



Fukuoka REIT Corporation

Overview of the 37th fiscal period performance [8968] Security code September 1st, 2022 ~ February 28th, 2023

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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.

These materials may contain future performance, plans, management targets and strategies. These forward-looking descriptions are based on present assumptions on future events and trends in the business environment, but such assumptions may not necessarily be accurate.

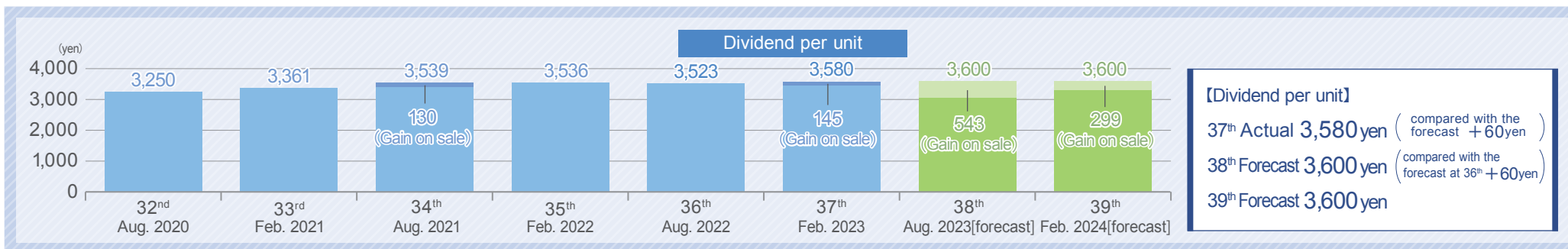
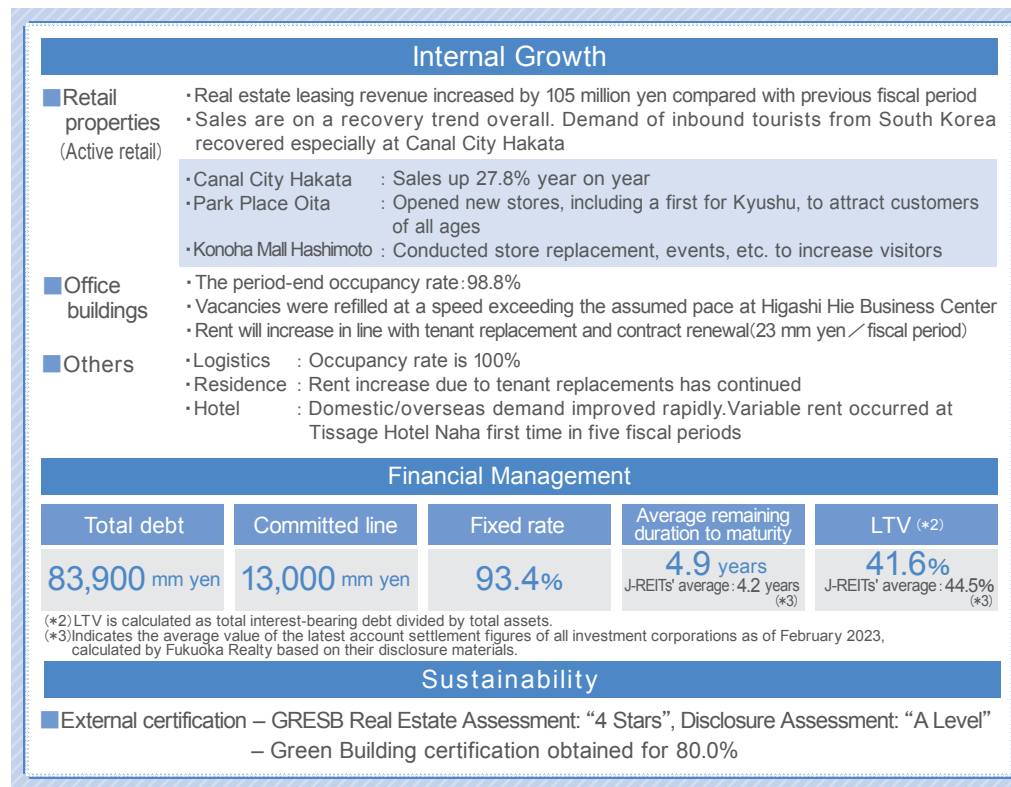
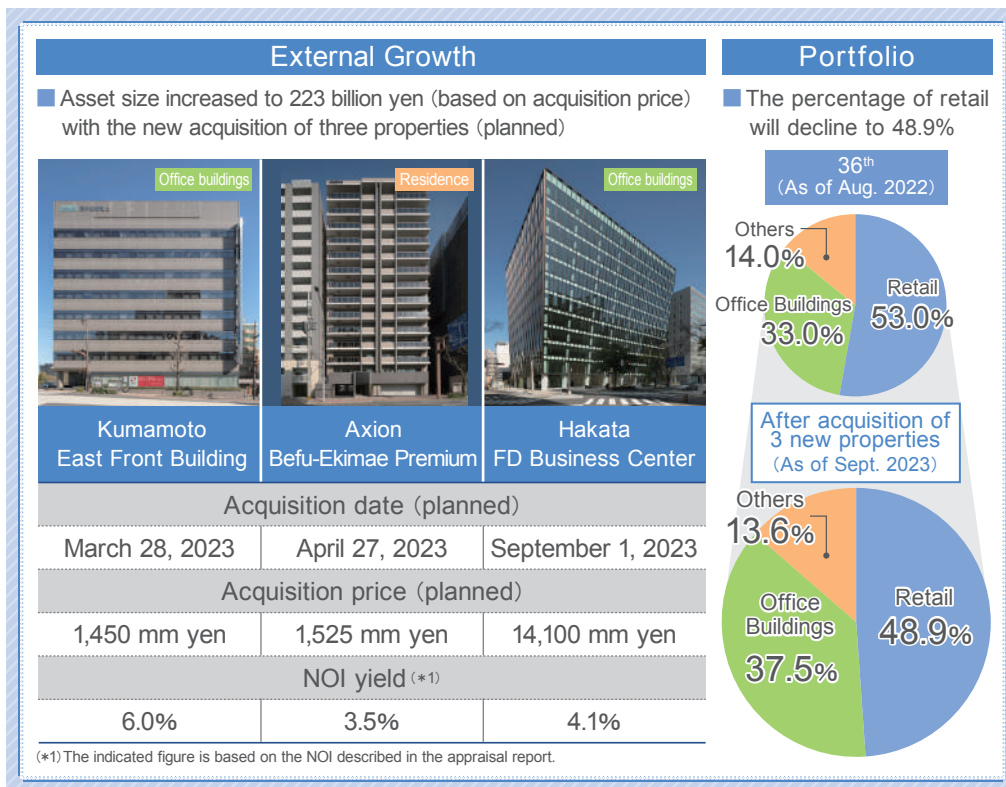
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Executive summary

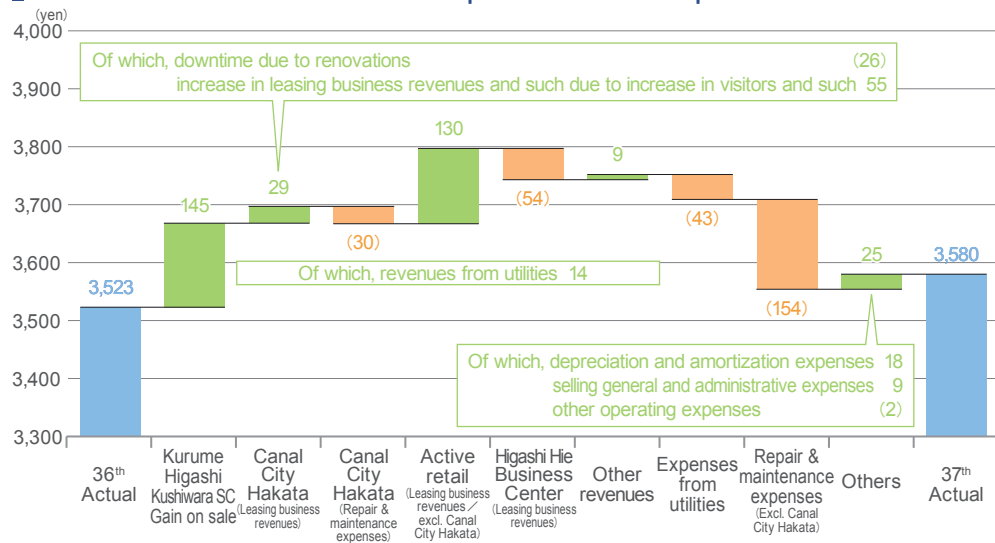
Dividend for the 37th Fiscal Period, Feb. 2023 is +60 yen compared to the forecast



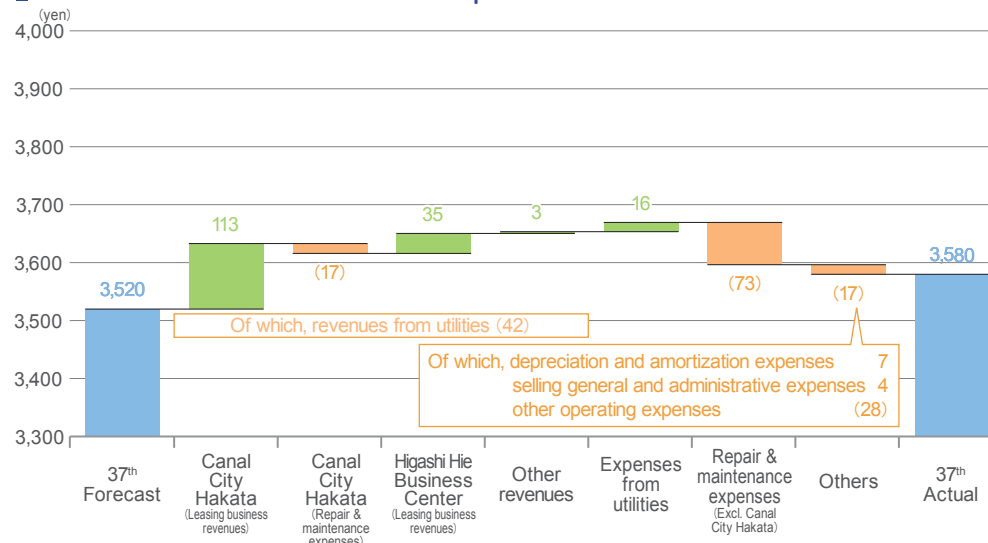
Dividend per unit

Actual was 3,580 yen, Forecast projects an increase to 3,600 yen

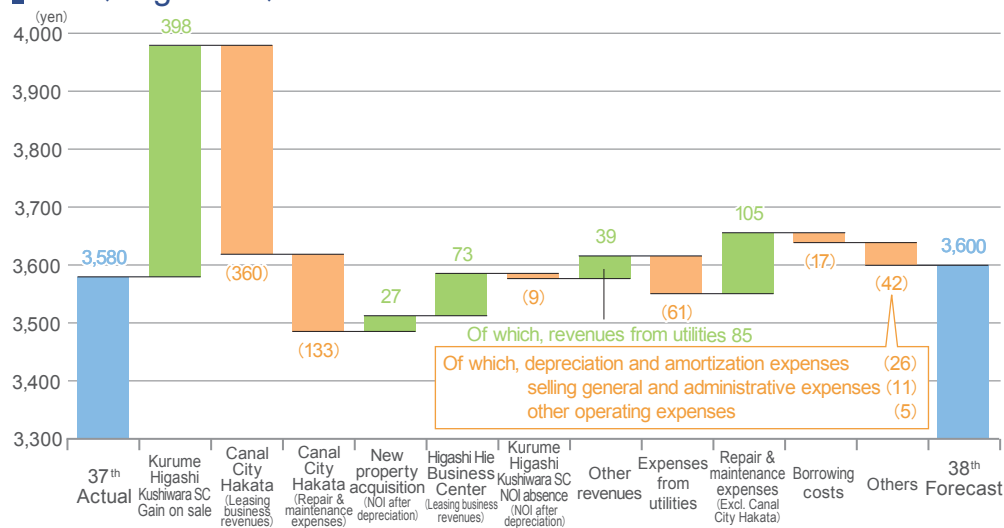
37th (Feb. 2023) Actual (compared with the previous FP)



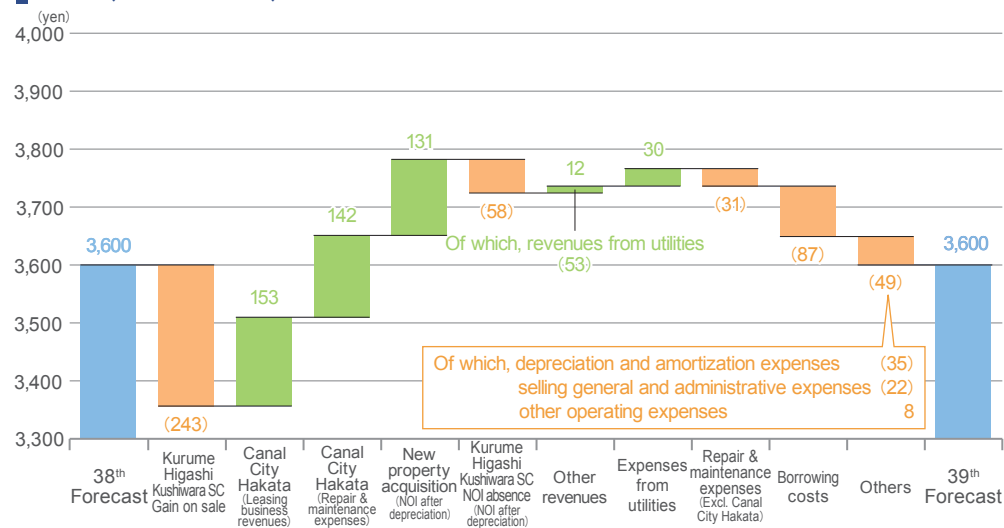
37th (Feb. 2023) Actual (compared with the forecast)



38th (Aug. 2023) Forecast



39th (Feb. 2024) Forecast



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
- Started redevelopment of Canal City Hakata East Building
- Fukuoka Jisho owns 9.18% of FRC's investment units through same-boat investment (as of February 28, 2023)

Community-based sourcing strategy

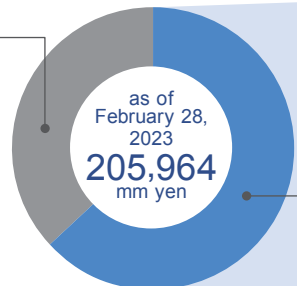
- Acquire properties from external sources by utilizing the information-collecting ability and know-how of the Asset Manager which is well versed in individual conditions in the Fukuoka and Kyushu areas
- Propose wide-ranging CRE strategies by grasping customers' needs as early as possible (ex. leaseback, 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
- Following acquisition, community-based operation in a meticulous and stable manner is possible

Acquired from sponsor^(*)

■ Sponsor ■ Outside party

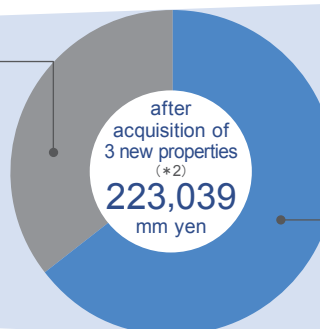
16/33 properties

75,649 mm yen
36.7%

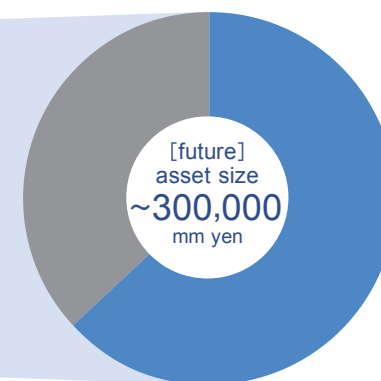


130,315 mm yen
63.3%

78,624 mm yen
35.3%



144,415 mm yen
64.7%

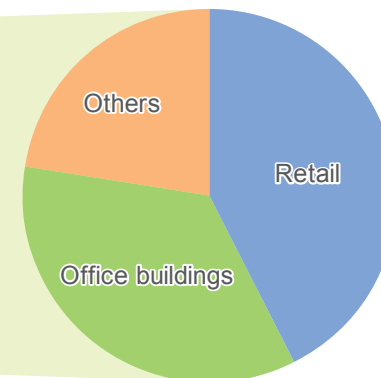
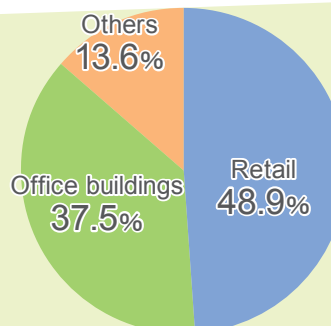
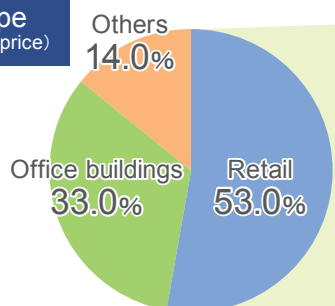


(*1) Because the Higashi Hie Business Center that was acquired in the 10th FP, August 31, 2009, was acquired from both the outside party and the sponsor, the purchase price has been added to the purchase prices from outside parties and the purchase prices from the sponsor after calculation on a per capita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

(*2) Calculated from the end of the 37th FP by adding the acquisition prices (incl. plans) of Kumamoto East Front Building, Axion Befu-Ekimae Premium, and Hakata FD Business Center. In addition, A 55% quasi co-ownership interest in Kurume Higashi Kushiwara SC, which is scheduled to be sold on August 31, 2023 is not deducted.

【Aiming for the optimal portfolio】

Investment type
(based on acquisition price)



Acquisition of property①

Acquire properties from outside party by utilizing the information-collecting ability and know-how of the Asset Manager

Summary of acquired property

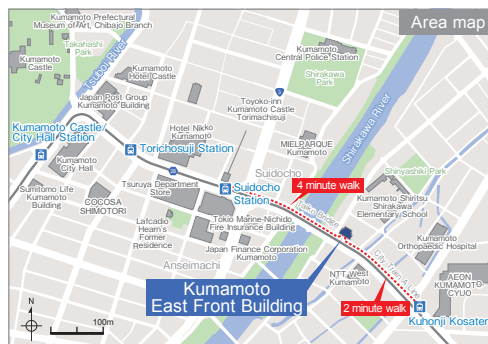
Name of property	Kumamoto East Front Building
Acquisition date	March 28, 2023
Acquisition price	1,450 mm yen
Appraisal value	1,460 mm yen
Address	1-chome, Shinyashiki, Chuo Ward, Kumamoto City
Area (land)	1,053.70㎡
Built timing	December 1993
Total floor space	4,251.06㎡
Acquisition CAP rate	5.0%

Significance of acquisition

- First office investment outside of Fukuoka Prefecture, seeking to diversify the portfolio
- Investment in an area where business markets are expected to become vitalized with the concentration of TSMC-affiliated companies and such

Points valued in deciding on the property

- Using the Kumamoto City Tram, access is easy from also the center of the office district where there is a concentration of government offices, financial institutions, etc.
- Completed in December 1993, but common areas and other spaces were renovated in 2022. Typical floor plate of approximately 128 tsubo in leasable floor space. Floors can be divided into spaces of around 20 tsubo, meeting the needs of sources of demand



Summary of property to be acquired

Name of property	Axion Befu-Ekimae Premium
Acquisition date (scheduled)	April 27, 2023
Acquisition price (planned)	1,525 mm yen
Appraisal value	1,530 mm yen
Address	3-chome, Befu, Jonan Ward, Fukuoka City
Area (land)	494.74㎡
Built timing	March 2023
Total floor space	2,010.53㎡
Acquisition CAP rate	3.4%

Significance of acquisition

- Approximately a two-minute walk from Befu Station on the Fukuoka City Subway Nanakuma Line, the convenience of which has increased with the opening of an extension on March 27, 2023
- Investment in an area that can expect further increase in popularity as a residential area going forward

Points valued in deciding on the property

- Excellent proximity to the city center being approximately 10 minutes to Tenjin-minami Station and approximately 14 minutes to Hakata Station by subway
- Equipped with specifications of for-sale condominiums of a high grade, exhibits high competitiveness with regard to nearby competing properties



Acquisition of property②

Acquisition using the pipeline with our sponsor

Summary of property to be acquired

Name of property	Hakata FD Business Center
Acquisition date (scheduled)	September 1, 2023
Acquisition price (planned)	14,100 mm yen
Appraisal value	15,000 mm yen
Address	Tsunabamachi, Hakata Ward, Fukuoka City
Area (land)	2,202.31 m ²
Built timing	February 2023
Total floor space	20,603.46 m ² (77% co-ownership interest)
Acquisition CAP rate	4.1%

*Of the building, FRC plans to acquire 77% co-ownership interest owned by the seller and trust beneficiary interest in the land (a part of the building's leasehold land, so-called "partial ownership") held by the seller.

Significance of acquisition

- Investment in a highly rare office building in the Gofukumachi area, a major business area following Tenjin and Hakata
- Investment in a newly built high-spec building

Points valued in deciding on the property

- An office building with large sections, a rarity, fully equipped with specifications among the top in Fukuoka City
- Subway access via two stations (Gofukumachi Station and Nakasu Kawabata Station on the Fukuoka City Subway), making access to Tenjin, Hakata and Fukuoka Airport also excellent



An office building with excellent design that serves as a landmark of Gofukumachi



- A symbolic design based on the image of a crystal and arranging the glass curtain wall in a ripple shape as if to incorporate various aspects of the city
- Placing plants and tall trees that change every season, and widely providing public spaces along Meiji-dori Street

Summary of 3 new properties (planned)

	Acquisition price	Acquisition CAP rate	NOI yield(*)	Cap rate after depreciation
Kumamoto East Front Building	1,450 mm yen	5.0%	6.0%	4.4%
Axion Befu-Ekimae Premium	1,525 mm yen	3.4%	3.5%	2.5%
Hakata FD Business Center	14,100 mm yen	4.1%	4.1%	3.1%
the weighted average		4.1%	4.2%	3.2%

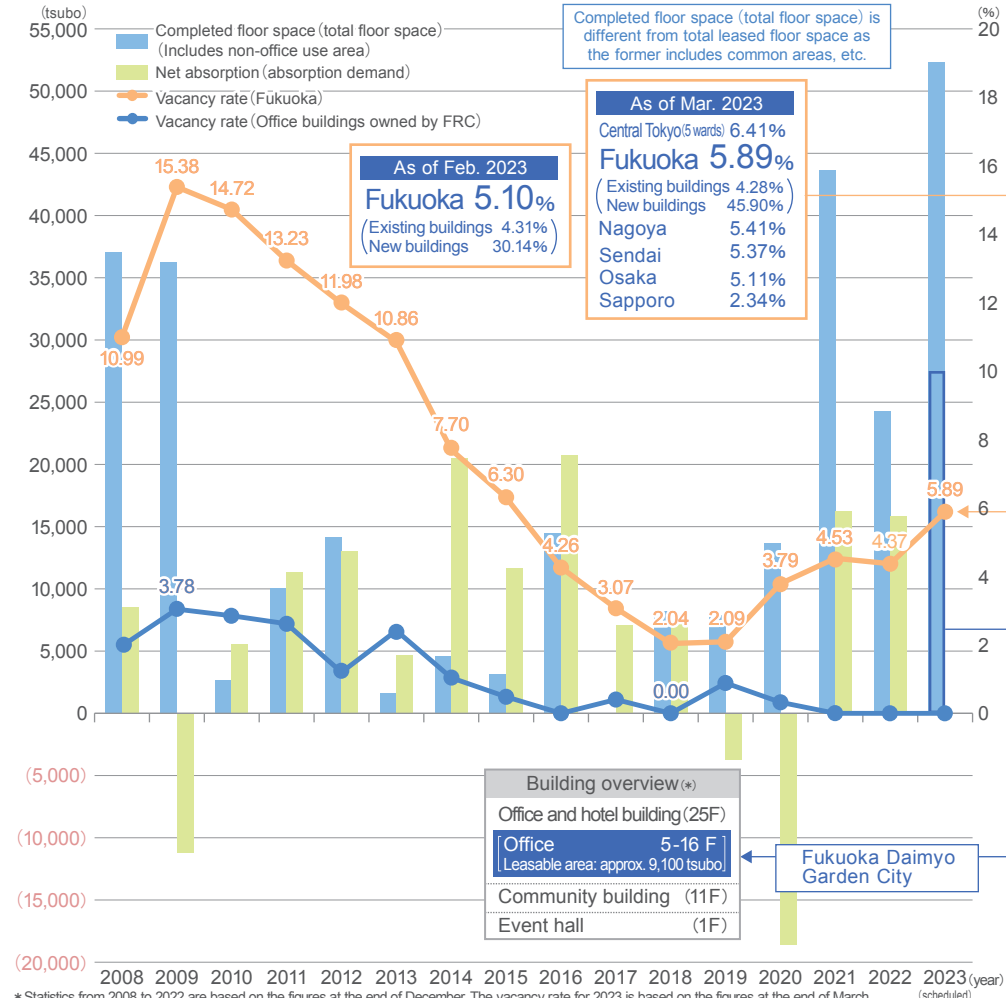
(*) The indicated figure is based on the NOI described in the appraisal report.

Trends in the Fukuoka office market

The increase in vacancy rate due to the completion of new buildings is expected to be absorbed over time due to strong demand

Fukuoka business district / Vacancy rates and supply and demand of office buildings

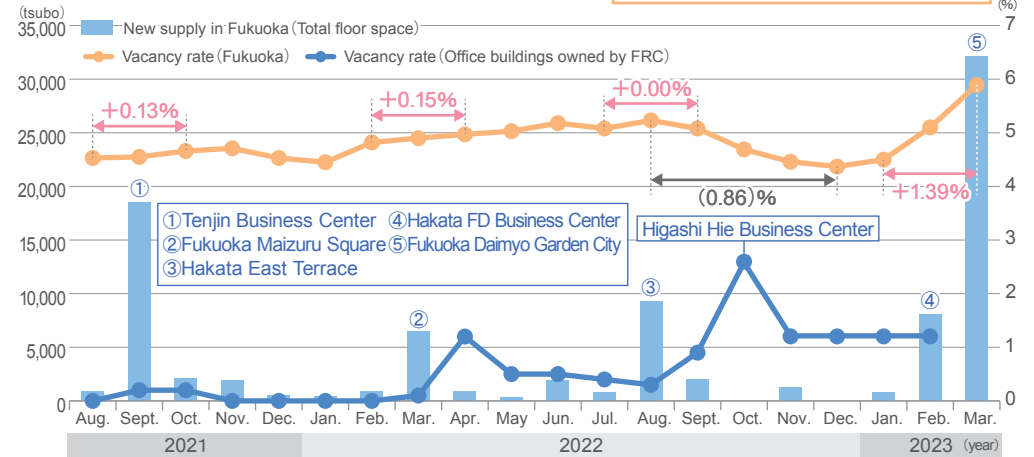
◎ The vacancy rate has increased mainly due to supply factors



* Statistics from 2008 to 2022 are based on the figures at the end of December. The vacancy rate for 2023 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.
 * Net absorption (absorption demand) shows the change in the occupied floor space during a specific period. It is calculated by subtracting the occupied floor space on December 31 of the previous year from the occupied floor space on December 31 of the applicable year. Completed floor space (total floor space) figures for 2023 have not been finalized, and the floor space and expected completion dates are subject to change.
 Source: Prepared by Fukuoka Realty based on data from "Office Market Data" Miki Shoji Co., Ltd.
 (*) Prepared by Fukuoka Realty based on the press releases of Fukuoka City Government and relevant enterprising bodies.

