

April 20, 2006

**FINANCIAL RESULTS  
FOR THE TERM ENDED FEBRUARY 2006  
(September 1, 2005 to February 28, 2006)**

Name of real estate investment trust	Fukuoka REIT Corporation	Listed stock exchanges	Tokyo Stock Exchange, Fukuoka Stock Exchange
Code number	8968 (URL: <a href="http://www.fukuoka-reit.jp/eng/">http://www.fukuoka-reit.jp/eng/</a> )	Headquarters	Fukuoka Prefecture
Contact	(Asset manager) Fukuoka Realty Co., Ltd. Person in charge Hisashi Okita, Senior Managing Director, General Manager of Finance Division, Phone: +81-92-272-3900		
Date of board of directors meeting for approval of financial results	April 20, 2006		
Commencement date of cash distribution	May 25, 2006 (planned)		

**1. PERFORMANCE AND SITUATION OF ASSETS FOR THE TERM ENDED FEBRUARY 2006  
(September 1, 2005 to February 28, 2006)**

**(1) Performance**

(Figures are rounded off to the nearest million yen.)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Term ended February 2006	4,050	—	1,751	—	1,698	—	1,697	—
Term ended August 2005	5,857	—	2,685	—	1,859	—	1,761	—

	Net income per unit	Return on net assets	<Reference> (Annualized figures)	Ratio of ordinary income to total liabilities and net worth	<Reference> (Annualized figures)	Ratio of ordinary income to operating revenues
	Yen	%	%	%	%	%
Term ended February 2006	18,438	3.3	(6.7)	1.9	(3.8)	41.9
Term ended August 2005	20,713	3.8	(4.7)	2.9	(3.6)	31.8

- (Notes)
- (i) The calculation period for the term ended August 2005 commenced on September 1, 2004 and ended on August 31, 2005, but the actual asset management period was 296 days, from November 9, 2004 to August 31, 2005.
- (ii) Net income per unit for the term ended February 2006 is calculated by dividing the net income by the weighted average number of investment units outstanding for the period (92,050 units).  
Net income per unit for the term ended August 2005 is calculated by dividing the net income by the weighted average number of investment units outstanding for the above real asset management period (85,060 units). In the meantime, net income per unit for the term ended August 2005 calculated by dividing the net income by the number of investment units outstanding at the end of the term (92,050 units as of August 31, 2005) is 19,140 yen.
- (iii) Changes in accounting policies: Yes
- (iv) Percentage changes of operating revenues, operating income, ordinary income and net income from the previous term are omitted for the following reasons. For the term ended August 2005, no comparison figures are available since the actual asset management started this fiscal term. For the term ended February 2006, the calculation period of the corresponding fiscal term exceeds the ordinary calculation period (six months).
- (v) Concerning the return on net assets and ratio of ordinary income to total liabilities and net worth, the

average of net assets and total liabilities and net worth at the beginning and end of the term are used for their calculations.

For the term ended August 2005, November 9, 2004 is referred to as the commencement date of the term since the actual asset management of Fukuoka REIT Corporation (hereinafter, "FRC") started on this day.

## (2) Cash distributions

(Total cash distributions are rounded off to the nearest million yen.)

	Cash distribution per unit (excl. cash distributions in excess of earnings)	Total cash distributions	Cash distribution in excess of earnings per unit	Total cash distributions in excess of earnings	Payout ratio	Ratio of cash distribution to term-end net assets
Term ended February 2006	18,438 yen	1,697 million yen	0 yen	–million yen	99.9%	3.3%
Term ended August 2005	19,014 yen	1,750 million yen	0 yen	–million yen	99.3%	3.4%

(Note) Concerning the payout ratio, all numbers after the first decimal place are disregarded.

## (3) Financial condition

(Total assets and net assets are rounded off to the nearest million yen.)

