

Fukuoka REIT Corporation

Overview of the 39th fiscal period performance [8968] Security code September 1st, 2023~February 29th, 2024

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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.
*Figures in tsobos are based on area converted to tsubo and rounded down to the nearest tsubo.

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Executive summary

Fiscal period ending February 2024 (39th period) Dividend is +52 yen compared to forecast. A dividend of 3,807 yen is an all-time high

Internal Growth

- Retail properties**
 - At Canal City Hakata, the effect of the opening of a new store was more than expected, and inbound tourism demand is recovering
- Initiatives by each facility**
 - Canal City Hakata :Sales up 25.4% year on year due to Alpen FUKUOKA Grand Opening, etc.
 - Konoha Mall Hashimoto :Strong sales due to store renovations and special events, etc.
- Office buildings**
 - The period-end occupancy rate:96.8%. High occupancy rate maintained
- Others**
 - Logistics :100% occupancy rate.
 - Residence :Rent increase continued due to tenant replacement
Axion Befu-Ekimae Premium achieved a 100% occupancy rate in April 2024
 - Hotel :ADR on a recovery trend by capturing demand from within Japan and abroad

Financial Management

Total debt	Committed line	Fixed rate	Average remaining duration to maturity	LTV (*2)
96,350 mm yen	13,000 mm yen	90.9%	5.2 years J-REITs' average : 4.1 years (*3)	44.9% J-REITs' average : 44.9% (*3)

(*2) LTV is calculated as total interest-bearing debt divided by total assets.
(*3) Indicates the average value of the latest account settlement figures of all investment corporations as of February 2024, calculated by Fukuoka Realty based on their disclosure materials.

External Growth

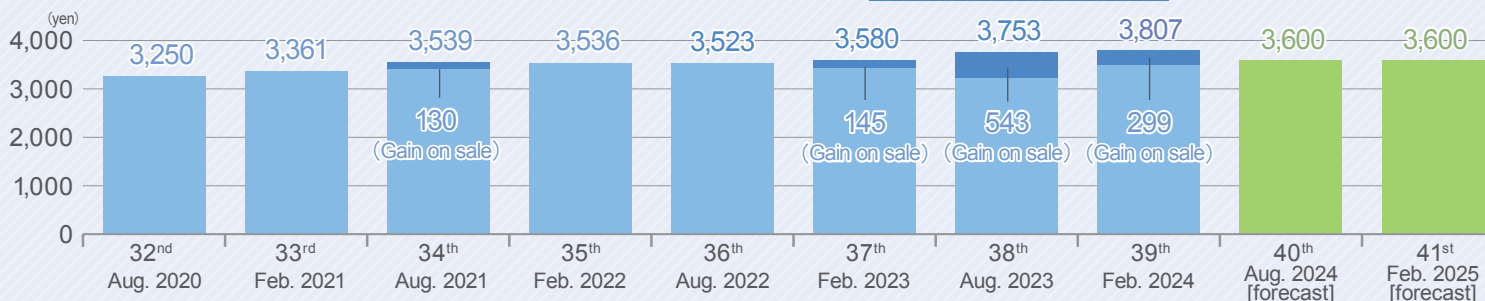
Name of property	Hakata FD Business Center	Acquisition price	14,100 mm yen
Address	Hakata Ward, Fukuoka City	NOI yield (*1)	4.1%
Acquisition date	September 1, 2023		

(*1) The indicated figure is based on the NOI described in the appraisal report.

Sustainability

- External certification**
 - Green Building certification obtained for 84.6%(As of Feb. 29, 2024)
 - DBJ Green Building Certification Hakata FD Business Center (3 stars)
 - CASBEE Certification
Taihaku Street Business Center (Rank S/ office, Rank A/ Residence)
Hakata Chikushi-Dori Center Building (Rank S)

Dividend per unit



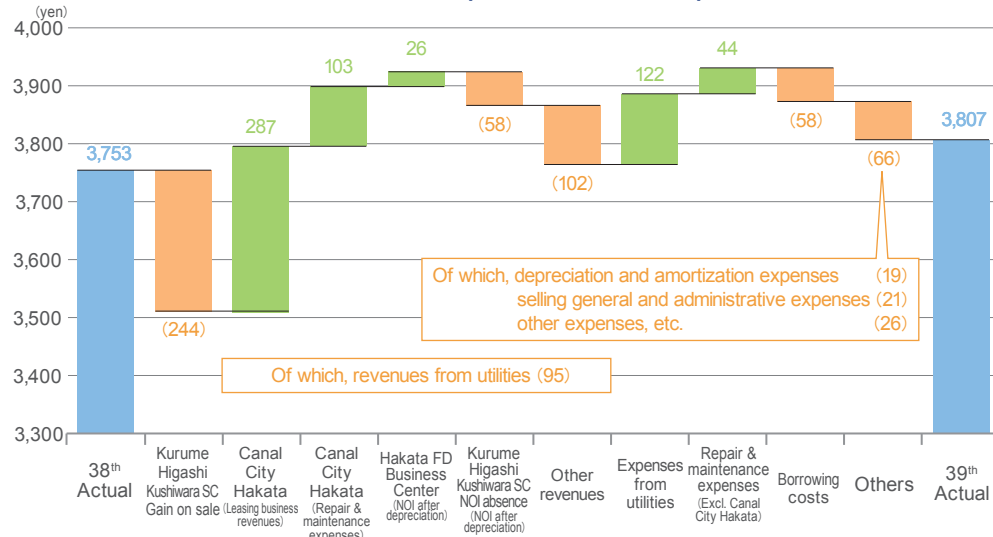
【Dividend per unit】

39th Actual 3,807 yen (compared with the forecast +52 yen)
40th Forecast 3,600 yen (compared with the forecast at 38th +0 yen)
41st Forecast 3,600 yen

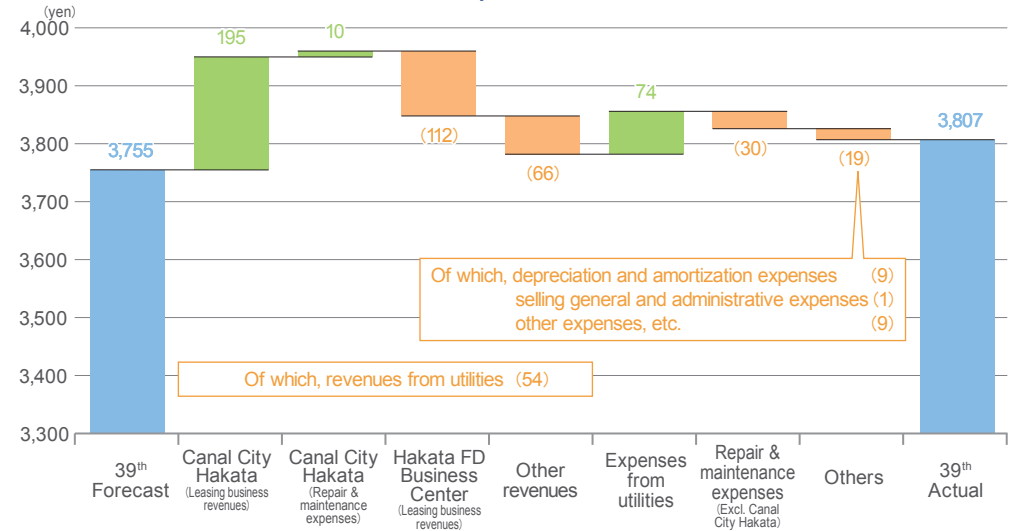
Dividend per unit

Dividend forecast for the 41st fiscal period remains at 3,600 yen even after the disposition of Marinoa City Fukuoka (Marina Side Building)

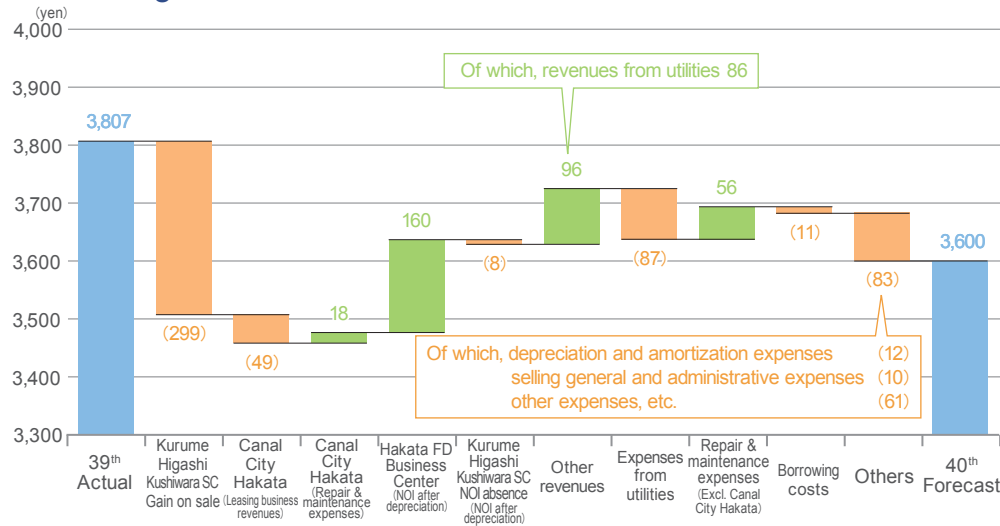
39th (Feb. 2024) Actual (compared with the previous FP)



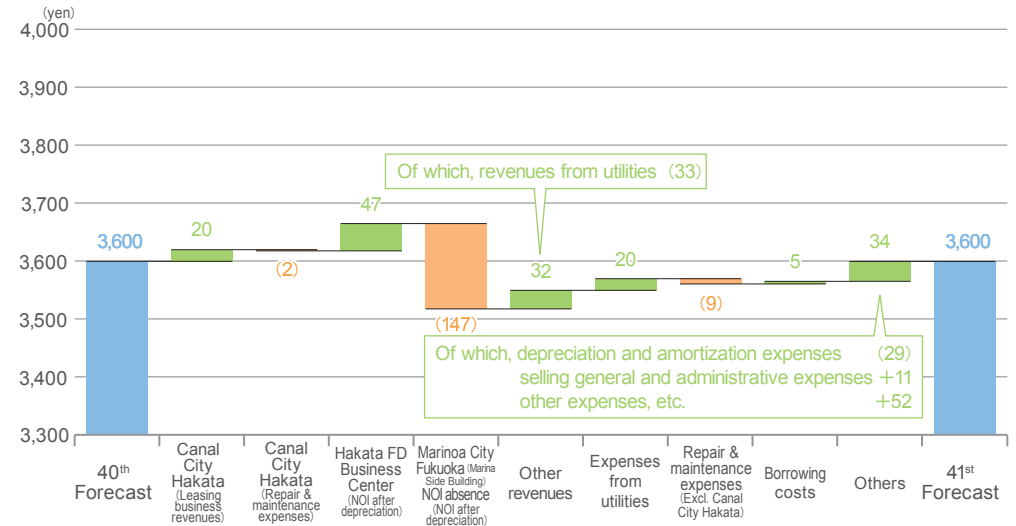
39th (Feb. 2024) Actual (compared with the forecast)



40th (Aug. 2024) Forecast

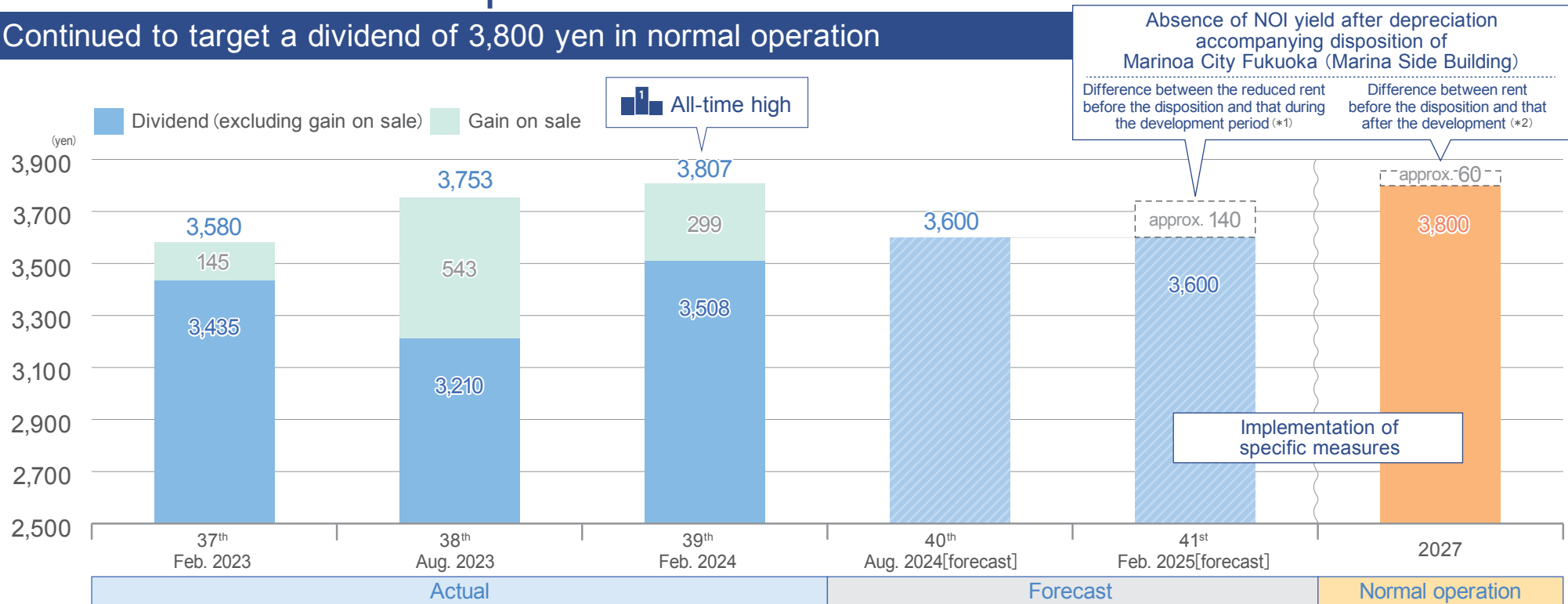


41st (Feb. 2025) Forecast



Dividend in normal operation

Continued to target a dividend of 3,800 yen in normal operation



(*1) Rent of 65 million yen will be received per year for a period of 26 months (up to 30 months) from the scheduled commencement date of lease (September 2, 2024) which represents the development period.
 (*2) Rent of 195 million yen will be received per year after 26 months (up to 30 months) from the scheduled commencement date of lease (September 2, 2024).

Specific measures

Internal Growth

- Retail properties**
 - Execution of the future vision at Canal City Hakata
 - Capturing inbound demand (China, etc.)
- Office buildings**
 - New property Hakata FD Business Center in normal operation
 - Contract renewal and leasing by leveraging positive gaps in existing office buildings
- Logistics**
 - Rent renewal targeting market rent levels at existing logistics facilities
- Residence**
 - Continuation of rent increases due to replacement
- Hotel**
 - Performance-based rental income from the Tissage Hotel Naha generated by the recovery of inbound demand in Okinawa

External Growth

- Asset size as of February 29, 2024 : 220.9 billion yen
- Target asset size : 300 billion yen
- Continue to expand the portfolio with a target asset size of 300 billion yen.
- LTV borrowing capacity up to 50% : 21.6 billion yen

Utilization of gains on sale and retained earnings

- Unrealized gains for the period ended February 29, 2024: 51.8 billion yen
- Replacement of properties based on portfolio strategy
- Utilization of gain on sale
- Underpinning of distributions
- Consideration of internal reserve

External Growth Initiatives Policy

Aiming for an asset size of 250 bn yen by diversifying risks by investment type as a comprehensive REIT (300 bn yen in future)

Sponsor pipelines

- Several redevelopment projects are underway in the Tenjin and Hakata areas
- Several development of logistics facilities are underway
- Considering redevelopment of Canal City Hakata East Building
- Fukuoka Jisho owns 9.81% of FRC's investment units through same-boat investment (as of February 29, 2024)

Community-based sourcing strategy

- Acquire properties from external sources by utilizing the information-collecting ability and know-how of the Asset Manager which is well versed in individual conditions in the Fukuoka and Kyushu areas
- Propose wide-ranging CRE strategies by grasping customers' needs as early as possible (ex. leaseback, base consolidation, putting land with leasehold interest off the balance sheet, etc.)
- Powerful companies leading the Kyushu business world provide backup as sponsors of the Asset Manager
- After acquisition, property management that is closely tied to the community and assumes long-term ownership

New acquisition properties



39th
Newly built Office buildings

Hakata FD Business Center

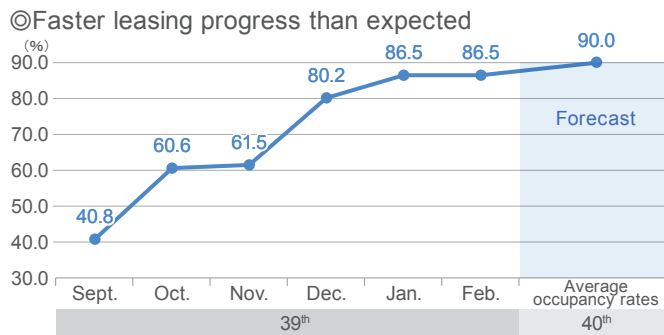
Acquisition date
September 1, 2023

Source

Sponsor

Acquisition price
14,100 mm yen

Occupancy ratio trends of Hakata FD Business Center



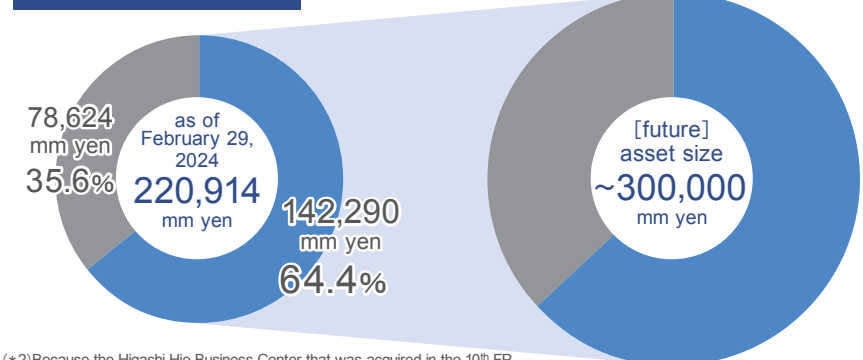
Leasing Status

◎Occupancy rate 88.4% (contracted + applied) (*1)

Floor	Business Type	Status
12F	Financial institution (Foreign-affiliated)	Contracted
11F		Contracted
10F	Vacant	Vacant
9F		Contracted
8F	Consulting business (Foreign-affiliated)	Contracted
7F	IT business, Telecommunications business (Foreign-affiliated)	Contracted
6F	Industrial systems business, Telecommunications business	Contracted
5F	Energy business, Trading company, Manufacturer	Contracted
4F	Office equipment/OA-related business	Contracted
3F	Independent administrative institution	Contracted
2F	Entrance hall, Business process outsourcing business	Contracted
1F	Restaurant	Applied

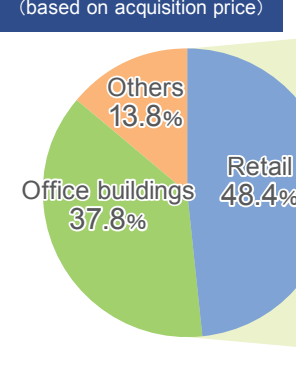
(*1) The leasing status is as of March 31, 2024.

Acquired from sponsor (*2)

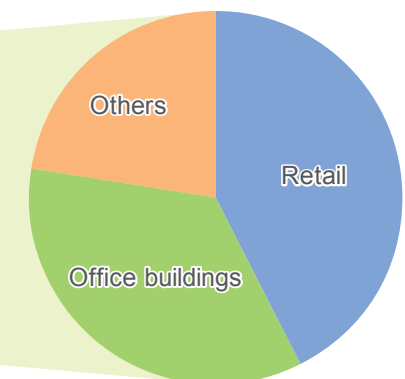


(*2) Because the Higashi Hie Business Center that was acquired in the 10th FP, August 31, 2009, was acquired from both the outside party and the sponsor, the purchase price has been added to the purchase prices from outside parties and the purchase prices from the sponsor after calculation on a per capita basis. Furthermore, with regard to the number of properties, one property has been added to the number of properties acquired from the sponsor.

Investment type (based on acquisition price)



【Aiming for the optimal portfolio】

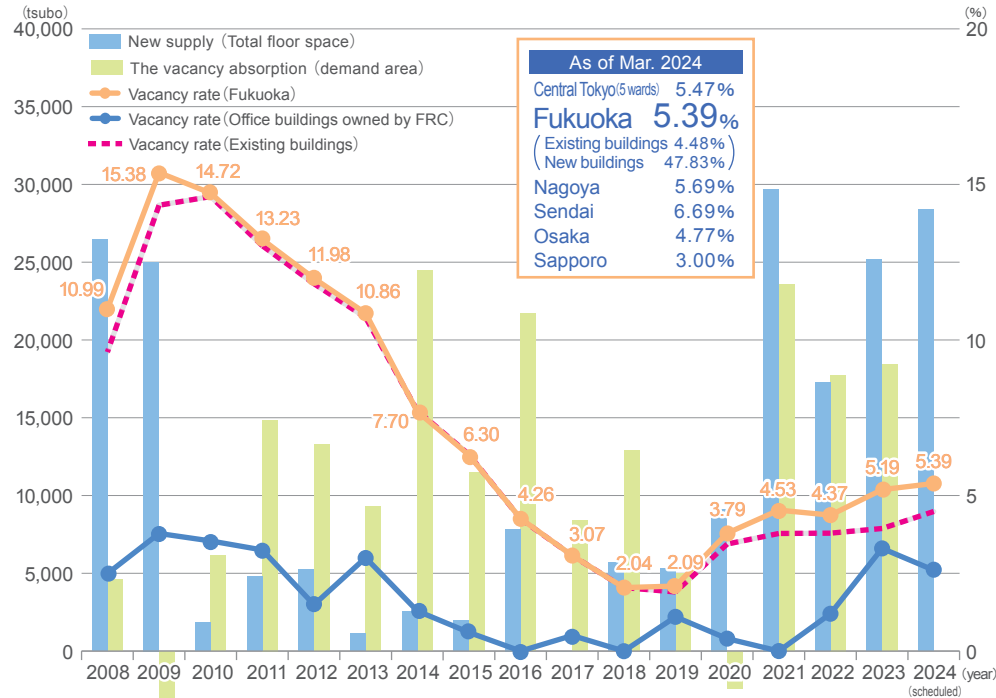


Trends in the Fukuoka office market

The vacancy rates of existing buildings remain at low levels. The average rent continues to increase with the rent-raising trend

Fukuoka business district / Vacancy rates and demand of office buildings

◎Tenant demand is strong, surpassing that of the previous year



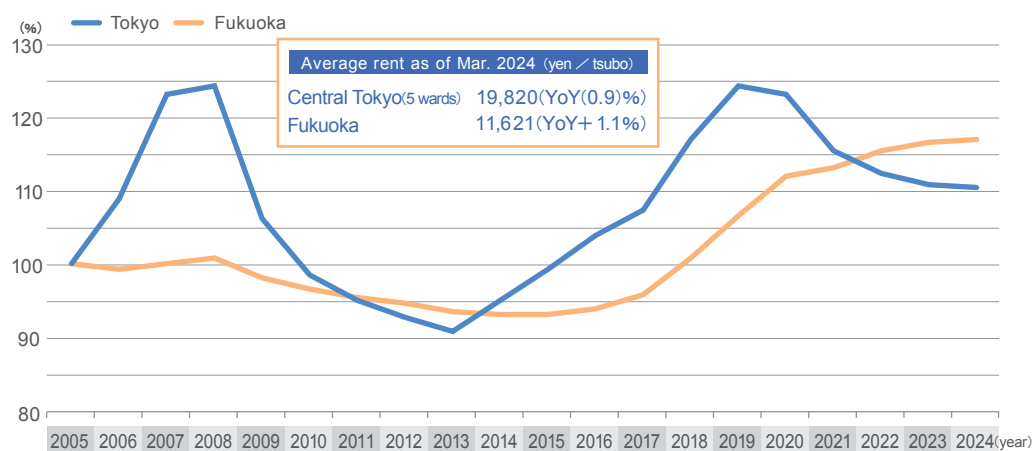
As of Mar. 2024
 Central Tokyo(5 wards) 5.47%
Fukuoka 5.39%
 (Existing buildings 4.48%)
 (New buildings 47.83%)
 Nagoya 5.69%
 Sendai 6.69%
 Osaka 4.77%
 Sapporo 3.00%

New buildings completed in 2024 (more than 100 tsubo per floor area)			
Completed	Property name	Address	Total floor space (tsubo)
Jan.	Daimyo-machi Building	Daimyo, Chuo Ward	1,653
Mar.	CONNECT SQUARE HAKATA	Hakata Ekihigashi, Hakata Ward	4,197
Jun.	Iyo Bank Fukuoka Building (provisional name)	Hakata Ekimae, Hakata Ward	982
Oct.	Komondo Office Project (provisional name)	Komondomachi, Hakata Ward	1,777
Dec.	New Fukuoka Building (provisional name)	Tenjin, Chuo Ward	14,000
Dec.	Hulic Fukuoka Building Rebuilding Project (provisional name)	Tenjin, Chuo Ward	1,260
Total			23,869
Total of year 2025			approx. 16,000
Total of year 2026			approx. 31,000

※Statistics from 2008 to 2023 are based on the figures at the end of December. The vacancy rate for 2024 is based on the figures at the end of March.
 ※Office building-related data for each city are data for areas and buildings included in surveys conducted by Miki Shoji Co., Ltd.
 ※The vacancy absorption (demand area) indicates the sum of vacant area as of the end of December in the previous year and the new supply (leased area) for each year, then subtracts the vacant area as of December of each year. The new supply (leased area) for the years 2024 to 2026 has not been finalized, and both area and completion dates are subject to change.
 Source: Prepared by Fukuoka Realty based on data from "Office Market Data" Miki Shoji Co., Ltd.

Fukuoka Business district / Average rents [Y2005=100]

◎Rents continued increasing

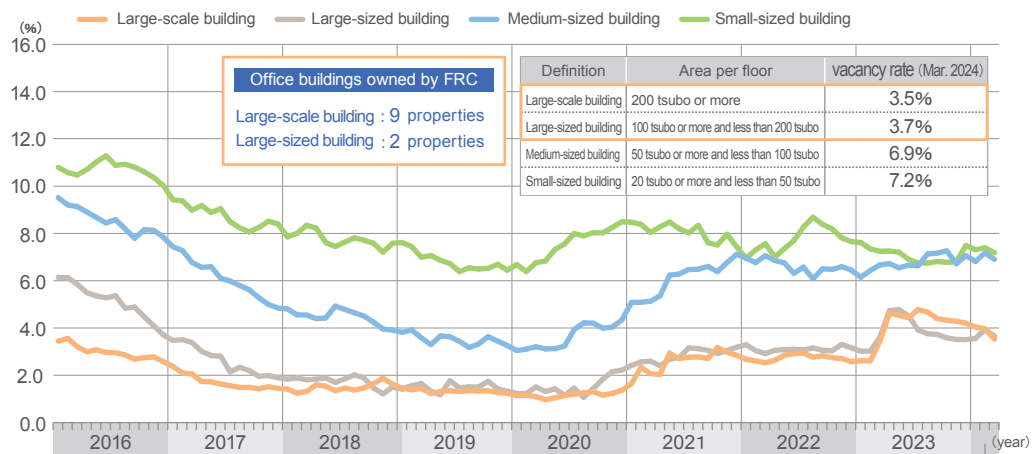


Average rent as of Mar. 2024 (yen / tsubo)
 Central Tokyo(5 wards) 19,820 (YoY(0.9%))
Fukuoka 11,621 (YoY(+1.1%))

Source: Prepared by Fukuoka Realty based on data from "Office Market Data" Miki Shoji Co., Ltd.

Trend of office building vacancy rate in Fukuoka City by size

◎Vacancy rates are relatively low in large-scale and large-sized buildings

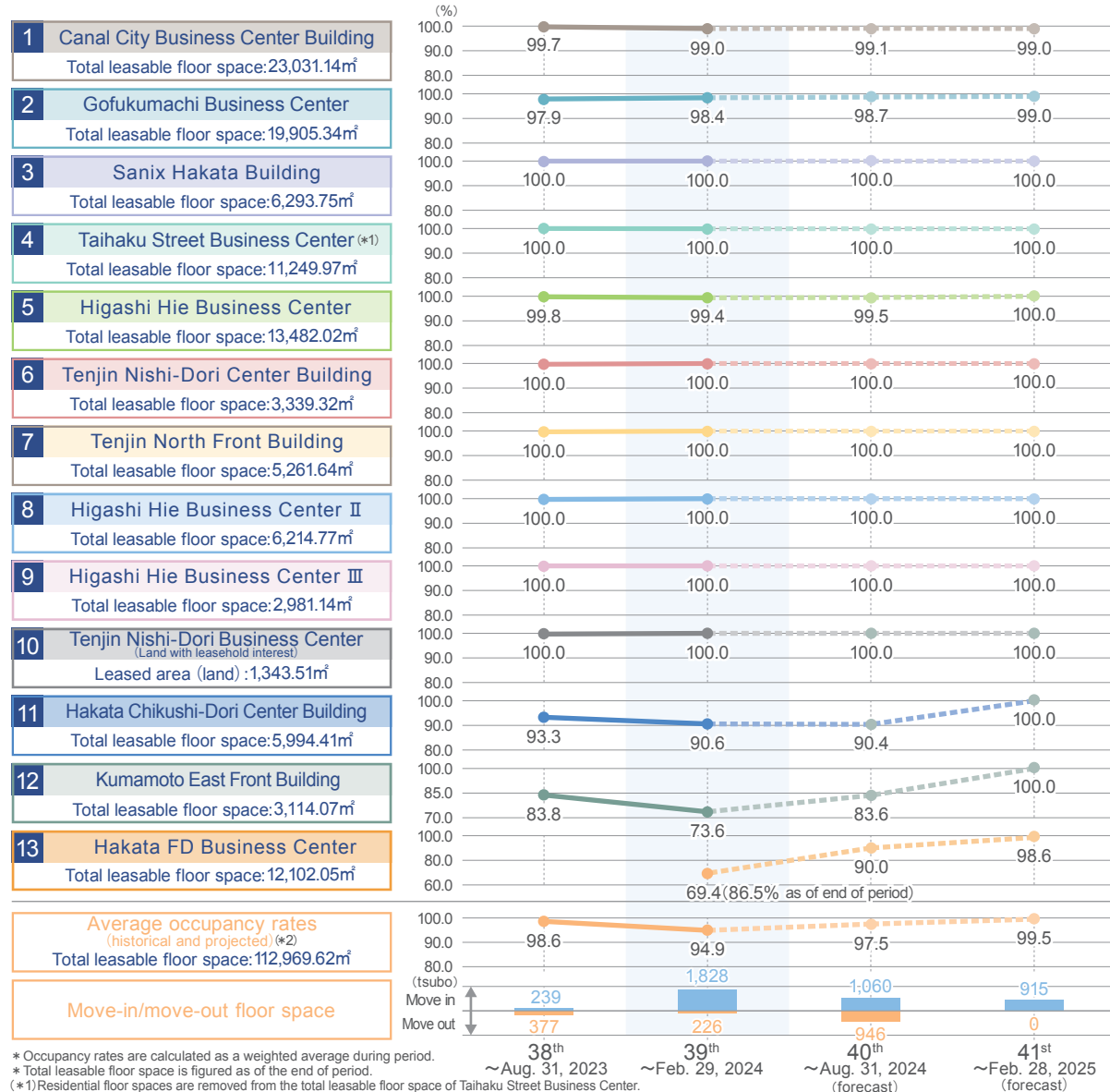


Office buildings owned by FRC
 Large-scale building : 9 properties
 Large-sized building : 2 properties

Source: Prepared by Fukuoka Realty based on data "Office Market Monthly Survey (Time Series)" from Sanko Estate Co., Ltd.

