
Total debt	77,500 mm yen
LTV	39.7%
Fixed rate	90.2%
Average interest rate	0.73%
Credit ratings	JCR AA—(Stable)
	R&I A+ (Stable)



Overview of Fukuoka REIT Corporation

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

Investment unit price (*1)

Unit price	169,300 yen
Outstanding units	796,000 unit
Market capitalization	134,762 mm yen (unit price * outstanding units)
Net assets value per unit	127,982 yen
Market net assets value per unit (*3)	167,937 yen
Dividend (actual)	3,687 yen per unit (Days in fiscal period 181days)
Dividend yield	4.4% { (Dividend / days in fiscal period * 365) / Unit price}

(*1) The figures are as of February 28, 2019 (excl. average interest rate)

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

(*3) 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)

A real estate investment trust specializing in regional properties

Sponsors



Investment policy

Investment area



Investment type

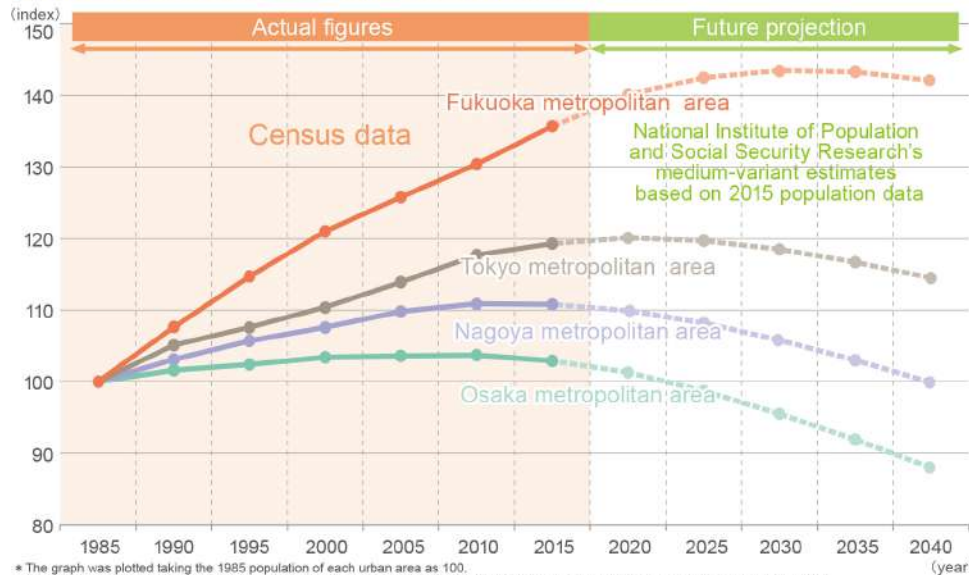


(*) Concluded MOU with Fukuoka REIT and Fukuoka Realty concerning pipeline support.

Population movement of Fukuoka metropolitan area

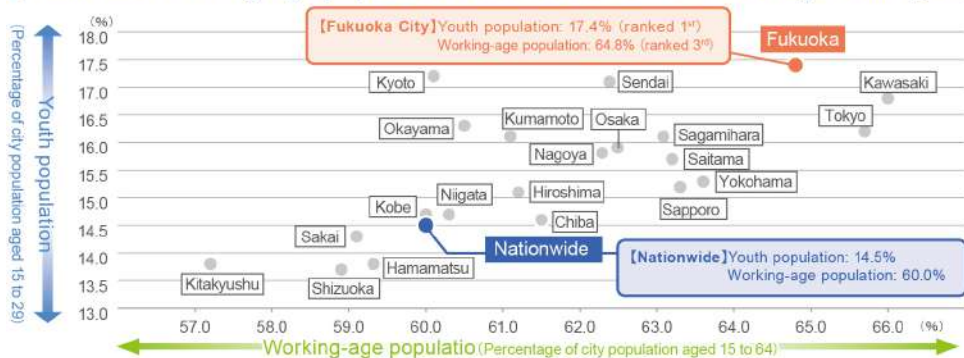
The population of Fukuoka metropolitan area continues to increase

Population trends of major metropolitan areas



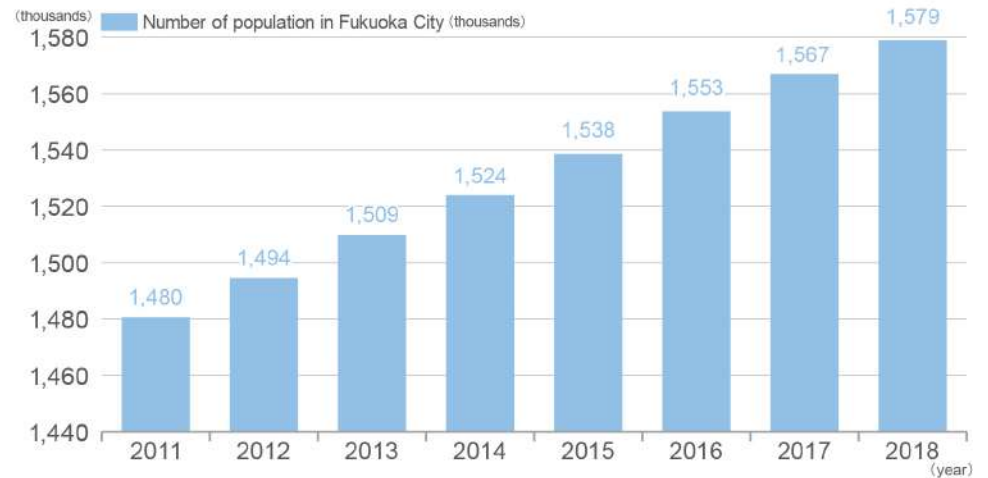
* The graph was plotted taking the 1985 population of each urban area as 100.
 * "Fukuoka metropolitan area" refers to Fukuoka City, Chikushino City, Kasuga City, Onojo City, Munakata City, Dazaifu City, Koga City, Fukuoka City, Itooshima City, Nakagawa City, Umi Town, Sasaguri Town, Shirai Town, Sue Town, Shingu Town, Hisayama Town, and Kasuya 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 Co., Ltd., based on data from the Ministry of Internal Affairs and Communications, Statistics Bureau "Population Census of Japan," and National Institute of Population and Social Security Research "Population Projection for Japan by Prefecture" (2018 estimate), and March 2012 Fukuoka City General Affairs and Planning Bureau "Fukuoka City as Seen by Data."

Youth and working-age population ratios of nationwide and major cities [2015]



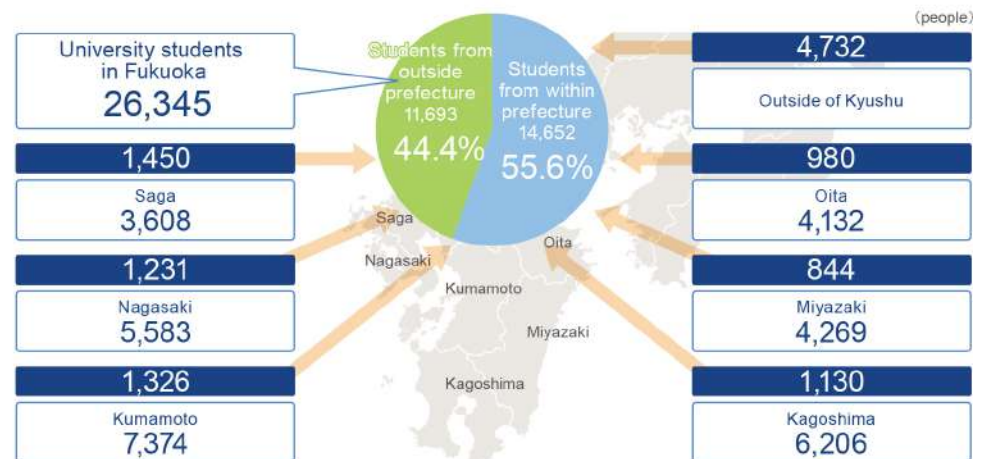
Source: Prepared by Fukuoka Realty based on Ministry of Internal Affairs and Communications "Population Census of Japan"

Number of population growth in Fukuoka City



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from "Estimated Population" (Fukuoka City General Affairs and Planning Bureau)

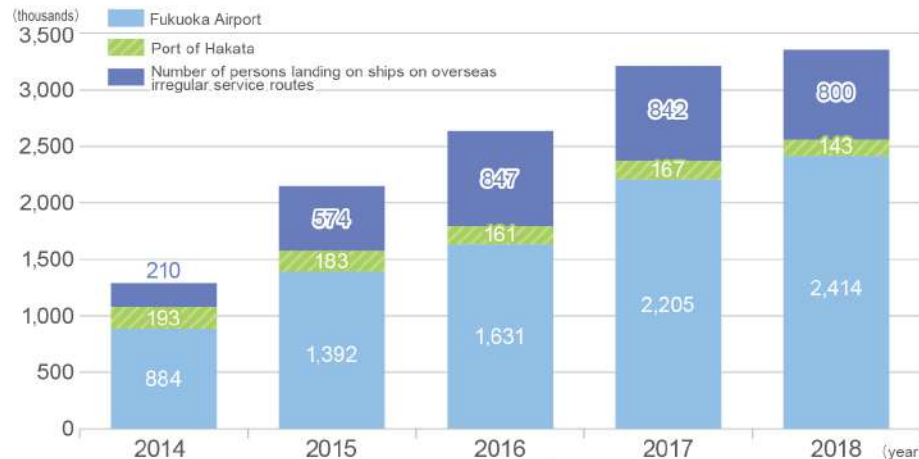
Interregional migration of university students in Kyushu



Source: Prepared by Fukuoka Realty Co., Ltd based on data from FY2018 School Basic Survey (Preliminary Results) (Statistic Bureau, Ministry of Internal Affairs and Communications)

Current situation of Fukuoka and Kyushu①

Change in number of overseas visitors[Fukuoka City]



Source: Prepared by Fukuoka Realty based on data from Statistics on Legal Migrants (Ministry of Justice) and "Number of International Vessel Passengers," published by Fukuoka City Port and Airport Bureau

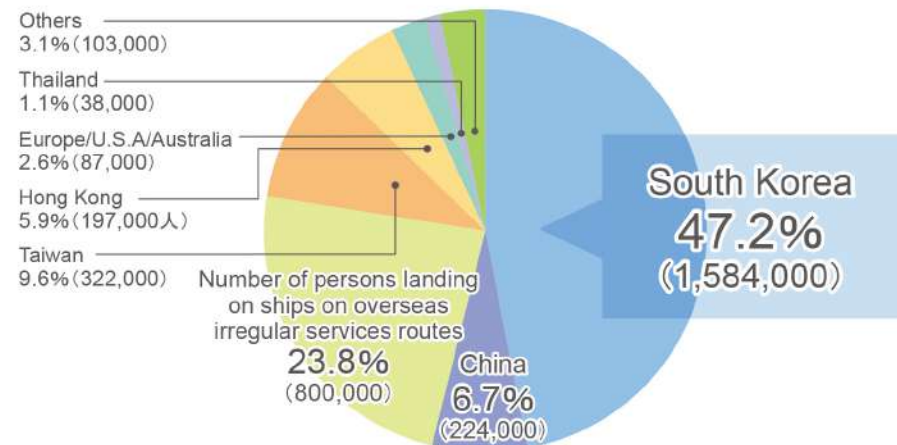
Change in number of international flights at Fukuoka Airport[Winter]