	Total assets	Net assets	Ratio of net assets to total assets	Net assets per unit
Term ended February 2006	94,593 million yen	50,865 million yen	53.8%	552,580 yen
Term ended August 2005	87,461 million yen	50,918 million yen	58.2%	553,156 yen

(Notes) The number of investment units issued and outstanding at end of term: 92,050 units as of February 2006  
92,050 units as of August 2005

## 2. FORECAST OF PERFORMANCE FOR THE TERM ENDING AUGUST 2006 (Mar. 1, 2006 to Aug. 31, 2006)

	Operating revenue	Ordinary income	Net income	Cash distribution per unit (excl. cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit
Term ending August 2006	Millions of yen 4,454	Millions of yen 1,677	Millions of yen 1,675	Yen 18,200	Yen 0

(Reference) Forecast net income per unit (Term ending August 2006): 18,200 yen

(Notes) Forecast figures are calculated based on the attached reference material, "Preconditions for the performance forecast for the term ending August 2006." The forecast should not be construed as a guarantee of actual performance since actual operating revenues, ordinary income, net income, cash distribution per unit and cash distribution in excess of earnings per unit may differ due to changes in the business environment.

## 3. Management situation

### (i) Summary of the current fiscal term

#### (a) Brief history of the investment corporation

FRC was established on July 2, 2004 based on the "Investment Trust and Investment Corporation Law of Japan" and listed on the Tokyo Stock Exchange and Fukuoka Stock Exchange on June 21, 2005 as the nation's first real estate investment trust specializing in regional properties (code : 8968). FRC invests in real estates throughout the Kyushu region (including Okinawa Prefecture), with a central focus on Fukuoka City, and in Yamaguchi Prefecture by turning regional characteristics in the real estate industry into strengths.

FRC began its asset management activities on November 9, 2004 after acquiring four properties, such as commercial facilities in Canal City Hakata (excluding some parts of specialty shops, hotels,

offices and common space), a commercial complex where specialty shops, cinema complex, theaters, amusement facilities, hotels and offices are integrally developed (hereinafter, "Canal City Hakata"). In the current fiscal term, FRC acquired one "A"-class office building (a blue-chip property that met its original acquisition criteria such as location, size, specifications and age; the same hereinafter), purchased one community-type commercial facility (a community mall with good road accessibility indispensable for life in a car-oriented society; the same hereinafter) and made capital contributions to one silent partnership. As a result, FRC has seven properties (excluding silent partnership interests), four commercial facilities, and three office buildings in its portfolio as of the end of the current fiscal term (February 28, 2006).

(b) Investment environment and portfolio performance

In the current fiscal term, the Japanese economy has steadily recovered thanks to an increase in capital expenditures supported by a recovery in corporate earnings and solid consumer spending on the back of improved employment and wages.

In the real estate secondary market, a rise in land prices at the center of three largest cities has become apparent. With a decline in land prices narrowing nationwide due to economic recovery, there have been clear signs of recovery in land prices, leading to increased competition for high-grade properties has been intensifying.

In such a business environment, FRC acquired the Sanix Hakata Building, one of many blue-chip properties in the JR Hakata Station area, for 4,400 million yen on September 30, 2005. FRC also purchased the Kominedai Community Mall, a community-type commercial facility on which management places emphasis as one of its strategic investment targets, for 740 million yen on December 20, 2005. Furthermore, FRC acquired preferred interests in a silent partnership to an SPC (CCH Bridge LLC), which owns and manages Canal City Hakata, excluding the section FRC already held (hereinafter, "Canal City Hakata SPC holding section") for 3,400 million yen and signed a preliminary purchase contract for Canal City Hakata SPC holding section with the SPC on February 27, 2006. Management believes that these will allow FRC to provide seamless management and effective operation of all the facilities in Canal City Hakata with a long-term perspective, leading to improved maintenance and attractiveness.

When analyzing FRC's portfolio by geographic location, properties in the Fukuoka urban area occupy 72.9% of its portfolio, while analyzing by property type, commercial facilities and office building account for 64.6% and 35.4%, respectively. The occupancy rate of seven properties FRC owns stands at 99.0% as of the end of the current fiscal term.

