



Hello, I'm Etsuo Matsuyuki.

Welcome and thank you very much for tuning in for the performance overview of Fukuoka REIT Corporation for the 33rd fiscal period ended February 28, 2021.

We have a lot to talk about as we are going to go through these slides, so let's get started.



Fukuoka REIT Corporation

Overview of the 33rd fiscal period performance

[Security code:8968] September 1st,2020~February 28th,2021

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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.

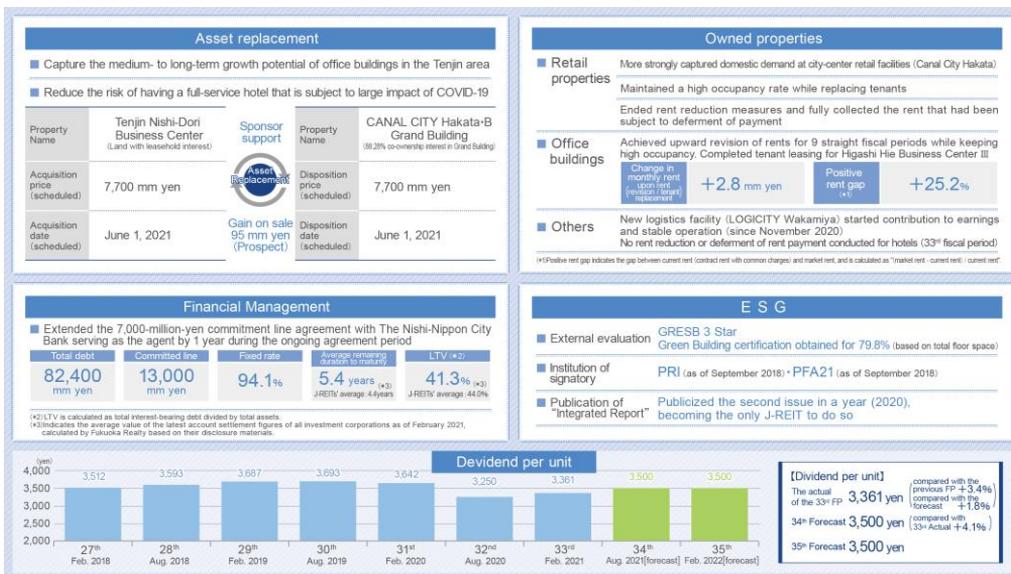
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The illustration on the cover was created based on an aerial photo of the Tenjin area in the Fukuoka metropolitan area, FRC's investment target area, taken from the northeastern sky.

Please note that, as of April 16, 2021, Tenjin Nishi-Dori Business Center (Land with leasehold interest) is the sole property FRC plans to acquire among the photographed properties, and FRC has no plan to acquire any other.

Executive summary

Announced a decrease in the ratio of retail properties and an increase in the ratio of office buildings in the portfolio through asset replacement



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Executive summary 1

Please take a look at page 1. This is an executive summary. As the headline goes, the share of retail facilities in our portfolio will go down while that of office buildings will go up after the asset replacement, which we announced on March 18. We put the details of the asset replacement in the upper left side of the slide. We will dispose 88 percent of our co-ownership share of Canal City Hakata • B Grand Building and instead acquire land with leasehold interest for Tenjin Nishi-Dori Business Center.

Next to the right is about our existing properties. For retail properties, Canal City Hakata has been focused on domestic demand as there has been virtually no foreign tourists coming in. The impact of rent reductions on our results was significant especially during the state of emergency in the months of April and May last year. But as local businesses were getting back to a sense of normalcy towards the end of last year, we have already recouped all the rent reductions and deferments we granted during the state of emergency. Now, our office buildings, accounting for 30 percent of our portfolio, continued to enjoy high occupancy and saw the upward rent revisions for the ninth consecutive period. For Others, I want to talk about LogiCity Wakamiya, which is a logistics facility, and it's started contributing to earnings since November last year. For our hotels, there was no rent reduction or rent deferment during the last six months.

The situation of our financial management is described at the lower left side of the slide. We remain focused and committed to keeping us on solid financial footing.

Next to its right is a summary of our ESG activities. We received three star in the GRESB survey and almost 80 percent of the total floor space of our portfolio is Green Building certified. We also published the second issue of our “Integrated Report” earlier this year.

As a result of all these activities, our dividend payout for the 33rd period was 3,361 yen per unit, beating our own expectations by 61 yen or 1.8 percent as well as the previous period by 3.4 percent, as you can see at the bottom of the page. And our forecast for the 34th and 35th periods is for 3,500 yen per unit for both periods.

Aim of Asset Replacement (announced on March 18, 2021)

Aim of Asset Replacement

- Conducted asset replacement based on investment policy changed in March 2019 (lowering the investment ratio of retail facilities and heightening the investment ratio of office buildings)
- Take in medium- to long-term office building market growth in the Tenjin area
- Realize continuous sponsor support
- Capture domestic demand further and contribute to future growth of Canal City Hakata as a whole
- Reduce risks of having a full-service hotel which is largely impacted by COVID-19
- Secure gain on sale by selling at a price above the appraisal value
- Improve stability in dividends

Overview of Asset Replacement

	Asset to be acquired	Asset to be transferred
Property name	Tenjin Nishi-Dori Business Center (Land with leasehold interest)	CANAL CITY Hakata・B Grand Building (88.28% co-ownership interest in Grand Building)
Investment type	Office building (Land with leasehold interest)	Retail
Acquisition / Transfer date (scheduled)	June 1, 2021	
Acquisition / Disposition price (scheduled)	7,700 mm yen	7,700 mm yen
Appraisal value	7,790 mm yen	7,640 mm yen
Book value ^(*)	—	7,510 mm yen
Difference between acquisition / disposition price (scheduled) and appraisal value	(90) mm yen	60 mm yen
NOI yield ^(**)	3.5%	5.9%

^(*)1) The gain/loss on disposition including expenses for the disposition, etc. is estimated to be 95 million yen.
^(**)2) The figure is calculated based on the NOI of the appraisal value.

Aerial photograph of Tenjin Area



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|---|--|--|
| <p>Asset to be acquired</p> <ul style="list-style-type: none"> 1 Tenjin Nishi-Dori Business Center (Land with leasehold interest) 2 Canal City Hakata 3 Tenjin Northfront Building 4 Tenjin Nishi-Dori Center Building 5 D-Wing Tower | <p>Properties owned by Fukuoka Jisho Group</p> <ul style="list-style-type: none"> 6 Tenjin Business Center (landed completion in Sept. 2021) 7 Tenjin MMT Building (during dismantling) 8 Fukuoka Kogin Building 9 Tenjin Riverfront Business Center 10 Tenjinkirameki-dori building | <p>Other development projects</p> <ul style="list-style-type: none"> 11 Tenjin 1-chome 11th Block Development Project (provisional name) 12 Former Daimyo Elementary School Site (provisional name) |
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Asset replacement and growth strategy | 2

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Let's look at page 2. Here are the details for the asset replacement we announced on March 18 this year. So, why do we do asset replacement? What is our goal? We do this following the change we made to our investment policy back in March 2019 to raise the percentage of office buildings and lower the percentage of retail facilities. Because that allows us to leverage the growth and strength of office buildings in Tenjin area in the mid to long term, and at the same time we were also able to mitigate risks associated with full service hotels, which continue to be hit hard by the pandemic.

You can read further details on the asset replacement below, so let me just point out here that the acquisition price is 90 million yen cheaper than its appraisal value whereas the selling price is 60 million yen higher than its appraisal value.

Investment policy and External Growth Strategy

External Growth Strategy

- Aim for asset size of 250.0 billion yen while striving to disperse risks in each investment type as a general REIT/Continue to flexibly consider property replacements if there are any favorable opportunities
- Continue selective investment mainly in office buildings, logistics and other facilities by utilizing advantage of being a region-specific REIT and the sponsor pipeline

◎Investment policy (Investment ratios by investment type)
Investment policy changed in March 2019



Portfolio after asset replacement (investment ratio by investment type)



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Continuous External Growth by Actively Leveraging Our Sponsor Support

the 32nd fiscal period (March 1, 2020-August 31, 2020)

Asset to be acquired	Office buildings	Logistics	Retail
Property Name	Higashi Hie Business Center III	LOGICITY Wakamiya	Home Plaza NAFCO at Park Place Oita
Acquisition price (scheduled)	3,290 mm yen	1,700 mm yen	990 mm yen
Source	Sponsor	Outside party	Sponsor

June 1, 2021 (scheduled)

Asset to be acquired	Office buildings
Property Name	Tenjin Nishi-Dori Business Center (Land with leasehold interest)
Acquisition price (scheduled)	7,700 mm yen
Source	Sponsor

Sponsor pipelines, etc

◎Real estate development by Fukuoka Jisho Group

- Join a number of redevelopment projects in the Tenjin area
- Join a number of redevelopment projects in the Hakata area, and the number of projects in the Hakata area is expected to increase
- Scheduled to continue development of logistics facilities after the development of first logistics facility in September 2020
- Enhancement of coordination of pipeline support by raising ratio of Fukuoka Realty shares held by Fukuoka Jisho Co. Ltd.
- Fukuoka Jisho owns 9.18% of FRC's investment units through same-boat investment (as of February 28, 2021)



Asset to be transferred

Property Name	Disposition price (scheduled)	Buyer
CANAL CITY Hakata-B Grand Building (88.2% co-ownership interest in Grand Building)	7,700 mm yen	Outside party

(*) 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. Furthermore, the indicated figures are those after the asset replacement scheduled for June 1, 2021, is implemented.

Asset replacement and growth strategy | 3

Next, please take a look at page 3. Our investment policy and external growth strategy is pretty much focused on, as I explained earlier, raising the share of office buildings and other assets by ten percentage points and lowering that of retail facilities by the same margin. Following this change we made to our investment policy back in March 2019, we acquired an office building and a logistics facility in 2020. And, again, as I said earlier, we are going to dispose our co-ownership share of Canal City Hakata・B and acquire land with leasehold interest for an office building on June 1st. As a result of all these actions, we successfully lower the share of retail facilities by five percentage points from 59.2 percent back in March 2019 to 54.2% in June 2021 after the asset replacement is completed. We are showing the pie charts at the lower left corner of the slide.

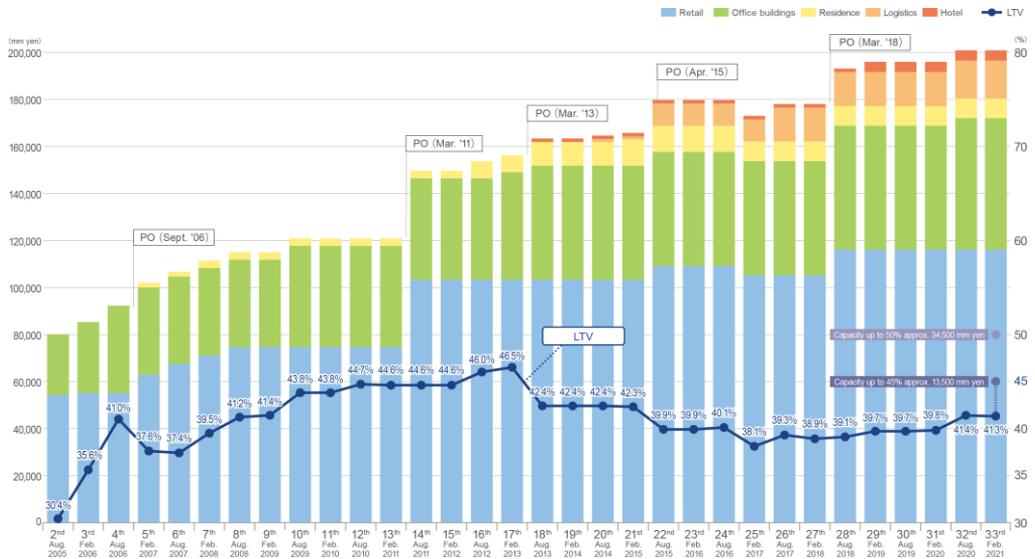
And the aim of our external growth strategy is to increase our asset size from the current 200 billion yen to 250 billion yen by further diversifying risks for each investment type and to expand our presence as a comprehensive J-REIT.

Let me also say a few words on our sponsor pipeline. As we put it in the middle of the slide, there has been a lot of redevelopment going on in the central parts of Fukuoka, namely Tenjin and Hakata areas, and our sponsor Fukuoka Jisho has been very much involved in these projects. Fukuoka

Jisho also has plans to develop a number of logistics facilities going forward following the development of our first logistics facility back in September last year. We not only have our sponsor but also local connections and market intelligence, as in the case of the acquisition of LogiCity Wakamiya last year, to back our external growth strategy so that we will continue to pursue opportunities to acquire office buildings and logistics facilities with a particular focus on exercising a very selective investment policy.

Historical trends of asset's size by investment type [based on acquisition]

Asset size is 201.9 billion yen at the end of the 33rd fiscal period (based on acquisition)



*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 20th FP, it is excluded from total acquired assets from the 20th FP onward.

Let's go to the next page. This graph is showing how our asset size has changed over the years for each investment type. The asset size is 201.9 billion yen at the end of February 2021. with LTV stands at 41.3 percent at the end of February 2021. We've been consistently operating with 35 to 45 percent LTV range. And with a loan-to-value ratio of 45% our remaining borrowing capacity will be around 13 billion yen.

New acquisition property for the 34th FP

Tenjin Nishi-Dori Business Center (Land with leasehold interest) ~Land of Office Building along Meiji-dori Avenue in the Tenjin Area~

◎Overview of the property

Acquisition date (scheduled)	June 1, 2021
Acquisition Price	7,700 mm yen
Appraisal value	7,790 mm yen
Seller	Fukuoka Jisho Co., Ltd. (Sponcer)
Location (address)	2-149 Tenjin, Chuo Ward, Fukuoka City, and 4 lots
Area	1,343.51m ²
NOI yield ^{(*)1}	3.5%

(*)1 The figure is calculated based on the NOI of the appraisal value.



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◎Subject area



Employed land lease agreement so that stable rental income can be obtained from Fukuoka Jisho Co., Ltd., the lessee, even during the redevelopment at the property and a rental income in line with market fluctuations can be obtained after the completion of the redevelopment (construction completion).

◎Assumed development schedule

Year	2021	2022	2023	2024	2025	2026	2027	2028
Assumed schedule	Conclusion of sales agreement	settlement	demolition of existing building	construction start	completion	Redevelopment scheduled for completion		
Rent conditions	Fixed rent (318 mm yen annual)					Variable rent ^{(*)2}		
Notes	● Tenjin Big Bang Project to complete (December 2026)							

(*)2 Variable rent will be applied for the period starting on either March 1 or September 1 that will first arrive after nine months have passed since the completion of the redevelopment, and will be calculated by the following formula: Rent after change (variable rent) = Initial rent (fixed rent) × Most recent amount of actual income of the building after redevelopment / Standard amount of rent income of the building after redevelopment.

Asset replacement and growth strategy | 5

Please take a look at page 5. This is about the property we are going to acquire in this period, the acquisition of land with leasehold interest for Tenjin Nishi-Dori Business Center. The location is excellent. It's right at the heart of the city of Fukuoka at the intersection of the Meiji Dori avenue, where a lot of the branches of Japan's major financial institutions and retail facilities are concentrated, and bustling Tenjin Nishi-Dori street. The picture you see on the slide shows the building to be demolished, so it's not a new building, it's an existing building. And, as we put it next to that picture, we are able to collect rent from our sponsor Fukuoka Jisho while the construction is going on and we also signed a variable rent agreement so that we can collect rent in line with market rent for a specified period of time after the completion of the project.

Property to be transferred in the 34th fiscal period and Canal City Hakata as a whole

Collaboration with Hoshino Resorts REIT, Inc. ~ Promoting revitalization of Canal City Hakata as a whole ~

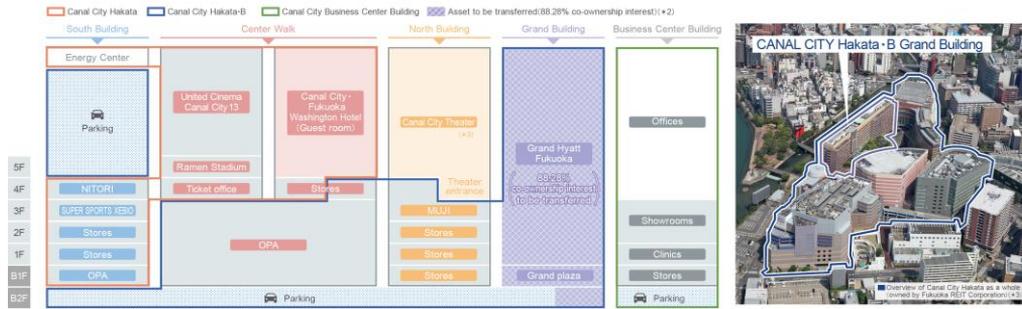
Overview of CANAL CITY Hakata・B Grand Building (88.28% co-ownership interest in Grand Building)

Transfer date (scheduled)	June 1, 2021
Disposition price (scheduled)	7,700 mm yen
Appraisal value	7,640 mm yen
Book value (*1)	7,510 mm yen
Buyer	Hoshino Resorts REIT, Inc.
Location/address	1-2-82 Sumiyoshi, Hakata Ward, Fukuoka City

(*1) The gain/loss on disposition including expenses for the disposition, etc. is estimated to be 95 million yen.

- Implemented disposition of asset to lower the investment ratio of retail facilities based on the change in investment policy.
- FRC has considered various options including renewal of floors that are not accommodation-category floors, stabilizing earnings through change of use, as well as transfers while engaging in dialogue with its tenants, but as there was an offer to acquire the property from Hoshino Resorts REIT, Inc., the buyer, for some time, and upon comprehensively considering that the transfer would lead to medium- to long-term stability of the portfolio and that the transfer to Hoshino Resorts Group is expected to increase demand from domestic customers as well as other factors, FRC decided to dispose the property based on the judgement that it would lead to the maximization of unitholder value over the medium to long term.
- After the disposition, FRC will cooperate with Hoshino Resorts REIT, Inc. to maximize the synergistic effects of the commercial facilities and the office portion owned by FRC and work to revitalize Canal City Hakata as a whole.
- Fukuoka Jisho Group and Hoshino Resorts Group has concluded a basic agreement on collaboration, and further development and continuous value enhancement of Canal City Hakata can be expected.

Facility Conceptual Diagram of Canal City Hakata as a whole



(*2) After the Disposition, the income and expenditure will belong to Hoshino Resorts REIT, Inc., the buyer, excluding the first floor below ground which the current sublessee as of March 18, 2021, F.J. Entertainment Works Co., Ltd. operates as Grand Hyatt Fukuoka, in Grand Building.

(*3) Fukuoka REIT does not own Canal City Theater in the North Building and has no plan to acquire it as of April 19, 2021.

*The facility conceptual diagram conceptually shows the placement of the buildings and the shape and area ratio may differ from the current situation.