	(flights / Day)				
	2014	2015	2016	2017	2018
South Korea	13	19	24	28	29
Taiwan	4	7	5	6	6
China	9	9	7	6	6
Hong Kong	3	3	3	4	4
Others	7	7	7	7	7
Total	36	44	47	50	53

	(flights / Day)				
	2014	2015	2016	2017	2018
South Korea	5	10	15	19	20

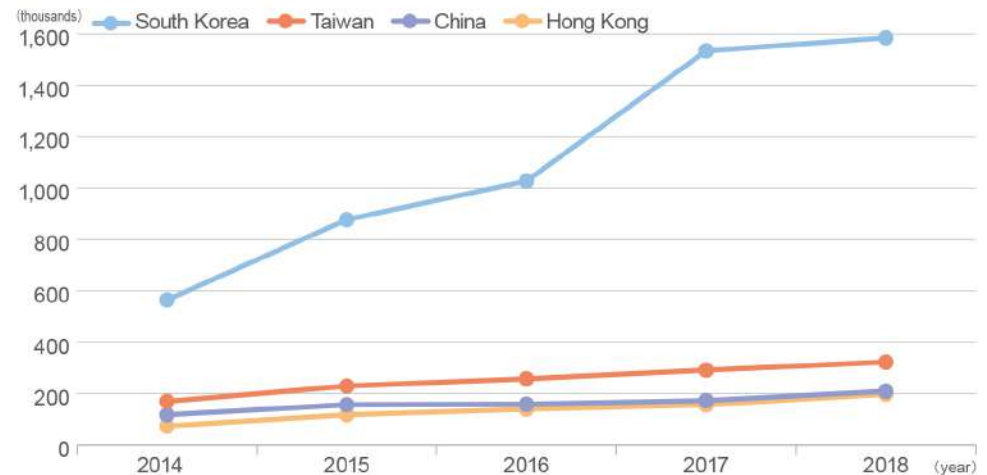
*The number of flights is the number of flights per week divided by seven and rounded to the nearest whole number.
Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Overview of Regularly Scheduled International Flights (Ministry of Land, Infrastructure, Transport and Tourism)

Breakdown of overseas visitors [2018]



Source: Prepared by Fukuoka Realty based on data from Statistics on Legal Migrants (Ministry of Justice) and Fukuoka City Port and Airport Bureau "Number of International Vessel Passengers"

Number of foreign tourists to Fukuoka city

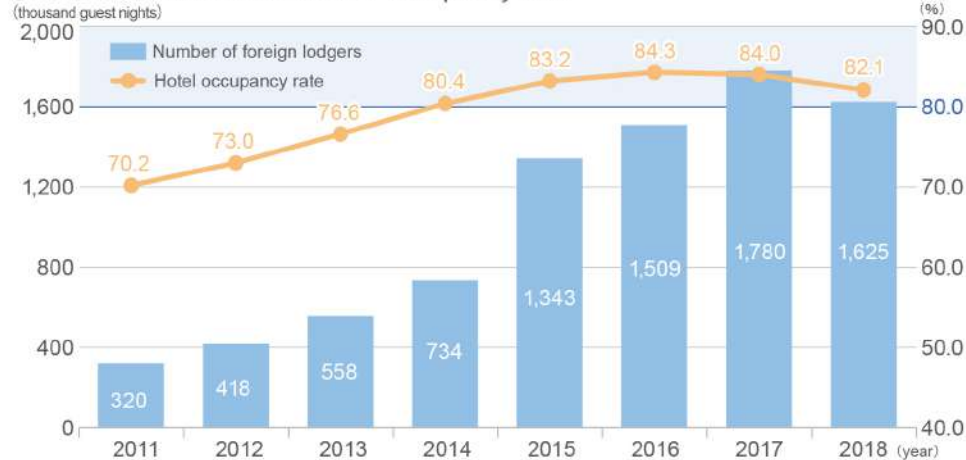


Source: Prepared by Fukuoka Realty Co., Ltd., based on data from Fukuoka City Economy, Tourism & Culture Bureau "Fukuoka City Tourism / MICE" 2019 edition (Fukuoka City Tourism Statistics)

Current situation of Fukuoka and Kyushu②

Change in the total number of foreign lodgers and hotel occupancy rate in Fukuoka city

◎Maintained over 80% of hotel occupancy rate



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Overview of Statistical Survey on Overnight Travel (Japan Tourism Agency)

Sightseeing spot information access ranking [2018]

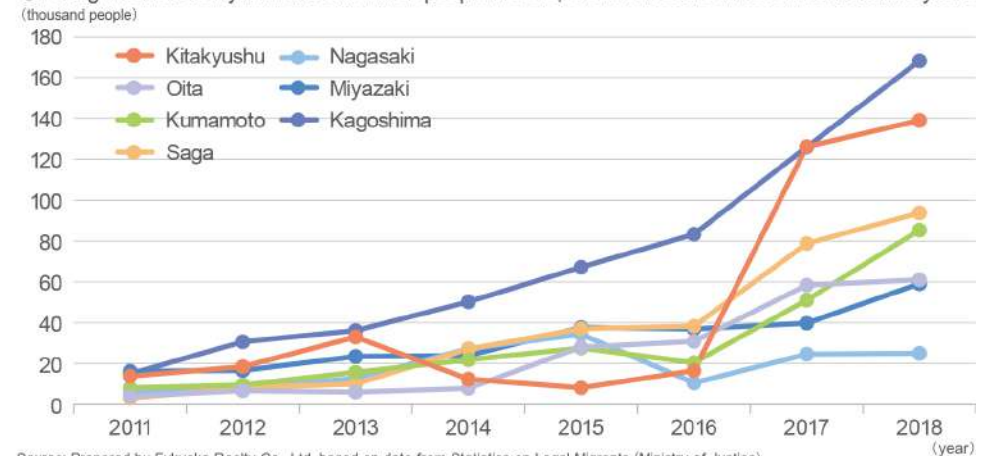
◎Based on access data from tourism information website "Yokanabi"

Rank	Spot			
	Korean	Traditional Chinese	Simplified Chinese	English
1	Canal City Hakata	Uminonakamichi Seaside Park	Canal City Hakata	Uminonakamichi Seaside Park
2	Momochi Seaside Park	Canal City Hakata	Uminonakamichi Seaside Park	Tenjin Underground Mall
3	Dazaifu Tenmangu	Kushida Shrine	Tenjin Underground Mall	Kushida Shrine
4	Fukuoka Tower	Tenjin Underground Mall	Dazaifu Tenmangu	Tochoji Temple
5	Hakata Port Tower	Maizuru Park	Fukuoka Tower	JR Hakata City

Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Fukuoka City Economy, Tourism & Culture Bureau "Fukuoka City Tourism / MICE" 2019 edition (Fukuoka City Tourism Statistics)

Number of foreign tourists to each area in Kyushu

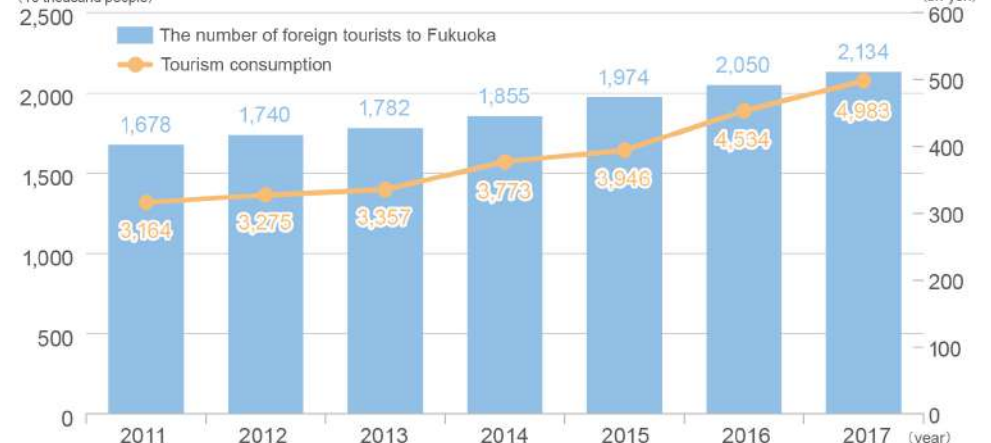
◎Foreign tourists to Kyushu are 5.11 million people in 2018, broken a record in seven consecutive years



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

The number of foreign tourists to Fukuoka and tourism consumption

(10 thousand people) (bn yen)

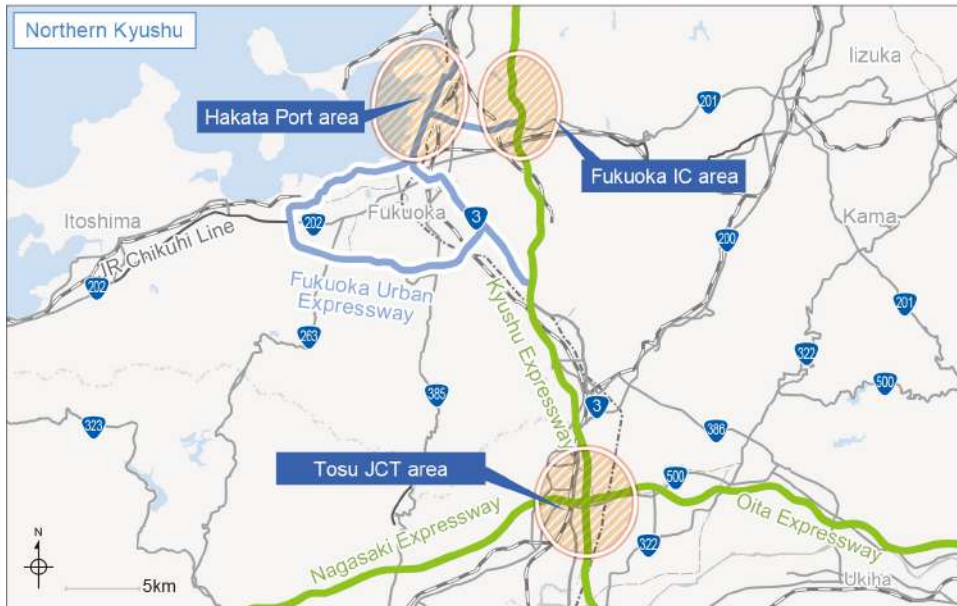


Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Fukuoka City Economy, Tourism & Culture Bureau "Fukuoka City Tourism / MICE" 2019 edition (Fukuoka City Tourism Statistics)