Historical and projected office buildings' occupancy rates

The occupancy rate is expected to be stabilized by early leasing despite the temporary impact of acquisitions of new properties



* 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) Average occupancy rates (historical and projected) are calculated excluding Tenjin Nishi-Dori Business Center (Land with leasehold interest).

Overview of Office Buildings

⟨Average occupancy rates(actual): 39th:94.9%(96.8% as of end of period)⟩

◎Acquired Hakata FD Business Center in September, 2023

⟨Average occupancy rates(projected): 40th:97.5% 41st:99.5%⟩

◎Aiming to complete early leasing at Hakata FD Business Center and Kumamoto East Front Building

Major indicators of owned properties (*3)

Total amount of acquisition	83,590 mm yen
Investment ratio	37.8%
Average age (*4)	17 years 11 months
Tenants (*5)	204
Total leasing revenues-real estate in the 39 th FP	3,145 mm yen
Rent gap (*6)	11.1%(*6)

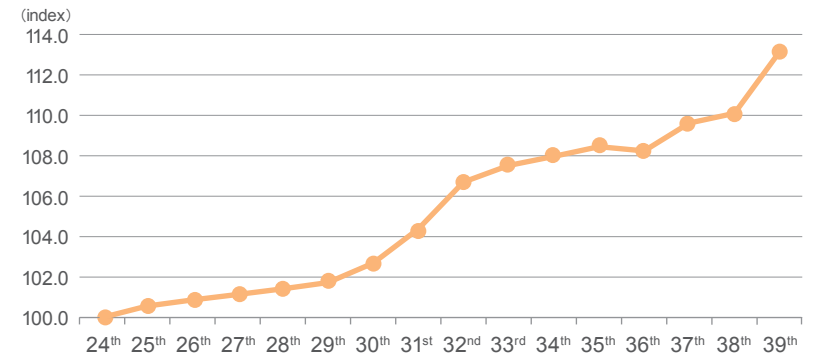
(*3) The figures are indicated as of the end of period.

(*4) The average building age and the positive rent gap are calculated excluding Tenjin Nishi-Dori Business Center (Land with leasehold interest).

(*5) The number of tenants is indicated excluding the residential portion of the Taihaku Street Business Center.

(*6) Rent gap indicated the gap between current rent: contract rent with common charges and market rent, and is calculated as "market rent - current rent". Moreover, market rent indicated average of assumed newly closed rent assessed by CBRE as of Feb. 2024.

Trend in rent unit price index of owned properties (*7)

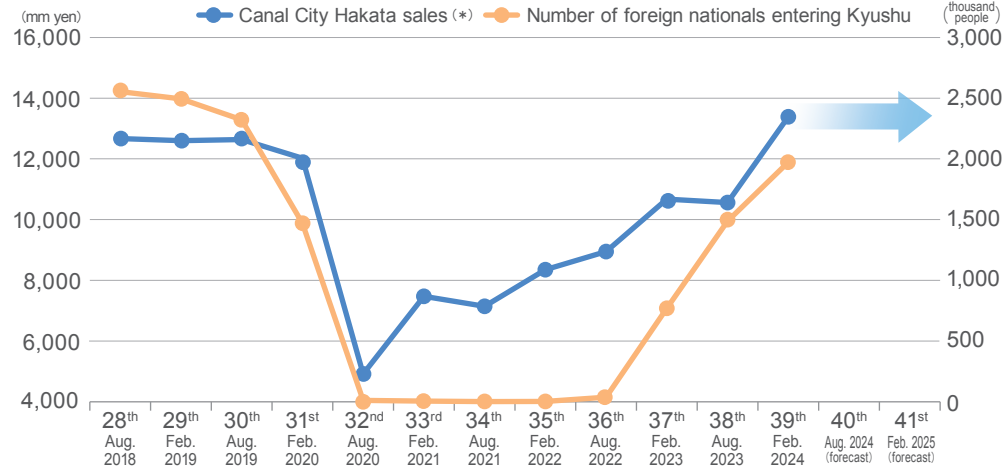


(*7) The rent unit price index is based on the average rent per unit area at the end of each fiscal period compared with the rent per unit area at the end of the 24th fiscal period(August 2016), which is set as 100. And the figures are calculated excluding Tenjin Nishi-Dori Business Center (Land with leasehold interest).

Initiatives at Canal City Hakata

The initial stage of renewal has been completed. Opening of Alpen FUKUOKA drives up the inbound demand

Canal City Hakata Sales Trends and Number of Foreign Nationals Entering Kyushu



(*) Calculated by subtracting the sales of the Canal City Hakata-B Grand Building disposition portion (88.28% co-ownership interest) disposed on June 1, 2021.

Situation of inbound

©Number of foreign nationals entering Kyushu

Country / Region	2018	2023				2024	
	monthly average	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Total number of immigrants	426,357	277,730	317,407	338,833	358,231	339,650	341,619
Korea	200,805	158,127	182,072	189,745	212,854	—	—
China	142,328	18,389	21,260	21,699	28,846	—	—
Taiwan	34,460	40,960	41,837	43,241	41,306	—	—
Hong Kong	23,792	23,830	26,006	31,421	34,616	—	—
Others	24,971	36,424	46,232	52,727	40,609	—	—

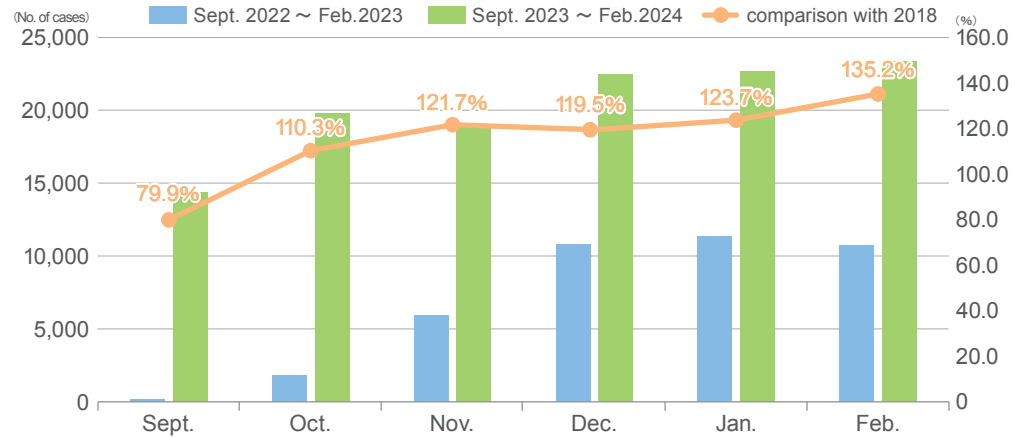
*The number of foreign visitors including cruise ship tourists. Figures for January and February 2024 are preliminary figures. Source: Prepared by Fukuoka Realty based on the data of the Kyushu District Transport Bureau of the Ministry of Land, Infrastructure, Transport and Tourism.

©Cruise Ship Calls to Hakata Port

year	2018	2019	2020	2021	2022	2023	2024		
							Jan.	Feb.	Mar.~Dec.(scheduled)
Number of port calls	279	229	14	0	2	75	7	10	171

Source: Prepared by Fukuoka Realty based on data as of April 1, 2024 from the Fukuoka City Port & Airport Bureau

Use of duty-free goods counters (after the opening of Alpen FUKUOKA)



Planning renovating the Grand Building B1F dining zone



*This is an image perspective and is subject to change.

Disposition of property (Marinoa City Fukuoka (Marina Side Building) (Building))

Expectations are placed on creating substantial value in the future

Overview of disposition property (planned)

Property name	Marinoa City Fukuoka (Marina Side Building) (Building)
Location (Address)	12-30, 2-chome, Odo, Nishi Ward, Fukuoka City
Date of agreement	February 29, 2024
Buyer (*1)	Fukuoka Jisho Co., Ltd. and not disclosed company
Disposition date (scheduled)	September 2, 2024
Appraisal value	754 mm yen
Book value	771 mm yen as of August 31, 2024 (estimated) 795 mm yen as of February 29, 2024
Disposition price (planned)	783 mm yen
Difference between the disposition price (planned) and the book value (*2)	11 mm yen (difference from the estimated book value as of August 31, 2024) (12) mm yen (difference from the book value as of February 29, 2024)
Acquisition date	May 1, 2015

Summary of the asset after disposition (planned)

Property name	Marinoa City Fukuoka (Marina Side Building) (Land)
Book value	4,494 mm yen
Land area	26,917.74 m ²

(*1) Not stated because the consent of the buyer cannot be obtained.

(*2) The figures calculated as the difference between the disposition price (planned) and each book value (as of the end of Aug. and Feb. 2024, however the book value as of Aug. 2024 is estimated.), and is different from the gain or loss on sale.



Reasons for Disposition

① Aiming to sell for a price higher than book values

- Despite the risks of future declines in profitability and property value due to factors such as aging or changes in the surrounding competitive environment, it may be possible to achieve a sale price exceeding the book value by transferring ownership to Fukuoka Jisho Co., Ltd., which is considering rebuilding Marinoa City Fukuoka entirely.

② Expectation for creating substantial value in the future

- When the complete rebuild of Marinoa City Fukuoka is undertaken, its competitiveness as a commercial facility will improve, resulting in the generation of significant value in the future for the land with leasehold interest owned by FRC.

③ Securing a long-term stable cash flow

- Continued ownership of land with leasehold interest allows for the collection of fixed rent not susceptible to fluctuations in end-tenant sales or occupancy rates. This ensures a more stable cash flow over the long term.

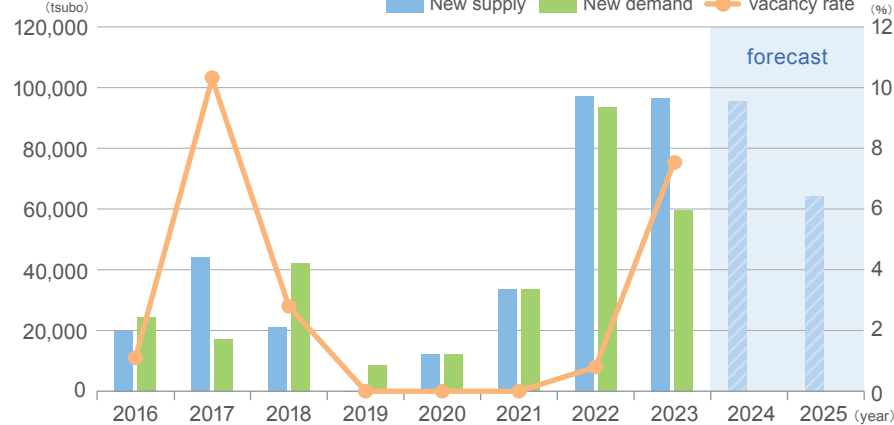
We aim to provide revenue that is stable over the medium to long term to investors and accommodate the best interests of investors

Situation of other assets (Logistics)

Continued rise in unit rents

Supply and demand of logistic facilities and vacancy rates

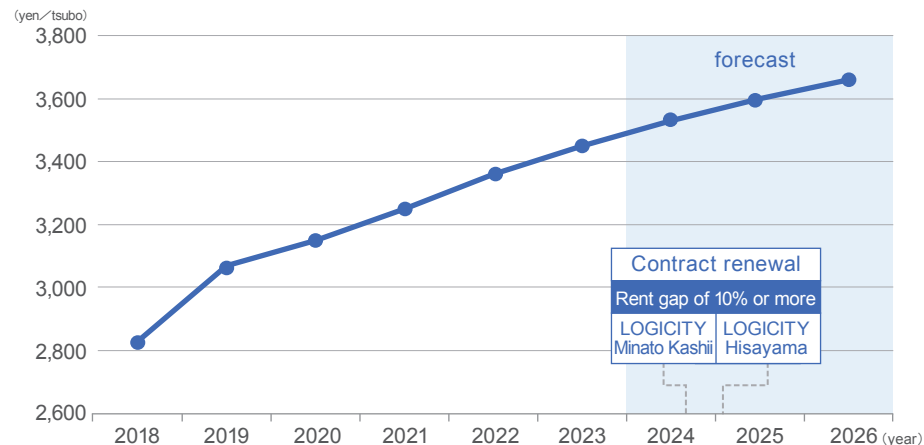
© Although the vacancy rate rose temporarily in 2023, it is expected to decline from 2024 onwards



*Medium and large logistics facilities with a total floor space of 5,000 m² or more in the Fukuoka metropolitan area are targeted. Source: Prepared by Fukuoka Realty based on data of CBRE.

Trend in rent unit price

© Large supply, but rents expected to increase

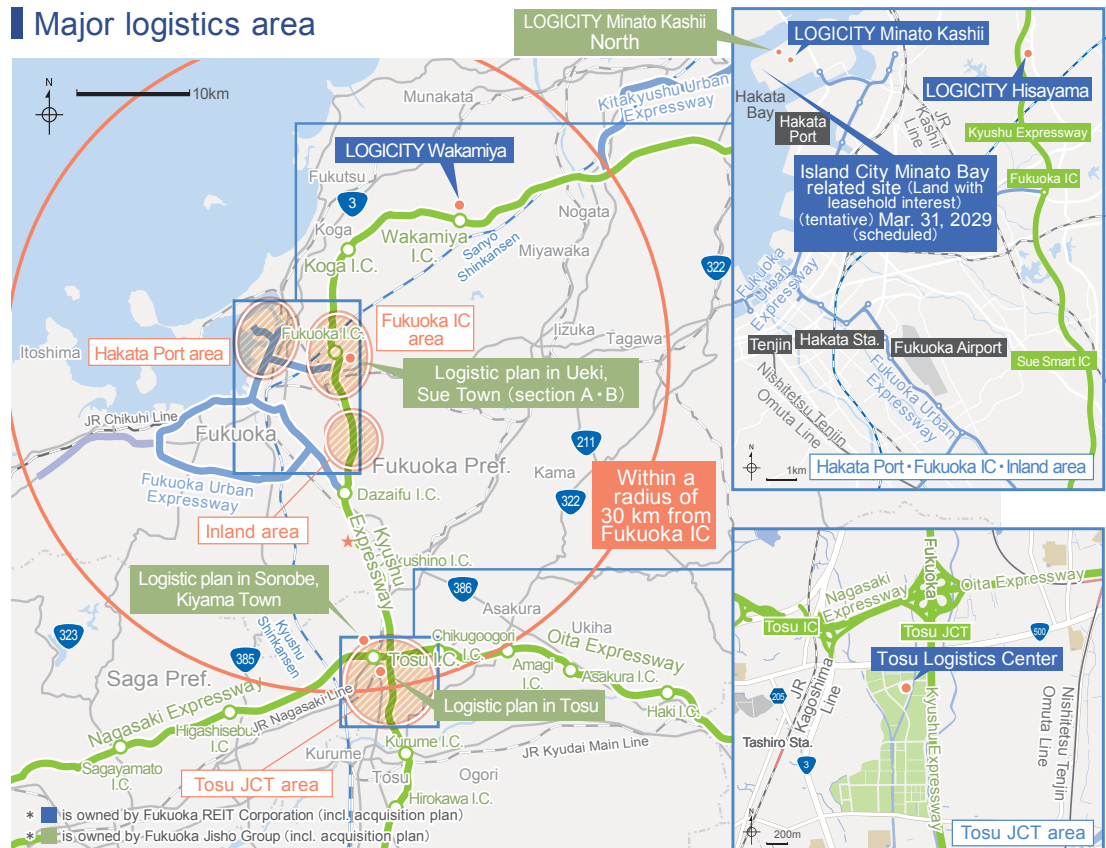


*Large multi-tenant logistics facilities with a total floor space of 5,000 tsubo or more in the Fukuoka metropolitan area are targeted. Source: Prepared by Fukuoka Realty based on data of CBRE.

Overview of Logistics

Property name	Tosu Logistics Center	LOGICITY Minato Kashii	LOGICITY Hisayama	LOGICITY Wakamiya
Acquisition price	1,250 mm yen	8,150 mm yen	5,050 mm yen	1,700 mm yen
Total leasable floor space	4,173.29 m ²	43,233.72 m ²	24,505.65 m ²	17,556.32 m ²
Occupancy rate	100.0%	100.0%	100.0%	100.0%

Major logistics area



Situation of other assets (Residence, Hotel)

Residential assets are strong, hotel assets are recovering

Residential properties

◎Residential properties have continued to operate at a high occupancy rate

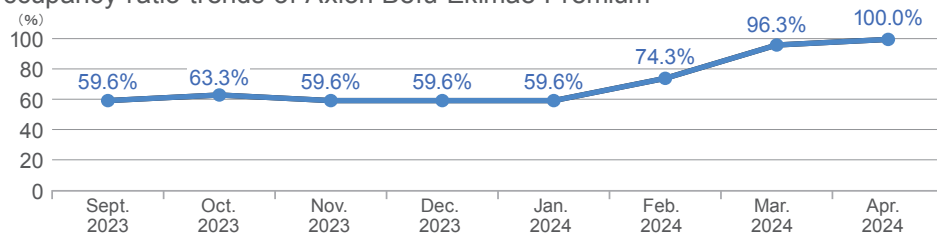
Occupancy rates	35 th (Feb. 2022)	36 th (Aug.2022)	37 th (Feb. 2023)	38 th (Aug.2023)	39 th (Feb. 2024)
Amex Akasakamon Tower	96.9%	96.3%	94.2%	98.6%	98.2%
City House Keyaki Dori	98.6%	97.2%	98.8%	97.0%	97.4%
Aqualia Chihaya	99.3%	98.3%	98.9%	97.8%	98.6%
D-Wing Tower (*1)	93.4%	95.7%	97.3%	97.6%	98.2%
Granfore Yakuin Minami	98.0%	97.2%	98.0%	95.3%	95.3%
The weighted average of 5 properties	96.7%	96.8%	97.3%	97.5%	97.9%
	Axion Befu-Ekimae Premium (*2)		50.7%	62.7%	
The weighted average of 6 properties			94.5%	95.1%	

* The occupancy rate is calculated as a weighted average over the period.

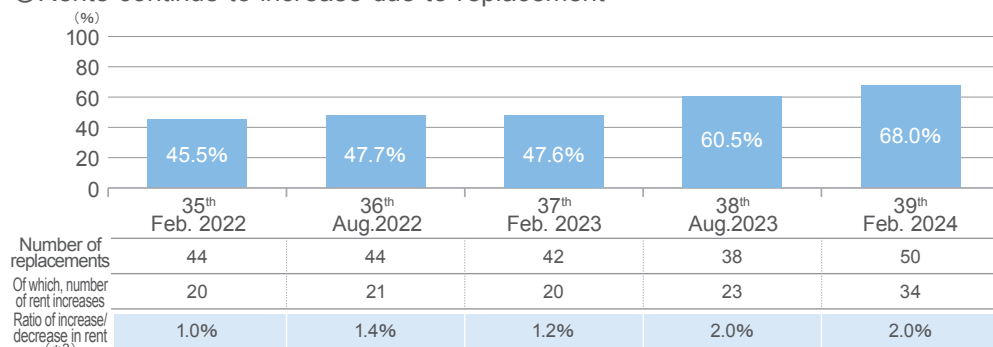
(*1) The figure includes the retail portion.

(*2) Since Axion Befu-Ekimae Premium was acquired as of April 27, 2023, occupancy rates are shown for the period from April to August 2023.

◎Occupancy ratio trends of Axion Befu-Ekimae Premium



◎Rents continue to increase due to replacement



(*3) Ratio of increase/decrease in rent relative to the rent of the previous contract at the time of replacement

Overview of Hotel

◎ADR at Fukuoka Washington Hotel recovered to Y2019 level

Hotel (Specialized for accommodation)	Fukuoka Washington Hotel [Canal City Hakata]	Hotel FORZA Oita	Tissage Hotel Naha
Rooms	423	205	132
Leasing Form	Fixed+Variable rents	Fixed rents	Fixed+Variable rents
Area	Fukuoka City	Oita City	Naha City
Operator	WHG Nishinihon (Fujita Kanko Group)	FJ Hotels (Fukuoka Jisho Group)	Nest Hotel Japan Corporation

◎Tissage Hotel Naha

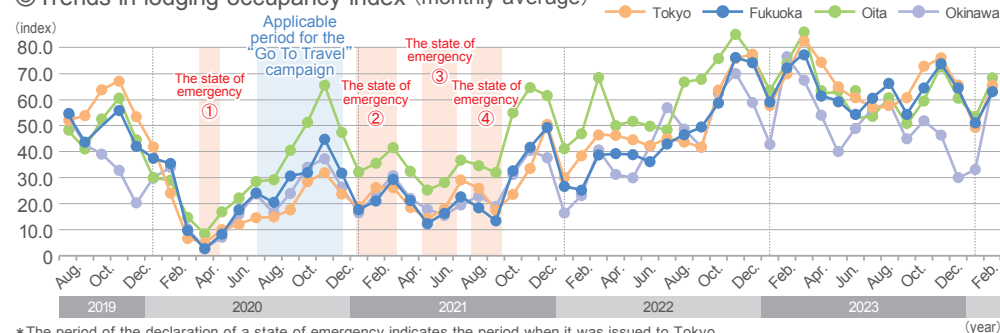
	38 th (Aug. 2023)	39 th (Feb. 2024)
Room occupancy rates	71.0%	75.8%
ADR (*4)	7,369 yen	7,098 yen
RevPAR (*5)	5,231 yen	5,384 yen

* Not disclosed for Fukuoka Washington Hotel as no consent for disclosure has been obtained from the operator.

(*4) Average Daily Rate = Total accommodation -category sales over a certain period of time divided by the total number of guest rooms sold over the same period.

(*5) Revenue Per Available Room = Total accommodation-category sales over a certain period of time divided by the total number of guest rooms available for sale for the same period.

◎Trends in lodging occupancy index (monthly average)



* The period of the declaration of a state of emergency indicates the period when it was issued to Tokyo.

Source: Prepared by Fukuoka Realty based on the data of "DATA SALAD", Kyushu Economic Research Center.

Financing condition①

Establishment of stable financial base

Financial Policy (Basic Policy)

Enhance financial soundness by realizing low financing costs while reducing the impact of future changes in the financial environment under good relationships with financial institutions to realize stable financing

◎Current financing policy

While diversifying debt maturities

Adjust financing periods(used to be 7-10 years) Adjust ratio of fixed/floating interest

Lower spread Aim to control financing costs through the above

◎Borrowings (long-term) in the 39th period (fiscal period ended February 2024)

●New Borrowings

Date	Lender	Amount(mm yen)	Term	Interest rate
September 29, 2023	The Nishi-Nippon City Bank	2,000	7.0-year	0.91900%
		1,900	8.0-year	1.01500%
		1,000	10.0-year	1.18900%
		600	5.0-year	0.76700%
October 31, 2023	SBI Shinsei Bank	600	5.0-year	0.76700%
		500	5.0-year	0.76700%
		300	5.0-year	0.76700%
October 31, 2023	The Bank of Fukuoka	2,500	8.0-year	3-month TIBOR +0.25%
		1,000	7.0-year	1.20250%
		1,000	7.0-year	1.20250%
		1,000	8.0-year	1.24900%

●Refinancing

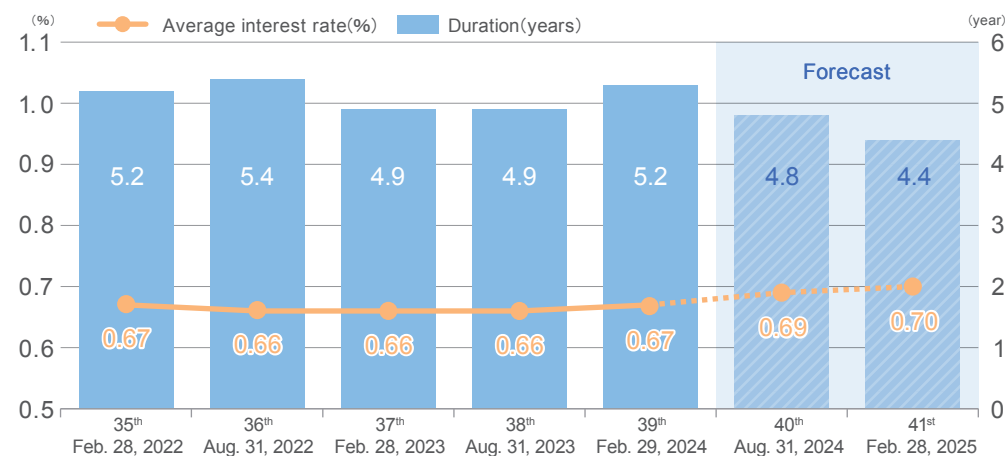
Date	Lender	Amount(mm yen)	Term	Interest rate
February 29, 2024	The Nishi-Nippon City Bank	1,000	7.0-year	0.88900%
		1,000	9.0-year	1.07000%
	The Bank of Fukuoka	1,000	7.0-year	3-month TIBOR +0.23%
		1,000	9.0-year	3-month TIBOR +0.27%

●Repayment

Repayment date	Lenders, etc.	Amount(mm yen)	Term	Interest rate
February 29, 2024	The first series of unsecured bonds	2,000	10.0-year	1.32000%
	Mizuho Bank	500	8.0-year	0.44000%

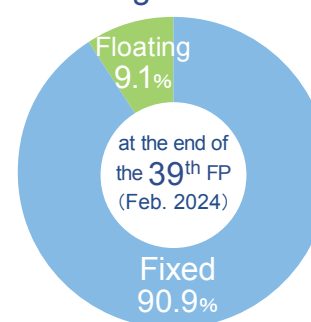
Total amount of borrowings at the end of period 96,350 mm yen

Average interest rate (*1) and duration

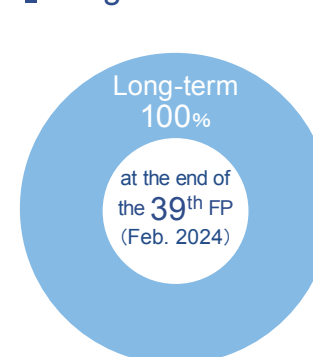


(*1) Interest rates are rounded off to the second decimal place.

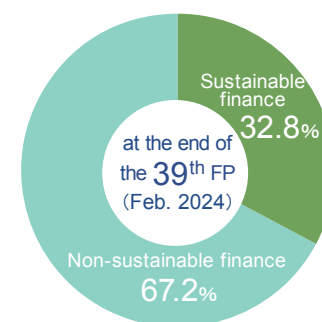
Fixed and floating rate



Long-term rate



Sustainable finance rate



Credit ratings (*2)

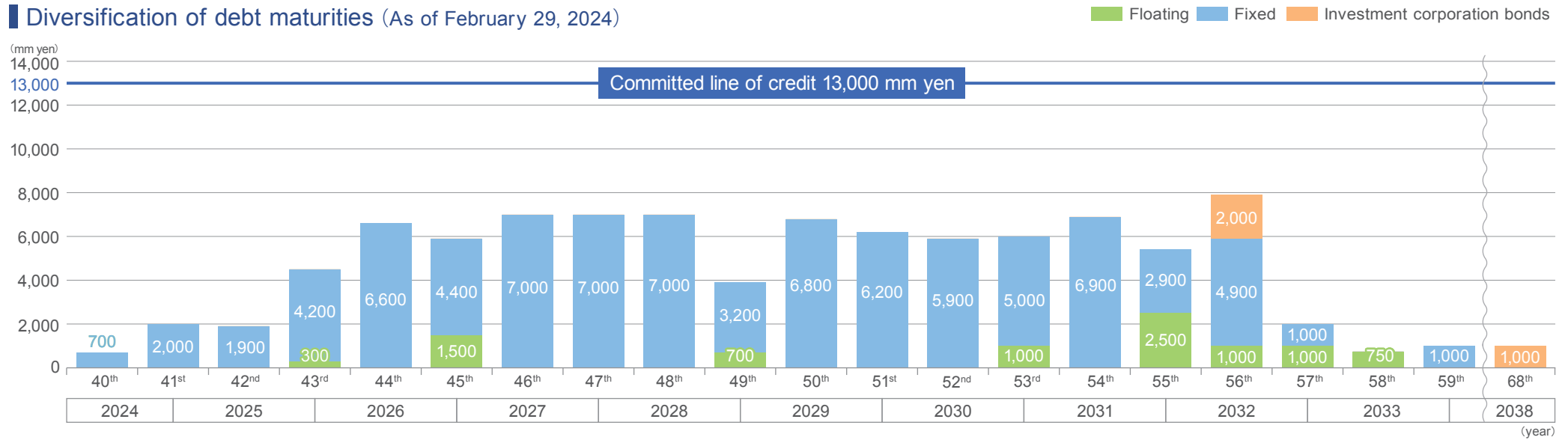


(*2)JCR: long-term issuer rating obtained from Japan Credit Rating Agency, Ltd. R&I: issuer rating obtained from Rating and Investment Information, Inc.

