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Provisional translation only



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Notice Concerning the Change in Acquisition Price and Updates Regarding the Asset

Fukuoka REIT Corporation (FRC) announces that Fukuoka Realty Co., Ltd (FR), an asset management company to which the company entrusts the management of its assets, hereby provides notice that the price of the asset (Tentative) Mifune Logistics Center, in which intention to scheduled acquisition was previously announced on August 28, 2024, will be changed as follows.

In relation to the above, updates to the notice previously announced in the “Fukuoka REIT Corporation Concludes Agreement to Purchase a New Property (Trust beneficiary interest in domestic real estate)” dated August 28, 2024, is also as follows.

1. Change in Acquisition Price

	Acquisition Price	Appraisal Value	Net Operating Income (Note 1)
Before Change	11,000 million yen	11,300 million yen	487,187 thousand yen
After Change	11,125 million yen	11,500 million yen	495,289 thousand yen

(Note 1) Net Operating Income is as stated in the Appraisal Report (direct capitalization method).

2. Reason for Change

On August 28, 2024, a beneficiary interest transfer agreement for the acquisition of the property (the “Transfer Agreement”) was agreed upon with the seller. As previously announced in the “Fukuoka REIT Corporation Concludes Agreement to Purchase a New Property (Trust beneficiary interest in domestic real estate)” dated August 28, 2024, if the existing tenant lease agreements (meaning each lease reservation agreement initially conducted with each tenant) are changed due to additional building construction work, etc. by the seller, and the rent in such agreements is increased, the seller shall discuss with FRC to increase the acquisition price by the amount agreed upon by both parties. The seller shall consult with FRC about increasing the acquisition price by the amount determined by mutual agreement between the seller and FRC.

Due to additional utility works to the asset by the seller, the existing tenant lease agreement (referring to the original lease agreement with each tenant) was amended, in which an increase in rent was implemented. Upon discussion with the seller, an agreement was made to change the price of the asset as described in 1. above.

Due to the change in price of the asset, appraisal assessment of the asset was carried out again, and as stated in 3. below, the new appraisal value as stated in the Appraisal Report exceeds the new acquisition price.

3. Changes and updates to the notice previously announced in the “Fukuoka REIT Corporation Concludes Agreement to Purchase a New Property (Trust beneficiary interest in domestic real estate)”

The changes to “(3) Overview of the property” and “(4) Overview of Building Status Assessment Report” (page 3-5) as well as “5. Overview of Appraisal Report” (page 10) of the notice previously announced in the “Fukuoka REIT Corporation Concludes Agreement to Purchase a New Property (Trust beneficiary interest in domestic real estate)” dated August 28, 2024, include changes in acquisition price, appraisal value and the Building Status Assessment Report as described in 1. and 2. above, as well as updates to the total floor area, following the development of the land and the completion of road works, and other changes regarding the completion of the property, and is stated as follows. (changes are highlighted in grey)

1. Regarding “(3) Overview of the property” and “(4) Overview of Building Status Assessment Report” (page 3-5)

【Before Changes and Updates】

(3) Overview of the property

Property name	(Tentative) Mifune Logistics Center	
Type of the specified asset	Real estate trust beneficiary interest	
Trustee	Sumitomo Mitsui Trust Bank, Limited (planned)	
Trust period	Not applicable	
Acquisition price (planned)	11,000 million yen	
Location (address)	Outside, 407 Bishamon, Kinokura, Kamimashiki-gun Mifune-machi, Kumamoto	
Land	Area	47,922.00 m ²
	Zoning	Undivided area
	Floor area ratio	200%
	Building coverage ratio	70%
	Type of ownership	Ownership
Building	Structure/ floor	(1) Steel-framed with alloy galvanized steel roof, 2 floors (2) Steel-framed, flat roof (3) Steel-framed with alloy galvanized steel roof, 2 floors (4) Steel-framed with alloy galvanized steel roof, 2 floors (5) Steel-framed with alloy galvanized steel roof, 2 floors
	Built	(1) November 30, 2024 (2) August 31, 2024 (3) January 31, 2025 (4) January 31, 2025 (5) March 14, 2025
	Total floor area	(1) 5,499.00 m ² (2) 5,831.50 m ² (3) 9,805.00 m ² (4) 9,805.00 m ² (5) 11,145.88 m ²
	Use	(1) Warehouse/Office (2) Warehouse/Office (3) Warehouse/Office (4) Warehouse/Office (5) Warehouse/Office