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Asset replacement and growth strategy | 6

Let's then move on to talk about the property we are going to dispose. Take a look at page 6. We are showing the entire layout floor map of Canal City Hakata because we think it's nice to refresh our memory and to understand exactly what we are going to sell. The areas enclosed in red lines are Canal City Hakata and those in blue lines are Canal City Hakata・B. And the one enclosed in green lines is an office building, it's called Business Center Building. And the Canal City Theater is owned by our sponsor Fukuoka Jisho, not by us.

The part we are going to dispose is the areas in blue lines, Canal City Hakata・B, that's 88 percent of our co-ownership share of the building. And we are going to sell that to Hoshino Resorts REIT. You can also read why we decided to sell it to Hoshino in the slide. To put it simply, we've been thinking about how to grapple with the impact from the pandemic on this property. We thought about renovating the retail space except the hotel space, creating a completely new space, and of course selling the property to someone, when we were contacted by Hoshino about the property. The sale to Hoshino will bring some mid to long term stability to our portfolio and we can also expect an increase in demand and traffic to Canal City Hakata given Hoshino's ability to pull in more domestic travelers. And we came to our decision to dispose this property because we judged that this was the best way to maximize the value for our investors in the mid to long term.

Fukuoka Jisho and Hoshino Resorts signed a memorandum of understanding with respect to future collaboration and we have no doubt that that will add more growth and value to Canal City Hakata in years to come.

Impact of COVID-19 infection on retail properties

Year-on-year comparison of sales (March 2020 - February 2021)



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Sales Statista on the website of the Japan Council of Shopping Centers.
*Sales at the newly acquired Home Plaza NAFCCO at Park Place Oita in July 2020 are added.

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Status of Rent Reduction and Deferment of Rent Payment

	32 nd					33 rd				
	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Number of tenants	259 mm yen					84 mm yen				
Number of tenants	288 cases (+1)					49 cases (+1)				
Subject properties: Properties temporarily closed*	Subject properties: Canal City Hakata (+3)					Start of rent reduction: Jun. 38cases, Sept. 10cases, Oct. 1case *Rent reduction ended mostly during the 33 rd period				
Deferment of Rent Payment	285 cases (+1)					Already fully collected for all 285 cases No new arrangement conducted				

(+1) The number of tenant cases is a cumulative figure.
 (+2) Canal City Hakata, Canal City Hakata -B, and the Canal City Business Center Building (only some retail stores), Konoha Mall Hashimoto, Marina City Fukuoka (Marina Side Building) and Park Place Oita are covered.
 (+3) Canal City Hakata, Canal City Hakata -B, and the Canal City Business Center Building (only some retail stores) are covered.

Breakdown of retail rents (all 11 properties)



* "Fixed rent" is indicated the amount of "leasing revenues-real estate". "variable rents".
 ** "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. Variable rents are included Canal City Hakata, Canal City Hakata -B, Park Place Oita, SunLive City Kokura and Konoha Mall Hashimoto.

Impact of COVID-19 infection 7

Please take a look at the next page, page 7. Here I'm going to talk about the impact of COVID-19 on our existing retail properties. On the left half of the slide, we are showing a graph that indicates how the sales of our large retail facilities have been affected by the pandemic over the last year. The two dotted lines in the middle of the graph represent the averages nationwide and in the large cities. And so, it is clear that our active retails such as Park Place Oita, Konoha Mall Hashimoto, and SunLive City Kokura were doing better than the national averages. Canal City Hakata was doing below the averages just because inbound was gone; there was no foreign tourists at all. The blip shown in the months of October and November was because of the release of the blockbuster "Demon Slayer: Kimetsu no Yaiba The Movie," as you all know, boosting the traffic in and around the facilities.

The situation with regards to rent reductions and deferments is described just next to the graph on the upper right side. In the 33rd period, we granted rent reductions worth 84 million yen. Rent reductions were given and in effect to a total of 49 tenants during the 33rd period.

Statements of Income (compared with the previous fiscal period)

Increase in income through new acquisition of properties and recovery in sales of retail properties

- unit : mm yen (Figures rounded down to the nearest mm yen)

Sign indicates impact on profit (unit : mm yen)

Account		32 nd A ~Aug. 31, 2020	33 rd B ~Feb. 28, 2021	Difference B - A
Operating profit and loss	Total operating revenues	8,518	8,904	① 385
	Leasing revenues-real estate	7,912	8,306	393
	Other leasing revenues-real estate	605	597	(8)
	Total operating expenses	5,551	5,842	290
	Expenses related to leasing business	4,897	5,180	② 283
	Asset management fees	520	524	4
	Asset custody fees	7	7	0
	Administrative service fees	57	58	1
	Director's compensations	9	9	-
	Other operating expenses	60	61	1
Operating income	2,966	3,061	95	
Non-Operating profit and loss	Total non-operating revenues	0	1	0
	Total non-operating expenses	379	386	6
	Interest expenses (incl. investment corporation bonds)	278	282	3
	Financing related expenses	94	97	2
	Others	5	5	0
Ordinary income	2,587	2,677	89	
Profit before income taxes	2,587	2,677	89	
Total income taxes	0	1	0	
Profit	2,586	2,675	88	
Dividend	Total dividends	2,587	2,675	88
	Dividend per unit (yen)	3,250	3,361	111

Operating profit and loss

① Acquired properties at the 32nd FP
 (LOGICITY Wakamiya/Leasing contract started in Nov. 2020)+53
 (Full-period contribution of Higashi Hie Business Center III)+45
 Canal City Hakata-B +122
 Park Place Oita +85
 Konoha Mall Hashimoto +67
 Office buildings(excl. Higashi Hie Business Center III)+18
 [- of which, increase in leasing revenues-real estate, etc. +26]
 [- of which, decrease in income from utilities (7)]
 Tissage Hotel Naha (14)
 Others +9
Total : +385

② Increase in outsourcing expenses (258)
 Increase in repair & maintenance expenses (118)
 Decrease in expenses from utilities +27
 Decrease in depreciation and amortization expenses +62
 Decrease in other expenses +4
Total : (283)

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Financial statements | 8

Let's go to the next page, page 8. This is our P&L for the 33rd fiscal period as compared to the previous period. Total operating revenues came in better than the previous period by 385 million yen. That is in part due to the start of the leasing contract for LogiCity Wakamiya, which we acquired last year, the full-period contribution of Higashi Hie Business Center III, and the great results coming from Park Place Oita, which also houses Home Plaza Nafco in its premise. The total contribution of these three properties was about 120 million yen. And it is also because of the fact that other retail facilities did markedly better than in the period before.

At the same time outsourcing expenses also increased from the previous period because we resumed spending money on promotions and advertisements, which we couldn't do during the lockdown when almost all the tenants were closed.

And, with all things considered, we were able to pay dividend of 3,361 yen per unit for the 33rd period.

Statements of Income (compared with the forecast)

Reducing operating expenses led to a dividend 61 yen above the forecast

- unit : mm yen (Figures rounded down to the nearest mm yen)

Sign indicates impact on profit (unit : mm yen)

Account		33 rd A Forecast at 32 nd	33 rd B ~Feb. 28, 2021	Difference B - A
Operating profit and loss Ordinary profit and loss	Total operating revenues	8,903	8,904	① 0
	Leasing revenues-real estate		8,306	
	Other leasing revenues-real estate		597	
	Total operating expenses	5,889	5,842	② (47)
	Expenses related to leasing business		5,180	
	Asset management fees		524	
	Asset custody fees		7	
	Administrative service fees		58	
	Director's compensations		9	
	Other operating expenses		61	
Operating income	3,013	3,061	48	
Total non-operating revenues	1	1	0	
Total non-operating expenses	385	386	0	
Interest expenses (incl. investment corporation bonds)		282		
Financing related expenses		97		
Others		5		
Ordinary income	2,628	2,677	48	
Profit before income taxes	2,628	2,677	48	
Total income taxes	1	1	0	
Profit	2,627	2,675	48	
Dividend	Total dividends	2,626	2,675	48
	Dividend per unit (yen)	3,300	3,361	61

Operating profit and loss	
① Canal City Hakata・B	+12
Park Place Oita	(19)
[of which, decrease in income from utilities	(9)]
[of which, decrease in other miscellaneous revenues (14)]	-
Office buildings	+4
Others	+3
Total	0
② Decrease in outsourcing expenses	+15
Decrease in expenses from utilities	+29
Decrease in depreciation and amortization expenses	+7
Increase in selling general and administrative expenses	(7)
Others	+3
Total	+47

Please take a look at the next page. On page 9 we compare our results against the forecast. Operating revenues came in exactly in line with our expectations, but we successfully managed to make further cutbacks in expenses and that is why our dividend payout beat the expectation by 61 yen per unit.

Business forecast (the 34th fiscal period, Aug. 2021)

By covering the decrease in earnings due to property sale with the increase in revenue from owned properties and gain on sale, dividend per unit is forecast to be 3,500 yen

Forecast in the 34th fiscal period

-- unit : mm yen (Figures rounded down to the nearest mm yen)

Account	33 rd Actual A	34 th Forecast at 32 nd B	34 th Forecast at 33 rd C	33 rd Actual difference C-A	34 th Forecast difference C-B
Operating revenues	8,904	9,127	8,979	75	(148)
Operating revenues excluding gain on sales	8,904	9,127	8,883	① (20)	(243)
Gain on sales	-	-	95	② 95	95
Operating expenses	5,842	5,953	5,803	③ (39)	(150)
Operating income	3,061	3,174	3,176	114	2
Non-operating revenues	1	0	0	(0)	-
Non-operating expenses	386	387	389	3	2
Ordinary income	2,677	2,787	2,787	110	-
Profit	2,675	2,786	2,786	111	-
Total dividends	2,675	2,786	2,786	110	-
Dividend per unit (yen)	3,361	3,500	3,500	139	-

■ Difference between the 33rd FP actual and the 34th FP forecast

Sign indicates impact on profit (unit : mm yen)

① Full-period contribution of LOGICITY Wakamiya	+26
Acquired property at the 34 th FP (Tenjin Nishi-Dori Business Center(Land with leasehold interest))	+79
Canal City Hakata	+49
Canal City Hakata-B	(232)
Office buildings(excl. Tenjin Nishi-Dori Business Center (Land with leasehold interest))	+26
[of which, increase in leasing revenues-real estate, etc.	+15]
[of which, increase in income from utilities	+10]
Tissage Hotel Naha	+14
Others	+18
Total	(20)
② CANAL CITY Hakata-B Grand Building (88.28% co-ownership interest in Grand Building)/Gain on sales	+95
③ Decrease in outsourcing expenses	+44
Increase in expenses from utilities	(45)
Decrease in taxes and other public charges	+14
Decrease in depreciation and amortization expenses	+65
Increase in selling general and administrative expenses	(30)
Increase in other expenses	(9)
Total	+39

◎ (Canal City Hakata-B) Difference between the 33rd FP actual and the 34th FP forecast

Decrease in leasing revenues-real estate	(232)
Decrease in outsourcing expenses	+75
Decrease in taxes and other public charges	+32
Decrease in depreciation and amortization expenses	+32
Decrease in other expenses	+11
Decrease in operating income	(82)

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Business forecasts | 10

The next page, page 10, describes our forecast for the 34th fiscal period. Operating revenues are expected to go up by 75 million yen; that is 95 minus 20 million yen. But we have to remind ourselves that this 95 million yen is a gain from the sale of Canal City Hakata・B. So, without it, our operating revenues are expected to decrease by 20 million yen. And here are the reasons why. Please take a look at the right hand side of the slide. But I guess just looking at these numbers may not give you much clarity, so we've prepared more details on the P&L for Canal City Hakata・B. Take a look at this breakdown just below. So, we're going to lose a big portion of leasing revenue, 232 million yen, if we sell Canal City Hakata・B. But naturally the drop in expenses is not going to be as big as that. So, that's why we will lose about 82 million yen in operating income if we dispose Canal City Hakata・B.

In contrast, leasing revenues from properties other than Canal City Hakata・B are expected to rise by 212 million yen and the expenses will also go up by 111 million yen accordingly. And so, the operating revenues from properties other than Canal City Hakata・B are expected to increase by 101 million yen, and that will be an increase of 19 million yen in operating income on balance. And if you add this 19 million yen to the 95 million yen, which is a gain on the sale of Canal City Hakata・B, you'll get 114 million yen, which is our forecast for the next period's operating income.

Business forecast (the 35th fiscal period, Feb. 2022)

Dividend per unit is expected to be maintained despite the absence of gain on sale in the previous fiscal period

Forecast in the 35th fiscal period

--unit : mm yen (Figures rounded down to the nearest mm yen)

Account	34 th Forecast at 33 rd A	35 th Forecast at 33 rd B	34 th Forecast difference B-A
Operating revenues	8,979	8,724	(255)
Operating revenues excluding gain on sales	8,883	8,724	① (159)
Gain on sales	95	-	(95)
Operating expenses	5,803	5,555	② (247)
Operating income	3,176	3,168	(7)
Non-operating revenues	0	0	-
Non-operating expenses	389	382	(7)
Ordinary income	2,787	2,787	(0)
Profit	2,786	2,786	(0)
Total dividends	2,786	2,786	-
Dividend per unit (yen)	3,500	3,500	-

Sign indicates impact on profit (unit : mm yen)

■ Variance from updated the 34th FP forecast

① Full-period contribution of Tenjin Nishi-Dori Business Center (Land with leasehold interest)	+79
Canal City Hakata	(19)
Canal City Hakata-B	(215)
SunLive City Kokura	+12
Office buildings(excl. Tenjin Nishi-Dori Business Center (Land with leasehold interest))	+2
[-of which, increase in leasing revenues-real estate, etc.]	+14
[-of which, increase in income from utilities]	(12)
Others	(18)
Total	(159)
② Decrease in outsourcing expenses	+76
Decrease in expenses from utilities	+29
Decrease in taxes and other public charges	+32
Decrease in depreciation and amortization expenses	+68
Decrease in selling general and administrative expenses	+26
Decrease in other expenses	+16
Total	+247

◎ (Canal City Hakata-B) Variance from updated the 34th FP forecast

Decrease in leasing revenues-real estate	(215)
Decrease in outsourcing expenses	+79
Decrease in taxes and other public charges	+32
Decrease in depreciation and amortization expenses	+62
Decrease in other expenses	+18
Total	(244)

Fukuoka REIT

Business forecasts 11

Please take a look at the next page, page 11, and this is our forecast for the 35th fiscal period. We're going to go through the same exercise again to give you more clarity. If you take out the P&L of Canal City Hakata・B, you see that we will lose 215 million yen in operating revenue and at the same time we're not going to have to spend the expenses for the property. So, on balance, we will lose only 24 million yen in terms of operating income, and that's when we look at Canal City Hakata・B alone.

For properties other than Canal City Hakata・B, on the other hand, we expect the operating revenue to go up by 56 million yen and that is in large part thanks to the full period contribution of Tenjin Nishi Dori Business Center. We also expect that the expenses for the other properties will go down by 56 million yen. That's why the operating income from properties other than Canal City Hakata・B will be 112 million yen. And if you combine these two numbers, or if you take 24 million yen from 112 million yen, that will be 88 million yen, which would push up our total operating income. Now, we will have a gain on sale of the property, 95 million yen, in the 34th period, but there will be nothing in the 35th period. So, that's why we expect the operating income for the 35th period to be seven million yen short of what is expected for the preceding period. Despite all that, we will continue to pay the same amount of dividend for the 35th period by further cutting non-operating expenses. And speaking of expenses, we should notice that the decline in depreciation and amortization is getting bigger. We've prepared a

slide, that is page 49, to give you more details and background.

Situation of active retail①

Sales are on a recovery trend

● Canal City Hakata
● Canal City Hakata-B



Sales (annual total)^{(*)1}
Mar. 2020 - Feb. 2021

14.1 bn yen
YoY (52.9)%

Given two emergency declarations, almost all facilities were closed from April 7 to May 15, 2020, and business hours were shortened in January/February 2021. In October to December, sales recovered to around 70% of year earlier results due to the success of the "Demon Slayer" movie and "Go To" campaign. For now, we are working to increase sales to domestic customers with NTCR, a new store, and other measures.

● Park Place Oita



Sales (annual total)^{(*)2}
Mar. 2020 - Feb. 2021

22.5 bn yen
YoY (8.6)%

Sales dropped sharply in March to May, impacted by the emergency declaration, but have remained mostly flat year-on-year since June. Stores handling daily necessities and cinemas performed well. We will work increase the number of events and increase satery sales by further reinforcing infection control measures.

● Konoha Mall Hashimoto



Sales (annual total)
Mar. 2020 - Feb. 2021

13.0 bn yen
YoY (16.5)%

Given two emergency declarations, almost all facilities were closed from April 7 to May 15, 2020 and business hours were shortened in January and February 2021. Sales have remained roughly at around 90% of year earlier results since June due to strong sales of fresh food and other daily necessities. Stable sales are expected going forward as new eatery stores are opened even amid the COVID-19 pandemic.

● SunLive City Kokura



Sales (annual total)^{(*)3}
Mar. 2020 - Feb. 2021

—
YoY (14.6)%

Sales dropped sharply in April/May given the emergency declaration twice, but have remained at around 90% of year earlier results since then. Sales of fresh foods remained strong. Work to further activate the facility by renewing tenants in autumn 2021 as a target and implementing common area renovation plan.

^{(*)1}Sales figures are rounded down to the nearest 100 million yen.

^{(*)2}Compared sales of Canal City Hakata and Canal City Hakata-B, properties owned by Fukuoka REIT. ^{(*)3}Sales at the newly acquired Home Plaza NAPCO at Park Place Oita in July 2020 are added. ^{(*)4}Sales figures are omitted because SunLive did not consent to their disclosure.

Year-on-year comparison of sales / Period-end occupancy rates

Property name	Year-on-year comparison of sales		Period-end occupancy rates	
	32 nd (Aug. 2020)	33 rd (Feb. 2021)	32 nd (Aug. 2020)	33 rd (Feb. 2021)
Canal City Hakata	35.1%	57.5%	100.0%	97.7%
Canal City Hakata-B	35.1%	61.3%	99.5%	99.5%
Park Place Oita ^{(*)2}	82.9%	100.2%	100.0%	100.0%
Konoha Mall Hashimoto	75.8%	91.5%	100.0%	97.8%
SunLive City Kokura	81.2%	89.6%	100.0%	100.0%
Other retail properties ^{(*)4}	90.2%	96.7%	100.0%	100.0%

^{(*)4} Square Mall Kagoshima (Luka), Kumamoto Intercommunity SC, Harahata SC, Kurume Higashi-Kaizen SC, K's Denki Kagoshima, Marina City Fukuoka (Marina Side Building) are listed as other retail properties.

Infection Control Measures at Retail Properties

◎ About the measures at Canal City Hakata

Introduced daily endeavors with "Canal City Hakata Morning Routines [Preventive Measures Against COVID-19]" video on YouTube



Fukuoka REIT

Portfolio overview 12

Let's go to the next page, page 12. This is about the situation of our active retails. Our active retails are definitely on track for recovery. And as I said earlier even Canal City Hakata has picked up some steam thanks to Demon Slayer movie. Konoha Mall Hashimoto continues to be doing great with new restaurant openings despite the pandemic. And SunLive City Kokura will see major tenant replacements and undergo the renovation of its common use space by fall to sort of commemorate its 15th anniversary.