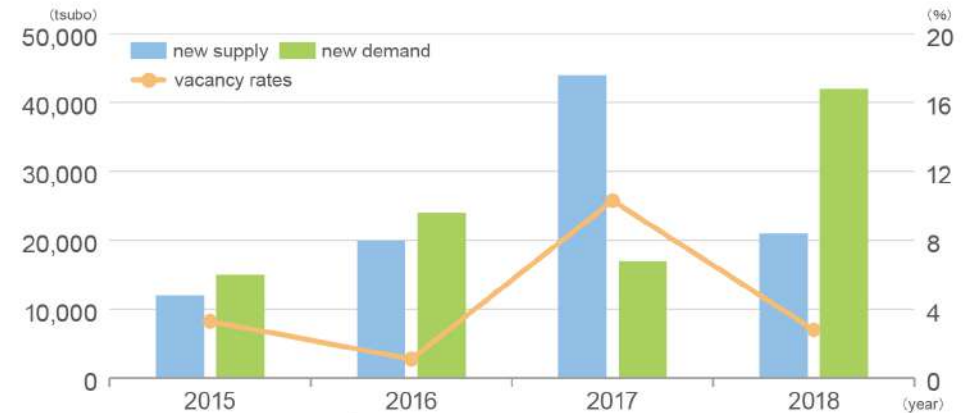
Logistics market in Northern part of Kyushu

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

Major logistics area

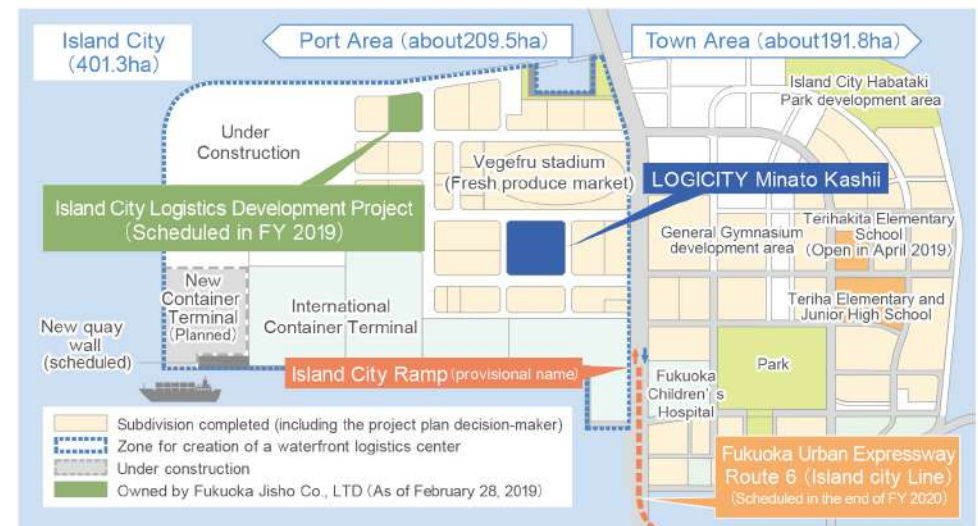


Supply and demand of logistic facilities and vacancy rates



* The figures are covered total floor spaces (more than 5,000m²) which owned by real estate investment company and real estate development company in Fukuoka and Saga.
Source: Prepared by Fukuoka Realty Co., Ltd., based on data of CBRE

Development of the Island City area



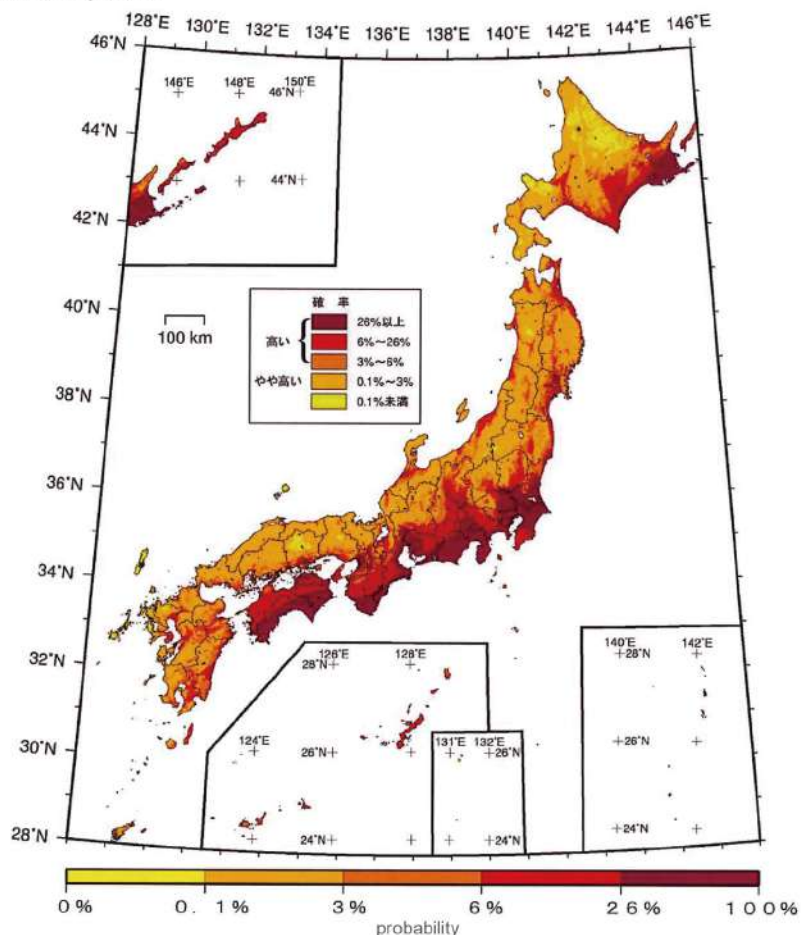
Source: Fukuoka Realty, based on Island City Outline Pamphlet (Fukuoka City, Port and Harbor Bureau)

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, 2018] [Updated in January, 2019]



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, Tokyo Marine & Nichido Risk Consulting	Nov. 30, 2010 Jun. 21, 2012 Apr. 11, 2014 Aug.10, 2016	(A) 13.7
			(B) 11.2
			(C) 9.1
			(D) 15.1
			(E) 11.2
SunLive City Kokura	Takenaka Corporation	Aug. 31, 2011	6.7
Konoha Mall Hashimoto	Tokyo Marine & Nichido Risk Consulting	Dec. 28, 2017	2.0
Square Mall Kagoshima Usuki	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
Kurume 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 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
Higashi Hie Business Center II	Tokyo Marine & Nichido Risk Consulting	Dec. 28, 2017	1.8
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 Yakuin Minami	Tokyo Marine & Nichido Risk Consulting	Sep. 15, 2014	2.7
Hotel FORZA Oita	Takenaka Corporation	Dec. 28, 2012	14.5
Tissage Hotel Naha	Tokyo Marine & Nichido Risk Consulting	Nov. 22, 2018	2.5
Tosu Logistics Center	Tokyo Marine & Nichido Risk Consulting	Jan. 16, 2014	8.9
LOGICITY Minato Kashii	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	Feb. 28, 2019	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) It is the portfolio PML when earthquakes beneath the inland area occurred in central Fukuoka City among multiple assumed scenarios.

ESG (Environment)

Environment Initiatives of owned properties

Retail

Canal City Hakata



◎Canal Water Filtration System

Canal City Hakata's symbolic canal has both a recreational function and as a source of water to fight fires in the case of an emergency. At all times, this canal holds roughly 1,200 tons of water, and this water uses rainwater in order to conserve resources.



◎Groundwater Purification System (RO treatment system)

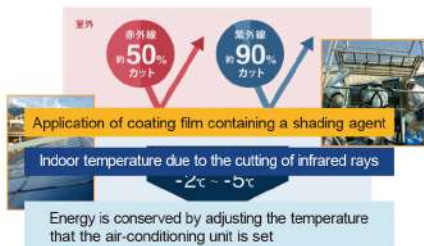
Canal City Hakata uses a water treatment system employing a special RO(reverse osmosis) membrane(*) to reuse on-site groundwater and produce tap water used at the property.

(*) RO membrane: A membrane with extremely small holes that allows basically only water to pass through and eliminates impurities and harmful substances. This membrane makes it possible to generate drinking water from both seawater and muddy water.

Park Place Oita

◎Reduction in Air Conditioning Load

In the facility, coating film containing a shading agent has been applied to the skylights in the food court passageway and in the dining terrace.



Konoha Mall Hashimoto

◎Recycling of rain water

At the Konoha Mall Hashimoto, rain water is collected in tanks and passed through a filtering device. Kitchen wastewater generated by tenants is treated in kitchen wastewater treatment facilities and intermediate water treatment equipment, and is then combined with the filtered rainwater for use as toilet flushing water.



Office buildings

We are carrying out greening of the exterior walls and environs of office buildings as a heat island effect countermeasure and are also moving forward with a switch to LED lighting in the shared spaces of each property.

◎Greening of the exterior walls



◎Progress with switch to LED lighting

Switch to LED lighting

- Gofukumachi Business Center (Interior shared spaces, some external areas, etc.)
- Sanix Hakata Building (Interior recessed lighting)
- Taihaku Street Business Center (Entrance, interior shared spaces, etc.)

Example of Sanix Hakata Building



Others

Logistics

◎Utilization of renewable energy

Solar panels have been installed on the roofs of LOGICITY Minato Kashii and LOGICITY Hisayama.



Residence

◎Greening of building environs

Replanted garden areas around Aqualia Chihaya with plants that can be easily managed throughout the year with superior resistance to insects, cold temperatures, and summer weather.



ESG (Society)

Fukuoka Realty: Numbers of credentialed personnel

©Fukuoka Realty Co., Ltd. (February 28, 2019)

Number of employees : 41 (46.3% women)

the average number of years of continuous service of permanent employees: 7 years and 7 month

■ Full-time personnel: 41 [Male:22 Female:19]

■ Employees seconded from sponsors : 2

■ Employees seconded to a sponsor : 3

■ Number of credentialed personnel

- Real estate brokers : 25
- Certified Building Administrators : 4
- First-class registered architect : 1
- Real estate appraisers : 2
- Attorneys : 2
- ARES Certified Masters : 16
- MBA : 1
- Administrative Scrivener : 1
- SME management consultant : 1

Initiatives to local communities



Environment promotion event
At Canal City Hakata, Employees participate in sprinkling water events to cool down sidewalks and streets to promote well-being.



Safety Town Council
At Park Place Oita, we established a "Safety Town Council" that partners with related institutions and groups to conduct crime-prevention patrols and proactively strives to prevent youth misconduct.



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



Participation of local communities' events
Held a stage event in which local residents participated as part of a community-focused initiative at community-rooted facility Konoha Mall Hashimoto.



Supporting local vitalization
OnRAMP was established by DOGAN Advisors, Inc. and Fukuoka Realty Corporation and is operated by General Incorporated Association OnRAMP.

Support for flexible working styles

- Child-rearing support (maternity leave, childcare leave system)
- Nursing care leave
- Leave for voluntary work
- No overtime days
- Employee welfare (401K, cumulative investment system, etc.)
- Encouraging use of paid holidays

Career development support

- Employee satisfaction survey
- Self-assessment system
- Career interview
- Secondment system (dispatching of employees to sponsor companies)
- Promotion from contract employee to permanent employee status, etc.
- Offering of training programs tailored to each management level
- System for supporting acquisition of qualifications (Real Estate Securitization Master, Real Estate Transaction Agent, etc.)
- Support for language learning

Training for employees

- Overseas inspection tour (Shenzhen)
- Compliance training
- ESG training
- Regular lectures by Kyushu Economic Research Center
- Nursing care training, etc.