	Type of ownership	(1) Ownership (2) Ownership (3) Ownership (4) Ownership (5) Ownership
Constructor	(1)・(2) Wakuda Construction (3)・(4)・(5) TEKKEN CORPORATION Kyushu Branch Office	
Designer	(1)・(2) Architectural firm of the first-class Wakuda Construction (3)・(4)・(5) Architectural firm of the first-class MURASE Co., Ltd.	
Building design office engaged in structural engineering data	(1)・(2) Architectural firm of the first-class Tanaka Design Office (3)・(4)・(5) Jyugo Architectural firm of the first-class and Takeuchi & Partners Architect Engineer's Office	
Organization that authorized building construction	Kumamoto Architectural Review Center	
Appraisal value	11,300 million yen (As of July 1, 2024)	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Collateral after acquisition	None	
PM Company	Not disclosed (Note1)	
Earthquake PML	1) 3.8% (based on the assessment by Tokio Marine dR Co., Ltd. , The same shall apply hereafter.) 2) 4.2% 3) 5.3% 4) 4.1% 5) 4.1%	
Special notations	- This transaction agreement constitutes forward commitment, etc. According to the transaction agreement, if it becomes objectively and reasonably impossible to achieve its purpose due to reasons beyond the control of FRC, FRC may cancel the transaction agreement without paying a penalty. - This property is currently under construction. FRC plans to acquire the property on 27 March 2024 upon building completion. However, due to delays, changes, or cancellations in the development, there is a possibility that the acquisition may not occur as scheduled.	
Status of leasing	Total number of tenants	4
	Total rent income (annually)	Not disclosed (Note2)
	Security deposits	Not disclosed (Note2)
	Total leasable area	39,895.57 m ² (Note3)
	Total leased area	39,895.57 m ² (Note3)
	Occupancy rate	100.0% (Note4)

* The land area is based on the indications on the registry. Also, as of today, since the building is still under construction and has not yet been registered, the location is indicated based on the entry on the real estate registry for the main land, while the structure/number of floors and total floor area are indicated based on the content of the confirmation certificate, etc. in accordance with the Building Standards Act as of the scheduled completion date. The intended use is indicated as the one that is planned to be registered after completion.

*The construction date is the scheduled completion date as of today and may change depending on the progress of the building construction.

*The earthquake PML figure is based on the earthquake risk assessment report by the indicated appraiser. The figure is a representation of the reporter's opinion, and does not guarantee the accuracy of its content. As of today, the construction of the property has not been completed yet and the relevant evaluation agency has not conducted an on-site inspection of the building. Therefore, the evaluation is based on a desk research.

(Note1)The name of the PM company is not disclosed as no consent to disclosure has been obtained from them.

(Note2)The name of the tenant is not disclosed as no consent to disclosure has been obtained from them.

(Note3)Total leasable area indicates the area that can be leased to tenants. Total leased area indicates the total contract area indicated in the lease agreements concluded with tenants as of end of June 2024. Parking lots, etc. are not included.

(Note4)The figure indicates the ratio of the total leased area to the leasable area, and has been rounded to the first decimal

place. Parking lots, etc. are not included.

(4) Overview of Building Status Assessment Report

Surveyor	Date of survey report	Urgent and short-term repair and replacement expenses (Note1)	Long-term repair and replacement expenses (Note2)
Tokio Marine dR Co., Ltd.	July 16, 2024	-	10 million yen

(Note1) Urgent and short-term repair and replacement expenses refer to the amount indicated in the report as repair and replacement expenses that will be required urgently or within roughly one year.

(Note2) Long-term repair and replacement expenses refer to the amount indicated in the report as average repair and replacement expenses for 12 years. The indicated figure has been rounded off to the nearest million yen.

(Note3) As of today, the property is still under construction, and the surveyor has not conducted an on-site investigation of the building but has reviewed the received documents in office.