The table you see at the bottom is comparing sales and occupancy rates for the latest periods against the same period of the year before for each retail property. We've also put a video clip here showing what we are doing to prevent the spread of infections at Canal City Hakata so that our customers can feel safe shopping at us.

Situation of active retail②

Increase visitors from neighboring trade zones; attract customers from wider areas in Japan over the medium to long term by offering experiential value, renovation and tenant replacement

Canal City Hakata

Vitalization measures with hit movies and popular characters as a hook

Hit movie-related measures

- Lottery using movie ticket stubs
- Shopping card points for repeat viewers
- Interior environmental decoration

Factor of favorable 33rd period results



Reproduced wisteria trellis with LEDs
—Set up a shelf to hang ema (wooden plaques with prayers) and dedicated those ema to Kamado Shrine (Fukuoka prefecture)

EVANGELION

- Aqua Panorama performance
- Official store opening
- Selling large character figures
- Distributing movie screening commemorative original postcards

Contributing to attracting customers in early 34th period



GUNDAM

- Aqua Panorama performance (April 24~)
- Selling limited plastic models (@"THE GUNDAM BASE FUKUOKA" official store)
- Holding "GUNDAM docks," a large-scale event

Providing experiential value projected for 34th period



Fukuoka REIT

e-sports event

Held the final match of "Kyushu E-Sports Student Championship 2021" on April 18 at the special venue in the facility. The championship, held for the first time, was the first e-sports event implemented at Canal City Hakata.

Providing experiential value projected for 34th period

Farmers Marche

Provided a venue to sell farm products produced at facilities for persons with disabilities (March 20)



Opening of large-scale NITORI store downtown (approx.3,645 m²) on March 12



Domestic neighborhood demand

Year-on-year change of domestic sales of existing NITORI stores



Source: Prepared by Fukuoka Realty Co., Ltd. based on NITORI Co., Ltd. Year-on-Year Change of Domestic Monthly Sales on the website of NITORI Holdings Co., Ltd.

Store replacement

Newly invited eateries and clinics, etc. to maintain occupancy and promote vitalization even under the COVID-19 pandemic.

Konoha Mall Hashimoto



Canal City Hakata・B

Specialty shop for Hiroshima okonomiyaki (savory, Japanese-style pancakes) "Denkosekka" (opened first in Kyushu)



Portfolio overview 13

Please take a look at the next page, page 13. When we were making forecast for the 34th and 35th periods, we continued to assume that there would be no foreign tourist coming to visit Fukuoka. That is why the biggest focus for Canal City Hakata continues to be to expand its trading area and attract more local customers. In fact there has been a lot of collaboration between Canal City Hakata and blockbuster movies as well as popular characters. We all know that was exactly the case last year with Demon Slayer and we just had at the beginning of this period a new Evangelion film, Evangelion: 3.0+1.0 Thrice Upon a Time. There is an official store in Canal City Hakata. Also from April 24 our Aqua Panorama is going to feature Gundam, another popular character, and there will be an official store in Canal City Hakata as well. So, we have films, Aqua Panorama, and official stores. We hope that these kinds of collaboration will boost traffic to Canal City Hakata.

Tenant replacement is also a key part of our efforts to attracting local customers especially for Konoha Mall Hashimoto and Canal City Hakata. Some of the brands open their first store in Kyushu at our retail properties.

Trends in the Fukuoka office market

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

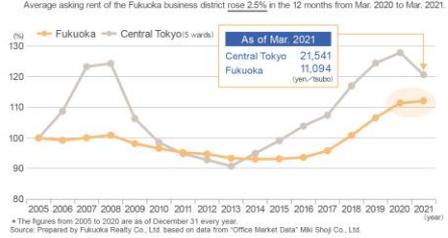
©Progress made in informal determination of tenants for office buildings to be completed in 2021



Fukuoka REIT

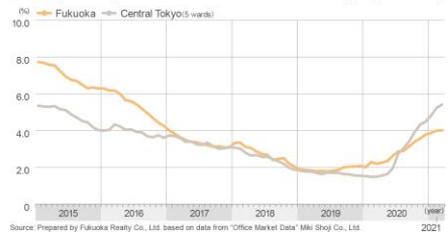
Fukuoka business district / Average asking rents

©Average asking rents during the past year (Y2005=100)



Fukuoka business district / Average vacancy rate

©Average vacancy rate in Fukuoka's business districts is rising only moderately



Portfolio overview 14

Let's move on to the next page, page 14. And this is about the current office market in Fukuoka. The vacancy rate in Fukuoka has ticked up to 4.02 percent as of March and it's been edging up gradually over the last couple of years. If you take a look at the graph at the lower right side of the slide, that's showing the average vacancy rates of Fukuoka business district and those of Central Tokyo. And you will notice that the curve of the vacancy rate in Fukuoka is more moderate than this rather steep curve for Central Tokyo. We are also showing average asking rents in the graph, which is just above. Here, again, the story is similar. You see a rather sharp drop in asking rents in Tokyo while the average asking rents in Fukuoka rose 2.5 percent in one year between March 2020 and March 2021.

Office demand underpinning the Fukuoka office market

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



Companies Subsidized by Fukuoka City Business Establishment Support Program

■ Companies subsidized in 2019 (rental type, selected from those granted 10 million yen or more)

Company	Location	Subject fields
ZOZO Technologies, Inc.	Tenjin, Chuo Ward	Knowledge creation
TRIPLE (株) (0199) (株) (0199) (株) (0199)	Minatogashi, Higashi Ward	Logistics
Yahoo Japan Corporation	Tenjin, Chuo Ward	Headquarters functions
Sekisui House, Ltd. / FUKUOKA Shoji Co., Ltd.	Kashiteruha, Higashi Ward	Large-scale customer attraction facilities
Mercari, Inc.	Hakataekihigashi, Hakata Ward	Call center, etc.
SoftBank Group Corp.	Nakasu, Hakata Ward	Call center, etc.

■ Companies subsidized in 2018 (rental type, selected from those granted 10 million yen or more)

Company	Location	Subject fields
Creditsafe Japan	Kamigotokumachi, Hakata Ward	Call center, etc.
TechJIN	Tenjin, Chuo Ward	Knowledge creation
Human Relation Inc.	Tenjin, Chuo Ward	Call center, etc.

Fukuoka City Business Establishment Support Program: A subsidy program for companies establishing a new base in Fukuoka City, covering such fields as knowledge creation, call centers, medicine, healthcare and welfare, environment and energy-related, logistics, headquarters functions, and global business.

Source: Prepared by Fukuoka Realty Co., Ltd. based on data from "Business Establishment Support Program Results" by the Fukuoka City Economy, Tourism & Culture Bureau.

Cases of Office Functions Transfer to Fukuoka

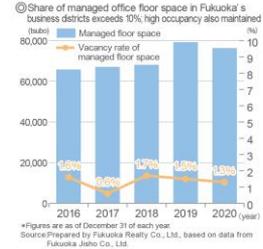
JAPANET HOLDINGS Co., Ltd. Moving major functions from Tokyo to Fukuoka City

Launched "JAPANET@FUKUOKA", a project to newly make Fukuoka City one of its major bases

Will move 12 divisions including HR and Accounting to the Fukuoka office and increase mid-career employment, creating new employment in Fukuoka and expanding new services, sports, and regional revitalization initiatives all over Japan from Nagasaki, its place of founding, as well as from Kyushu.

*Move-in to Tenjin Business Center (see P60) confirmed

Leasing Capabilities of Sponsor (Fukuoka Jisho)



Initiatives of Attracting International Financial Functions by Fukuoka City Government

Promotion of Attracting International Financial Functions

- Projects to attract international financial functions to Fukuoka: Operate one-stop support counter specialized in international finance "Global Finance Centre" and provide support to FinTech operators, etc.
- Promotion of attracting foreign financial institutions, etc.: Implement promotions for foreign financial institutions, etc. to attract international financial functions.
- Projects to enhance living environment for foreign residents in Japan: Life guidance upon move-in procedures, international exchange in the region, multilingual support at ward offices (like telephone interpretation), surveys on problems, etc.

The first invitee: MCP Holdings Limited opening an office in Fukuoka City
~Establishing a base for supervising operations in Japan~

Source: Prepared by Fukuoka Realty Co., Ltd. based on Overview of Initial Draft Budget for Fiscal 2021 by the Finance Bureau, Fukuoka City Government issued February 10, 2021, and the press announcement by the Economy, Tourism & Culture Bureau, Fukuoka City Government dated February 12, 2021.

Please take a look at the next page. We've done analysis on the office demand in Fukuoka, which sustains this robust office market. On the left side of the slide, you see this graph showing the number of companies which receive subsidies from Fukuoka City's Business Establishment Support Program. In 2019, fifty-three companies received the subsidies and six of which moved in and transferred its headquarters to Fukuoka and fifteen companies were either foreign or foreign-affiliated companies. And many of those companies are call center businesses or in the knowledge creation sector, so many different types of businesses have chosen to do business in Fukuoka.

Also, last fall, during the height of the pandemic, one Tokyo-based company decided to move part of its headquarter functions to Fukuoka, and that was Japanet Holdings. Please look at the right-hand side of the slide. According to some media report, this company will move in to Tenjin Business Center.

Its proximity to Asia is one of the city's hallmarks touted by the Fukuoka City government to bring in international financial functions. And as a result of the initiatives by the city to attract as many as possible, it was announced in February that MCP Holdings based in Hong Kong would be the first to have an office in Fukuoka.

Implementation Status of Remote Work in Fukuoka and Initiatives by Fukuoka City Government

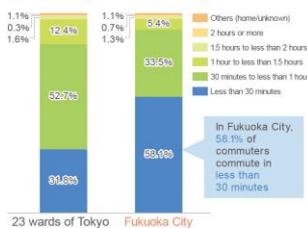
Rate of remote work implementation by region (2020)

©The rate of remote work implementation in Fukuoka Prefecture is lower than the Tokyo metropolitan area or Osaka Prefecture.

Implementation rate in November Rank	Prefecture	Implementation rate in April	Implementation rate in November	Change in implementation rate from April
1	Tokyo	49.1%	45.8%	(3.3)%
2	Kanagawa	42.7%	34.9%	(7.8)%
3	Chiba	38.0%	26.2%	(11.8)%
4	Osaka	29.1%	24.4%	(4.7)%
5	Saitama	34.2%	24.0%	(10.2)%
12	Fukuoka	23.8%	16.4%	(7.4)%

Source: Prepared by Fukuoka Realty Co., Ltd. based on data from "Emergency Survey on the Impact of COVID-19 on Telework" and "The Fourth Emergency Survey on the Impact of COVID-19 on Telework (Preliminary Report)", PERISOL RESEARCH AND CONSULTING CO., LTD.

Comparison of commuting times (Fukuoka City and 23 wards of Tokyo)



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from SD18 Housing and Land Survey by the Statistics Bureau of the Ministry of Internal Affairs and Communications

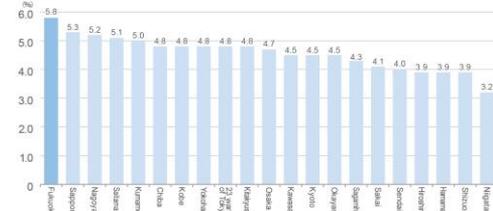
Short commuting time to work and school (comparison with the world's cities)

Rank	City
1	Geneva
2	Vienna
3	Frankfurt
4	Barcelona
5	Fukuoka
27	Tokyo

Source: Prepared by Fukuoka Realty Co., Ltd. based on data from "Global Power City Index" (EUROPEAN 2019) by the Institute for Urban Strategies, The Mori Memorial Foundation

Comparison of Rate of Business Starts Among Major Urban Areas (2019)

©Fukuoka City has the highest rate of business starts



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

Initiatives of Startup Support by Fukuoka City Government

A City of Startups Connected to the World

- **Promote formation of a base city for startup ecosystem**
Support creation of unicorn companies by utilizing the Cabinet Office's "Strategies for Creation of Startup Ecosystem"
- **Programs to support growth of startups aiming for new listing through external human resources**
Support startups aiming at new listing to utilize experienced professionals in solving management issues, etc.
- **Operation of startup support facilities**
Operate Fukuoka Growth Next, a startup support facility

Source: Prepared by Fukuoka Realty Co., Ltd. based on Overview of Initial Draft Budget for Fiscal 2021 by the Finance Bureau, Fukuoka City Government (dated February 16, 2021).

Please take a look at the next page. We did talk about this in the last meeting as well. This is about the state of remote work across Japan during the pandemic. As of November last year, 16.4 percent of businesses have their employees work from home in Fukuoka, and this is lower than in Tokyo or Osaka. Why is that? There are many reasons for the lower percentage, but I think the biggest one is the fact that workers in Fukuoka spend less time on commute than those in other Japanese cities.

Now, we understand that the future demand for office is most likely a function of new business openings. And in this respect the Fukuoka City government has been extending its support for startups for quite some time, and we are beginning to see tangible outcomes, giving the strong impetus for growth in the office market in Fukuoka.

Historical and projected office buildings' occupancy rates

Maintaining high occupancy levels while steadily increasing rent per unit area

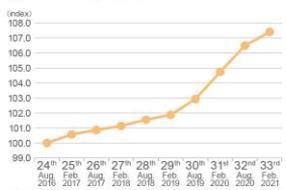


Major indicators of owned properties^(*)

Total amount of acquisition	56,020 mm yen
Investment ratio	27.7%
Average age	17 years 3 months
Tenants	228
Total leasing revenues-real estate in the 33 rd FP	2,424 mm yen
Rent positive gap	+25.2% ^(**)

^(*) The figures are indicated as of February 28, 2021.
^(**) Rent positive gap indicated the gap between current rent contract rent with common charges and market rent, and is calculated as "Current rent - market rent / current rent". Moreover, market rent indicated average of assumed newly closed rent assessed by CBRE as of Feb. 2021.

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



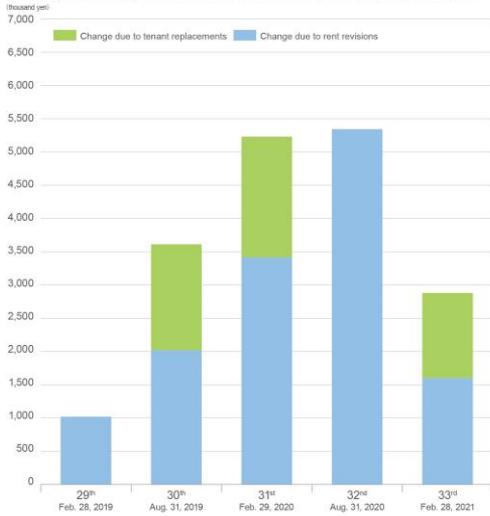
^(*) The rent unit price index is based on the average rent per unit area at the end of each fiscal period compared with the rent per unit area at the end of the 24th fiscal period (August 2016), which is set as 100. This covers all office building properties excluding Higashi Hie Business Center II and Higashi Hie Business Center III but, for Canal City Business Center Building, only the spaces from the 2nd floor and above are covered.

Let's move on to page 17. We are showing the occupancy rates for our office buildings and we are seeing these very elevated levels to continue for some time to come. Also, the small graph at the lower right corner of the slide shows that the rent unit price index continues to rise thanks to the upward rent revisions.

Office building rent revisions and tenant replacement situation

Increase in rent has continued

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



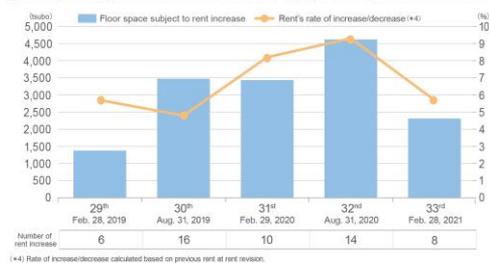
* Covers all office buildings owned at the end of each fiscal period (However, for Canal City Business Center Building, only the spaces from the 2nd floor and above are covered and Higashi Hei Business Center ② is not included).
^{(*)1} There were no revisions to the rent reductions.

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 ^{(*)1}



^{(*)4} Rate of increase/decrease calculated based on previous rent at rent revision.

Please take a look at the next page, page 18. Here are more details about rent increases. For the 33rd period, it was hard to negotiate with our tenants for rent increase because of the pandemic and its financial tolls on their businesses. And that's why we see a smaller number in the 33rd period than in the 32nd period. Even still we could successfully increase monthly contract rent by almost three million yen through tenant replacements and rent revisions.

Situation of other assets (Hotel, Residence)

Overview of Hotel

Hotel	Grand Hyatt Fukuoka (Canal City Hakata-B)	Fukuoka Washington Hotel (Canal City Hakata)	Hotel FORZA Oita	Tissage Hotel Naha
Type	Full-service	Specialized for accommodation	Specialized for accommodation	Specialized for accommodation
Leasing Form	Fixed+Variable rents	Fixed+Variable rents	Fixed rents	Fixed+Variable rents
Area	Fukuoka City	Fukuoka City	Oita City	Naha City
Rooms	372	423	205	132
Operator	FJ Hotels (Fukuoka Jisho Group)	WHG Nishinoh (Fujita Kanko Group)	FJ Hotels (Fukuoka Jisho Group)	Nest Hotel Japan Corporation

© Trends in lodging occupancy index (monthly average)



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

Canal City Hakata / Canal City Hakata-B

© Average year-on-year comparison of RevPAR (+2)

	32 nd (Aug. 2020)	33 rd (Feb. 2021)
year-on-year	(85.0) %	(53.7) %

*The figure is calculated as the average value for Grand Hyatt Fukuoka and Canal City Fukuoka Washington Hotel.

(+2) 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.

(+3) 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.

Tissage Hotel Naha

	32 nd (Aug. 2020)	33 rd (Feb. 2021)	compared with the previous FP
Room occupancy rate	36.0%	67.9%	+31.9%
ADR (+3)	5,031 yen	4,237 yen	(794) yen
RevPAR(+2)	1,812 yen	2,878 yen	+1,066 yen

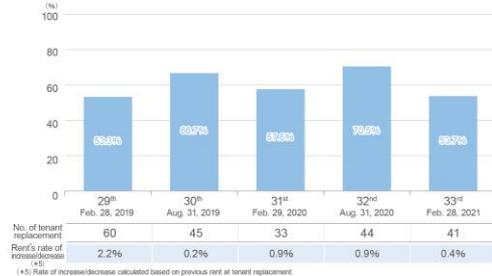
Residential properties (occupancy rate by property at end of period)

©Residential properties have continued to operate at a high occupancy rate.

occupancy rates	29 th (Feb. 2019)	30 th (Aug.2019)	31 st (Feb. 2020)	32 nd (Aug.2020)	33 rd (Feb. 2021)
Amex Akasakamon Tower	98.8%	98.5%	95.0%	90.6%	98.8%
City House Keyaki Dori	95.6%	92.3%	93.3%	100.0%	97.8%
Aqualia Chihaya	99.3%	100.0%	97.9%	97.9%	97.9%
D-Wing Tower (+4)	95.0%	94.0%	97.7%	96.7%	95.1%
Granfore Yakuh Minami	98.0%	100.0%	97.0%	99.0%	96.0%
The weighted average of 5 properties	97.3%	96.9%	96.6%	96.3%	97.0%

(+4) The figure for D-Wing Tower includes the retail portion.