《Shenzhen training》
Employees try flying drones



《Shenzhen training》
Inspecting a cashier-less store

Other events

This is the 11th year in which company recreation events have been held. The aim of the event is to enhance communication among employees through a variety of activities including travel and sports.



《15th anniversary trip》
Trip to Busan on an LCC flight
(39 employees participated)



《Sports》
Playing Badminton and Yoga recreation
(35 employees participated)

ESG (Governance)

Formulation of a basic policy on customer-oriented business conduct

Fukuoka Realty Co., Ltd. has adopted all seven principles set forth in the Principles for Customer-Oriented Business Conduct, announced by the Financial Services Agency on March 30, 2017, and formulated a basic policy to realize customer-oriented business operations on September 20, 2017.

Fukuoka Realty's Basic Policy

1	Fukuoka Realty is a financial business operator that operates listed REITs. We will constantly strive to provide high-quality services so that we can meet the investment needs of unitholders.
2	Fukuoka Realty, as an asset management company knowledgeable about the particular circumstances of the region, strives to maximize the profit of our unitholders by utilizing information and expertise, to provide investors with stable earnings over the medium to long term.
3	Fukuoka Realty will make the fiduciary duty entrusted to us by unitholders the primary consideration and appropriately manage conflicts of interest.
4	Fukuoka Realty's executives and employees daily engage in honest and fair operation and act responsibly toward the Company's investors and other stakeholders.
5	Fukuoka Realty will proactively engage in voluntary IR activities in addition to statutory disclosure and timely disclosure and increase the fairness and transparency of information disclosure.

Governance System

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



(*) 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.

IR initiatives

IR activities

◎For institutional investors

- Results briefing (Tokyo)
- Domestic roadshows: 185 times (*)
- Property tours



The property tour in Feb. 2019

(*) Total from March 1, 2018~February 28, 2019

◎For overseas investors

- Participation of domestic global conference (Tokyo, Fukuoka)
- Overseas roadshows: 40 times (*)
- Property tours
- Expansion of English version disclosures (ESG summary etc.)



Semi-annual report

◎For individual investors 12 times (*)

- Kyushu IR fair 2018
- J-REIT fair 2018
- TSE IR Festa 2019
- FSE IR Festa, etc.



Kyushu IR fair 2018 (Nagoya)

◎Internal IR activities

Live streaming of financial results presentation



- Live streaming of financial results presentation for analysts to the Fukuoka office

◎Website



- Started publishing summaries of Q&A sessions at financial results briefings
 - Information provision through SNS
 - Started Instagram newly from August 2018
- Followers Facebook : 320 Twitter : 542 Instagram : 46

(As of March 29, 2019)

The Ministry of the Environment provides the 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 FY2018, the second year of the program, we systematically studied the ESG Dialogue Program and were certified as having successfully completed it by disclosing our ESG information.

Status of integration into indexes

◎Global indexes, etc. [as of February 28, 2019]

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

Other activities

◎IR Kyushu Workshop

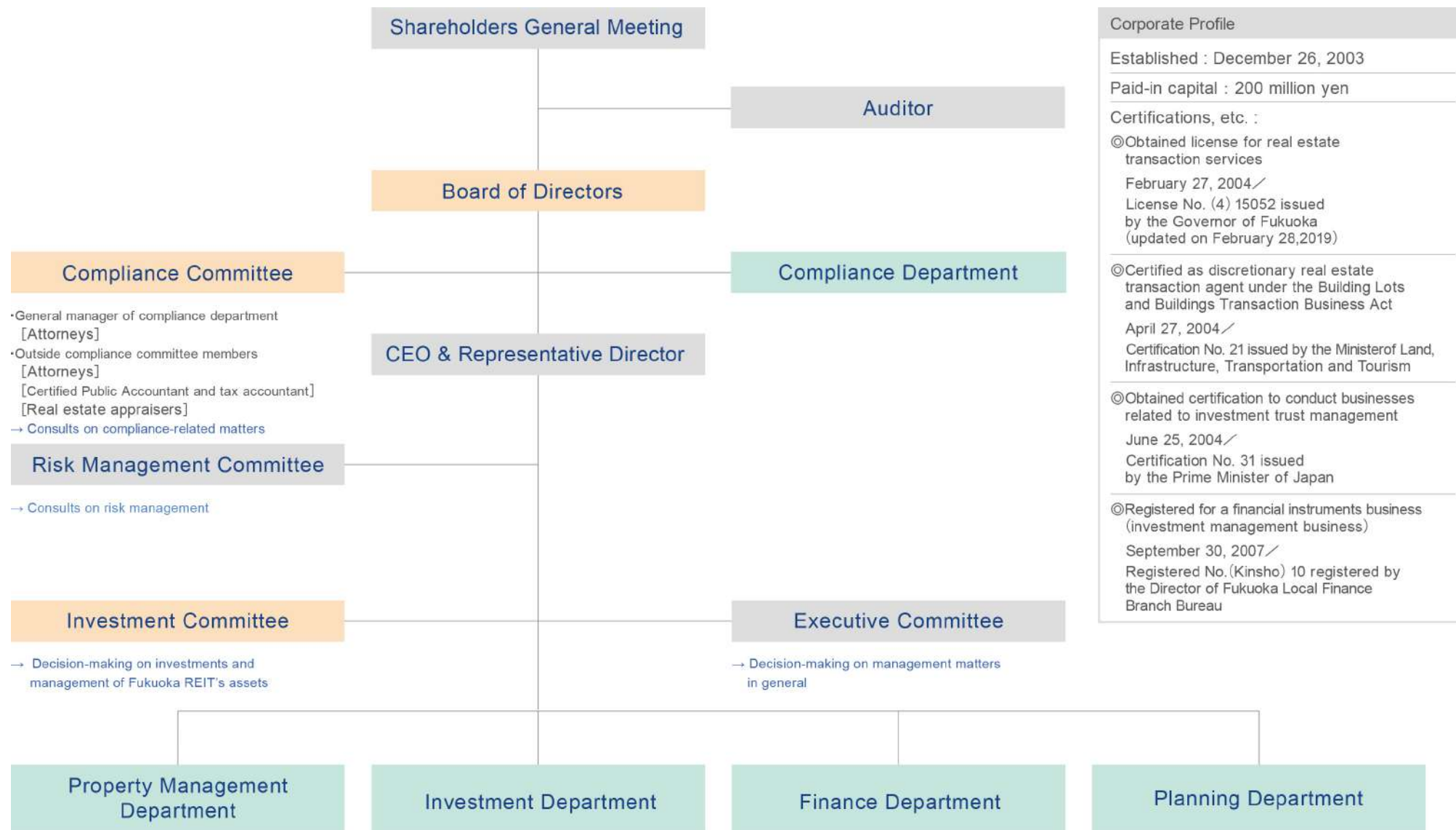
The 9th IR Workshop series, which was started in fiscal 2011. Fukuoka REIT, together with listed companies having their head offices in Fukuoka or Kyushu for the purpose of engaging in research in the latest IR theories and techniques with IR representatives.

• Theme FY2018

FY2018	Theme & lecturers	Participants
July 2018	"GPIF's Investment Chain and ESG Initiatives" — Government Pension Investment Fund Mr. Hiroshi Komori, Stewardship & ESG, Public Market Investment Department	39 people
November 2018	"ESG-related initiatives, and examples of responding to investor needs" — Ms. Saori Seki, Daiwa House Industry Co., Ltd.	33 people
February 2019	"ESG investment rating index concepts and disclosure" — Mr. Seiichiro Uchi, MSCI Japan	30 people

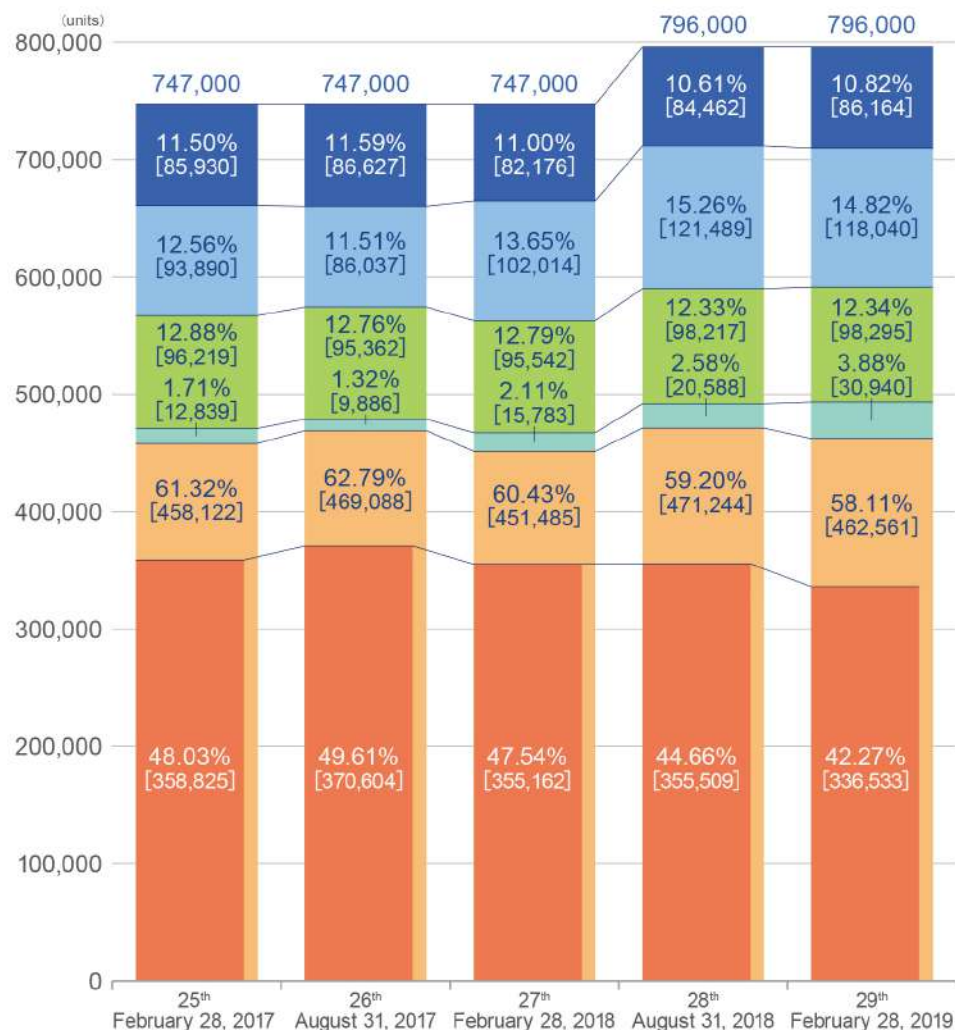


Asset management company's organization



Unitholders' data

Distribution by investor category [breakdown of investment units]



Major investors [at the end of the 29th FP]

(As of February 28, 2019)

Rank	Name	Investment units held	Percentage of total number of investment units outstanding
1	Japan Trustee Services Bank, Ltd. (Trust account)	162,657	20.43%
2	The Master Trust Bank of Japan, Ltd. (Trust account)	84,761	10.64%
3	Fukuoka Jisho Co., Ltd.	68,075	8.55%
4	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	31,595	3.96%
5	Trust & Custody Service Bank, Ltd. (Securities investment trust account)	22,645	2.84%
6	Mizuho Trust & Banking Co., Ltd.	13,506	1.69%
7	NORTHERN TRUST CO. (AVFC) RE HCR00	12,631	1.58%
8	STATE STREET BANK WEST CLIENT - TREATY 505234	11,700	1.46%
9	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	11,626	1.46%
10	Met Life Inc.	11,217	1.40%