(c) Summary of fundraising

FRC raised 3,700 million yen for acquisition of the Sanix Hakata Building and 3,400 million yen for acquisition of preferred interests in silent partnership through short-term borrowings. As a result, outstanding interest-bearing liabilities amounted to 33,700 million yen and the loan-to-value ratio stood at 35.6% at the end of the current fiscal term. To implement cash management efficiently and flexibly, FRC established a commitment line of credit totaling 3,000 million yen.

(d) Summary of performance and cash distribution

As a result of these management efforts, operating revenues totaled 4,050 million yen and operating income after excluding operating expenses such as rental business expenses and asset management fees amounted to 1,751 million yen. Ordinary income and net income reached 1,698 million yen and 1,697 million yen, respectively.

Management decided to make a cash distribution of 18,438 yen per investment unit to meet the requirements of special tax measures for an investment corporation (as stipulated under Article 67-15 of the Special Taxation Measures Law of Japan). Under this Law, an investment corporation is allowed to deduct distributions paid to investors from its taxable income if most of the unappropriated earnings as of the end of the current fiscal term are distributed.

(ii) Forecast for the next fiscal term

(a) Portfolio management policy

FRC will invest based on the basic policy stipulated in its Articles of Incorporation and its basic philosophy: focusing on “high growth potential markets in which FRC can demonstrate its competitive edge.” In addition to the large-scale properties such as commercial facilities and “A”-class office buildings that FRC holds, management plans to actively acquire properties from which FRC will receive sufficient investment merits from community-oriented viewpoints.

By geographic location, FRC decides to invest 60% to 90% of its assets in the Fukuoka urban area. Especially Fukuoka City, a core city in the Fukuoka urban area, sees its population increasing steadily (a 4.4% increase according to the preliminary report of the 2005 census) and is expected to have greater potential for population growth. By property-type, FRC decides to invest 60% to 80% of its assets in commercial facilities and 20% to 40% in office buildings, but management plans to actively invest in residential properties to enhance diversification of its portfolio.

Meanwhile, concerning fundraising, FRC plans to increase the ratio of fixed-rate borrowings by refinancing, since borrowing rates are expected to increase gradually reflecting the Bank of Japan’s termination of its quantitative easing monetary policy in March 2006.

Management expects that recovery in land prices will become more apparent with intensifying competition for acquisition of properties in major regional cities, including Fukuoka. FRC will acquire high quality properties to further expand its portfolio by avoiding competition as much as possible and using its advantages wisely, such as its information gathering abilities in the Fukuoka and Kyushu areas, its thorough knowledge of regional properties, and its close relations with local business communities and governments, so that investors can continue to invest in FRC with confidence.

(b) Performance forecast for the next fiscal term

FRC aims to achieve the following performance goals for the term ending August 2006 (March 1, 2006 to August 31, 2006). Concerning the preconditions for the forecast, please refer to “Preconditions for the performance forecast for the term ending August 2006 (March 1, 2006 to August 31, 2006)” described on page 4.

Operating revenues	4,454 million yen
Ordinary income	1,677 million yen
Net income	1,675 million yen
Cash distribution per unit	18,200 yen
Cash distribution in excess of earnings per unit	0 yen

(Notes) The above forecast figures are calculated based on certain assumptions. The forecast should not be construed as a guarantee of actual performance since actual operating revenues, ordinary income, net income, cash distribution per unit, and cash distribution in excess of earnings per unit may differ due to changes in the business environment.

4. Financial statements  
(1) Financial statements  
(i) Balance sheet

(Thousands of yen)