©Rate of increase/decrease in new rent and percentage of cases with rent increase/decrease



(+5) Rate of increase/decrease calculated based on previous rent at tenant replacement.

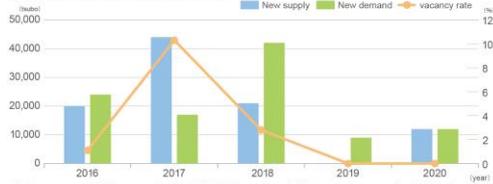
On page 19, this is about other assets, namely, hotels and residences. We own four hotels, but as I explained earlier, we are going to sell Grand Hyatt, the only full service hotel we have, come June 1st. The other three hotels are room-only hotels. We are also showing average occupancy rates in the prefectures we operate in and our hotels' RevPAR below.

Residences also continue to enjoy high levels of occupancy rates. Amex Akasakamon Tower's occupancy was a bit lower than the rest in the 32nd period, but it recovered nicely in the 33rd period. So, overall the residence occupancy has been quite stable. We also increase rent at the time of tenant replacements and rent revisions. And as you can see at the bottom, the increase in rent has been consistent although its pace has been very marginal. But we all should be proud that we could raise the rent even during the pandemic.

Situation of other assets (Logistics)

Supply and demand of logistic facilities and vacancy rates

© There continues to be no vacancies



* The figures are covered total floor spaces (more than 5,000sqm) which owned by real estate investment company and real estate development company in Fukuoka and Saga.
Source: Prepared by Fukuoka Realty Co., Ltd. based on data of CBRE

Overview of Logistics

Property name	Tosu Logistics Center	LOGICITY Minato Kashii	LOGICITY Hisayama	LOGICITY Wakamiya
Built timing	May 2008	April 2014	January 2015	February 2005 (Renovation work carried out October 2020)
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㎡	43,233.72㎡	24,505.65㎡	17,556.32㎡
Acquisition timing	March 2014	March 2015	June 2017	June 2020
Occupancy rate	100.0%	100.0%	100.0%	100.0%

Fukuoka REIT

Major logistics area



Portfolio overview 20

Please take a look at the next page, page 20. This is about our logistics assets. The most important thing here is the fact that there remains no vacancy in logistics facilities in Fukuoka Prefecture. All of our four logistics facilities are being fully operated, and we hope to continue acquiring logistics facilities going forward.

Key financing events in the 33rd fiscal period and the 34th fiscal period

Extension of commitment line agreement and long-term financing (10 years) achieved

Extension of commitment line agreement period (33rd)

©Extended the commitment line agreement with The Nishi-Nippon City Bank serving as the agent by 1 year during the ongoing agreement period, setting the remaining term (commitment period) at 3 years
 ©Secured flexible and stable financing means

	Lender	Credit Limit (mm yen)	Period	
			Start	End
Committed line of credit 1	The Bank of Fukuoka Resona Bank	6,000	Aug. 1, 2018	Jul. 31, 2023
Committed line of credit 2	The Nishi-Nippon City Bank Resona Bank The Oita Bank The Bank of Nagasaki The Bank of Saga	7,000	Mar. 2, 2020	Feb. 29, 2024
Total		13,000		

New Borrowing

©Result of long-term financing in the 34th fiscal period (Aug. 31, 2021)

Date	Lender	Amount (mm yen)	Term	Interest rate
March 31, 2021	The Juhachi-Shinwa Bank	1,000	10-year	0.59% (Fixed)

The Juhachi-Shinwa Bank Merger Commemorative Business Loan "JS" The Juhachi-Shinwa Bank will donate a portion of the profits from this loan to Nagasaki University as funds for research and development of a COVID-19 vaccine.

Diversification of debt maturities (As of February 28, 2021)



Fukuoka REIT

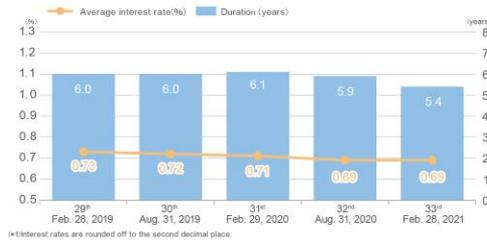
Financial strategy 21

The next page describes our key financing events. Take a look at page 21. One of the topics here is the extension of the committed line of credit agreement. We signed an agreement with the Nishi-Nippon City Bank to extend the term of the committed line of credit by one year, setting the remaining term to three years. So, that means we have both committed line of credit agreements, the one with the Bank of Fukuoka and the other with the Nishi-Nippon City Bank as agents, extended the remaining term to three years, and that of course gives us more flexibility and stability in securing funds. In addition to that, we borrowed one billion yen for ten years at 0.59 percent interest from the Juhachi-Shinwa Bank on March 31st.

Financing condition①

Establishment of stable financial base

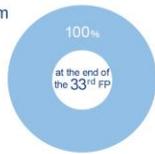
Average interest rate (※1) and duration



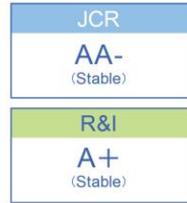
Fixed and floating rate



Long-term rate

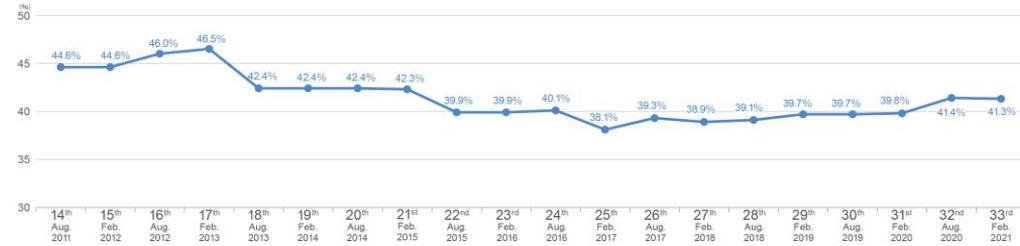


Credit ratings (※2)



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

LTV

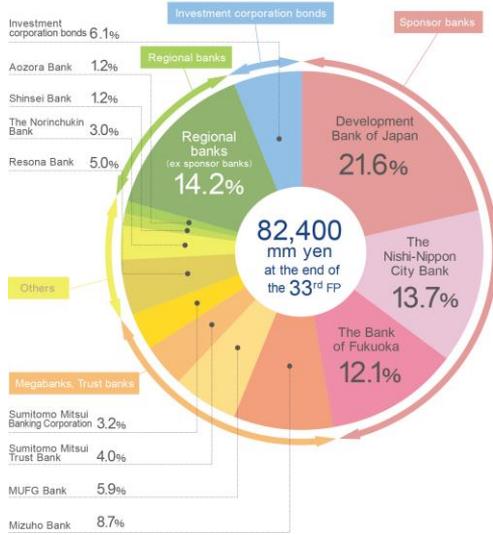


Let's move on to page 22. We are showing all these numbers to demonstrate that we remain committed to keeping us on solid financial footing.

Financing condition②

A stable network of sponsor banks and other lenders

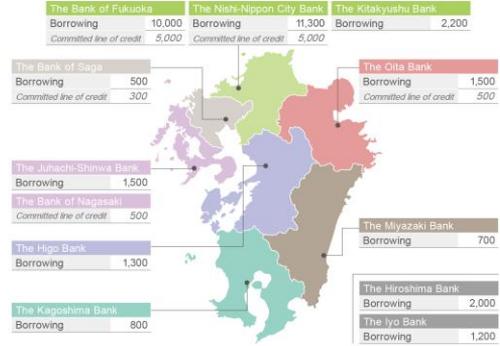
Breakdown of debt by lenders



A regional bank transaction network

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

*As of February 28, 2021
Borrowings (mm yen)



Green finance

Category	Lender	Balance (mm yen)	Average Interest Rate	Drawdown Date	Repayment Date	Description
Long-term debt (Green Loan)	Mizuho Bank The Bank of Saga The Higo Bank	2,200	0.521% (v1)	Jul. 31 2019	Jul. 31 2029	No collateral, No guarantee Lump-sum upon maturity Fixed interest rate Green loan rating: Green 1(x2)

(*)KFRIC has concluded a swap agreement to practically fix interest rate on debt. The indicated interest rate reflects the effect of the swap agreement.
(x2)KFRIC was assigned the comprehensive assessment of Green 1, the highest rank, regarding the compatibility to the Green Loan Principles from Japan Credit Rating Agency, Ltd. (JCRA).

Fukuoka REIT

Financial strategy | 23

Please take a look at page 23. We are operating with a stable and robust network of banks which consists of our three sponsor banks, Development Bank of Japan, Nishi-Nippon City Bank, and Bank of Fukuoka, accounting for almost 50 percent of our borrowings, and other financial institutions and instruments.

Appraisal value

Maintained unrealized gains for all properties (*)

unit : mm yen (Figures rounded down to the nearest mm yen)

Property name	Acquisition price (+2)	Acquisition cap rate	Appraisal value			Difference		Direct capitalization values			Appraiser
			33rd	32nd	Book value	From	From	33rd	32nd	Difference	
			Feb. 28, 2021	Aug. 31, 2020	at 33rd	Appraisal	Book value	Cap rate	Cap rate		
	(1)	(2)	(3)	(1)-(2)	(1)-(3)	(4)	(5)	(4)-(5)			
Retail											
Canal City Hakata	32,000	6.0%	30,700	31,500	29,584	(800)	1,115	4.5%	4.5%	0.0%	Tanizawa Sogo Appraisal
Canal City Hakata-B	28,700	5.4%	28,900	29,700	28,701	(800)	198	4.7%	4.7%	0.0%	Tanizawa Sogo Appraisal
Park Place Oita	19,610	6.0%	21,200	21,300	20,195	(100)	1,004	5.4%	5.4%	0.0%	Japan Real Estate Institute
SunLive City Kokura	6,633	6.6%	8,440	8,440	5,439	0	3,000	5.8%	5.8%	0.0%	Japan Real Estate Institute
Konoha Mall Hashimoto	10,000	5.3%	10,300	10,400	9,913	(100)	386	5.1%	5.1%	0.0%	Tanizawa Sogo Appraisal
Square Mall Kagoshima Usuki	5,300	6.3%	4,980	4,940	4,296	20	663	5.7%	5.7%	0.0%	Japan Real Estate Institute
Kumamoto Intercommunity SC	2,400	6.5%	2,740	2,750	1,956	(10)	783	5.6%	5.6%	0.0%	Japan Real Estate Institute
Hanahata SC	1,130	6.4%	1,200	1,250	967	(50)	232	5.4%	5.4%	0.0%	Tanizawa Sogo Appraisal
Kurume Higashi Kushiwara SC	2,500	6.1%	2,740	2,790	2,010	(50)	729	5.5%	5.5%	0.0%	Tanizawa Sogo Appraisal
K's Denki Kagoshima	3,550	5.7%	3,660	3,710	2,930	(50)	729	5.4%	5.4%	0.0%	Tanizawa Sogo Appraisal
Marinoa City Fukuoka (Marina Side Building)	5,250	5.9%	6,080	6,080	5,416	0	663	4.8%	4.8%	0.0%	Tanizawa Sogo Appraisal
Total of retail	117,073	-	120,920	122,860	111,412	(1,840)	9,507	-	-	-	-
Office buildings											
Canal City Business Center Building	14,600	6.3%	18,800	16,600	12,922	200	3,977	4.4%	4.4%	0.0%	Tanizawa Sogo Appraisal
GoFukumachi Business Center	11,200	6.3%	15,200	14,900	8,796	300	6,403	4.3%	4.3%	0.0%	Tanizawa Sogo Appraisal
Sanix Hakata Building	4,400	5.9%	6,510	6,410	3,763	100	2,746	4.1%	4.1%	0.0%	Japan Real Estate Institute
Taihaku Street Business Center	7,000	6.0%	9,180	9,090	5,698	90	3,481	4.4%	4.4%	0.0%	Japan Real Estate Institute
Higashi Hie Business Center	5,900	6.0%	8,280	8,030	4,405	250	3,874	4.5%	4.5%	0.0%	Tanizawa Sogo Appraisal
Tenjin Nishi-Dori Center Building	2,600	5.4%	3,140	3,100	2,663	40	476	3.9%	3.9%	0.0%	Japan Real Estate Institute
Tenjin North Front Building	2,900	6.1%	4,400	4,380	2,447	20	1,952	4.1%	4.1%	0.0%	Japan Real Estate Institute
Higashi Hie Business Center II	4,230	4.9%	4,980	4,600	4,023	(20)	558	4.5%	4.5%	0.0%	Tanizawa Sogo Appraisal
Higashi Hie Business Center III	3,290	4.4%	3,320	3,300	3,275	20	44	4.3%	4.3%	0.0%	Tanizawa Sogo Appraisal
Total of office buildings	56,020	-	71,410	70,410	47,996	1,000	23,413	-	-	-	-
Others											
Amex Akasakamon Tower (Residence)	2,080	5.4%	1,840	1,840	1,652	0	187	4.5%	4.5%	0.0%	Daiva Real Estate Appraisal
City House Keyaki Dori (Residence)	1,111	5.5%	1,030	1,140	891	(110)	138	4.5%	4.5%	0.0%	Daiva Real Estate Appraisal
Aqualia Chihaya (Residence)	1,280	6.8%	1,900	1,860	1,157	40	742	4.7%	4.8%	(0.1) %	Japan Real Estate Institute
D-Wing Tower (Residence)	2,800	5.9%	3,580	3,500	2,652	80	927	4.5%	4.5%	(0.1) %	Tanizawa Sogo Appraisal
Granfore Yakuri Minami (Residence)	1,100	5.6%	1,340	1,320	1,088	20	251	4.3%	4.4%	(0.1) %	Tanizawa Sogo Appraisal
Hotel FORZA Oita (Hotel)	1,530	6.6%	1,890	1,890	1,364	0	525	5.1%	5.1%	0.0%	Japan Real Estate Institute
Tisage Hotel Naha (Hotel)	2,835	5.3%	2,860	2,880	2,834	(20)	25	4.9%	4.9%	0.0%	Tanizawa Sogo Appraisal
Tosu Logistics Center (Logistics)	1,250	5.9%	1,320	1,300	1,162	20	157	5.1%	5.2%	(0.1) %	Japan Real Estate Institute
LOGICITY Minato Kashi (Logistics)	8,150	5.2%	9,100	8,910	7,789	190	1,310	4.3%	4.4%	(0.1) %	Tanizawa Sogo Appraisal
LOGICITY Hisayama (Logistics)	5,050	5.1%	5,340	5,270	4,800	70	539	4.5%	4.6%	(0.1) %	Tanizawa Sogo Appraisal
LOGICITY Wakamiya (Logistics)	1,700	6.4%	2,370	2,360	2,167	10	202	5.6%	5.7%	(0.1) %	Tanizawa Sogo Appraisal
Total of others	26,866	-	32,570	32,270	27,563	300	5,006	-	-	-	-
Total properties	201,959	-	224,900	225,540	166,972	(640)	37,927	-	-	-	-

(*) 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.

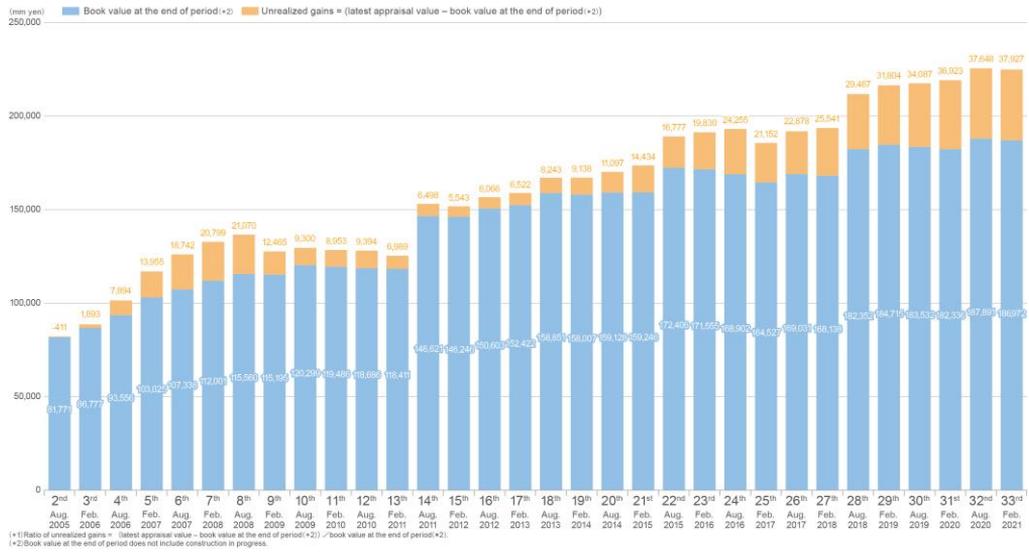
Here on page 24, the first thing I want you to look at is the cap rates on the right side of the slide. In the 32nd period, the cap rates were flat across our portfolio. But this time in the 33rd period seven properties saw the cap rates edging down just one tenth of a percentage point. And these are four logistics facilities and three residences. Also, in the middle of the slide, we are showing the variance in the appraisal value between the 32nd and 33rd periods. Sixteen properties saw their appraisal value go up from the previous period while the appraisal value decreased for eleven properties. The increase in the appraisal value for the sixteen properties is in large part thanks to the decline in the cap rates as well as rent increases for office buildings. On the other hand, the decrease in the appraisal value is seen in our retails such as Canal City, Park Place Oita, or Konoha Mall Hashimoto. That is largely due to the pandemic and its tolls on their retail sales.

There are four properties whose appraisal value shrank by more than 50 million yen, and all that drop is as a result of having to obtain an Engineering Report again.

Historical appraisal values (unrealized gains)

Maintained continuously since the 3rd fiscal period (Unrealized gains 37,927 mm yen, 20.3% ratio of unrealized gains at the 33rd FP (..))

Historical appraisal values



Fukuoka REIT

Appraisal value 25

Let's move on to the next page, page 25. The unrealized gains stand at 37.9 billion yen with 20.3 percent ratio as of the end of the 33rd fiscal period. We have consistently yielded unrealized gains since the 3rd fiscal period, and we believe that is as a result of our particular focus on exercising a very selective investment policy.