Fukuoka business district / Average vacancy rate

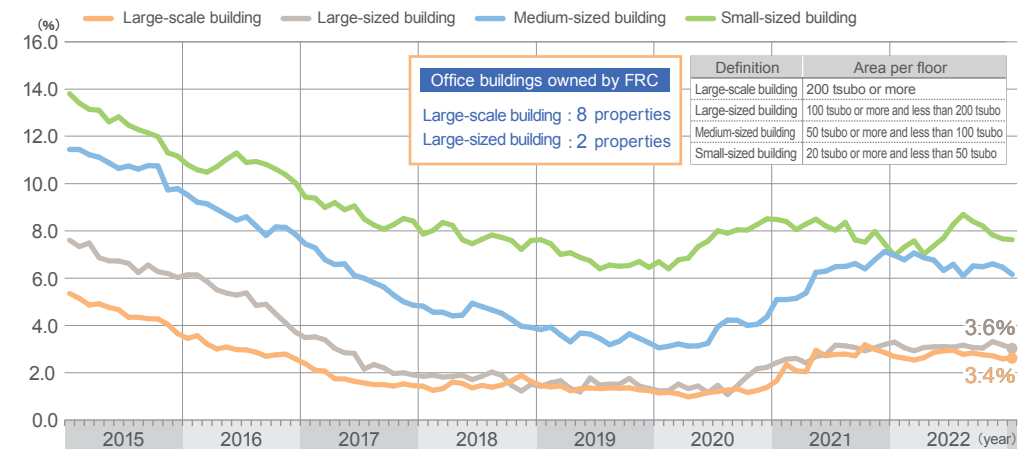
◎ The vacancy rates of office buildings owned by FRC have remained at low levels



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



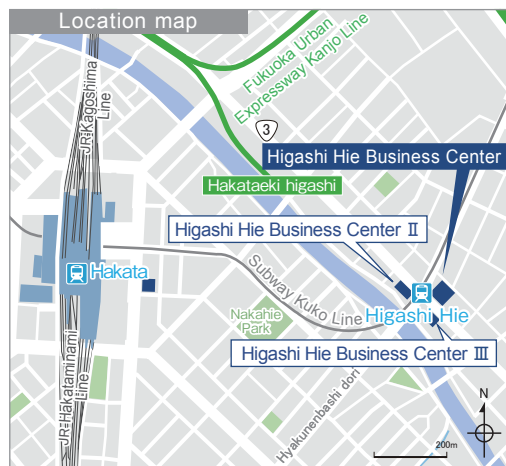
Source: Prepared by Fukuoka Realty based on data "Office Market Monthly Survey (Time Series)" from Sanko Estate Co., Ltd.

Leasing progress for Higashi Hie Business Center

Completed leasing at an early stage, realizing internal growth and tenant diversification

Overview of Higashi Hie Business Center

Acquisition price	5,900 mm yen (Investment ratio : 2.9%)
Built timing	February 2009



Internal Growth and Tenant Diversification

©Realized internal growth by refilling vacancies at market rent (15,000 – 16,000 yen^(*))

Before leasing		After leasing	
tenants	floor space	tenants	floor space
Company A and Group of 5 companies	1,447 tsubo	Company B	429 tsubo
		Company C	231 tsubo
		Company D	192 tsubo
		Company E	139 tsubo
		Company F	115 tsubo
		Company G	86 tsubo
		Company H	86 tsubo
		Company I	84 tsubo
		Company J	42 tsubo
1	1,447 tsubo	9	1,407 tsubo ^(*)

(*)1 "Market rent unit price" indicates the assumed newly closed rent unit price (with common charges) per tsubo assessed by CBRE as of February 2023, presented in a range.

(*)2 Due to the split of tenants, leasable floor space decreased by 40 tsubo before and after leasing.

Leasing progress

Area of lease cancellation: 1,447 tsubo

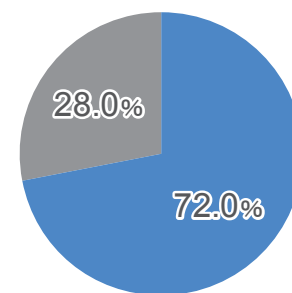
Recession date : September 30, 2022

©Completed leasing for all sections at the end of November 2022

	Aug. 2022 (Actual)	Feb. 2023 (Initial forecast)	Feb. 2023 (Actual)	
Property occupancy rate at the end of the period (overall)	100.0%	87.5%	100.0%	
Backfilled ratio	–	62.3%	100.0%	
Backfilled area (assumed)	–	902 tsubo	1,407 tsubo	Normal operations
Total revenues from real estate leasing	357 mm yen	285 mm yen	313 mm yen	370 mm yen

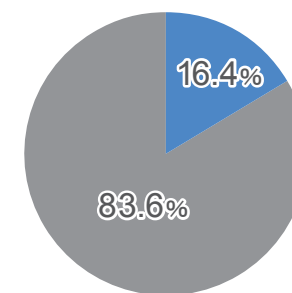
Overview of new tenants

【Industry】



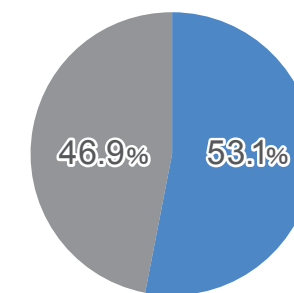
■ Internet-related ■ Others

【New/Relocation】



■ New ■ Relocation

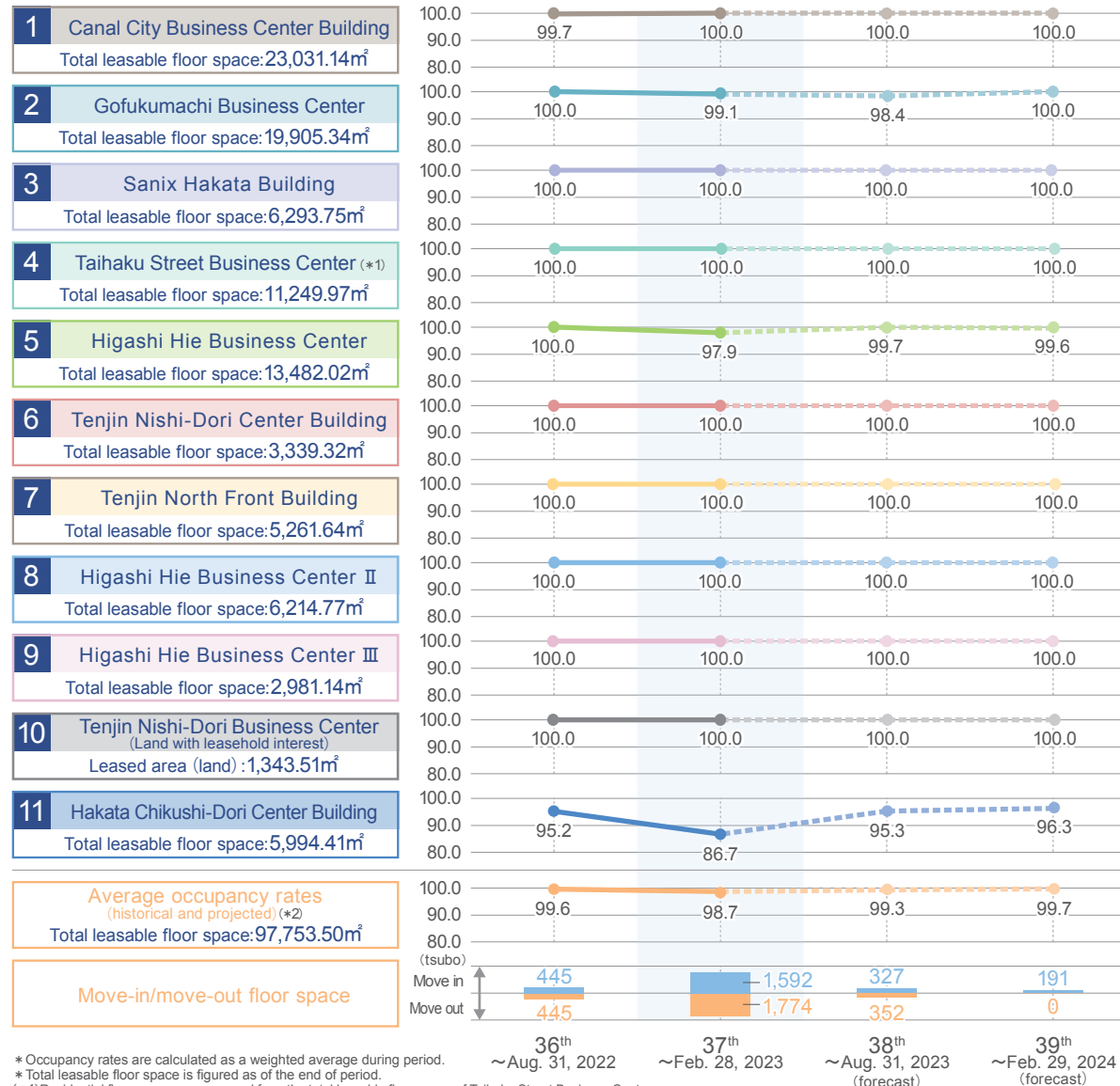
【Business Development】



■ Domestic development ■ Overseas development^(*)
 (*3) Tenants with overseas offices

Historical and projected office buildings' occupancy rates

Higashi Hie Business Center occupancy rate: 89.1% (37th fiscal period initial forecast) → 97.9% (actual)



* 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): 37th:98.7%⟩

◎Leasing of Higashi Hie Business Center was completed in November 2022
 ◎Keeping high occupancy rate from the 36th FP

⟨Average occupancy rates(projected): 38th:99.3% 39th:99.7%⟩

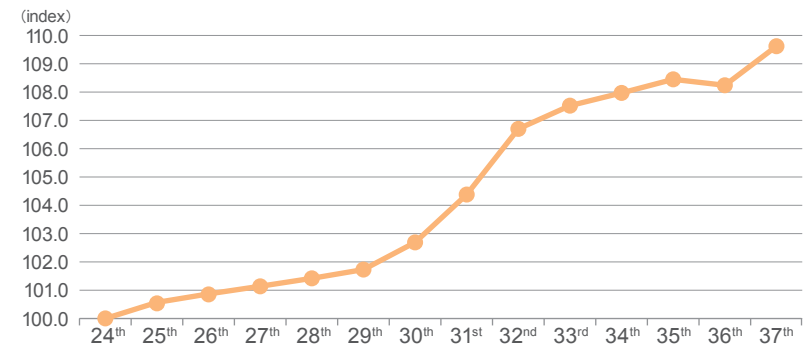
◎Continue with rent increase through rent revision upon contract renewal and tenant replacement

Major indicators of owned properties (*3)

Total amount of acquisition	68,040 mm yen
Investment ratio	33.0%
Average age (*4)	20 years 1 month
Tenants (*5)	188
Total leasing revenues-real estate in the 37 th FP	2,894 mm yen
Rent gap (*4)	13.3%(*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 / current rent". Moreover, market rent indicated average of assumed newly closed rent assessed by CBRE as of Feb. 2023.

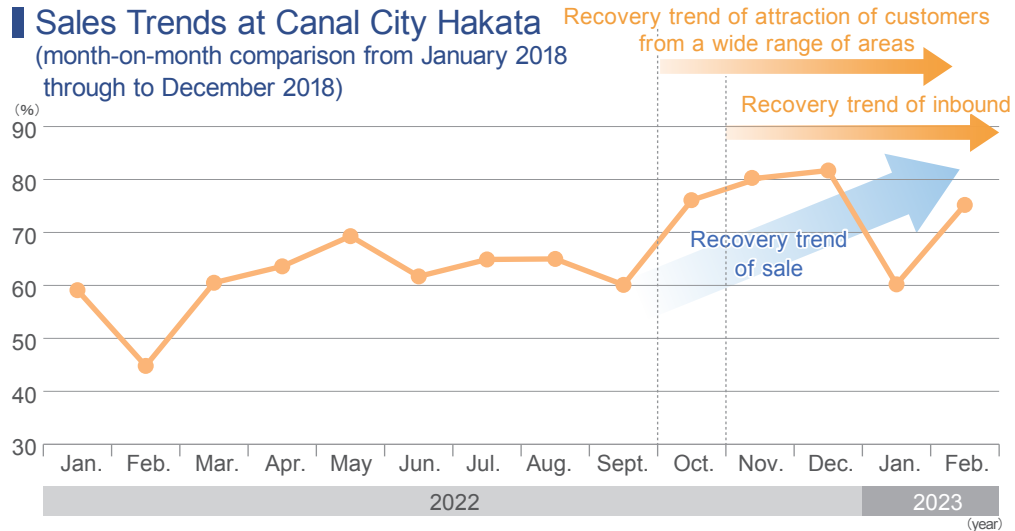
Trend in rent unit price index of owned properties (*7)



(*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 Hakata①

In addition to the sales recovery from fall of 2022, the subway Nanakuma Line extension was completed in March 2023



* 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.
 * The figures for January and February of 2023 are calculated by excluding the impact of decrease in sales of Canal City Hakata South Building partially closed for renovation.

Situation of inbound

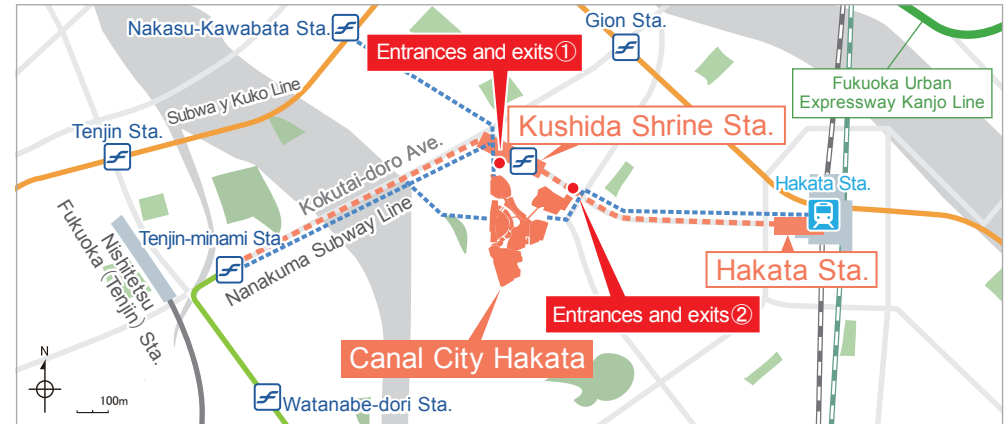
©Number of foreign nationals entering Kyushu

Country / Region	2018	2022				2023	
	monthly average	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Total number of immigrants	426,357	13,823	49,116	123,538	176,560	205,476	201,759
Korea	200,805	5,364	31,591	86,692	126,260	-	-
China	142,328	352	452	403	646	-	-
Taiwan	34,460	521	2,345	8,101	13,734	-	-
Hong Kong	23,792	282	3,238	6,907	9,617	-	-
Others	24,971	7,304	11,490	21,435	26,303	-	-

* The number of foreign visitors including cruise ship tourists. Figures for January and February 2023 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.

Nanakuma subway line extension project

©New station's entrances/exits adjacent to Canal City Hakata



Effect of new subway station (Kushida Shrine Station)

©Increase in number of visitors to Canal City Hakata with the new station opening (people)

	1 week before opening ①	1 week after opening ②	Change (②/①-1)	Effect of new station +6.1%
2023	318,000	341,000	+7.5%	
2022(year on year)	246,000	249,000	+1.4%	

Initiatives at Canal City Hakata②

Western Japan's first Alpen Group flagship store "Alpen FUKUOKA" to open in the fall of 2023

Future vision of Canal City Hakata

1st Step Launch a future-oriented project



SPORTS & HEALTHCARE

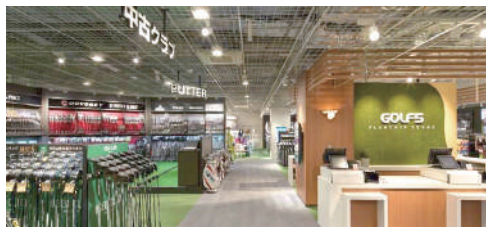
◎Becoming the center of a community that enables people to enjoy new experiences and try out activities that interest them, in order to create broader awareness of sports culture

◎Alpen FUKUOKA

- Western Japan's first Alpen Group flagship store, following on from the high-profile "Alpen TOKYO" opening in Tokyo's Shinjuku in April last year
- Opening of a general sports shop, a specialty shop for outdoors and a specialty shop for golf

**Alpen
FUKUOKA**

Store name	Alpen FUKUOKA
Location	South Building 1F (partial) through 3F
Opening date	Scheduled to be opened in fall 2023
Type of business	General sports shop, specialty shop for outdoors and specialty shop for golf



*Photos are image of "Alpen TOKYO".

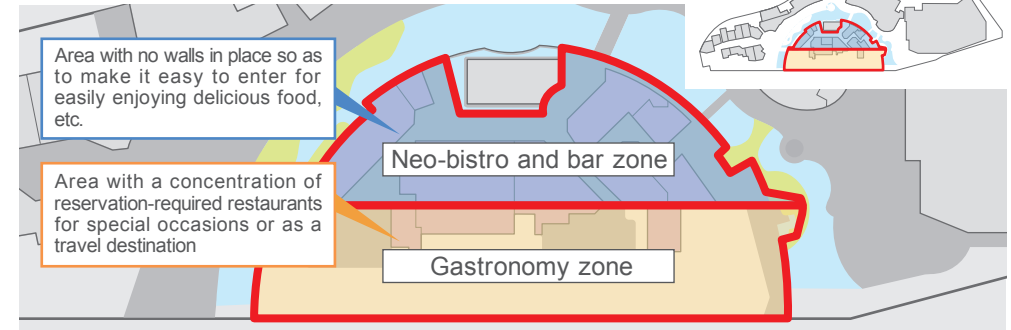
2nd Step Develop the area through changes involving with the surrounding environment of facility



FOOD

◎Becoming a showcase for a new food culture that combines Fukuoka specialties with the cuisines of various Asian countries by actively attracting handpicked restaurants

◎Considering renovating the Grand Building B1F dining zone



Moves for redevelopment of East Building

- ◎East Building will close in May 2023, and the development of a multi-purpose facility consisting of retail facilities, high-class rental residences, serviced apartments, etc. is later planned
- ◎Open space for bustle and relaxation to open for a limited time until the start of construction



*The East Building sections are not owned by FRC.



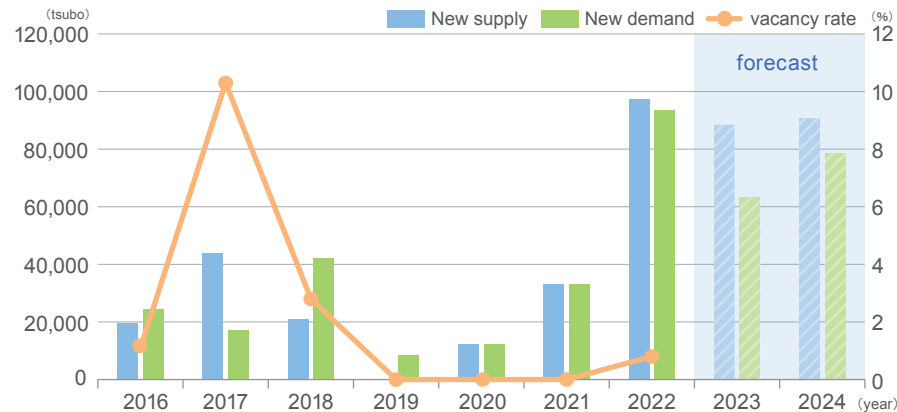
*All conceptual drawings are of those at the planning stage and may change in the future.

Situation of other assets (Logistics)

Rents continued to increase due to strong demand

Supply and demand of logistic facilities and vacancy rates

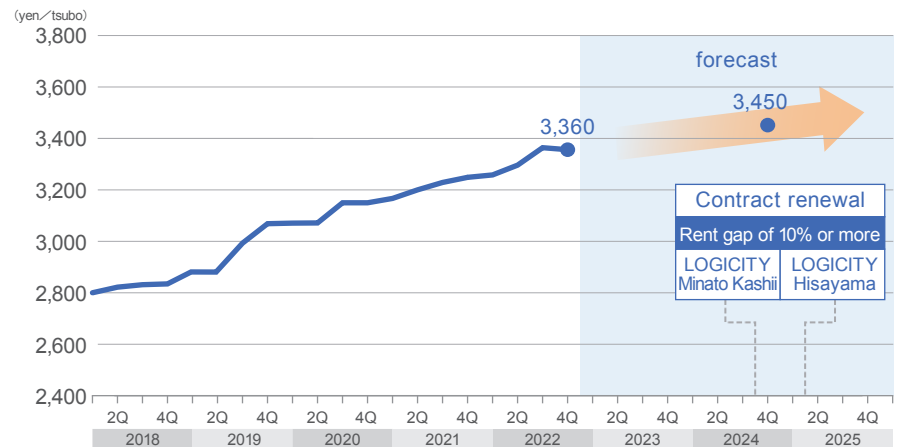
◎ There will be large supply in 2023 and 2024



*For actual results, medium and large logistics facilities with a total floor space of 5,000 m² or more and large multi-tenant logistics facilities with a total floor space of 5,000 tsubo or more in the Fukuoka metropolitan area are targeted.
 *For the forecast, 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.

Trend in rent unit price

◎ Large supply, but rents expected to increase

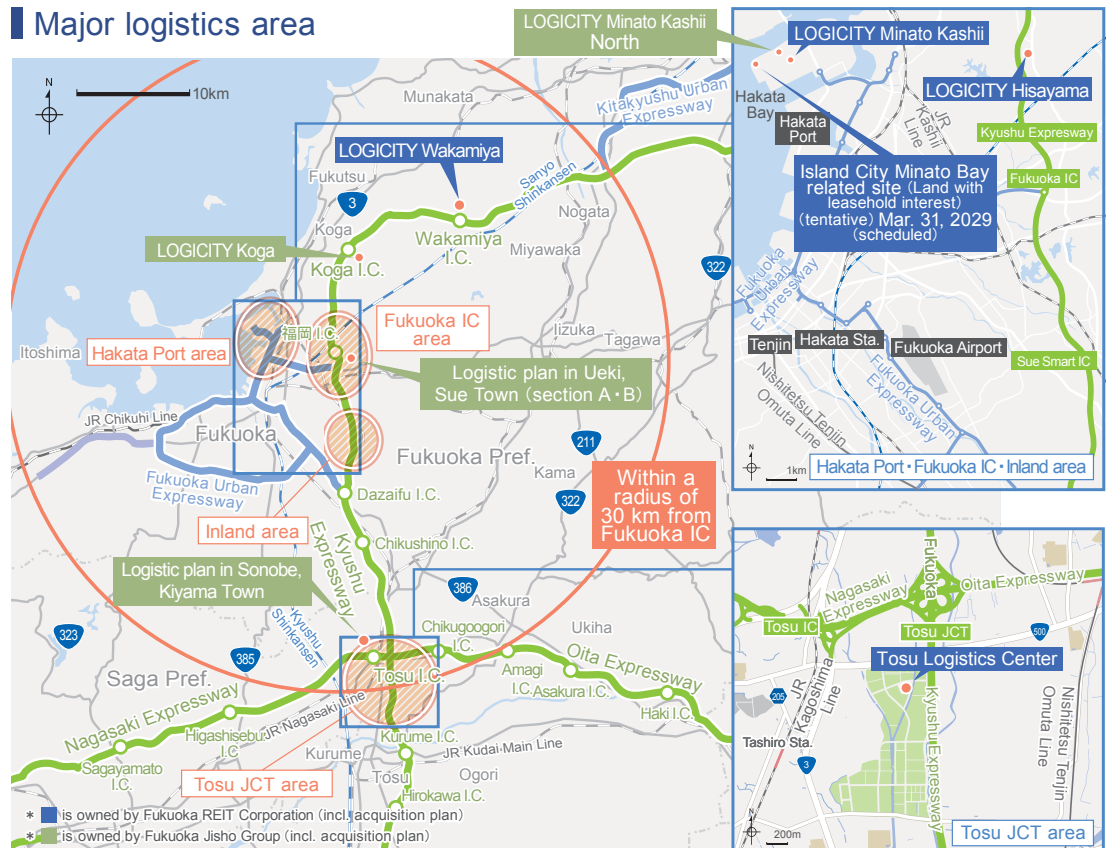


*Large multi-tenant logistics facilities with a total floor space of 5,000 tsubo or more in the Fukuoka metropolitan area are targeted.
 Source: Prepared by Fukuoka Realty based on data of CBRE.

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

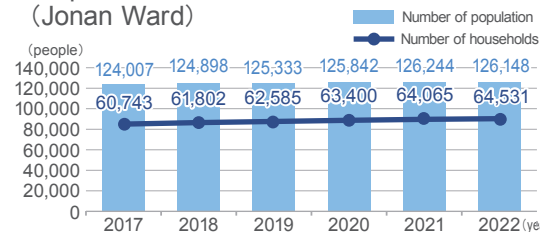
◎Residential properties have continued to operate at a high occupancy rate

Occupancy rates	33 rd (Feb. 2021)	34 th (Aug.2021)	35 th (Feb. 2022)	36 th (Aug.2022)	37 th (Feb. 2023)
Amex Akasakamon Tower	96.2%	96.7%	96.9%	96.3%	94.2%
City House Keyaki Dori	97.6%	94.5%	98.6%	97.2%	98.8%
Aqualia Chihaya	98.6%	98.0%	99.3%	98.3%	98.9%
D-Wing Tower (*1)	95.3%	94.3%	93.4%	95.7%	97.3%
Granfore Yakuin Minami	96.9%	97.7%	98.0%	97.2%	98.0%
The weighted average of 5 properties	96.7%	96.1%	96.7%	96.8%	97.3%

* The occupancy rate is calculated as a weighted average over the period.
(*1) The figure for D-Wing Tower includes the retail portion.

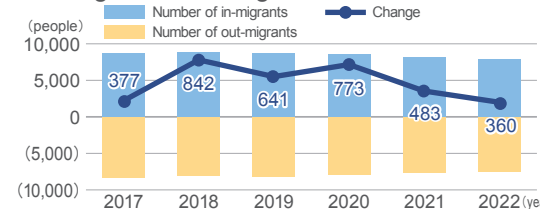
Residential Market in Fukuoka City's Jonan Ward

◎Population and number of households (Jonan Ward)

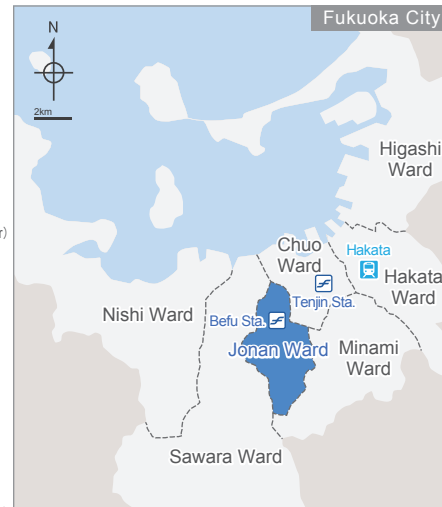


Source: Prepared by Fukuoka Realty based on Fukuoka City Basic Resident Register (end of September of each year).