Portfolio table

(As of February 28, 2019)

	Real estate property name	Age (*1)	Acquisition Price (mm yen) (*2)	Investment ratio	Acquisition timing	Source (*3)	Total leasable floor space (m ²)	Occupancy rate	Tenants (*4)	Primary tenants
Retail	Canal City Hakata	22yr10m	32,000	16.3%	Nov. 9, 2004	Sponsor	46,604.75	100.0%	49	Washington Hotel and United Cinema
	Canal City Hakata・B	22yr10m	28,700	14.6%	Mar. 2, 2011	Outside party	68,827.77	99.0%	46	Grand Hyatt Fukuoka and OPA
	Park Place Oita	16yr11m	18,620	9.5%	Nov. 9, 2004	Sponsor	113,834.22	99.8%	104	AEON and K's Denki
	SunLive City Kokura	13yr11m	6,633	3.4%	Jul. 1, 2005	Outside party	61,450.22	100.0%	1	SunLive
	Konoha Mall Hashimoto	7yr11m	10,000	5.1%	Mar. 1, 2018	Sponsor	22,121.03	100.0%	127	SunLive and The Super Sports XEBIO
	Square Mall Kagoshima Usuki	12yr 5m	5,300	2.7%	Sep. 28, 2006	Sponsor	14,602.88	100.0%	12	Sports Depo / Golf5 and Edion
	Kumamoto Intercommunity SC	12yr 3m	2,400	1.2%	Nov. 30, 2006	Sponsor	6,968.66	100.0%	2	Sports Depo / Golf5 and Starbucks Coffee
	Hanahata SC	11yr 7m	1,130	0.6%	Sep. 3, 2007	Sponsor	2,801.15	100.0%	2	BON REPAS and Matsumoto Kiyoshi
	Kurume Higashi Kushiwara SC	11yr 2m	2,500	1.3%	Feb. 1, 2008	Sponsor	6,467.80	100.0%	1	Sports Depo / Golf5
	K's Denki Kagoshima	11yr 3m	3,550	1.8%	Mar. 27, 2008	Outside party	7,296.17	100.0%	1	K's Denki
Marinoa City Fukuoka (Marina Side Building)	18yr 4m	5,250	2.7%	May 1, 2015	Sponsor	33,069.82	100.0%	1	Fukuoka Jisho Co.,Ltd	
	Total or the weighted average of retail	—	116,083	59.2%	—	—	384,044.47	99.7%	346	—
Office buildings	Canal City Business Center Building	22yr10m	14,600	7.4%	Nov. 9, 2004	Sponsor	23,031.01	100.0%	62	TOTO and Bell System24
	Gofukumachi Business Center	15yr 4m	11,200	5.7%	Nov. 9, 2004	Sponsor	19,905.34	100.0%	35	SMBC CONSUMER FINANCE and Sumitomo Mitsui Banking Corporation
	Sanix Hakata Building	17yr11m	4,400	2.2%	Sep. 30, 2005	Outside party	6,293.75	100.0%	16	SANIX and The Nishi-Nippon City Bank
	Taihaku Street Business Center	16yr11m	7,000	3.6%	Mar. 16, 2006	Sponsor	14,677.30	99.1%	69	NTT COMWARE and Tokyo Marine Nichido Jimu Outsourcing
	Higashi Hie Business Center	10yr 0m	5,900	3.0%	Mar. 13, 2009	Outside party + Sponsor	13,614.59	100.0%	25	Fujitsu and Forest Holdings
	Tenjin Nishi-Dori Center Building	22yr 5m	2,600	1.3%	Feb. 1, 2013	Outside party	3,339.32	100.0%	1	The Nishi-Nippon City Bank
	Tenjin North Front Building	9yr 1m	2,800	1.4%	Mar. 28, 2013	Outside party	5,252.41	100.0%	11	Rakuten Card and Prudential
	Higashi Hie Business Center II	3yr 0m	4,230	2.2%	Mar. 1, 2018	Sponsor	6,214.77	100.0%	2	FUJITSU KYUSHU SYSTEMS LIMITED and Seven-Eleven Japan Co.,LTD
	Total or the weighted average of office buildings	—	52,730	26.9%	—	—	92,328.49	99.9%	221	—
Others	Amex Akasakamon Tower (Residence)	13yr 7m	2,060	1.1%	Sep. 1, 2006	Outside party	4,821.25	98.8%	66	—
	City House Keyaki Dori (Residence)	11yr 3m	1,111	0.6%	Dec.20, 2007	Outside party	2,710.86	95.6%	40	—
	Aqualia Chihaya (Residence)	11yr 2m	1,280	0.7%	Mar. 1, 2012	Outside party	5,619.69	99.3%	104	—
	D-Wing Tower (Residence)	13yr 0m	2,800	1.4%	Mar. 1, 2013	Outside party	7,187.59	95.0%	131	—
	Granfore Yakuin Minami (Residence)	11yr 2m	1,100	0.6%	Nov. 4, 2014	Outside party	2,496.06	98.0%	97	—
	Hotel FORZA Oita (Hotel)	10yr 6m	1,530	0.8%	Mar. 1, 2013	Sponsor	5,785.44	100.0%	1	FJ Hotels
	Tissage Hotel Naha (Hotel)	1yr 0m	2,835	1.4%	Dec. 7, 2018	Outside party	3,758.76	100.0%	1	Nest Hotel Japan Corporation
	Tosu Logistics Center (Logistics)	10yr 9m	1,250	0.6%	Mar.28, 2014	Outside party	4,173.29	100.0%	1	non-disclosure
	LOGICITY Minato Kashii (Logistics)	4yr10m	8,150	4.2%	Mar.27, 2015	Outside party	43,233.72	100.0%	2	Fukuoka Logistic System and F-LINE CORPORATION(*5)
	LOGICITY Hisayama (Logistics)	4yr 1m	5,050	2.6%	Jun. 1, 2017	Outside party	24,505.65	100.0%	1	KASEI inc. Co., Ltd
	Total or the weighted average of others	—	27,166	13.9%	—	—	104,292.31	99.4%	444	—
	Total or the weighted average of all properties	16yr 4m	195,979	100.0%	—	—	580,665.27	99.7%	1,011	—

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

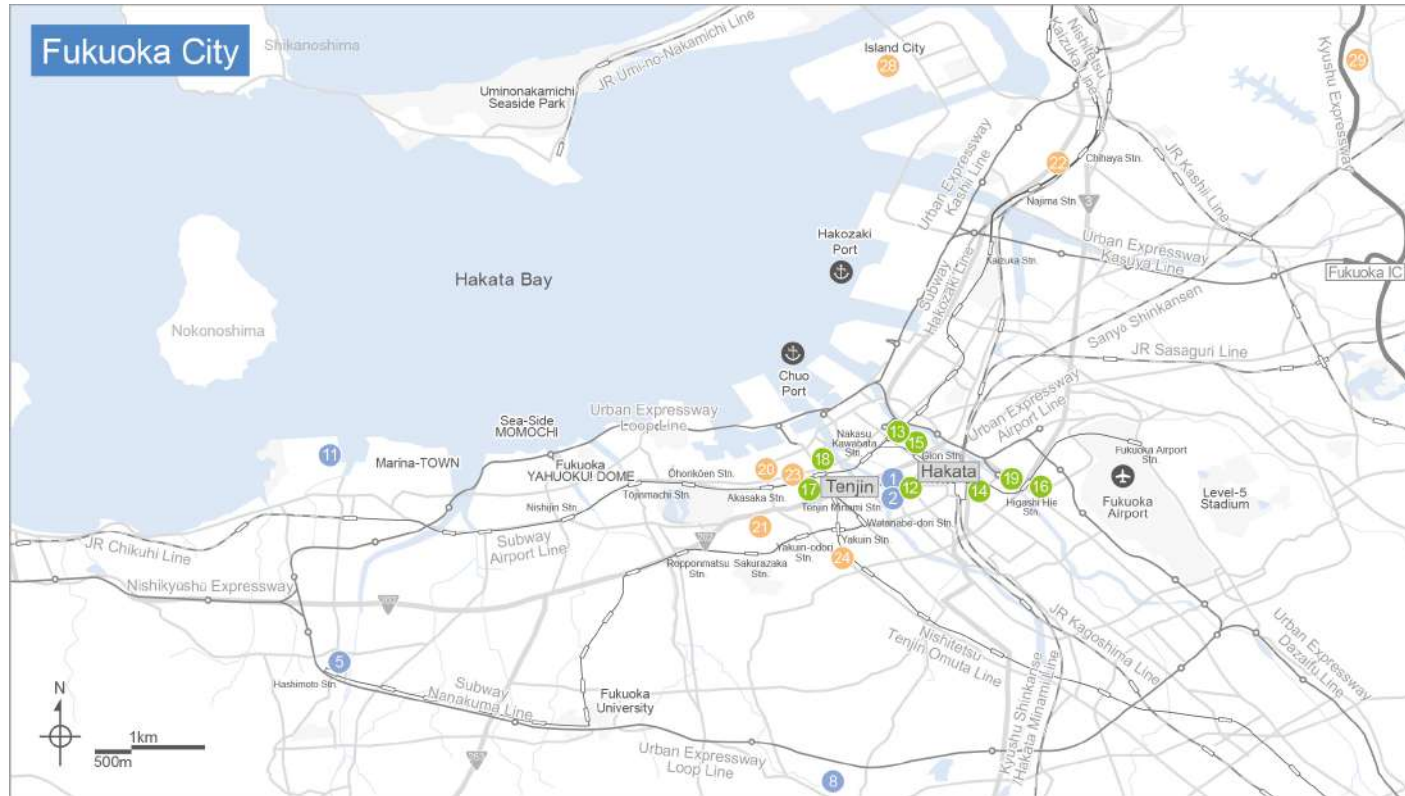
(*2) Acquisition price does not include fees, public charge and expenses.

(*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".

(*5) Name of KYUSHU F-LINE CORPORATION changed to F-LINE CORPORATION on April 1, 2019.