Sustainability

Materially significant issues

Materially significant issues	Policies and targets
Environment Reduction of environmental load Maintenance and enhancement of environmental and construction performance	<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 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
Social Creation of pleasant workplaces Contribution to boosting attractiveness and vitalization of Fukuoka and Kyushu Involvement in local community	<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 Promote improvement of employee satisfaction and work towards increasing job satisfaction of tenant employees 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 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
Governance Information disclosure and dialogue with stakeholders Compliance / Risk management	<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 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

Certification from external organizations and information disclosure → P35

- Publication of "Integrated Report 2020": (becoming the only J-REIT to do so)
- External evaluation: The GRESB survey 2020
- Green Building certificate: Green Building certificate acquisition ratio 79.8% (As of February 28, 2021 based on total floor space)

Environment → P36

Measures against river flooding caused by typhoons and local heavy rains due to global warming

Following the replacement and new installation of water stops at Canal City Hakata in the 32nd fiscal period, newly installed water stops as countermeasure against flooding caused by typhoons at Tisage Hotel Naha in the 33rd fiscal period

Social → P37, 38

- Support for town creation and vitalization in investment target areas
- Provided support to 7 districts in total by utilizing the Corporate Version of Hometown Tax System



Governance → P39

- Changes to the asset management fee structure
 - Effective on September 1, 2020 (beginning of the 33rd fiscal period)
- The Management Fees 1 and 3 were reviewed for the purpose of further reinforcing the linkage between unitholder interest and the asset management fee structure

- Management Fee 1: Reduced the rate of total assets at the end of the fiscal year from 0.3% to 0.25%
- Management Fee 3: Raised the rate from 2.0% to 3.6% on the amount available for distribution before payment of the management fee 3

Last but not least, let me talk about what we are doing with respect to sustainability. We have engaged in specific activities in all three areas, the environment, society, and governance throughout the past year. So, please read through the texts on the right side of the slide. You can also read the Appendix for more details, from page 36 and beyond. But let me point out just one issue with regards to the environment. One of the sort of imminent environmental threats to the region we operate in is flooding, which becomes more frequent with more violent typhoons and torrential rains that are said to be caused by global warming. In the 32nd period, we replaced or newly installed water stops at Canal City Hakata. And in the 33rd period we did the same, putting water stops at Tisage Hotel Naha.

And that concludes my presentation. Thank you very much.



Fukuoka REIT

Appendix

Profile

Special features of Fukuoka REIT Corporation

- 1 **Proven track record over 33rd fiscal periods as a 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 **DPU kept at a constant level ever since the IPO**
Maintain and improve of the dividend provision through effective asset management

Overview of Fukuoka REIT Corporation ^{(*)1}

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.

(*)1 The information is as of April 16, 2021.

Portfolio summary ^{(*)2}	
Number of properties / Asset size ^{(*)3}	31 / 201,959 mm yen
Of which, acquisition from sponsors ^{(*)4}	15 / 122,990 mm yen
Unrealized gains	37,927 mm yen
Total leasable floor space	608,557.70 m ²
Occupancy rate	99.5%

Financial highlight ^{(*)2}	
Total debt	82,400 mm yen
LTV	41.3%
Fixed rate	94.1%
Average interest rate	0.69%
Credit ratings	JCR AA- (Stable) R&I A+ (Stable)

Investment unit price ^{(*)2}

Unit price	168,500 yen
Outstanding units	796,000 unit
Market capitalization	134,126 mm yen (unit price * outstanding units)
Net assets value per unit	127,656 yen
Market net assets value per unit ^{(*)5}	171,943 yen
Dividend (actual)	3,361 yen per unit (Days in fiscal period 181days) at the 33 rd FP
Dividend yield	4.0% [(Dividend / days in fiscal period * 365) / Unit price]

(*)2 The figures are as of February 28, 2021 (end average interest rate)

(*)3 The figures are total of acquisition price

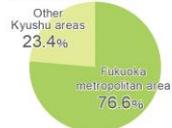
(*)4 Because the Higashi Higashi Center that was acquired in the 10th fiscal period (period ended August 31, 2009) was acquired from both outside parties and sponsors, the purchase price has been added to the purchase price from outside parties and the purchase price from sponsors after calculation on 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.

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

©Investment type (based on acquisition price)



©Investment area (based on acquisition price)



A real estate investment trust specializing in regional properties

Sponsors (*1)



(*1) The information is as of April 16, 2021.
 (*2) Considers MOU with Fukuoka REIT and Fukuoka Realty concerning pipeline support.

Investment policy

©Investment area

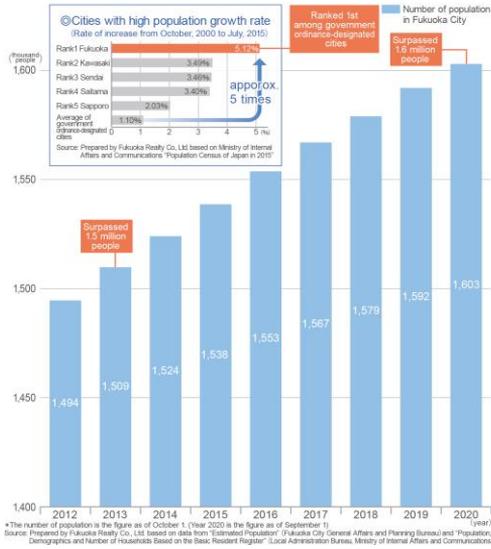


©Investment type

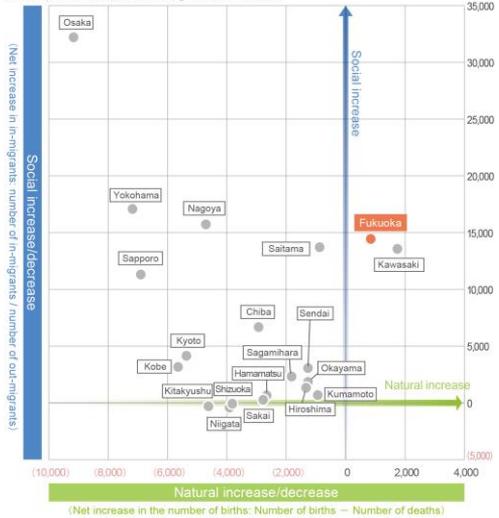


Current situation of Fukuoka City①

Trends in number of population growth in Fukuoka City

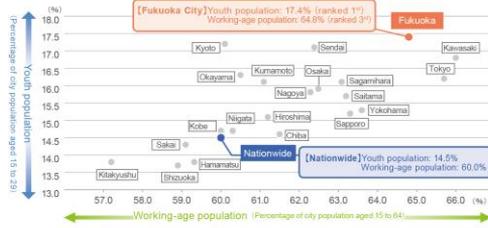


Distribution Chart of Net Increase/Decrease in Population (comparison of ordinance-designated cities) (2019)

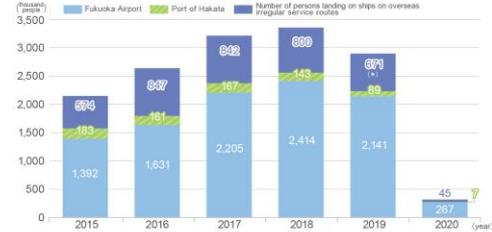


Current situation of Fukuoka City②

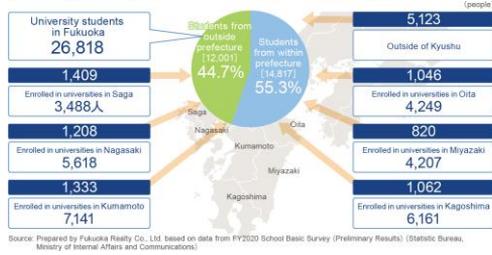
Youth and working-age population ratios of nationwide and major cities (2015)



Change in number of overseas visitors



Interregional migration of university students in Kyushu



Two International Convention Centers Opened in Hakata Ward, Fukuoka City (April 2021)

Name	Marine Messe Fukuoka Hall B	Hakata International Exhibition Hall & Conference Center
Total floor space	10,622m ²	approx. 18,000m ²
Number of rooms	1 Multi-purpose exhibition hall(5,000m ²) 2 large meeting rooms(approx.400m ²)	2 halls(3,000m ²), 16 meeting rooms (approx.40~200m ² (after split))
Scheduled events	Vaccination venues, MICE, The FINA World Championships (2022), etc.	Exhibitions, trade fairs, international / academic conferences, etc.

Photo by Fukuoka Economic Editorial Department

Portfolio properties' occupancy rates

Maintained high occupancy rates

Historical occupancy rates [the weighted average during the period]



90.0
95.0
100.0

2nd 3rd 4th 5th 6th 7th 8th 9th 10th 11th 12th 13th 14th 15th 16th 17th 18th 19th 20th 21st 22nd 23rd 24th 25th 26th 27th 28th 29th 30th 31st 32nd 33rd
 Aug. 2005 Feb. 2006 Aug. 2006 Feb. 2007 Aug. 2007 Feb. 2008 Aug. 2008 Feb. 2009 Aug. 2009 Feb. 2010 Aug. 2010 Feb. 2011 Aug. 2011 Feb. 2012 Aug. 2012 Feb. 2013 Aug. 2013 Feb. 2014 Aug. 2014 Feb. 2015 Aug. 2015 Feb. 2016 Aug. 2016 Feb. 2017 Aug. 2017 Feb. 2018 Aug. 2018 Feb. 2019 Aug. 2019 Feb. 2020 Aug. 2020 Feb. 2021

(*)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 33rd fiscal period, the occupancy rates are the weighted average occupancy rates during the fiscal periods. The ratio of total leased floor area to leaseable 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 AJR-J-REIT Database.

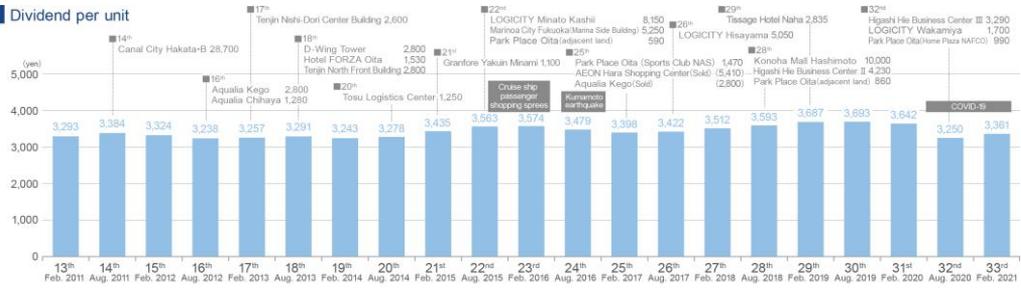
(*)3) The overall J-REIT occupancy rates for the 32nd and 33rd fiscal periods are preliminary figures. The figures for the 33rd fiscal period are the figures for November 2020.

Occupancy rates [the weighted average during the period]

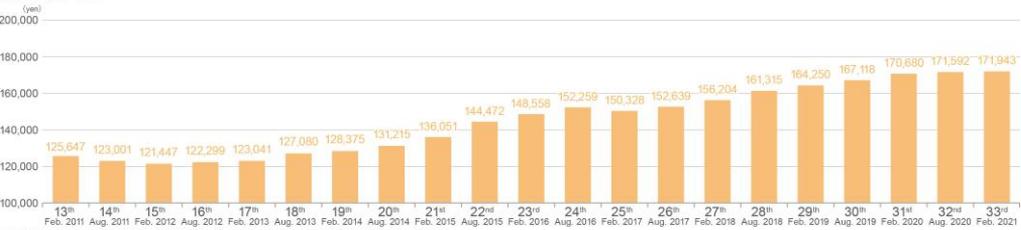
Category	Investment ratio (based on acquisition price)	29 th ~ Feb. 28, 2019	30 th ~ Aug. 31, 2019	31 st ~ Feb. 29, 2020	32 nd ~ Aug. 31, 2020	33 rd ~ Feb. 28, 2021
Retail	58.0%	99.8%	99.8%	99.9%	99.8%	99.2%
Office buildings	27.7%	99.8%	99.0%	99.1%	99.5%	99.5%
Others	14.3%	99.1%	99.2%	99.2%	99.1%	99.4%
Total	100.0%	99.7%	99.6%	99.6%	99.7%	99.3%

Dividend and NAV per unit

Dividend per unit



NAV per unit (yen)



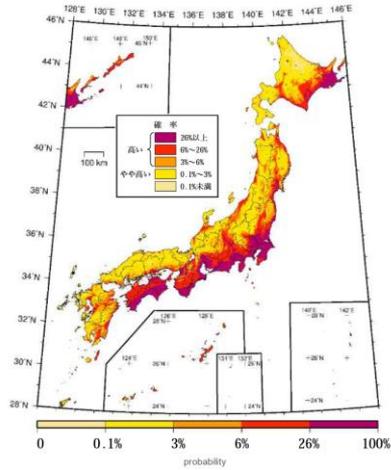
* A 5-for-1 split of investment unit was effectuated on March 1, 2014. A 5-for-1 split of dividends and NAV per units before the 1st FY-FY.
 ** Market net asset value per unit: (Total net assets + Unreserved gains - Total amount of dividends) / Total number of investment units outstanding

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 in the next 30 years [Average case / all earthquakes]
[Reference date: January 1, 2020]



Source: 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

Basic Rate of Earthquake Insurance

◎Earthquake insurance with coverage starting on January 1, 2021 and thereafter
 ●In Fukuoka Prefecture, earthquake insurance can be bought at a relatively smaller cost than in other areas.FRC has bought earthquake insurance for all of its owned properties.



*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: Prepared by Fukuoka Realty Co., Ltd based on data from Basic Rate of Earthquake Insurance (earthquake insurance contract with coverage starting on January 1, 2021 and thereafter) by the Ministry of Finance.

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

FY1999 No storm water storage facilities → FY2019 128,300 m³

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

◎Instances of building inundation in Fukuoka City



*Number of buildings: Total number of buildings inundated above and below floor level. Period: June 29, 1999 to December 31, 2018.
 Source: Prepared by Fukuoka Realty Co., Ltd based on data from the "Storm Water Management Action Plan 2020" pamphlet about the Fukuoka City Storm Water Emergency Control Plan.

Certification from external organizations and information disclosure

Institution of signatory

Signing of the PRI and PFA21 as of September 2018

©Principles for Responsible Investment (PRI)

©Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)

Signatory of:



External evaluation

©The GRESB survey 2020



For the second consecutive year, we participated in GRESB (Global Real Estate Sustainability Benchmark) conducted in 2020. Received the rating of "Green Star" and "3 star" in the GRESB survey 2020.

Publication of "Integrated Report 2020" (the second issue, becoming the only J-REIT to do so)



FRC published the "Integrated Report 2020," which integrally provides its financial and non-financial information and encompasses its initiatives for sustainable growth and medium-to-long-term corporate value creation, as of December 2, 2020.

Aimed at demonstrating FRC's value-creation process in an easy-to-understand manner, the Report presents its history, management philosophy, value-creation activities and the foundations underpinning management, etc.

This report was compiled in reference to "International Integrated Reporting Framework" by the International Integrated Reporting Council (IIRC) and "Guidance for Collaborative Value Creation" by the Ministry of Economy, Trade and Industry.



◀ Integrated Report Card

DBJ Green Building Certification

©DBJ Green Building Certification

Fukuoka REIT has obtained DBJ Green Building Certification, a system by Development Bank of Japan Inc. (DBJ) to certify real estate properties evincing high environmental and social awareness for the following 11 properties.



5-star	● Canal City Hakata (2018) ● Canal City Hakata - B (2018)
4-star	● Park Place Oita (2018) ● Canal City Business Center Building (2018) ● Konoha Mall Hashimoto (2017)
3-star	● LOGICITY Minato Kashi (2020) ● LOGICITY Hisayama (2020) ● Gofukumachi Business Center (2018) ● Higashi He Business Center (2018) ● Higashi He Business Center II (2017)
1-star	● SunLive City Kokura (2019) ● Marinoa City Fukuoka (Marina Side Building) (2019)

© Green Building certificate acquisition ratio (as of February 28, 2021)

Green Building certification obtained for 79.8% of entire portfolio

Aim to enhance the environmental performance of owned properties through external evaluation in order to help realize a sustainable society and maximize unitholder value over a medium to long term.

©Improvements from the previous report

- Macroeconomic Environment around Fukuoka City
- CEO's Message ● Strategies of Each Department

BELS (Building-Housing Energy-efficiency Labeling System) Evaluation

This is a system in which a third party evaluates and announces the energy-conservation performance of non-residential buildings based on the "Guidelines for Evaluation of Energy Conservation Performance of Non-residential Buildings (2013)." Four properties owned by the Fukuoka REIT corporation were certified.



ESG Initiatives (Environment)

Installation of Solar Panels Fukuoka REIT

Konoha Mall Hashimoto



Posting power generation, etc. in common areas

LOGICITY Minato Kashii, others Canal City Hakata



Mobile phone charging station

Greening Fukuoka REIT

Canal City Hakata



Park Place Oita



Countermeasures to Flooding Risks Fukuoka REIT

(installation of water stops)
Canal City Hakata



Tissage Hotel Naha



Newly installed water stops and added automatic doors on the side of the entrance to prevent water intrusion upon typhoons

Water reuse system Fukuoka REIT

Canal City Hakata



Rainwater

Groundwater

Kitchen drainage

Reduction of Air-Conditioning Load Fukuoka REIT

(shielding paint on skylights)
Park Place Oita



ESG Initiatives (Society①)

Consideration for the Elderly, People with Disabilities, etc. Fukuoka REIT

Konoha Mall Hashimoto



Installed intercoms

Certified as excellent type for the Welfare Town Creation Ordinance (by Fukuoka City Government)

Child-rearing support Fukuoka REIT

Konoha Mall Hashimoto



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

Promote Co-Creation with Local Communities Fukuoka REIT

Konoha Mall Hashimoto

Canal City Hakata



Library book drop

Acquisition of pedestrian bridge naming rights (Use naming rights fee for road maintenance)

"Park and Ride" recommended

"One Person, One Flower" campaign

Tie-up with local festivals (Setting up a yamakasa decorative float and Aqua Panorama performance)

Other (crime prevention, disaster response, improved convenience) Fukuoka REIT

Park Place Oita

Canal City Hakata, others



Crime prevention patrol (Jointly conducted with communities and schools)

Police liaison office

Rental smartphone charger (Free to use upon disaster)

Installed AED (automated external defibrillator)

Collecting plastic bottle caps (for supporting vaccination in developing countries)

EV charging station

Rental umbrella service

Rental bike service

ESG Initiatives (Society②)

Corporate Version of Hometown Tax System

Fukuoka Realty
NEW

Utilized the Corporate Version of Hometown Tax System for 7 cities (Kurume, Miyawaka, Tosu, Oita, Kumamoto, Kagoshima, and Naha) from the cities where FRC owns properties, with regard to projects related to industry and tourism.