Fiscal term Account	Current term (as of Feb. 28, 2006)		Previous term (as of Aug. 31, 2005)		Change	
	Amount	Component ratio	Amount	Component ratio	Amount	Term-on-Term
Assets		%		%		%
I. Current assets						
Cash and deposits	1,424,770		817,313		607,457	
Cash and deposits in trust	2,585,615		2,781,981		-196,365	
Accounts receivable	132,641		181,958		-49,316	
Deferred tax assets	18		43		-24	
Consumption tax receivables	—		1,595,230		-1,595,230	
Other current assets	75,851		154,614		-78,762	
Total current assets	4,218,898	4.5	5,531,140	6.3	-1,312,242	-23.7
II. Fixed assets						
1. Tangible assets						
Buildings	144,085		—		144,085	
Land	641,782		—		641,782	
Buildings in trust	34,315,688		32,765,851		1,549,836	
Structures in trust	210,008		215,138		-5,130	
Machinery and equipment in trust	213,028		151,866		61,161	
Tools, furniture and fixtures in trust	183,628		152,855		30,772	
Land in trust	51,069,002		48,485,810		2,583,192	
Construction in progress in trust	38,889		—		38,889	
Total tangible assets	86,816,115	91.8	81,771,523	93.5	5,044,591	6.2
2. Investments and other assets						
Investment securities	3,421,633		—		3,421,633	
Guarantee deposits	10,000		10,000		—	
Long-term prepaid expenses	93,443		109,956		-16,512	
Total investments and other assets	3,525,077	3.7	119,956	0.2	3,405,120	—
Total fixed assets	90,341,192	95.5	81,891,479	93.7	8,449,712	10.3
III. Deferred assets						
Start-up expenses	33,572		39,167		-5,595	
Total deferred assets	33,572	0.0	39,167	0.0	-5,595	-14.3
Total assets	94,593,663	100.0	87,461,788	100.0	7,131,875	8.2

(Thousands of yen)

Fiscal term Account	Current term (as of Feb. 28, 2006)		Previous term (as of Aug. 31, 2005)		Change	
	Amount	Component ratio	Amount	Component ratio	Amount	Term-on-Term
Liabilities		%		%		%
I. Current liabilities						
Accounts payable	313,223		262,311		50,911	
Short-term borrowings	15,100,000		8,000,000		7,100,000	
Accrued liabilities	41,889		133,520		-91,631	
Accrued expenses payable	228,055		228,704		-649	
Accrued corporate income taxes	1,036		2,200		-1,164	
Advances received	481,088		465,483		15,605	
Deposits received	473,399		741,982		-268,582	
Total current liabilities	16,638,691	17.6	9,834,202	11.2	6,804,489	69.2
II. Fixed liabilities						
Long-term borrowings	18,600,000		18,600,000		—	
Security deposits and guarantee money	107,661		—		107,661	
Security deposits and guarantee money in trust	8,382,254		8,109,515		272,739	
Total fixed liabilities	27,089,916	28.6	26,709,515	30.6	380,401	1.4
Total liabilities	43,728,608	46.2	36,543,717	41.8	7,184,890	19.7
Unitholders' equity						
I. Unitholders' capital						
Unitholders' capital	49,167,800	52.0	49,167,800	56.2	—	—
II. Retained earnings						
Unappropriated retained earnings	1,697,255		1,750,270		-53,015	
Total retained earnings	1,697,255	1.8	1,750,270	2.0	-53,015	-3.0
Total unitholders' equity	50,865,055	53.8	50,918,070	58.2	-53,015	-0.1
Total liabilities and unitholders' equity	94,593,663	100.0	87,461,788	100.0	7,131,875	8.2

## (ii) Income statement

(Thousands of yen)