Portfolio



1 Canal City Hakata

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

2 Canal City Hakata・B

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

3 Park Place Oita

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

4 SunLiveCity Kokura

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

5 Konoha Mall Hashimoto

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

6 Square Mall Kagoshima Usuki

■Address : 2-chome, Usuki, Kagoshima City

7 Kumamoto Intercommunity SC

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

8 Hanahata SC

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

9 Kurume Higashi Kushiwara SC

■Address : Higashi Kushiwara, Kurume City

10 K's Denki Kagoshima

■Address : Tokai-cho, Kagoshima City

11 Marina City Fukuoka (Marina Side Building)

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

12 Canal City Business Center Building

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

13 Gofukumachi Business Center

■Address : Kami Gofukumachi, Hakata Ward, Fukuoka City

14 Sanix Hakata Building

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

15 Taihaku Street Business Center

■Address : Gokushomachi, Hakata Ward, Fukuoka City

16 Higashi Hie Business Center

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

17 Tenjin Nishi-Dori Center Building

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

18 Tenjin North Front Building

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

19 Higashi Hie Business CenterII

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

20 Amex Akasakamon Tower

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

21 City House Keyaki Dori

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

22 Aqualia Chihaya

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

23 D-Wing Tower

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

24 Granfore Yakuin Minami

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

25 Hotel FORZA Oita

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

26 Tissage Hotel Naha

■Address : 2-chome, Nishi, Naha City

27 Tosu Logistics Center

■Address : Himakatama-cho Aza, Tosu City, Saga

28 LOGICITY Minato Kashii

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

29 LOGICITY Hisayama

■Address : Hisayama-machi, Kasuya-gun, Fukuoka City

- Retail
- Office buildings
- Others

Portfolio

Retail 11 properties



Office buildings 8 properties



Others 10 properties



Total
29 properties

Total acquisition price
195.9 bn yen

(As of February 28, 2019)
(*): Figures round down to nearest 100mm yen

Top tenants by leased floor area

■ Ordinary lease ■ Fixed-term lease

Rank	Lessee	Tenant	Share of total leased space (*1)	30 th ~Aug. 31, 2019	31 st ~Feb. 29, 2020	32 nd ~Aug. 31, 2020	Remaining lease term (years) (*2)
1	SunLive Co., Ltd.	SunLive	11.2%	● SunLive City Kokura			6
				● Konoha Mall Hashimoto			12
2	AEON Kyushu Co., Ltd.	AEON	10.1%	● Park Place Oita			3
3	FJ Hotels Co., Ltd	Grand Hyatt Fukuoka	7.7%	● Canal City Hakata · B			5
		Hotel FORZA Oita		● Hotel FORZA Oita			9
4	Fukuoka Jisho Co., Ltd.	—	6.0% (*3)	● Marinao City Fukuoka (Marina Side Building)			16
5	Canal City OPA Co., Ltd.	OPA	4.5%	● Canal City Hakata			4
				● Canal City Hakata · B			3
6	KASEI inc Co., Ltd.	—	4.2%	● LOGICITY Hisayama			5
7	Fukuoka Logistic System Corporation	—	4.0%	● LOGICITY Minato Kashii			5
8	F—LINE CORPORATION (*4)	—	3.5%	● LOGICITY Minato Kashii			non-disclosure (*5)
9	Alpen Co., Ltd.	Sports Depo, Golf 5	3.2%	● Square Mall Kagoshima Usuki			7
				● Kumamoto Intercommunity SC			7
				● Kurume Higashi Kushiwara SC			8
10	K's Holdings Corporation	K's Denki	2.4%	● Park Place Oita			3

(*1)Share of total leased space is calculated using the formula "Leased floor area by tenant / Total leased floor space," as of February 28, 2019 with residential space excluded from leased floor space by tenant.

(*2)Remaining lease periods shown are the remaining periods of lease contracts as of February 28, 2019 with periods shorter than one year rounded down to the nearest whole year.

(*3)The 6.1% 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)Name of KYUSHU F—LINE CORPORATION changed to F—LINE CORPORATION on April 1, 2019

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

Balance sheets (compared with the previous fiscal period)

Account		28 th ~Aug. 31, 2018 A	29 th ~Feb. 28, 2019 B	Difference B-A
Assets	Total current assets	9,397	9,345	(51)
	Cash and deposits	2,609	3,570	960
	Cash and deposits in trust	5,386	4,796	(590)
	Operating accounts receivable	542	676	134
	Prepaid expenses	254	297	43
	Consumption taxes receivable	598	-	(598)
	Deferred tax assets	4	4	(0)
	Total non-current assets	183,653	186,032	2,378
	Total property, plant and equipment	176,905	179,150	① 2,245
	Buildings in trust	70,703	71,881	1,177
	Structures in trust	1,155	1,143	(11)
	Machinery and equipment in trust	873	938	64
	Tools and fixtures in trust	245	261	16
	Lands in trust	103,814	104,918	1,103
	Construction in progress in trust	113	7	(106)
	Total intangible assets	5,560	5,572	12
	Leasehold right in trust	5,545	5,545	-
	Other intangible assets in trust	14	26	12
	Total investment and other assets	1,187	1,309	121
	Consumption taxes receivable(*)	0	0	0
Lease and guarantee deposits	10	10	-	
Lease and guarantee deposits in trust	327	327	-	
Long-term prepaid expenses	850	972	121	
Total deferred assets	61	55	(5)	
Total assets	193,112	195,433	2,320	

■ Assets

① Acquisition of Tissage Hotel Naha	+2,835
Capital expenditures	+947
Depreciation and amortization expenses	(1,622)
Others	+85
Total	+2,245

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

Account		28 th ~Aug. 31, 2018 A	29 th ~Feb. 28, 2019 B	Difference B-A
Liabilities	Total current liabilities	7,610	12,041	4,431
	Operating accounts payable	649	905	255
	Short-term debt	-	-	-
	Current maturities of long-term debt	4,200	8,400	4,200
	Account payable-other	18	20	2
	Accrued expenses	363	368	4
	Income taxes payable	0	1	0
	Accrued consumption taxes	-	199	199
	Advances received	1,049	1,043	(5)
	Deposits received	1,327	1,103	(224)
	Total non-current liabilities	83,702	81,517	(2,185)
	Investment corporation bonds	5,000	5,000	-
	Long-term debt	66,300	64,100	② (2,200)
	Tenant leasehold and security deposits	375	375	0
Tenant leasehold and security deposits received in trust	12,027	12,041	14	
Total liabilities	91,312	93,559	2,246	
Net assets	Total unitholders' equity	101,799	101,874	74
	Unitholders' capital	98,938	98,938	-
	Surplus	2,860	2,935	74
	Total net assets	101,799	101,874	74
Total liabilities and net assets	193,112	195,433	2,320	

■ Liabilities and net assets

② New borrowing of debts	+2,000
Refinancing of current maturities of long-term debt	+500
Transfer to long-term debt of current maturities	(4,700)
Total	(2,200)

(*) From the beginning of the 29th fiscal period, FRC applied the Partial Amendments to Accounting Standard for Tax Effect Accounting and changed the presentation method so that deferred tax assets are classified as investment and other assets and deferred tax liabilities are classified as non-current liabilities.

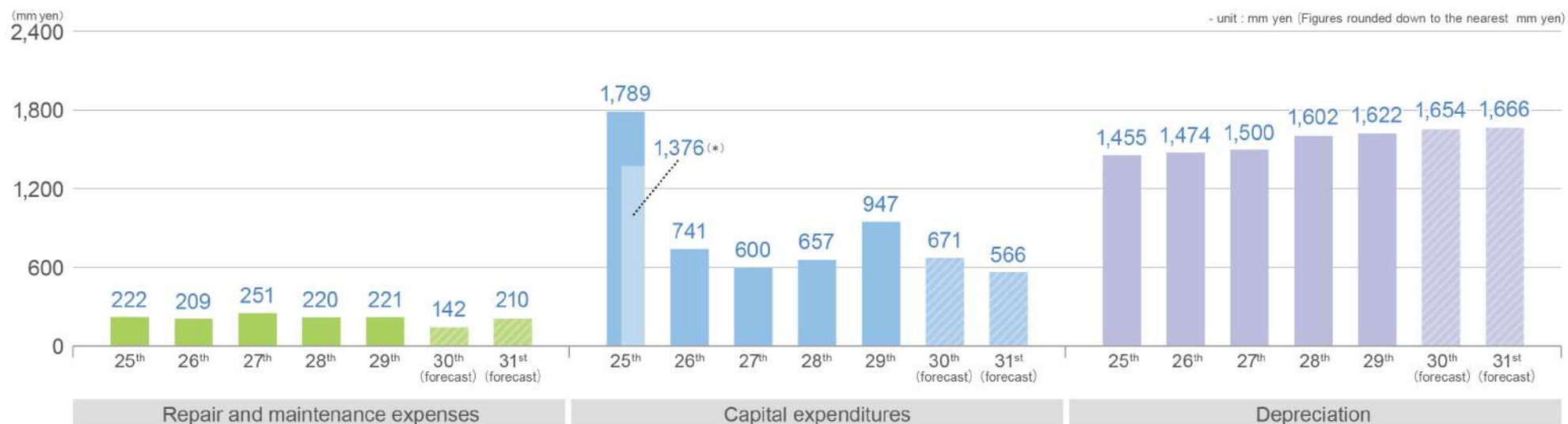
Cash flow statements(compared with previous fiscal period)

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

Category	28 th A ~Aug. 31, 2018	29 th B ~Feb. 28, 2019	Difference B-A
Net cash provided by (used in) operating activities	4,149	4,832	682
Profit before income taxes	2,861	2,935	74
Depreciation and amortization expenses	1,602	1,622	20
Amortization of investment corporation bond issuance expenses	1	2	0
Amortization of investment unit issuance expenses	4	3	(0)
Interest received	(0)	(0)	(0)
Interest expenses	279	275	(4)
Decrease (increase) in operating accounts receivables	(82)	(134)	(51)
Decrease (increase) in consumption taxes refund receivable	(598)	598	1,197
Increase (decrease) in accrued consumption taxes	(298)	199	497
Increase (decrease) in operating accounts payable	61	(10)	(71)
Increase (decrease) in accounts payable-other	(0)	2	3
Increase (decrease) in accrued expenses	27	5	(21)
Increase (decrease) in advances received	59	(5)	(65)
Increase (decrease) in deposits expenses	558	(224)	(782)
Decrease (Increase) in prepaid expenses	6	(43)	(49)
Decrease (increase) in long-term prepaid expenses	(64)	(121)	(57)
Others, net	3	3	0
Subtotal	4,421	5,109	688
Interest income received	0	0	0
Interest expenses paid	(271)	(276)	(5)
Income taxes paid	(0)	(0)	(0)
Income taxes refund	0	-	(0)
Net cash provided by (used in) investment activities	(15,326)	(3,604)	11,722
Purchase of property, plant and equipment in trust	(12,130)	(3,601)	8,528
Purchase of intangible assets in trust	(3,775)	(15)	3,759
Proceeds from tenant leasehold and security deposits	8	0	(8)
Repayments of tenant leasehold and security deposits	(6)	-	6
Proceeds from tenant leasehold and security deposits in trust	1,023	149	(873)
Repayments of tenant leasehold and security deposits in trust	(228)	(135)	93
Payments from tenant leasehold and security deposits in trust	(217)	-	217
Proceeds from restricted trust deposits	2	5	2
Payments for restricted trust deposits	(2)	(6)	(3)
Net cash provided by (used in) financial activities	11,734	(859)	(12,594)
Proceeds from short-term debt	4,100	4,800	700
Repayments of short-term debt	(4,100)	(4,800)	(700)
Proceeds from long-term debt	7,200	2,500	(4,700)
Repayments of long-term debt	(1,600)	(500)	1,100
Proceeds from issuance of investment corporation bonds	1,000	-	(1,000)
Proceeds from issuance of investment units	7,795	-	(7,795)
Payments of investment corporation bond issuance expenses	(13)	-	13
Payment of investment unit issuance expenses	(23)	-	23
Dividends paid	(2,624)	(2,859)	(235)
Net increase (decrease) in cash and cash equivalents	558	368	(189)
Balance of cash and cash equivalents at beginning of period	7,392	7,950	558
Balance of cash and cash equivalents at end of period	7,950	8,319	368