◎In-migrants/Out-migrants (Jonan Ward)



Source: Prepared by Fukuoka Realty based on "Population, Demographics and Number of Households Based on the Basic Resident Register" (Ministry of Internal Affairs and Communications).



Overview of Hotel

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

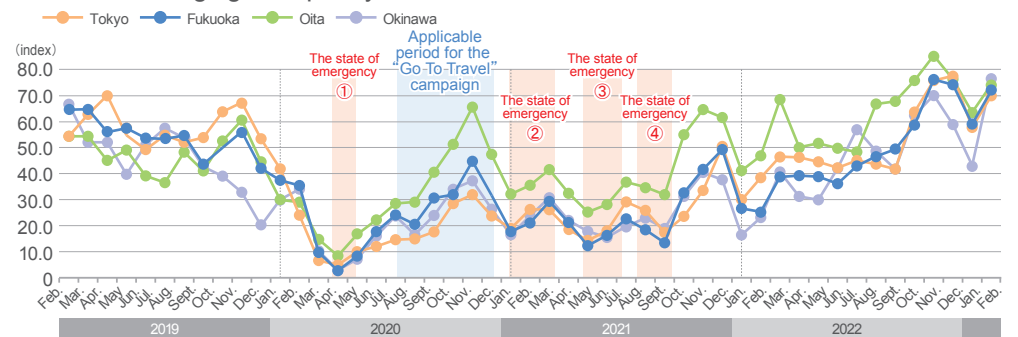
	36 th (Aug.2022)	37 th (Feb. 2023)
Room occupancy rates	81.1%	80.6%
ADR (*2)	4,533 yen	6,257 yen
RevPAR (*3)	3,678 yen	5,045 yen

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

(*2) 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.

(*3) 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

◎Future refinancing (assumption)

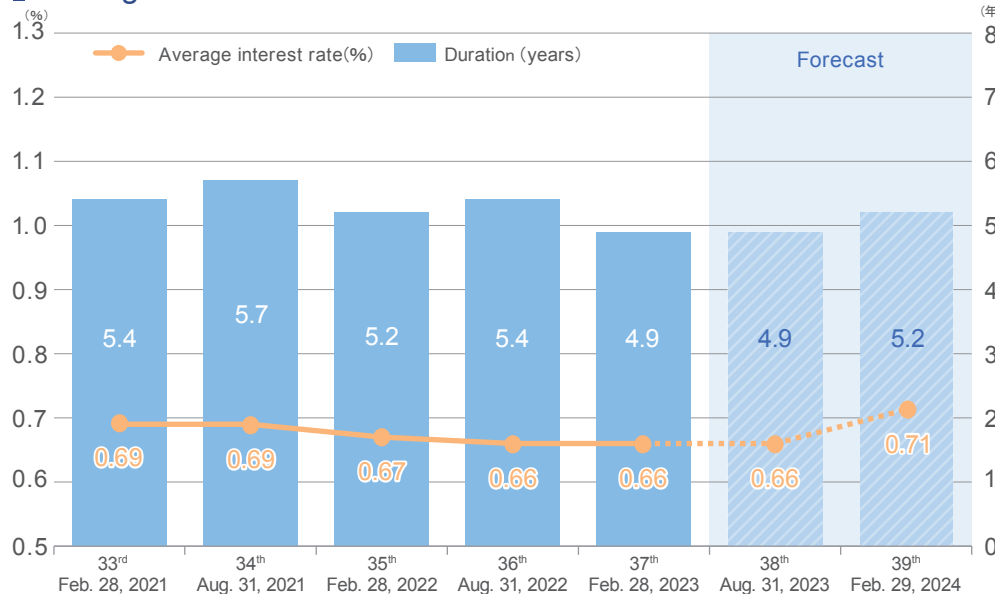
●Before refinancing (current situation)

	Amount (mm yen)	Interest rate	Refinancing term	Fixed rate
Aug. 2023	5,900	0.80%	8.0-year	93%
Feb. 2024	6,500	0.70%	8.6-year	69%
Aug. 2024	700	0.40%	8.0-year	100%
Feb. 2025	2,000	0.62%	9.0-year	100%
Total/Average	15,100	0.71%	8.4-year	84%

●After refinancing (planned)

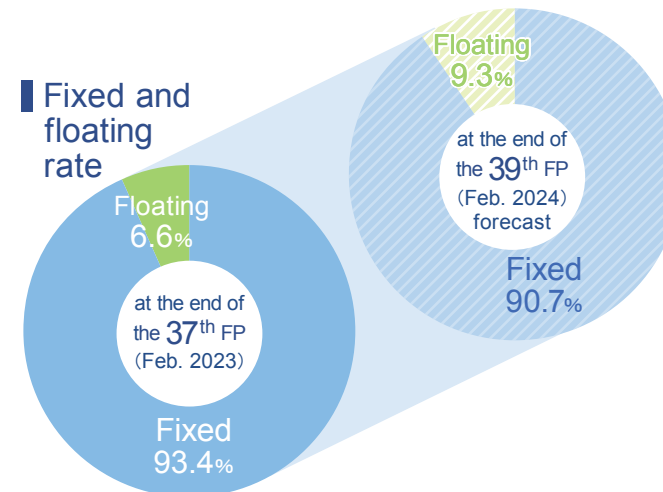
Interest rate	Refinancing term	Fixed rate
around 0.73%	Flexible	Flexible
—	—	—

Average interest rate (*1) and duration

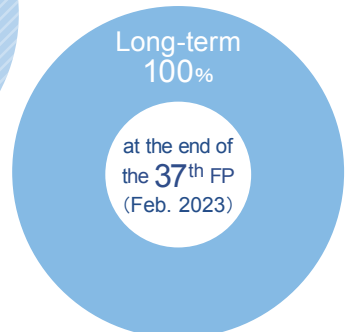


(*1) Interest rates are rounded off to the second decimal place.

Fixed and floating rate



Long-term rate



Credit ratings (*2)

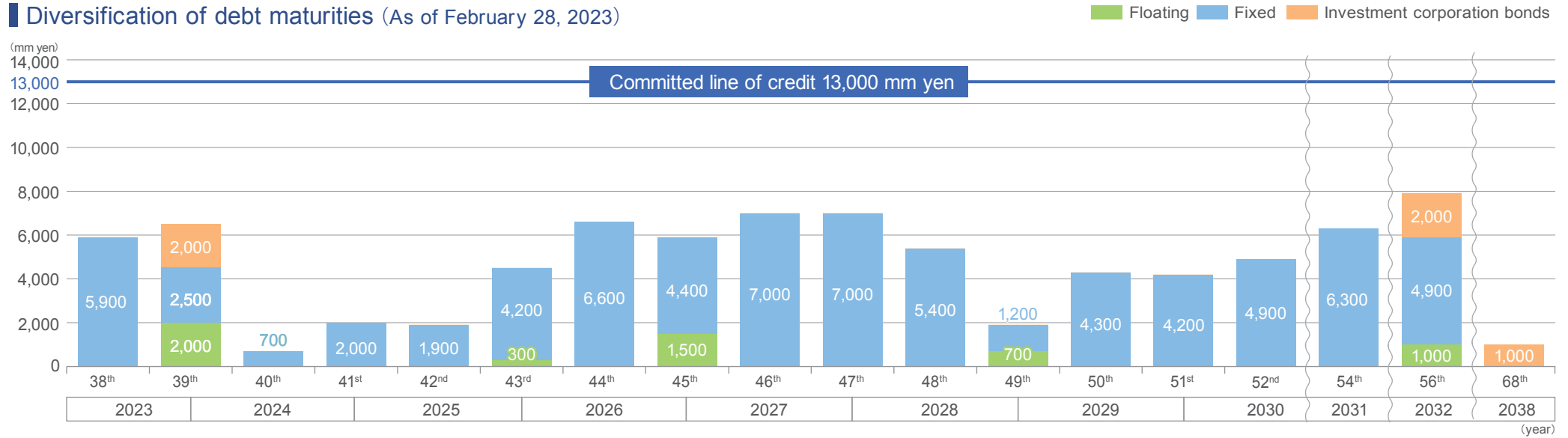


(*2)JCR: long-term issuer rating obtained from Japan Credit Rating Agency, Ltd. R&I: issuer rating obtained from Rating and Investment Information, Inc.

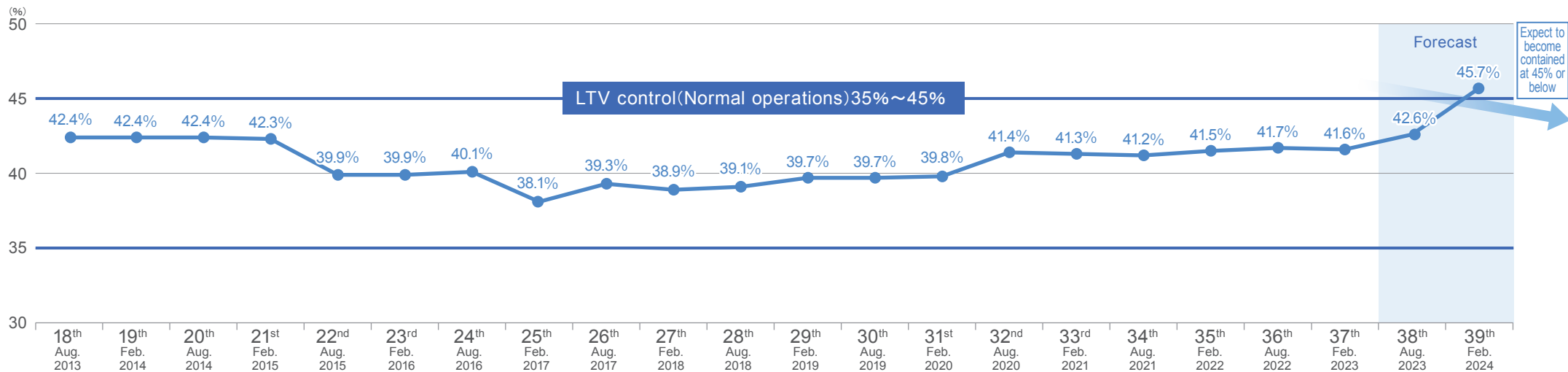
Financing condition②

Although LTV rises, it is expected to be remained normal operations

Diversification of debt maturities (As of February 28, 2023)



LTV



Appraisal value

The unrealized gains^(*1) totaled 46,530 million yen at the end of 37th fiscal period (increase of 3,504 million yen compared with previous fiscal period)

- unit : mm yen

	Property name	Acquisition price (*2)	Acquisition cap rate	At the end of the 37 th FP (Feb. 28, 2023)				At the end of the 36 th FP (Aug. 31, 2022)				Appraiser
				Appraisal value	Book value	Difference	Cap Rate by direct capitalization method	Appraisal value	Difference	Cap Rate by direct capitalization method	Difference	
				①	②	①-②	③	④	①-④	⑤	③-⑤	
Retail	Canal City Hakata	32,000	6.0%	29,500	29,624	(124)	4.2%	30,600	(1,100)	4.5%	(0.3)%	Tanizawa Sogo Appraisal
	Canal City Hakata・B	21,060	5.4%	21,800	20,535	1,264	4.3%	21,400	400	4.6%	(0.3)%	Tanizawa Sogo Appraisal
	Park Place Oita	19,610	6.0%	20,500	20,398	101	5.4%	20,500	0	5.4%	0.0%	Japan Real Estate Institute
	SunLive City Kokura	6,633	6.6%	8,530	5,497	3,032	5.8%	8,520	10	5.8%	0.0%	Japan Real Estate Institute
	Konoha Mall Hashimoto	10,000	5.3%	10,100	9,934	165	5.1%	10,000	100	5.1%	0.0%	Tanizawa Sogo Appraisal
	Square Mall Kagoshima Usuki	5,300	6.3%	4,710	4,217	492	5.5%	4,650	60	5.5%	0.0%	Japan Real Estate Institute
	Kumamoto Intercommunity SC	2,400	6.5%	2,790	1,910	879	5.5%	2,740	50	5.6%	(0.1)%	Japan Real Estate Institute
	Hanahata SC	1,130	6.4%	1,200	945	254	5.4%	1,200	0	5.4%	0.0%	Tanizawa Sogo Appraisal
	Kurume Higashi Kushiwara SC	2,125	6.1%	2,337	1,657	679	5.5%	2,329	8	5.5%	0.0%	Tanizawa Sogo Appraisal
	K's Denki Kagoshima	3,550	5.7%	3,490	2,840	649	5.4%	3,660	(170)	5.4%	0.0%	Tanizawa Sogo Appraisal
Marinoa City Fukuoka (Marina Side Building)	5,250	5.5%	5,860	5,332	527	4.8%	5,890	(30)	4.8%	0.0%	Tanizawa Sogo Appraisal	
Total of retail	109,058	-	110,817	102,895	7,921	-	111,489	(672)	-	-		
Office buildings	Canal City Business Center Building	14,600	6.3%	18,800	12,630	6,169	3.9%	17,400	1,400	4.3%	(0.4)%	Tanizawa Sogo Appraisal
	Gofukumachi Business Center	11,200	6.3%	15,600	8,615	6,984	4.1%	15,600	0	4.2%	(0.1)%	Tanizawa Sogo Appraisal
	Sanix Hakata Building	4,400	5.9%	6,850	3,716	3,133	3.8%	6,890	(40)	3.9%	(0.1)%	Japan Real Estate Institute
	Taihaku Street Business Center	7,000	6.0%	9,830	5,466	4,363	4.2%	9,770	60	4.3%	(0.1)%	Japan Real Estate Institute
	Higashi Hie Business Center	5,900	6.0%	8,990	4,314	4,675	4.3%	8,230	760	4.4%	(0.1)%	Tanizawa Sogo Appraisal
	Tenjin Nishi-Dori Center Building	2,600	5.4%	3,310	2,640	669	3.6%	3,360	(50)	3.7%	(0.1)%	Japan Real Estate Institute
	Tenjin North Front Building	2,800	6.1%	4,930	2,329	2,600	3.7%	4,880	50	3.8%	(0.1)%	Japan Real Estate Institute
	Higashi Hie Business Center II	4,230	4.9%	4,790	3,861	928	4.3%	4,660	130	4.4%	(0.1)%	Tanizawa Sogo Appraisal
	Higashi Hie Business Center III	3,290	4.4%	3,450	3,198	251	4.1%	3,380	70	4.2%	(0.1)%	Tanizawa Sogo Appraisal
	Tenjin Nishi-Dori Business Center (Land with leasehold interest)	7,700	3.5%	8,500	7,754	745	3.1%	8,250	250	3.4%	(0.3)%	Japan Real Estate Institute
Hakata Chikushi-Dori Center Building	4,320	4.7%	4,550	4,491	58	4.2%	4,540	10	4.3%	(0.1)%	Tanizawa Sogo Appraisal	
Total of office buildings	68,040	-	89,600	59,021	30,578	-	86,960	2,640	-	-		
Others	Tosu Logistics Center (Logistics)	1,250	5.9%	1,440	1,125	314	4.7%	1,420	20	4.8%	(0.1)%	Japan Real Estate Institute
	LOGICITY Minato Kashii (Logistics)	8,150	5.2%	9,760	7,645	2,114	3.9%	9,670	90	4.0%	(0.1)%	Tanizawa Sogo Appraisal
	LOGICITY Hisayama (Logistics)	5,050	5.1%	5,790	4,651	1,138	4.1%	5,650	140	4.2%	(0.1)%	Tanizawa Sogo Appraisal
	LOGICITY Wakamiya (Logistics)	1,700	6.4%	2,550	2,122	427	5.2%	2,490	60	5.3%	(0.1)%	Tanizawa Sogo Appraisal
	Amex Akasakamon Tower (Residence)	2,060	5.4%	2,000	1,588	411	4.1%	1,950	50	4.2%	(0.1)%	Daiwa Real Estate Appraisal
	City House Keyaki Dori (Residence)	1,111	5.5%	1,120	860	259	4.1%	1,090	30	4.2%	(0.1)%	Daiwa Real Estate Appraisal
	Aqualia Chihaya (Residence)	1,280	6.8%	2,060	1,142	917	4.2%	2,040	20	4.4%	(0.2)%	Japan Real Estate Institute
	D-Wing Tower (Residence)	2,800	5.9%	3,940	2,591	1,348	4.1%	3,880	60	4.2%	(0.1)%	Tanizawa Sogo Appraisal
	Granfore Yakuin Minami (Residence)	1,100	5.6%	1,390	1,055	334	4.0%	1,370	20	4.1%	(0.1)%	Tanizawa Sogo Appraisal
	Hotel FORZA Oita (Hotel)	1,530	6.6%	1,900	1,306	593	5.1%	1,890	10	5.1%	0.0%	Japan Real Estate Institute
Tissage Hotel Naha (Hotel)	2,835	5.3%	2,910	2,739	170	4.9%	2,880	30	4.9%	0.0%	Tanizawa Sogo Appraisal	
Total of others	28,866	-	34,860	26,830	8,029	-	34,330	530	-	-		
Total properties	205,964	-	235,277	188,746	46,530	-	232,779	2,498	-	-		

(*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) For Kurume Higashi Kushiwara SC, having completed the disposition of 15% quasi co-ownership interest in the trust beneficiary interest on February 28, 2023, acquisition price and appraisal value are the figures after subtracting the 15% portion.

Sustainability

Endorsement of TCFD (Task Force on Climate-Related Financial Disclosures) (Sept. 2022)

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 Building certification

77.8%

Aug. 2022

→

80.0%

Feb. 2023
- CASBEE (Rank A) NEW
Certified 2 owned properties

• Sanix Hakata Building




• Granfore Yakuin Minami




Society → P30

- Registration with Fukuoka City SDGs Registration System (Feb. 2023) NEW



Assessment of Financial Impacts Based on Scenario Analysis

Creation of Climate Change and Resilience Policy (August 2022)

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.

				4°C Scenario			1.5°C Scenario				
		Risk/Opportunity Factors		Financial Impacts		Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Transition risks	Policy and law	axation of CO2 emissions due to introduction of carbon tax, etc.		Increased taxation on CO2 emissions for owned properties		S	S	S	S	M	M
		Stricter energy-saving standards for existing real estate and introduction of carbon emission-related restrictions, etc.		Increased renovation costs for purpose of compliance Increased environmental certification acquisition costs		S	S	S	S	M	L
		Stricter mandatory emissions reporting requirements in Energy Efficiency Act		Increased payments, etc. to external companies for purpose of handling reporting		S	S	S	S	S	S
	Technology	Evolution/spread of renewable energy and energy-saving technology		Increased costs of introducing new technology to prevent facilities in owned properties becoming technologically obsolete		S	S	S	S	M	L
		Changing social values relating to environmental performance		Increased financing costs for properties with poor environmental performance		S	S	S	S	S	S
	Market	Decrease in asset value due to delayed environmental compliance at owned properties		Relative decrease in institutional investors' investment appetite due to delayed environmental compliance		S	S	S	S	S	S
		Increased importance of transition risks		Increased financing costs due to properties being assessed as having high transition risks		S	S	S	S	S	S
		Increased value related to environmental performance		Reduced property value and average rents due to environmental certifications such as Green Building Certification not being acquired		S	S	S	S	M	L
Tenant needs relating to environmental performance		Decreased revenue due to owned properties' environmental performance becoming relatively low, creating stranded assets		S	S	S	S	M	L		
Physical risks	Acute	Damage to owned properties due to typhoons/heavy rain		Increased repair costs and insurance premiums: loss of sales opportunities due to flooding, decreased asset value of owned properties with high flooding risks, increased countermeasure costs		S	S	M	S	S	S
		Flooding at owned properties in low-elevation areas due to sea level rise		Increased flooding countermeasure costs		S	S	M	S	S	S
	Chronic	Increased need for A/C due to rising temperatures		Increased A/C operation, maintenance, and repair costs		S	S	M	S	S	S
Opportunities	Energy sources	Introduction of renewable energy at sites		Reduction in externally procured utility costs		S	S	S	S	S	S
		Attracting tenants, occupants, and users by offering low-emission facilities and services		Increased revenue by attracting tenants and occupants		S	S	S	S	M	L
	Markets	Expanding the client base by continuing to provide rental properties aligned with changing tenant and occupant tastes		Increased revenue from higher rents and improved tenant acquisition and retention		S	S	S	S	M	L
		Expanding the investor base		Use of green bonds: increased financing by adapting/appealing to investors who prioritize environmental issues, decreased financing costs		S	S	S	S	S	S

Statements of Income (compared with the previous fiscal period)

Active retail: recovered as expected; Dividend: +57 yen compared with the previous fiscal period

- unit : mm yen

Sign indicates impact on profit (unit : mm yen)

Account		36 th ~Aug. 31, 2022 A	37 th ~Feb. 28, 2023 B	Difference B - A	
Operating profit and loss	Total operating revenues	8,830	9,037	206	
	Operating revenues excluding gain on sales	8,830	8,921	① 91	
	Gain on sales	-	115	② 115	
	Total operating expenses	5,648	5,813	③ 164	
	Expenses related to leasing business	4,974	5,147	172	
	Asset management fees	534	534	(0)	
	Asset custody fees	7	7	(0)	
	Administrative service fees	60	57	(2)	
	Director's compensations	6	3	(3)	
	Other operating expenses	65	63	(2)	
	Operating income	3,181	3,223	41	
	Non-Operating profit and loss	Total non-operating revenues	1	1	(0)
		Total non-operating expenses	377	373	(4)
Interest expenses (incl. investment corporation bonds)		278	274	(4)	
Financing related expenses		97	97	(0)	
Others		1	2	0	
Ordinary income	2,805	2,851	45		
Profit before income taxes	2,805	2,851	45		
Total income taxes	1	1	0		
Profit	2,804	2,849	45		

Operating profit and loss

① Active retail	+127
-of which, Canal City Hakata/Canal City Hakata-B	+23
Park Place Oita	+52
Konoha Mall Hashimoto	+28
SunLive City Kokura	+22
Higashi Hie Business Center	(43)
Office buildings (excl. Higashi Hie Business Center)	+13
Others	(6)
Total	+91
(of which, revenues from utilities +11)	
② Gain on sale from disposition of Kurume Higashi Kushiwara SC (15% quasi co-ownership interest)	+115
Total	+115
③ Increase in outsourcing expenses	(5)
Increase in expenses from utilities	(34)
Increase in repair & maintenance expenses	(147)
Decrease in depreciation and amortization expenses	+14
Decrease in selling general and administrative expenses	+7
Decrease in other expenses	+1
Total	(164)

Dividend	Total dividends	2,804	2,849	45
	Dividend per unit (yen)	3,523	3,580	57

Statements of Income (compared with the forecast)

Canal City Hakata: signs of inbound tourism demand returning; Higashi Hie Business Center: completed leasing at an early stage; Dividend: +60 yen compared with the forecast

- unit : mm yen

Sign indicates impact on profit (unit : mm yen)

Account		37 th Forecast at 36 th A	37 th Actual B	Difference B - A
Operating profit and loss	Total operating revenues	8,915	9,037	121
	Operating revenues excluding gain on sales	8,800	8,921	① 121
	Gain on sales	115	115	0
	Total operating expenses	5,737	5,813	② 76
	Expenses related to leasing business		5,147	
	Asset management fees		534	
	Asset custody fees		7	
	Administrative service fees		57	
	Director's compensations		3	
	Other operating expenses		63	
Operating income		3,177	3,223	45
Non-Operating profit and loss	Total non-operating revenues	0	1	0
	Total non-operating expenses	375	373	(1)
	Interest expenses (incl. investment corporation bonds)		274	
	Financing related expenses		97	
	Others		2	
Ordinary income		2,803	2,851	47
Profit before income taxes		2,803	2,851	47
Total income taxes		1	1	(0)
Profit		2,801	2,849	48

Dividend	Total dividends	2,801	2,849	47
	Dividend per unit (yen)	3,520	3,580	60

Operating profit and loss

① Active retail	+86
-of which, Canal City Hakata/Canal City Hakata-B	+90
Park Place Oita	(1)
SunLive City Kokura	(1)
Higashi Hie Business Center	+28
Tissage Hotel Naha	+3
Others	+4
Total	+121
(of which, revenues from utilities	(33)

② Decrease in outsourcing expenses	+1
Decrease in expenses from utilities	+13
Increase in repair & maintenance expenses	(72)
Decrease in depreciation and amortization expenses	+5
Decrease in selling general and administrative expenses	+3
Increase in other expenses	(26)
Total	(76)

Business forecast (the 38th fiscal period, Aug. 2023)

Downtime due to temporary closure of Canal City Hakata South Building to be offset by gain on sale

- unit : mm yen

Account	37 th Actual A	37 th Forecast at 36 th B	38 th Forecast at 37 th C	37 th Actual difference C-A	38 th Forecast difference C-B
Operating revenues	9,037	9,119	9,200	162	80
Operating revenues excluding gain on sales	8,921	8,686	8,767	① (154)	80
Gain on sales	115	433	432	② 316	(0)
Operating expenses	5,813	5,920	5,946	③ 132	26
Operating income	3,223	3,199	3,253	30	54
Non-operating revenues	1	0	0	(0)	—
Non-operating expenses	373	381	387	14	6
Ordinary income	2,851	2,819	2,866	15	47
Profit	2,849	2,817	2,865	15	47
Total dividends	2,849	2,817	2,865	15	47
Dividend per unit (yen)	3,580	3,540	3,600	20	60

Sign indicates impact on profit (unit : mm yen)

■ Difference between the 37th FP actual and the 38th FP forecast

① Contribution of new acquisition properties (2 properties)	+56
Active retail	(293)
-of which, Canal City Hakata/Canal City Hakata-B	(287)
Park Place Oita	+1
Konoha Mall Hashimoto	+12
SunLive City Kokura	(19)
Absence of revenue accompanying disposition of Kurume Higashi Kushiwara SC	(13)
Higashi Hie Business Center	+58
Office buildings(excl. Higashi Hie Business Center)	+16
Tissage Hotel Naha	+17
Others	+5
Total	(154)
(of which, revenues from utilities	+71)
② Increase in gain on sale from disposition of Kurume Higashi Kushiwara SC	+316
Total	+316
③ Increase in outsourcing expenses	(11)
Increase in expenses from utilities	(52)
Increase in repair & maintenance expenses	(24)
Increase in taxes and other public charges	(35)
Increase in depreciation and amortization expenses	(36)
Increase in selling general and administrative expenses	(8)
Decrease in other expenses	+34
Total	(132)

Business forecast (the 39th fiscal period, Feb. 2024)

Maintaining dividend at 3,600 yen with the opening of Canal City Hakata South Building and new acquisition of properties

- unit : mm yen

Account	38 th Forecast at 37 th A	39 th Forecast at 37 th B	38 th Forecast difference B-A
Operating revenues	9,200	9,280	80
Operating revenues excluding gain on sales	8,767	9,041	① 274
Gain on sales	432	238	② (194)
Operating expenses	5,946	5,956	③ 10
Operating income	3,253	3,323	70
Non-operating revenues	0	0	—
Non-operating expenses	387	457	④ 70
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 38th FP forecast and the 39th FP forecast

① Contribution of new acquisition properties (3 properties)	+203
Active retail	+125
-of which, Canal City Hakata/Canal City Hakata-B	+122
Park Place Oita	(5)
Konoha Mall Hashimoto	(10)
SunLive City Kokura	+19
Absence of revenue accompanying disposition of Kurume Higashi Kushiwara SC	(61)
Office buildings	+4
Others	+3
Total	+274
(of which, revenues from utilities (42))	
② Decrease in gain on sale from disposition of Kurume Higashi Kushiwara SC	(194)
Total	(194)
③ Increase in outsourcing expenses	(24)
Decrease in expenses from utilities	+20
Decrease in repair & maintenance expenses	+85
Increase in depreciation and amortization expenses	(75)
Increase in selling general and administrative expenses	(18)
Decrease in other expenses	+2
Total	(10)
④ Borrowing costs	(70)
Total	(70)