Fiscal term Account	Current term (Sept. 1, 2005 to Feb. 28, 2006)		Previous term (Sept. 1, 2004 to Aug. 31, 2005)		Change	
	Amount	Percentage	Amount	Percentage	Amount	Term-on-Term
Income before extraordinary items		%		%		%
I. Results of operating activities						
1. Operating revenues	4,050,927	100.0	5,857,858	100.0	-1,806,930	-30.8
Real estate rental revenues	3,879,589		5,632,258		-1,752,668	
Other real estate rental revenues	171,338		225,599		-54,261	
2. Operating expenses	2,299,570	56.8	3,172,562	54.2	-872,992	-27.5
Real estate rental expenses	1,959,121		2,765,829		-806,707	
Asset management fees	249,046		319,184		-70,137	
Asset custodian fees	7,590		6,006		1,583	
Outsourcing fees for administrative works	29,572		26,167		3,405	
Directors' remunerations	9,600		19,200		-9,600	
Other operating expenses	44,639		36,175		8,464	
Operating income	1,751,357	43.2	2,685,295	45.8	-933,937	-34.8
II. Non-operating items						
1. Non-operating revenues	131,171	3.2	19,647	0.3	111,524	567.6
Interest received	20		25		-4	
Real guarantees	—		18,801		-18,801	
Tax-exempt enterprises' consumption taxes	128,104		—		128,104	
Other non-operating revenues	3,046		820		2,225	
2. Non-operating expenses	184,240	4.5	845,061	14.3	-660,820	-78.2
Interest paid	133,328		273,862		-140,533	
Expenses for issuance of new investment units	—		36,714		-36,714	
Expenses related to public offering of investment units	—		220,912		-220,912	
Amortization of start-up expenses	5,595		5,595		—	
Loan-related expenses	39,334		261,188		-221,853	
Other non-operating expenses	5,981		46,788		-40,806	
Ordinary income	1,698,288	41.9	1,859,880	31.8	-161,592	-8.7
Extraordinary items						
1. Extraordinary losses	—	—	95,813	1.6	-95,813	—
Earthquake losses	—		95,813		-95,813	
Income before income taxes	1,698,288	41.9	1,764,067	30.1	-65,778	-3.7
Corporate income taxes and other taxes	1,040		2,205		-1,165	
Income taxes deferred	24	0.0	-43	0.0	68	-50.7
Net income	1,697,223	41.9	1,761,905	30.1	-64,681	-3.7
Retained earnings brought forward from previous term	31		-11,634		11,666	-100.3
Unappropriated retained earnings	1,697,255		1,750,270		-53,015	-3.0

## (iii) Cash distribution statement

Account	Current term (Sept. 1, 2005 to Feb. 28, 2006)	Previous term (Sept. 1, 2004 to Aug. 31, 2005)
I. Unappropriated retained earnings	1,697,255,419 yen	1,750,270,636 yen
II. Total cash distributions (Cash distribution per unit)	1,697,217,900 yen (18,438 yen)	1,750,238,700 yen (19,014 yen)
III. Retained earnings carried forward	37,519 yen	31,936 yen

Method for calculating cash distributions	FRC shall decide the amount of cash distributions, which must exceed 90% of FRC's distributable income as stipulated in Article 67-15 of the Special Taxation Measures Law of Japan (Article 38-1-1 of FRC's Articles of Incorporation). For the current fiscal term, cash distribution as income distributions totaled 1,697,217,900 yen, which is almost the entire amount of unappropriated earnings. Moreover, cash distribution in excess of earnings as stipulated in Article 38-2 of FRC's Articles of Incorporation will not be provided.	FRC shall decide the amount of cash distributions, which must exceed 90% of FRC's distributable income as stipulated in Article 67-15 of the Special Taxation Measures Law of Japan (Article 38-1-1 of FRC's Articles of Incorporation). For the current fiscal term, cash distribution as income distributions totaled 1,750,238,700 yen, which is almost the entire amount of unappropriated earnings. Moreover, cash distribution in excess of earnings as stipulated in Article 38-2 of FRC's Articles of Incorporation will not be provided.
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4. Cash flow statement

(Thousands of yen)