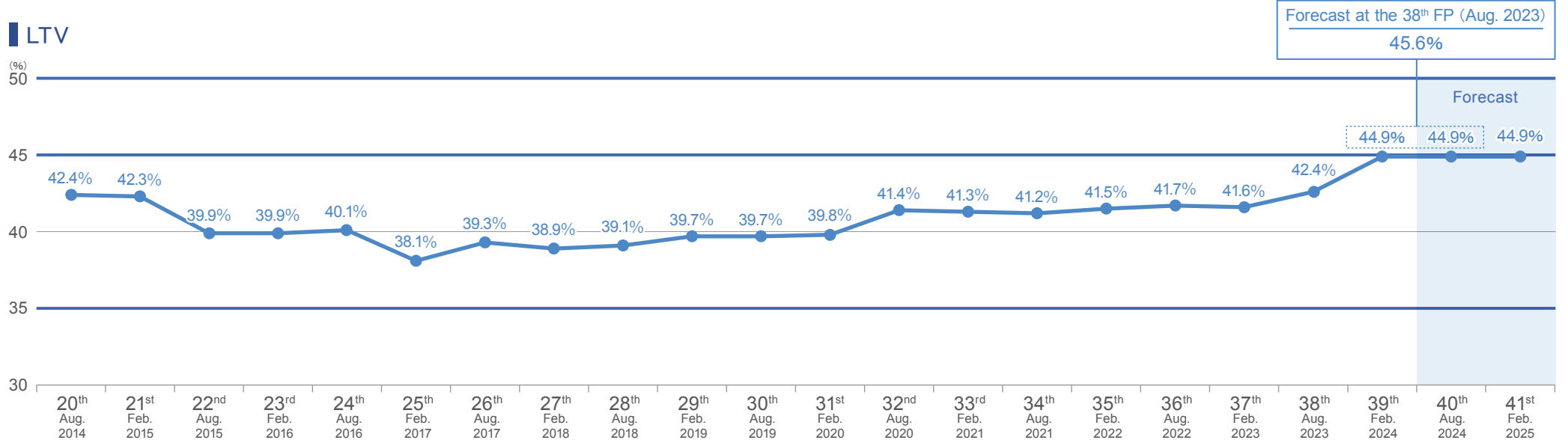
Financing condition②

LTV rose, but controlled within the upper limit of 50%

Diversification of debt maturities (As of February 29, 2024)



LTV



Appraisal value

The unrealized gains (*1) totaled 51,855 million yen at the end of 39th fiscal period (increase of 3,377 million yen compared with previous fiscal period)

- unit : mm yen

	Property name	Acquisition price (*2)	Acquisition cap rate	At the end of the 39 th FP (Feb. 29, 2024)				At the end of the 38 th FP (Aug. 31, 2023)				Appraiser
				Appraisal value	Book value ②	Difference ①-②	Cap Rate by direct capitalization method ③	Appraisal value ④	Difference ①-④	Cap Rate by direct capitalization method ⑤	Difference ③-⑤	
Retail	Canal City Hakata	32,000	6.0%	29,000	29,730	(730)	4.2%	29,300	(300)	4.2%	0.0%	Tanizawa Sogo Appraisal
	Canal City Hakata・B	21,060	5.4%	21,700	20,389	1,310	4.3%	21,700	0	4.3%	0.0%	Tanizawa Sogo Appraisal
	Park Place Oita	19,610	6.0%	20,200	20,316	(116)	5.4%	20,200	0	5.4%	0.0%	Japan Real Estate Institute
	SunLive City Kokura	6,633	6.6%	8,530	5,483	3,046	5.6%	8,540	(10)	5.6%	0.0%	Japan Real Estate Institute
	Konoha Mall Hashimoto	10,000	5.3%	10,100	9,799	300	5.0%	10,100	0	5.1%	(0.1)%	Tanizawa Sogo Appraisal
	Square Mall Kagoshima Usuki	5,300	6.3%	4,660	4,158	501	5.5%	4,700	(40)	5.5%	0.0%	Japan Real Estate Institute
	Kumamoto Intercommunity SC	2,400	6.5%	2,840	1,892	947	5.4%	2,840	0	5.4%	0.0%	Japan Real Estate Institute
	Hanahata SC	1,130	6.4%	1,220	939	280	5.3%	1,200	20	5.4%	(0.1)%	Tanizawa Sogo Appraisal
	K's Denki Kagoshima	3,550	5.7%	3,490	2,797	692	5.4%	3,490	0	5.4%	0.0%	Tanizawa Sogo Appraisal
	Marinoa City Fukuoka (Marina Side Building)	5,250	5.5%	5,264	5,289	(25)	-	5,860	(596)	4.8%	-	Tanizawa Sogo Appraisal
	Total of retail	106,933	-	107,004	100,796	6,207	-	107,930	(926)	-	-	
Office buildings	Canal City Business Center Building	14,600	6.3%	19,100	12,601	6,498	3.8%	19,300	(200)	3.8%	0.0%	Tanizawa Sogo Appraisal
	Gofukumachi Business Center	11,200	6.3%	16,100	8,586	7,513	4.0%	16,000	100	4.0%	0.0%	Tanizawa Sogo Appraisal
	Sanix Hakata Building	4,400	5.9%	7,210	3,674	3,535	3.6%	7,010	200	3.7%	(0.1)%	Japan Real Estate Institute
	Taihaku Street Business Center	7,000	6.0%	10,400	5,669	4,730	4.0%	10,100	300	4.1%	(0.1)%	Japan Real Estate Institute
	Higashi Hie Business Center	5,900	6.0%	9,220	4,279	4,940	4.2%	9,240	(20)	4.2%	0.0%	Tanizawa Sogo Appraisal
	Tenjin Nishi-Dori Center Building	2,600	5.4%	3,400	2,622	777	3.5%	3,400	0	3.5%	0.0%	Japan Real Estate Institute
	Tenjin North Front Building	2,800	6.1%	5,180	2,266	2,913	3.5%	5,050	130	3.6%	(0.1)%	Japan Real Estate Institute
	Higashi Hie Business Center II	4,230	4.9%	4,880	3,785	1,094	4.2%	4,900	(20)	4.2%	0.0%	Tanizawa Sogo Appraisal
	Higashi Hie Business Center III	3,290	4.4%	3,520	3,160	359	4.0%	3,530	(10)	4.0%	0.0%	Tanizawa Sogo Appraisal
	Tenjin Nishi-Dori Business Center (Land with leasehold interest)	7,700	3.5%	8,770	7,754	1,015	3.0%	8,770	0	3.0%	0.0%	Japan Real Estate Institute
	Hakata Chikushi-Dori Center Building	4,320	4.7%	4,560	4,476	83	4.1%	4,580	(20)	4.1%	0.0%	Tanizawa Sogo Appraisal
	Kumamoto East Front Building	1,450	5.0%	1,500	1,510	(10)	4.6%	1,510	(10)	4.6%	0.0%	Tanizawa Sogo Appraisal
	Hakata FD Business Center (*3)	14,100	4.1%	16,100	14,093	2,006	3.5%	15,000	1,100	3.8%	(0.3)%	Japan Real Estate Institute
Total of office buildings	83,590	-	109,940	74,481	35,458	-	108,390	1,550	-	-		
Others	Tosu Logistics Center (Logistics)	1,250	5.9%	1,640	1,108	531	4.5%	1,640	0	4.5%	0.0%	Japan Real Estate Institute
	LOGICITY Minato Kashii (Logistics)	8,150	5.2%	11,400	7,579	3,820	3.8%	10,000	1,400	3.8%	0.0%	Tanizawa Sogo Appraisal
	LOGICITY Hisayama (Logistics)	5,050	5.1%	5,930	4,575	1,354	4.0%	5,950	(20)	4.0%	0.0%	Tanizawa Sogo Appraisal
	LOGICITY Wakamiya (Logistics)	1,700	6.4%	2,590	2,093	496	5.1%	2,590	0	5.1%	0.0%	Tanizawa Sogo Appraisal
	Amex Akasakamon Tower (Residence)	2,060	5.4%	2,100	1,583	516	3.9%	2,050	50	4.0%	(0.1)%	Daiwa Real Estate Appraisal
	City House Keyaki Dori (Residence)	1,111	5.5%	1,170	842	327	3.9%	1,150	20	4.0%	(0.1)%	Daiwa Real Estate Appraisal
	Aqualia Chihaya (Residence)	1,280	6.8%	2,060	1,133	926	4.2%	2,060	0	4.2%	0.0%	Japan Real Estate Institute
	D-Wing Tower (Residence)	2,800	5.9%	4,030	2,687	1,342	4.0%	4,020	10	4.0%	0.0%	Tanizawa Sogo Appraisal
	Granfore Yakuin Minami (Residence)	1,100	5.6%	1,430	1,118	311	3.9%	1,430	0	3.9%	0.0%	Tanizawa Sogo Appraisal
	Axion Befu-Ekimae Premium (Residence)	1,525	3.4%	1,570	1,643	(73)	3.5%	1,560	10	3.5%	0.0%	Daiwa Real Estate Appraisal
	Hotel FORZA Oita (Hotel)	1,530	6.6%	1,870	1,484	385	5.2%	1,860	10	5.2%	0.0%	Japan Real Estate Institute
	Tissage Hotel Naha (Hotel)	2,835	5.3%	2,940	2,691	248	4.8%	2,940	0	4.9%	(0.1)%	Tanizawa Sogo Appraisal
Total of others	30,391	-	38,730	28,541	10,188	-	37,250	1,480	-	-		
Total properties	220,914	-	255,674	203,818	51,855	-	253,570	2,104	-	-		

(*1) Unrealized gain is calculated by subtracting period-end book value (excluding construction in progress in trust) from the latest appraisal value. (*2) "Acquisition price" indicates the amount excluding such expenses as fees and taxes and other public charges.

(*3) The appraisal value at the end of the 38th fiscal period and the most recent cap rate are figures based on the appraisal at the time of property acquisition.

Sustainability

Green Building certification obtained for 84.6% (As of Feb. 29, 2024)

Materially significant issues

Materially significant issues		Policies and targets	KPIs and targets
Environment	Reduction of environmental load	<ul style="list-style-type: none"> Coordinate with Property Management and Building Management on promotion of management and reduction of energy consumption, greenhouse gas emissions, water consumption, and waste output 	<ul style="list-style-type: none"> (by 2030) 35% reduction in CO2 emissions (compared with 2019, basic unit) 75% waste recycling rate
	Maintenance and enhancement of environmental and construction performance	<ul style="list-style-type: none"> Carry out performance and function evaluation of properties on a regular basis and ameliorate any deterioration in performance, etc. Maintain and improve competitiveness by acquiring green building certifications and through visual representation of building performance 	<ul style="list-style-type: none"> (by 2030) 85% Green Building Certification rate or higher
Society	Creation of pleasant workplaces (Asset manager)	<ul style="list-style-type: none"> Improve quality of operations by enhancing and expanding employee education system and promoting acquisition of qualifications Continue to improve office environments and work on providing pleasant working environments Give consideration to work-life balance and boost employee satisfaction 	<ul style="list-style-type: none"> Training per employee (number of times) Improve office environment (number of cases)
	Creation of pleasant workplaces (Tenant)	<ul style="list-style-type: none"> Promote improvement of employee satisfaction and work towards increasing job satisfaction of tenant employees 	<ul style="list-style-type: none"> Conduct regular tenant satisfaction surveys (all properties)
	Contribution to boosting attractiveness and vitalization of Fukuoka and Kyushu	<ul style="list-style-type: none"> Enhance dissemination of information regarding strengths and charms of Fukuoka and Kyushu Support research and studies on local economy and industries and promote attractive urban development in collaboration with local business circles 	<ul style="list-style-type: none"> Join and participate in local economic organizations Host local community events (number of times)
	Involvement in local community	<ul style="list-style-type: none"> Deepen dialogue and collaboration with local community through participation in community activities and various initiatives using properties under our management to grow and develop together with the local community 	<ul style="list-style-type: none"> Join and participate in area management organizations Continued participation in activities that contribute to the community (number of times)
Governance	Information disclosure and dialogue with stakeholders	<ul style="list-style-type: none"> Disclose financial and non-financial information to stakeholders in an appropriate and timely manner Build relationships of trust through proactive dialogue with stakeholders and reflect stakeholder feedback in management strategy 	<ul style="list-style-type: none"> Dialogue with investors (number of times) Sustainability training for employees (number of times)
	Compliance / Risk management	<ul style="list-style-type: none"> Ensure thorough compliance including compliance with laws and ordinances and elimination of conflict of interest with interested parties, and develop and operate an appropriate internal risk management system to maintain and improve corporate value 	<ul style="list-style-type: none"> Compliance training (number of times)

Environment → P29

- Ratio of green buildings certified
 
- CASBEE Certification for Real Estate (Rank S・Rank A)
2 properties have been acquired **NEW**
 - Taihaku Street Business Center
 
 Rank S (office building)
  Rank A (residence)
 - Hakata Chikushi-Dori Center Building
 
 Rank S

Statements of Income (compared with the previous fiscal period)

Dividend increases +54 yen compared with the previous fiscal period due to the opening of Alpen FUKUOKA at Canal City Hakata, etc.

- unit : mm yen

Sign indicates impact on profit (unit : mm yen)

Account		38 th ~Aug. 31, 2023 A	39 th ~Feb. 29, 2024 B	Difference B - A	
Operating profit and loss	Total operating revenues	9,284	9,326	41	
	Operating revenues excluding gain on sales	8,852	9,088	① 236	
	Gain on sales	432	237	② (194)	
	Total operating expenses	5,912	5,864	③ (47)	
	Expenses related to leasing business	5,231	5,166	(65)	
	Asset management fees	544	557	13	
	Asset custody fees	7	7	(0)	
	Administrative service fees	58	58	0	
	Director's compensations	3	3	-	
	Other operating expenses	66	69	3	
	Operating income	3,372	3,462	89	
	Non-Operating profit and loss	Total non-operating revenues	0	0	0
		Total non-operating expenses	385	431	46
Interest expenses (incl. investment corporation bonds)		284	328	43	
Financing related expenses		98	101	3	
Others		2	1	(0)	
Ordinary income	2,988	3,031	43		
Profit before income taxes	2,988	3,031	43		
Total income taxes	0	1	0		
Profit	2,987	3,030	43		

Operating profit and loss

① Active retail	+188
-of which, Canal City Hakata/Canal City Hakata-B	+228
Park Place Oita	(37)
Konoha Mall Hashimoto	(16)
SunLive City Kokura	+14
Hakata FD Business Center	+151
Absence of revenue accompanying disposition of	(61)
Kurume Higashi Kushiwara SC	
Office buildings (excl. Hakata FD Business Center)	(20)
Tissage Hotel Naha	(12)
Others	(10)
Total	+236
(of which, revenues from utilities)	(76)
② Decrease in gain on sale from disposition of	(194)
Kurume Higashi Kushiwara SC	Total : (194)
③ Increase in outsourcing expenses	(12)
Decrease in expenses from utilities	+85
Decrease in repair & maintenance expenses	+116
Decrease in taxes and other public charges	+2
Increase in depreciation and amortization expenses	(77)
Increase in selling general and administrative expenses	(17)
Increase in other expenses	(50)
Total	+47

Dividend	Total dividends	2,987	3,030	42
	Dividend per unit (yen)	3,753	3,807	54

Statements of Income (compared with the forecast)

Dividend is +52 yen vs. forecast due to the better-than-expected increase in sales of Canal City Hakata

- unit : mm yen

Sign indicates impact on profit (unit : mm yen)

Account		39 th Forecast at 38 th A	39 th Actual B	Difference B - A
Operating profit and loss	Total operating revenues	9,313	9,326	① 13
	Operating revenues excluding gain on sales	9,075	9,088	13
	Gain on sales	238	237	(0)
	Total operating expenses	5,888	5,864	② (24)
	Expenses related to leasing business		5,166	
	Asset management fees		557	
	Asset custody fees		7	
	Administrative service fees		58	
	Director's compensations		3	
	Other operating expenses		69	
Operating income		3,424	3,462	37
Non-Operating profit and loss	Total non-operating revenues	0	0	(0)
	Total non-operating expenses	435	431	(4)
	Interest expenses (incl. investment corporation bonds)		328	
	Financing related expenses		101	
	Others		1	
Ordinary income		2,990	3,031	41
Profit before income taxes		2,990	3,031	41
Total income taxes		1	1	0
Profit		2,988	3,030	41

Operating profit and loss

① Active retail	+120
-of which, Canal City Hakata/Canal City Hakata-B	+155
Park Place Oita	(24)
Konoha Mall Hashimoto	(9)
SunLive City Kokura	(1)
Hakata FD Business Center	(89)
Office buildings (excl. Hakata FD Business Center)	(3)
Tissage Hotel Naha	(6)
Others	(9)
Total	+13
(of which, revenues from utilities (43))	
② Decrease in outsourcing expenses	+4
Decrease in expenses from utilities	+59
Increase in repair & maintenance expenses	(15)
Increase in depreciation and amortization expenses	(7)
Increase in other expenses	(17)
Total	+24

Dividend	Total dividends	2,988	3,030	41
	Dividend per unit (yen)	3,755	3,807	52

Business forecast (the 40th fiscal period, Aug. 2024)

3,600 yen in dividend is secured after the absence of a gain on sale

- unit : mm yen

Account	39 th Actual A	40 th Forecast at 38 th B	40 th Forecast at 39 th C	39 th Actual difference C-A	40 th Forecast difference C-B
Operating revenues	9,326	9,322	9,305	(21)	(16)
Operating revenues excluding gain on sales	9,088	9,322	9,305	① 216	(16)
Gain on sales	237	—	—	② (237)	—
Operating expenses	5,864	6,002	5,999	③ 135	(2)
Operating income	3,462	3,319	3,305	(156)	(14)
Non-operating revenues	0	0	0	0	—
Non-operating expenses	431	453	439	④ 8	(14)
Ordinary income	3,031	2,866	2,866	(164)	—
Profit	3,030	2,865	2,865	(164)	—
Total dividends	3,030	2,865	2,865	(164)	—
Dividend per unit (yen)	3,807	3,600	3,600	(207)	—

Sign indicates impact on profit (unit : mm yen)

■ Difference between the 39th FP actual and the 40th FP forecast

① Active retail	(16)
-of which, Canal City Hakata/Canal City Hakata-B	(39)
Park Place Oita	+31
Konoha Mall Hashimoto	+5
SunLive City Kokura	(14)
Hakata FD Business Center	+192
Absence of revenue accompanying disposition of Kurume Higashi Kushiwara SC	(13)
Office buildings(excl. Hakata FD Business Center)	+16
LOGICITY Minato Kashii	+14
Tissage Hotel Naha	+11
Axion Befu-Ekimae Premium	+9
Others	+3
Total	+216
(of which, revenues from utilities	+79)
② Decrease in gain on sale from disposition of Kurume Higashi Kushiwara SC	(237)
Total	(237)
③ Increase in outsourcing expenses	(33)
Increase in expenses from utilities	(88)
Decrease in repair & maintenance expenses	+58
Increase in taxes and other public charges	(81)
Increase in depreciation and amortization expenses	(7)
Increase in selling general and administrative expenses	(8)
Decrease in other expenses	+24
Total	(135)
④ Increase in borrowing costs	(8)
Total	(8)

Business forecast (the 41st fiscal period, Feb. 2025)

3,600 yen in dividend is secured after the disposition of Marinao City Fukuoka (Marina Side Building) (building)

- unit : mm yen

Account	40 th Forecast at 39 th A	41 st Forecast at 39 th B	40 th Forecast difference B-A
Operating revenues	9,305	9,242	① (62)
Operating revenues excluding gain on sales	9,305	9,242	(62)
Gain on sales	—	0	0
Operating expenses	5,999	5,941	② (58)
Operating income	3,305	3,301	(4)
Non-operating revenues	0	0	—
Non-operating expenses	439	435	③ (4)
Ordinary income	2,866	2,866	—
Profit	2,865	2,865	—
Total dividends	2,865	2,865	—
Dividend per unit (yen)	3,600	3,600	—

Sign indicates impact on profit (unit : mm yen)

■ Difference between the 40th FP forecast and the 41st FP forecast

① Active retail	+21
-of which, Canal City Hakata/Canal City Hakata-B	+16
Park Place Oita	(16)
Konoha Mall Hashimoto	+8
SunLive City Kokura	+13
Marinao City Fukuoka(Marina Side Building)	(139)
Hakata FD Business Center	+34
Office buildings(excl. Hakata FD Business Center)	(2)
LOGICITY Minato Kashi	+23
Others	+1
Total :	(62)
(of which, revenues from utilities (25))	
② Decrease in outsourcing expenses	+15
Decrease in expenses from utilities	+13
Increase in repair & maintenance expenses	(9)
Increase in depreciation and amortization expenses	(4)
Decrease in selling general and administrative expenses	+8
Decrease in other expenses	+35
Total :	+58
③ Decrease in borrowing costs	+4
(Ups and downs factors (±3 days))	
Total :	+4



Fukuoka REIT

Appendix

Financial highlights

Dividend per unit was 3,807 yen

Category	35 th	36 th	37 th	38 th	39 th	Difference B-A	- unit : mm yen	
	~ Feb. 28, 2022	~ Aug. 31, 2022	~ Feb. 28, 2023	~ Aug. 31, 2023 A	~ Feb. 29, 2024 B		40 th ~ Aug. 31, 2024 (forecast)	41 st ~ Feb. 28, 2025 (forecast)
Operating revenues	8,658	8,830	9,037	9,284	9,326	41	9,305	9,242
Gain on sales	-	-	115	432	237	(194)	-	0
Leasing NOI	5,334	5,370	5,274	5,152	5,531	379	5,628	5,620
Depreciation and amortization expenses	1,486	1,514	1,499	1,531	1,609	77	1,617	1,621
Operating income	3,185	3,181	3,223	3,372	3,462	89	3,305	3,301
Ordinary income	2,816	2,805	2,851	2,988	3,031	43	2,866	2,866
Profit	2,814	2,804	2,849	2,987	3,030	43	2,865	2,865
Dividend per unit (yen) (①)	3,536	3,523	3,580	3,753	3,807			
Latest dividend forecast per unit (yen)(②)	3,500	3,500	3,520	3,600	3,755		3,600	3,600
Difference from forecast (yen) ①-②	+36	+23	+60	+153	+52		-	-
Total number of investment units outstanding (at period-end) (units)	796,000	796,000	796,000	796,000	796,000		796,000	796,000
Total assets (at period-end)	198,745	201,223	201,442	203,868	214,390			
Total liabilities (at period-end)	96,991	99,480	99,653	101,941	112,421			
Total net assets (at period-end)	101,753	101,743	101,788	101,926	101,969			
Days in fiscal period (days)	181	184	181	184	182			
Number of investment properties (at period-end)	32	33	33	35	35			
Number of tenants (at period-end)(*1)	1,016	1,021	1,007	1,018	1,031			
Total leasable floor space (at period-end) (m ²)	572,288.25	578,255.35	577,161.81	580,272.77	590,409.24			
Occupancy rate (at period-end) (%)(*2)	99.4	99.4	97.9	99.1	98.8			
FFO (Funds from Operation)(*3)	4,301	4,318	4,234	4,086	4,401			
FFO per unit (yen)	5,403	5,425	5,319	5,133	5,529			

(*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) The FFO is calculated by the following method.

"FFO" = Profit + Loss on sale of real estate - Gain on sale of real estate + Depreciation

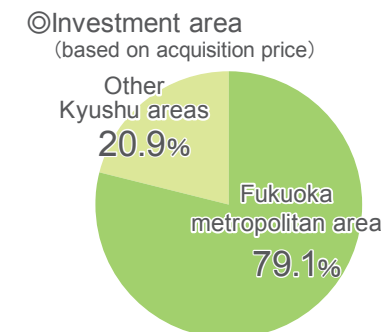
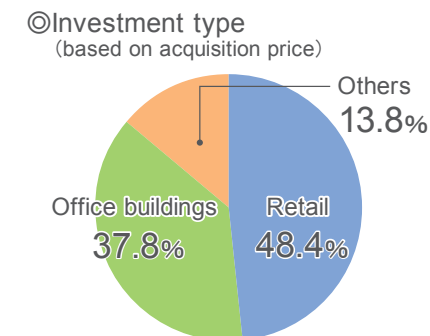
Profile

Special features of Fukuoka REIT Corporation

1	Japan's first 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
2	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
3	Solid support from a sponsor company involved in property development Asset portfolio expansion and high occupancy rates facilitated through coordination with our sponsors
4	Establishment of stable financial base Conservative control of interest-bearing debt ratio, long-term diversification of repayment deadlines
5	Stable dividends and steady NAV growth since listing Appropriate management of real estate invested in

Portfolio summary (*1)	
Number of properties / Asset size (*2)	35 / 220,914 mm yen
Of which, acquisition from sponsors (*3)	16 / 142,290 mm yen
Unrealized gains	51,855 mm yen
Total leasable floor space	590,409.24 m ²
Occupancy rate	98.8%

Financial highlight (*1)	
Total debt	96,350 mm yen
LTV	44.9%
Fixed rate	90.9%
Average interest rate	0.67%
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., THE BANK OF FUKUOKA, LTD., THE NISHI-NIPPON CITY BANK, LTD., Nishi-Nippon Railroad Co., Ltd., SAIBUGAS HOLDINGS CO., LTD., Kyudenko Corporation, Kyushu Railway Company, Development Bank of Japan Inc.

Investment unit price (*1)

Unit price	165,700 yen
Outstanding units	796,000 units
Market capitalization	131,897 mm yen (unit price * outstanding units)
Net assets value per unit	128,102 yen
Market net assets value per unit (*4)	189,440 yen
Dividend (actual)	3,807 yen per unit (Days in fiscal period 182days) at the 39 th FP
Dividend yield	4.6% { (Dividend / days in fiscal period * 365) / Unit price }

(*1) The figures are as of February 29, 2024 (excl. average interest rate)

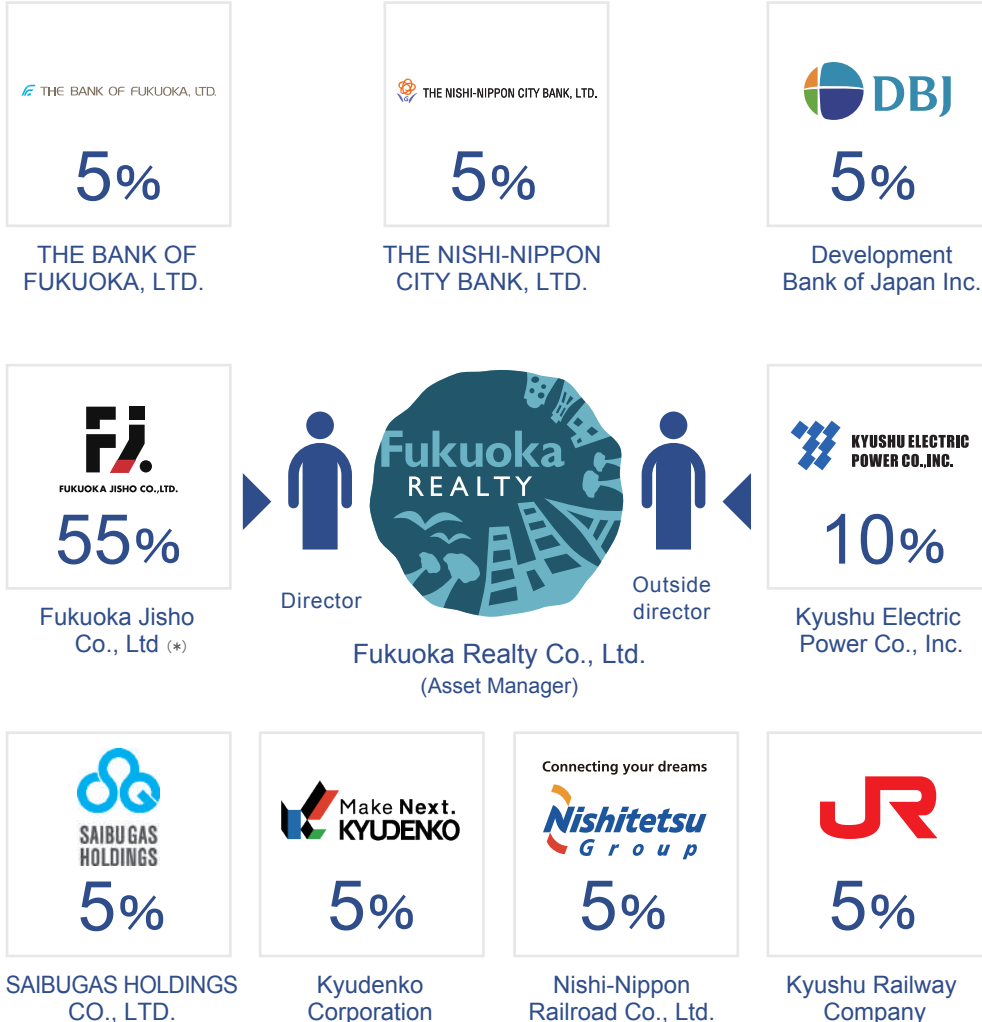
(*2) The figures are total of acquisition price.

(*3) Because the Higashi He Business Center that was acquired in the 10th fiscal period (period ended August 31, 2009) was acquired from both outside parties and sponsors, the purchase price has been added to the purchase prices from outside parties and the purchase prices from sponsors after calculation on a per capita basis. Furthermore, with regard to the number of properties, one property has been added to the number of properties acquired from sponsors.