Initiatives for tenants

Fukuoka REIT

- Support for tenants (restaurant/estery)
- Lunch box market

- Improve the employee lounge environment
- Emergency drills
- Various training program
- Employee discount



Canal City Hakata restaurants sell take-out lunch boxes

Anti-infection measures

Fukuoka REIT



- Retail
 - Major anti-infection measures
 - Install alcohol disinfectants and anti-splash screens
 - Call for attention to social distancing
 - Conduct thorough health management of tenants' employees by taking their temperature, etc.
 - Install acrylic plates in the employee lounge
 - Conduct antibacterial treatment for handrails and escalator belts, etc.
- Office buildings
 - Major anti-infection measures
 - Install alcohol disinfectants at the entrance
 - Strengthen ventilation in common areas, etc.
 - Post warnings about anti-infection measures in elevators
 - Install space sterilization devices
 - Broadcast video on efforts with infection control measures

Other activities

Fukuoka Realty

- Participates in Hakata Town Planning Promotion Council (as director)
- Participates in Fukuoka Directive Council
- Hosts the Kyushu IR Workshop
- Hosted the Real Estate, Finance and Economic Networking (2019)
- Participates in the ESG Dialogue Platform by the Ministry of the Environment
- Participates in the Kyushu SDGs Forum
- Hosts the Fukuoka International Architectural Design Competition



The KYUSHUIR Workshop held online

Initiatives for employees

Fukuoka Realty

(Fukuoka Realty: Numbers of credentialed personnel)

(As of February 28, 2021)

- The average number of years of continuous service of permanent employees: 9 years and 1 month
- Full-time personnel: 41 (Male:20 Female:21) ※51.2% Female
 - Employees seconded from sponsors: 2
 - Employees seconded to a sponsor: 4
- Number of credentialed personnel

Real estate brokers : 27	Attorneys : 1
ARES Certified Masters : 23	MBA : 1
Certified Building Administrators : 4	Administrative Scrivener : 1
First-class registered architect : 2	SME management consultant : 1
Real estate appraisers : 3	



(Support for flexible working styles)

- Child-rearing support (maternity leave, childcare leave system)
- Nursing care leave
- Leave for voluntary work
- No overtime days
- Employee welfare (401K, cumulative investment system, etc.)
- Encouraging use of paid holidays, etc.

(Career development support)

- Employee satisfaction survey
- Self-assessment system
- Career interview
- Secondment system (dispatching of employees to sponsor companies)
- Promotion from contract employee to permanent employee status, etc.

(Training for employees)

- Regular lectures by Kyushu Economic Research Center
- Compliance training
- ESG training
- Nursing care training
- In-house recreation, etc.
- Offering of training programs tailored to each management level
- System for supporting acquisition of qualifications (Real Estate Securitization Master, Real Estate Transaction Agent, etc.)
- Support for language learning, etc.

ESG Initiatives (Governance)

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 conflict of interest risk management pertaining to our dealings 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



* 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.

Matching unitholder interests and sponsor interests, etc. Fukuoka Realty Fukuoka REIT

- Same-boat investment by sponsor
Fukuoka Jisho Co., Ltd., the main sponsor, has 9.16% of FRC's investment units as of the end of the 33rd fiscal period.
- Cumulative investment system for investment units
(42.9% 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.

Appointment of Outside Directors (other than interested persons) Fukuoka Realty

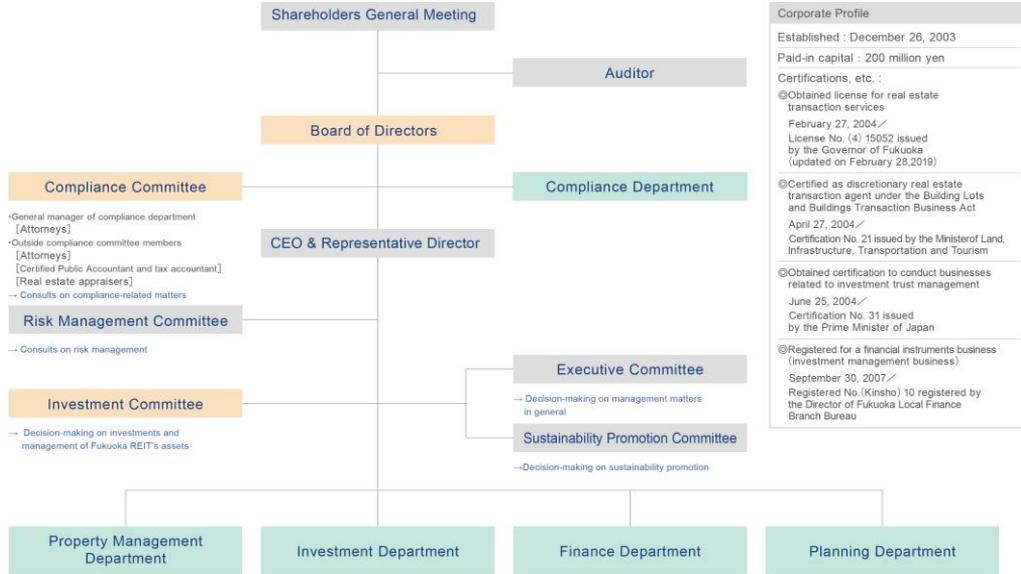
Secure transparency and fairness of the Board of Directors

Changes to the asset management fee structure Fukuoka Realty

The Management Fees 1 and 3 were reviewed for the purpose of further reinforcing the linkage between unitholder interest and the asset management fee structure, and the following changes were resolved at the ninth General Meeting of Unitholders held on May 26, 2020 for further enhancing unitholder value. The changes became effective on September 1, 2020 (beginning of the 33rd fiscal period)

Asset management fees	Calculation method
Management Fee 1 (based on total assets)	$\left[\begin{array}{l} \text{3 months from the day following the last day of the immediately preceding fiscal period} \\ \text{Total assets at the end of the immediately preceding fiscal period} \\ \times 0.25\% \text{ (previously 0.3\%)} \times \text{number of days / 365} \\ \text{[From the day following the last day of the period above to the end of the fiscal period]} \\ \text{Total assets at the end of the immediately preceding fiscal period} + \\ \text{value of acquired assets} - \text{value of disposed assets} \\ \times 0.25\% \text{ (previously 0.3\%)} \times \text{number of days / 365} \end{array} \right]$
Management Fee 2 (based on operating revenue)	Operating revenue for the immediately preceding fiscal period \times 2.0%
Management Fee 3 (based on distributable profit)	$\left[\text{Distributable amount before paying Management Fee 3 for the immediately preceding fiscal period} \right] \times 3.6\% \text{ (previously 2.0\%)}$
Management Fee 4 (acquisition fee)	Value of acquired assets \times 0.5% (Value of acquired assets \times 0.25% in the case of acquisition from interested parties)
Management Fee 5 (transfer fee)	Value of transferred assets \times 0.5% (Value of transferred assets \times 0.25% in the case of transfer to interested parties)

Asset management company's organization



Corporate Profile
Established : December 26, 2003
Paid-in capital : 200 million yen
Certifications, etc. :
<ul style="list-style-type: none"> ①Obtained license for real estate transaction services February 27, 2004 / License No. (4) 15052 issued by the Governor of Fukuoka (updated on February 28, 2019) ②Certified 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 ③Obtained certification to conduct businesses related to investment trust management June 25, 2004 / Certification No. 31 issued by the Prime Minister of Japan ④Registered 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

Unitholders' data

Distribution by investor category (breakdown of investment units)



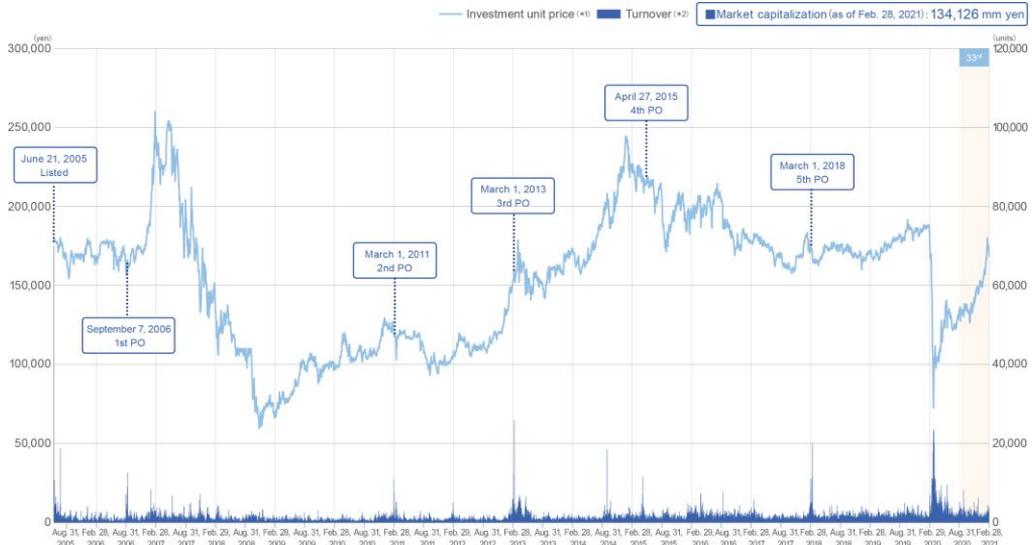
No. of unitholders and investment units held by unitholder category (at the end of the 33rd FP)

	No. of unitholders	Percentage	Investment units held	Percentage
Individual · other	13,226	95.72%	101,953	12.80%
Foreign individuals	226	1.63%	120,464	15.13%
Other domestic corporations	258	1.86%	104,754	13.16%
Stock brokers	23	0.16%	22,242	2.79%
Financial institutions	84	0.60%	446,587	56.10%
(Of which held by trust banks)	11	0.07%	339,112	42.60%
Total	13,817	100.00%	796,000	100.00%

Major investors (at the end of the 33rd FP)

Rank	Name	Investment units held	Percentage
1	Custody Bank of Japan, Ltd. (Trust account)	173,018	21.73%
2	The Master Trust Bank of Japan, Ltd. (Trust account)	101,398	12.73%
3	Fukuoka Jisho Co., Ltd.	73,136	9.18%
4	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	30,703	3.85%
5	Custody Bank of Japan, Ltd. (Securities investment trust account)	19,847	2.49%
6	NORTHERN TRUST CO. (AVFC) RE HCR00	15,518	1.94%
7	The Shinkumi Federation Bank	14,760	1.85%
8	STATE STREET BANK WEST CLIENT - TREATY 505234	11,976	1.50%
9	MetLife, Inc.	10,227	1.28%
10	Shikoku Railway Company	9,130	1.14%

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 28, 2014 have been divided by 5.
⁽⁺²⁾ Turnover by February 28, 2014 was multiplied by 5.

Financial highlights

Dividend per unit was 3,361 yen

unit : mm yen (Figures rounded down to the nearest mm yen)

Category	29 th ~ Feb. 28, 2019	30 th ~ Aug. 31, 2019	31 st ~ Feb. 29, 2020	32 nd ~ Aug. 31, 2020 A	33 rd ~ Feb. 28, 2021 B	Difference B-A	34 th ~ Aug. 31, 2021 (Forecast)	35 th ~ Feb. 28, 2022 (Forecast)
Operating revenues	9,242	9,231	9,162	8,518	8,904	385	8,979	8,724
Gain on sales	-	-	-	-	-	-	95	-
Leasing NOI	5,591	5,633	5,596	5,307	5,347	39	5,331	5,323
Depreciation and amortization expenses	1,622	1,651	1,660	1,686	1,623	(62)	1,558	1,489
Operating income	3,306	3,318	3,273	2,966	3,061	95	3,176	3,168
Ordinary income	2,935	2,939	2,900	2,587	2,677	89	2,787	2,787
Profit	2,934	2,939	2,899	2,586	2,675	88	2,786	2,786
Dividend per unit (yen) (1)	3,687	3,693	3,642	3,250	3,361			
Latest dividend forecast per unit (yen)(2)	3,600	3,680	3,650	3,150	3,300		3,500	3,500
Difference from forecast (yen) (1)-(2)	+87	+13	(8)	+100	+61		-	-
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)	195,433	195,106	194,795	199,004	199,559			
Total liabilities (at period-end)	93,559	93,228	92,958	97,478	97,944			
Total net assets (at period-end)	101,874	101,878	101,837	101,525	101,614			
Days in fiscal period (days)	181	184	182	184	181			
Number of investment properties (at period-end)	29	29	29	31	31			
Number of tenants (at period-end)(*)	1,011	1,020	1,007	1,016	1,011			
Total leasable floor space (at period-end) (mf)	580,665.27	580,664.27	580,662.77	591,021.51	608,557.70			
Occupancy rate (at period-end) (%) (2)	99.7	99.6	99.7	99.7	99.5			
FFO (Funds from Operation)(mm yen) (3)	4,557	4,591	4,559	4,273	4,299			
FFO per unit (yen)	5,725	5,767	5,728	5,368	5,401			

(*) 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	32 nd Aug. 31, 2020 A	33 rd Feb. 28, 2021 B	Difference B-A
Total current assets	9,901	11,157	1,256
Cash and deposits	3,733	6,596	2,862
Cash and deposits in trust	4,660	3,742	(917)
Operating accounts receivable	1,043	528	(515)
Prepaid expenses	282	287	4
Consumption taxes receivable	177	-	(177)
Others	3	3	(0)
Total non-current assets	189,064	188,369	(695)
Total property, plant and equipment	182,014	181,419	(594) ①
Buildings	974	1,156	182
Structures	17	20	3
Tools and fixtures	-	1	1
Lands	830	989	158
Buildings in trust	70,403	69,528	(875)
Structures in trust	1,229	1,200	(28)
Machinery and equipment in trust	891	870	(21)
Tools and fixtures in trust	196	182	(14)
Lands in trust	107,452	107,452	-
Construction in progress in trust	18	16	(1)
Total intangible assets	5,575	5,569	(5)
Leasehold right in trust	5,545	5,545	-
Other intangible assets in trust	29	24	(5)
Total investment and other assets	1,475	1,380	(95)
Deferred tax assets	0	0	0
Lease and guarantee deposits	10	10	-
Lease and guarantee deposits in trust	327	327	-
Long-term prepaid expenses	1,138	1,042	(95)
Total deferred assets	37	32	(5)
Total assets	199,004	199,559	554

Assets

① Capital expenditures	+687	Others	(4)
Depreciation and amortization expenses (1,623)			
LOGICITY Wakamiya renovation costs, etc +345			
		Total	(594)

- unit : mm yen (Figures rounded down to the nearest mm yen)

Account	32 nd Aug. 31, 2020 A	33 rd Feb. 28, 2021 B	Difference B-A
Total current liabilities	9,027	9,501	473
Operating accounts payable	340	561	220
Current maturities of long-term debt	6,300	6,300	②
Account payable-other	12	22	10
Accrued expenses	355	415	60
Income taxes payable	0	1	0
Accrued consumption taxes	-	316	316
Advances received	1,123	1,088	(34)
Deposits received	894	793	(100)
Total non-current liabilities	88,451	88,443	(7)
Investment corporation bonds	5,000	5,000	-
Long-term debt	71,100	71,100	②
Tenant leasehold and security deposits	366	450	84
Tenant leasehold and security deposits received in trust	11,984	11,892	(92)
Total liabilities	97,478	97,944	466

Total unitholders' equity	101,525	101,614	88
Unitholders' capital	98,938	98,938	-
Surplus	2,587	2,675	88
Total net assets	101,525	101,614	88

Total liabilities and net assets	199,004	199,559	554
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Liabilities and net assets

② No debt maturing in the 33rd fiscal period

Cash flow statements (compared with the previous fiscal period)

- unit : mm yen (Figures rounded down to the nearest mm yen)

Category	32 nd A ~Aug. 31, 2020	33 rd B ~Feb. 28, 2021	Difference B-A
Net cash provided by / used in/ operating activities	3,450	5,374	1,923
Profit before income taxes	2,557	2,677	89
Depreciation and amortization expenses	1,686	1,423	(62)
Amortization of investment corporation bond issuance expenses	2	2	-
Amortization of investment unit issuance expenses	3	3	0
Interest received	(0)	(0)	(0)
Interest expenses	278	262	3
Decrease (increase) in operating accounts receivables	(364)	515	899
Decrease (increase) in consumption taxes refund receivable	(177)	177	355
Increase (decrease) in accrued consumption taxes	(191)	316	507
Increase (decrease) in operating accounts payable	(3)	25	28
Increase (decrease) in accounts payable-other	(6)	10	16
Increase (decrease) in accrued expenses	(20)	60	80
Increase (decrease) in advances received	40	(34)	(75)
Increase (decrease) in deposits expenses	26	(100)	(126)
Decrease (increase) in prepaid expenses	5	(4)	(10)
Decrease (increase) in long-term prepaid expenses	(123)	95	219
Others, net	3	6	3
Subtotal	3,726	5,657	1,931
Interest income received	0	0	0
Interest expenses paid	(274)	(282)	(7)
Income taxes paid	(1)	(0)	0
Net cash provided by / used in/ investment activities	(7,136)	(642)	6,293
Purchase of property, plant and equipment	(1,809)	(355)	1,454
Purchase of property, plant and equipment in trust	(5,371)	(479)	4,892
Purchase of intangible assets in trust	-	-	-
Proceeds from tenant leasehold and security deposits	29	84	54
Repayments of tenant leasehold and security deposits	(66)	-	66
Proceeds from tenant leasehold and security deposits in trust	316	122	(193)
Repayments of tenant leasehold and security deposits in trust	(238)	(214)	23
Proceeds from restricted trust deposits	5	2	(3)
Payments for restricted trust deposits	(2)	(2)	(0)
Net cash provided by / used in/ financial activities	2,000	(2,586)	(4,587)
Proceeds from short-term debt	6,400	-	(6,400)
Repayments of short-term debt	(6,400)	-	6,400
Proceeds from long-term debt	5,900	-	(5,900)
Repayments of long-term debt	(1,000)	-	1,000
Dividends paid	(2,899)	(2,586)	312
Net increase (decrease) in cash and cash equivalents	(1,686)	1,944	3,629
Balance of cash and cash equivalents at beginning of period	10,032	8,348	(1,684)
Balance of cash and cash equivalents at end of period	8,348	10,293	1,944

Income and expenditure by properties (Retail)

- unit : mm yen (Figures rounded down to the nearest mm yen)

Category	Canal City Hakata	Canal City Hakata-B	Park Place Oita	SunLive City Kokura	Konoha Mall Hashimoto	33 rd Total A	32 nd Total B		Difference A-B	Forecast C (+)	Difference A-C
	(Length)	33 rd FP (Sept. 1, 2020 ~Feb. 28, 2021)					184 days	(3) days			
151 days											
1>Total leasing business revenues	1,018	1,420	1,198	262	776	4,688	4,409	278		4,694	(6)
Leasing revenue-real estate	964	1,393	1,037	262	643	4,302	4,030	271			
Other leasing revenue-real estate	54	35	161	0	134	385	378	7			
2>Total leasing business expenses	462	792	599	45	517	2,416	2,098	320		2,474	(55)
Outsourcing fees	298	536	294	7	285	1,422	1,174	247			
Repair and maintenance expenses	21	32	50	1	25	131	42	88			
Expenses for restoration to former state	-	-	-	-	-	-	-	-			
Tax and other public charges	80	165	94	34	42	417	418	(0)			
Insurance/pentans and fuel/compression	6	11	5	1	2	27	30	(2)			
Utilities expenses	20	40	135	-	85	282	295	(13)			
Other expenses	36	5	16	0	76	136	136	0			
3/NOI(=1-2)	555	633	599	217	259	2,288	2,311	(42)		2,220	48
4/Depreciation and amortization expenses	223	253	217	47	98	860	902	(41)			
5/Leasing business profit(=3-4)	332	383	382	169	171	1,408	1,408	(0)			
6/NOI yield (acquisition price)	3.5%	4.4%	6.1%	6.5%	5.2%	4.7%	4.8%	(0.1)%			
7/Capital expenditures	194	125	124	-	23	467	680	(192)			

Category	Square Mall Kagoshima Usuki	Kumamoto Intercommunity SC	Hanahata SC	Kurume Higashi Kushiwara SC	K's Denki Kagoshima	Marinoa City Fukuoka (Marina Side Building)	33 rd Total A	32 nd Total B		Difference A-B	Forecast C (+)	Difference A-C
	(Length)	33 rd FP (Sept. 1, 2020 ~Feb. 28, 2021)					184 days	(3) days				
181 days												
1>Total leasing business revenues	252	89	40	88	112	178	762	748	14		759	3
Leasing revenue-real estate	223	89	40	88	111	177	730	718	11			
Other leasing revenue-real estate	28	-	0	0	1	1	32	29	2			
2>Total leasing business expenses	84	10	9	10	14	25	154	149	5		154	0
Outsourcing fees	38	2	1	2	1	1	48	48	0			
Repair and maintenance expenses	3	0	4	0	4	3	17	13	4			
Expenses for restoration to former state	-	-	-	-	-	-	-	-	-			
Tax and other public charges	17	5	3	5	7	18	56	56	(0)			
Insurance/pentans and fuel/compression	0	0	0	0	0	0	2	2	(0)			
Utilities expenses	21	-	-	-	-	-	21	23	(2)			
Other expenses	2	1	0	1	0	0	7	4	3			
3/NOI(=1-2)	167	79	31	78	96	152	607	599	8		605	2
4/Depreciation and amortization expenses	37	12	5	16	22	116	116	0				
5/Leasing business profit(=3-4)	129	67	25	61	73	130	490	492	(3)			
6/NOI yield (acquisition price)	6.3%	6.7%	5.5%	6.3%	5.5%	5.6%	6.0%	0.1%				
7/Capital expenditures	26	-	-	-	-	13	40	19	20			

(*) Forecast at the financial results of the 32nd fiscal period.