Account	Fiscal term	Current term (Sept. 1, 2005 to Feb. 28, 2006)	Previous term (Sept. 1, 2004 to Aug. 31, 2005)
<b>I. Cash flows from operating activities</b>			
Net income before income taxes		1,698,288	1,764,067
Depreciation and amortization expenses		562,577	764,418
Amortization of start-up expenses		5,595	5,595
Interest received		-20	-25
Interest paid		133,328	273,862
Increase or decrease in accounts receivable		49,316	-181,958
Increase or decrease in accrued consumption taxes		1,595,230	-1,595,230
Increase or decrease in accounts payable		35,576	262,311
Increase or decrease in accrued liabilities		-99,281	56,509
Increase or decrease in accrued expenses		-33,046	184,808
Increase or decrease in advances received		15,605	465,483
Increase or decrease in deposits received		-268,582	741,566
Increase or decrease in prepaid expenses		40,161	-111,718
Increase or decrease in long-term prepaid expenses		16,512	-109,956
Others		33,146	-87,741
Subtotal		3,784,407	2,431,993
Receipt of interest		20	25
Payment of interest		-99,974	-230,224
Payment of Corporate income taxes		-2,204	-31
Cash flows from operating activities		3,682,249	2,201,762
<b>II. Cash flows from investing activities</b>			
Payment for acquisition of tangible fixed assets		-786,459	—
Payment for acquisition of tangible fixed assets in trust		-4,822,962	-82,466,585
Proceeds from security deposits and guarantee money		109,928	—
Payment for security deposits and guarantee money		-2,266	—
Proceeds from security deposits and guarantee money in trust		393,015	8,212,079
Payment for security deposits and guarantee money in trust		-120,276	-102,564
Payment for acquisition of investment securities		-3,401,421	—
Proceeds from withdrawal of restricted deposits and deposits in trust		—	9,572,339
Payment for restricted deposits and deposits in trust		—	-9,572,339
Cash flows from investing activities		-8,630,441	-74,357,070
<b>III. Cash flows from financing activities</b>			
Proceeds from short-term borrowings		8,100,000	33,000,000
Repayment of short-term borrowings		-1,000,000	-25,000,000
Proceeds from long-term borrowings		—	18,600,000
Proceeds from issuance of investment units		—	49,042,800
Payment of cash distributions		-1,740,716	—
Cash flows from financing activities		5,359,283	75,642,800
IV. Increase or decrease in cash and cash equivalents		411,091	3,487,491
V. Balance of cash and cash equivalents at beginning of term		3,599,294	111,802
VI. Balance of cash and cash equivalents at end of term		4,010,386	3,599,294

## 5. Reference information

### (1) Investment situation

Type of asset	Purpose	Location (Note 1)	Current term (as of Feb. 28, 2006)		Previous term (as of Aug. 31, 2005)	
			Total value of properties held (Millions of yen) (Note 2)	Percentage to total assets value (%)	Total value of properties held (Millions of yen) (Note 2)	Percentage to total assets value (%)
Real estates	Commercial facility	Fukuoka urban area	—	—	—	—
		Other Kyushu areas	785	0.8	—	—
	Office building	Fukuoka urban area	—	—	—	—
		Other Kyushu areas	—	—	—	—
	Subtotal		785	0.8	—	—
Real estates in trust	Commercial facility	Fukuoka urban area	32,337	34.2	32,470	37.1
		Other Kyushu areas	23,105	24.4	23,236	26.6
	Office building	Fukuoka urban area	30,548	32.3	26,064	29.8
		Other Kyushu areas	—	—	—	—
	Subtotal		85,991	90.9	81,771	93.5
Interests in silent partnerships			3,421	3.6	—	—
Deposits and other assets			4,394	4.7	5,690	6.5
Total assets			94,593	100.0	87,461	100.0

Note 1: “Fukuoka urban area” refers to cities, towns and villages where 10% or more of the population commute to Fukuoka City for schooling and work, according to the 2000 census, which states “the number of workers and students aged 15 years or older commuting between their homes and places of their work or schooling,” conducted by Fukuoka City and the Statistics Bureau of the then Ministry of Public Management, Home Affairs, Posts and Telecommunications (now the Ministry of Internal Affairs and Communications). “Other Kyushu areas” refers to all other parts of Kyushu (excluding the Fukuoka urban area) and Yamaguchi Prefecture.

Note 2: The amount of construction in progress is not included in the value of real estates.

Note 3: Concerning the percentage to total assets value, all numbers after the second decimal place are disregarded.

Note 4: “The total value of properties held” is based on figures on the balance sheet (the value of real estates and real estates in trust are book values after depreciation).

(2) Real estate investment portfolio

Values and investment ratios at end of term are as follows.