(*4) Market net asset value per unit= (Total net assets + Unrealized gains - Total amount of dividends) / Total number of investment units outstanding

A real estate investment trust specializing in regional properties

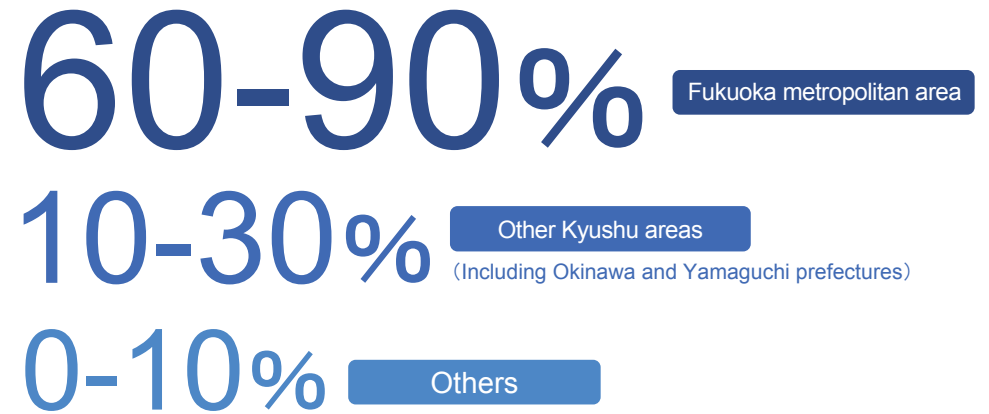
Sponsors



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

Investment policy

◎Investment area

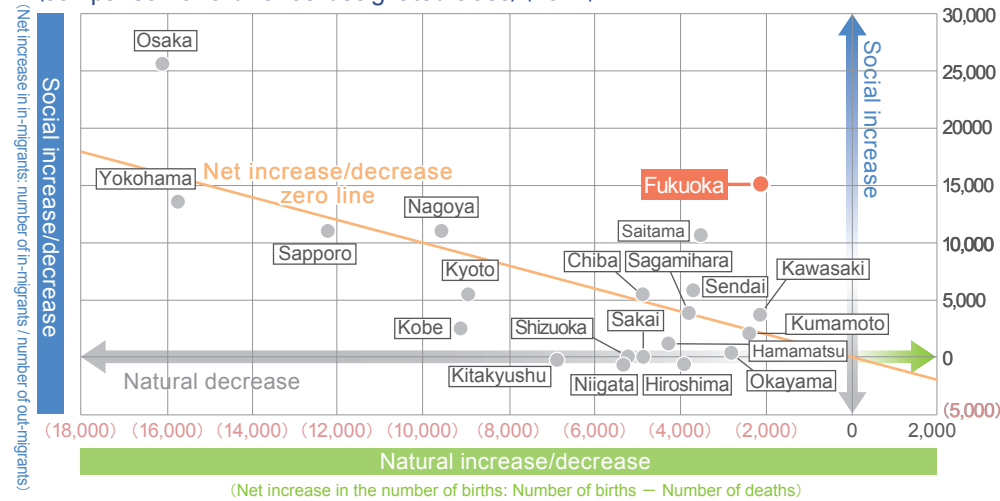


◎Investment type

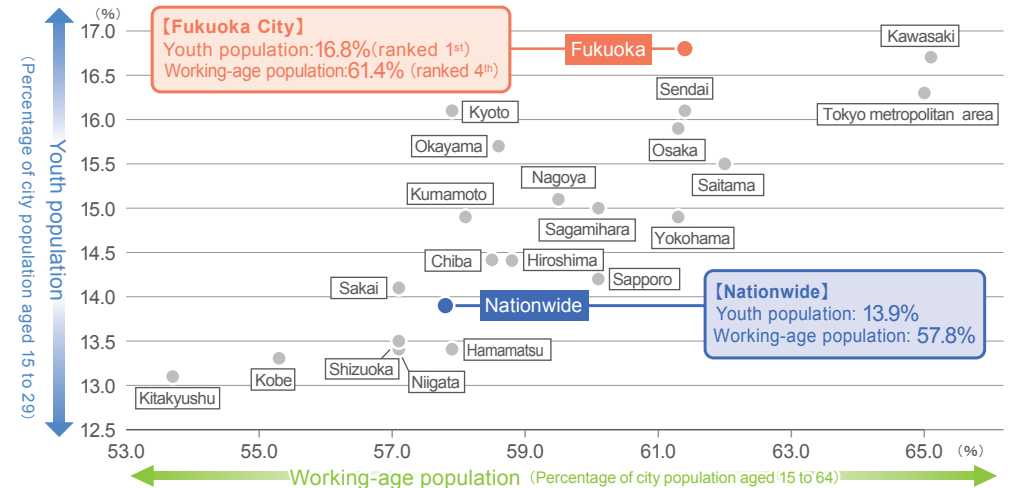


Current situation of Fukuoka City

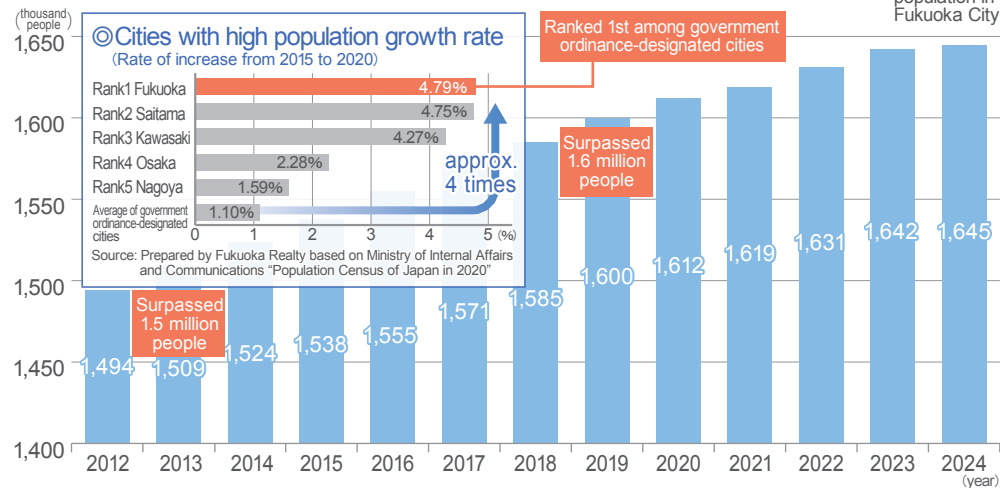
Distribution Chart of Net Increase/Decrease in Population (comparison of ordinance-designated cities) (2022)



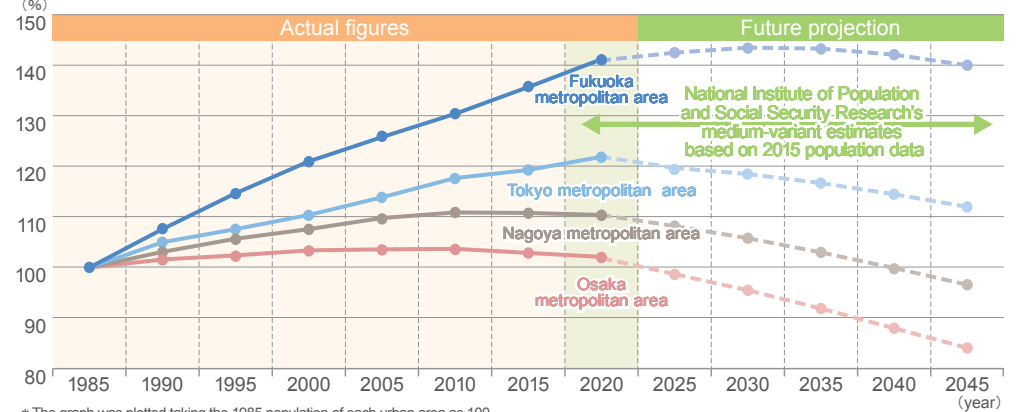
Youth and working-age population ratios of nationwide and major cities (2020)



Trends in number of population growth in Fukuoka City



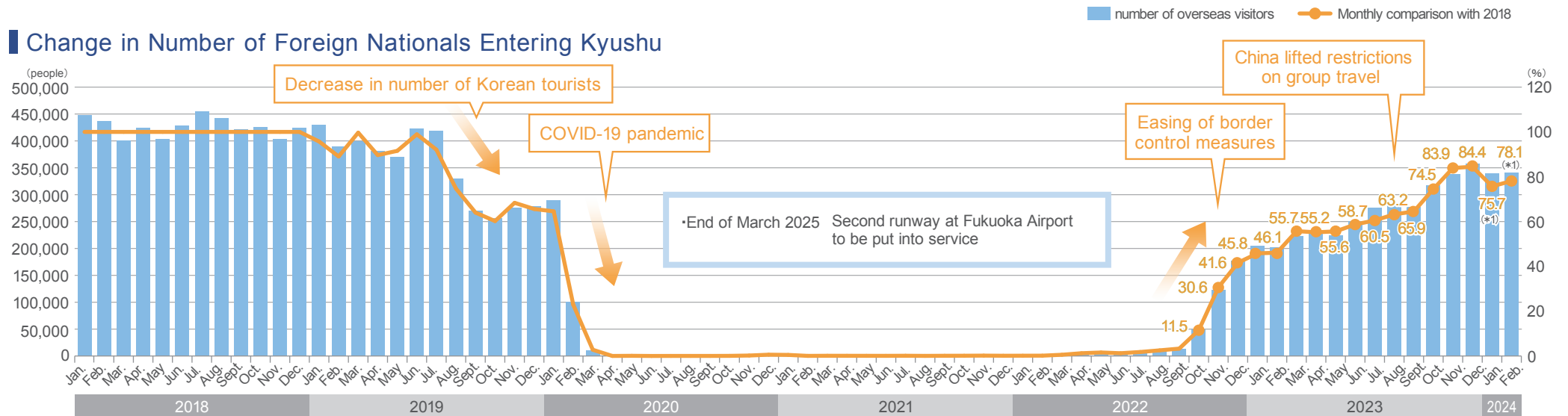
Population trends of major metropolitan areas



*The number of population is the figure as of October 1. The figure of year 2024 is indicated as of March 1, 2024.
Source: Prepared by Fukuoka Realty based on data from "Estimated Population" (Fukuoka City General Affairs and Planning Bureau).

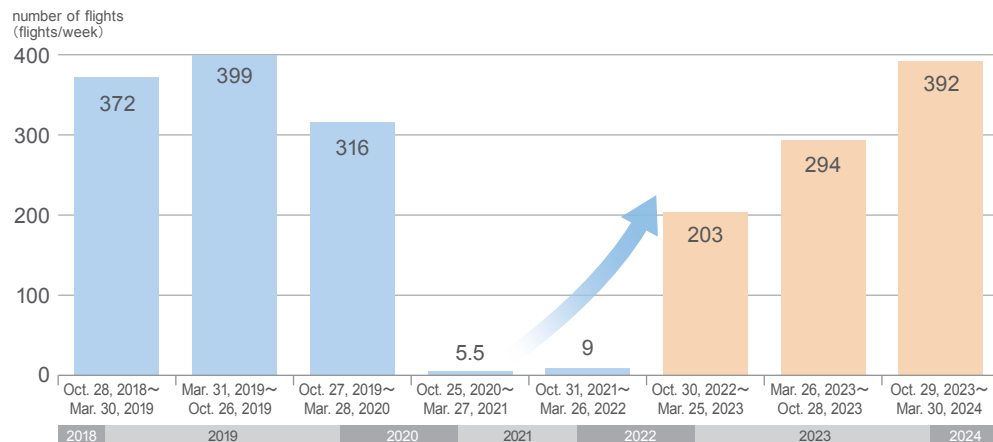
Condition of Inbound Tourists

The number of foreign nationals entering Kyushu has almost recovered except for China



(*1) The number of foreign visitors for January and February 2024 is a preliminary figure.
Source: Prepared by Fukuoka Realty based on the data of "Change in Number of Foreign Nationals Entering Kyushu" of the Kyushu District Transport Bureau of the Ministry of Land, Infrastructure, Transport and Tourism

Trend of International Flights (Passenger Flights) at Fukuoka Airport (*2)



(*2) The number of flights in airlines' operating plans applied for each period and approved by the Ministry of Land, Infrastructure, Transport and Tourism is indicated.
Source: Prepared by Fukuoka Realty based on the data of "Overview of Regular International Flights" of the Ministry of Land, Infrastructure, Transport and Tourism

Number of Foreign Nationals Entering Kyushu from Major Countries (Regions) (December 2023)

Country / Region	Dec. 2018	Dec. 2019	Dec. 2023	Dec. 2023 (Comparison with 2018)
Korea	227,548	74,557	212,854	93.5%
China	114,271	103,299	28,846	25.2%
Other Asia	72,040	88,641	104,645	145.3%
Total of Kyushu Region (*3)	424,325	278,363	358,231	84.4%

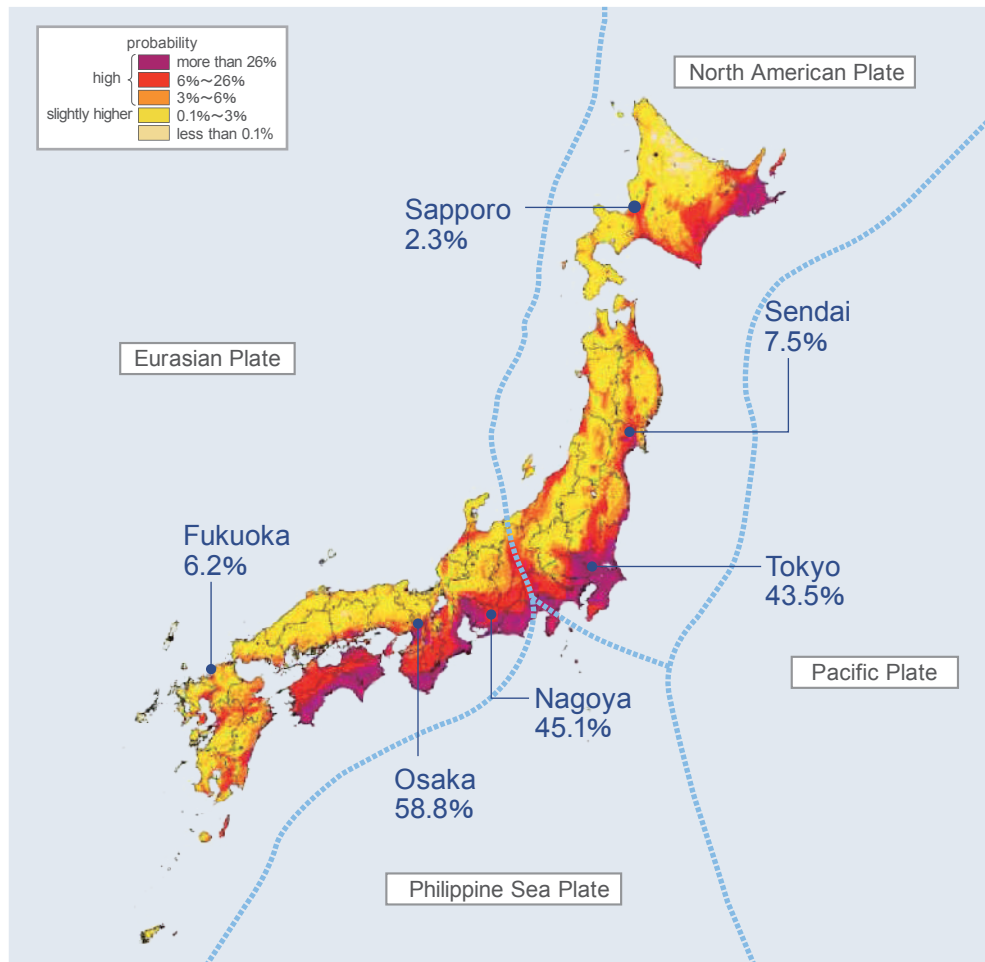
(*3) The total number for Kyushu includes the number of foreign visitors from regions other than Asia.
Source: Prepared by Fukuoka Realty based on the data of "Change in Number of Foreign Nationals Entering Kyushu" of the Kyushu District Transport Bureau of the Ministry of Land, Infrastructure, Transport and Tourism

Earthquake risk in Fukuoka, etc.

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 within the next 30 years [Average case / all earthquakes]

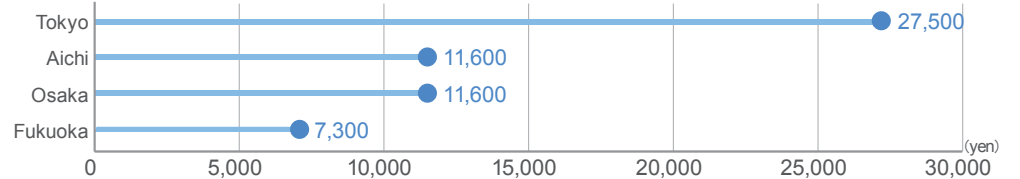


* According to the calculation model, meshes with zero probability are colored in white. Figures for each city are based on the baselines in 2023. Source: Prepared by Fukuoka Realty based on data from the Office of the Headquarters for Earthquake Research Promotion (Earthquake and Disaster-Reduction Research Division, Research and Development Bureau, Ministry of Education, Culture, Sports, Science and Technology); J-SHIS (Japan Seismic Hazard Information Station, National Research Institute for Earth Science and Disaster Resilience); and the website of the Japan Meteorological Agency, Ministry of Land, Infrastructure, Transport and Tourism.

Basic Rate of Earthquake Insurance

◎Earthquake insurance with coverage starting on October 1, 2022 and thereafter

●In Fukuoka Prefecture, earthquake insurance can be bought at a relatively smaller cost than in other areas



*The basic rate is per 10 million yen of insurance amount mainly for steel-frame and concrete structure buildings over the insurance period of one year. Source: Created by Fukuoka Realty based on data from specially created earthquake insurance site (General Insurance Association of Japan).

Example of measures taken by the Fukuoka City government against other natural disasters [Fukuoka City flooding countermeasures]

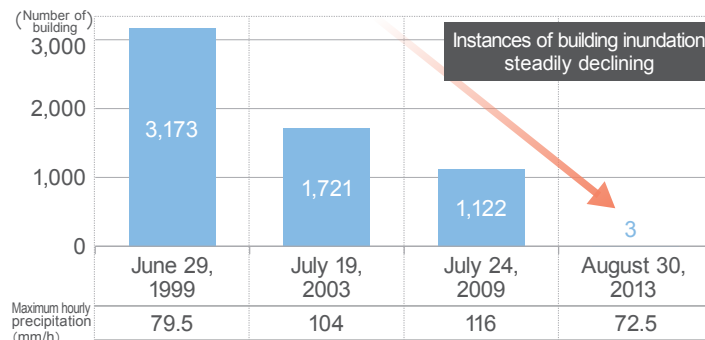
◎Storm water storage facilities

●Capacity of storm water storage facilities



Storm water management capacity increased from 59.1mm/h to 79.5 mm/h (city center)

◎Instances of building inundation in Fukuoka City



Between FY2000 and FY2023 Storm water drainage capacity has increased significantly

Since the launch of the project in FY2000 Instances of inundation have steadily declined

Source: Prepared by Fukuoka Realty based on data from the "Storm Water Management Action Plan 2026" pamphlet about the Fukuoka City Storm Water Emergency Control Plan.

Certification from external organizations and information disclosure

<p>Signatory of:</p>  <p>PRI Principles for Responsible Investment</p>	<p>Principles for Responsible Investment (PRI) (September 2018)</p>	<p>Refers to the six basic principles advocated in 2006 by Kofi Annan, the United Nations Secretary-General at the time, for the purpose of reflecting environmental, social and governance (ESG) factors to the investment process, as well as the international network of financial institutions that affirm the principles. The Asset Manager became a signatory to the Principles for Responsible Investment (PRI) in September 2018 in order to implement practices at an international level when it promotes ESG awareness in real estate investment and management operations.</p>
 <p>TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</p>	<p>Endorsement of TCFD (Task Force on Climate-related Financial Disclosures) (September 2022)</p>	<p>In September 2022, we endorsed the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), which was established by the Financial Stability Board (FSB) to examine climate-related disclosures and how financial institutions should respond. At the same time, we joined the TCFD Consortium, an organization of endorsing Japanese companies.</p>
 <p>PFA21 Principles for Financial Action for the 21st Century</p>	<p>Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) (September 2018)</p>	<p>Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) refers to the principles prepared in October 2011, with the Ministry of the Environment serving as the secretariat, as action guidelines for financial institutions that want to fulfill the responsibilities and roles necessary for forming a sustainable society. The Asset Management Company became a signatory in September 2018, affirming the ideas of the Principles.</p>
 <p>GRESB Public Disclosure 2023</p>	<p>GRESB</p>	<p>GRESB is a benchmark evaluation system that annually assesses the environmental, social and governance (ESG) awareness of real estate companies and funds, as well as the name of the organization that operates it. GRESB was established in 2009 mainly by major European pension funds that led the Principles for Responsible Investment (PRI). FRC has been a participant since 2018. GRESB Real Estate Assessment: “4 stars” and “Green Star”. Disclosure Assessment: the highest “A Level”</p>
 <p>DBJ Green Building</p>	<p>DBJ Green Building Certification</p>	<p>The DBJ Green Building Certification is a certification system established in 2011 as an initiative to support real estate featuring "environmental and social considerations" and entities that own and operate such estate. The system evaluates real estate sustainability from five ESG-based perspectives. FRC has acquired the certification for 13 properties.</p>
 <p>CASBEE Comprehensive Assessment System for Built Environment Efficiency</p>	<p>CASBEE (Comprehensive Assessment System for Built Environment Efficiency)</p>	<p>CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a method for evaluating and rating the environmental performance of buildings. It is a system that comprehensively evaluates the quality of buildings including not only environmental consideration such as using materials and equipment that save energy or achieve smaller environmental loads but also features like interior comfort and scenic aesthetics. 4 properties owned by FRC were certified.</p>
 <p>BELS</p>	<p>BELS</p>	<p>BELS is a system in which third parties evaluate and indicate the energy conservation performance of non-residential buildings based on the Evaluation Guidelines for the Building Energy-efficiency Labeling System for Non-Residential Buildings (2013). FRC has acquired the certification for 5 properties.</p>

Assessment of Financial Impacts Based on Climate Change Scenario Analysis (qualitative analysis)

Updating qualitative analysis of risks and opportunities and financial impacts in line with the recommendations of the TCFD (Task Force on Climate-related Disclosures)

Climate Change Scenario Analysis

We conducted an analysis to be used for the purpose of assessing the validity of current climate change measures and developing future strategies. We assessed risks, opportunities, and financial impacts as shown in the table below.

		Risk/Opportunity Factors and Financial Impacts	Severity		Response to Risks and Opportunities
			2030	2050	
Transition risks	Policy and law	Carbon tax burden increases with the introduction of carbon pricing	S	M	Promotion of CO2 reduction targets Energy-saving retrofits/introduction of renewable energy Operation to boost energy efficiency
	Technology	Increased costs for energy conservation/energy creation in existing properties (energy-saving, power storage, ZEB/ZEH conversion, photovoltaics, etc.)	L	L	Develop long-term renovation plans, eyeing the useful life of buildings Utilize subsidies, etc. Improved portfolio in terms of environmental performance through acquiring properties, including ZEB and ZEH
	Market	Market preferences cause vacancy rates to rise/rents to fall for non-decarbonization-compatible properties	S	S	Promote environmental certification acquisition Identify tenant needs through satisfaction surveys, etc.
	Reputation	Delayed response to decarbonization causes unit prices to fall, missing external growth opportunities	-	-	Promotion of green lease agreements Promotion of greening
Delayed response to decarbonization leads to shorter borrowing periods and higher interest rates		S	S	Appeal to investors who value environmental issues Improved portfolio in terms of environmental performance through property replacement	
Physical risks	Acute	More frequent disasters increase costs of damages/recovery	L	L	Risk monitoring of property location Implementation of disaster countermeasures (installation of watertight panels, waterproofing for central monitoring, effectiveness of power receiving and transforming facilities, etc.)
		More frequent disasters increase disaster preparedness costs	S	M	Conduct BCP training Provide property insurance Hazard risk surveys at the time of property acquisition
	Chronic	Increased air conditioning usage due to rising temperatures increases utility cost burden	S	S	Implementation of renovation to improve air conditioning efficiency
		Countermeasure costs increase due to sea level rise	S	S	Operation to boost energy efficiency
Opportunities	Higher resource efficiency	Energy procurement costs associated with energy conservation decrease	S	S	
	Energy sources	Progress in transition to clean energy leads to reduced carbon tax burden	S	S	Energy-saving retrofits/introduction of renewable energy Improved portfolio in terms of environmental performance through acquiring ZEB/ZEH properties, etc. Lower prices for high-efficiency equipment
	Products and services	Increased supply of ZEB properties in the market boosts opportunities to acquire ZEB properties	-	-	
	Markets	Market preferences increase occupancy/rents for decarbonized properties	S	M	Promote environmental certification acquisition Identify tenant needs through satisfaction surveys, etc.
		Successful decarbonization response expands borrowers and financing opportunities	S	S	Utilization of green finance
		Successful decarbonization response helps tap new investor base	-	-	Appeal to investors who value environmental issues
Resilience	Successful disaster preparedness measures reduce costs of damages caused by disasters/disaster recovery	M	M	Risk monitoring of property location Implementation of disaster countermeasures (installation of watertight panels, waterproofing for central monitoring, effectiveness of power receiving and transforming facilities, etc.) Risk transfer through property insurance	

*Items that are difficult to evaluate or calculate are indicated by "-".

Assessment of Financial Impacts Based on Climate Change Scenario Analysis (quantitative analysis)

Performing quantitative analysis of financial impacts based on scenario analysis in line with the recommendations of the TCFD (October 2023)

Financial Impacts

- unit : mm yen

Scenario	Financial Impact		4°C Scenario	1.5°C Scenario	Supplement
Transition risks/ Opportunities	Carbon tax burden increases	Risk	-	(352)	Increased carbon tax burden
		Countermeasure effects	-	188	Reduction due to retrofits for energy conservation/energycreation (on-site) -compatible
	Increased costs for retrofiting existing properties to make them energy conservation-/energycreation (on-site) -compatible	Risk	-	(783)	Increased CAPEX
		Opportunity	Reflected in carbon tax measure effects and energy procurement costs/rental business opportunities		Increased maintenance and management costs for renewable energy facilities
	Energy procurement costs decrease with retrofits	Countermeasure effects/opportunity	-	119	Reduction due to retrofits for energy conservation/energycreation (on-site) -compatible
	Vacancy rates for non-decarbonization-compatible properties increase/rents for compatible properties increase	Risk	-	(91)	Decrease in leasing business revenues if no measures are taken
Opportunity		-	329	Increase in leasing business revenues when energy-saving/energy- (on-site) retrofit measures are taken	
Physical risks/ Opportunities	Damage from flooding/disaster recovery costs increase	Risk	(169)	(56)	Increased probability of torrential rains, resulting in direct damage from flooding and indirect damage from business shutdowns, etc.
		Countermeasure effects	38	13	Risk transfer of direct/indirect losses due to flooding through property insurance Diminishing risk effect thanks to flooding countermeasures
	Flood control costs increase	Risk	(103)	(65)	Increased non-life insurance premiums Increased CAPEX due to flood control construction
	Increased utility cost burden due to increased air conditioning usage	Risk	(14)	(3)	Increased utility costs due to more frequent use of air conditioning
		Countermeasure effects	-	2	Reduction due to retrofits for energy conservation/energy-creation (on-site)
Countermeasure costs increase due to sea level rise	Risk	-	-	No events were identified at this time that could have a significant impact on properties located in inundation zones, such as a decline in property values due to sea level rise or countermeasure costs incurred.	

*For figures less than a unit, the amount is rounded to the nearest round. *Unarticulated items are "-".

*This estimate reflects only the portion that is judged to be calculable at this time, and does not evaluate all climate-related risks posed by FRC. In the future, we will try to develop our analysis in response to trends in global and Japan climate-related risks.

*This estimate was made by taking into account the existing financial information of FRC and the information indicated by climate-related scenarios and literature. The unit is based on the impact amount on a cash basis (million yen) per year, and the time axis is assumed to be as of 2050.

The accuracy cannot be guaranteed at this time. In addition, the countermeasures assumed are based on trial calculations and are not planned or decided to be implemented.

ESG Initiatives (Environment)

Reduction of environmental load

Enhancing energy efficiency Fukuoka REIT

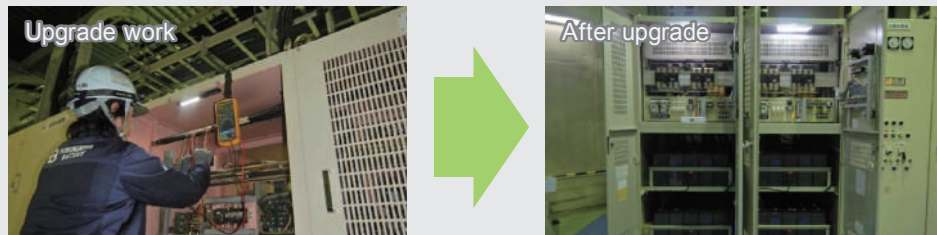
- Installation of electromagnetic water meter **NEW**
- Utilization of renewable energy (common areas, etc.)
- Reduction in Air Conditioning Load (applied coating film containing a shading agent)
- Greening of common spaces / Arrangement of water areas / Creation of shaded spaces
- Installation of electronic circuit breaker



Park Place Oita

<Upgrading of emergency power generator> **NEW**

- DC power supply device (Canal City Hakata)
- Power supply for starting emergency power generator in the event of emergencies.



Waste reduction / resource recycling / water resources, etc. Fukuoka REIT

- Separate collection of garbage
- Conversion of raw garbage into animal feed (Canal City Hakata, Park Place Oita)
- Collection of secondhand clothing (Canal City Hakata, Konoha Mall Hashimoto)



• Addition of plants (Konoha Mall Hashimoto) **NEW**

- Canal City Hakata has worked to reduce water consumption through a canal water filtration system (rainwater reuse system), a greywater plant (kitchen drainage reuse system), water-saving toilets, etc.

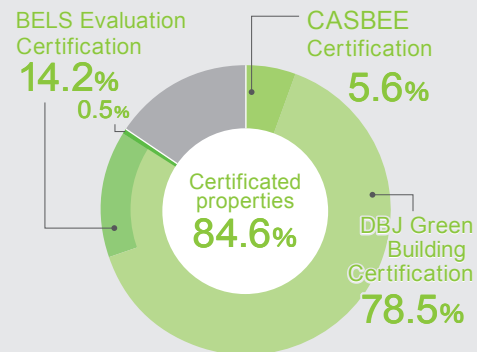


Maintenance and enhancement of environmental and construction performance

Green Building certification

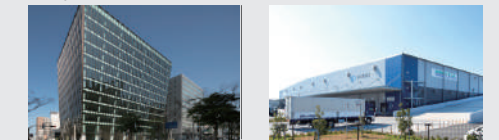
Green Building certification obtained for 84.6% of entire portfolio

Ratio of environmental certification acquisition



- DBJ Green Building Certification
- 13 properties owned by FRC were certified (One property has been newly acquired, and two properties have been recertified.)

【Newly acquired in Sept. 2023】 【Re-certified in Dec. 2023】



Hakata FD Business Center LOGICITY Minato Kashi

【Re-certified in Dec. 2023】

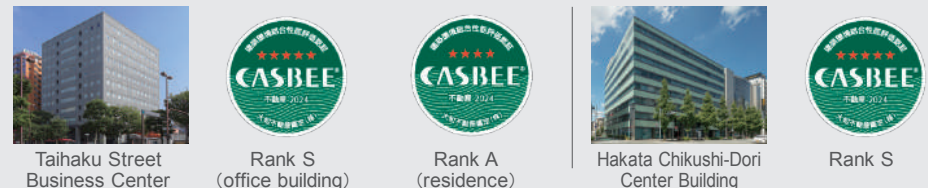


LOGICITY Hisayama

* As of February 29, 2024 (based on total floor space)

• CASBEE Certification for Real Estate

4 properties owned by FRC were certified (2 properties have been newly acquired (February 2024)).



• BELS Evaluation

5 properties owned by FRC were certified



ESG Initiatives (Society①)

Creation of pleasant workplaces

Fukuoka Realty

Initiatives for employees

《Fukuoka Realty: Numbers of credentialed personnel》

(As of February 29, 2024)

- The average number of years of continuous service of permanent employees: 8 years and 0 months
- Full-time personnel: 48 [Male:24 Female:24] *Gender ratio
 - Male : 50.0%
 - Female : 50.0%
- Employees seconded from sponsors : 3
- Employees seconded to a sponsor : 8

- Number of credentialed personnel
 - Attorney : 1
 - Real estate brokers : 23
 - ARES Certified Masters : 21
 - Certified Building Administrators : 5
 - First-class registered architect : 3
 - Real estate appraisers : 3
 - MBA : 2
 - CMA : 2
 - Licensed Representative of Condominium Management Company : 1
 - Information Technology Passport Examination : 3

*The total number of permanent employees, contract employees and employees seconded from other companies.

《Support for flexible working styles》

- Child-rearing support (maternity leave, childcare leave system, childcare support system)
- Nursing care leave
- Leave for voluntary work
- Employee welfare (401K, cumulative investment system, etc.)
- Encouraging use of paid holidays, etc.

《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

《Training for employees》

- Regular lectures by Kyushu Economic Research Center
- Compliance training
- ESG training
- Integrated Report training
- In-house recreation, etc.

- Offering of training programs tailored to each management level
- System for supporting acquisition of qualifications (Real estate brokers, ARES Certified Masters, etc.)
- Support for language learning, etc.

Other Initiatives

《health management・Improvement of office environment》

- Initiatives to prevent infectious diseases such as influenza (Implementation of influenza vaccination and full coverage of vaccination costs)
- Mandatory health checkups and comprehensive medical examinations
- Application system to restrict excessive overtime work
- Assistance for use of sports clubs
- Installation of personal booths, meeting booths, plants, etc.
- Installation of personal lockers

《Certification and registration, etc.》

- Certified as a "Fukuoka 'Work-Style Reform' Promotion Company" (August 2018)
- Registration with Fukuoka City Well-Being & SDGs Registration System (July 2022)
- SDGs in Fukuoka Prefecture Entry into registration system (February 2023)

Create an attractive workplace (tenants)

Fukuoka REIT

- Training for tenants' employees
- Emergency drills to improve safety and security of tenants
- Distribution of sustainability guidelines
- Support for tenants' employees and part-time job recruitment (posted on property websites)
- Training aimed at improving skills (inbound customer service training *Korea, China) **NEW**
- Thank-you party for tenant staff (Canal City Hakata, Park Place Oita) **NEW**
- Improvement of employee lounge
- Implementation of tenant satisfaction surveys
- Park Place Oita and Konoha Mall Hashimoto introduced "Flexible Business Hours System (*)" for tenants on a trial basis.