Income and expenditure by properties (Office buildings・Others)

- unit : mm yen (Figures rounded down to the nearest mm yen)

Category	Canal City Business Center Building	Gofukumachi Business Center	Sanix Hakata Building	Tahaku Street Business Center	Higashi Hie Business Center	Tenjin North Center Building	Tenjin North Front Building	Higashi Hie Business Center II	Higashi Hie Business Center III	33 rd Total A	32 nd Total B	Difference A-B	Forecast C (+1)	Difference A-C
	33 rd FP (Sept. 1, 2020 ~Feb. 28, 2021)										184 days	(3) days		
(Length)	161 days													
1>Total leasing business revenues	641	557	205	318	351	86	144	162	92	2,580	2,492	88	2,555	4
Leasing revenue-real estate	640	498	191	318	327	86	122	150	88	2,424	2,352	71		
Other leasing revenue-real estate	1	58	14	0	23	-	22	12	3	136	144	(8)		
2>Total leasing business expenses	199	172	68	92	134	20	46	54	11	800	775	24	804	(4)
Outsourcing fees	136	73	19	55	42	1	10	18	6	365	354	10		
Repair and maintenance expenses	6	8	8	6	4	3	7	1	-	46	25	21		
Expenses for restriction to former state	-	-	-	-	-	-	-	-	-	-	-	-		
Tax and other public charges	47	37	22	27	16	15	8	9	-	185	185	(0)		
Insurance premiums and trust commission	1	2	0	1	1	0	0	0	0	10	10	(0)		
Utilities expenses	5	45	12	-	23	-	17	11	4	121	131	(9)		
Other expenses	1	4	4	2	45	0	1	10	0	71	68	2		
3/NOI(=1-2)	442	385	137	225	217	66	97	108	80	1,780	1,717	63	1,751	9
4/Depreciation and amortization expenses	89	80	41	77	41	9	33	40	19	434	465	(31)		
5/Leasing business profit(=3-4)	353	304	95	147	175	56	64	67	61	1,326	1,252	70		
6/NOI yield (acquisition price)	6.1%	6.9%	6.2%	6.4%	7.4%	5.1%	7.0%	5.1%	4.9%	6.3%	6.3%	0.0%		
7/Capital expenditures	21	58	51	1	2	2	11	-	-	151	96	54		

Category	Amex Akasakamon Tower	City House Keyaki Dori	Aquaria Ohtaya	D-Wing Tower	Granfore Yakun Minami	Hotel FORZA Oita	Tsugae Hotel Naha	Toku Logistics Center	LOGICITY Minato Kasli	LOGICITY Hisayama	LOGICITY Wakamiya	33 rd Total A	32 nd Total B	Difference A-B	Forecast C (+1)	Difference A-C
	33 rd FP (Sept. 1, 2020 ~Feb. 28, 2021)												184 days	(3) days		
(Length)	181 days															
1>Total leasing business revenues	66	39	60	112	38	63	28					892	863	29	893	(0)
Leasing revenue-real estate	63	39	58	107	37	63	28					849	810	39		
Other leasing revenue-real estate	2	-	1	5	1	-	-					42	52	(9)		
2>Total leasing business expenses	17	8	13	23	9	11	7					182	187	(5)	191	(8)
Outsourcing fees	5	2	3	7	2	0	0					33	33	0		
Repair and maintenance expenses	1	1	1	1	1	1	0					15	11	3		
Expenses for restriction to former state	2	-	1	1	0	-	-					7	12	(5)		
Tax and other public charges	5	3	4	7	2	7	5					33	33	(0)		
Insurance premiums and trust commission	0	0	0	0	0	0	0					5	5	0		
Utilities expenses	0	0	0	2	0	-	-					26	29	(3)		
Other expenses	2	1	1	2	1	0	0					10	12	(1)		
3/NOI(=1-2)	48	30	46	89	29	51	21	37	185	117	51	709	675	34	701	8
4/Depreciation and amortization expenses	19	10	12	17	10	22	24	9	37	35	9	211	201	10		
5/Leasing business profit(=3-4)	29	20	34	71	19	29	12	28	147	72	41	498	474	24		
6/NOI yield (acquisition price)	4.7%	5.5%	7.3%	6.4%	5.3%	6.8%	1.5%	6.0%	4.6%	4.6%	9.1%	5.1%	5.0%	0.1%		
7/Capital expenditures	3	0	-	0	0	0	5	3	2	10	27	13	13			

(*)1) Forecast at the financial results of the 32nd fiscal period. (*)2) Information is not disclosed because the permission of tenants has not been obtained.

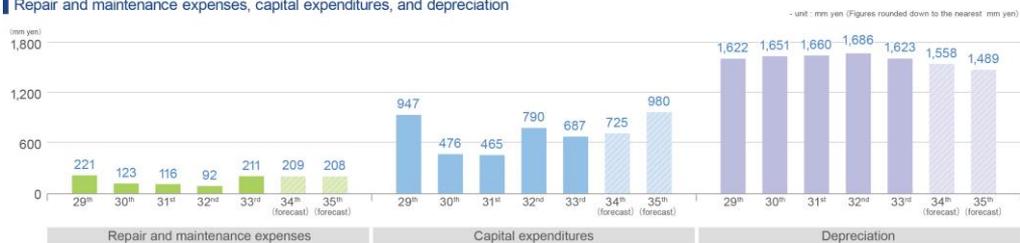
Income and expenditure by properties (Total) / Repair and maintenance expenses, capital expenditures, and depreciation

- unit : mm yen (Figures rounded down to the nearest mm yen)

Category (Length)	33 rd Total A	32 nd Total B	Difference A-B	Forecast C (*)	
	Sept. 1, 2020 ~ Feb. 28, 2021 181 days	Mar. 1, 2020 ~ Aug. 31, 2020 184 days			Difference A-C
1>Total leasing business revenues	8,904	8,518	(3) days	8,903	0
Leasing revenue-real estate	8,305	7,912	393		
Other leasing revenue-real estate	597	605	(8)		
2>Total leasing business expenses	3,556	3,210	346	3,603	(47)
Outsourcing fees	1,870	1,611	258		
Repair and maintenance expenses	211	92	118		
Expenses for restoration to former state	7	12	(5)		
Tax and other public charges	743	743	(0)		
Insurance premiums and trust compensation	45	49	(3)		
Utilities expenses	452	479	(27)		
Other expenses	225	221	5		
3 NOI (≒3-2)	5,347	5,307	40	5,299	48
4 Depreciation and amortization expenses	1,623	1,686	(62)		
5 Leasing business profit (=3-4)	3,723	3,621	102		
6 NOI yield (acquisition price)	5.3%	5.3%	0.0%		
7 Capital expenditures	687	790	(103)		

* : Forecast at the financial results of the 32nd fiscal period.

Repair and maintenance expenses, capital expenditures, and depreciation



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	Mizuho Bank, and others (*1)	6,300	Jul.31, 2014	Jul.30, 2021	7.0	Fixed	0.83500% (*2)	
	Development Bank of Japan	4,000	Aug.29, 2014	Aug.31, 2022	8.0	Fixed	1.01000%	
	Suntrust Mitsui Banking Corporation	1,600	Jun.30, 2015	Jun.30, 2022	7.0	Fixed	0.79000% (*2)	
	Suntrust Mitsui Trust Bank	1,500	Jul.31, 2015	Jul.31, 2023	8.0	Fixed	0.56400% (*2)	
	Development Bank of Japan	4,000	Aug.31, 2015	Aug.31, 2023	8.0	Fixed	0.85000%	
	The Bank of Fukuoka	400	Aug.31, 2015	Aug.31, 2022	7.0	Floating	0.42900%	
	The Nishi-Nippon City Bank	400	Aug.31, 2015	Aug.31, 2023	8.0	Fixed	0.87000% (*2)	
	Development Bank of Japan	2,000	Feb.28, 2016	Feb.28, 2025	9.0	Fixed	0.62000%	
	The Bank of Fukuoka	2,000	Feb.29, 2016	Feb.29, 2024	8.0	Floating	0.42900%	
	The Nishi-Nippon City Bank	2,000	Feb.29, 2016	Feb.29, 2024	8.0	Fixed	0.44000% (*2)	
	Mizuho Bank	500	Feb.29, 2016	Feb.29, 2024	8.0	Fixed	0.44000% (*2)	
	Shinsei Bank	700	Jul.29, 2016	Jul.31, 2024	8.0	Fixed	0.40000%	
	Suntrust Mitsui Trust Bank	300	Sept.30, 2016	Sept.30, 2025	9.0	Floating	0.42300%	
	Development Bank of Japan, and others (*3)	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	0.42900%	
	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%	
	Long-term debt	The Bank of Fukuoka, and others (*4)	1,800	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	0.85000%
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%	
The Nishi-Nippon City Bank, and others (*5)		1,500	Aug.31, 2017	Aug.31, 2027	10.0	Fixed	0.84952%	
Resona Bank		2,000	Sept.29, 2017	Sept.30, 2027	10.0	Fixed	0.49350% (*2)	
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% (*2)	
Suntrust Mitsui Trust Bank		1,100	Feb.28, 2018	Feb.28, 2027	9.0	Fixed	0.60000% (*2)	
MUFG Bank		1,500	Feb.28, 2018	Feb.27, 2028	8.0	Fixed	0.50000%	
Resona Bank		600	Feb.28, 2018	Feb.29, 2028	10.0	Fixed	0.56700% (*2)	
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, 2028	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%	
Suntrust Mitsui Banking Corporation		500	Mar.30, 2018	Mar.31, 2025	7.0	Fixed	0.50400% (*2)	
MUFG Bank		500	Mar.30, 2018	Mar.31, 2027	9.0	Fixed	0.49000%	
Suntrust Mitsui Trust Bank		400	Mar.30, 2018	Mar.31, 2027	9.0	Fixed	0.57600% (*2)	
The Oita Bank	400	Mar.30, 2018	Mar.31, 2028	10.0	Fixed	0.64630%		

*1 For floating rate bonds, the interest rates applicable as of February 28, 2021 are indicated. *2 All debts have been borrowed with no collateral and no guarantee to be repaid in long-term upon maturity.
 (*3) The lenders are Mizuho Bank, The Norinchukin Bank, The Hiroshima Bank, The Kitakyushu Bank, The Iyo Bank, The Higo Bank. (*4) FRCI has concluded a swap agreement to practically fix interest rate on debt. The indicated interest rate reflects the effect of the swap agreement.
 (*5) The lenders are Development Bank of Japan, The Oita Bank, The Kagoshima Bank, The Nishi-Nippon City Bank, The Bank of Fukuoka, The Nishi-Nippon City Bank, The Oita Bank, The Kitakyushu Bank, The Miyazaki Bank, The Aomori Shinwa Bank, The Iyo Bank. (*6) The lenders are The Nishi-Nippon City Bank, The Bank of Fukuoka, The Oita Bank, The Kitakyushu Bank, The Hiroshima Bank.
 (*7) The lenders are Mizuho Bank, The Bank of Fukuoka, The Higo Bank, The Nishi-Nippon City Bank, Resona Bank, The Oita Bank, The Bank of Nagasaki, The Bank of Saga.

(As of February 28, 2021)

Category	Lender	Balance (mm yen)	Drawdown Date	Repayment Date	Term (year)	Fixed/ Floating	Average Interest Rate
Long-term debt	The Hiroshima Bank	400	Mar.30, 2018	Mar.31, 2028	10.0	Fixed	0.64630%
	Shinsei Bank	300	Mar.30, 2018	Mar.31, 2025	7.0	Fixed	0.40000%
	Suntrust Mitsui Banking Corporation	500	Jan.31, 2019	Jan.31, 2029	10.0	Fixed	0.65528%
	MUFG Bank	500	Jan.31, 2019	Jan.31, 2029	9.0	Fixed	0.59000%
	The Nishi-Nippon City Bank	400	Jan.31, 2019	Jan.31, 2029	10.0	Floating	0.42900%
	The Bank of Fukuoka	300	Jan.31, 2019	Jan.31, 2029	10.0	Floating	0.42900%
	The Oita Bank	200	Feb.28, 2019	Feb.27, 2028	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	0.48848% (*2)
	Mizuho Bank, and others (*6)	2,200	Jul.31, 2019	Jul.31, 2029	10.0	Fixed	0.52100% (*2)
	The Norinchukin Bank	1,500	Jul.31, 2019	Jan.29, 2027	7.5	Fixed	0.30300%
	MUFG Bank	500	Sept. 29, 2019	Sept.29, 2028	8.0	Fixed	0.48000%
	The Nishi-Nippon City Bank	2,500	Feb. 28, 2020	Feb. 28, 2030	10.0	Fixed	0.48000% (*2)
	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%	
Total		77,400					

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 of credit	The Bank of Fukuoka, and others (*7)	6,000	Aug. 1, 2018	Jul.31, 2023
Committed line of credit	The Nishi-Nippon City Bank, and others (*8)	7,000	Mar. 2, 2020	Feb.29, 2024
Total		13,000		

Portfolio table

(As of February 28, 2021)

Real estate property name	Age (+1)	Acquisition price (mm yen) (+2)	Investment ratio	Acquisition timing	Source (+3)	Total leasable floor space (sq)	Occupancy rate	Tenants (+4)	Primary tenants
Retail									
Canal City Hakata	24yr 10m	32,000	15.8%	2004/11/9	Sponsor	46,585.57	97.7%	46	Washington Hotel and United Cinema
Canal City Hakata-B	24yr 10m	28,700	14.2%	2011/3/2	Outside party	68,824.95	99.5%	45	Grand Hyatt Fukuoka and OPA
Park Place Oita	18yr 11m	19,610	9.7%	2004/11/9	Sponsor	121,212.26	100.0%	104	AEON and K's Denki
SunLive City Kokura	15yr 11m	6,633	3.3%	2005/7/1	Outside party	61,450.22	100.0%	1	SunLive
Konoha Mall Hashimoto	9yr 11m	10,000	5.0%	2018/3/1	Sponsor	22,121.05	97.8%	123	SunLive and The Super Sports XEBIO
Square Mall Kagoshima Usuki	14yr 5m	5,300	2.6%	2006/9/28	Sponsor	14,602.88	100.0%	13	Sports Depo / Golf5 and Edion
Kunamoto Intercommunity SC	14yr 3m	2,400	1.2%	2006/11/30	Sponsor	6,969.66	100.0%	2	Sports Depo / Golf5 and Starbucks Coffee
Hanahata SC	13yr 7m	1,130	0.6%	2007/9/3	Sponsor	2,801.15	100.0%	2	BON REPAS and Matsumoto Kyosai
Kurume Higashi Kushirara SC	13yr 2m	2,500	1.2%	2008/2/1	Sponsor	6,467.80	100.0%	1	Sports Depo / Golf5
K's Denki Kagoshima	13yr 3m	3,550	1.8%	2008/3/27	Outside party	7,296.17	100.0%	1	K's Denki
Marinoa City Fukuoka (Marina Side Building)	20yr 4m	5,250	2.6%	2015/5/1	Sponsor	33,069.82	100.0%	1	F.J. Entertainment Works Ltd.
Total or the weighted average of retail	--	117,073	58.0%	--	--	391,400.53	99.5%	339	--
Office buildings									
Canal City Business Center Building	24yr 10m	14,600	7.2%	2004/11/9	Sponsor	23,029.92	100.0%	62	TOTO and Bell System24
Gofukumachi Business Center	17yr 4m	11,200	5.5%	2004/11/9	Sponsor	19,905.34	100.0%	36	SMB CONSUMER FINANCE and Sumitomo Mitsui Banking Corporation
Sanix Hakata Building	19yr 11m	4,400	2.2%	2005/9/30	Outside party	6,293.75	100.0%	16	SIANX and The Nishi-Nippon City Bank
Taihaku Street Business Center	18yr 11m	7,000	3.5%	2006/3/16	Sponsor	14,677.30	98.8%	68	NTT COMWARE and Tokio Marine & Nichido Outsourcing Management
Higashi Hie Business Center	12yr 0m	5,900	2.9%	2009/3/13	Outside party+Sponsor	13,614.59	100.0%	27	Fujitsu and Forest Holdings
Tenjin Nishi-Dori Center Building	24yr 5m	2,600	1.3%	2013/2/1	Outside party	3,339.32	100.0%	1	The Nishi-Nippon City Bank
Tenjin North Front Building	11yr 1m	2,800	1.4%	2013/3/28	Outside party	5,252.41	100.0%	11	Rakuten Card and Prudential
Higashi Hie Business Center II	5yr 0m	4,230	2.1%	2018/3/11	Sponsor	6,214.77	100.0%	2	FUJITSU KYUSU SYSTEMS LIMITED and Seven-Eleven Japan Co., Ltd.
Higashi Hie Business Center III	0yr 11m	3,290	1.6%	2020/5/29	Sponsor	2,881.14	94.1%	5	Mitsui Home Co. Ltd and NIPPON ENGINEERING CONSULTANTS CO. LTD.
Total of the weighted average of office buildings	--	58,020	27.7%	--	--	95,308.54	99.6%	228	--
Others									
Amex Akasakamon Tower (Residence)	15yr 7m	2,050	1.0%	2006/9/1	Outside party	4,821.25	98.8%	66	--
City House Kayaki Dori (Residence)	13yr 3m	1,111	0.6%	2007/12/20	Outside party	2,710.86	97.8%	41	--
Aqualia Chihaya (Residence)	13yr 2m	1,280	0.6%	2012/3/11	Outside party	5,619.69	97.9%	103	--
D-Wing Tower (Residence)	15yr 0m	2,800	1.4%	2013/3/1	Outside party	7,187.59	95.1%	132	--
Granfore Yakuin Minami (Residence)	13yr 2m	1,100	0.5%	2014/11/4	Outside party	2,496.06	96.0%	95	--
Hotel FORZA Oita (Hotel)	12yr 6m	1,530	0.8%	2013/3/1	Sponsor	5,785.44	100.0%	1	FJ Hotels
Tissage Hotel Naha (Hotel)	3yr 0m	2,835	1.4%	2018/12/7	Outside party	3,758.78	100.0%	1	Nishi Japan Corporation
Tosu Logistics Center (Logistics)	12yr 9m	1,250	0.6%	2014/3/28	Outside party	4,173.29	100.0%	1	non-disclosure
LOGICITY Minato Kashi (Logistics)	6yr 10m	8,150	4.0%	2015/3/27	Outside party	43,233.72	100.0%	2	Fukuoka Logistic System and F-LINE CORPORATION
LOGICITY Heayama (Logistics)	6yr 1m	5,050	2.5%	2017/8/1	Outside party	24,505.85	100.0%	1	KASEI Inc. Co., Ltd.
LOGICITY Wakamiya (Logistics)	16yr 0m	1,700	0.8%	2020/6/30	Outside party	17,558.32	100.0%	1	Tsukasa Kigyuu
Total or the weighted average of others	--	28,866	14.3%	--	--	121,848.63	99.4%	444	--
Total or the weighted average of all properties	16yr 0m	201,959	100.0%	--	--	608,557.70	99.5%	1,011	--

(+1) The age of the building is listed with the end of the period as the starting date. 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) Parking contracts, etc. are excluded from "number of tenants".