Fukuoka REIT

Appendix

Profile

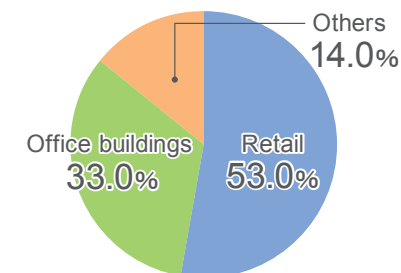
Special features of Fukuoka REIT Corporation

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

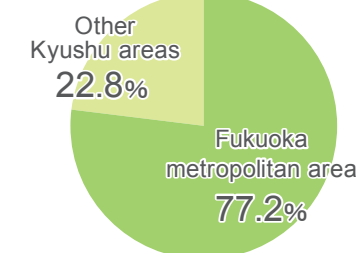
Portfolio summary (*1)	
Number of properties / Asset size (*2)	33 / 205,964 mm yen
Of which, acquisition from sponsors (*3)	16 / 130,315 mm yen
Unrealized gains	46,530 mm yen
Total leasable floor space	577,161.81 m ²
Occupancy rate	97.9%

Financial highlight (*1)	
Total debt	83,900 mm yen
LTV	41.6%
Fixed rate	93.4%
Average interest rate	0.66%
Credit ratings	JCR AA- (Stable) R&I A+ (Stable)

◎Investment type
(based on acquisition price)



◎Investment area
(based on acquisition price)



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	164,600 yen
Outstanding units	796,000 units
Market capitalization	131,021 mm yen (unit price * outstanding units)
Net assets value per unit	127,875 yen
Market net assets value per unit (*4)	182,750 yen
Dividend (actual)	3,580 yen per unit (Days in fiscal period 181days) at the 37 th FP
Dividend yield	4.4% { (Dividend / days in fiscal period * 365) / Unit price}

(*1) The figures are as of February 28, 2023 (excl. average interest rate)

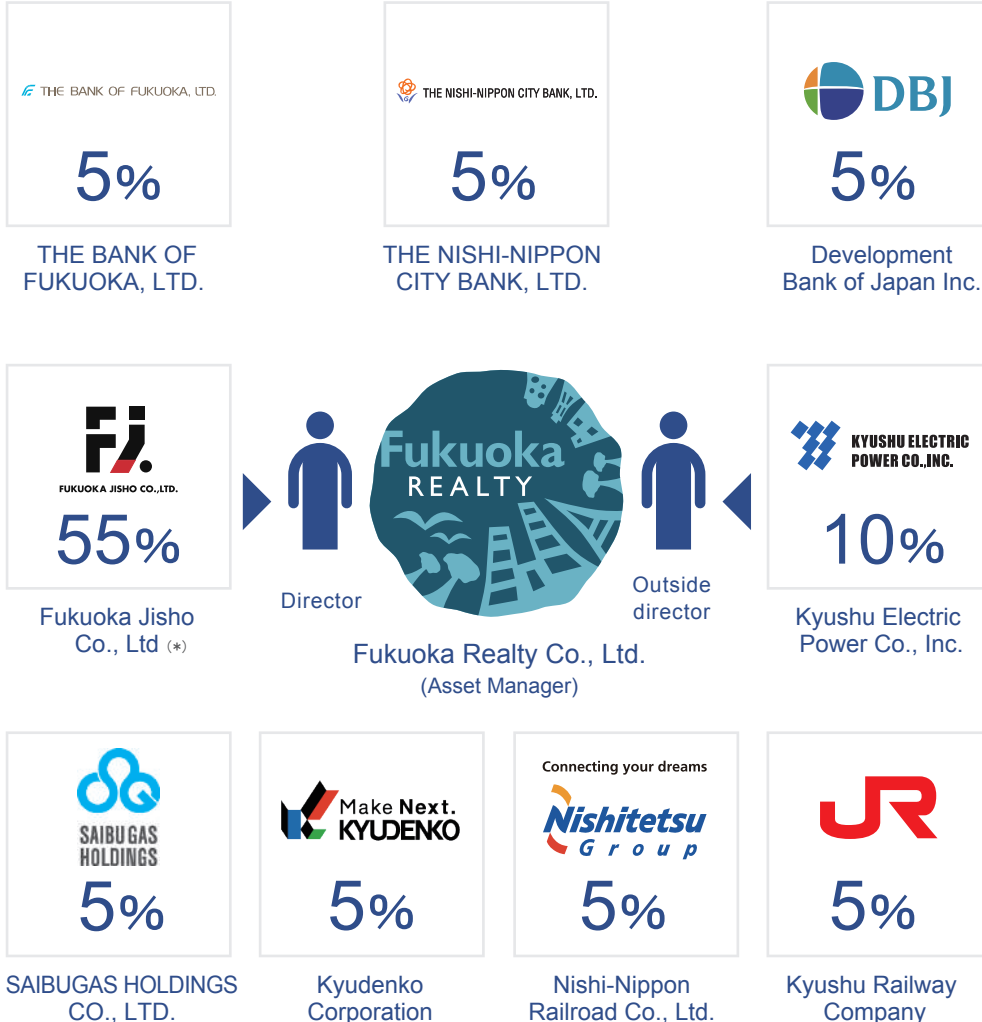
(*2) The figures are total of acquisition price.

(*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

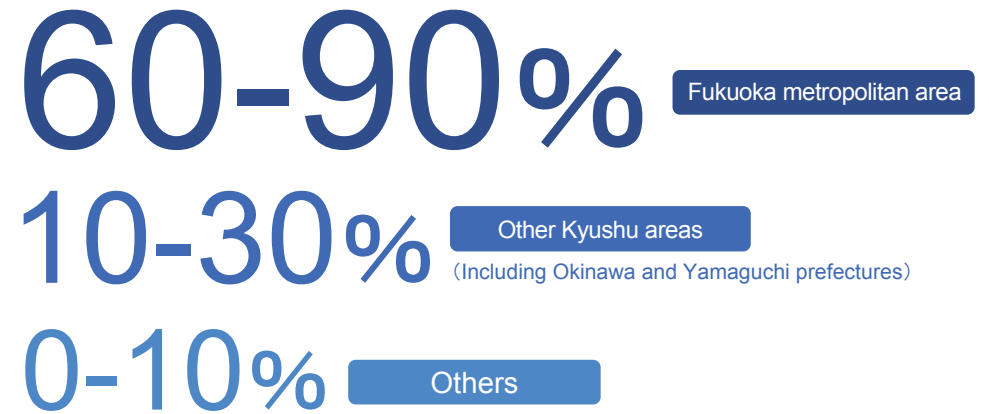
Sponsors



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

Investment policy

◎Investment area

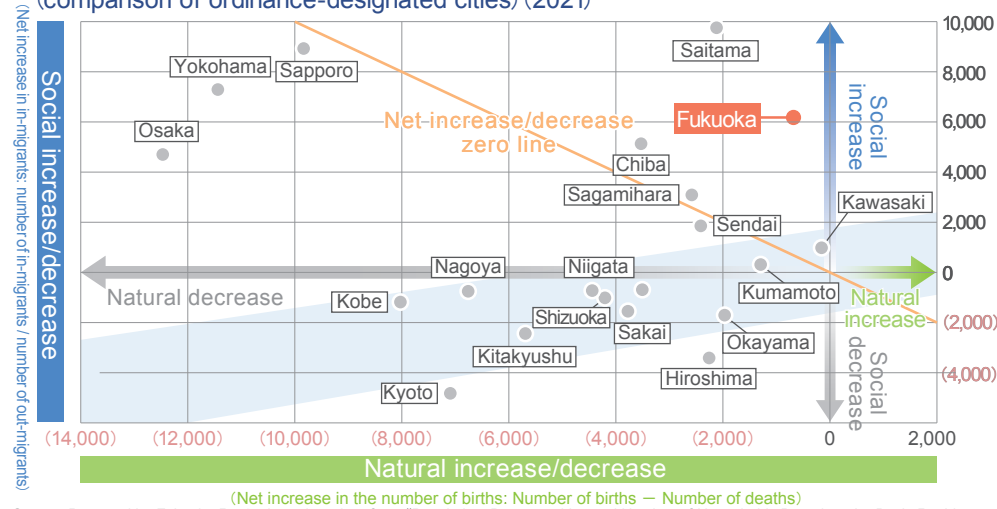


◎Investment type



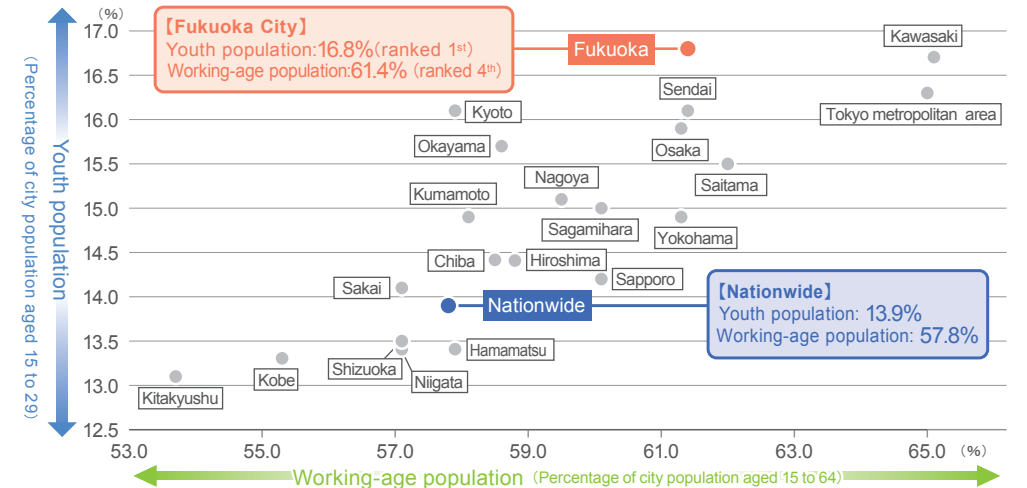
Current situation of Fukuoka City

Distribution Chart of Net Increase/Decrease in Population (comparison of ordinance-designated cities) (2021)



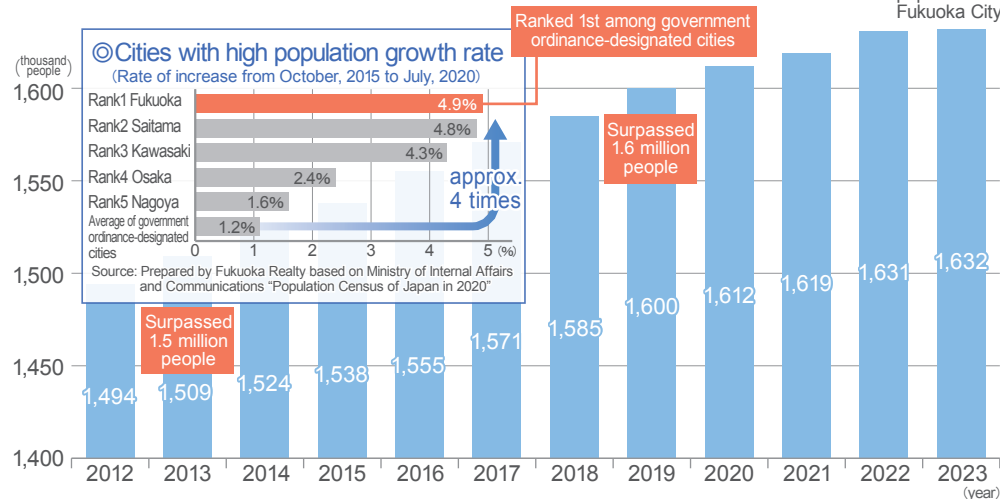
Source: Prepared by Fukuoka Realty based on data from "Population, Demographics and Number of Households Based on the Basic Resident Register (2022)" (Local Administration Bureau, Ministry of Internal Affairs and Communications).

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



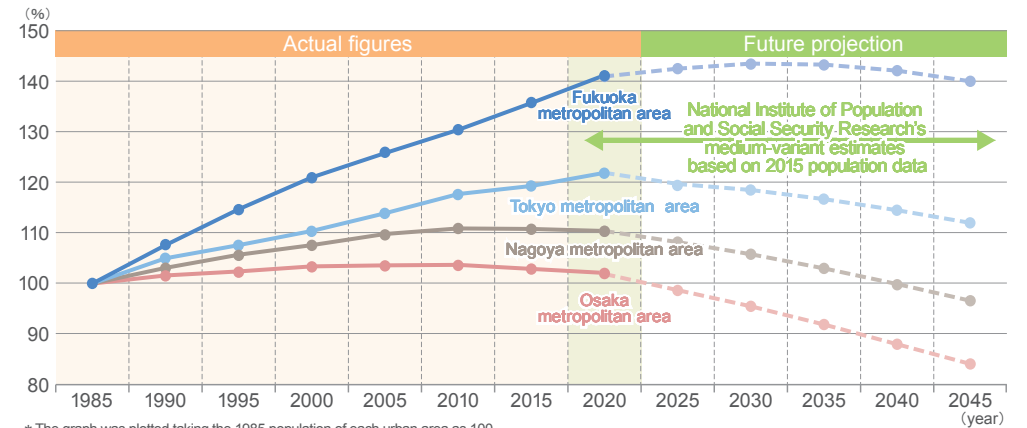
Source: Prepared by Fukuoka Realty based on Ministry of Internal Affairs and Communications "Population Census of Japan (2020)".

Trends in number of population growth in Fukuoka City



*The number of population is the figure as of October 1. The figure of year 2023 is indicated as of March 1.
Source: Prepared by Fukuoka Realty based on data from "Estimated Population" (Fukuoka City General Affairs and Planning Bureau).

Population trends of major metropolitan areas

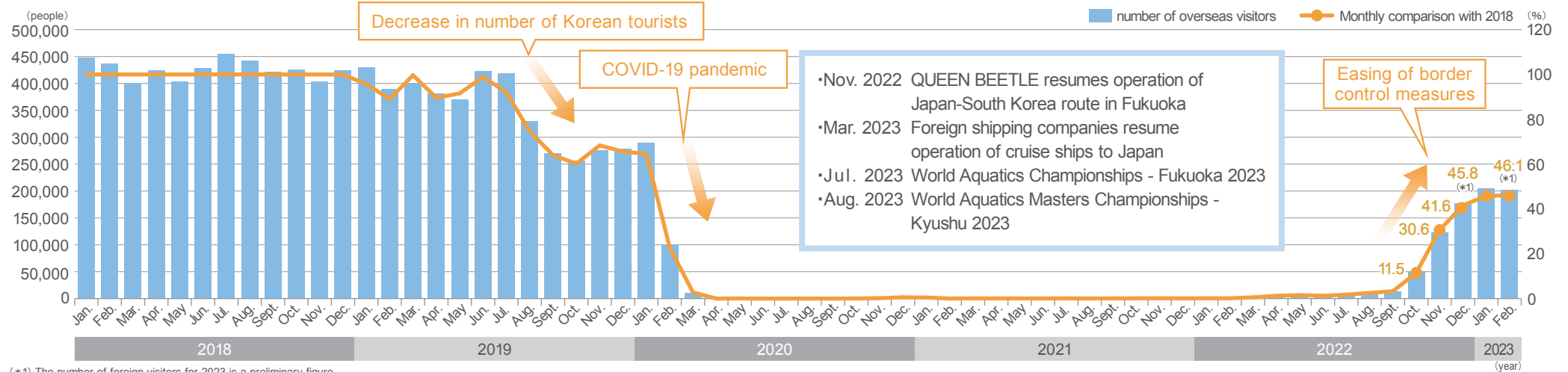


*The graph was plotted taking the 1985 population of each urban area as 100.
* "Fukuoka metropolitan area" refers to Fukuoka City, Chikushino City, Kasuga City, Onojo City, Munakata City, Dazaifu City, Koga City, Fukuoka City, Itoshima City, Nakagawa City, Umi Town, Sasaguri Town, Shime Town, Sue Town, Shingu Town, Hisayama Town, and Kasuya Town. "Tokyo metropolitan area" refers to Tokyo Metropolis, Kanagawa Prefecture, Saitama Prefecture, and Chiba Prefecture. "Nagoya metropolitan area" refers to Aichi Prefecture, Gifu Prefecture, and Mie Prefecture. "Osaka metropolitan area" refers to Osaka Prefecture, Kyoto Prefecture, Hyogo Prefecture, Nara Prefecture and Wakayama Prefecture.
Source: Prepared by Fukuoka Realty based on data from the Ministry of Internal Affairs and Communications, Statistics Bureau "Population Census of Japan (2020)" and National Institute of Population and Social Security Research "Population Projection for Japan by Prefecture".

Condition of Inbound Tourists

Steadily increasing, mainly from South Korea, since the relaxation of border restrictions in October 2022

Change in Number of Foreign Nationals Entering Kyushu

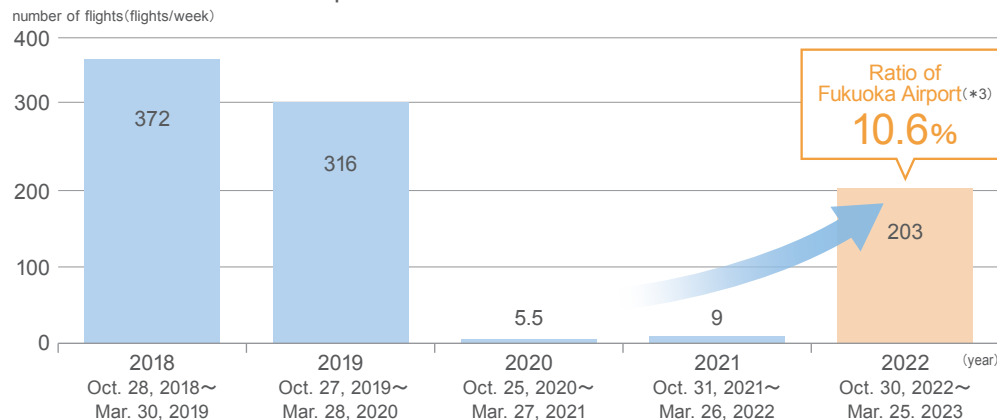


(*1) The number of foreign visitors for 2023 is a preliminary figure.

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 (Winter Schedule) (*2)

Recovered to 54.6% compared with 2018



(*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.

(*3) The percentage of international flights in Fukuoka among the total number of international flights (passenger flights) by airport in Japan 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 2022) (Comparison with 2018)

Country / Region	Dec. 2018	Dec. 2019	Dec. 2022	Dec. 2022 (Comparison with 2018)
Korea	227,548	74,557	126,260	55.5%
China	114,271	103,299	646	0.6%
Other Asia	72,040	88,641	44,362	61.6%
Total of Kyushu Region(*4)	424,325	278,363	176,560	41.6%

(*4) The total number for Kyushu includes the number of foreign visitors from regions other than Asia.

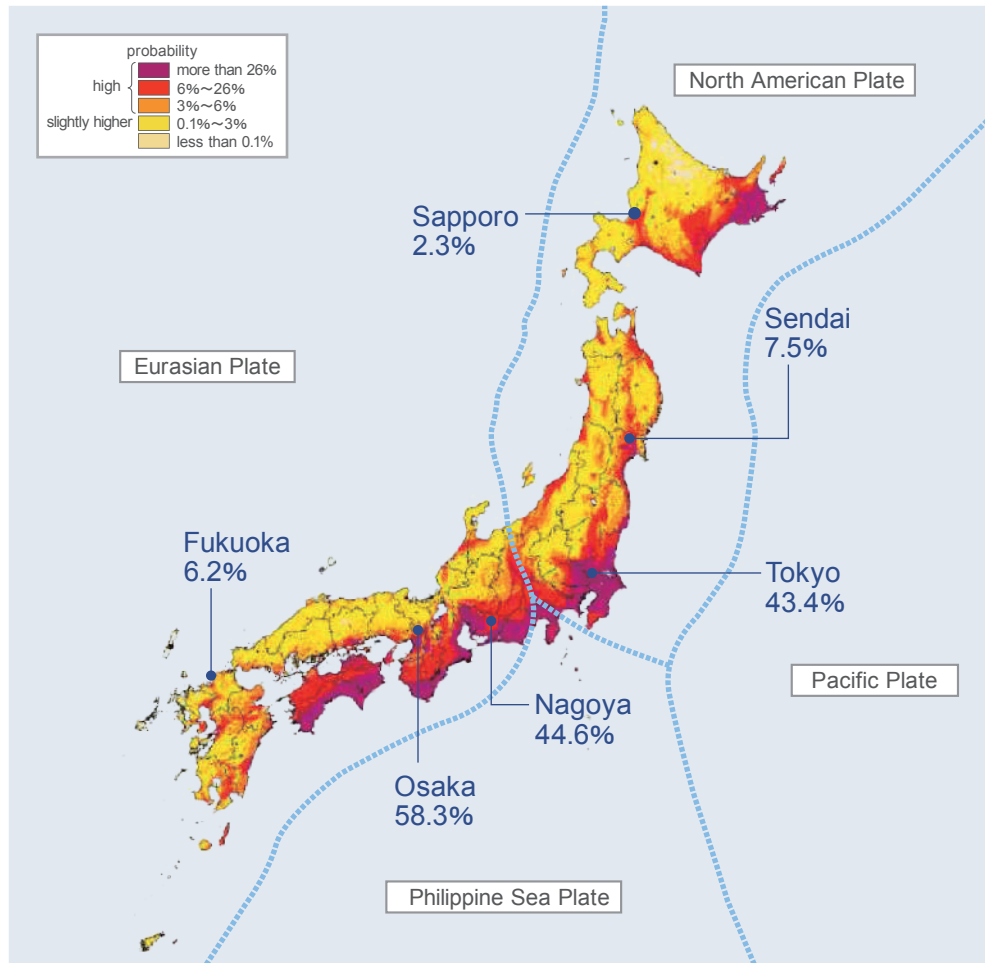
Source: Prepared by Fukuoka Realty based on the data of "Change in Number of Foreign Nationals Entering Kyushu" of the Kyushu District Transport Bureau of the Ministry of Land, Infrastructure, Transport and Tourism

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]

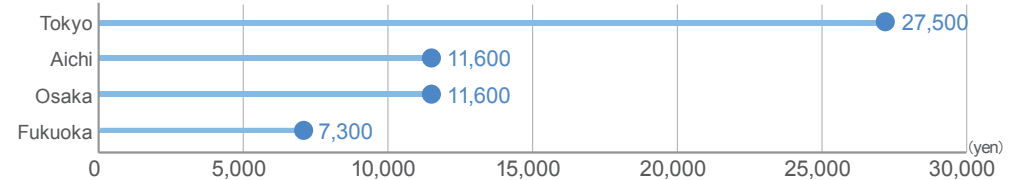


* According to the calculation model, meshes with zero probability are colored in white. Figures for each city are based on the baselines in 2022. Source: Prepared by Fukuoka Realty based on data from the Office of the Headquarters for Earthquake Research Promotion (Earthquake and Disaster-Reduction 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

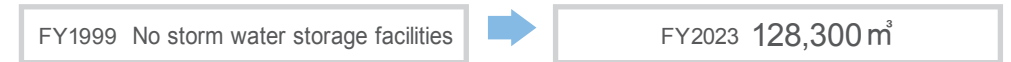


* The basic rate is per 10 million yen of insurance amount mainly for steel-frame and concrete structure buildings over the insurance period of one year. Source: Created by Fukuoka Realty based on data from specially created earthquake insurance site (General Insurance Association of Japan).

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

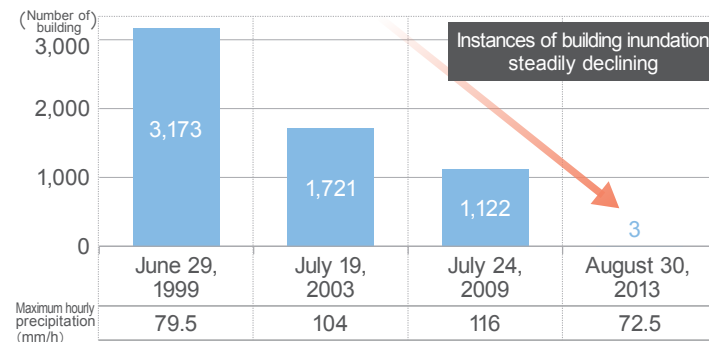
◎Storm water storage facilities

● 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

Newly obtained CASBEE (Comprehensive Assessment System for Built Environment Efficiency) Certification for two properties (February 2023)

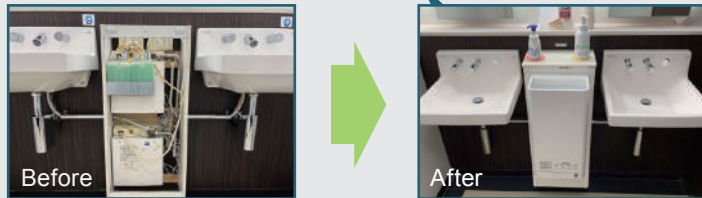
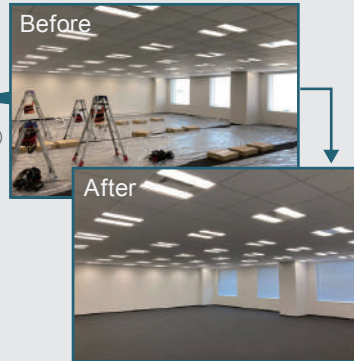
 <p>TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</p>	<p>Endorsement of TCFD (Task Force on Climate-related Financial Disclosures) (September 2022)</p>	<p>In September 2022, we endorsed the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), which was established 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>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>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 ★★★★ 2022</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.</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 12 properties.</p>
 <p>CASBEE 不動産 2023</p>	<p>NEW 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. Two 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>

ESG Initiatives (Environment)

Reduction of environmental load

Enhancing energy efficiency Fukuoka REIT

- Promotion of conversion to LED lighting
Example: Conversion to LED lighting at some exclusive areas (Higashi Hie Business Center) **NEW**
- Utilization of renewable energy (solar power generation panels installed, 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 charging station for electric vehicles
- Installation of electronic circuit breaker
- Water and energy conservation Measures
Renewal of electric water heater with energy saving effects (avoid unnecessary reheating when no one is using) **NEW**

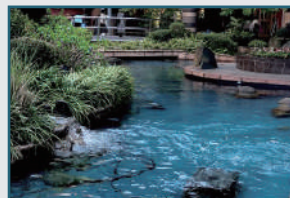


Waste reduction / resource recycling / water resources, etc. Fukuoka REIT

- 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)

● Installation of canal water filtration system, greywater plant and water-saving toilets (Canal City Hakata)

● 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.