*System in which opening and closing hours are set at the discretion of the store



Inbound customer service training



Thank-you party for staff



ESG Initiatives (Society②)

Contribute to increased attractiveness and vitalization of Fukuoka and Kyushu area

Provision of regional information Fukuoka Realty

Information provision using website, social media, financial results briefing materials, etc.
Announcement of financial results at the Fukuoka Stock Exchange
Exchange of information and opinions with the governments, major companies and research institutes in the region

Linking with and provision of venues for various regional events and festivals Fukuoka Realty Fukuoka REIT

Support for Yamakasa Festival, Hakata Dontaku, Nakasu Jazz, Funa Norikomi (boat boarding; Kabuki stars unveiling their arrival) and locally based professional sports, etc.
Local companies and regional supporters supported "O-Vision Ice Arena Fukuoka" and "the sponsors of Avispa Fukuoka"

Implementation of Corporate Version of Hometown Tax System Fukuoka Realty

Continue to implement the corporate version of the hometown tax payment system NEW
(Kumamoto City and Nagasaki City)

●O-Vision Ice Arena Fukuoka



Held an ice skating class for adults and children as part of the welfare program for all officers and employees NEW

●Support for locally based professional sports



Endorsed urban development through sports through the "season seat sponsor" of Avispa Fukuoka

Involvement in local community

Initiatives for local communicaties, etc. Fukuoka Realty

- Initiatives at each facility in collaboration with local communities (Canal City Hakata and Konoha Mall Hashimoto) NEW
- Participates in Hakata Town Planning Promotion Council (Clean Day, etc.)
- Participates in Fukuoka Directive Council
- Hosts the Kyushu IR Workshop
- Hosted the Real Estate, Finance and Economic Networking

Others Fukuoka Realty Fukuoka REIT

- Child-rearing support
- Individual facility initiatives
- Safety and security activities (crime prevention patrol, AED installation)
- Local contribution (bike share service, EV charging station), etc.



Canal City Hakata
Gospel illumination event held by a local high school NEW



Konoha Mall Hashimoto
Tie-up with a local elementary school "Seiryu Marche" NEW



Konoha Mall Hashimoto
SDGs plastic bottle cap art NEW



Participation in Clean Day



Hosted the Real Estate, Finance and Economic Networking



Child-rearing support
Parking lot dedicated to pregnant women and stroller users



Park Place Oita
Crime prevention patrol (Jointly conducted with communities and schools)



Canal City Hakata, others
AED installation



Canal City Hakata, others
bike share service



Canal City Hakata, others
EV charging station

ESG Initiatives (Governance)

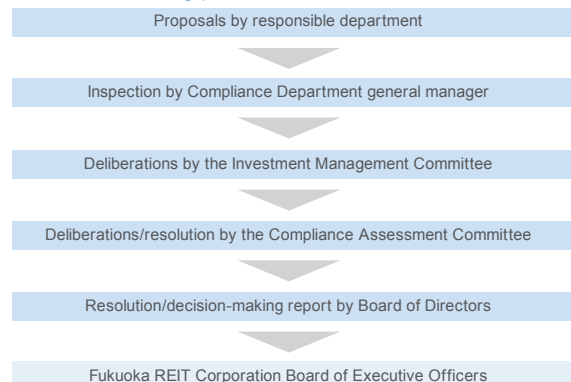
Compliance / Risk management

Governance System

Fukuoka Realty Fukuoka REIT

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 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).

◎Decision-making process (*1)



◎Third-party assessment by external experts

[Real estate appraisals]

- Japan Real Estate Institute
- The Tanizawa Sogo Appraisal Co., Ltd.
- Daiwa Real Estate Appraisal Co., Ltd.

[Market reports]

- Analysis on trade areas and competition situation
- Adequate rent levels, etc.

[Engineering reports]

- Law abidance and earthquake resistance
- Check of soil contamination, toxic substance and use status
- Replacement market price, expenses for long-term maintenance and repairs, etc.

(*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.

Conjunction with investors' and sponsors' profit

Fukuoka Realty Fukuoka REIT

- Same-boat investment by sponsor
Fukuoka Jisho Co., Ltd., the main sponsor, has 9.81% of FRC's investment units
- Cumulative investment system for investment units
(About 1/3 of officers and employees participate in this system)
A cumulative investment system for investment units was introduced for the Asset Manager officers and employees in April 2015 in order to enhance their mindset for FRC's investment unit price and better performance as well as promote their assets formation.

Management Fee Structure

Fukuoka Realty

Unitholder interest-linked asset management fees

Management Fee 1 (*2)	Based on total assets
Management Fee 2	Based on operating revenues
Management Fee 3 (*2)	Based on distributable profit
Management Fee 4	Acquisition fee
Management Fee 5	Transfer fee

(*2) We reduced the ratio of Management Fee 1 and increased the ratio of Management Fee 3 as of the fiscal period ended February 2021.

Appointment of Outside Directors (other than interested persons)

Fukuoka Realty

Secure transparency and fairness of the Board of Directors

Title	Name	Attendance at board meetings at 39 th
President and CEO	Zenji Koike	100% attendance
Vice President Board of Directors(Non-Executive)	Hiroshi Shimuta	100% attendance
Vice President Board of Directors(Non-Executive)	Yukitaka Ohara	100% attendance
Vice President Board of Directors(Non-Executive)	Masanori Kozuma	100% attendance
Vice President Board of Directors(Non-Executive)	Kazuomi Kamikawa	100% attendance

Information on attendance at board meetings at 39th, etc.

Fukuoka REIT

Title	Name	Total fees(thousand yen)	Attendance at board meetings
Executive director	Zenji Koike	-	100% attendance
Supervisory director	Yasuo Kawasho	3,600	100% attendance
Supervisory director	Takashi Tanabe		100% attendance

Information Security

Fukuoka Realty

- Established information management regulations (for protection and handling of information assets and prevention of information loss, leakage, etc.) (June 10, 2014)

Customer-oriented Business Operations

Fukuoka Realty

- Adopted the Principles for Customer-Oriented Business Conduct published by the Financial Services Agency on March 30, 2017, and established Policies for Customer-Oriented Business Operations (September 20, 2017)
- Disclosed the status of initiatives regarding customer-oriented business operations on our website

Regular Compliance Training

Fukuoka Realty

We regularly carried out training for all officers and employees to enhance their awareness.

Apr. 2021 – Mar. 2022	Apr. 2022 – Mar. 2023	Apr. 2023 – Mar. 2024
6 times	6 times	7 times

(including e-learning)

Information disclosure and dialogue with stakeholders



Publication of Integrated Report

Fukuoka REIT

- Published fifth integrated report in December 2023 (aim to expand non-financial information)

Integrated Report 2023 (published in December 2023)

- ESG interview Conducted 8 times (February 2024)

IR initiatives

Major IR activities implemented

©IR for domestic institutional investors

- Financial results briefing for analysts and institutional investors (Following on-line live streaming) Post the video on the website the next day
- Roadshows on financial results (face to face and conference calls)
- Holding of property tours

©IR for overseas institutional investors

- Roadshows on financial results (Asia, etc.)
- Timely information disclosure in English (held simultaneously as the delivery of Japanese press releases)

©IR for individual investors

- Kyushu IR Fair 2023(November 2023)
- NEW** In-person financial results presentation for individual unitholders (Tokyo)(December 2023)

For the first time in 4 years since the COVID-19 pandemic, an in-person presentation for individual unitholders was held in Tokyo.

- J-REIT Fan in Fukuoka 2023 (December 2023)
- J-REIT Online IR seminar(December 2023)
- Fukusho IR Fair Online(January 2024)
- Responding to individual calls,etc.



Kyushu IR Fair 2023



In-person financial results presentation for individual unitholders



J-REIT Fan in Fukuoka 2023



J-REIT Online IR seminar



Fukusho IR Fair Online



Property tour for institutional investors

Major achievements in public relations activities

©Website recognition **NEW**

FRC's website was selected as a AAA website in the Fiscal 2023 All Japanese Listed Companies' Website Ranking (overall and sector rankings) announced by Nikko Investor Relations Co., Ltd. (Targets of the survey: All listed companies in Japan (3,970 companies))

FRC has won the award in the ranking (overall ranking) for 14 consecutive years since 2010. (12 times as a AAA site and 2 times as a AA site)

In addition, FRC won first place in the "REIT/Infrastructure Investment Corporation" sector of the sector ranking comprised of 34 sectors.



©Advertising (Local economic magazine)

Posted interviews with President and CEO Zenji Koike in Fukuoka Keizai (November 2023 issue) and Zaikai Kyushu (January 2024 issue)



Zaikai Kyushu(January 2024 issue)



Fukuoka Keizai (November 2023 issue)

Status of integration into indexes (as of February 29, 2024)

©Global indexes, etc

FTSE EPRA/NAREIT
Global Real Estate Index

FTSE Developed
Small Cap

S&P Global REIT
Index

MSCI Japan
Small Cap Index

Other Activities

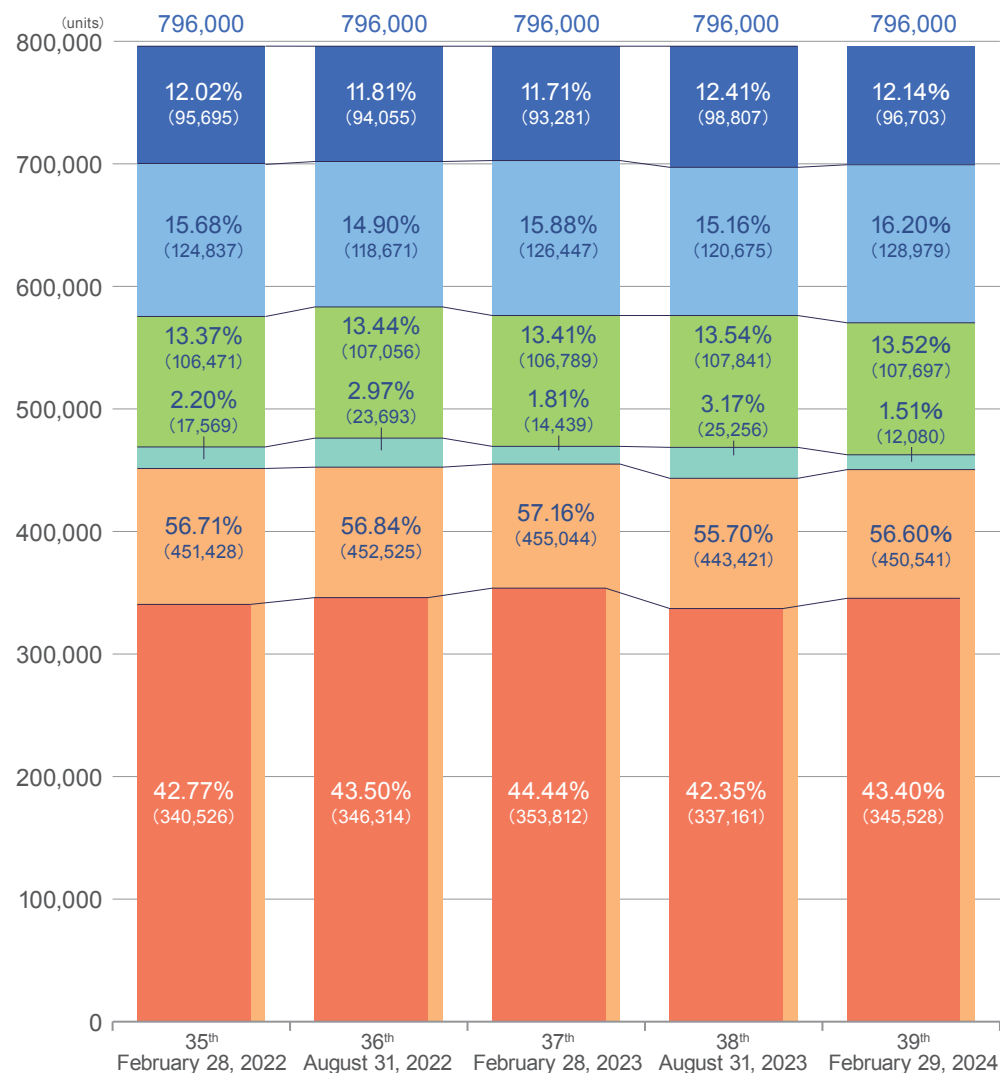
The Kyushu IR Workshop, which started in collaboration with the Japan Investor Relations Association, is entering its 14 year in 2024. It is utilized as a venue to study the latest IR trends with IR staff of companies from Fukuoka and Kyushu and to build networks among such companies.

Date	Theme & lecturer
1st workshop July 2023	"IR Leading to Continuous Evaluation: Trends in IR and Disclosure in FY2023" Executive Managing Director, Japan Investor Relations Association Yoshiko Sato
2nd workshop November 2023	"IR Activities of YASKAWA Electric Corporation (Expansion of Information Disclosure and Opportunity for Dialogue)" Head of IR Promotion Section, Corporate Communications Division/IR Division, Corporate Branding Division, YASKAWA Electric Corporation Daisuke Nakahara
3rd workshop February 2024	"How Should We Face Human Capital Management?" Professor at Graduate School of Business Administration, Hitotsubashi University Visiting researcher at Japan Investor Relations Association Shoichi Tsumuraya

*Information on the lecturers is that for the workshops held by the IR Kyushu Subcommittee.

Unitholders' data

Distribution by investor category [breakdown of investment units]



■ Financial institutions
 ■ Of which held by trust banks
 ■ Stock brokers
 ■ Other corporations
 ■ Foreign corporations
 ■ Individual-other

* Percentages and ratio are rounded off to two decimal places.

No. of unitholders and investment units held by unitholder category [at the end of the 39th FP]

	No. of unitholders	Percentage	Investment units held	Percentage
Individual · other	13,356	95.69%	96,703	12.14%
Foreign corporations	244	1.74%	128,979	16.20%
Other domestic corporations	251	1.79%	107,697	13.52%
Stock brokers	21	0.15%	12,080	1.51%
Financial institutions	85	0.60%	450,541	56.60%
(Of which held by trust banks)	9	0.06%	345,528	43.40%
Total	13,957	100.00%	796,000	100.00%

(As of February 29, 2024)

Major investors [at the end of the 39th FP]

Rank	Name	Investment units held	Percentage
1	Custody Bank of Japan, Ltd.(Trust account)	214,864	26.99%
2	The Master Trust Bank of Japan, Ltd.(Trust account)	85,925	10.79%
3	Fukuoka Jisho Co., Ltd.	78,136	9.81%
4	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	37,279	4.68%
5	The Shinkumi Federation Bank	14,760	1.85%
6	STATE STREET BANK WEST CLIENT - TREATY 505234	13,294	1.67%
7	JP MORGAN CHASE BANK 385771	11,833	1.48%
8	MetLife, Inc.	10,227	1.28%
9	Shikoku Railway Company	9,130	1.14%
10	The Joyo Bank, Ltd.	7,670	0.96%

(As of February 29, 2024)

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 5.
 (*2) Turnover by February 25, 2014 was multiplied by 5.

Balance sheets (compared with the previous fiscal period)

Account		38 th Aug. 31, 2023 A	39 th Feb. 29, 2024 B	Difference B—A
Assets	Total current assets	11,591	9,138	(2,453)
	Cash and deposits	6,267	3,304	(2,962)
	Cash and deposits in trust	4,243	4,206	(36)
	Operating accounts receivable	791	954	162
	Prepaid expenses	259	288	28
	Consumption taxes refund receivable	-	371	371
	Others	29	12	(17)
	Total non-current assets	192,254	205,231	12,977
	Total property, plant and equipment	185,374	198,286	12,912
	Buildings	1,918	1,893	(25)
	Structures	23	23	(0)
	Tools and fixtures	0	2	1
	Lands	1,684	1,684	-
	Buildings in trust	66,140	71,643	5,503
	Structures in trust	1,033	1,018	(14)
	Machinery and equipment in trust	703	748	45
	Tools and fixtures in trust	238	238	0
	Lands in trust	113,622	121,016	7,394
	Construction in progress in trust	9	15	6
	Total intangible assets	5,548	5,547	(0)
	Leasehold right in trust	5,545	5,545	-
	Other intangible assets in trust	2	1	(0)
	Total investment and other assets	1,331	1,397	66
Deferred tax assets	0	1	1	
Lease and guarantee deposits	10	10	-	
Lease and guarantee deposits in trust	327	335	8	
Long-term prepaid expenses	994	1,050	56	
Total deferred assets	22	21	(1)	
Total assets	203,868	214,390	10,522	

- unit : mm yen

Account		38 th Aug. 31, 2023 A	39 th Feb. 29, 2024 B	Difference B—A
Liabilities	Total current liabilities	10,625	6,193	(4,431)
	Operating accounts payable	771	871	100
	Investment corporation bonds scheduled to be redeemed within one year	2,000	-	(2,000)
	Current maturities of long-term debt	5,200	2,700	(2,500)
	Account payable-other	16	19	2
	Accrued expenses	433	463	29
	Income taxes payable	0	3	2
	Accrued consumption taxes	11	-	(11)
	Advances received	1,065	1,058	(7)
	Deposits received	1,125	1,078	(47)
	Total non-current liabilities	91,316	106,227	14,911
	Investment corporation bonds	3,000	3,000	-
	Long-term debt	76,250	90,650	14,400
Tenant leasehold and security deposits	837	835	(1)	
Tenant leasehold and security deposits received in trust	11,229	11,742	513	
Total liabilities	101,941	112,421	10,479	

Account		38 th Aug. 31, 2023 A	39 th Feb. 29, 2024 B	Difference B—A
Net assets	Total unitholders' equity	101,926	101,969	42
	Unitholders' capital	98,938	98,938	-
	Surplus	2,987	3,030	42
Total net assets	101,926	101,969	42	

Total liabilities and net assets	203,868	214,390	10,522
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Cash flow statements (compared with the previous fiscal period)

- unit : mm yen

Category	38 th A ~Aug. 31, 2023	39 th B ~Feb. 29, 2024	Difference B-A
Net cash provided by (used in) operating activities	3,939	3,724	(214)
Profit before income taxes	2,988	3,031	43
Depreciation and amortization expenses	1,531	1,609	77
Amortization of investment corporation bond issuance expenses	1	1	(0)
Interest received	(0)	(0)	0
Interest expenses	284	328	43
Gain on sales of real estate property	(432)	(237)	194
Decrease (increase) in operating accounts receivables	(52)	(162)	(110)
Decrease (increase) in consumption taxes refund receivable	-	(371)	(371)
Increase (decrease) in accrued consumption taxes	(355)	(11)	344
Increase (decrease) in operating accounts payable	31	(62)	(94)
Increase (decrease) in accounts payable-other	(4)	2	7
Increase (decrease) in accrued expenses	5	6	1
Increase (decrease) in advances received	(2)	(7)	(4)
Increase (decrease) in deposits expenses	201	(47)	(248)
Decrease (increase) in prepaid expenses	10	(28)	(39)
Decrease (increase) in long-term prepaid expenses	(0)	(56)	(56)
Others, net	12	36	23
Subtotal	4,219	4,030	(188)
Interest income received	0	0	(0)
Interest expenses paid	(278)	(305)	(26)
Income taxes paid	(1)	(0)	0
Net cash provided by (used in) investment activities	(3,436)	(13,636)	(10,200)
Purchase of property, plant and equipment	(1,539)	(0)	1,539
Proceeds from sales of property, plant and equipment in trust	1,495	815	(680)
Purchase of property, plant and equipment in trust	(3,172)	(14,953)	(11,781)
Purchase of intangible assets in trust	-	(1)	(1)
Proceeds from tenant leasehold and security deposits	94	5	(89)
Repayments of tenant leasehold and security deposits	(16)	(7)	8
Proceeds from tenant leasehold and security deposits in trust	195	637	441
Repayments of tenant leasehold and security deposits in trust	(494)	(124)	369
Payments of leasehold and guarantee deposits in trust	-	(8)	(8)
Proceeds from restricted trust deposits	1	2	0
Payments for restricted trust deposits	(2)	(2)	(0)
Net cash provided by (used in) financial activities	(298)	6,912	7,211
Proceeds from short-term debt	3,000	21,900	18,900
Repayments of short-term debt	(3,000)	(21,900)	(18,900)
Proceeds from long-term debt	8,450	16,400	7,950
Repayments of long-term debt	(5,900)	(4,500)	1,400
Redemption of investment corporation bonds	-	(2,000)	(2,000)
Dividends paid	(2,848)	(2,987)	(138)
Net increase (decrease) in cash and cash equivalents	204	(2,999)	(3,203)
Balance of cash and cash equivalents at beginning of period	10,255	10,459	204
Balance of cash and cash equivalents at end of period	10,459	7,460	(2,999)

Income and expenditure by properties (Retail)

- unit : mm yen

Category	Canal City Hakata	Canal City Hakata・B	Park Place Oita	SunLive City Kokura	Konoha Mall Hashimoto	39 th Total A	38 th Total B	Difference A-B	Forecast C (*2)	Difference A-C
	39 th FP (Sept. 1, 2023 ~Feb. 29, 2024)									
	(Length)	182 days						184 days	(2) days	
①Total leasing business revenues	1,070	951	1,160	292	840	4,314	4,126	188	4,194	120
Leasing revenue-real estate	1,052	915	999	292	683	3,943	3,693	249		
Other leasing revenue-real estate	17	36	160	-	156	371	432	(60)		
②Total leasing business expenses	473	550	583	49	532	2,189	2,347	(158)	2,235	(45)
Outsourcing fees	290	374	280	8	304	1,258	1,266	(7)		
Repair and maintenance expenses	16	23	38	3	16	99	195	(96)		
Expenses for restoration to former state	-	-	-	-	-	-	-	-		
Tax and other public charges	85	104	99	34	42	366	366	(0)		
Insurance premiums and trust compensation	5	7	5	1	2	21	21	(0)		
Utilities expenses	25	36	134	-	87	284	356	(71)		
Other expenses	50	3	24	0	78	157	141	16		
③NOI(=①-②)	596	401	577	242	308	2,125	1,778	347	1,959	166
④Depreciation and amortization expenses	239	190	206	53	101	791	782	8		
⑤Leasing business profit(=③-④)	357	210	370	189	206	1,334	995	338		
NOI yield (acquisition price)	3.7%	3.8%	5.9%	7.3%	6.2%	4.8%	4.0%	0.8%		
Capital expenditures	69	82	153	86	6	399	923	(524)		

Category	Square Mall Kagoshima Usuki	Kumamoto Intercommunity SC	Hanahata SC	Kurume Higashi Kushiwara SC (*1)	K's Denki Kagoshima	Marinoa City Fukuoka (Marina Side Building)	39 th Total A	38 th Total B	Difference A-B	Forecast C (*2)	Difference A-C
	39 th FP (Sept. 1, 2023 ~Feb. 29, 2024)			39 th FP (Sept. 1, 2023 ~Nov. 29, 2023)	39 th FP (Sept. 1, 2023 ~Feb. 29, 2024)						
	(Length)	182 days			90 days	182 days			184 days	(2) days	
①Total leasing business revenues	248	89	40	13	105	177	675	742	(66)	679	(3)
Leasing revenue-real estate	222	89	40	13	105	177	648	711	(62)		
Other leasing revenue-real estate	26	0	-	0	-	-	26	31	(4)		
②Total leasing business expenses	81	10	5	3	13	23	139	145	(6)	146	(6)
Outsourcing fees	38	2	1	0	1	1	46	48	(1)		
Repair and maintenance expenses	2	0	0	-	3	1	8	11	(2)		
Expenses for restoration to former state	-	-	-	-	-	-	-	-	-		
Tax and other public charges	16	5	3	2	7	18	54	56	(2)		
Insurance premiums and trust compensation	0	0	0	0	0	0	2	2	(0)		
Utilities expenses	20	-	-	-	-	-	20	24	(3)		
Other expenses	2	1	0	1	1	0	7	3	4		
③NOI(=①-②)	166	79	35	9	92	153	536	596	(60)	533	2
④Depreciation and amortization expenses	31	9	4	2	22	22	91	105	(13)		
⑤Leasing business profit(=③-④)	135	69	31	7	69	130	444	491	(47)		
NOI yield (acquisition price)	6.3%	6.6%	6.2%	5.1%	5.2%	5.8%	5.9%	6.0%	(0.1)%		
Capital expenditures	2	0	1	-	0	0	6	4	2		

(*1)Disposed on November 30, 2023. (*2)Forecast at the financial results of the 38th fiscal period.

Income and expenditure by properties (Office buildings - Others)

- unit : 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	Higashi Hie Business Center III	Tenjin Nishi-Dori Business Center (Land with leasehold interest)	Hakata Chikushi-Dori Center Building	Kumamoto East Front Building	Hakata FD Business Center	39 th Total A	38 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	39 th FP (Sept. 1, 2023 ~ Feb. 29, 2024)																	
	(Length)	182 days														184 days	(2) days	
① Total leasing business revenues	652	586	207	333	368	86	150	161	97	159	140	47	151	3,145	3,014	130	3,238	(93)
Leasing revenue-real estate	650	525	197	333	343	86	123	149	94	159	132	43	139	2,977	2,836	141		
Other leasing revenue-real estate	1	61	10	0	25	-	27	12	3	-	8	4	11	167	178	(11)		
② Total leasing business expenses	225	177	69	102	143	19	50	57	19	21	42	17	56	1,001	984	17	995	6
Outsourcing fees	155	74	19	56	42	1	10	18	7	-	18	8	23	437	416	21		
Repair and maintenance expenses	9	5	10	13	13	0	6	5	0	-	1	1	0	68	85	(17)		
Expenses for restoration to former state	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Tax and other public charges	50	40	25	29	16	16	9	9	7	21	12	-	-	238	238	(0)		
Insurance premiums and trust compensation	1	2	0	1	1	0	0	0	0	-	0	0	1	13	12	1		
Utilities expenses	7	50	11	-	26	-	21	11	4	-	8	4	11	158	164	(6)		
Other expenses	1	3	1	1	43	0	1	11	0	0	0	1	18	85	67	17		
③ NOI (=①-②)	427	409	138	230	225	67	100	104	78	137	98	30	94	2,143	2,030	113	2,243	(100)
④ Depreciation and amortization expenses	81	73	28	67	45	10	30	41	19	-	16	10	73	498	419	78		
⑤ Leasing business profit (=③-④)	345	335	110	163	179	56	70	63	59	137	82	19	21	1,644	1,610	34		
NOI yield (acquisition price)	5.9%	7.3%	6.3%	6.6%	7.6%	5.2%	7.2%	4.9%	4.8%	3.6%	4.6%	4.2%	1.3%	5.1%	5.9%	(0.7)%		
Capital expenditures	37	26	7	228	4	2	0	5	-	-	14	2	1	332	355	(23)		

Category	Tosu Logistics Center	LOGICITY Minato Kashii	LOGICITY Hisayama	LOGICITY Wakamiya	Amex Akasakamon Tower	City House Keyaki Dori	Aqualia Chihaya	D-Wing Tower	Granfore Yakuin Minami	Axion Befu-Ekima Premium	Hotel FORZA Oita	Tissage Hotel Naha	39 th Total A	38 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	39 th FP (Sept. 1, 2023 ~ Feb. 29, 2024)																
	(Length)	182 days													184 days	(2) days	
① Total leasing business revenues					67	39	60	117	39	21	61	33	953	969	(15)	963	(9)
Leasing revenue-real estate					66	39	58	112	37	19	61	33	910	913	(2)		
Other leasing revenue-real estate					1	-	1	5	2	1	-	-	42	55	(12)		
② Total leasing business expenses					15	8	13	26	14	4	38	9	226	221	5	224	2
Outsourcing fees					5	2	3	7	2	1	0	0	35	35	0		
Repair and maintenance expenses	Non-disclosure (*2)	Non-disclosure (*2)	Non-disclosure (*2)	Non-disclosure (*2)	0	1	1	3	3	0	-	2	15	16	(0)		
Expenses for restoration to former state					1	-	2	3	3	0	-	-	9	10	(0)		
Tax and other public charges					5	3	4	8	2	-	7	5	90	90	(0)		
Insurance premiums and trust compensation					0	0	0	0	0	0	0	0	5	5	0		
Utilities expenses					0	0	0	2	0	0	-	-	26	30	(4)		
Other expenses					1	1	1	1	2	2	30	0	43	33	10		
③ NOI (=①-②)	41	186	119	69	52	30	46	91	25	16	22	24	726	747	(20)	738	(12)
④ Depreciation and amortization expenses	9	38	38	15	15	9	12	17	11	7	27	24	227	224	3		
⑤ Leasing business profit (=③-④)	31	148	80	54	36	21	33	73	14	8	(5)	0	498	523	(24)		
NOI yield (acquisition price)	6.6%	4.6%	4.7%	8.2%	5.1%	5.6%	7.2%	6.5%	4.6%	2.2%	3.0%	1.7%	4.8%	5.0%	(0.2)%		
Capital expenditures	-	10	-	-	1	1	9	126	3	0	78	0	232	318	(85)		

(*1) Forecast at the financial results of the 38th fiscal period. (*2) Information is not disclosed because the permission of tenants has not been obtained.

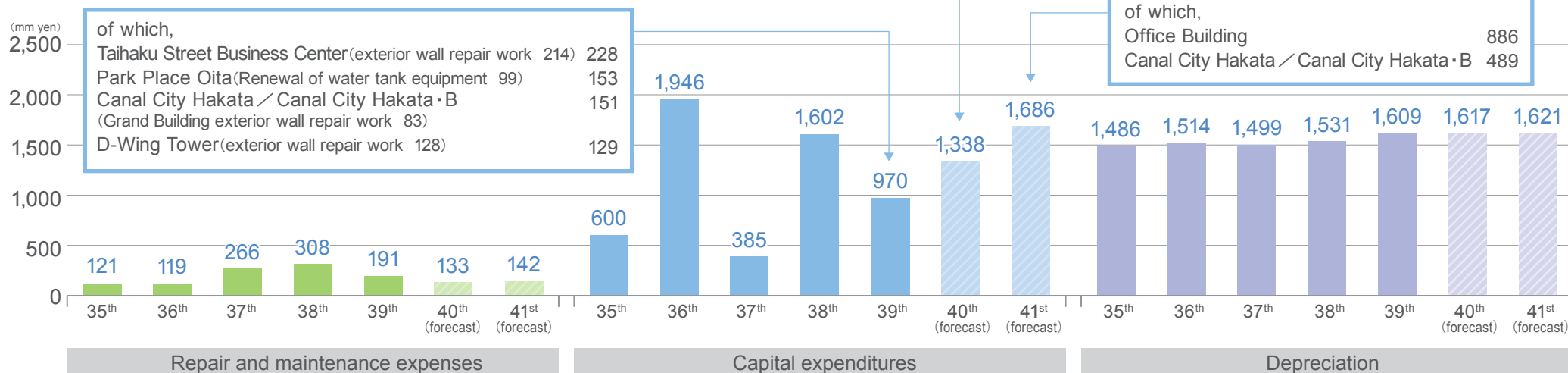
Income and expenditure by properties (Total) /Repair and maintenance expenses, capital expenditures, and depreciation

- unit : mm yen

Category	39 th Total A	38 th Total B	Difference A-B	Forecast C (*)	Difference A-C
	(Length)	Sept. 1, 2023 ~Feb. 29, 2024	Mar. 1, 2023 ~Aug. 31, 2023		
		182 days	184 days	(2) days	
① Total leasing business revenues	9,088	8,852	236	9,075	13
Leasing revenue-real estate	8,480	8,154	325		
Other leasing revenue-real estate	608	697	(89)		
② Total leasing business expenses	3,557	3,700	(142)	3,590	(32)
Outsourcing fees	1,777	1,765	12		
Repair and maintenance expenses	191	308	(116)		
Expenses for restoration to former state	9	10	(0)		
Tax and other public charges	749	752	(2)		
Insurance premiums and trust compensation	43	42	1		
Utilities expenses	489	575	(85)		
Other expenses	294	245	49		
③ NOI (=①-②)	5,531	5,152	379	5,484	46
④ Depreciation and amortization expenses	1,609	1,531	77		
⑤ Leasing business profit (=③-④)	3,922	3,620	301		
NOI yield (acquisition price)	5.0%	4.9%	0.1%		
Capital expenditures	970	1,602	(631)		

(*)Forecast at the financial results of the 38th fiscal period.