Portfolio map



- | | | | | |
|---|--|---|---|---|
| 1 Canal City Hakata
■Address : 1-chome, Sunmyoshi, Hakata Ward, Fukuoka City | 4 Konoha Mall Hashimoto
■Address : 2-chome, Hashimoto, Nishi Ward, Fukuoka City | 3 Kurume Higashi Kushivara SC
■Address : Higashi bushiwa, Kurume City | 13 Cofukumachi Business Center
■Address : Kami Gokubunishi, Hakata Ward, Fukuoka City | 17 Tenjin Nishi-Dori Center Building
■Address : 2-chome, Tenjin, Chuo Ward, Fukuoka City |
| 2 Canal City Hakata・B
■Address : 1-chome, Sunmyoshi, Hakata Ward, Fukuoka City | 6 Square Mall Kagoshima Usuki
■Address : 2-chome, Usuki, Kagoshima City | 10 K's Denki Kagoshima
■Address : Takai-cho, Kagoshima City | 14 Sanix Hakata Building
■Address : 2-chome, Hakataekihigashi, Hakata Ward, Fukuoka City | 18 Tenjin North Front Building
■Address : 4-chome, Tenjin, Chuo Ward, Fukuoka City |
| 3 Park Place Oita
■Address : 2-chome, Koan Dori Nishi, Oita City | 7 Kumamoto Intercommunity SC
■Address : 1-chome, Kizono, Higashi Ward, Kumamoto City | 11 Marina City Fukuoka@Hawa Sea Building
■Address : 2-chome, Obo, Nishi Ward, Fukuoka City | 15 Tahaku Street Business Center
■Address : Gokubanmachi, Hakata Ward, Fukuoka City | 19 Higashi Hie Business Center II
■Address : 1-chome, Higashi-hie, Hakata Ward, Fukuoka City |
| 5 SunLive City Kokura
■Address : 2-chome, Kami Suizen, Kokura Ward, Kitakyushu City | 8 Hanahata SC
■Address : 4-chome, Hanahata, Minami Ward, Fukuoka City | 12 Canal City Business Center Building
■Address : 1-chome, Sunmyoshi, Hakata Ward, Fukuoka City | 16 Higashi Hie Business Center
■Address : 2-chome, Higashi-hie, Hakata Ward, Fukuoka City | 20 Higashi Hie Business Center III
■Address : 4-chome, Higashi-hie, Hakata Ward, Fukuoka City |

- | | |
|---|--|
| 21 Amex Akasakamon Tower
■Address : 2-chome, Mizen, Chuo Ward, Fukuoka City | 22 Tissage Hotel Naha
■Address : 2-chome, Naha, Naha City |
| 23 City House Keyaki Dori
■Address : 2-chome, Nagi, Chuo Ward, Fukuoka City | 24 Tosu Logistics Center
■Address : Himatsubo-cho, Tosu City, Saga |
| 25 Aqualia Chihaya
■Address : 4-chome, Chihaya, Higashi Ward, Fukuoka City | 26 LOGICITY Minato Kashii
■Address : 2-chome, Minato-kashi, Higashi Ward, Fukuoka City |
| 27 D-Wing Tower
■Address : 2-chome, Daimyo, Chuo Ward, Fukuoka City | 28 LOGICITY Hisayama
■Address : Hisayama-machi, Kasuya-gun, Fukuoka City |
| 29 Granfore Yakuin Minami
■Address : 1-chome, Hira, Chuo Ward, Fukuoka City | 30 LOGICITY Wakamiya
■Address : Shimoaraki, Miyazaki City |
| 31 Hotel FORZA Oita
■Address : 1-chome, Chuo-machi, Oita City | Legend:
■ Retail
■ Office buildings
■ Others |

Portfolio

Retail 11 properties



Office buildings 9 properties



Others 11 properties



Total **31** properties
 Total acquisition price **201.9** bn yen
(As of February 28, 2021)
 *Figures round down to nearest 0.1 bn yen

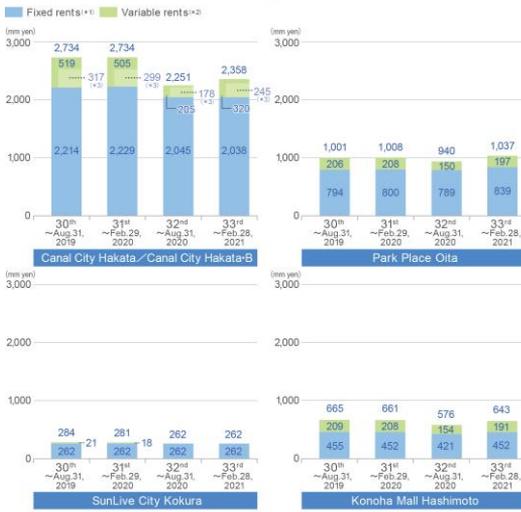
Top tenants by leased floor area

Rank	Lessee	Tenant	Share of total leased space (*)	As of February 28, 2021			Remaining lease term (years) (**)
				34 th ~Aug. 31, 2021	35 th ~Feb. 28, 2022	36 th ~Aug. 31, 2022	
1	SunLive Co., Ltd.	SunLive	10.7%	● SunLive City Kokura			4
				● Konoha Mall Hashimoto			10
2	AEON Kyushu Co., Ltd.	AEON	9.7%	● Park Place Oita			1
3	FJ. Hotels Co., Ltd	Grand Hyatt Fukuoka	7.3%	● Canal City Hakata - B (**)			3
		Hotel FORZA Oita		● Hotel FORZA Oita			7
4	FJ. Entertainment Works Ltd.	—	5.8% (***)	● Marina City Fukuoka (Marina Side Building)			14
5	Canal City OPA Co., Ltd.	OPA	4.3%	● Canal City Hakata			2
				● Canal City Hakata - B			1
6	KASEI inc Co., Ltd.	—	4.0%	● LOGICITY Hisayama			3
7	Fukuoka Logistic System Corporation	—	3.8%	● LOGICITY Minato Kashi			3
8	F—LINE CORPORATION	—	3.3%	● LOGICITY Minato Kashi			non-disclosure (***)
9	Alpen Co., Ltd.	Sports Depo, Golf 5	3.0%	● Square Mall Kagoshima Usuki			5
				● Kumamoto Intercommunity SC			5
				● Kurume Higashi Kushwara SC			6
10	Tsukasa Kigyuu	—	2.9%	● LOGICITY Wakamiya			9

(*) 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.
 (**) Remaining lease periods shown are the remaining periods of lease contracts as of February 28, 2021 with periods shorter than one year rounded down to the nearest whole year.
 (***) The sublease agreement with FJ. Hotels Co., Ltd. will be terminated as of the date of transfer (June 1, 2021) as stated in FJCO's press release "Fukuoka REIT Corporation Concludes Agreement to Dispose Asset and Terminate Lease Agreement" announced on March 18, 2021.
 (****) The 5.8% includes a 0.3% office portion. (5 ordinary leases have been concluded for Canal City Business Center Building.)
 (****) Information is not disclosed because the permission of tenants has not been obtained.

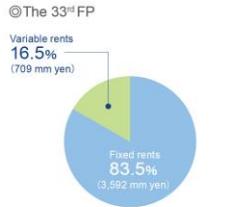
Breakdown of variable rents

Breakdown of active retail rents by property



*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-net estate" - "variable rent"
 (*2) Variable rents are the sum of the portion of rents collected from tenants with variable and GOP rents that varies as a function of the tenants' sales. (*3) The figures are included parking fee in variable rents of Canal City Hakata / Canal City Hakata-B.

Breakdown of active retail rents



Portfolio overall

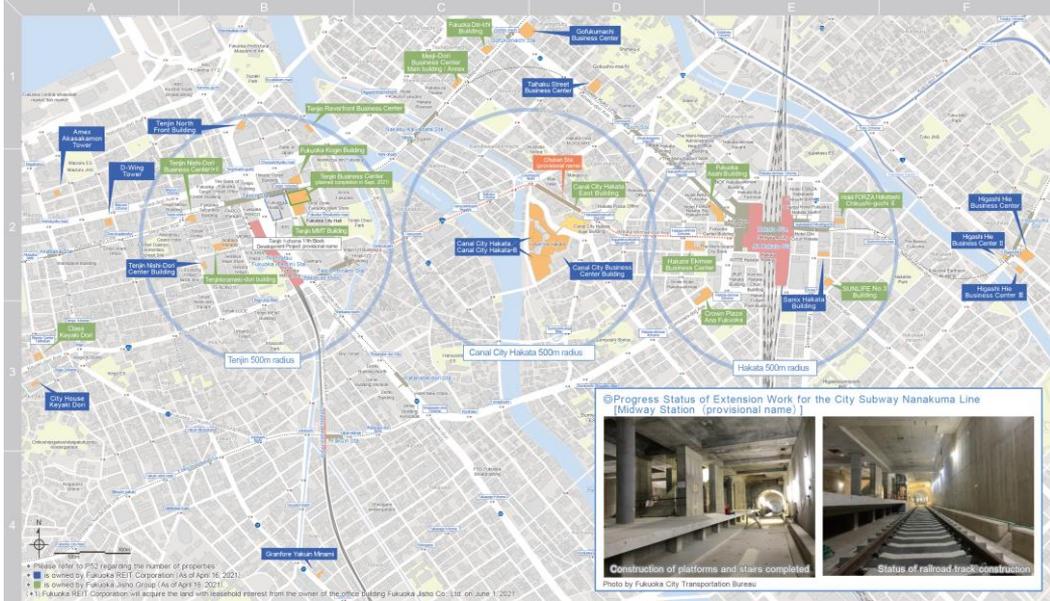


Breakdown of Tissage Hotel Naha



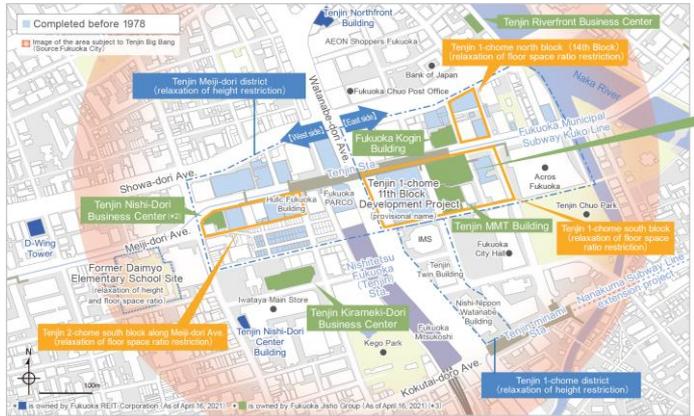
The condition of Fukuoka city center

Nanakuma subway line extension project will be completed by FY2022



Redevelopment in Tenjin area (Tenjin Big Bang)

2-year extension until the end of Tenjin Big Bang project in the end of Year 2026 (※)



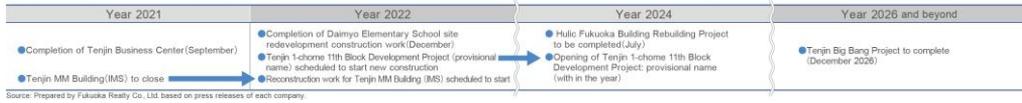
◎ Tenjin Business Center

Entity	Fukuoka Jisho Co., Ltd.
Location	1-Chome, Tenjin, Chuo Ward, Fukuoka City
Land area	3,917.18 m ²
Total floor space	61,091.35 m ²
Floors	19 aboveground floors, penthouse 2 floors, basement 2 floors
Use	Office, shops, parking, etc.
Height	approx. 89m
Completion	September 2021 (scheduled)

- ◎ Main deregulation in the Tenjin Meiji-dori area
- ① Relaxation of restrictions
- Around Fukuoka City Hall (West of the center of Misasagi-cho) approx. 115m (28 floors)
 - East of the center of Misasagi-cho approx. 76m (17 floors)
 - Tenjin Meiji-dori district (East of the center of Misasagi-cho) approx. 100m (22 floors)
 - Tenjin 1-chome district approx. 80m (18 floors) ~ approx. 96m (21 floors)
- ② City original Deregulation of floor space ratios
- 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)

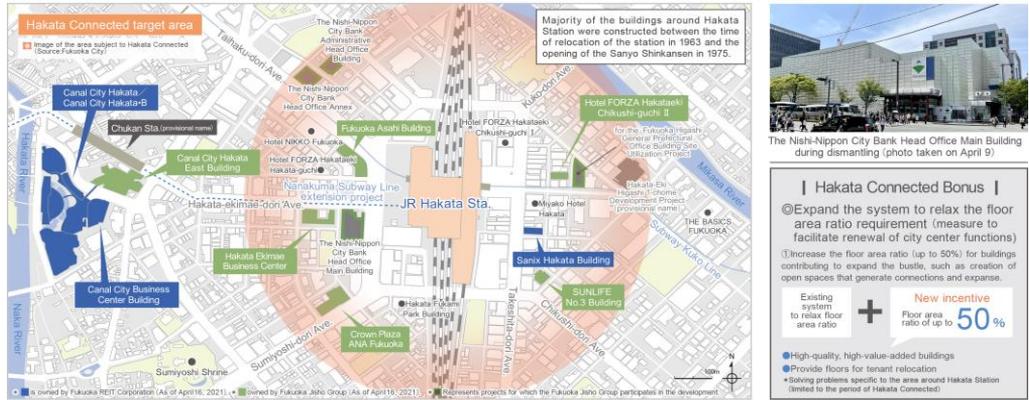
- ◎ Initiatives for becoming an infection-controlling city
- Urban central areas
- Anti-infection measures in central urban areas were added as a new item of floor area ratio assessment to the measures facilitates renewal of city center functions.
- Relaxation of floor area ratio by up to **50%**
- Completion deadline of buildings that take anti-infection measures is extended to December 31, 2026
- * 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.

Redevelopment schedule in Tenjin area



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)



Redevelopment schedule in Hakata area



Sponsor pipeline (Fukuoka Jisho Group)

Overview of Fukuoka Jisho Co., Ltd.

Name	Fukuoka Jisho Co., Ltd.	Net sales	30.3 billion yen (period ended May 31, 2020)
Established	July 1961	Ordinary income	5.8 billion yen (period ended May 31, 2020)
Industries	Real estate (comprehensive developer)	Total assets	192.2 billion yen (period ended May 31, 2020)
Representative	Ichiro Enomoto, President and C.E.O	Borrowings	106.0 billion yen (period ended May 31, 2020)
Employees	213 (as of May 31, 2020)	Equity ratio	31.0% (period ended May 31, 2020)

Major properties owned by Fukuoka Jisho Group

Use	No.	Name	Year of completion	Total floor area ⁽¹⁾
Office buildings	1	Fukuoka Daichi Building (during dismantling)	1961	9,962m ²
	2	Fukuoka Kogin Building	1970	15,160m ²
	3	Fukuoka Asahi Building	1970	44,762m ²
	4	Meiji-Dori Business Center	1974 (Main Building) / 1986 (Annex)	9,844m ²
	5	Sun Life No. 3 Building	1978	8,262m ²
	6	Tenjin Nishi-Dori Business Center (*1)	1978	10,394m ²
	7	Tenjin MMT Building (during dismantling)	1979	19,874m ²
	8	Tenjin Riverfront Business Center	1999	4,106m ²
	9	Hakata Ekimae Business Center	1999	23,542m ²
	10	Naha Business Center	2018	8,994m ²
	11	Tenjin Business Center	FY2021 (scheduled)	61,116m ²
Retail	12	Marinoa City Fukuoka (Outlet Building)	2000 (Building I) / 2021 (Building II) / 2027 (Building III)	46,663m ²
	13	Tenjin Kirameki Dori Building	2003	24,525m ²
	14	Canal City Hakata East Building	2011	18,534m ²
Residence	15	Class Keyaki Dori	2008	6,500m ²
Hotel	16	Hotel FORZA Hakataeki Chikushi-guchi II	2019	4,876m ²
	17	Hotel FORZA Sapporo Ekimae	2020	11,344m ²
Logistics	18	LOGICITY Minato Kashi North	2020	47,150m ²

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

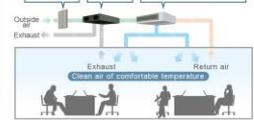
Tenjin Business Center

Property photography



Infection control measures

Simultaneously conducts ventilation and disinfection to realize comfortable air environment.

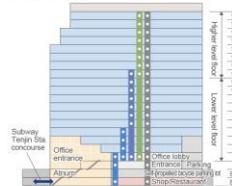


Automatic opening and closing toilet booth

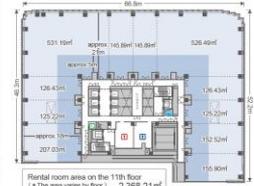
(planned to install in some areas)
Realized non-contact door opening and closing and locking for the first time in Japan (*2)



Floor map



Floor plan



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