



Fukuoka REIT Corporation
1-2-25 Sumiyoshi, Hakata Ward, Fukuoka City
Etsuo Matsuyuki
CEO & Representative Director
(Securities Code: 8968)

Asset Management Company:
Fukuoka Realty Co., Ltd.
1-2-25 Sumiyoshi, Hakata Ward, Fukuoka City
Etsuo Matsuyuki
CEO & Representative Director

Inquiries:
Keishi Tamura
General Manager of Finance Department
TEL: +81-(0)92-272-3900

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
Refinancing on existing borrowings

2) Outline of borrowings

Borrowing 1 (long-term debt)

1. Lender: The Nishi-Nippon City Bank
2. Amount: 2.5 billion yen
3. Interest rate: Base interest rate (JBA 3-month Japanese Yen TIBOR) +0.35% (Note1)
4. Drawdown date: February 28, 2020
5. Borrowing method: Loan agreement concluded on February 26, 2020
6. Repayment date: February 28, 2030
7. Repayment method: Lump-sum upon maturity
8. Description: No collateral, No guarantee

Borrowing 2 (long-term debt)

1. Lender: Mizuho Bank
2. Amount: 1.7 billion yen
3. Interest rate: To be determined (Note2) / Fixed rate
4. Drawdown date: February 28, 2020
5. Borrowing method: Loan agreement concluded on February 26, 2020
6. Repayment date: February 28, 2030
7. Repayment method: Lump-sum upon maturity
8. Description: No collateral, No guarantee

(Note1) 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/english/> (Note2) Interest rate will be announced once determined.

3) Outline of refinancing

Refinancing 1

1. Lender: The Nishi-Nippon City Bank
2. Amount: 2.5 billion yen
3. Repayment date: February 28, 2020
4. Repayment method: Lump-sum upon maturity
5. Description: No collateral, No guarantee

Refinancing 2

1. Lender: Mizuho Bank
2. Amount: 1.7 billion yen
3. Repayment date: February 28, 2020
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 risk of interest rate volatility by converting the floating interest rates payable to fixed interest rates for part of the borrowings over the period until the repayment date.

2) Outline of interest rate swap transaction

1. Counterparty		The Nishi-Nippon City Bank
2. Notional Amount		2.5 billion 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)+0.35%
4. Commencement date		February 28, 2020
5. Termination date		February 28, 2030
6. Payment date		Fixed interest rate for payment and floating interest rate for receipt are due on February 28, 2030. The first payment will be made at the end of May 2020, 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

(unit: mm yen)

	Before borrowing	After borrowing	Change
Short-term debt	0	0	0
Long-term debt	72,500	72,500	0
Of which, long-term debt payable due within one year	[5,200]	[1,000]	[(4,200)]
Total	72,500	72,500	0
Investment Corporation Bonds	5,000	5,000	0
Interest-bearing debt	77,500	77,500	0

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 30th Fiscal Period (submitted on November 28, 2019).

*This document was distributed to Kabuto Club (press club within the Tokyo Stock Exchange), Press Club for the Ministry of Land, Infrastructure, Transport and Tourism, Construction Trade Paper Press Club for the Ministry of Land, Infrastructure, Transport and Tourism, Fukuoka Economic Press Club, and Fukuoka Securities Finance Press Club.

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