Repair and maintenance expenses, capital expenditures, and depreciation



Portfolio table①

(As of February 29, 2024)

	Real estate property name	Age (*1)	Acquisition price(mm yen)(*2)	Investment ratio	Acquisition timing	Source (*3)	Total leasable floor space (m) (*4)	Occupancy rate	Tenants (*5)	Primary tenants
Retail	Canal City Hakata	27yr 10m	32,000	14.5%	Nov. 9, 2004	Sponsor	48,176.33	99.5%	24	Alpen FUKUOKA and Washington Hotel
	Canal City Hakata・B	27yr 10m	21,060	9.5%	Mar. 2, 2011	Outside party	31,141.44	93.8%	37	OPA and MUJI Canal City Hakata
	Park Place Oita	21yr 11m	19,610	8.9%	Nov. 9, 2004	Sponsor	121,184.16	99.8%	99	AEON and K's Denki
	SunLive City Kokura	18yr 11m	6,633	3.0%	Jul. 1, 2005	Outside party	61,450.22	100.0%	1	SunLive
	Konoha Mall Hashimoto	12yr 11m	10,000	4.5%	Mar. 1, 2018	Sponsor	22,191.52	99.2%	121	SunLive and The Super Sports XEBIO
	Square Mall Kagoshima Usuki	17yr 5m	5,300	2.4%	Sept.28, 2006	Sponsor	14,602.88	99.1%	12	Sports Depo / Golf5 and Edion
	Kumamoto Intercommunity SC	17yr 3m	2,400	1.1%	Nov.30, 2006	Sponsor	6,968.66	100.0%	2	Sports Depo / Golf5 and Starbucks Coffee
	Hanahata SC	16yr 7m	1,130	0.5%	Sept. 3, 2007	Sponsor	2,801.15	100.0%	2	BON REPAS and Matsumoto Kiyoshi
	K's Denki Kagoshima	16yr 3m	3,550	1.6%	Mar.27, 2008	Outside party	7,296.17	100.0%	1	K's Denki
	Marinoa City Fukuoka (Marina Side Building)	23yr 4m	5,250	2.4%	May 1, 2015	Sponso	33,069.82	100.0%	1	FJ. Entertainment Works Ltd.
	Total or the weighted average of retail	—	106,933	48.4%	—	—	348,882.35	99.2%	300	—
Office buildings	Canal City Business Center Building	27yr 10m	14,600	6.6%	Nov. 9, 2004	Sponsor	23,031.14	98.6%	62	Bell System24 and TOTO
	Gofukumachi Business Center	20yr 4m	11,200	5.1%	Nov. 9, 2004	Sponsor	19,905.34	99.1%	35	SMBC CONSUMER FINANCE and Sumitomo Mitsui Banking Corporation
	Sanix Hakata Building	22yr 11m	4,400	2.0%	Sept.30, 2005	Outside party	6,293.75	100.0%	16	SANIX and The Nishi-Nippon City Bank
	Taihaku Street Business Center	21yr 11m	7,000	3.2%	Mar.16, 2006	Sponsor	14,677.35	99.3%	(*6) 70	NTT COMWARE and Tokio Marine & Nichido Outsourcing Management
	Higashi Hie Business Center	15yr 0m	5,900	2.7%	Mar.13, 2009	Outside party+Sponsor	13,482.02	99.4%	24	Forest Holdings and Fujitsu
	Tenjin Nishi-Dori Center Building	27yr 5m	2,600	1.2%	Feb. 1, 2013	Outside party	3,339.32	100.0%	1	The Nishi-Nippon City Bank
	Tenjin North Front Building	14yr 1m	2,800	1.3%	Mar.28, 2013	Outside party	5,261.64	100.0%	12	Rakuten Card and The Prudential Life Insurance Company, Ltd.
	Higashi Hie Business Center II	8yr 0m	4,230	1.9%	Mar. 1, 2018	Sponsor	6,214.77	100.0%	2	Fujitsu Limited and Seven-Eleven Japan Co.,LTD
	Higashi Hie Business Center III	3yr 11m	3,290	1.5%	May 29, 2020	Sponsor	2,981.14	100.0%	6	Mitsui Home Co.,LTD and Dia Nippon Engineering Consultants Co., Ltd.
	Tenjin Nishi-Dori Business Center (Land with leasehold interest)	—	7,700	3.5%	Jun. 1, 2021	Sponsor	1,343.51	100.0%	1	Fukuoka Jisho Co., Ltd
	Hakata Chikushi-Dori Center Building	32yr 1m	4,320	2.0%	Mar. 1, 2022	Outside party	5,994.41	89.6%	13	YAMAEHISANO Co.,Ltd and WESCO Inc.
	Kumamoto East Front Building	30yr 2m	1,450	0.7%	Mar.28, 2023	Outside party	3,114.07	75.4%	6	Mitsui Sumitomo Insurance Company, Limited, NICHINOKEN
	Hakata FD Business Center	1yr 0m	14,100	6.4%	Sept.1, 2023	Sponsor	12,102.05	86.5%	13	Accenture Japan Ltd and Ricoh Japan Co., Ltd.
	Total or the weighted average of office buildings	—	83,590	37.8%	—	—	117,740.51	96.8%	261	—
Others	Tosu Logistics Center	15yr 9m	1,250	0.6%	Mar.28, 2014	Outside party	4,173.29	100.0%	1	non-disclosure
	LOGICITY Minato Kashii	9yr 10m	8,150	3.7%	Mar.27, 2015	Outside party	43,233.72	100.0%	2	Fukuoka Logistic System and F-LINE CORPORATION
	LOGICITY Hisayama	9yr 1m	5,050	2.3%	Jun. 1, 2017	Outside party	24,505.65	100.0%	1	KASEIinc Co., Ltd.
	LOGICITY Wakamiya	19yr 0m	1,700	0.8%	Jun. 30, 2020	Outside party	17,556.32	100.0%	1	Tsukasa Kigyuu
	Amex Akasakamon Tower	18yr 7m	2,060	0.9%	Sept. 1, 2006	Outside party	4,821.25	97.0%	65	—
	City House Keyaki Dori	16yr 3m	1,111	0.5%	Dec.20, 2007	Outside party	2,710.86	97.8%	41	—
	Aqualia Chihaya	16yr 2m	1,280	0.6%	Mar. 1, 2012	Outside party	5,619.69	98.9%	104	—
	D-Wing Tower	18yr 0m	2,800	1.3%	Mar. 1, 2013	Outside party	7,187.59	98.9%	135	—
	Granfore Yakuin Minami	16yr 2m	1,100	0.5%	Nov. 4, 2014	Outside party	2,496.06	99.0%	98	—
	Axion Befu-Ekimae Premium	0yr 11m	1,525	0.7%	Apr.27, 2023	Outside party	1,937.75	74.3%	20	—
	Hotel FORZA Oita	15yr 6m	1,530	0.7%	Mar. 1, 2013	Sponsor	5,785.44	100.0%	1	FJ Hotels
	Tissage Hotel Naha	6yr 0m	2,835	1.3%	Dec. 7, 2018	Outside party	3,758.76	100.0%	1	Nest Hotel Japan Corporation
	Total or the weighted average of others	—	30,391	13.8%	—	—	123,786.38	99.3%	470	—
	Total or the weighted average of all properties	19yr 8m	220,914	100.0%	—	—	590,409.24	98.8%	1,031	—

(*1) The age of the building is listed with the end of the period as the starting date. For the property for which FRC owns the land only, "-" is indicated. The total or average figures for all properties are the weighted average.

(*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) For the property for which FRC owns the land only, the leasable space of the land is indicated.

(*5) Parking contracts, etc., are excluded from "Number of tenants".

(*6) The Taihaku Street Business Center is an office building combined with a residential tower. There are 13 office tenants and 57 residential tenants.

Portfolio table②

Retail
10 properties



Canal City Hakata



Canal City Hakata · B



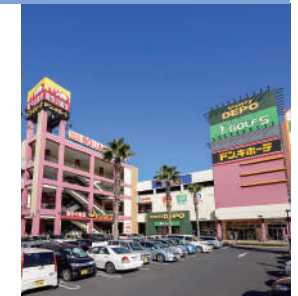
Park Place Oita



SunLive City Kokura



Konoha Mall Hashimoto



Square Mall
Kagoshima Usuki



Kumamoto
Intercommunity SC



Hanahata SC



K's Denki Kagoshima

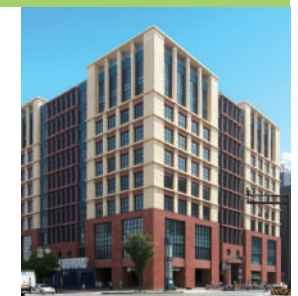


Marinoa City Fukuoka
(Marina Side Building)

Office buildings
13 properties



Canal City
Business Center Building



Gofukumachi
Business Center



Sanix Hakata Building



Taihaku Street
Business Center



Higashi Hie
Business Center



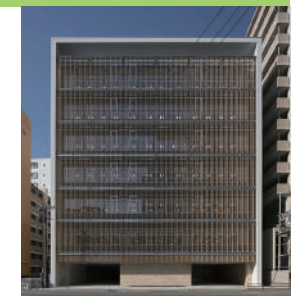
Tenjin Nishi-Dori
Center Building



Tenjin North Front Building



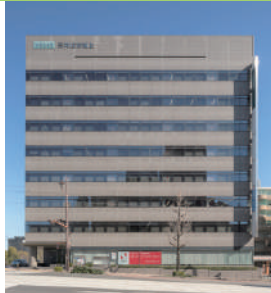






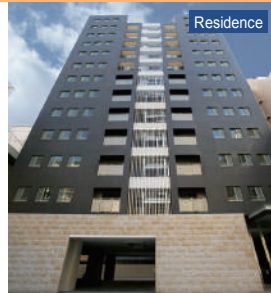





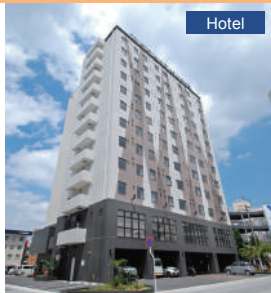


Higashi Hie
Business Center II

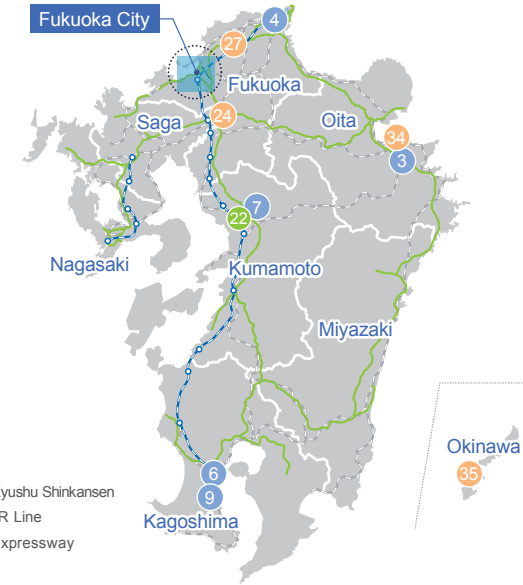


Higashi Hie
Business Center III

Portfolio table③

 <p>Tenjin Nishi-Dori Business Center (Land with leasehold interest)</p>	 <p>Hakata Chikushi-Dori Center Building</p>	 <p>Kumamoto East Front Building</p>	 <p>Hakata FD Business Center</p>	<p>Others 12 properties</p>	 <p>Tosu Logistics Center</p>	 <p>LOGICITY Minato Kashii</p>
 <p>LOGICITY Hisayama</p>	 <p>LOGICITY Wakamiya</p>	 <p>Amex Akasakamon Tower</p>	 <p>City House Keyaki Dori</p>	 <p>Aqualia Chihaya</p>	 <p>D-Wing Tower</p>	 <p>Granfore Yakuin Minami</p>
 <p>Axion Befu-Ekimae Premium</p>	 <p>Hotel FORZA Oita</p>	 <p>Tissage Hotel Naha</p>	<p>1 property to be acquired</p>	 <p>(*) Scheduled to be acquired on March 31, 2029 Island City Minato Bay related site (Land with leasehold interest) (tentative) (*)</p>	<p>Total acquisition price 220.9 bn yen (As of February 29, 2024)</p>	

Portfolio map



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 SunLive City 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 K's Denki Kagoshima

■Address : Tokai-cho, Kagoshima City

10 Marina City Fukuoka (Marina Side Building)

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

11 Canal City Business Center Building

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

12 Gofukumachi Business Center

■Address : Kami Gofukumachi, Hakata Ward, Fukuoka City

13 Sanix Hakata Building

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

14 Taihaku Street Business Center

■Address : Gokushomachi, Hakata Ward, Fukuoka City

15 Higashi Hie Business Center

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

16 Tenjin Nishi-Dori Center Building

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

17 Tenjin North Front Building

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

18 Higashi Hie Business Center II

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

19 Higashi Hie Business Center III

■Address : 4-chome, Higashi-hie, Hakata Ward, Fukuoka City

20 Tenjin Nishi-Dori Business Center (Land with leasehold interest)

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

21 Hakata Chikushi-Dori Center Building

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

22 Kumamoto East Front Building

■Address : 1-chome, Shinyashiki, Chuo Ward, Kumamoto City

23 Hakata FD Business Center

■Address : Tsunabamachi, Hakata Ward, Fukuoka City

24 Tosu Logistics Center

■Address : Himekata-cho, Tosu City, Saga Pref.

25 LOGICITY Minato Kashii

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

26 LOGICITY Hisayama

■Address : Hisayama-machi, Kasuya-gun, Fukuoka Pref.

27 LOGICITY Wakamiya

■Address : Shimoaruki, Miyawaka City

28 Amex Akasakamon Tower

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

29 City House Keyaki Dori

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

30 Aqualia Chihaya

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

31 D-Wing Tower

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

32 Granfore Yakuin Minami

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

33 Axion Befu-Ekimae Premium

■Address : 3-chome, Befu, Jonan Ward, Fukuoka Pref.

34 Hotel FORZA Oita

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

35 Tissage Hotel Naha

■Address : 2-chome, Nishi, Naha City

Scheduled to be acquired on March 31, 2029

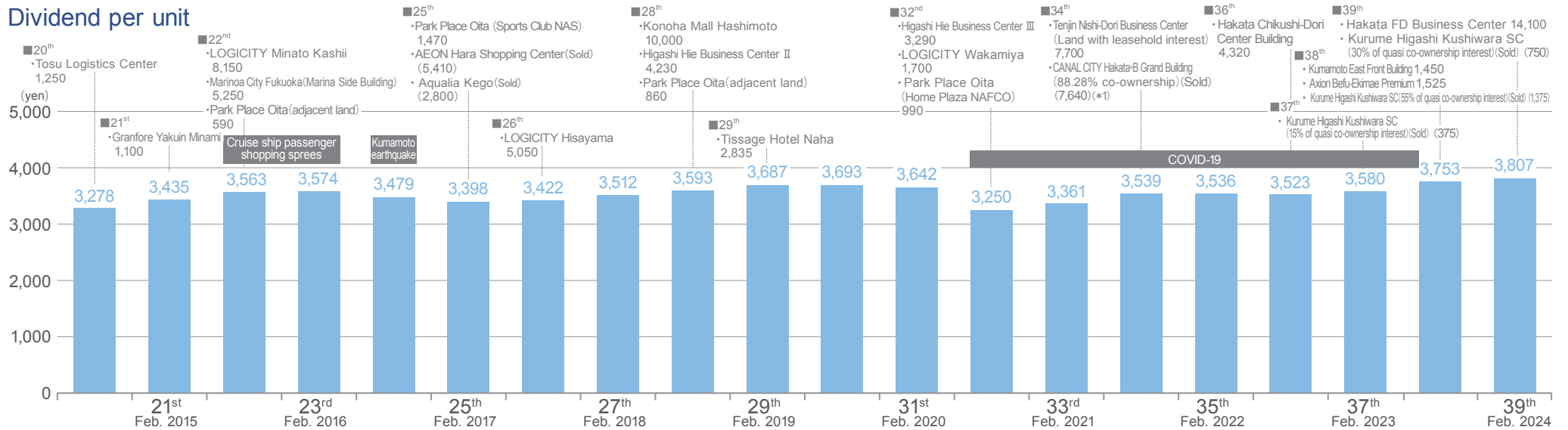
A Island City Minato Bay related site (Land with leasehold interest)(tentative)

■Address : 3-chome, Minatokashii, Higashi Ward, Fukuoka City

■ Retail ■ Office buildings ■ Others

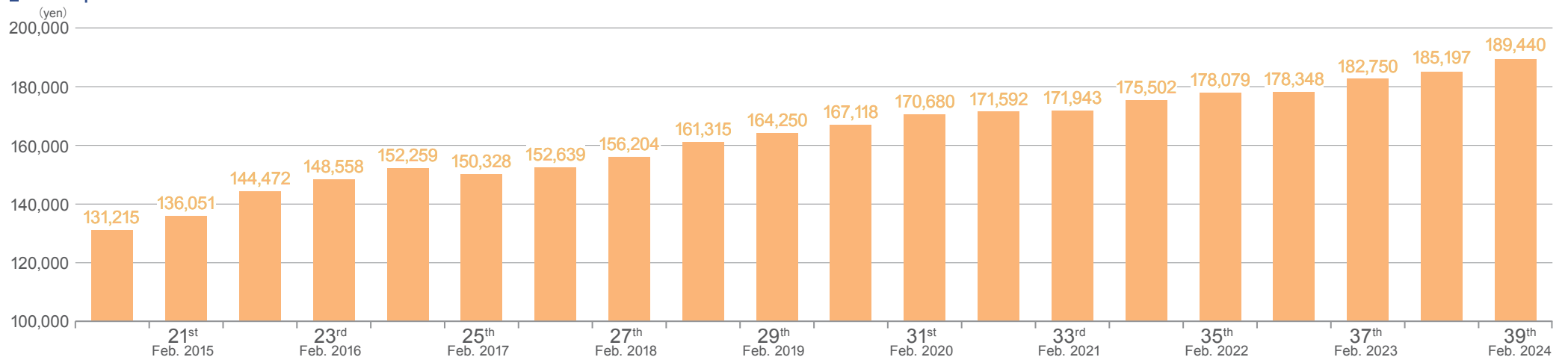
Dividend and NAV per unit

Dividend per unit



*The price of properties are listed in millions of yen.
(*1) The amount is the appraisal value at the time of transfer.

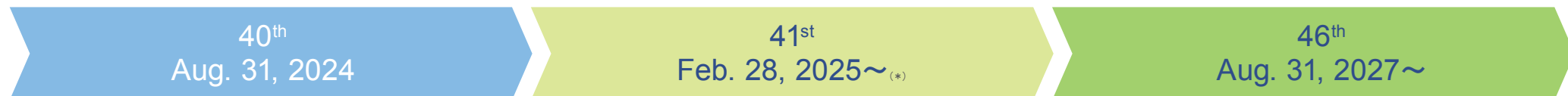
NAV per unit (*2)



(*2) Market net asset value per unit = (Total net assets + Unrealized gains - Total amount of dividends) / Total number of investment units outstanding

Disposition of property (Marinoa City Fukuoka (Marina Side Building) (Building)②)

Securing a long-term stable cash flow

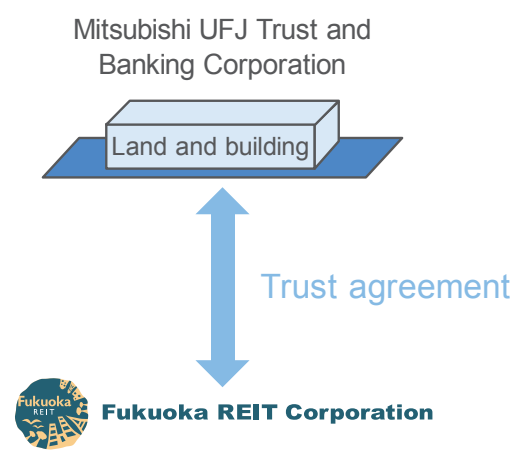


Assumed operating revenues	: 177 mm yen
Assumed NOI yield after depreciation	: 131 mm yen

Assumed operating revenues	: 32 mm yen
Assumed NOI yield after depreciation	: 21 mm yen
Impact on dividend per unit (compared with the 40 th FP)	: approx. (140) yen

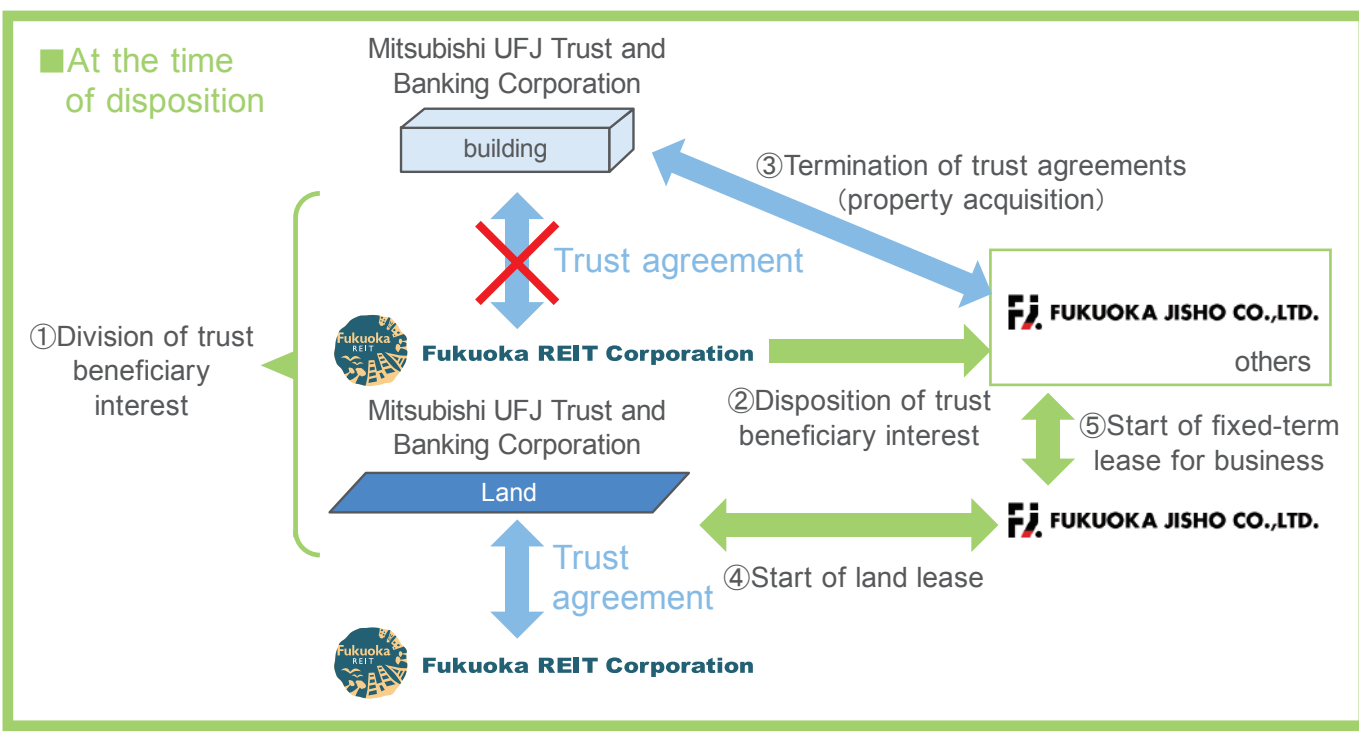
Assumed operating revenues	: 97 mm yen
Assumed NOI yield after depreciation	: 86 mm yen
Impact on dividend per unit (compared with the 40 th FP)	: approx. (60) yen

Current



Owning of land/buildings

(*) This figure is after deducting expenses and other costs related to the disposition.



Owning of land

Disposition of property (Kurume Higashi Kushiwara SC)

Completion of disposition (November 30, 2023)

Overview of disposition property

Location	Higashi Kushihara Machi, Kurume City, Fukuoka Prefecture
Date of agreement	October 26, 2022
Buyer	Non-disclosure (*)
Disposition date	1st (15% quasi co-ownership interest) / February 28, 2023 (Completed) 2nd (55% quasi co-ownership interest) / August 31, 2023 (Completed) 3rd (30% quasi co-ownership interest) / November 30, 2023 (Completed)
Appraisal value	2,740 mm yen (as of Aug. 31, 2022)
Book value	1,966 mm yen (as of Aug. 31, 2022)
Disposition price	2,740 mm yen ① 411 mm yen ② 1,507 mm yen ③ 822 mm yen
Acquisition date	February 1, 2008
Acquisition price	2,500 mm yen
Land area	7,182.44 m ²
Total floor area	6,467.80 m ²

(*) Not stated because the consent of the buyer cannot be obtained.



Reasons for Disposition

① Achieving unrealized gains (total amount: 773 mm yen) and stabilizing dividend level

- We achieved unrealized gains with which the planned disposition price significantly exceeded the book value.
- By transferring the asset in stages across three fiscal periods, we balanced large-scale renovation of other owned properties with stable dividends.

② Decreasing the commercial property investment ratio

- Based on the management guidelines (revised March 2019), we will disperse risk for the time being by targeting a reduction of the commercial property investment ratio to less than 50%.
- This will create opportunities for more leeway when considering acquisition of properties belonging to investment types other than commercial properties.

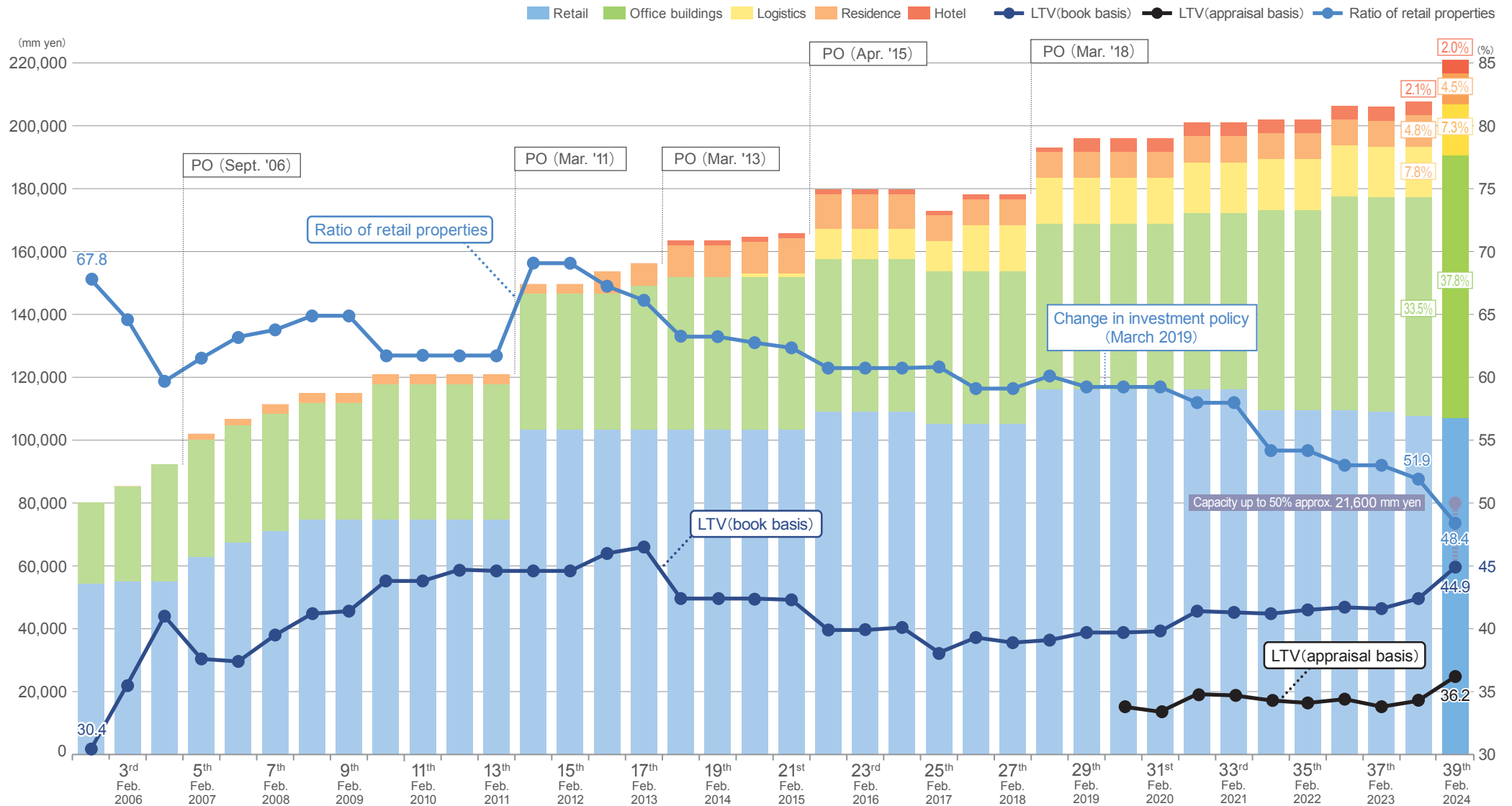
③ Use of disposition capital

- Disposition capital will be used for capital investment for the purpose of internal growth.