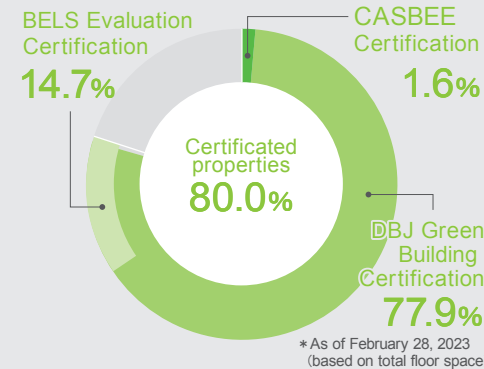
• Canal water filtration system (rainwater reuse system)

Maintenance and enhancement of environmental and construction performance

Green Building certification

Green Building certification obtained for 80.0% of entire portfolio

Ratio of environmental certification acquisition



● CASBEE Certification for Real Estate **NEW**

CASBEE Certification for Real Estate is a system in which a third-party organization certifies the accuracy of the assessment of buildings evaluated by CASBEE-Real Estate through an assessment of contents. It scores buildings under each of the evaluation items in five categories, comprising "1. Energy & Greenhouse Gases", "2. Water", "3. Use of Resources & Safety", "4. Biodiversity & Sustainable Site", and "5. Indoor Environment". Based on the scores, the evaluation results are given one of four ranks: Rank S, Rank A, Rank B+, and Rank B. Two properties owned by FRC were certificated Rank A (February 2023).

● DBJ Green Building Certification

12 properties owned by FRC were certified
Reacquired certification for 2 properties (March 2023)

GRESB2022

- GRESB Real Estate Assessment: Received the rating of "4 stars" and "Green Star" in the GRESB survey 2022
- Disclosure Assessment: Received the highest "A Level"



Sanix Hakata Building (Rank A)



Granfore Yakuin Minami (Rank A)



● BELS Evaluation

5 properties owned by FRC were certified

ESG Initiatives (Society①)

Creation of pleasant workplaces Fukuoka Realty

Initiatives for employees

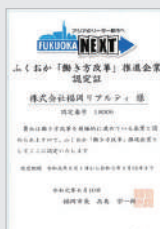
《Fukuoka Realty: Numbers of credentialed personnel》

(As of February 28, 2023)

- The average number of years of continuous service of permanent employees: 8 years and 9 months
- Full-time personnel: 46 [Male:20 Female:26] * Gender ratio
 - Employees seconded from sponsors : 2 Male : 43.5%
 - Employees seconded to a sponsor : 8 Female : 56.5%

■ Number of credentialed personnel *The total number of permanent employees, contract employees and employees seconded from other companies.

- Real estate brokers : 26
- ARES Certified Masters : 24
- Certified Building Administrators : 4
- First-class registered architect : 2
- Real estate appraisers : 3
- Licensed Representative of Condominium Management Company : 1
- Attorney : 1
- MBA : 2
- Administrative Scrivener : 1
- SME management consultant : 1
- CMA : 3



Certified as a "Fukuoka 'Work-Style Reform' Promotion Company" (August 28, 2018)



Registration with Fukuoka City Well-Being & SDGs Registration System (July 2022)



NEW
SDGs in Fukuoka Prefecture Entry into registration system (February 2023)

《Support for flexible working styles》

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

《Training for employees》

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

- 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



personal booths, meeting booths



plants, etc.



Installation of personal lockers

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)

- Improvement of employee lounge
Improved the lounge environment at Konoha Mall Hashimoto with a focus on the health and comfort of tenants' employees. Similar arrangement is under study for other facilities.
- Implementation of tenant satisfaction surveys

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

Provision of regional information

Information provision using website and social media



Press announcement

Participation in local sporting events



Support for ice skating rink
NEW



Support local professional sports

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" **NEW**

Implementation of Corporate Version of Hometown Tax System Fukuoka Realty

Continue to implement the corporate version of the hometown tax payment system

Involvement in local community

Initiatives for local communities, etc. Fukuoka Realty

- Regional cooperation (conducted collaborative sales and experiential learning with a local elementary school and Ueki Greengrocer at 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
- Participates in the Kyushu SDGs Forum



NEW "Seiryō Marche" (learning and sales experience)



Participation in Clean Day



Children's Plaza in Hashimoto, Nishi Ward
Tenant moved in



Installed a wash-basin for hands and feet



Parking lot dedicated to pregnant women and stroller users

Others Fukuoka Realty Fukuoka REIT

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



Hosted the Real Estate, Finance and Economic Networking



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 9.18% of FRC's investment units
- Cumulative investment system for investment units
(36.4% of the officers and employees participated in the 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

Fukuoka Realty

(other than interested persons)

Secure transparency and fairness of the Board of Directors

Title	Name	Attendance at board meetings at 37 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)	Noboru Hashimoto	100% attendance
Vice President Board of Directors(Non-Executive)	Yukitaka Ohara	100% attendance
Vice President Board of Directors(Non-Executive)	Masanori Tasaka	100% attendance

Information on attendance at board meetings at 37th, etc.

Fukuoka REIT

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

Oct. 2019 – Sept. 2020	Oct. 2020 – Sept. 2021	Oct. 2021 – Sept. 2022
6 times	6 times	6 times (including e-learning)

Information disclosure and dialogue with stakeholders



Publication of Integrated Report

Fukuoka REIT

- Published fourth integrated report in December 2022 (aim to expand non-financial information)

Integrated Report 2022 **NEW**
(published in December 2022)

- ESG interview (from December 2022)
Conducted more than ten times

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)
- Hold property tours

◎IR for overseas institutional investors

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

◎IR for individual investors

- Kyushu IR Fair 2022(November 2022)
- J-REIT Online IR seminar(December 2022)
- Fukusho IR Fair Online(December 2022)
- Responding to individual calls,etc.



Kyushu IR Fair 2022
(November 2022)



J-REIT Online IR seminar
(December 2022)

Status of integration into indexes (as of February 28, 2023)

◎Global indexes, etc

FTSE EPRA/NAREIT Global Real Estate Index	S&P Global REIT Index
FTSE Developed Small Cap	MSCI Japan Small Cap Index

Major achievements in public relations activities

◎Website recognition

FRC's website was selected as a AAA website in the Fiscal 2022 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 (3,926 companies))

FRC has won the award in the ranking (overall ranking) for 13 consecutive years since 2010. (11 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 an interview with President & CEO Zenji Koike on Fukuoka Keizai (November 2022) and Zaikai Kyushu (January 2023)



Other Activities

The Kyushu IR Workshop, which started in collaboration with the Japan Investor Relations Association, is entering its 13 year in 2023. 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 2022	"Information Disclosure and Dialogue with Investors - ESG, the Post-COVID-19 Era, Human Capital, Etc. -" Graduate School of Business Administration, Hitotsubashi University Professor Shoichi Tsumuraya (visiting researcher at Japan Investor Relations Association)
2nd workshop December 2022	"Aiming to be a Group Trusted by Future Stakeholders" Asahi Group Holdings, Ltd. Head of IR, Corporate Communications Takeshi Takano
3rd workshop March 2023	"Enhancement of ESG Information Disclosure and Activism" Professor Emeritus at Aoyama Gakuin University, Specially Appointed Professor at Tokyo Metropolitan University Tetsuo Kitagawa

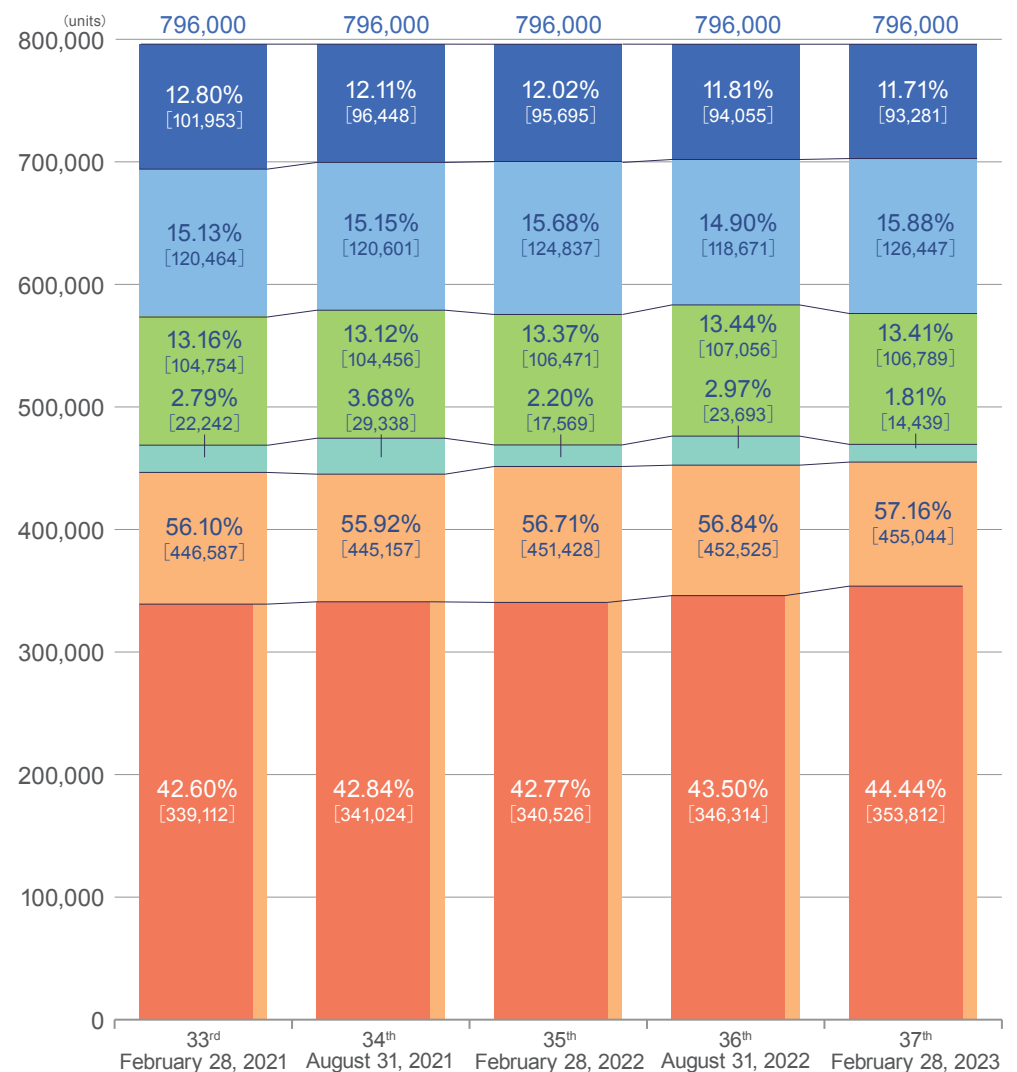


the 2nd IR Kyushu Subcommittee (December 2022)

*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 37th FP]

(As of February 28, 2023)

	No. of unitholders	Percentage	Investment units held	Percentage
Individual-other	12,939	95.67%	93,281	11.71%
Foreign corporations	242	1.78%	126,447	15.88%
Other domestic corporations	243	1.79%	106,789	13.41%
Stock brokers	21	0.15%	14,439	1.81%
Financial institutions	79	0.58%	455,044	57.16%
(Of which held by trust banks)	8	0.05%	353,812	44.44%
Total	13,524	100.00%	796,000	100.00%

Major investors [at the end of the 37th FP]

(As of February 28, 2023)

Rank	Name	Investment units held	Percentage
1	Custody Bank of Japan, Ltd.(Trust account)	215,223	27.03%
2	The Master Trust Bank of Japan, Ltd.(Trust account)	97,765	12.28%
3	Fukuoka Jisho Co., Ltd.	73,136	9.18%
4	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	34,091	4.28%
5	The Shinkumi Federation Bank	14,760	1.85%
6	STATE STREET BANK WEST CLIENT-TREATY 505234	12,865	1.61%
7	MetLife, Inc.	10,227	1.28%
8	JP MORGAN CHASE BANK 385771	9,400	1.18%
9	Shikoku Railway Company	9,130	1.14%
10	SSBTC CLIENT OMNIBUS ACCOUNT	9,015	1.13%

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.

Financial highlights

Dividend per unit was 3,580 yen

Category	33 rd	34 th	35 th	36 th	37 th	Difference B-A	- unit : mm yen	
	~ Feb. 28, 2021	~ Aug. 31, 2021	~ Feb. 28, 2022	~ Aug. 31, 2022 A	~ Feb. 28, 2023 B		38 th ~ Aug. 31, 2023 (forecast)	39 th ~ Feb. 29, 2024 (forecast)
Operating revenues	8,904	8,867	8,658	8,830	9,037	206	9,200	9,280
Gain on sales	-	104	-	-	115	115	432	238
Leasing NOI	5,347	5,336	5,334	5,370	5,274	(96)	5,033	5,391
Depreciation and amortization expenses	1,623	1,552	1,486	1,514	1,499	(14)	1,536	1,612
Operating income	3,061	3,204	3,185	3,181	3,223	41	3,253	3,323
Ordinary income	2,677	2,817	2,816	2,805	2,851	45	2,866	2,866
Profit	2,675	2,816	2,814	2,804	2,849	45	2,865	2,865
Dividend per unit (yen) (①)	3,361	3,539	3,536	3,523	3,580			
Latest dividend forecast per unit (yen)(②)	3,300	3,500	3,500	3,500	3,520		3,600	3,600
Difference from forecast (yen) ① - ②	+61	+39	+36	+23	+60		-	-
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)	199,559	199,804	198,745	201,223	201,442			
Total liabilities (at period-end)	97,944	98,049	96,991	99,480	99,653			
Total net assets (at period-end)	101,614	101,755	101,753	101,743	101,788			
Days in fiscal period (days)	181	184	181	184	181			
Number of investment properties (at period-end)	31	32	32	33	33			
Number of tenants (at period-end)(*1)	1,011	1,010	1,016	1,021	1,007			
Total leasable floor space (at period-end) (m ²)	608,557.70 m ²	572,215.71 m ²	572,288.25 m ²	578,255.35 m ²	577,161.81 m ²			
Occupancy rate (at period-end) (%)(*2)	99.5%	99.5%	99.4%	99.4%	97.9%			
FFO (Funds from Operation)(*3)	4,299	4,265	4,301	4,318	4,234			
FFO per unit (yen)	5,401	5,358	5,403	5,425	5,319			

(*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

Balance sheets (compared with the previous fiscal period)

Account	36 th Aug. 31, 2022 A	37 th Feb. 28, 2023 B	Difference B—A
Total current assets	9,690	11,331	1,641
Cash and deposits	4,203	6,069	1,866
Cash and deposits in trust	4,335	4,236	(99)
Operating accounts receivable	788	738	(50)
Prepaid expenses	227	270	42
Consumption taxes receivable	124	-	(124)
Others	10	16	6
Total non-current assets	191,506	190,086	(1,420)
Total property, plant and equipment	184,617	183,203	(1,413)
Buildings	1,118	1,112	(5)
Structures	19	19	(0)
Tools and fixtures	1	1	(0)
Lands	989	989	-
Buildings in trust	66,726	65,587	(1,138)
Structures in trust	1,068	1,043	(25)
Machinery and equipment in trust	738	708	(29)
Tools and fixtures in trust	232	231	(0)
Lands in trust	113,715	113,501	(213)
Construction in progress in trust	7	8	0
Total intangible assets	5,554	5,551	(2)
Leasehold right in trust	5,545	5,545	-
Other intangible assets in trust	8	5	(2)
Total investment and other assets	1,335	1,331	(3)
Deferred tax assets	0	0	0
Lease and guarantee deposits	10	10	-
Lease and guarantee deposits in trust	327	327	-
Long-term prepaid expenses	997	994	(3)
Total deferred assets	26	24	(1)
Total assets	201,223	201,442	218

- unit : mm yen

Account	36 th Aug. 31, 2022 A	37 th Feb. 28, 2023 B	Difference B—A
Total current liabilities	9,111	15,867	6,755
Operating accounts payable	661	662	0
Investment corporation bonds scheduled to be redeemed within one year	-	2,000	2,000
Current maturities of long-term debt	5,900	10,400	4,500
Account payable-other	16	21	5
Accrued expenses	421	422	0
Income taxes payable	0	1	0
Accrued consumption taxes	-	366	366
Advances received	1,084	1,068	(16)
Deposits received	1,026	924	(101)
Total non-current liabilities	90,368	83,786	(6,581)
Investment corporation bonds	5,000	3,000	(2,000)
Long-term debt	73,000	68,500	(4,500)
Tenant leasehold and security deposits	741	758	17
Tenant leasehold and security deposits received in trust	11,627	11,528	(99)
Total liabilities	99,480	99,653	173

Total unitholders' equity	101,743	101,788	45
Unitholders' capital	98,938	98,938	-
Surplus	2,804	2,850	45
Total net assets	101,743	101,788	45

Total liabilities and net assets	201,223	201,442	218
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Cash flow statements (compared with the previous fiscal period)

- unit : mm yen

Category	36 th A ~Aug. 31, 2022	37 th B ~Feb. 28, 2023	Difference B-A
Net cash provided by (used in) operating activities	4,712	4,688	(24)
Profit before income taxes	2,805	2,851	45
Depreciation and amortization expenses	1,514	1,499	(14)
Amortization of investment corporation bond issuance expenses	1	1	0
Interest received	(0)	(0)	(0)
Interest expenses	278	274	(4)
Gain on sales of real estate property	-	(115)	(115)
Decrease (increase) in operating accounts receivables	(176)	50	226
Decrease (increase) in consumption taxes refund receivable	92	124	32
Increase (decrease) in accrued consumption taxes	-	366	366
Increase (decrease) in operating accounts payable	73	59	(14)
Increase (decrease) in accounts payable-other	(6)	4	11
Increase (decrease) in accrued expenses	4	3	(0)
Increase (decrease) in advances received	77	(16)	(94)
Increase (decrease) in deposits expenses	329	(101)	(430)
Decrease (increase) in prepaid expenses	26	(42)	(69)
Decrease (increase) in long-term prepaid expenses	(32)	3	36
Others, net	1	2	1
Subtotal	4,990	4,966	(23)
Interest income received	0	0	0
Interest expenses paid	(275)	(277)	(1)
Income taxes paid	(1)	(0)	0
Net cash provided by (used in) investment activities	(5,498)	(117)	5,380
Purchase of property, plant and equipment	(0)	-	0
Proceeds from sales of property, plant and equipment in trust	-	407	407
Purchase of property, plant and equipment in trust	(5,911)	(443)	5,467
Purchase of intangible assets in trust	-	-	-
Proceeds from tenant leasehold and security deposits	290	142	(147)
Repayments of tenant leasehold and security deposits	(0)	(125)	(125)
Proceeds from tenant leasehold and security deposits in trust	309	55	(254)
Repayments of tenant leasehold and security deposits in trust	(183)	(154)	29
Proceeds from restricted trust deposits	3	6	2
Payments for restricted trust deposits	(6)	(6)	(0)
Net cash provided by (used in) financial activities	(1,314)	(2,803)	(1,489)
Proceeds from short-term debt	4,000	-	(4,000)
Repayments of short-term debt	(4,000)	-	4,000
Proceeds from long-term debt	7,500	-	(7,500)
Repayments of long-term debt	(6,000)	-	6,000
Dividends paid	(2,814)	(2,803)	10
Net increase (decrease) in cash and cash equivalents	(2,100)	1,766	3,866
Balance of cash and cash equivalents at beginning of period	10,588	8,488	(2,100)
Balance of cash and cash equivalents at end of period	8,488	10,255	1,766

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	37 th Total A	36 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	37 th FP (Sept. 1, 2022 ~Feb. 28, 2023) 181 days						184 days	(3) days		
	(Length)									
① Total leasing business revenues	1,011	958	1,216	293	844	4,324	4,196	127	4,237	86
Leasing revenue-real estate	981	919	1,008	293	679	3,882	3,777	105		
Other leasing revenue-real estate	29	38	208	-	165	441	419	22		
② Total leasing business expenses	467	546	646	61	583	2,305	2,214	91	2,281	23
Outsourcing fees	290	375	278	8	305	1,258	1,256	2		
Repair and maintenance expenses	28	23	57	15	45	169	55	113		
Expenses for restoration to former state	-	-	-	-	-	-	-	-		
Tax and other public charges	81	100	99	34	41	359	359	(0)		
Insurance premiums and trust compensation	5	7	5	1	2	21	23	(1)		
Utilities expenses	28	36	178	-	107	350	328	21		
Other expenses	32	3	27	1	81	146	190	(44)		
③ NOI (=①-②)	543	411	570	231	261	2,018	1,982	36	1,956	62
④ Depreciation and amortization expenses	227	188	207	52	99	774	774	(0)		
⑤ Leasing business profit (=③-④)	316	223	363	179	162	1,244	1,207	36		
NOI yield (acquisition price)	3.4%	3.9%	5.8%	7.0%	5.2%	4.5%	4.4%	0.1%		
Capital expenditures	93	24	50	0	15	185	1,739	(1,554)		

Category	Square Mall Kagoshima Usuki	Kumamoto Intercommunity SC	Hanahata SC	Kurume Higashi Kushiwara SC	K's Denki Kagoshima	Marinoa City Fukuoka (Marina Side Building)	37 th Total A	36 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	37 th FP (Sept. 1, 2022 ~Feb. 28, 2023) 181 days						184 days	(3) days			
	(Length)										
① Total leasing business revenues	258	90	40	87	109	178	765	762	2	763	2
Leasing revenue-real estate	222	89	40	87	109	177	728	730	(1)		
Other leasing revenue-real estate	35	0	-	-	0	1	36	32	3		
② Total leasing business expenses	88	9	5	10	10	29	153	162	(9)	145	8
Outsourcing fees	38	2	1	2	1	1	48	48	0		
Repair and maintenance expenses	2	0	0	1	0	7	12	22	(10)		
Expenses for restoration to former state	-	-	-	-	-	-	-	-	-		
Tax and other public charges	16	5	3	5	7	18	57	57	(0)		
Insurance premiums and trust compensation	0	0	0	0	0	0	2	2	0		
Utilities expenses	26	-	-	-	-	-	26	25	1		
Other expenses	2	0	0	0	0	0	6	6	(0)		
③ NOI (=①-②)	170	80	35	77	99	149	611	600	11	617	(6)
④ Depreciation and amortization expenses	30	10	5	16	22	22	108	117	(9)		
⑤ Leasing business profit (=③-④)	139	69	29	61	76	126	482	20			
NOI yield (acquisition price)	6.4%	6.7%	6.3%	6.2%(*2)	5.6%	5.7%	6.1%	6.0%	0.1%		
Capital expenditures	13	-	0	-	-	3	17	24	(6)		

(*1)Forecast at the financial results of the 36th fiscal period. (*2)For Kurume Higashi Kushiwara SC, since the disposition of the 15% quasi co-ownership interest portion took place at the end of the fiscal period (on February 28, 2023), the calculation is done without subtracting it from the acquisition price.

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	37 th Total A	36 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	37 th FP (Sept. 1, 2022 ~Feb. 28, 2023)												184 days	(3) days	2,866	27
	(Length)	181 days														
① Total leasing business revenues	657	597	211	330	313	86	146	165	98	159	127	2,894	2,924	(29)	2,866	27
Leasing revenue-real estate	654	531	197	330	284	86	123	149	94	159	118	2,731	2,759	(27)		
Other leasing revenue-real estate	2	65	14	0	28	-	22	15	4	-	8	162	165	(2)		
② Total leasing business expenses	228	204	66	95	182	19	59	55	20	18	33	985	889	96	949	35
Outsourcing fees	158	74	19	56	40	1	10	18	7	-	17	405	401	3		
Repair and maintenance expenses	10	9	6	7	10	1	16	1	-	-	2	66	29	36		
Expenses for restoration to former state	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Tax and other public charges	48	37	23	27	16	15	9	9	7	18	-	214	214	(0)		
Insurance premiums and trust compensation	1	2	0	1	1	0	0	0	0	-	0	11	10	0		
Utilities expenses	8	65	15	-	28	-	22	13	5	-	10	169	158	10		
Other expenses	1	13	0	2	84	0	0	11	0	0	1	118	74	44		
③ NOI (=①-②)	429	393	144	235	130	67	86	109	78	140	93	1,909	2,035	(125)	1,916	(7)
④ Depreciation and amortization expenses	80	72	28	61	42	10	32	40	19	-	15	404	404	(0)		
⑤ Leasing business profit (=③-④)	348	320	115	173	88	56	54	69	59	140	77	1,504	1,630	(125)		
NOI yield (acquisition price)	5.9%	7.0%	6.6%	6.7%	4.4%	5.2%	6.2%	5.2%	4.8%	3.6%	4.3%	5.6%	6.0%	(0.4)%		
Capital expenditures	5	18	13	4	68	-	10	0	-	-	7	128	144	(16)		

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	Hotel FORZA Oita	Tissage Hotel Naha	37 th Total A	36 th Total B	Difference A-B	Forecast C (*1)	Difference A-C
	37 th FP (Sept. 1, 2022 ~Feb. 28, 2023)												184 days	(3) days	932	5
	(Length)	181 days														
① Total leasing business revenues					66	39	60	115	39	63	40	938	946	(8)	932	5
Leasing revenue-real estate					63	39	59	110	38	63	40	891	893	(2)		
Other leasing revenue-real estate					3	-	1	5	1	0	0	46	52	(6)		
② Total leasing business expenses					20	8	12	25	11	9	9	203	193	9	192	10
Outsourcing fees					5	2	3	7	2	0	0	34	34	(0)		
Repair and maintenance expenses	Non-disclosure (*2)	Non-disclosure (*2)	Non-disclosure (*2)	Non-disclosure (*2)	2	1	1	2	1	0	2	19	11	7		
Expenses for restoration to former state					3	-	1	2	2	-	-	10	9	0		
Tax and other public charges					5	3	4	7	2	7	5	88	88	(0)		
Insurance premiums and trust compensation					0	0	0	0	0	0	0	5	5	(0)		
Utilities expenses					1	0	0	2	0	-	-	32	32	0		
Other expenses					2	1	1	2	1	0	0	12	11	1		
③ NOI (=①-②)	38	184	117	68	45	30	47	90	27	53	31	735	753	(18)	740	(5)
④ Depreciation and amortization expenses	9	38	38	15	14	10	11	18	10	22	24	212	217	(5)		
⑤ Leasing business profit (=③-④)	28	146	78	53	31	20	36	71	17	31	7	523	535	(12)		
NOI yield (acquisition price)	6.1%	4.5%	4.6%	8.0%	4.4%	5.6%	7.4%	6.4%	5.1%	7.0%	2.2%	5.1%	5.2%	(0.1)%		
Capital expenditures	-	3	1	9	3	5	24	4	0	-	0	54	37	16		

(*1) Forecast at the financial results of the 36th fiscal period. (*2) Information is not disclosed because the permission of tenants has not been obtained.