Repair and maintenance expenses, capital expenditures, and depreciation

Repair and maintenance expenses, capital expenditures, and depreciation



©Major capital expenditures in the 29th fiscal period

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

Property	Purpose	Construction cost
Canal City Hakata	Exterior wall repairs, etc.	155
Canal City Hakata·B	Exterior wall repairs, Tenant space creation, etc.	373
Park Place Oita	Introduction of parking lot control systems, Installation of parking lot guidance signs, etc.	177
Marinoa City Fukuoka (Marina Side Building)	Wood deck replacement, Exterior wall repairs, etc.	35
Canal City Business Center Building	Exterior wall repairs, Upgrade work on monitoring terminals, etc.	66

©Major capital expenditures in the 30th fiscal period and the 31st fiscal period

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

Property	Purpose	Planned construction cost		
		Total amount	Construction cost in the 29 th	Paid in total amount
Canal City Hakata	Work on water supply pipes, etc.	145	0	0
Canal City Hakata·B	Work on tenant space alterations, etc.	292	0	0
Park Place Oita	Upgrade of air-conditioning equipment, Exterior wall repairs, etc.	385	-	0
Gofukumachi Business Center	Maintenance of multi-storey parking lot equipment, etc.	84	-	-
Higashi Hie Business Center	Outdoor unit and compressor replacement work, etc.	64	-	-

Income and expenditure by properties (Retail①)

- 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	Konoha Mall Hashimoto	29 th Total A	28 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	29 th FP (Sep. 1, 2018 ~ Feb. 28, 2019)									
(Length)	181 days						184 days	(3) days		
① Total leasing business revenues	1,294	1,618	1,178	289	838	5,219	5,172	46	5,144	75
Leasing revenue-real estate	1,265	1,575	1,006	289	675	4,812	4,731	81		
Other leasing revenue-real estate	29	42	171	-	163	406	441	(35)		
② Total leasing business expenses	483	826	623	49	516	2,500	2,524	(24)	2,485	14
Outsourcing fees	318	536	298	8	309	1,470	1,474	(3)		
Repair and maintenance expenses	24	57	32	3	18	136	132	4		
Expenses for restoration to former state	-	-	-	-	-	-	2	(2)		
Tax and other public charges	75	158	92	34	-	360	361	(0)		
Insurance premiums and trust compensation	8	16	6	1	2	35	37	(2)		
Utilities expenses	24	48	170	-	112	355	370	(15)		
Other expenses	32	9	23	1	74	141	145	(4)		
③ NOI (=①-②)	810	791	554	240	321	2,719	2,648	71	2,658	60
④ Depreciation and amortization expenses	245	266	228	47	86	875	865	9		
⑤ Leasing business profit (=③-④)	565	524	326	192	234	1,844	1,783	61		
⑥ NOI yield (acquisition price)	5.1%	5.5%	6.0%	7.3%	6.4%	5.7%	5.5%	0.1%		
⑦ Capital expenditures	155	373	177	-	34	740	566	173		

(*) Forecast at the financial results of 28th fiscal period

Income and expenditure by properties (Retail②)

- 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)	29 th Total A	28 th Total B	Difference A-B	Forecast C (*1)	Difference A-C	
	(Length)	29 th FP (Sep. 1, 2018 ~ Feb. 28, 2019)										
		181 days						184 days	(3) days			
① Total leasing business revenues		258	90	41	88	111	178	767	765	1	764	2
Leasing revenue-real estate		220	89	40	88	111	177	727	729	(1)		
Other leasing revenue-real estate		37	0	0	-	0	1	39	36	3		
② Total leasing business expenses		96	11	7	10	11	27	166	168	(2)	172	(6)
Outsourcing fees		38	2	1	2	1	1	48	48	0		
Repair and maintenance expenses		4	1	2	1	1	6	17	23	(6)		
Expenses for restoration to former state		-	-	-	-	-	-	-	-	-		
Tax and other public charges		17	5	3	5	7	18	56	56	(0)		
Insurance premiums and trust compensation		0	0	0	0	0	0	2	3	(0)		
Utilities expenses		30	-	-	-	-	-	30	32	(1)		
Other expenses		4	1	0	1	0	0	9	3	5		
③ NOI (=①-②)		161	78	33	77	99	150	600	596	4	591	9
④ Depreciation and amortization expenses		38	12	5	16	22	21	116	121	(4)		
⑤ Leasing business profit (=③-④)		123	65	27	60	77	129	484	475	9		
⑥ NOI yield (acquisition price)		6.1%	6.5%	5.9%	6.2%	5.6%	5.7%	6.0%	5.9%	0.0%		
⑦ Capital expenditures		-	-	-	-	-	35	35	3	32		

(*) Forecast at the financial results of 28th 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	Higashi Hie Business Center II	29 th Total A	28 th Total B	Difference A-B	Forecast C (*1)	Difference A-C	
	(Length)	29 th FP (Sep. 1, 2018 ~ Feb. 28, 2019)												
		181 days									184 days	(3) days		
① Total leasing business revenues		633	537	199	306	336	86	140	165	2,405	2,415	(10)	2,406	(0)
Leasing revenue-real estate		632	476	183	306	312	86	114	150	2,262	2,254	7		
Other leasing revenue-real estate		1	61	15	0	23	-	25	14	143	161	(17)		
② Total leasing business expenses		198	180	60	91	135	16	54	46	784	797	(12)	779	5
Outsourcing fees		136	72	19	54	41	1	10	19	356	357	(0)		
Repair and maintenance expenses		5	9	3	6	7	0	8	-	41	42	(1)		
Expenses for restoration to former state		-	-	-	-	-	-	-	-	-	-	-		
Tax and other public charges		45	35	20	26	16	13	8	-	166	166	(0)		
Insurance premiums and trust compensation		2	3	0	1	2	0	0	0	11	12	(0)		
Utilities expenses		6	58	15	-	28	-	25	16	150	158	(7)		
Other expenses		1	0	0	2	39	0	0	10	57	59	(2)		
③ NOI (=①-②)		435	356	138	215	200	70	85	118	1,620	1,618	2	1,626	(5)
④ Depreciation and amortization expenses		103	101	39	77	39	8	33	40	444	443	1		
⑤ Leasing business profit (=③-④)		332	255	99	137	160	61	52	77	1,176	1,175	0		
⑥ NOI yield (acquisition price)		6.0%	6.4%	6.3%	6.1%	6.8%	5.4%	6.1%	5.6%	6.1%	6.1%	0.0%		
⑦ Capital expenditures		66	5	14	1	14	10	2	-	115	41	74		

(*) Forecast at the financial results of 28th 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	Tissage Hotel Naha	Tosu Logistics Center	LOGICITY Minato Kashii	LOGICITY Hisayama	29 th Total A	28 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	29 th FP (Sep. 1, 2018 ~ Feb. 28, 2019)														
(Length)	181 days											184 days	(3) days		
① Total leasing business revenues	68	38	59	114	37	63	39				850	824	26	806	44
Leasing revenue-real estate	64	38	57	108	36	63	39				802	763	39		
Other leasing revenue-real estate	3	-	1	6	1	-	-				48	60	(12)		
② Total leasing business expenses	17	7	25	26	11	14	0				200	194	5	200	0
Outsourcing fees	5	2	3	7	2	0	0				32	32	0		
Repair and maintenance expenses	1	0	13	1	0	4	-	Non-disclosure (*2)	Non-disclosure (*2)	Non-disclosure (*2)	25	21	4		
Expenses for restoration to former state	1	-	1	3	2	-	-				8	9	(0)		
Tax and other public charges	5	3	4	7	2	7	-				77	77	(0)		
Insurance premiums and trust compensation	0	0	0	0	0	0	0				5	5	(0)		
Utilities expenses	1	0	0	2	0	-	-				32	34	(1)		
Other expenses	2	1	1	3	2	0	0				17	13	3		
③ NOI (=①-②)	50	30	34	88	26	48	38	36	177	118	650	630	20	606	44
④ Depreciation and amortization expenses	18	10	12	17	9	21	12	9	36	37	186	172	13		
⑤ Leasing business profit (=③-④)	31	20	22	70	16	27	26	27	140	80	464	457	7		
⑥ NOI yield (acquisition price)	4.9%	5.5%	5.4%	6.3%	4.9%	6.4%	5.9%	5.8%	4.4%	4.7%	5.1%	5.2%	(0.1)%		
⑦ Capital expenditures	1	-	9	13	2	27	-	-	-	0	54	45	8		

(*1) Forecast at the financial results of 28th 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	29 th Total A	28 th Total B	Difference A-B	Forecast C (*)	Difference A-C
	(Length)	181 days	184 days	(3) days	
① Total leasing business revenues	9,242	9,178	64	9,121	121
Leasing revenue-real estate	8,604	8,478	126		
Other leasing revenue-real estate	637	699	(61)		
② Total leasing business expenses	3,651	3,685	(33)	3,617	33
Outsourcing fees	1,908	1,913	(4)		
Repair and maintenance expenses	221	220	1		
Expenses for restoration to former state	8	12	(3)		
Tax and other public charges	661	661	(0)		
Insurance premiums and trust compensation	55	58	(2)		
Utilities expenses	569	595	(26)		
Other expenses	225	223	2		
③ NOI (=①-②)	5,591	5,493	98	5,503	88
④ Depreciation and amortization expenses	1,622	1,602	20		
⑤ Leasing business profit (=③-④)	3,968	3,890	78		
⑥ NOI yield (acquisition price)	5.8%	5.7%	0.1%		
⑦ Capital expenditures	947	657	289		

(*) Forecast at the financial results of 28th fiscal period

List of borrowings

(As of February 28, 2019)

Category	Lender	Balance (mm yen)	Drawdown Date	Repayment Date	Term (year)	Fixed/Floating	Average Interest Rate
Current maturities of long-term debt	Mizuho Bank, and others(*1)	3,700	Jul.31, 2014	Jul.31, 2019	5.0	Fixed	0.53800%(*2)
	MUFG Bank	500	Sep.25, 2014	Sep.25, 2019	5.0	Fixed	0.52000%
	The Nishi-Nippon City Bank	2,500	Feb.1, 2013	Feb.29, 2020	7.1	Fixed	0.77500%(*2)
	Mizuho Bank	1,700	Feb.28, 2013	Feb.29, 2020	7.0	Floating	0.56909%
	Subtotal	8,400					
Long-term debt	Aozora Bank	1,000	Jun.28, 2013	Jun.30, 2020	7.0	Floating	0.46909%
	Mizuho Bank, and others(*3)	6,300	Jul.31, 2014	Jul.30, 2021	7.0	Fixed	0.83500%(*2)
	Development Bank of Japan	4,000	Aug.29, 2014	Aug.31, 2022	8.0	Fixed	1.01000%
	Sumitomo Mitsui Banking Corporation	1,600	Jun.30, 2015	Jun.30, 2022	7.0	Fixed	0.79000%(*2)
	Sumitomo Mitsui Trust Bank	1,500	Jul.31, 2015	Jul.31, 2023	8.0	Fixed	0.56400%(*2)
	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%(*2)
	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%(*2)
	Mizuho Bank	500	Feb.29, 2016	Feb.29, 2024	8.0	Fixed	0.44000%(*2)
	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	0.41309%
	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	0.41909%
	Resona Bank	600	Mar.31, 2017	Mar.31, 2027	10.0	Fixed	0.65846%
	The Higo Bank	300	Mar.31, 2017	Mar.31, 2025	8.0	Fixed	0.48130%
	MUFG Bank	800	Mar.31, 2017	Mar.31, 2025	8.0	Fixed	0.48130%
	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%(*2)
	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%(*2)
	Sumitomo Mitsui Trust Bank	1,100	Feb.28, 2018	Feb.26, 2027	9.0	Fixed	0.60000%(*2)
	MUFG Bank	1,500	Feb.28, 2018	Feb.27, 2026	8.0	Fixed	0.50000%
Resona Bank	600	Feb.28, 2018	Feb.29, 2028	10.0	Fixed	0.56700%(*2)	