We aim to provide revenue that is stable over the medium to long term to investors and accommodate the best interests of investors

Historical trends of asset's size by investment type (based on acquisition)

Ratio of retail properties in the portfolio fell below 50%



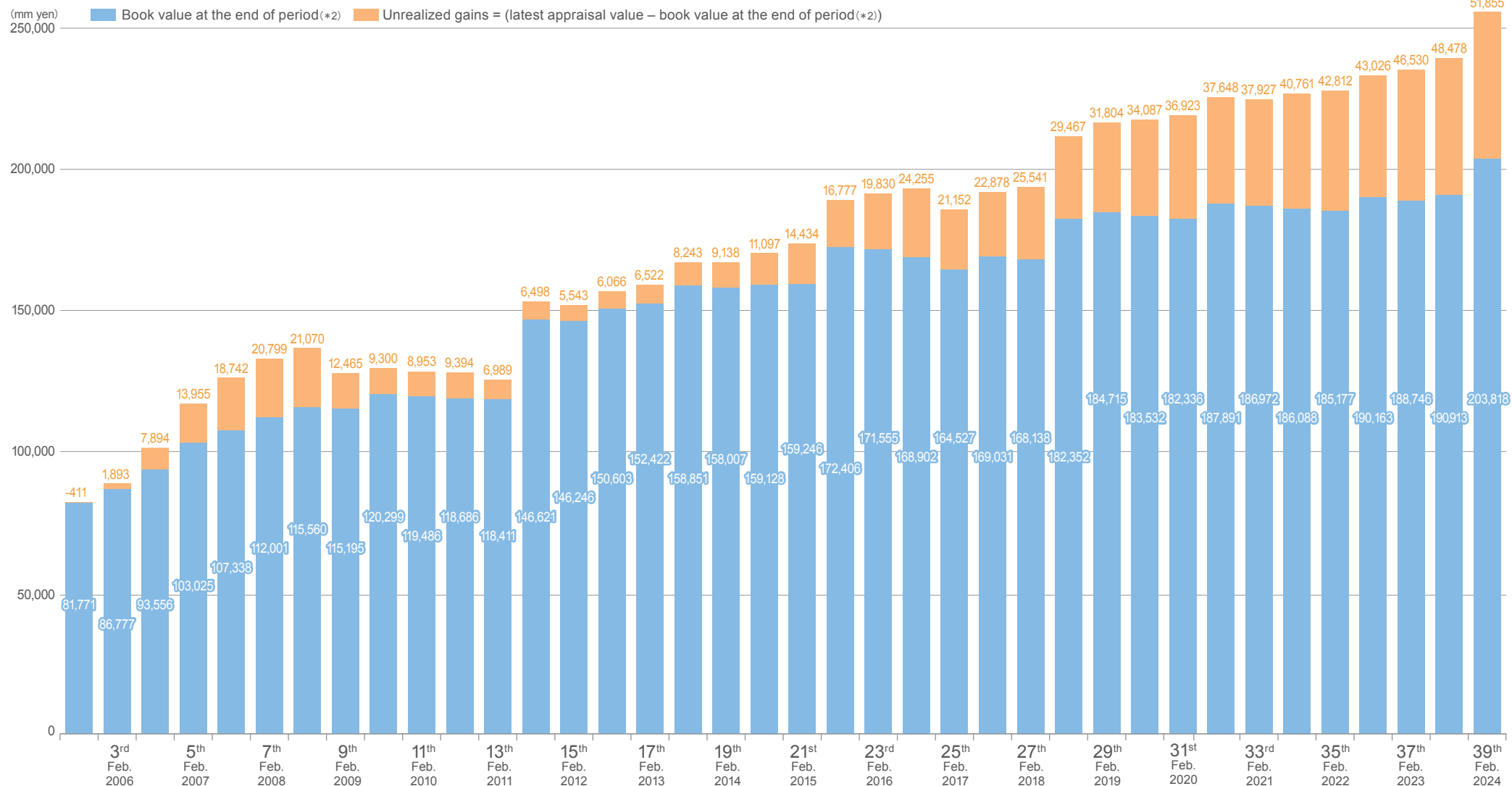
*As the senior equity interest in an anonymous partnership managed by CCH Bridge YK. was redeemed in the 14th FP, it is excluded from total acquired assets from the 14th FP onward. Since interest in the anonymous partnership managed by Limited Liability Company FRC1 was redeemed on in the 26th FP, it is excluded from total acquired assets from the 26th FP onward.

*Properties are classified in accordance with their main use. Fukuoka Washington Hotel, which is a tenant of Canal City Hakata, is included in the Retail category.

Historical appraisal values (unrealized gains)

Unrealized gains: 51,855 million yen, ratio of unrealized gains: 25.4% (*1)

Historical appraisal values

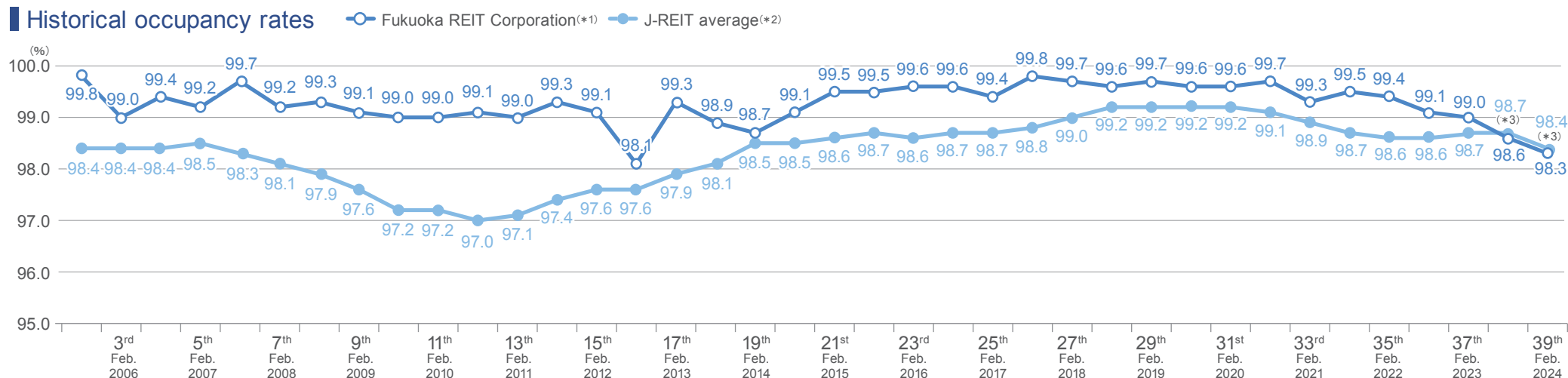


(*1) Ratio of unrealized gains = (latest appraisal value – book value at the end of period (*2)) / book value at the end of period (*2).

(*2) Book value at the end of period does not include construction in progress.

Portfolio properties' occupancy rates

Average occupancy rate at the end of the period was 98.8%.



(*1) The investment corporation's occupancy rates in the 2nd fiscal period through the 4th fiscal period were the occupancy rates at the end of each fiscal period. For the 5th fiscal period through the 39th fiscal period, the occupancy rates are the weighted average occupancy rates during the fiscal periods. The ratio of total leased floor area to leasable floor area is shown.
 (*2) The overall J-REIT occupancy rate is the occupancy rate at the end of each fiscal period based on the Association for Real Estate Securitization's "AJPI-J-REIT Databook".
 (*3) The overall J-REIT occupancy rates for the 38th and 39th fiscal periods are preliminary figures. The figures for the 39th fiscal period are the figures for November 2023.

Occupancy rates [the weighted average during the period]

Category	Investment ratio (based on acquisition price)	35 th ~ Feb. 28, 2022	36 th ~ Aug. 31, 2022	37 th ~ Feb. 28, 2023	38 th ~ Aug. 31, 2023	39 th ~ Feb. 29, 2024
Retail	48.4%	99.3%	98.8%	98.9%	98.6%	99.1%
Office buildings	37.8%	99.8%	99.4%	98.6%	98.4%	95.1%
Others	13.8%	99.4%	99.4%	99.5%	98.9%	99.0%
Total	100.0%	99.4%	99.1%	99.0%	98.6%	98.3%

Top tenants by leased floor area

■ Ordinary lease ■ Fixed-term lease (As of February 29, 2024)

Rank	Lessee	Tenant	Share of total leased space (*1)	40 th ~Aug. 31, 2024	41 st ~Feb. 28, 2025	42 nd ~Aug. 31, 2025	Remaining lease term (years) (*2)
1	SunLive Co., Ltd.	SunLive	11.1%	● SunLive City Kokura			17
				● Konoha Mall Hashimoto			7
2	AEON Kyushu Co., Ltd.	AEON	10.0%	● Park Place Oita			0
3	FJ. Entertainment Works Ltd.	—	6.1%(*3)	● Marinoa City Fukuoka (Marina Side Building)			11
4	Canal City OPA Co., Ltd.	OPA	4.4%	● Canal City Hakata			1
				● Canal City Hakata · B			1
5	KASEI inc Co., Ltd.	—	4.2%	● LOGICITY Hisayama			0
6	Fukuoka Logistic System Corporation	—	4.0%	● LOGICITY Minato Kashii			0
7	Alpen Co., Ltd.	Alpen FUKUOKA Sports Depo, Golf 5	3.7%	● Canal City Hakata			9
				● Square Mall Kagoshima Usuki			2
				● Kumamoto Intercommunity SC			2
8	F—LINE CORPORATION	—	3.5%	● LOGICITY Minato Kashii			non-disclosure (*4)
9	Tsukasa Kigyō	—	3.0%	● LOGICITY Wakamiya			6
10	K'S HOLDINGS CORPORATION	K's Denki	2.4%	● Park Place Oita			1

(*1) Share of total leased space is calculated using the formula "Leased floor area by tenant / Total leased floor space," 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 29, 2024 with periods shorter than one year rounded down to the nearest whole year.

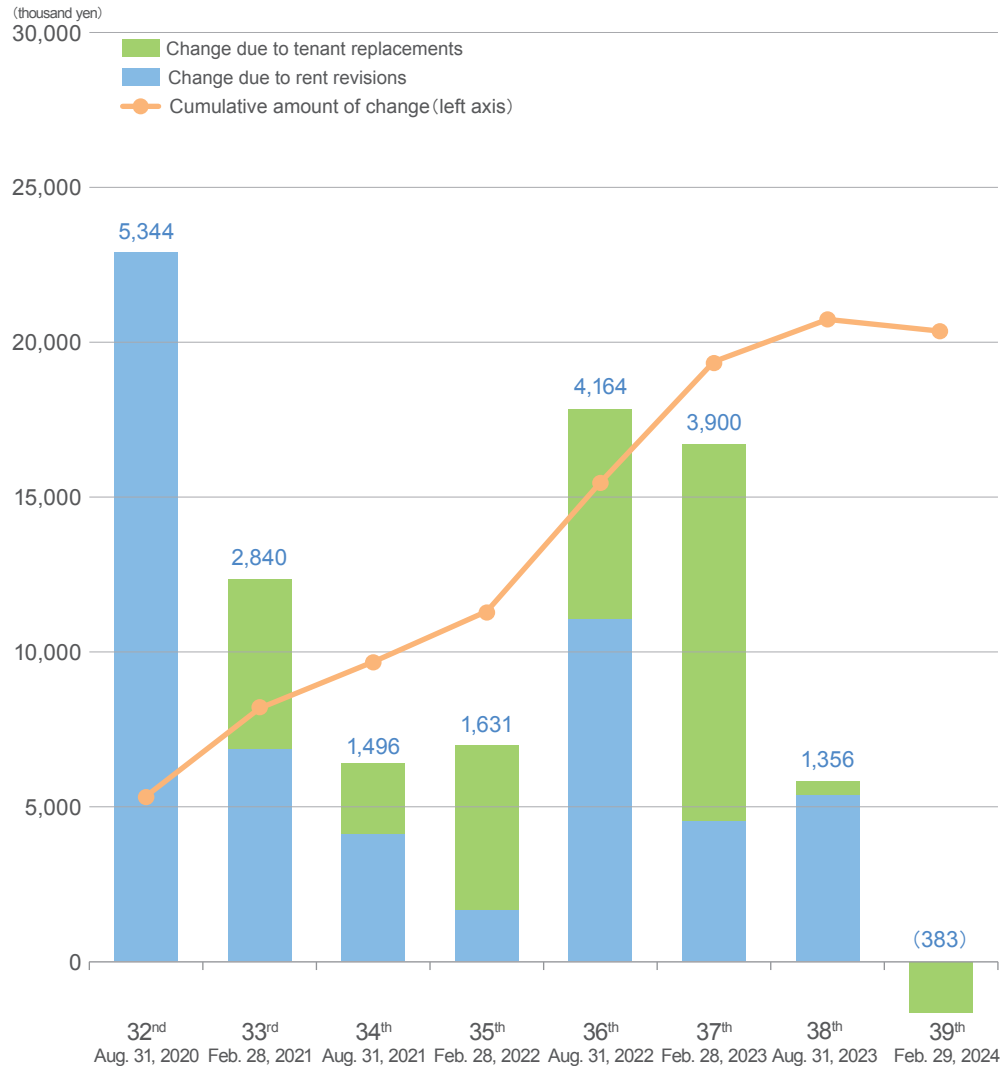
(*3) The 6.1% includes a 0.4% office portion. (6 ordinary leases have been concluded for Canal City Business Center Building and Park Place Oita.)

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

Office building rent revisions and tenant replacement situation

70% of tenants renewing contracts have increased base rents or revised rents in the past

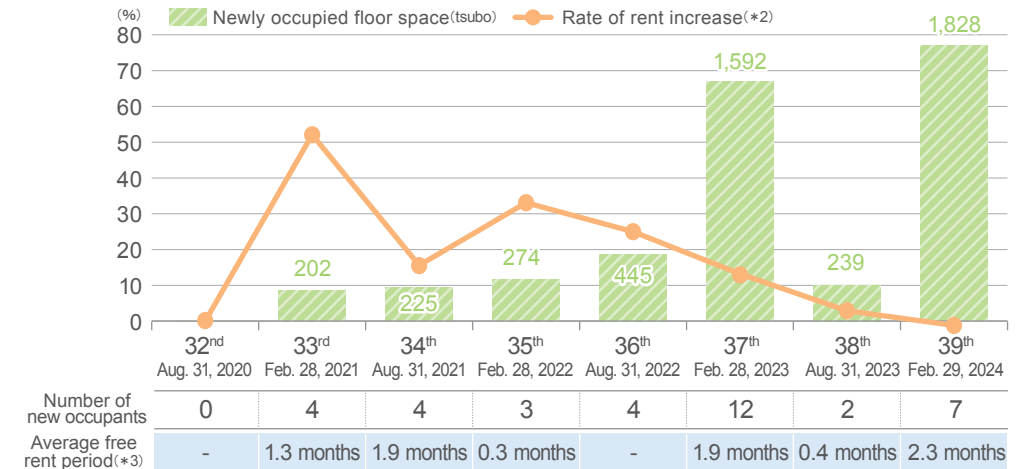
Change in monthly rent due to rent revisions and tenant replacements (*1)



* Covers all office buildings owned at the end of each fiscal period. (However, for Canal City Business Center Building, only the spaces from the 2nd floor and above are covered).

(*1) There were no revisions to the rent reductions.

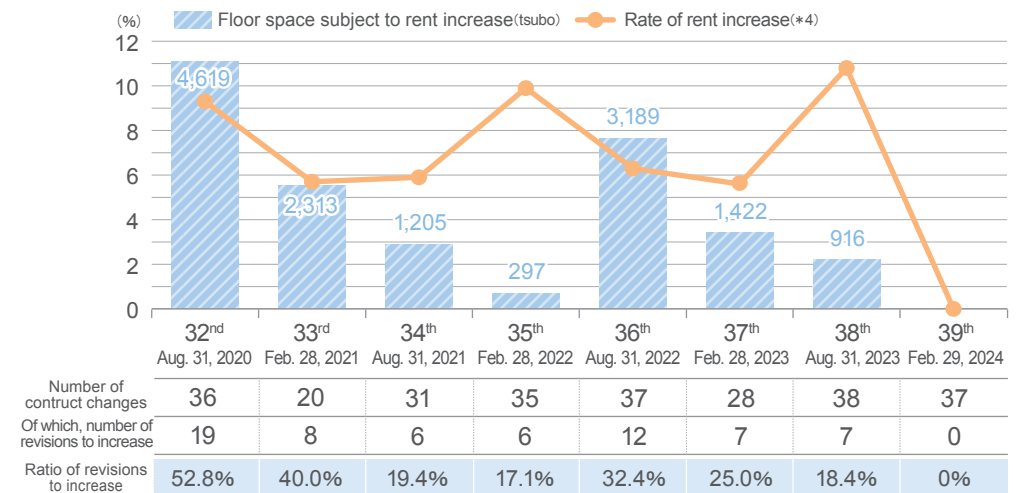
Newly occupied floor space and number of new occupants



(*2) Based on calculation of the rate of change in rent with respect to the contract rent with the previous tenant at the time of tenant replacement.

(*3) Based on calculation of the average over the free rent period of new contract.

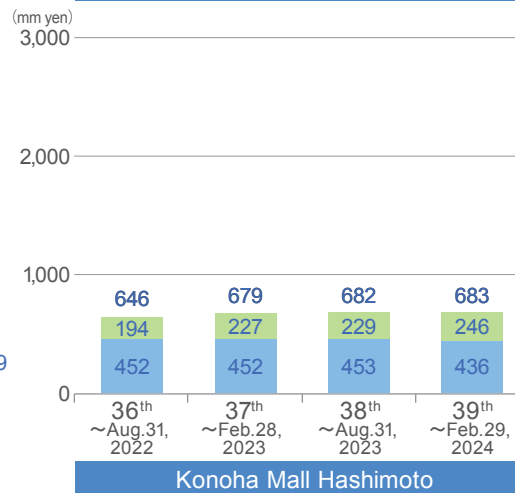
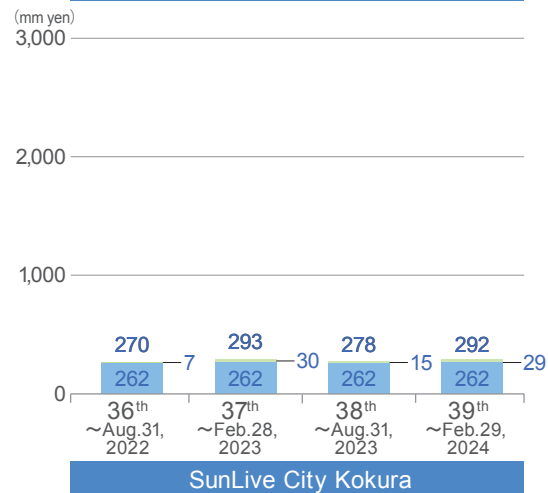
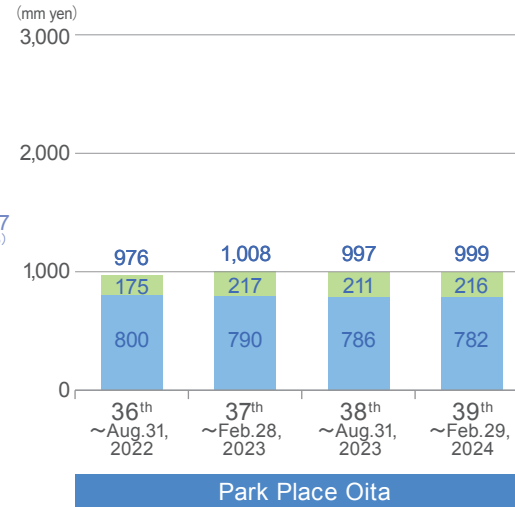
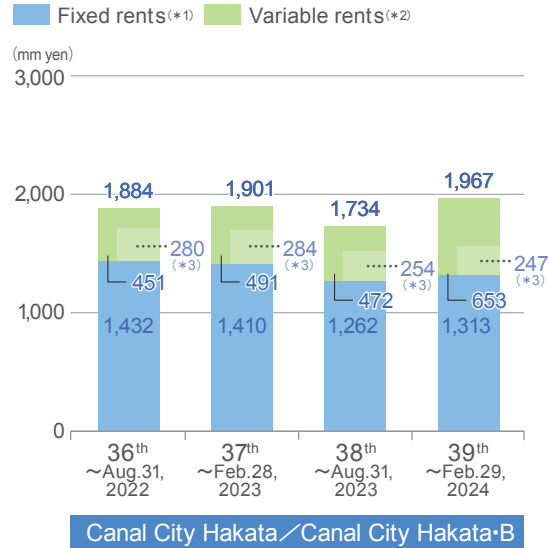
Floor space subject to rent increase and number of properties subject to rent increases



(*4) Rate of rent increase calculated based on the previous rent at rent revision.

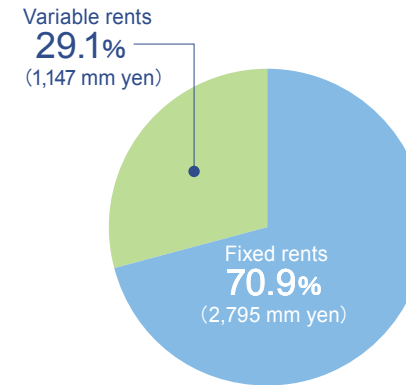
Breakdown of variable rents

Breakdown of active retail rents by property



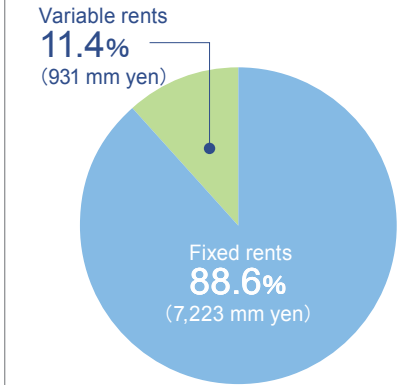
Breakdown of active retail rents

◎The 39th FP

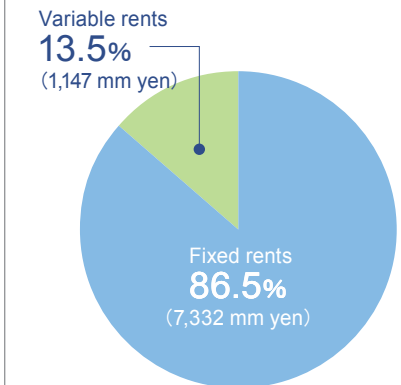


Portfolio overall

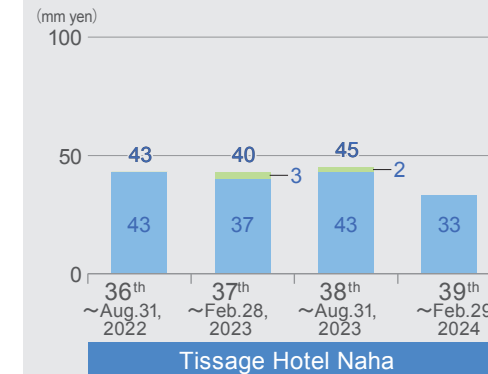
◎The 38th FP



◎The 39th FP



Breakdown of Tissage Hotel Naha



*Variable rents are included 6 properties such as Canal City Hakata, Canal City Hakata · B, Park Place Oita, SunLive City Kokura, Konoha Mall Hashimoto, and Tissage Hotel Naha.
 (*1) "Fixed rent" is indicated the amount of "leasing revenues-real estate" - "variable rent".
 (*2) Variable rents are the sum of the portion of rents collected from tenants with variable and GOP rents that varies as a function of the tenants' sales.
 (*3) The figures are included parking fee in variable rents of Canal City Hakata / Canal City Hakata · B.

Initiatives by Fukuoka City Government and status of office workers

Submission of a proposal for the Financial Services Agency's "Special Zones for Finance and Asset Management" jointly by Fukuoka Prefecture and Fukuoka City

◎Aiming for the expansion of fund supply to growth areas by accelerating the attraction of international financial functions

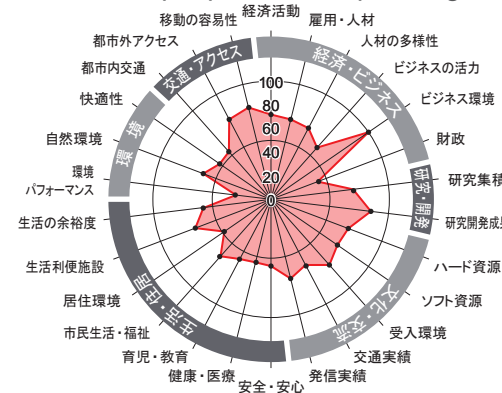


Photo provided by Fukuoka City

Main contents
• Promotion of nurturing and growth of startups and growth industries
• Concentration of various finance-related players including asset management business and fintech
• Establishment of markets contributing to the resolution of social issues

Business environment of Fukuoka City ranked top in Japan for two consecutive years in "Japan Power Cities: Profiling Urban Attractiveness"

◎Progress of town development due to redevelopments generating a cycle in which people and companies gather



Strengths of Fukuoka City

Category	Indicator group	Rank
Economy and business	Business environment	1st
Transport/access	Ease of travel	2nd
Transport/access	Access to areas outside the city	3rd
Research and development	Results of research and development	4th

Source: Prepared by Fukuoka Realty based on data from "Japan Power Cities DATABOOK 2023" by the Mori Memorial Foundation's Institute for Urban Strategies.

Initiatives Aimed at Attracting Companies to Fukuoka City

◎Global financial city vision ("TEAM FUKUOKA"; launched September 2020)

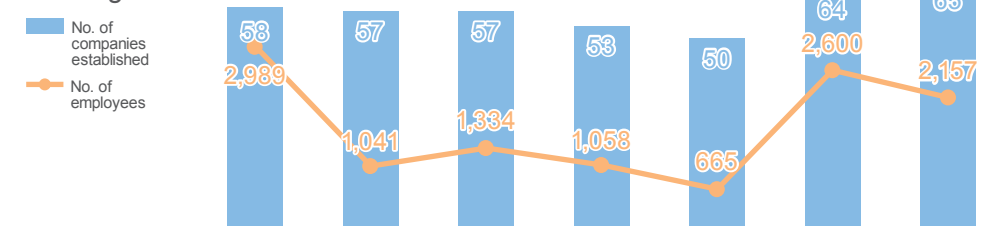
Aiming for an "international city where global human resources play an active role and continuously create innovation with the concentration of international financial functions unique to Fukuoka"

Effects of concentrated priority attraction areas

Asset management business	<ul style="list-style-type: none"> ✓ Providing growth capital from outside sources to startups and local companies ✓ Promoting attraction and corporate growth through fund function initiatives
FinTech	<ul style="list-style-type: none"> ✓ Creating innovations and providing advanced financial services ✓ Active participation of engineers and science/engineering personnel
BCP response operations	<ul style="list-style-type: none"> ✓ Diversification of international financial centers in Japan (Correction of excess concentration of population and industry in Tokyo)

Change in the number of companies with headquarters functions/ in growth area established in Fukuoka City

◎Strong demand for creative-related industries and call centers



(of which, main fields and functions)	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
creative-related industries	28	40	38	38	30	41	47
foreign/foreign-affiliated	18	13	14	15	12	15	12
Call center	12	9	7	2	8	8	6
headquarters functions, etc.	3	1	7	6	0	7	5
international finance	—	—	—	—	—	6	7

Source: Prepared by Fukuoka Realty based on data from "The actual number of established companies in Headquarters functions/in growth area" by the Fukuoka City Economy, Tourism & Culture Bureau.
* Breakdown of companies is partially duplicated.

Situation of active retail

Overall sales are increasing

- Canal City Hakata
- Canal City Hakata・B



Sales (annual total^{(*)1})
Mar. 2023 - Feb. 2024
23.9 bn yen
YoY +22.0%
(vs. 2 years ago +49.6%)

A highly entertaining urban multi-purpose retail facility. Strong sales due to the grand opening of Alpen FUKUOKA in September 2023 and the recovery of inbound demand.

- Park Place Oita



Sales (annual total)
Mar. 2023 - Feb. 2024
25.9 bn yen
YoY +2.2%
(vs. 2 years ago +6.6%)

A suburban mall anchored by a GMS and tenants involved in daily necessities. Store replacement was conducted. Stronger efforts continued to draw customers through implementation of participatory events, etc.

- Konoha Mall Hashimoto



Sales (annual total)
Mar. 2023 - Feb. 2024
16.3 bn yen
YoY +6.2%
(vs. 2 years ago +16.2%)

A daily-life-oriented mall anchored by a super-market and tenants involved in daily necessities. Store renovations and special events, etc. led to strong sales.

- SunLive City Kokura



Sales (annual total^{(*)2})
Mar. 2023 - Feb. 2024
—
YoY +0.9%
(vs. 2 years ago +9.3%)

A daily-life-oriented mall anchored by a super-market and tenants involved in daily necessities. Restaurants, etc. are performing well.

(*)1 Combined sales of Canal City Hakata and Canal City Hakata・B, properties owned by Fukuoka REIT. Sales of the portion to be disposed (88.28% co-ownership interest) of Canal City Hakata・B Grand Building, which is part of Canal City Hakata・B, are excluded from June 1, 2021, the disposition date.
(*)2 Sales figures are omitted because SunLive did not consent to their disclosure.

Change in sales from a year earlier

Property name	2022				2023								2024					
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
	37 th Feb. 2023				38 th Aug. 2023								39 th Feb. 2024					
Canal City Hakata / Canal City Hakata・B ^{(*)1}	+27.8%				+18.0%								+25.4%					
Park Place Oita	+6.4%				+5.9%								(1.2) %					
Konoha Mall Hashimoto	+10.5%				+11.1%								+1.8%					
SunLive City Kokura	+0.4%				+2.1%								(0.2) %					
Other retail properties ^{(*)3}	+1.5%				+2.6%								(0.8) %					

(*)3 Square Mall Kagoshima Usuki, Kumamoto Intercommunity SC, Hanahata SC, Kurume Higashi Kushiwara SC, K's Denki Kagoshima, Marinao City Fukuoka (Marina Side Building) are listed as other retail properties. The sales of Kurume Higashi Kushiwara SC are subtracted after November 30, 2023, the date of disposition.