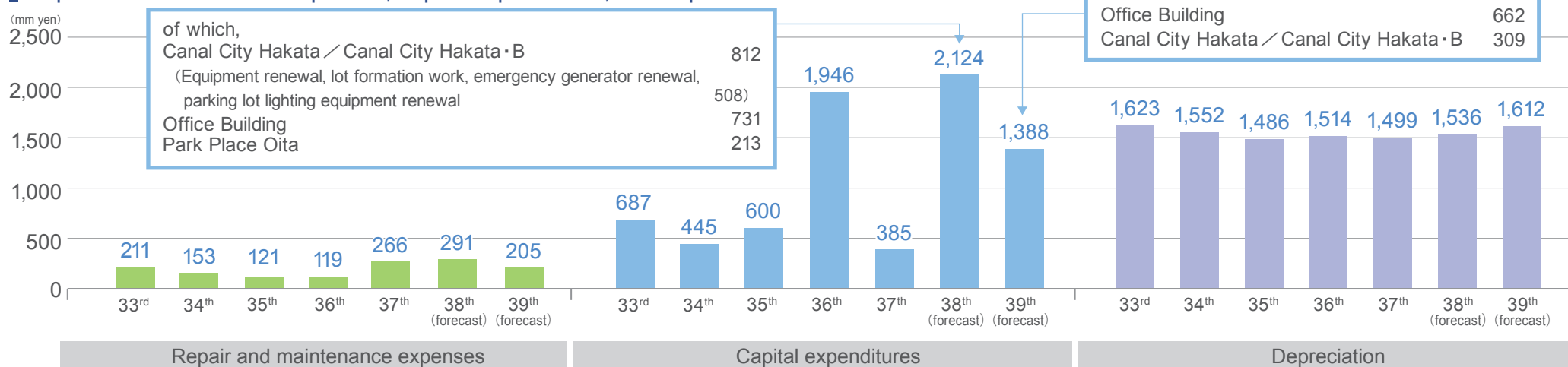
Income and expenditure by properties (Total) /Repair and maintenance expenses, capital expenditures, and depreciation

- unit : mm yen

Category (Length)	37 th Total A	36 th Total B	Difference A-B	Forecast C (*)	Difference A-C
	Sept. 1, 2022 ~Feb. 28, 2023	Mar. 1, 2022 ~Aug. 31, 2022			
	181 days	184 days	(3) days		
① Total leasing business revenues	8,921	8,830	91	8,800	121
Leasing revenue-real estate	8,233	8,160	73		
Other leasing revenue-real estate	687	669	18		
② Total leasing business expenses	3,647	3,459	187	3,561	85
Outsourcing fees	1,746	1,740	5		
Repair and maintenance expenses	266	119	147		
Expenses for restoration to former state	10	9	0		
Tax and other public charges	719	719	(0)		
Insurance premiums and trust compensation	41	42	(1)		
Utilities expenses	579	544	34		
Other expenses	283	282	0		
③ NOI (=①-②)	5,274	5,370	(96)	5,238	36
④ Depreciation and amortization expenses	1,499	1,514	(14)		
⑤ Leasing business profit (=③-④)	3,774	3,856	(81)		
NOI yield (acquisition price)	5.1%	5.2%	(0.1)%		
Capital expenditures	385	1,946	(1,561)		

(*)Forecast at the financial results of the 36th fiscal period.

Repair and maintenance expenses, capital expenditures, and depreciation



Portfolio table①

(As of February 28, 2023)

	Real estate property name	Age (*1)	Acquisition price(mm yen)(*2)	Investment ratio	Acquisition timing	Source (*3)	Total leasable floor space (m ²)(*4)	Occupancy rate	Tenants (*5)	Primary tenants
Retail	Canal City Hakata	26yr 10m	32,000	15.5%	Nov. 9, 2004	Sponsor	46,585.57	81.6%	23	Washington Hotel and United Cinema
	Canal City Hakata・B	26yr 10m	21,060	10.2%	Mar. 2, 2011	Outside party	31,141.44	94.8%	40	OPA and MUJI Canal City Hakata
	Park Place Oita	20yr 11m	19,610	9.5%	Nov. 9, 2004	Sponsor	121,183.73	99.8%	101	AEON and K's Denki
	SunLive City Kokura	17yr 11m	6,633	3.2%	Jul. 1, 2005	Outside party	61,450.22	100.0%	1	SunLive
	Konoha Mall Hashimoto	11yr 11m	10,000	4.9%	Mar. 1, 2018	Sponsor	22,191.52	100.0%	124	SunLive and The Super Sports XEBIO
	Square Mall Kagoshima Usuki	16yr 5m	5,300	2.6%	Sept.28, 2006	Sponsor	14,602.88	100.0%	13	Sports Depo / Golf5 and Edion
	Kumamoto Intercommunity SC	16yr 3m	2,400	1.2%	Nov.30, 2006	Sponsor	6,968.66	100.0%	2	Sports Depo / Golf5 and Starbucks Coffee
	Hanahata SC	15yr 7m	1,130	0.5%	Sept. 3, 2007	Sponsor	2,801.15	100.0%	2	BON REPAS and Matsumoto Kiyoshi
	Kurume Higashi Kushiwara SC	15yr 2m	2,125	1.0%	Feb. 1, 2008	Sponsor	5,497.63	100.0%	1	Sports Depo / Golf5
	K's Denki Kagoshima	15yr 3m	3,550	1.7%	Mar.27, 2008	Outside party	7,296.17	100.0%	1	K's Denki
	Marinoa City Fukuoka (Marina Side Building)	22yr 4m	5,250	2.5%	May 1, 2015	Sponso	33,069.82	100.0%	1	FJ. Entertainment Works Ltd.
Total or the weighted average of retail	—	109,058	53.0%	—	—	352,788.79	97.0%	309	—	
Office buildings	Canal City Business Center Building	26yr 10m	14,600	7.1%	Nov. 9, 2004	Sponsor	23,031.14	100.0%	64	Bell System24 and TOTO
	Gofukumachi Business Center	19yr 4m	11,200	5.4%	Nov. 9, 2004	Sponsor	19,905.34	98.6%	35	SMBC CONSUMER FINANCE and Sumitomo Mitsui Banking Corporation
	Sanix Hakata Building	21yr 11m	4,400	2.1%	Sept.30, 2005	Outside party	6,293.75	100.0%	16	SANIX and The Nishi-Nippon City Bank
	Taihaku Street Business Center	20yr 11m	7,000	3.4%	Mar.16, 2006	Sponsor	14,677.35	99.1%	(*6) 70	NTT COMWARE and Tokio Marine & Nichido Outsourcing Management
	Higashi Hie Business Center	14yr 0m	5,900	2.9%	Mar.13, 2009	Outside party+Sponsor	13,482.02	100.0%	25	Forest Holdings and Fujitsu
	Tenjin Nishi-Dori Center Building	26yr 5m	2,600	1.3%	Feb. 1, 2013	Outside party	3,339.32	100.0%	1	The Nishi-Nippon City Bank
	Tenjin North Front Building	13yr 1m	2,800	1.4%	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	7yr 0m	4,230	2.1%	Mar. 1, 2018	Sponsor	6,214.77	100.0%	2	Fujitsu Limited and Seven-Eleven Japan Co.,LTD
	Higashi Hie Business Center III	2yr 11m	3,290	1.6%	May 29, 2020	Sponsor	2,981.14	100.0%	6	Mitsui Home Co.,LTD and NIPPON ENGINEERING CONSULTANTS CO.,LTD
	Tenjin Nishi-Dori Business Center (Land with leasehold interest)	—	7,700	3.7%	Jun. 1, 2021	Sponsor	1,343.51	100.0%	1	Fukuoka Jisho Co., Ltd
	Hakata Chikushi-Dori Center Building	31yr 1m	4,320	2.1%	Mar. 1, 2022	Outside party	5,994.41	86.7%	13	YAMAHEHISANO Co.,Ltd and WESCO Inc.
Total or the weighted average of office buildings	—	68,040	33.0%	—	—	102,524.39	98.8%	245	—	
Others	Tosu Logistics Center	14yr 9m	1,250	0.6%	Mar.28, 2014	Outside party	4,173.29	100.0%	1	non-disclosure
	LOGICITY Minato Kashii	8yr 10m	8,150	4.0%	Mar.27, 2015	Outside party	43,233.72	100.0%	2	Fukuoka Logistic System and F-LINE CORPORATION
	LOGICITY Hisayama	8yr 1m	5,050	2.5%	Jun. 1, 2017	Outside party	24,505.65	100.0%	1	KASEI.linc Co., Ltd.
	LOGICITY Wakamiya	18yr 0m	1,700	0.8%	Jun. 30, 2020	Outside party	17,556.32	100.0%	1	Tsukasa Kigyou
	Amex Akasakamon Tower	17yr 7m	2,060	1.0%	Sept. 1, 2006	Outside party	4,821.25	98.3%	66	—
	City House Keyaki Dori	15yr 3m	1,111	0.5%	Dec.20, 2007	Outside party	2,710.86	100.0%	42	—
	Aqualia Chihaya	15yr 2m	1,280	0.6%	Mar. 1, 2012	Outside party	5,619.69	98.9%	104	—
	D-Wing Tower	17yr 0m	2,800	1.4%	Mar. 1, 2013	Outside party	7,187.59	99.5%	136	—
	Granfore Yakuin Minami	15yr 2m	1,100	0.5%	Nov. 4, 2014	Outside party	2,496.06	99.0%	98	—
	Hotel FORZA Oita	14yr 6m	1,530	0.7%	Mar. 1, 2013	Sponsor	5,785.44	100.0%	1	FJ Hotels
	Tissage Hotel Naha	5yr 0m	2,835	1.4%	Dec. 7, 2018	Outside party	3,758.76	100.0%	1	Nest Hotel Japan Corporation
Total or the weighted average of others	—	28,866	14.0%	—	—	121,848.63	99.8%	453	—	
Total or the weighted average of all properties	20yr 0m	205,964	100.0%	—	—	577,161.81	97.9%	1,007	—	

(*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 58 residential tenants.

Portfolio table②

Retail
11 properties



Canal City Hakata



Canal City Hakata · B



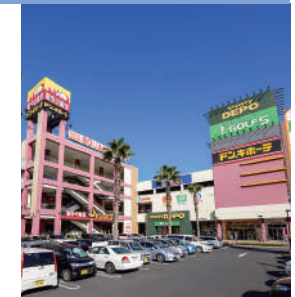
Park Place Oita



SunLive City Kokura



Konoha Mall Hashimoto



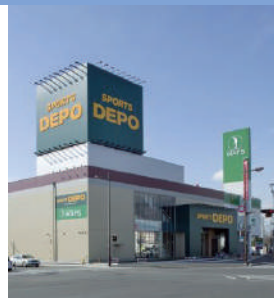
Square Mall
Kagoshima Usuki



Kumamoto
Intercommunity SC



Hanahata SC



Kurume
Higashi Kushiwara SC



K' s Denki Kagoshima

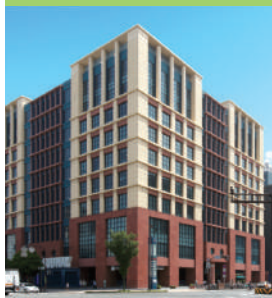


Marinoa City Fukuoka
(Marina Side Building)

Office buildings
12 properties



Canal City
Business Center Building



Gofukumachi
Business Center



Sanix Hakata Building



Taihaku Street
Business Center



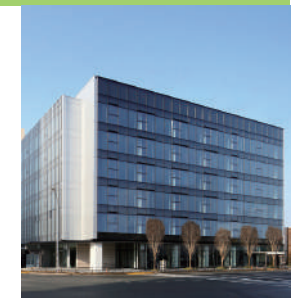
Higashi Hie
Business Center



Tenjin Nishi-Dori
Center Building









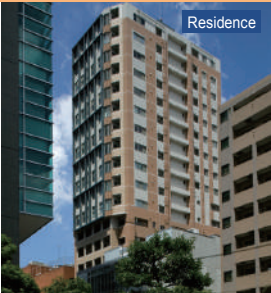








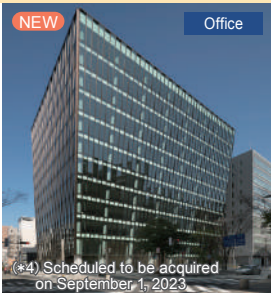


Tenjin North Front Building

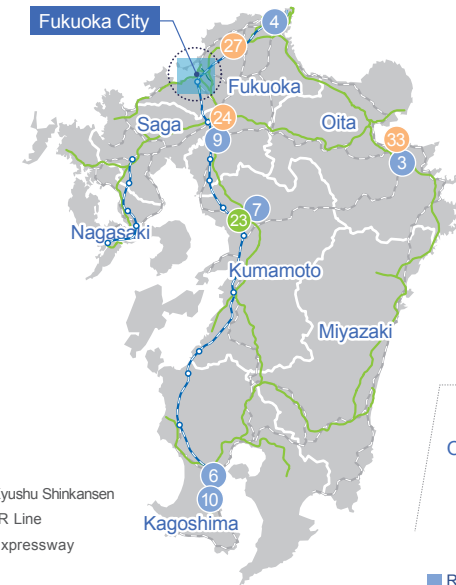


Higashi Hie
Business Center II

Portfolio table③

 <p>Higashi Hie Business Center III</p>	 <p>Tenjin Nishi-Dori Business Center (Land with leasehold interest)</p>	 <p>Hakata Chikushi-Dori Center Building</p>	 <p>NEW Kumamoto East Front Building (*1)</p> <p>(*1) Acquired on March 28, 2023</p>	<p>Others 11 properties</p>	 <p>Logistics Tosu Logistics Center</p>	 <p>Logistics LOGICITY Minato Kashii</p>
 <p>Logistics LOGICITY Hisayama</p>	 <p>Logistics LOGICITY Wakamiya</p>	 <p>Residence Amex Akasakamon Tower</p>	 <p>Residence City House Keyaki Dori</p>	 <p>Residence Aqualia Chihaya</p>	 <p>Residence D-Wing Tower</p>	 <p>Residence Granfore Yakuin Minami</p>
 <p>Hotel Hotel FORZA Oita</p>	 <p>Hotel Tissage Hotel Naha</p>	<p>3 properties to be acquired</p>	 <p>Logistics Island City Minato Bay related site (Land with leasehold interest) (tentative) (*2)</p> <p>(*2) Scheduled to be acquired on March 31, 2029</p>	 <p>NEW Residence Axion Befu-Ekimae Premium (*3)</p> <p>(*3) Scheduled to be acquired on April 27, 2023</p>	 <p>NEW Office Hakata FD Business Center (*4)</p> <p>(*4) Scheduled to be acquired on September 1, 2023</p>	<p>Total acquisition price 205.9bn yen (As of February 28, 2023)</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 Kurume Higashi Kushiwara SC

■Address : Higashi kushiwara, Kurume City

10 K's Denki Kagoshima

■Address : Tokai-cho, Kagoshima City

11 Marinao City Fukuoka (Marina Side Building)

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

12 Canal City Business Center Building

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

13 Gofukumachi Business Center

■Address : Kami Gofukumachi, Hakata Ward, Fukuoka City

14 Sanix Hakata Building

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

15 Taihaku Street Business Center

■Address : Gokushomachi, Hakata Ward, Fukuoka City

16 Higashi Hie Business Center

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

17 Tenjin Nishi-Dori Center Building

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

18 Tenjin North Front Building

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

19 Higashi Hie Business Center II

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

20 Higashi Hie Business Center III

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

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

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

22 Hakata Chikushi-Dori Center Building

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

NEW Acquired on March 28, 2023

23 Kumamoto East Front Building

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

24 Tosu Logistics Center

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

25 LOGICITY Minato Kashi

■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 Hotel FORZA Oita

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

34 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

NEW Scheduled to be acquired on April 27, 2023

B Axion Befu-Ekimae Premium

■Address : 3-chome, Befu, Jonan Ward, Fukuoka City

NEW Scheduled to be acquired on September 1, 2023

C Hakata FD Business Center

■Address : Tsunabamachi, Hakata Ward, Fukuoka City

Disposition of property (Kurume Higashi Kushiwara SC)

Aim to stabilize dividend level

Overview of disposition property (planned)

Location	Higashi Kushiwara Machi, Kurume City, Fukuoka Prefecture
Date of agreement	October 26, 2022
Buyer	Non-disclosure (*)
Disposition date (scheduled)	1st (15% quasi co-ownership interest) / February 28, 2023 2nd (55% quasi co-ownership interest) / August 31, 2023 3rd (30% quasi co-ownership interest) / November 30, 2023
Appraisal value	2,740 million yen (as of Aug. 31, 2022)
Book value	1,966 million yen (as of Aug. 31, 2022)
Disposition price (planned)	2,740 million yen ①411 million yen ②1,507 million yen ③822 million yen
Acquisition date	February 1, 2008
Acquisition price	2,500 million 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 million 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.

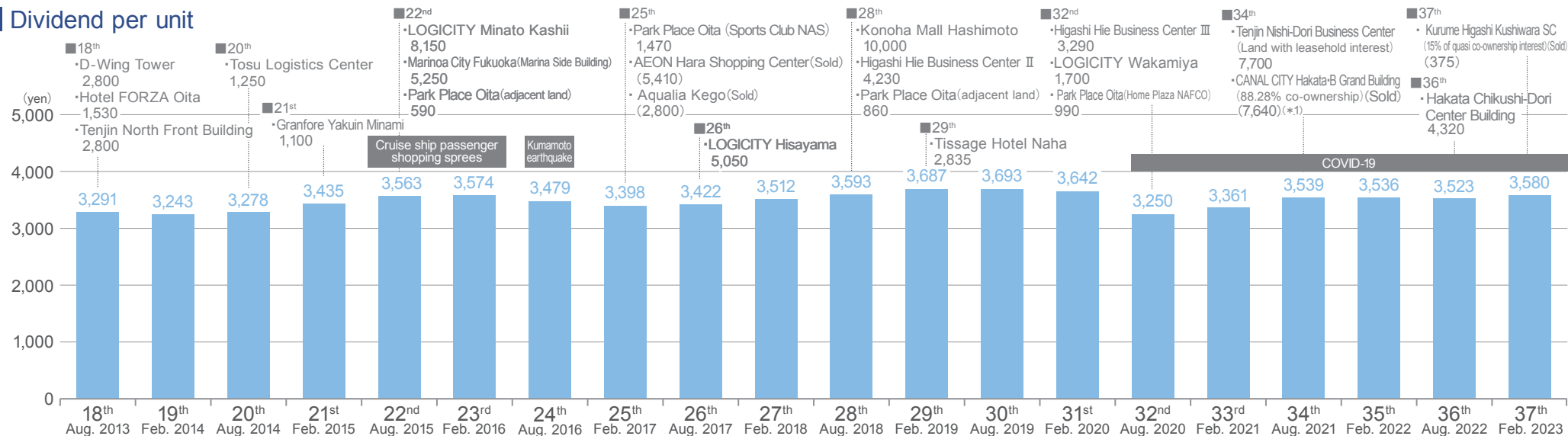
③ Use of disposition capital

- 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

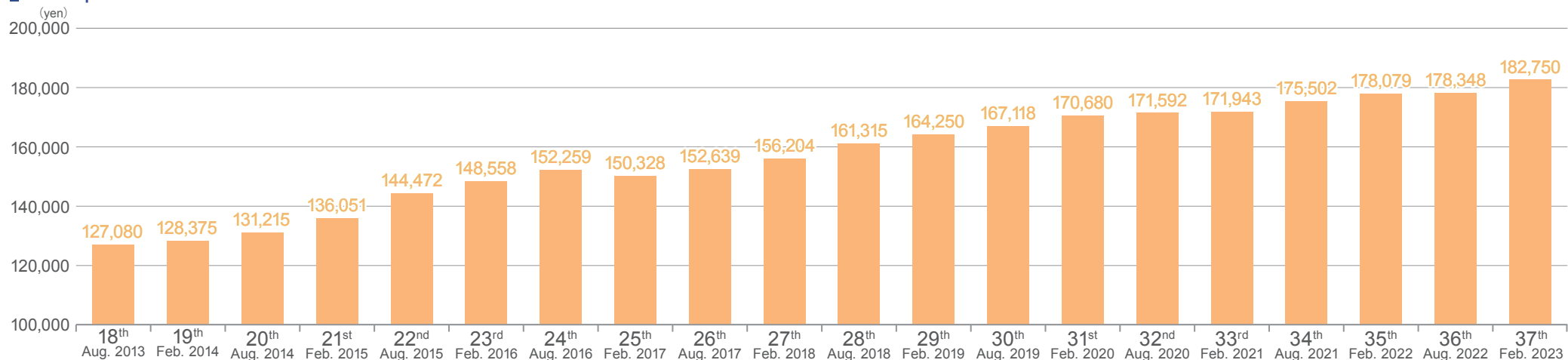
Dividend and NAV per unit

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.

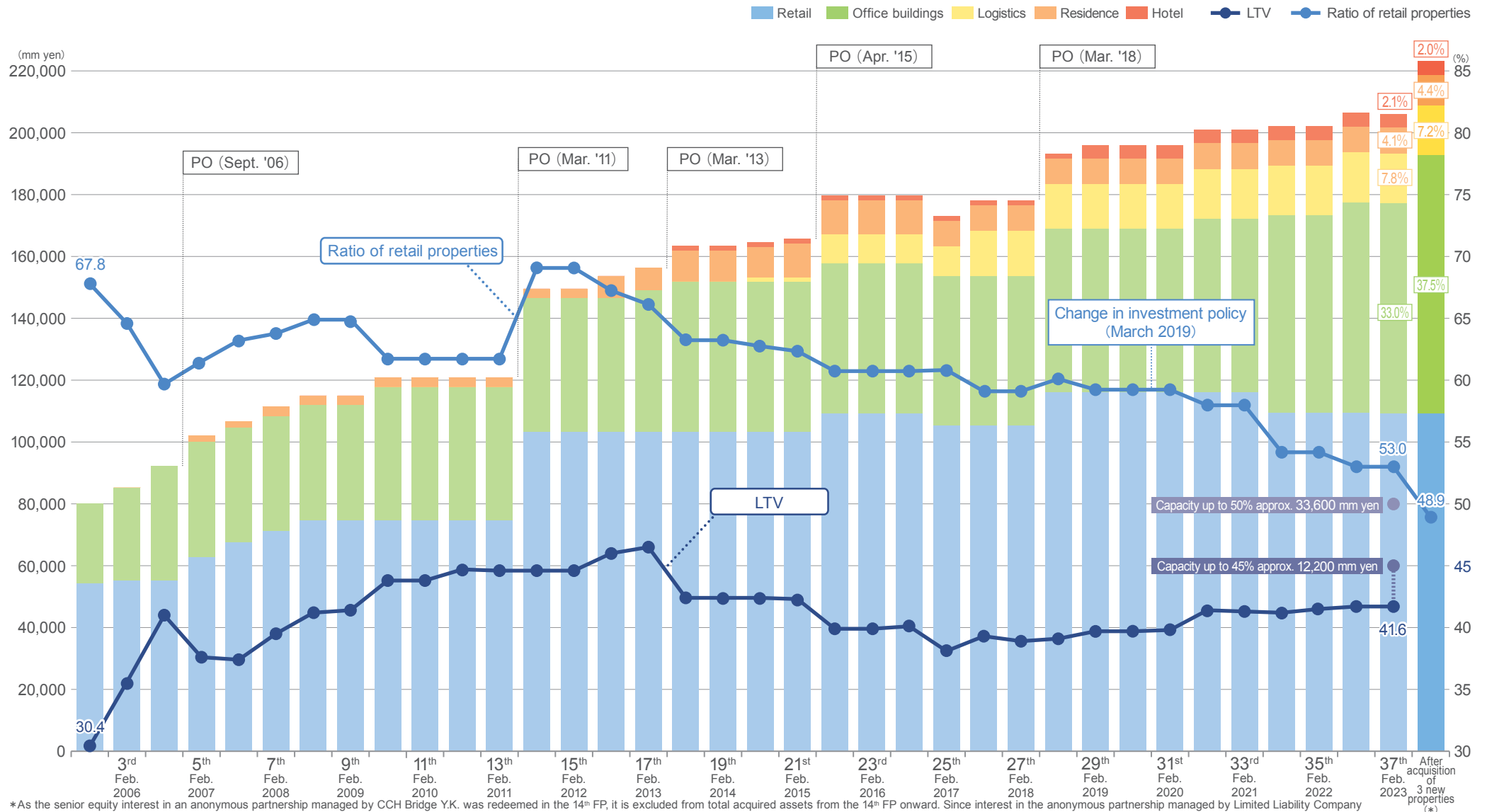
NAV per unit (*2)



* A 5-for-1 split of investment unit was effectuated on March 1, 2014. A 5-for-1 split of dividends and NAV per units before the 19th FP.
 (*2) Market net asset value per unit = (Total net assets + Unrealized gains - Total amount of dividends) / Total number of investment units outstanding

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

Ratio of retail properties in the portfolio fell below 50%

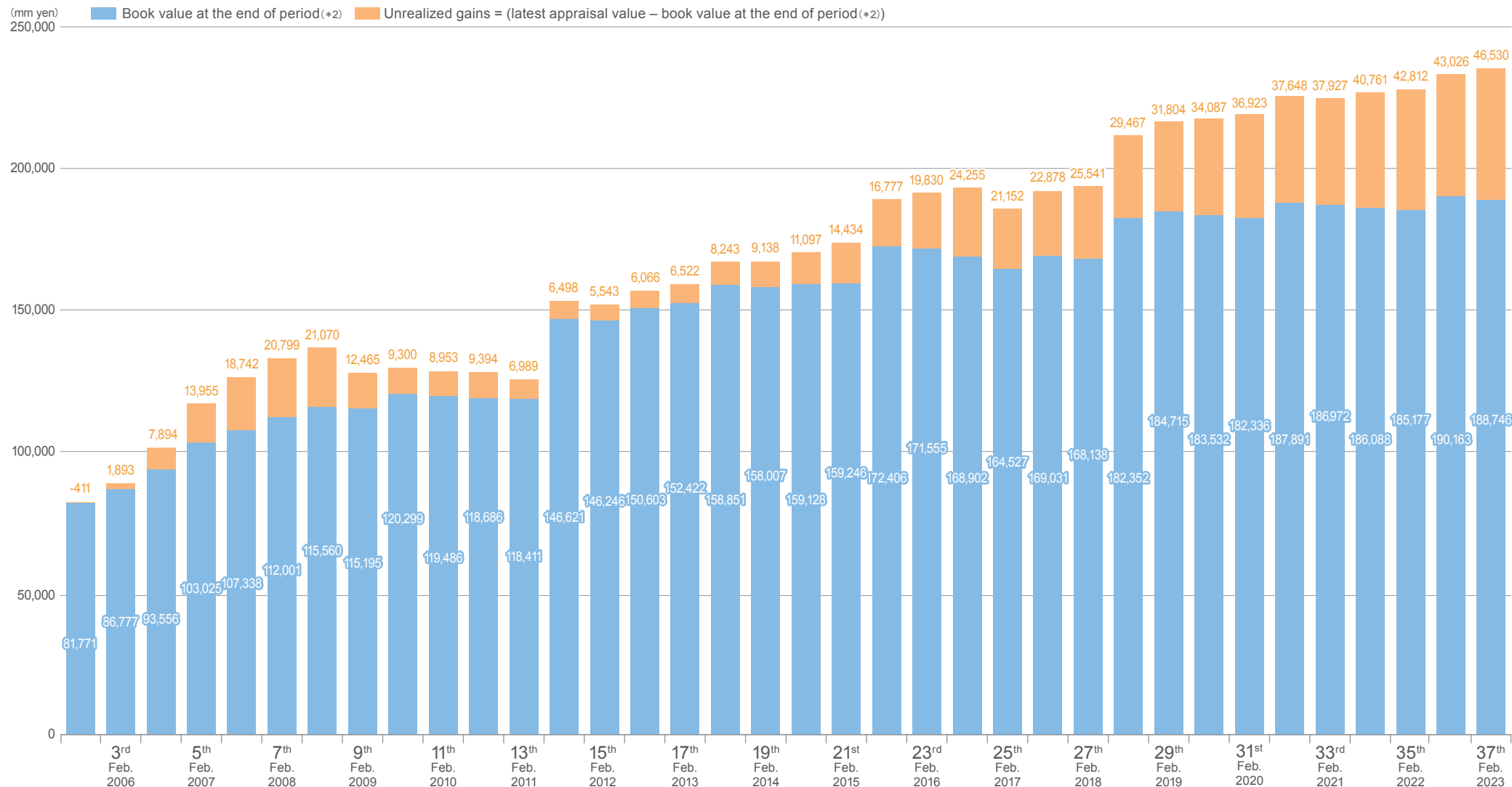


*As the senior equity interest in an anonymous partnership managed by CCH Bridge Y.K. was redeemed in the 14th FP, it is excluded from total acquired assets from the 14th FP onward. Since interest in the anonymous partnership managed by Limited Liability Company FRC1 was redeemed on in the 26th FP, it 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.
 ()The acquisition price (including planned) of the Kumamoto East Front Building, Axion Befe-Ekimae Premium, and Hakata FD Business Center is added from the end of the 37th fiscal year. In addition, the 55% quasi co-ownership interest in Kurume Higashi Kushiwara SC, which is scheduled to be transferred on August 31, 2023, has not been deducted.