Name of property	Acquisition value (Note 1) (Millions of yen)	Value on balance sheet (Millions of yen)	Term-end appraisal value (Note 2) (Millions of yen)	Investment ratio (Note 3) (%)
Canal City Hakata	32,000	32,337	32,600	37.5
Park Place Oita	15,700	16,407	17,100	18.4
SunLive City Kokura	6,633	6,698	6,770	7.8
Kominedai Community Mall	740	785	750	0.9
Canal City Business Center Building	14,600	14,692	15,000	17.1
Gofukumachi Business Center Building	11,200	11,204	11,900	13.1
Sanix Hakata Building	4,400	4,650	4,550	5.2
Total	85,273	86,777	88,670	100.0

Note 1: "Acquisition value" refers to the purchasing price shown on the purchasing contract, which does not include expenses for acquisition of the relevant property (agency fees, taxes and other public charges).

Note 2: The term-end appraisal values shown refer to evaluated values based on appraisals by FRC or a real estate appraiser that conforms with the method and standard for asset evaluation stipulated in FRC's Articles of Incorporation and rules stipulated by the Investment Trusts Association, Japan (according to real estate appraisal reports prepared by TANIZAWA SOGO APPRAISAL CO., LTD., Japan Real Estate Institute, or All Real Estate Appraisers Network Co., Ltd.).

Note 3: "Investment ratio" refers to the percentage of the acquisition value of each property to total acquisition values.

Summary of real estate rental business at end of term is as follows.

Name of property	Number of tenants (Note 1)	Occupancy rate (%) (Note 2)	Total leasable space (m <sup>2</sup> )	Total leased space (m <sup>2</sup> )	Total rental revenues (Millions of yen) (Note 3)	Percentage to total rental revenues (%)
Canal City Hakata	24	98.7	47,909.65	47,300.24	1,446	35.7
Park Place Oita	80	99.8	100,664.83	100,418.98	901	22.3
SunLive City Kokura	1	100.0	61,450.22	61,450.22	262	6.5
Kominedai Community Mall	4	100.0	3,743.12	3,743.12	13	0.3
Canal City Business Center Building	41	93.5	23,011.91	21,514.89	701	17.3
Gofukumachi Business Center Building	18	99.2	19,906.21	19,749.78	555	13.7
Sanix Hakata Building	13	100.0	6,293.67	6,293.67	170	4.2
Total	181	99.0	262,979.61	260,470.90	4,050	100.0

Note 1: The number of tenants shown is based on the total number of sections stipulated in the tenancy agreements for commercial and office buildings among the relevant properties. As for the number of tenants in pass-through master leasing properties, the number of sections stipulated in the tenancy agreements with end tenants is shown.

Note 2: "Occupancy rate" refers to the percentage of total leased space to total leasable space as of February 28, 2006.

Note 3: The total rental revenues shown are the results of the real estate rental business in the current fiscal term. During this time, FRC acquired the Sanix Hakata Building on September 30, 2005 and the Kominedai Community Mall on December 20, 2005.

Occupancy rates of properties for the past five years are as follows.

Name of property	Feb. 28, 2002 (%)	Feb. 28, 2003 (%)	Feb. 28, 2004 (%)	Feb. 28, 2005 (%)	Feb. 28, 2006 (%)
Canal City Hakata	100.0	100.0	100.0	100.0	98.7
Park Place Oita (Note 2)	—	100.0	100.0	99.8	99.8
SunLive City Kokura (Note 3)	—	—	—	—	100.0
Kominedai Community Mall (Note 4)	—	—	—	—	100.0
Canal City Business Center Building	96.2	94.8	92.9	95.1	93.5
Gofukumachi Business Center Building (Note 5)	—	—	100.0	100.0	99.2
Sanix Hakata Building (Note 6)	—	—	—	—	100.0

Note 1: "Occupancy rate" is the percentage of total leased space to total leasable space as of the base date.

Note 2: Park Place Oita (main building) was completed on April 17, 2002.

Note 3: SunLive City Kokura was completed on March 17, 2005.

Note 4: Kominedai Community Mall was completed on June 3, 1972, and after.

Note 5: Gofukumachi Business Center Building was completed on October 16, 2003.

Note 6: Sanix Hakata Building was completed on March 31, 2001.

Note 7: The occupancy rates shown are actual figures after FRC took over management.