List of Interest-bearing debt

List of borrowings

Category	Lender	Balance (mm yen)	Drawdown Date	Repayment Date	Term (year)	Fixed/Floating	Average Interest Rate
Current maturity of long-term debt	SBI Shinsei Bank	700	Jul.29, 2016	Jul.31, 2024	8.0	Fixed	0.40000%
	Development Bank of Japan	2,000	Feb.29, 2016	Feb.28, 2025	9.0	Fixed	0.62000%
	Sumitomo Mitsui Trust Bank	300	Sept.30, 2016	Sept.30, 2025	9.0	Floating	0.42400%
	Syndicated loan (*2)	2,100	Dec.30, 2016	Dec.30, 2025	9.0	Fixed	0.71750%
Long-term debt	The Bank of Fukuoka	1,500	Dec.30, 2016	Dec.30, 2026	10.0	Floating	0.43000%
	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%
	Syndicated loan (*3)	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%
	Syndicated loan (*4)	1,500	Aug.31, 2017	Aug.31, 2027	10.0	Fixed	0.84952%
	Resona Bank	2,000	Sept.29, 2017	Sept.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)
	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% (*1)
	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% (*1)
	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% (*1)
	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%
	SBI 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	0.43091%
	The Bank of Fukuoka	300	Jan.31, 2019	Jan.31, 2029	10.0	Floating	0.43091%
	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% (*1)	
Syndicated loan (Green loan) (*5)	2,200	Jul.31, 2019	Jul.31, 2029	10.0	Fixed	0.52100% (*1)	
The Norinchukin Bank	1,500	Jul.31, 2019	Jan.29, 2027	7.5	Fixed	0.30300%	
MUFG Bank	500	Sept.25, 2019	Sept.29, 2028	9.0	Fixed	0.48000%	
The Nishi-Nippon City Bank	2,500	Feb.28, 2020	Feb.28, 2030	10.0	Fixed	0.48000% (*1)	
Mizuho Bank	1,700	Feb.28, 2020	Feb.28, 2030	10.0	Fixed	0.42000%	
Aozora Bank	1,000	Jun.30, 2020	Jun.28, 2030	10.0	Fixed	0.56922%	
Resona Bank	700	Jun.30, 2020	Jun.28, 2030	10.0	Fixed	0.56922%	
MUFG Bank	500	Jun.30, 2020	Jun.29, 2029	9.0	Fixed	0.60000%	
The Kagoshima Bank	500	Jun.30, 2020	Jun.30, 2028	8.0	Fixed	0.46500%	

(As of February 29, 2024)

Category	Lender	Balance (mm yen)	Drawdown Date	Repayment Date	Term (year)	Fixed/Floating	Average Interest Rate
Long-term debt	Development Bank of Japan	1,500	Jul.31, 2020	Jul.31, 2030	10.0	Fixed	0.53000%
	Mizuho Bank	1,000	Jul.31, 2020	Jul.31, 2030	10.0	Fixed	0.47000%
	The Kitakyushu Bank	500	Jul.31, 2020	Jul.31, 2030	10.0	Fixed	0.52630%
	The Iyo Bank	200	Jul.31, 2020	Jul.31, 2030	10.0	Fixed	0.52630%
	The Juhachi-Shinwa Bank (donation-type loan)	1,000	Mar.31, 2021	Mar.31, 2031	10.0	Fixed	0.59000%
	Syndicated loan (*6)	5,300	Jul.31, 2021	Jul.31, 2031	10.0	Fixed	0.49000% (*1)
	Mizuho Trust & Banking	1,000	Mar.31, 2022	Mar.31, 2032	10.0	Floating	0.38000%
	Sumitomo Mitsui Banking Corporation (Green loan)	1,600	Jun.30, 2022	Jun.29, 2029	7.0	Fixed	0.72625%
	Syndicated loan (sustainability-linked loan) (*7)	4,900	Aug.31, 2022	Aug.31, 2032	10.0	Fixed	0.91875% (*8)
	The Higo Bank	700	Mar.31, 2023	Mar.31, 2028	5.0	Fixed	0.61500%
	The Higo Bank	750	Mar.31, 2023	Mar.31, 2033	10.0	Floating	0.38000%
	The Hiroshima Bank	500	Jun.30, 2023	Jun.29, 2029	6.0	Fixed	0.54125%
	The Hiroshima Bank	1,000	Jun.30, 2023	Jun.28, 2030	7.0	Fixed	0.63500%
	Sumitomo Mitsui Trust Bank (Green loan)	900	Jul.31, 2023	Jul.31, 2028	5.0	Fixed	0.50100%
	Sumitomo Mitsui Trust Bank (Green loan)	600	Jul.31, 2023	Jul.31, 2031	8.0	Fixed	0.82900%
	Development Bank of Japan (Green loan)	2,000	Aug.31, 2023	Aug.31, 2029	6.0	Fixed	0.83750%
	Development Bank of Japan (Green loan)	2,000	Aug.31, 2023	Feb.28, 2030	6.5	Fixed	0.90689%
	The Nishi-Nippon City Bank (Green loan)	2,000	Sept.29, 2023	Sept.30, 2030	7.0	Fixed	0.91900%
	The Nishi-Nippon City Bank (Green loan)	1,900	Sept.29, 2023	Sept.30, 2031	8.0	Fixed	1.01500%
	The Nishi-Nippon City Bank (Green loan)	1,000	Sept.29, 2023	Sept.30, 2033	10.0	Fixed	1.18900%
	SBI Shinsei Bank (Green loan)	600	Sept.29, 2023	Sept.29, 2028	5.0	Fixed	0.76700%
	The Higo Bank (Green loan)	600	Sept.29, 2023	Sept.29, 2028	5.0	Fixed	0.76700%
	The Iyo Bank (Green loan)	500	Sept.29, 2023	Sept.29, 2028	5.0	Fixed	0.76700%
	The Kagoshima Bank (Green loan)	300	Sept.29, 2023	Sept.29, 2028	5.0	Fixed	0.76700%
The Bank of Fukuoka (Green loan)	2,500	Oct.31, 2023	Oct.31, 2031	8.0	Floating	0.33091%	
MUFG Bank (Green loan)	1,000	Oct.31, 2023	Oct.31, 2030	7.0	Fixed	1.20250%	
Sumitomo Mitsui Banking Corporation (Green loan)	1,000	Oct.31, 2023	Oct.31, 2030	7.0	Fixed	1.20250%	
Mizuho Bank (Green loan)	1,000	Oct.31, 2023	Oct.31, 2031	8.0	Fixed	1.24900%	
The Nishi-Nippon City Bank (Green loan)	1,000	Feb.29, 2024	Feb.28, 2031	7.0	Fixed	0.88900%	
The Nishi-Nippon City Bank (Green loan)	1,000	Feb.29, 2024	Feb.28, 2033	9.0	Fixed	1.07000%	
The Bank of Fukuoka (Green loan)	1,000	Feb.29, 2024	Feb.28, 2031	7.0	Floating	0.33091%	
The Bank of Fukuoka (Green loan)	1,000	Feb.29, 2024	Feb.28, 2033	9.0	Floating	0.37091%	
Total		93,350					

Investment corporation bonds

Category	Issue	Balance (mm yen)	Issue date	Maturity Date	Term (year)	Coupon (year)
Investment corporation bonds	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		3,000				

Committed line of credit

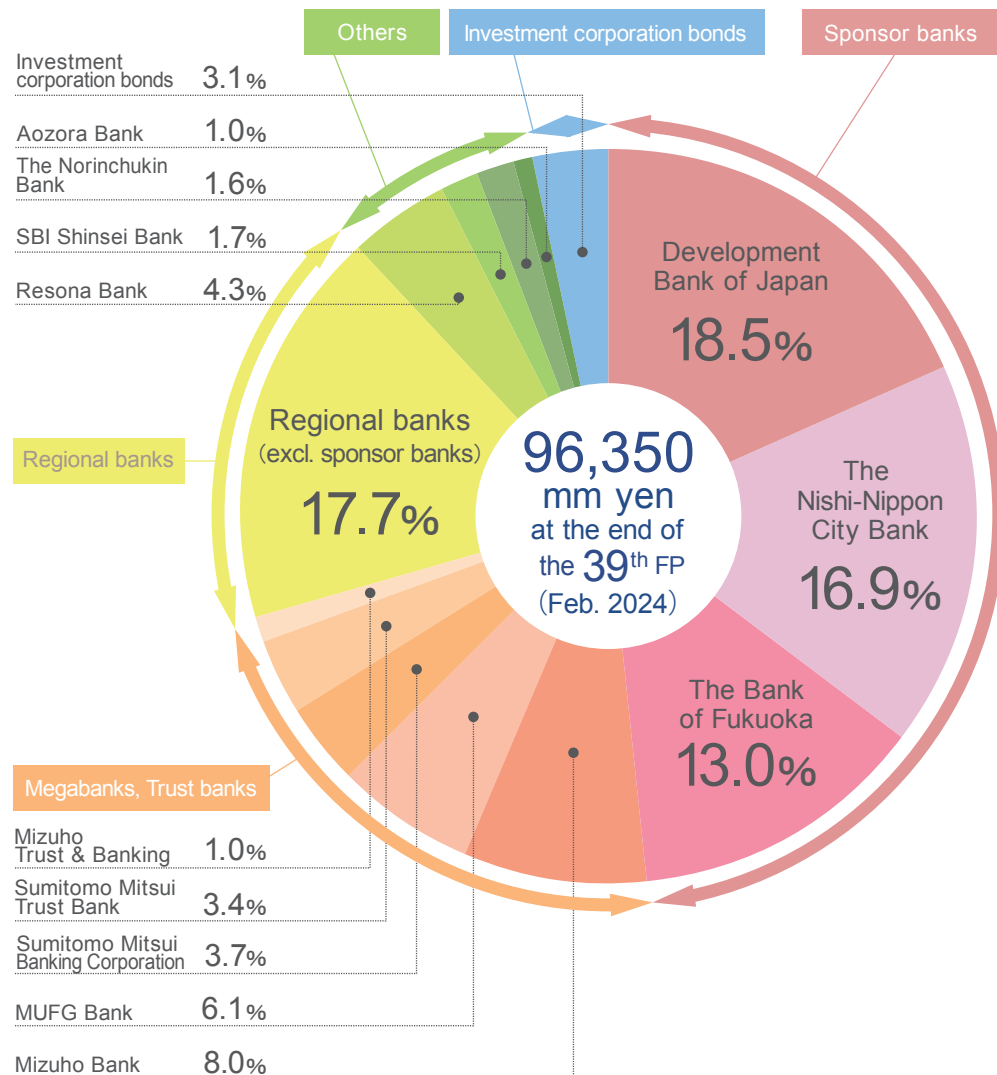
Category	Lender	Credit Limit (mm yen)	Period	
			Start	End
Committed line	Committed line 1 (*9)	6,000	Aug. 1, 2018	Jul.31, 2026
	Committed line 2 (*10)	7,000	Mar. 2, 2020	Feb.28, 2027
Total		13,000		

(*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 Development Bank of Japan · The Oita Bank · The Kagoshima Bank · The Kitakyushu Bank · The Juhachi-Shinwa Bank · The Hiroshima Bank. (*3) The lenders are The Bank of Fukuoka · The Nishi-Nippon City Bank · The Oita Bank · The Kitakyushu Bank · The Miyazaki Bank · The Juhachi-Shinwa Bank · The Iyo Bank. (*4) The lenders are The Nishi-Nippon City Bank · The Bank of Fukuoka · The Oita Bank · The Kitakyushu Bank · The Juhachi-Shinwa Bank · The Hiroshima Bank. (*5) The lenders are Mizuho Bank · The Bank of Saga · The Higo Bank. (*6) The lenders are Mizuho Bank · The Hiroshima Bank · The Kitakyushu Bank · The Iyo Bank · The Higo Bank. (*7) The lenders are Development Bank of Japan · The Nishi-Nippon City Bank · The Bank of Fukuoka. (*8) If the CO₂ reduction target is achieved, a preferential interest rate is applied from August 2031 until the repayment date from the interest rate of the initial loan. (*9) The lenders are The Bank of Fukuoka · Resona Bank. (*10) The lenders are The Nishi-Nippon City Bank · Resona Bank · The Oita Bank · The Bank of Nagasaki · The Bank of Saga.

Lenders

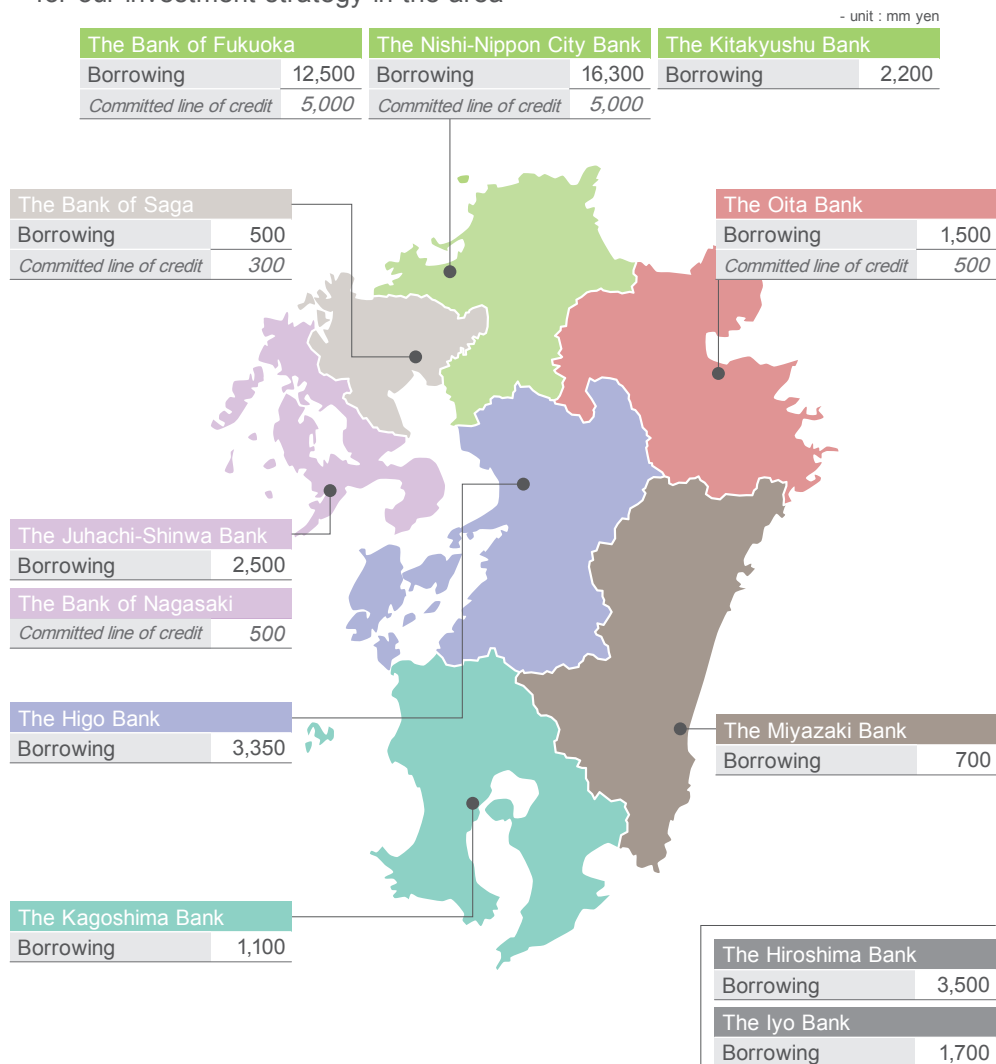
A stable network of sponsor banks and other lenders

Breakdown of debt by lenders

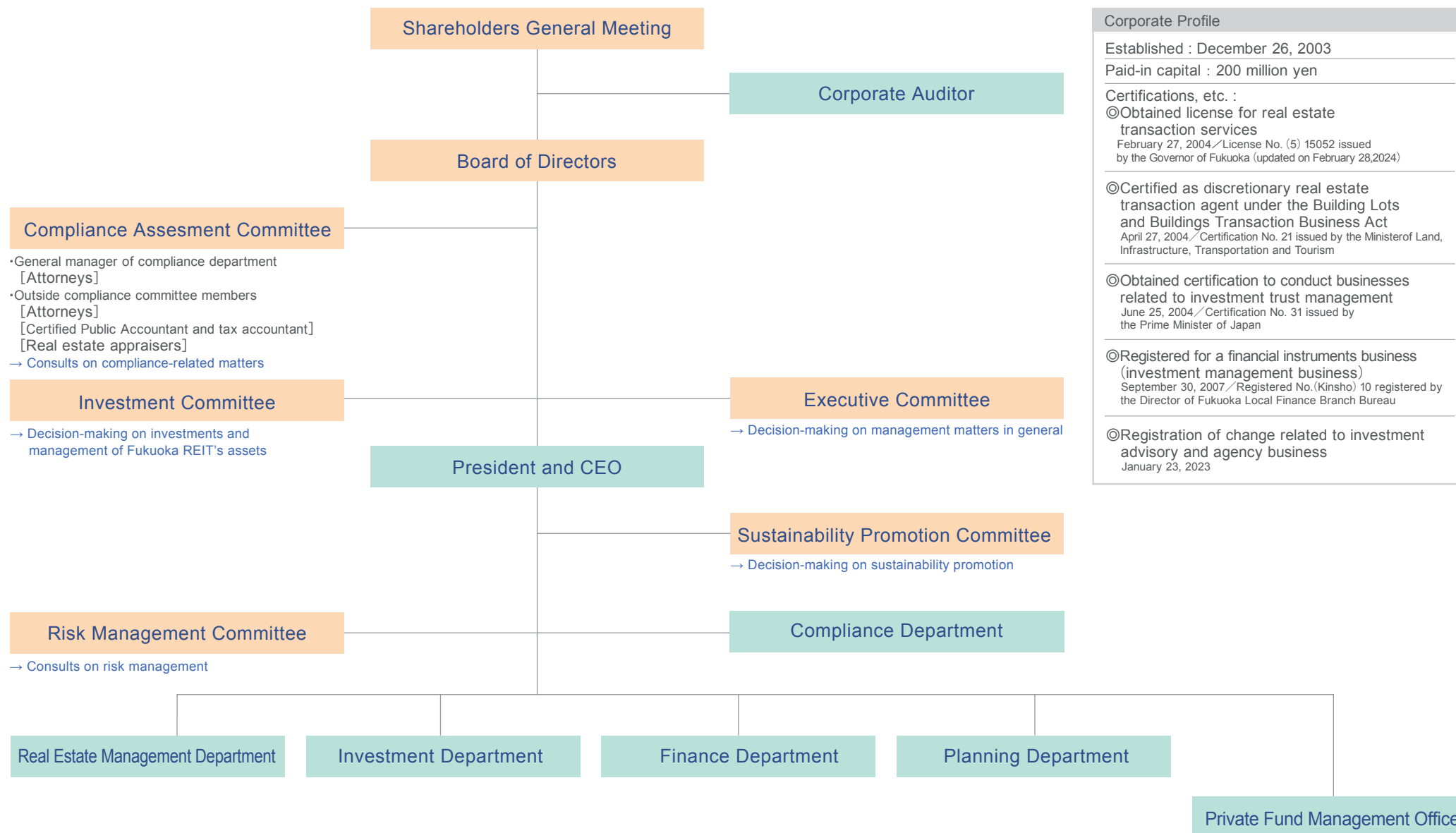


A regional bank transaction network

©Sharing of information networks unique to regional banks to utilize for our investment strategy in the area

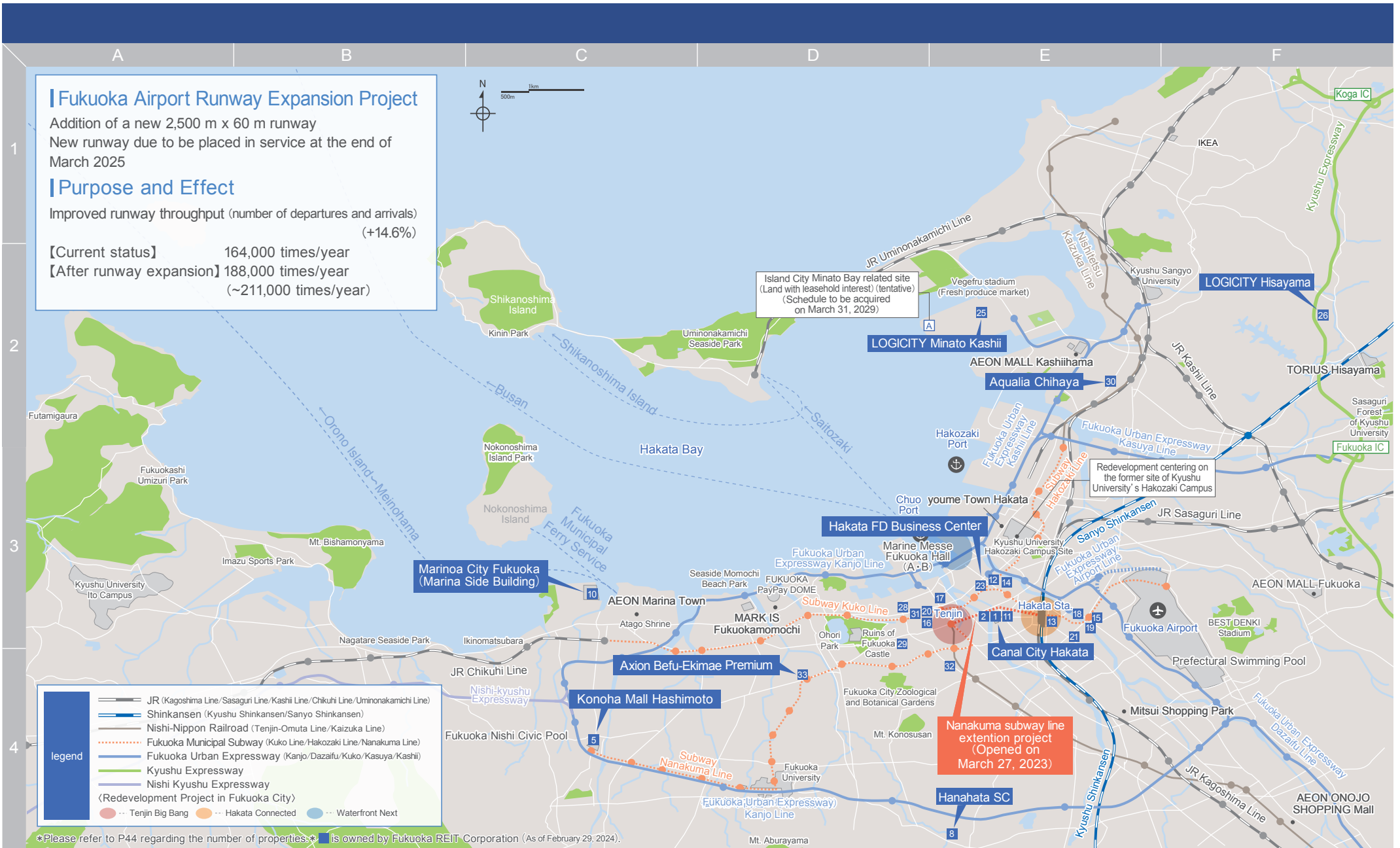


Asset management company's organization



Corporate Profile
Established : December 26, 2003
Paid-in capital : 200 million yen
Certifications, etc. :
◎Obtained license for real estate transaction services February 27, 2004 / License No. (5) 15052 issued by the Governor of Fukuoka (updated on February 28, 2024)
◎Certified as discretionary real estate transaction agent under the Building Lots and Buildings Transaction Business Act April 27, 2004 / Certification No. 21 issued by the Minister of Land, Infrastructure, Transportation and Tourism
◎Obtained certification to conduct businesses related to investment trust management June 25, 2004 / Certification No. 31 issued by the Prime Minister of Japan
◎Registered for a financial instruments business (investment management business) September 30, 2007 / Registered No. (Kinsho) 10 registered by the Director of Fukuoka Local Finance Branch Bureau
◎Registration of change related to investment advisory and agency business January 23, 2023

The condition of suburb area in Fukuoka

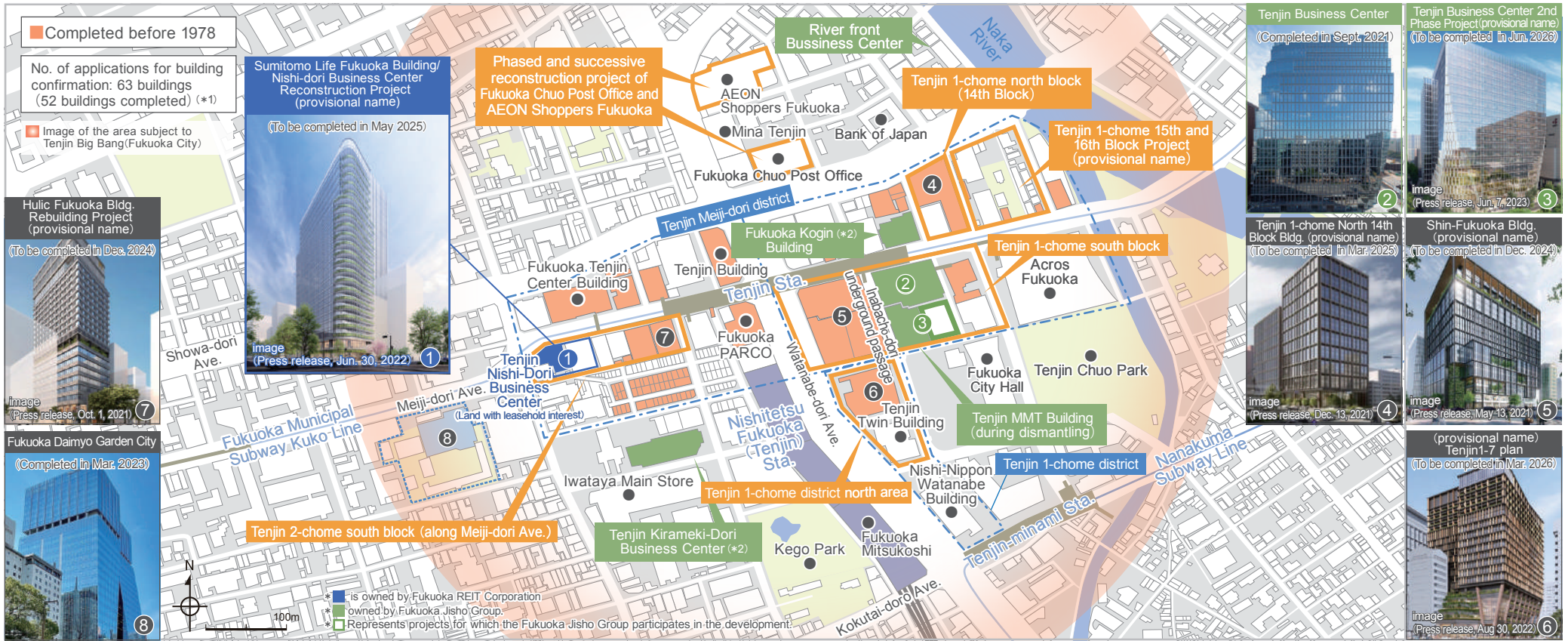


The condition of Fukuoka city center

First anniversary of the extension opening of the subway Nanakuma Line



Redevelopment in Tenjin area (Tenjin Big Bang)



(*1) February 2015 to March 31, 2023 after the start of Tenjin Big Bang. Number of completed buildings as of March 31, 2023. (announced by Fukuoka City). (*2) The property is co-owned by the Fukuoka Jisho Group with the other company. Source: Prepared by Fukuoka Realty based on press releases of Fukuoka City and the content of the Tenjin Big Bang introduction website (<https://www.city.fukuoka.lg.jp/jutaku-toshi/kaihatsu/shisei/20150226.html>).

◎Main deregulation in the Tenjin Big Bang area (National Strategic Special Zone)

① Special permission to relax Civil Aeronautics Act-related building height regulations

● Around Fukuoka City Hall
approx. 67m (15 floors)



- Tenjin Meiji-dori district (West of the center of Watanabe-dori) approx. 115m (26 floors)
- Tenjin Meiji-dori district (East of the center of Watanabe-dori) approx. 76m (17 floors) ~ approx. 100m (22 floors)
- Tenjin 1-chome district approx. 80m (18 floors) ~ approx. 96m (21 floors)

② Deregulation of floor space ratios (Fukuoka City original)

- Tenjin 1-chome south block 800%→1,400% (maximum)
- Tenjin 2-chome south block (along Meiji-dori Ave.) 700%→1,300% (maximum)
- Tenjin 1-chome north block (14th Block) 600%→1,250% (maximum)
- Tenjin 1-chome district north area 800%→1,400% (maximum)

◎Initiatives for becoming an infection-controlling city

● Urban central areas

Anti-infection measures in central urban areas were added as a new item of floor area ratio assessment to the measures facilitate renewal of city center functions.

Relaxation of floor area ratio by up to **50%**

Tenjin Big Bang Area






Completion deadline of buildings that take anti-infection measures is extended to December 31, 2026

Redevelopment in Hakata area (Hakata Connected)

Initiative to expand the vitality and bustle of Hakata Station area out further to the surroundings (approx. 500m radius from the station, covering about 80 hectares)



No. of applications for building confirmation: 25 buildings (18 buildings completed) (*1)

 <p>Reconstruction project of head office of The Nishi-Nippon City Bank (To be completed in Feb. 2025)</p> <p>1</p>	 <p>CONNECT SQUARE HAKATA (To be completed in Mar. 2024)</p> <p>2</p>
 <p>Hakata East Terrace (Completed in Aug. 2022)</p> <p>3</p>	 <p>Hakata Fukami Park Building (Completed in Feb. 2021)</p> <p>4</p>
 <p>The Nishi-Nippon City Bank Head Office Annex, Administrative Head Office Building (Demolition work to start in 2025. To be completed in Sept. 2028)</p> <p>5</p>	
 <p>Hakata Ekimae 3-chome Project (tentative name) (Completion slated for June 2025)</p> <p>6</p>	

(*1) January 2019 to March 31, 2023 after the start of Hakata Connected. Number of completed buildings as of March 31, 2023. (announced by Fukuoka City).
 (*2) The property is co-owned by the Fukuoka Jisho Group with the other company.

Hakata Connected Bonus

Expand the system to relax the floor area ratio requirement (measure to facilitate renewal of city center functions)

Increase the floor area ratio (up to 50%) for buildings contributing to expand the bustle, such as creation of open spaces that generate connections and expanse.

Existing system to relax floor area ratio



New incentive Floor area ratio of up to **50%**

- High-quality, high-value-added buildings
- Provide floors for tenant relocation

*Solving problems specific to the area around Hakata Station (limited to the period of Hakata Connected)

©New project (decided on February 28, 2022) District Project for "Hakata-Ekimae 3-Chome District"

- Creation of bustle by securing spaces to wander and open spaces
- Creation of a place for relaxation through greening

City's own mitigation of floor space ratio restriction

- North zone 800%→1,350% (maximum)
- South zone 600%→1,000% (maximum)

Sponsor pipeline (Fukuoka Jisho Group)

Overview of Fukuoka Jisho Co., Ltd. (period ended May 31, 2023)

Name	Fukuoka Jisho Co., Ltd.
Established	July 1961
Industries	Real estate (comprehensive developer)
Representative	Ichiro Enomoto, President and C.E.O
Employees	176

Net sales	20.2 billion yen
Ordinary income	5.8 billion yen
Net income	10.4 billion yen
Total assets	239.6 billion yen
Equity ratio	37.1%

Tenjin Business Center



Tenjin Business Center 2nd Phase Project (provisional name)



LOGICITY Minato Kashii North



Class Keyaki Dori



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

Major properties owned by Fukuoka Jisho Group

Use	No.	Name	Year of completion	Total floor space
Office buildings	1	Fukuoka Kogin Building	1970	15,160m ²
	2	Fukuoka Asahi Building	1970	44,762m ²
	3	Hakata Ekimae Business Center	1999	23,542m ²
	4	Naha Business Center	2018	8,994m ²
	5	Tenjin Business Center	2021	61,100m ²
	6	Sumitomo Life Fukuoka Building/ Nishi-dori Business Center Reconstruction Project (provisional name) (*)	May 2025 (scheduled)	42,000m ²
	7	Tenjin Business Center 2nd Phase Project (provisional name)	June 2026 (scheduled)	62,932m ²
Retail	8	Marinoa City Fukuoka (Outlet Building)	2000(Building I) / 2004(Building II) / 2007(Building III)	46,663m ²
	9	Tenjin Kirameki Dori Building	2003	24,525m ²
Residence	10	Class Keyaki Dori	2008	6,500m ²
	11	Imagawa 1-chome rental apartment (provisional name)	July 2024 (scheduled)	2,648m ²
Hotel	12	Hotel FORZA Sapporo Ekimae	2020	11,344m ²
Logistics	13	LOGICITY Minato Kashii North	2020	47,150m ²
	14	Logistic plan in Tosu	August 2026 (scheduled)	36,288m ²
	15	Logistic plan in Ueki, Sue Town (section A-B)	Not announced	—
	16	Logistic plan in Sonobe, Kiyama Town	Not announced	—
	17	Island city Logistic Plan	2030 (scheduled)	—

*Includes properties owned by the Fukuoka Jisho Group and properties co-owned with other companies.
(*) FRC acquired land with leasehold interest on June 1, 2021.