Historical appraisal values (unrealized gains)

Unrealized gains: 46,530 million yen, ratio of unrealized gains: 24.6% (*1)

Historical appraisal values



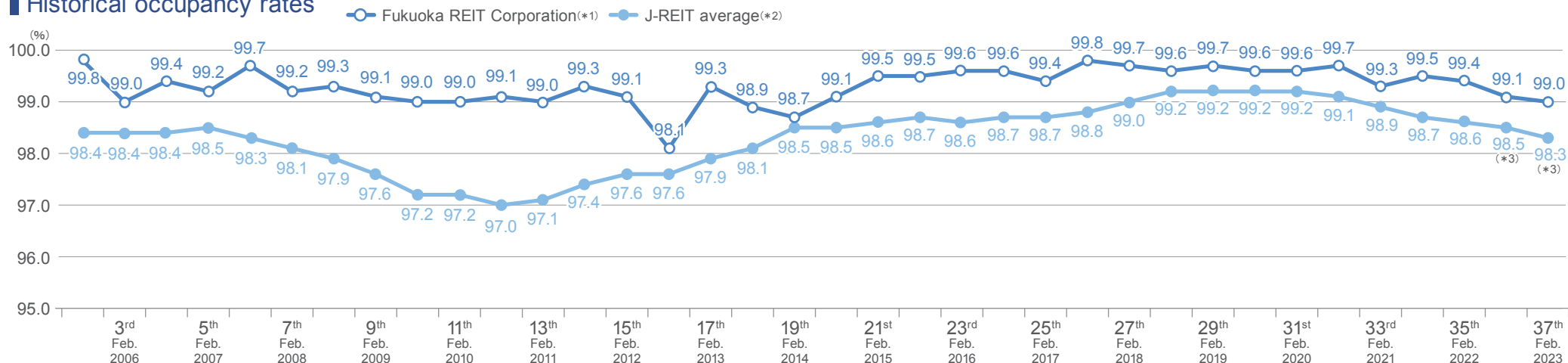
(*1) Ratio of unrealized gains = (latest appraisal value – book value at the end of period (*2)) / book value at the end of period (*2).

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

Portfolio properties' occupancy rates

Maintained a higher occupancy rate than the J-REIT average

Historical occupancy rates



(*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 37th 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 36th and 37th fiscal periods are preliminary figures. The figures for the 37th fiscal period are the figures for November 2022.

Occupancy rates [the weighted average during the period]

Category	Investment ratio (based on acquisition price)	33 rd ~ Feb. 28, 2021	34 th ~ Aug. 31, 2021	35 th ~ Feb. 28, 2022	36 th ~ Aug. 31, 2022	37 th ~ Feb. 28, 2023
Retail	53.0%	99.2%	99.5%	99.3%	98.8%	98.9%
Office buildings	33.0%	99.5%	99.8%	99.8%	99.4%	98.6%
Others	14.0%	99.4%	99.3%	99.4%	99.4%	99.5%
Total	100.0%	99.3%	99.5%	99.4%	99.1%	99.0%

Top tenants by leased floor area

■ Ordinary lease ■ Fixed-term lease (As of February 28, 2023)

Rank	Lessee	Tenant	Share of total leased space (*1)	38 th ~Aug. 31, 2023	39 th ~Feb. 29, 2024	40 th ~2024年8月	Remaining lease term (years) (*2)
1	SunLive Co., Ltd.	SunLive	11.5%	●SunLive City Kokura			18
				●Konoha Mall Hashimoto			8
2	AEON Kyushu Co., Ltd.	AEON	10.4%	●Park Place Oita			1
3	FJ. Entertainment Works Ltd.	—	6.3%(*3)	●Marinoa City Fukuoka (Marina Side Building)			12
4	Canal City OPA Co., Ltd.	OPA	4.6%	●Canal City Hakata			0
				●Canal City Hakata · B			2
5	KASEI inc Co., Ltd.	—	4.3%	●LOGICITY Hisayama			1
6	Fukuoka Logistic System Corporation	—	4.1%	●LOGICITY Minato Kashii			1
7	F—LINE CORPORATION	—	3.6%	●LOGICITY Minato Kashii			non-disclosure (*4)
8	Tsukasa Kigyou	—	3.1%	●LOGICITY Wakamiya			7
9	Alpen Co., Ltd.	Sports Depo, Golf 5	3.1%	●Square Mall Kagoshima Usuki			3
				●Kumamoto Intercommunity SC			3
				●Kurume Higashi Kushiwara SC			4
10	K'S HOLDINGS CORPORATION	K's Denki	2.4%	●Park Place Oita			2

(*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 28, 2023 with periods shorter than one year rounded down to the nearest whole year.

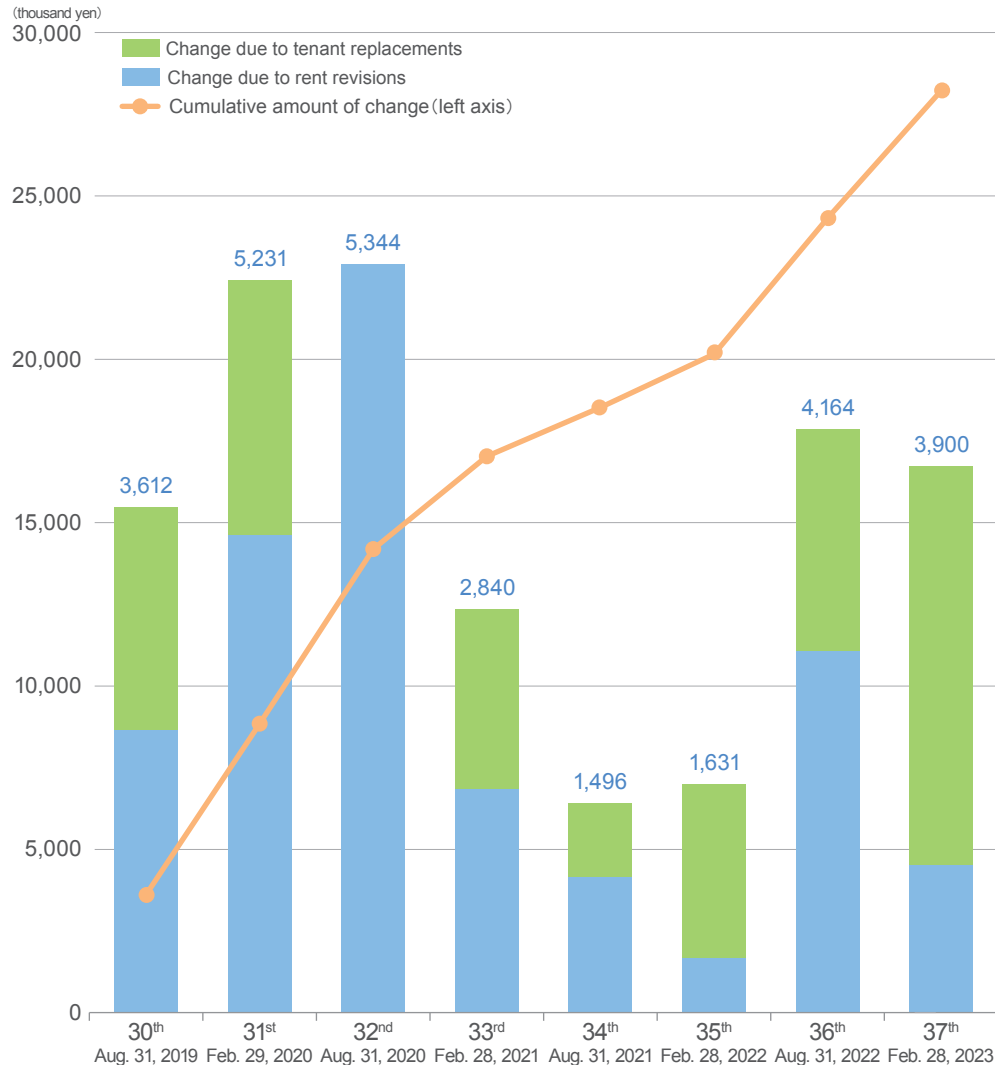
(*3)The 6.3% includes a 0.4% office portion. (6 ordinary leases have been concluded for Canal City Business Center Building and Park Place Oita.)

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

Office building rent revisions and tenant replacement situation

Continue to realize rent increase

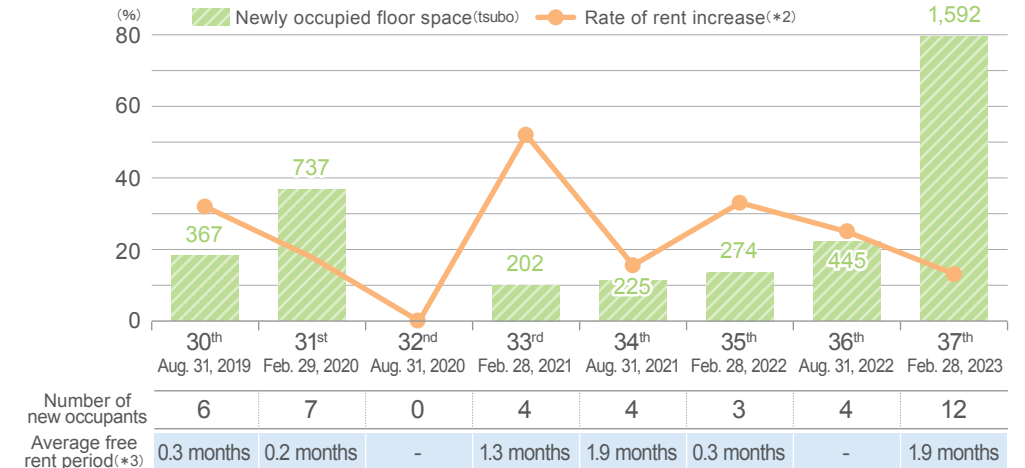
Change in monthly rent due to rent revisions and tenant replacements (*1)



* 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).

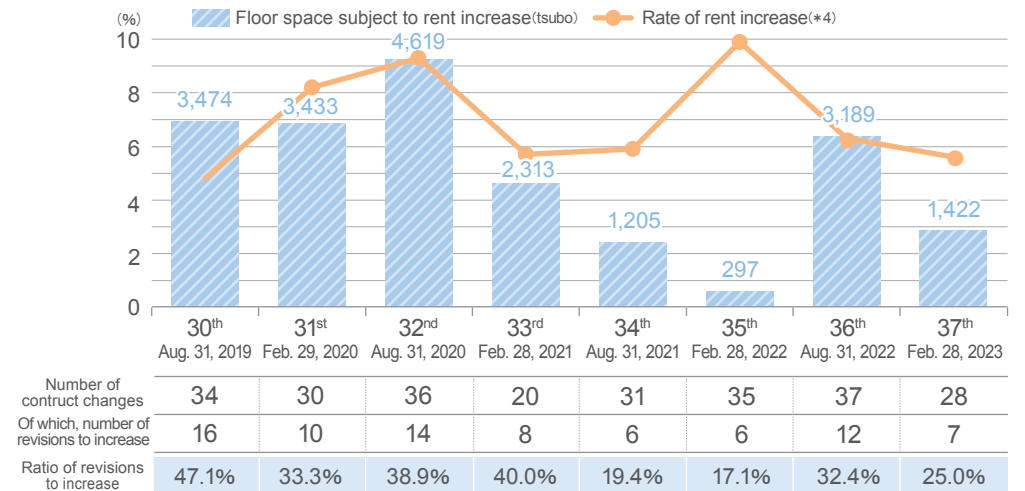
(*1) There were no revisions to the rent reductions.

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.

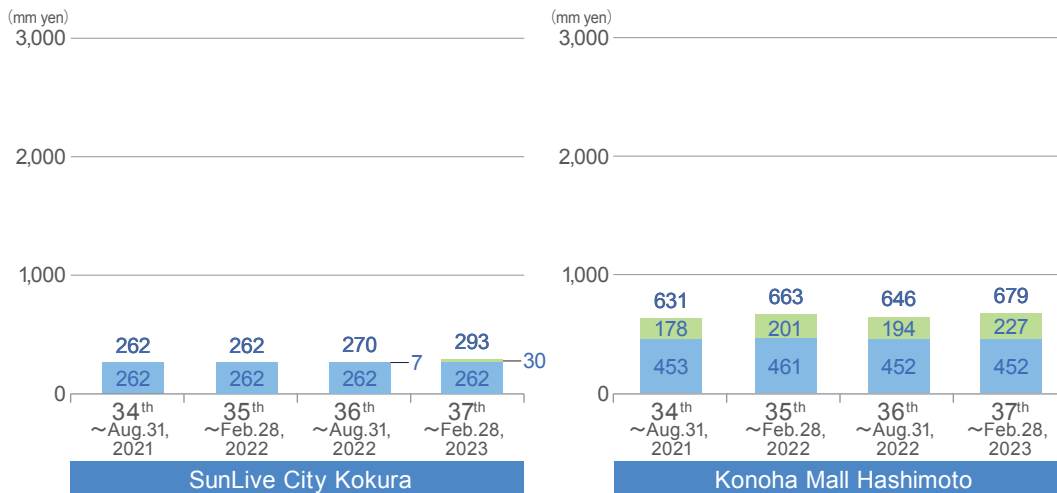
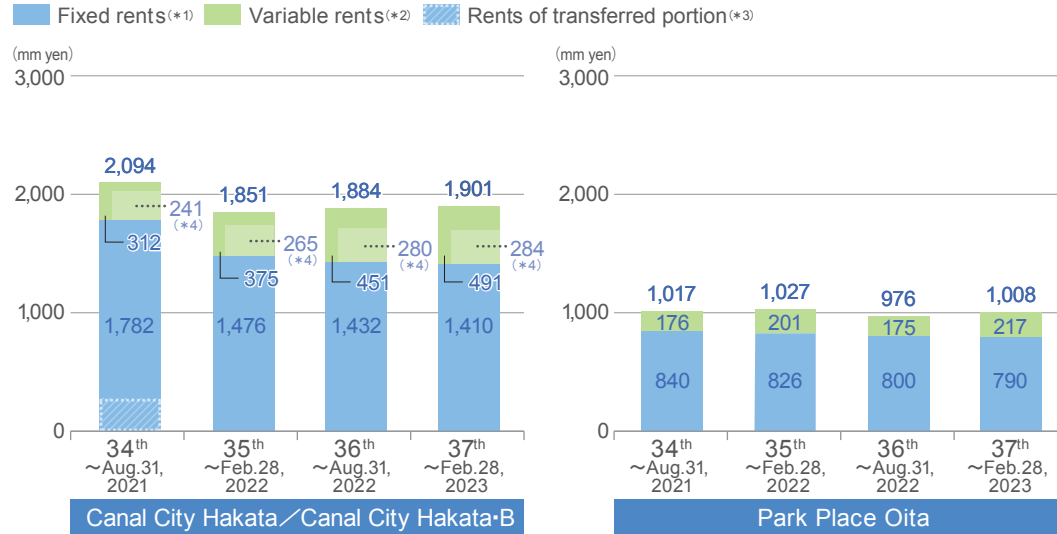
Floor space subject to rent increase and number of properties subject to rent increases



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

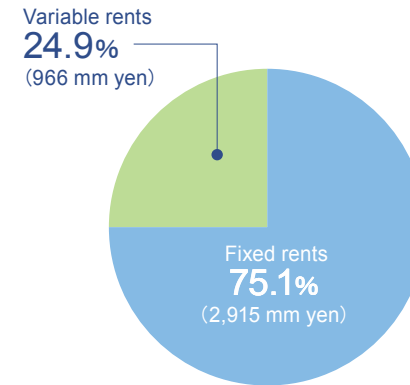
Breakdown of variable rents

Breakdown of active retail rents by property



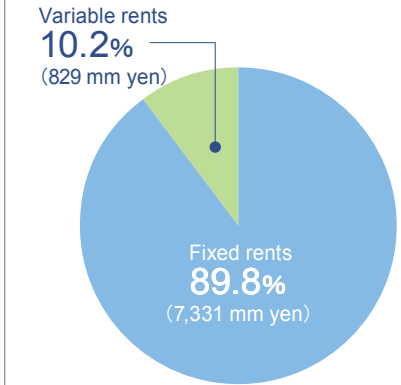
Breakdown of active retail rents

◎The 37th FP

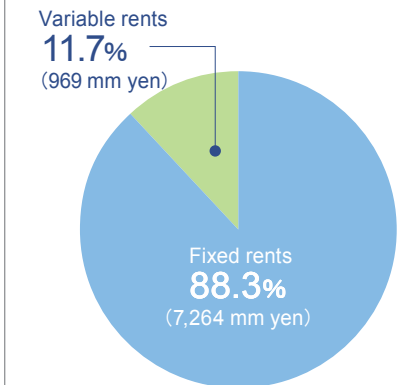


Portfolio overall

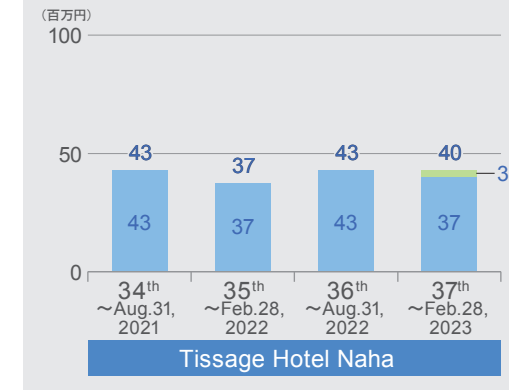
◎The 36th FP



◎The 37th FP



Breakdown of Tissage Hotel Naha



*Variable rents are included 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) Rents 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, and is not received after June 1, 2021, the date of disposition.
 (*4) 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

Driving up future office demand

Initiatives Aimed at Attracting Companies to Fukuoka City

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



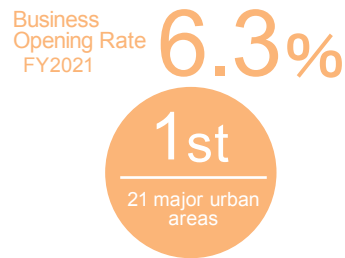
With the aim of attracting international financial functions to Fukuoka, TEAM FUKUOKA was launched to conduct promotional activities and create an environment that will generate momentum for the city as a whole by leveraging the characteristics of industrial, academic, and government partners.

◎Attracted companies to Fukuoka City by TEAM FUKUOKA (Major Announcements in FY2022)

- Fin Tech companies
M-DAQ / Singapore
LayerX Co., Ltd. / Tokyo
Trinity Technology Co., Ltd. / Tokyo
- Financial institutions
E.SUN Bank / Taiwan



■ Fukuoka City tops list of business opening rate in Japan for 4 consecutive years



Source: Prepared by Fukuoka Realty based on data from "The general condition of the Fukuoka City Economy, September 2022" by the Fukuoka City Economy, Tourism & Culture Bureau.

■ Fukuoka City Special Zone for Global Startups & Job Creation (National Strategic Special Zone)

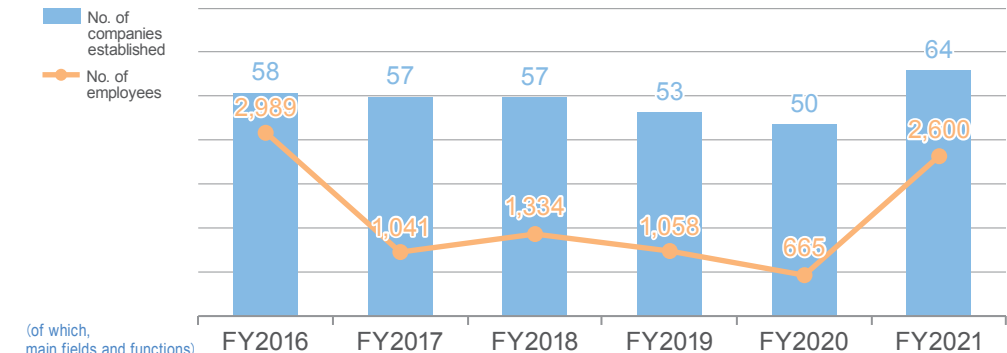
Initiatives to support startups

- Tax Reduction for Startups (municipal tax, national tax)
- Startup Visa
- Startup Café
- Fukuoka Growth Next
- Global Startup Center

Source: Prepared by Fukuoka Realty based on the section of Fukuoka City's official site featuring "National Strategic Special Zone for Global Startups & Job Creation."

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
creative-related industries	28	40	38	38	30	41
foreign/foreign-affiliated	18	13	14	15	12	15
Call center	12	9	7	2	8	8
headquarters functions, etc.	3	1	7	6	0	7
international finance	—	—	—	—	—	6

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.

◎Focusing on attracting head office functions of companies with a strong job creation effect and major development centers in creative-related industries will lead to further job creation by businesses with high added value.

(Key Companies Establishing Fukuoka Locations in FY2021)

- Japanet Holdings Co., Ltd. (some head office functions)
- MCP Holdings Limited (international finance / Hong Kong)
- SmartHR (creative-related industries)
- Howden (foreign or foreign-owned / England)

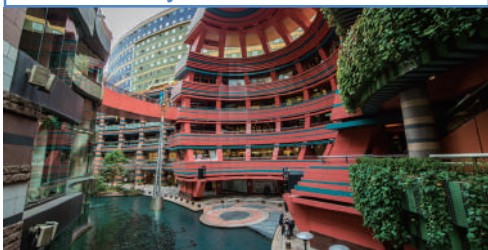
Source: Created by Fukuoka Realty based on Fukuoka City press releases.

◎MCP Asset Management, the first company attracted by TEAM FUKUOKA that attracts international financial functions, established "Kyushuhatsu Japan - Evolution Fund Investment Business Investment Limited Partnership" in March 2023 (invest in companies promoting ESG initiatives in Fukuoka and Kyushu)

Situation of active retail

Overall sales are recovering

- Canal City Hakata
- Canal City Hakata・B



Sales (annual total^{(*)1})
Mar. 2022 - Feb. 2023
19.6 bn yen
YoY **+22.6%**
(vs. 2 years ago **+38.9%**)

A highly entertaining urban multi-purpose retail facility. Sales are recovering with the domestic travel subsidy program, lifting of border restrictions, etc.

- Park Place Oita



Sales (annual total^{(*)2})
Mar. 2022 - Feb. 2023
25.3 bn yen
YoY **+4.2%**
(vs. 2 years ago **+12.2%**)

A suburban mall anchored by a GMS and tenants involved in daily necessities. Opened new stores, including one that is Kyushu's first, for the effect of attracting customers of all ages.

- Konoha Mall Hashimoto



Sales (annual total)
Mar. 2022 - Feb. 2023
15.3 bn yen
YoY **+9.4%**
(vs. 2 years ago **+17.8%**)

A daily-life-oriented mall anchored by a supermarket and tenants involved in daily necessities. Visitors increased with the store replacement, various event planning, etc.

- SunLive City Kokura



Sales (annual total^{(*)3})
Mar. 2022 - Feb. 2023
—
YoY **+8.3%**
(vs. 2 years ago **+16.8%**)

A daily-life-oriented mall anchored by a supermarket and tenants involved in daily necessities. Conducted tenant replacement to vitalize the facility

(*)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 at the newly acquired Home Plaza NAFCO at Park Place Oita in July 2020 are added. From March 2021, six stores that had not previously received sales disclosure have been added to the list because sales are now disclosed by tenants.
 (*)3) Sales figures are omitted because SunLive did not consent to their disclosure.

Change in sales from a year earlier

Property name	2021					2022								2023 (year)							
	8/20~9/30	Oct.	Nov.	Dec.	Jan.	1/27~3/6	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.			
	35 th Feb. 2022					36 th Aug. 2022								37 th Feb. 2023							
Canal City Hakata / Canal City Hakata・B ^{(*)1}																			(4.0%)	+16.8%	+27.8%
Park Place Oita ^{(*)2}																			+1.3%	+2.0%	+6.4%
Konoha Mall Hashimoto																			+2.8%	+8.3%	+10.5%
SunLive City Kokura																			+14.7%	+18.2%	+0.4%
Other retail properties ^{(*)4}																			+0.5%	+2.4%	+1.5%

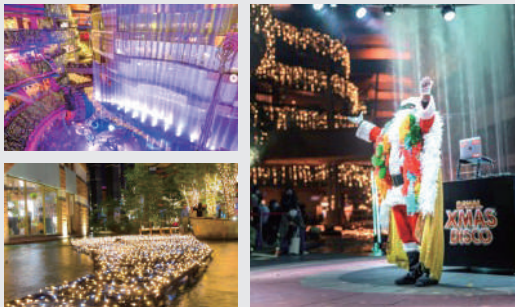
(*)4) Square Mall Kagoshima Usuki, Kumamoto Intercommunity SC, Hanahata SC, Kurume Higashi Kushiwara SC, K's Denki Kagoshima, Marinao City Fukuoka (Marina Side Building) are listed as other retail properties.