Category	Lender	Balance (mm yen)	Drawdown Date	Repayment Date	Term (year)	Fixed/Floating	Average Interest Rate
Long-term debt	Development Bank of Japan	2,500	Mar. 1, 2018	Mar. 1, 2028	10.0	Fixed	0.72000%
	MUFG Bank	600	Mar.30, 2018	Mar.31, 2026	8.0	Fixed	0.48000%
	The Nishi-Nippon City Bank	600	Mar.30, 2018	Mar.31, 2028	10.0	Fixed	0.80219%
	The Bank of Fukuoka	500	Mar.30, 2018	Mar.31, 2028	10.0	Fixed	0.80219%
	Mizuho Bank	500	Mar.30, 2018	Mar.31, 2028	10.0	Fixed	0.63000%
	Sumitomo Mitsui Banking Corporation	500	Mar.30, 2018	Mar.31, 2025	7.0	Fixed	0.50400%(*2)
	MUFG Bank	500	Mar.30, 2018	Mar.31, 2027	9.0	Fixed	0.49000%
	Sumitomo Mitsui Trust Bank	400	Mar.30, 2018	Mar.31, 2027	9.0	Fixed	0.57600%(*2)
	The Oita Bank	400	Mar.30, 2018	Mar.31, 2028	10.0	Fixed	0.64630%
	The Hiroshima Bank	400	Mar.30, 2018	Mar.31, 2028	10.0	Fixed	0.64630%
	Shinsei Bank	300	Mar.30, 2018	Mar.31, 2025	7.0	Fixed	0.40000%
	Sumitomo Mitsui Banking Corporation	500	Jan.31, 2019	Jan.31, 2029	10.0	Fixed	0.65528%
	MUFG Bank	500	Jan.31, 2019	Jan.31, 2028	9.0	Fixed	0.59000%
	The Nishi-Nippon City Bank	400	Jan.31, 2019	Jan.31, 2029	10.0	Floating	0.41909%
	The Bank of Fukuoka	300	Jan.31, 2019	Jan.31, 2029	10.0	Floating	0.41909%
	The Oita Bank	200	Feb.28, 2019	Feb.27, 2026	7.0	Fixed	0.33380%
	The Kagoshima Bank	200	Feb.28, 2019	Feb.27, 2026	7.0	Fixed	0.33380%
	The Higo Bank	200	Feb.28, 2019	Feb.27, 2026	7.0	Fixed	0.33380%
	Resona Bank	200	Feb.28, 2019	Feb.28, 2029	10.0	Fixed	0.48845%(*2)
	Subtotal	64,100					
Total	72,500						

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%
	The third series of unsecured bonds	1,000	Jul.31, 2018	Jul.30, 2038	20.0	1.20000%
Total		5,000				

Committed line of credit

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

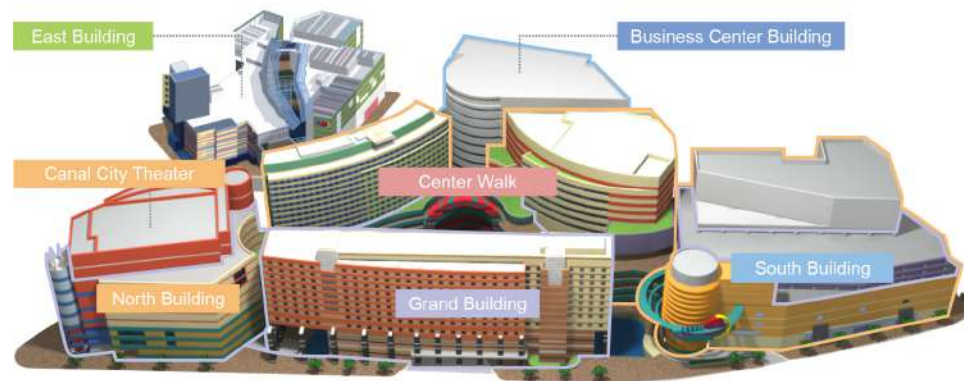
* For floating-rate debts, the interest rates applicable as of February 28, 2019 are indicated. * All debts have been borrowed with no collateral and no guarantee, to be repaid in lump-sum upon maturity.

(*1) The lenders are Mizuho Bank · The Norinchukin Bank · The Bank of Saga (*2) FRC has concluded a swap agreement to practically fix interest rate on debt. The indicated interest rate reflects the effect of the swap agreement. (*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

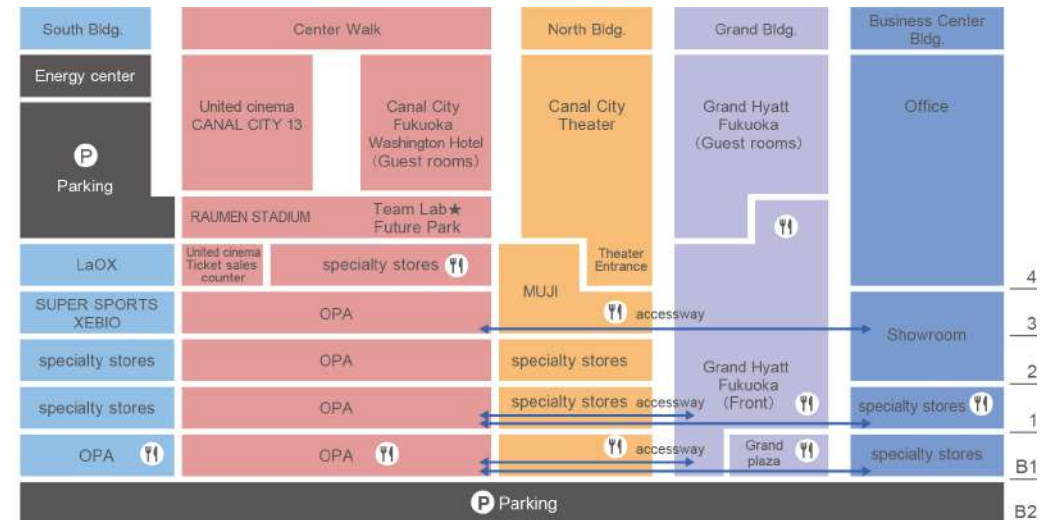
Canal City Hakata is one of the representative Heisei-Period retail facilities

Receives Special Heisei Memorial Award (Developer Award chosen by tenants)



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

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



	1989 ~ 1998	1999 ~ 2008	2009 ~ April 2019	
Canal City Hakata	1996 Canal City Hakata opens (approx. 207,000 visitors on first day of operations) The Phantom of the Opera opens at Fukuoka City Theater (now "Canal City Theater"), the Shiki Theatre Company's first permanent theater in Japan Canal City Hakata participates in the Hakata Gion Yamakasa Festival for the first time. Dedicates a kazariyama float. Wins Good Design Award's Good Design Gold Award in the facilities division (the former Ministry of International Trade and Industry)	1999 Funanorikom event involving Kabuki actors is held for the first time on the Hakata River and Canal City Hakata also participates 2000 Muji expands its sales area by adding a fourth floor The first basement level of the business center is refurbished. Popular outlets including Starbucks open	2011 The East Building opens/MUJI Canal City Hakata reopens after renovations 2012 The South Building opens after refurbishment/Receives "Innovate Award" (14th D&T Awards of Senken Shimbun) 2015 Canal City Hakata's 20th anniversary 2016 3D projection mapping commences Tourist Service Award (18th D&T Award by Senken Shimbun)	
	1997 Receives 400,000 visitors in three days of business in the first New Year period since the property's opening Canal City OPA La BOON opens Receives 16.4 million visitors in the first year, far exceeding the initial target of 3.4 million	Ramen Stadium opens (approx. 230,000 visitors in the first month) 2004 New fountain called "Dancing Water" completed Fukuoka REIT incorporates part of Canal City Hakata as a core facility (November)	2017 Attracts record 17.02 million visitors/Wins Fukuoka Prefecture Category Award at the Yahoo! Japan Search Awards 2017 2018 Wins the Organization for Landscape and Urban Green Infrastructure's 6th Green Social Contribution Award 2019 Receives Special Heisei Memorial Award (21st D&T Award by Senken Shimbun) (One of seven facilities nationwide including Shibuya 109 to win the award and the only facility in Kyushu to do so) Shiki Theatre Company's The Lion King opens again at Canal City Theater for the first time in 10 years	
	1998 Shiki Theatre Company's "Cats" opens at Canal City Theater (former Fukuoka City Theater) Selected by the Fukuoka City Environmental Bureau as one of the 21 Fukuoka Soundscapes to Preserve for Posterity The Kyushu Symphony Orchestra holds floating concert on a canal	2005 Canal City Hakata's 10th anniversary Visitors to the Ramen Stadium since opening in December 2001 top five million 2008 The second floor of the South Building is refurbished to create "La Foce" zone		
	Event's in Fukuoka	1989 Hosts the Asia-Pacific Exposition "Yokotopia" 1990 Hosts the 45th National Sports Festival of Japan (aka "Tobiume Kokutai") 1991 "Beetle" high-speed ferry service launched between Fukuoka and Busan 1993 Entire route of Fukuoka City Subway Line 1 opens; Hakata Port International Terminal opens 1995 Hosts 1995 Summer Universiade 1996 Avispa Fukuoka joins J-League/Fukuoka City Public Library opens 1998 Population of Fukuoka Prefecture exceeds 5 million	1999 New International Terminal opens at Fukuoka Airport 2000 Hosts G7 Finance Ministers' Kyushu-Okinawa Summit Meeting 2001 Hosts 2001 World Aquatics Championships 2003 Fukuoka Convention Center opens 2004 Kyushu Shinkansen services (from Kagoshima-Chuo Station to Shin-Yatsushiro Station) launched 2005 Nanakuma Subway Line opens/Fukuoka Earthquake occurs 2006 New Kitakyushu Airport opens	2011 Entire Kagoshima Route of Kyushu Shinkansen opens 2013 Population of Fukuoka exceeds 1.5 million (estimated population) 2014 Fukuoka City designated as a National Strategic Special Zone 2015 Tenjin Big Bang begins 2016 The Hakata Gion Yamakasa Festival registered as an intangible cultural heritage by UNESCO/Entire Hgashi-Kyushu Expressway opens 2018 Cruise ship wharf extension work completed (Chuo Wharf) 2019 Operation of Fukuoka Airport by a private-sector operator begins