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Notice Concerning Decision of Prospective Buyer Regarding Property Acquisition

Fukuoka REIT Corporation (FRC) announces that it made an application jointly with Fukuoka Jisho Co., Ltd., the sponsor, for the sale of Island City Minato Bay related site (land with leasehold interest) (hereinafter referred to as the “property”) conducted by the Fukuoka City Port and Airport Bureau. FRC also announces that it received a notification of decision of prospective buyer (hereinafter referred to as the "decision notice") from Fukuoka City today as described below.

1. Overview of the Decision of Prospective Buyer

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| (1) Party that determined prospective buyer: | Fukuoka City |
| (2) Prospective buyer: | FRC and Fukuoka Jisho Co., Ltd. |
| (3) Location: | Part of Minato Kashii 3-32-1, Higashi Ward, Fukuoka City |
| (4) Area: | Approximately 41,181 m ² |
| (5) Price: | 8,504 million yen (Note) |

(Note) FRC’s acquisition ratio is not yet determined at this time, but it will be announced when it is decided.

The decision notice was issued by Fukuoka City. Upon discussing the acquisition with Fukuoka Jisho Co., Ltd. with which it jointly applied for the sale, FRC will make a decision on acquisition. At present, the property is a public lot for which infrastructure improvement work is being carried out. Accordingly, delivery is scheduled for March 2029.

2. Background and Reasons for Applying for the Sale

FRC invests in a diverse range of properties, including retail facilities, office buildings, and others (logistics facilities, residential properties, hotels, etc.) in the Fukuoka and Kyushu regions as its main investment target area. In March 2019, the management guidelines at the asset management company were partially amended to modify the principle of the investment ratio in investment types, thereby allowing for more flexibility when considering investment in office buildings and other properties (logistics facilities, residential properties, hotels, etc.).

In order to acquire logistics facilities in the future, FRC jointly applied with Fukuoka Jisho Co., Ltd. for the sale. FRC and Fukuoka Jisho Co., Ltd. were selected as prospective buyer as a result of the examination and selection by “the Island City Kashii Park Port Land Disposal Committee” established by Fukuoka City. Island City, where

the property is located, is located within a 10-km radius of Hakata Port, Fukuoka Airport, and Fukuoka IC. The Fukuoka City Expressway Route 6 (Island City Line) was opened in March 2021, making the area more convenient.

In addition, there are very limited opportunities to acquire large-scale logistics sites of 10,000 tsubo or more in the Hakata Port Area, and FRC believes that the significance of creating opportunities for acquisition in this area, which will further develop as a logistics base to drive growth in Fukuoka, is extremely significant.

3. Characteristics and Outline of the Property

(1) Property name	Island City Minato Bay related site (land with leasehold interest) (tentative)
(2) Location	Part of Minato Kashii 3-32-1, Higashi Ward, Fukuoka City
(3) Use	Logistics facilities (planned)
(4) Transportation access	Approximately 1.8 km to the entrance of Fukuoka City Expressway "Island City"
(5) Others	After acquiring the property, FRC will conclude a land lease contract with Fukuoka Jisho Co., Ltd. as the lessee, and Fukuoka Jisho Co., Ltd. plans to start construction of the building.

4. Schedule with Fukuoka City

Middle of June 2022 (planned)	Agreement on Conclusion of Contract on Sale of Land (Note 1)
December 2028 (planned)	Conclusion of Provisional Contract on Sale of Land (Note 2)
March 2029 (planned)	Delivery of Land

(Note 1) FRC will make a decision on acquisition of the property by the time the agreement on the conclusion of the contract on sale of land is concluded. This decision will be announced when it is made.

(Note 2) It will be established upon resolution by the Fukuoka City Assembly pursuant to the provisions of Article 3 of the "Ordinance Concerning the Acquisition or Disposal of Contracts and Property Subject to the Resolution of the Assembly (Fukuoka City Ordinance No. 39 of 1964)".

*FRC's website is <https://www.fukuoka-reit.jp/en/index.html>

(Attachments)

Reference 1: Location of the Property