Strategies to strengthen active retail

Conducted events and store replacement, boosting foot traffic from wide and nearby trade areas

Canal City Hakata

- Winter illumination and Christmas show “XMAS DISCO”
 - Held the annual facility-wide illumination and Christmas period-only Christmas show



- Events to promote inbound tourist visitors

- Resumed one-stop tax exemption service from September 2022
- Passport campaign

Held a campaign in which inbound travelers from overseas are eligible for an array of services upon presenting their passports

- Lunar New Year novelties distribution event



- FLEA MANIACS CURRY LABO FESTIVAL

- Attracted 21 curry stores and 2 merchandise stores



- Fukuoka City Subway *Nanakuma* Line extension and new station opening commemoration “7FES”

- With the Fukuoka City Subway *Nanakuma* Line extension and new station opening on March 27, 2023, “Seven” (*nana* in Japanese) celebratory events were held at Canal City Hakata
- In one of the events, “Nanakuma Line Stamp Rally,” which was held at the new station “Kushida Shrine Station” and within Canal City Hakata, one more stamp was placed at Konoha Mall Hashimoto, which is directly connected to Hashimoto Station on the *Nanakuma* Line, to generate mutual flow of customers



Park Place Oita

- Store replacement

- Opening of new stores and reopening of a renovated store on September 23, 2022

- Kyushu’s first NITORI EXPRESS store



- Shangri-la zone

- The Shangri-la zone, which had reopened after renovation in April 2022, was converted into a winter-only hands-on zone of playing with lights and wind, boosting foot traffic



Konoha Mall Hashimoto

- Hashimoto Marche first anniversary event

- Sold limited lucky bags and gave out commemorative gifts in commemoration of the first anniversary of Hashimoto Marche, a food and goods sales zone



- Store replacement



Opened Sept. 23, 2022
GU



Opened Jan. 12, 2023
Komeda's Coffee



Opened Jan. 12, 2023
KURO DARUMA

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	Sumitomo Mitsui Trust Bank	1,500	Jul.31,2015	Jul.31,2023	8.0	Fixed	0.56400% (*1)
	Development Bank of Japan	4,000	Aug.31,2015	Aug.31,2023	8.0	Fixed	0.88000%
	The Nishi-Nippon City Bank	400	Aug.31,2015	Aug.31,2023	8.0	Fixed	0.87000% (*1)
	The Bank of Fukuoka	2,000	Feb.29,2016	Feb.29,2024	8.0	Floating	0.42455%
	The Nishi-Nippon City Bank	2,000	Feb.29,2016	Feb.29,2024	8.0	Fixed	0.44000% (*1)
	Mizuho Bank	500	Feb.29,2016	Feb.29,2024	8.0	Fixed	0.44000% (*1)
Long-term debt	Development Bank of Japan	2,000	Feb.29,2016	Feb.28,2025	9.0	Fixed	0.62000%
	SBI Shinsei Bank	700	Jul.29,2016	Jul.31,2024	8.0	Fixed	0.40000%
	Sumitomo Mitsui Trust Bank	300	Sep.30,2016	Sep.30,2025	9.0	Floating	0.40764%
	Syndicated loan (*2)	2,100	Dec.30,2016	Dec.30,2025	9.0	Fixed	0.71750%
	The Bank of Fukuoka	1,500	Dec.30,2016	Dec.30,2026	10.0	Floating	0.41364%
	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	Sep.29,2017	Sep.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	0.42455%	

* For floating-rate debts, the interest rates applicable as of February 28, 2023 are indicated. *All debts have been borrowed with no collateral and no guarantee, to be repaid in lump-sum upon maturity.
 (*1) FRG 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

(As of February 28, 2023)

Category	Lender	Balance (mm yen)	Drawdown Date	Repayment Date	Term (year)	Fixed/Floating	Average Interest Rate
Long-term debt	The Bank of Fukuoka	300	Jan.31,2019	Jan.31,2029	10.0	Floating	0.42455%
	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	Sep.25,2019	Sep.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%
	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	0.36364%	
Sumitomo Mitsui Banking Corporation	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)	
Total		78,900					

Investment corporation bonds

Category	Issue	Balance (mm yen)	Issue date	Maturity Date	Term (year)	Coupon (year)
Investment corporation bonds	The first series of unsecured bonds	2,000	Dec.30,2013	Dec.29, 2023	10.0	1.32000%
	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		5,000				

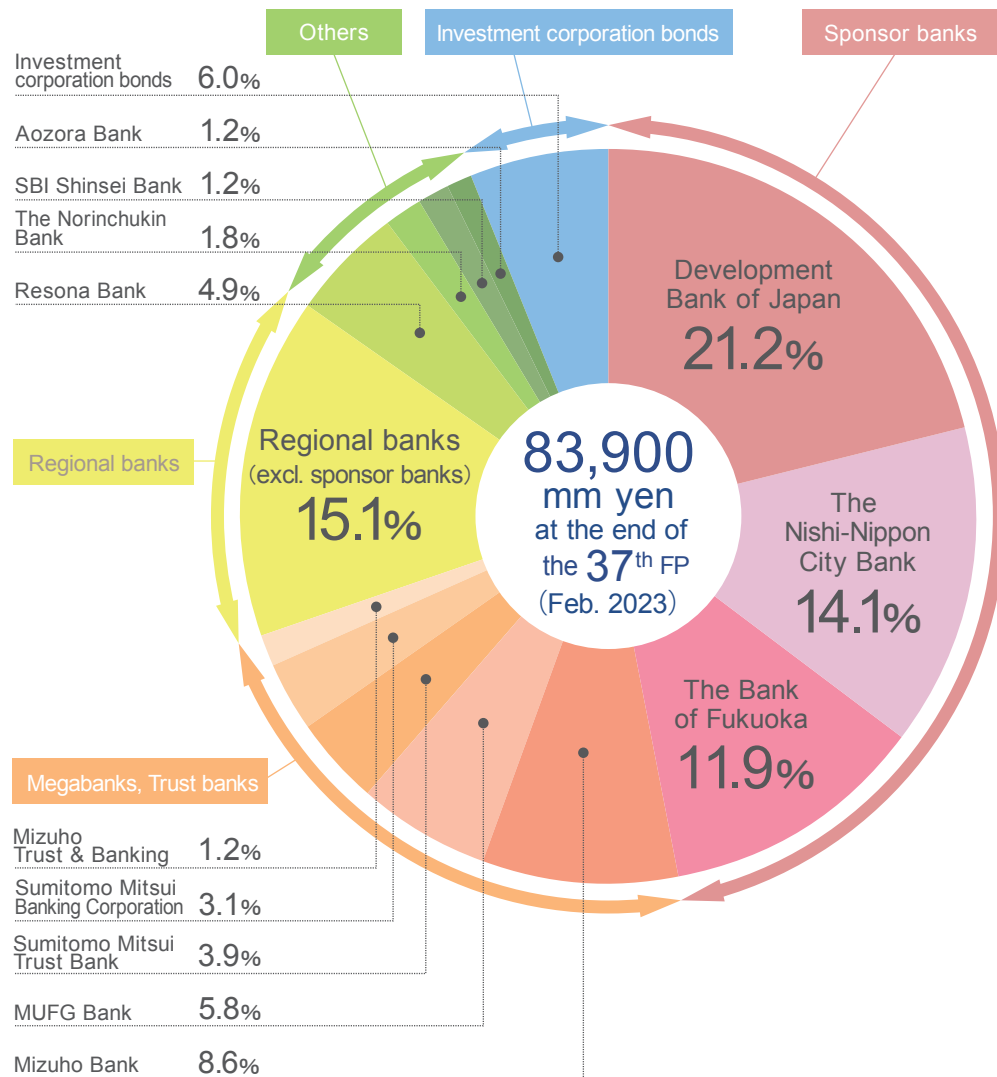
Committed line of credit

Category	Lender	Credit Limit (mm yen)	Period	
			Start	End
Committed line	Committed line 1 (*9)	6,000	Aug. 1, 2018	Jul.31, 2025
	Committed line 2 (*10)	7,000	Mar. 2, 2020	Feb.28, 2026
Total		13,000		

Lenders

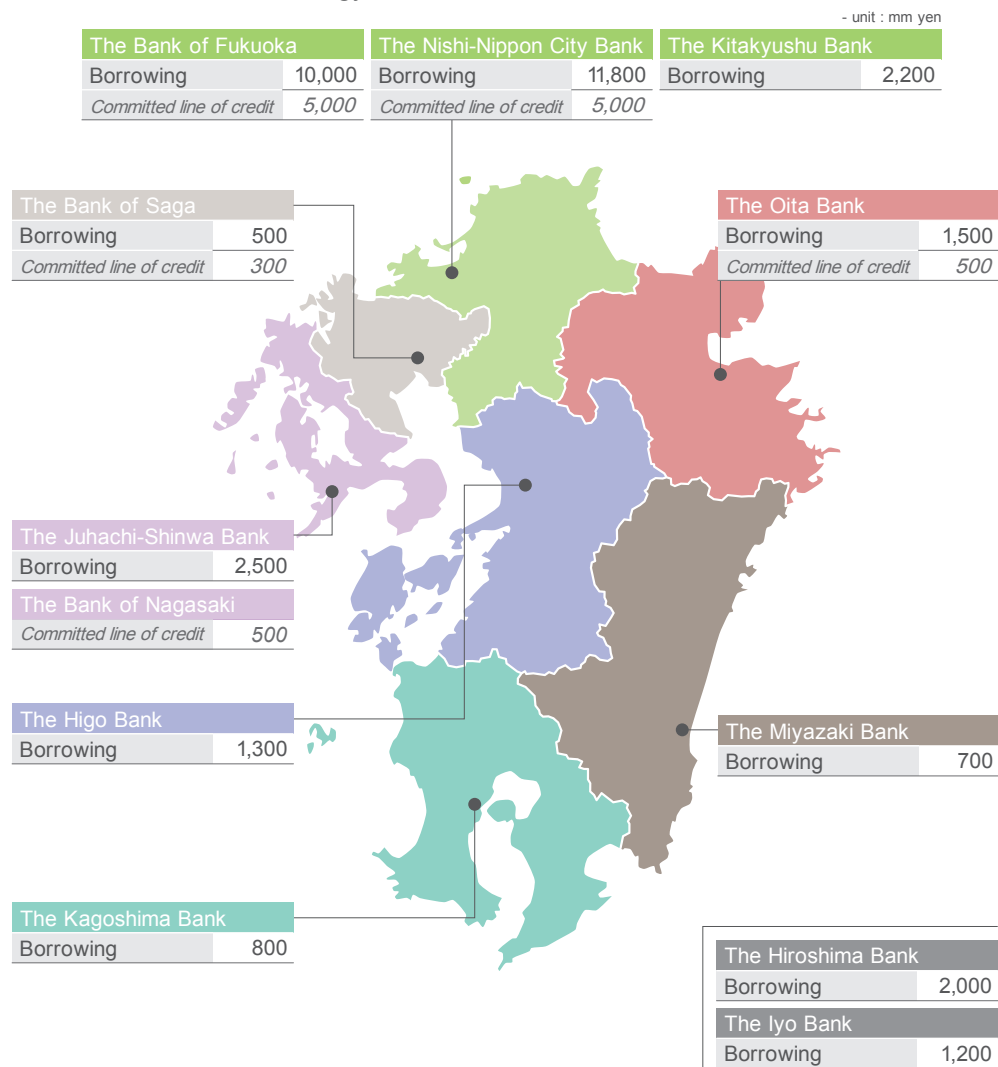
A stable network of sponsor banks and other lenders

Breakdown of debt by lenders

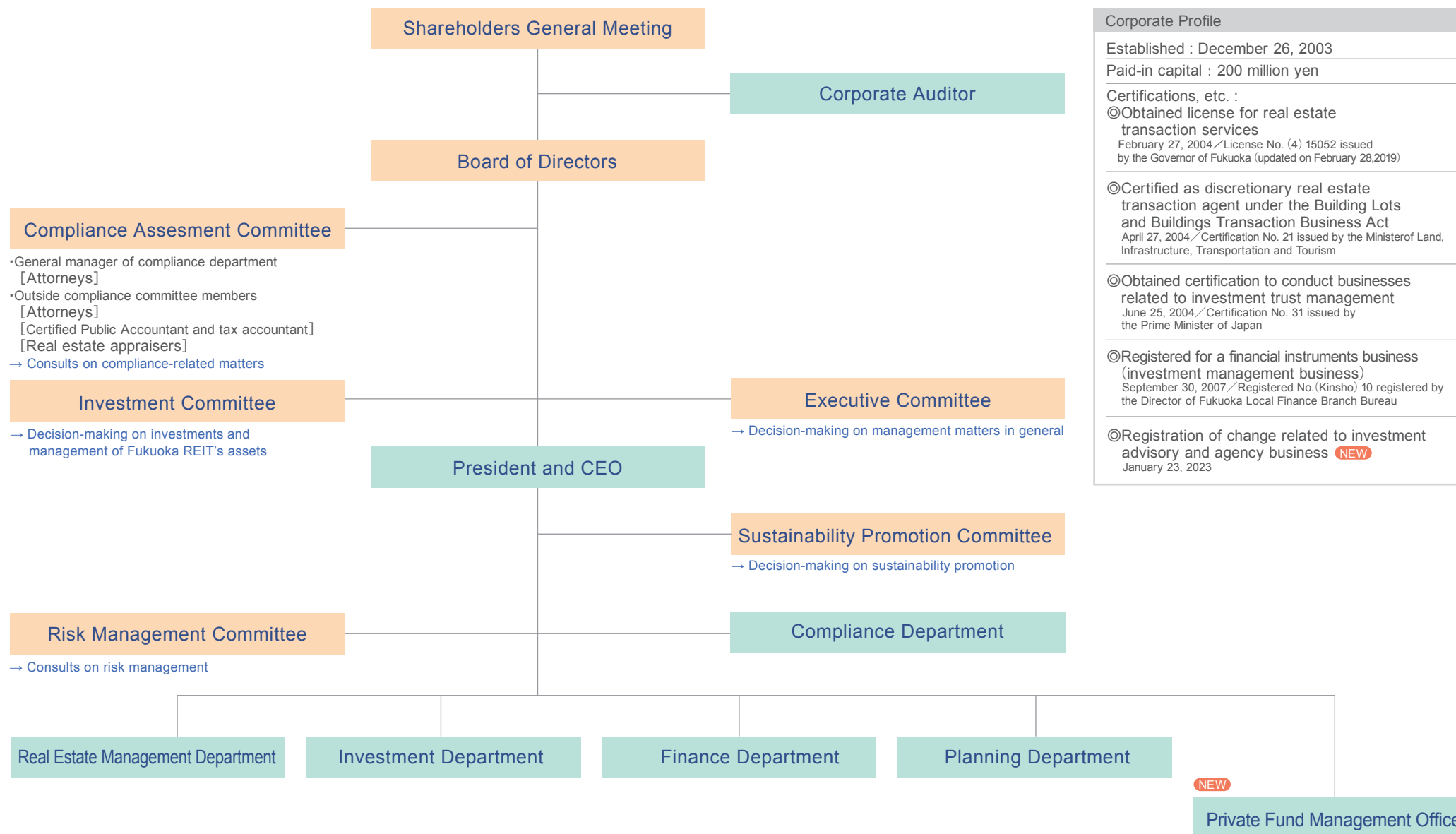


A regional bank transaction network

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

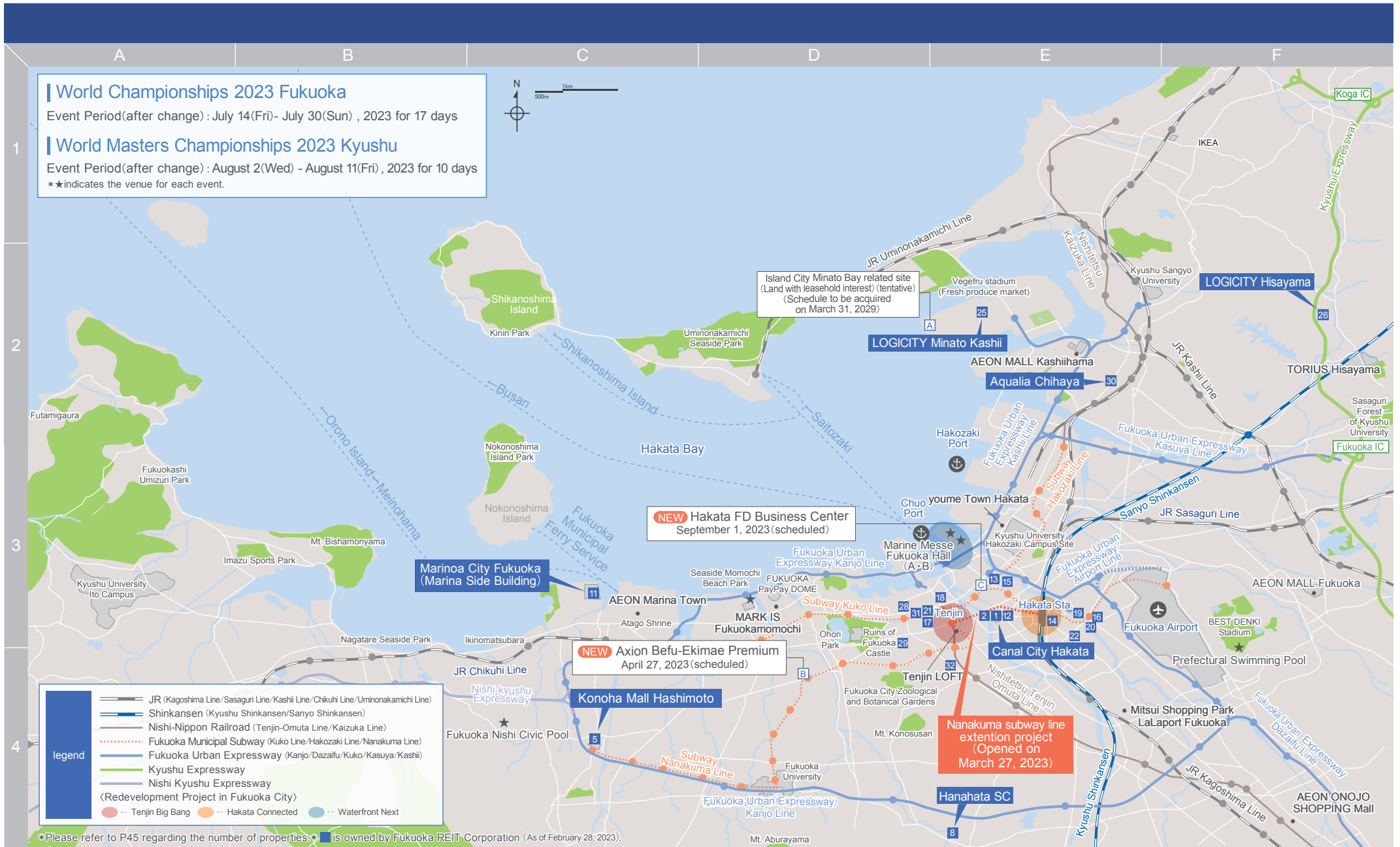


Asset management company's organization



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. (4) 15052 issued by the Governor of Fukuoka (updated on February 28, 2019)
◎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 NEW January 23, 2023

The condition of suburb area in Fukuoka



The condition of Fukuoka city center

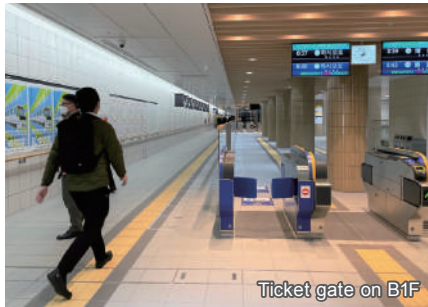
Nanakuma subway line extension project will be opened on March 27, 2023



©Nanakuma subway Line extension opened [Kushida Shrine Sta.] (Taken on March 27, 2023)



Ground entrance



Ticket gate on B1F

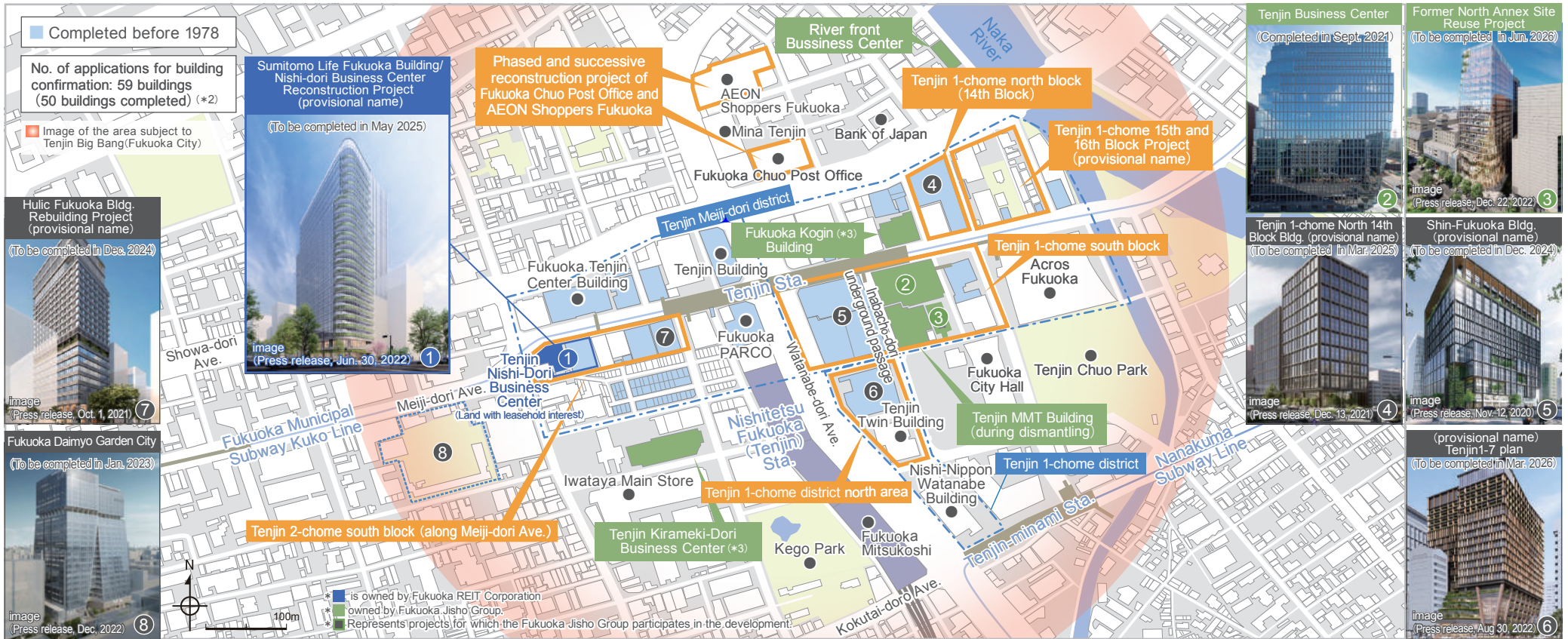
◎Overview of Nanakuma subway line extension

- Extended section : Between Tenjin-Minami Station and Hakata Station
- Construction distance : approx. 1.4 km
- Travel within city center :
Yakuin Sta. ↔ Hakata Sta. 7 min.
Watanabe-dori Sta. ↔ Hakata Sta. 5 min.
- Directly connected to Hakata Station;
transfer at Tenjin not necessary

Source: Prepared by Fukuoka Realty based on data from the Fukuoka Municipal Subway "Reiwa 4 Overview Pamphlet".

* Please refer to P45 regarding the number of properties.
 ■ is owned by Fukuoka REIT Corporation (As of February 28, 2023).
 ■ is owned by Fukuoka Jisho Group (As of February 28, 2023).
 (*) The property is co-owned by the Fukuoka Jisho Group with the other company.

Redevelopment in Tenjin area (Tenjin Big Bang)



(*1) The deadline of phased or successive re-construction projects spreading multiple blocks will be determined individually. (Limited to projects that submit plan summaries to the city government by the end of 2022)
 (*2) February 2015 to May 2022 after the start of Tenjin Big Bang. Number of completed buildings as of May 2022. (announced by Fukuoka City). (*3) 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.

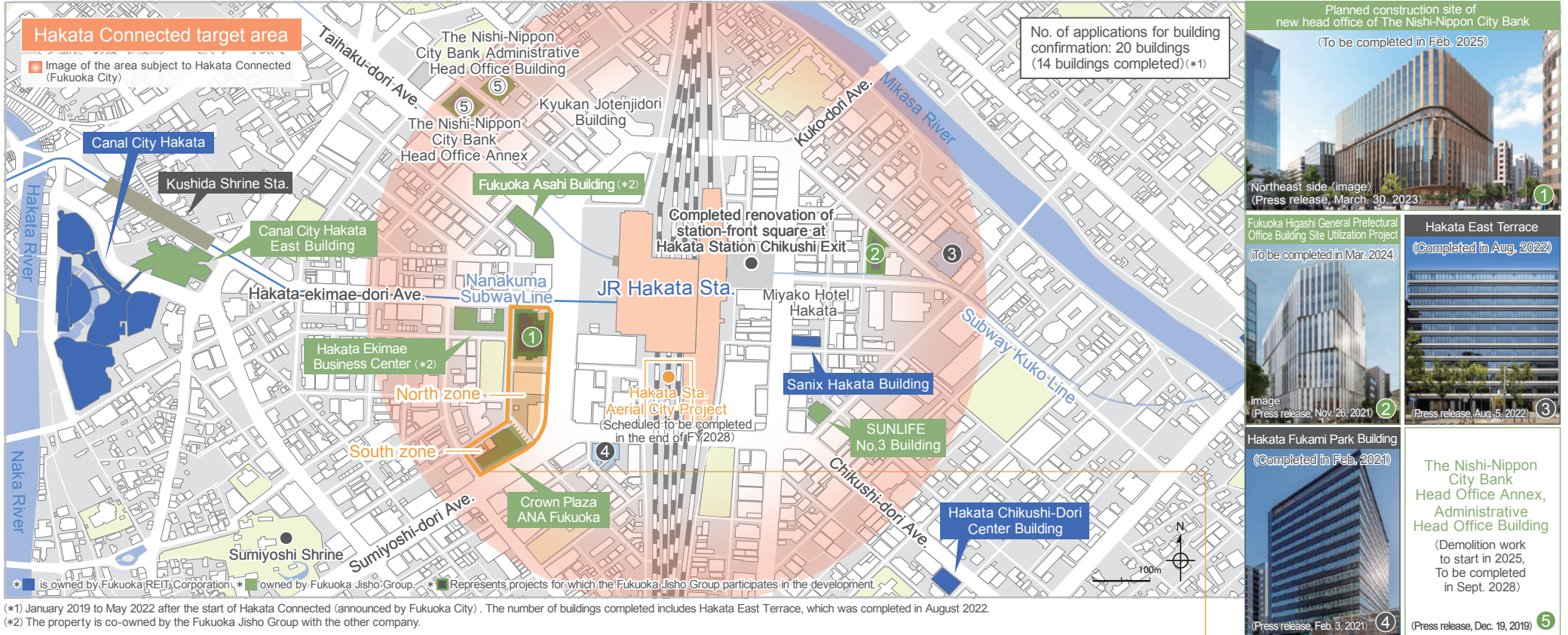
Relaxation of floor area ratio by up to **50%**

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)



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, 2022)

Name	Fukuoka Jisho Co., Ltd.
Established	July 1961
Industries	Real estate (comprehensive developer)
Representative	Ichiro Enomoto, President and C.E.O
Employees	183

Net sales	23.5 billion yen
Ordinary income	6.6 billion yen
Total assets	224.6 billion yen
Borrowings	117.8 billion yen
Equity ratio	34.9%

Tenjin Business Center



Naha Business Center



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	Sun Life No. 3 Building	1978	8,262m ²
	4	Tenjin MMT Building(during dismantling)	—	—
	5	Hakata Ekimae Business Center	1999	23,542m ²
	6	Naha Business Center	2018	8,994m ²
	7	Tenjin Business Center	2021	61,100m ²
	8	Hakata FD Business Center	February 2023	21,786m ²
	9	Sumitomo Life Fukuoka Building/ Nishi-dori Business Center Reconstruction Project (provisional name) (*)	May 2025(scheduled)	42,000m ²
Retail	10	Marinoa City Fukuoka(Outlet Building)	2000(Building I) / 2004(Building II) / 2007(Building III)	46,663m ²
	11	Tenjin Kirameki Dori Building	2003	24,525m ²
	12	Canal City Hakata East Building(dismantling scheduled)	2011	18,534m ²
Residence	13	Class Keyaki Dori	2008	6,500m ²
Hotel	14	Hotel FORZA Sapporo Ekimae	2020	11,344m ²
Logistics	15	LOGICITY Minato Kashii North	2020	47,150m ²
	16	LOGICITY Koga	March 2023	49,545m ²
	17	Logistic plan in Ueki, Sue Town (section A-B)	Not announced	—
	18	Logistic plan in Sonobe, Kiyama Town	Not announced	—
	19	Island city Logistic Plan	2030(scheduled)	—

*Includes properties owned by the Fukuoka Jisho Group and properties co-owned with other companies.

(*)Fukuoka REIT Corporation acquired the land with leasehold interest from the owner of the office building Fukuoka Jisho Co., Ltd. on June 1, 2021.