【After Changes and Updates】

(1) Overview of the property

Property name	LOGICITY Kumamoto Mifune	
Type of the specified asset	Real estate trust beneficiary interest	
Trustee	Sumitomo Mitsui Trust Bank, Limited	
Trust period	From March 27 2025 to March 31, 2035	
Acquisition price (planned)	11,125 million yen	
Location (address)	Outside, 407-1 Bishamon, Kinokura, Kamimashiki-gun Mifune-machi, Kumamoto	
Land	Area	47,436.73 m ²
	Zoning	Undivided area
	Floor area ratio	200%
	Building coverage ratio	70%
	Type of ownership	Ownership
Building	Structure/ floor	(1) Steel-framed with zinc-coated steel roof, 2 floors, 2 floors (2) Steel-framed with zinc-coated steel roof, 2 floors, flat roof (3) Steel-framed with zinc-coated steel roof, 2 floors, 2 floors (4) Steel-framed with zinc-coated steel roof, 2 floors, 2 floors (5) Steel-framed with zinc-coated steel roof, 2 floors, 2 floors
	Built	(1) November 12, 2024 (2) August 19, 2024 (3) January 25, 2025 (4) January 25, 2025 (5) February 26, 2025
	Total floor area	(1) 5,031.00 m ² (2) 4,959.50 m ² (3) 9,774.00 m ² (4) 9,774.00 m ² (5) 10,352.93 m ²
	Use	(1) Warehouse (2) Warehouse (3) Warehouse (4) Warehouse (5) Warehouse
	Type of ownership	(1) Ownership (2) Ownership

		(3) Ownership (4) Ownership (5) Ownership
Constructor	(1)・(2) Wakuda Construction (3)・(4)・(5) TEKKEN CORPORATION Kyushu Branch Office	
Designer	(1)・(2) Architectural firm of the first-class Wakuda Construction (3)・(4)・(5) Architectural firm of the first-class MURASE Co., Ltd.	
Building design office engaged in structural engineering data	(1)・(2) Architectural firm of the first-class Tanaka Design Office (3)・(4)・(5) Jyugo Architectural firm of the first-class and Takeuchi & Partners Architect Engineer's Office	
Organization that authorized building construction	Kumamoto Architectural Review Center	
Appraisal value	11,500 million yen (As of February 28, 2025)	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Collateral after acquisition	None	
PM Company	Not disclosed (Note1)	
Earthquake PML	1) 3.8% (based on the assessment by Tokio Marine dR Co., Ltd. , The same shall apply hereafter.) 2) 4.2% 3) 5.3% 4) 4.1% 5) 4.1%	
Special notations	- This transaction agreement constitutes forward commitment, etc. According to the transaction agreement, if it becomes objectively and reasonably impossible to achieve its purpose due to reasons beyond the control of FRC, FRC may cancel the transaction agreement without paying a penalty.	
Status of leasing	Total number of tenants	4
	Total rent income (annually)	Not disclosed (Note2)
	Security deposits	Not disclosed (Note2)
	Total leasable area	39,895.59 m ² (Note3)
	Total leased area	39,895.59 m ² (Note3)
	Occupancy rate	100.0% (Note4)

* The area, total floor area, use and structure are based on the indications on the registry.

*The earthquake PML figure is based on the earthquake risk assessment report by the indicated appraiser. The figure is a representation of the reporter's opinion, and does not guarantee the accuracy of its content.

(Note1)The name of the PM company is not disclosed as no consent to disclosure has been obtained from them.

(Note2)The name of the tenant is not disclosed as no consent to disclosure has been obtained from them.

(Note3)Total leasable area indicates the area that can be leased to tenants. Total leased area indicates the total contract area indicated in the lease agreements concluded with tenants as of March 14, 2025. Parking lots, etc. are not included.

(Note4)The figure indicates the ratio of the total leased area to the leasable area, and has been rounded to the first decimal place. Parking lots, etc. are not included.

(2) Overview of Building Status Assessment Report

Surveyor	Date of survey report	Urgent and short-term repair and replacement expenses (Note1)	Long-term repair and replacement expenses (Note2)
Tokio Marine dR Co., Ltd.	March 17, 2025	-	10 million yen

(Note1) Urgent and short-term repair and replacement expenses refer to the amount indicated in the report as repair and replacement expenses that will be required urgently or within roughly one year.

(Note2) Long-term repair and replacement expenses refer to the amount indicated in the report as average repair and replacement expenses for 12 years. The indicated figure has been rounded off to the nearest million yen.

2. Regarding “5. Overview of Appraisal Report” (page 10)

【Before Changes and Updates】

5. Overview of Appraisal Report

• (Tentative) Mifune Logistics Center

Property name	(Tentative) Mifune Logistics Center	
Appraisal value	11,300,000 thousand yen	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Pricing date	July 1, 2024	
Category	Figures	Reasons, etc.
Income Capitalization Approach Value	11,300,000 thousand yen	
Value Calculated Using the Direct Capitalization Method	11,700,000 thousand yen	
Gross Operating Revenue	561,317 thousand yen	
Maximum Gross Operating Revenue	561,399 thousand yen	Based on the market price
Shortfall Attributed to Vacancies	82 thousand yen	
Operating Expenses	74,129 thousand yen	
Maintenane and Management Fees	0 yen	
PM Fees	11,192 thousand yen	
Utilities Expenses	0 yen	
Repair and Maintenance Expenses	4,830 thousand yen	Based on the engineering report and similar cases of other properties
Tenants' Leasing Expenses etc.	0 yen	
Taxes and fees	46,804 thousand yen	
Damage Insurances	2,882 thousand yen	Based on the estimate
Other expenses	8,419 thousand yen	Based on the similar cases
Net operating income	487,187 thousand yen	
Profit through mangement of temporary deposits, etc.	1,346 thousand yen	
Capital expenditure	7,245 thousand yen	
Net cash flow	481,288 thousand yen	
Capitalization Rage	4.1%	Evaluated considering the location, etc. of the property, future uncertainties, the similar cases, etc.
Value through DCF method	11,100,000 thousand yen	
Discount rate	3.8%	First to 7th fiscal year. 8th fiscal year ~ 4.0%
Termial cap rate	4.3%	
Value through cost method	10,800,000 thousand yen	
Percentage of leased land	43.9%	
Percentage of building	56.1%	
Other matters noted by the appraiser in inconducting appraisal	Not listed	

【After Changes and Updates】

5. Overview of Appraisal Report

• LOGICITY Kumamoto Mifune

Property name	LOGICITY Kumamoto Mifune	
Appraisal value	11,500,000 thousand yen	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Pricing date	February 28, 2025	
Category	Figures	Reasons, etc.
Income Capitalization Approach Value	11,500,000 thousand yen	
Value Calculated Using the Direct Capitalization Method	11,900,000 thousand yen	
Gross Operating Revenue	568,366 thousand yen	
Maximum Gross Operating Revenue	568,448 thousand yen	Based on the market price
Shortfall Attributed to Vacancies	82 thousand yen	
Operating Expenses	73,076 thousand yen	
Maintenane and Management Fees	0 yen	
PM Fees	11,340 thousand yen	
Utilities Expenses	0 yen	
Repair and Maintenance Expenses	4,830 thousand yen	Based on the engineering report and similar cases of other properties
Tenants' Leasing Expenses etc.	0 yen	
Taxes and fees	46,801 thousand yen	
Damage Insurances	1,578 thousand yen	Based on the estimate
Other expenses	8,525 thousand yen	Based on the similar cases
Net operating income	495,289 thousand yen	
Profit through mangement of temporary deposits, etc.	1,364 thousand yen	
Capital expenditure	7,245 thousand yen	
Net cash flow	489,409 thousand yen	
Capitalization Rage	4.1%	Evaluated considering the location, etc. of the property, future uncertainties, the similar cases, etc.
Value through DCF method	11,300,000 thousand yen	
Discount rate	3.8%	First to 7th fiscal year. 8th fiscal year ~ 4.0%
Termial cap rate	4.3%	
Value through cost method	11,400,000 thousand yen	
Percentage of leased land	47.0%	
Percentage of building	53.0%	
Other matters noted by the appraiser in inconducting appraisal	Not listed	

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