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Provisional translation only



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Notice Concerning Asset Acquisition (Trust Beneficiary Interest in Domestic Real Estate and Silent Partnership Equity Interests) and Asset (Domestic Real Estate) Disposition (Asset Replacement)

Fukuoka REIT Corporation (FRC) announces that Fukuoka Realty Co., Ltd. (FR), the asset management company to which FRC entrusts the management of its assets, decided today, as described below, on FRC's acquisition of trust beneficiary interests in a domestic real estate and silent partnership equity interests (the "Acquisition") and on the disposition of a domestic real estate (the "Disposition"; together with the Acquisition, hereinafter the "Asset Replacement").

1. Overview of the Asset Replacement

(1) Overview of Acquisitions

Assets to be Acquired	Trust beneficiary interest in real estate (50% quasi-co-ownership interest)	Silent partnership interest backed primarily by real estate trust beneficiary interests
Name of Asset (Use)	LOGICITY Koga (Logistics facility)	Limited Liability Company FRC3 silent partnership equity interests (Note1)
Acquisition Price / Investment Amount	4,700 million yen	1,356 million yen
Acquisition Party / Investee	FJ Private REIT Corporation	Limited Liability Company FRC3
Brokerage	None	Yes
Date of Agreement	October 20, 2026	October 23, 2026 (scheduled)
Acquisition Date or Date of Investment Payment	December 28, 2026	December 14, 2026
Funding	Borrowings (Note2)	Borrowings (Note2) and cash on hand
Form of Payment	Please refer to "10. Form of Payment, etc." below.	
Other	Please refer to "8. Forward Commitment, etc." below.	

(Note1) Limited Liability Company FRC3 silent partnership equity interests pertain to the silent partnership for which Limited Liability Company FRC3 (LLC) serves as the operator. Regarding the details for this silent partnership equity interest, please kindly refer to “3. Overview of Acquisitions and Disposition B. Limited Liability Company FRC3 Silent Partnership Equity (1) Summary of the Silent Partnership Equity Interests”. Regarding the details for the operator, please kindly refer to “3. Overview of Acquisitions and Disposition B. Limited Liability Company FRC3 Silent Partnership Equity (2) Summary of Operator”. The LLC is scheduled to acquire trust beneficiary interest in TORIUS, a retail facility, on December 16, 2026.

(Note2) Details of the borrowings are undetermined at this time. However, as stated in "10. Form of Payment, etc", FRC plans to borrow a total of 6 billion yen. Details of the borrowings will be announced once determined.

(2) Overview of Disposition

Property Name	Kumamoto East Front Building
Asset to be Disposed	Real Estate
Disposition Price (planned) ^(Note1)	1,509 million yen
Book value ^(Note2)	1,495 million yen
Appraisal value	1,500 million yen
Difference between the Disposition Price (planned) and the Book Value ^(Note3)	13 million yen
Buyer	Not disclosed ^(Note4)
Brokerage	Yes
Date of Conclusion of Disposition Agreement (scheduled)	October 30, 2026
Disposition Date (scheduled)	November 30, 2026

(Note1) Disposition price (planned) does not include disposition expenses, amounts equivalent to the settlement of the property taxes and city planning taxes, consumption taxes on the building and other expenses.

(Note2) Figures for the book value are indicated as of the end of August 2026.

(Note3) The figure calculated as the difference between the planned disposition price and the book value as of the end of August 2026 is a reference figure and differs from the gain or loss on sale.

(Note4) Not disclosed because the buyer’s consent to disclosure has not been obtained.

2. Reason for Asset Replacement

FRC decided on the Asset Replacement in accordance with the investment scope and asset management policy set forth in its Articles of Incorporation, with the aim of improving the quality of its portfolio and enhancing unitholder interests over the medium to long term.

The assets to be acquired represent investments in retail and logistics facilities located in the Fukuoka metropolitan area, each offering potential for future rental growth and earnings expansion.

FRC invests in a diverse range of properties classified as retail facilities, office buildings and other properties (including hotels, residential properties, logistics facilities and public facilities), primarily in the Fukuoka and Kyushu region. The acquisition of the logistics facility and silent partnership equity interests is in line with this investment policy. Both underlying properties are being acquired from external parties by leveraging FR’s information-gathering capabilities and expertise, underpinned by its in-depth knowledge of local market conditions in the Fukuoka and Kyushu region.

The acquisition price of LogiCity Koga is 4.7 billion yen, representing a 12.1% discount to its appraisal value of 5.35 billion yen, while the acquisition price of TORIUS, the trust property underlying the silent partnership investment, is

10.4 billion yen, representing a 16.0% discount to its appraisal value of 12.38 billion yen. LOGICITY Koga, which was completed in 2023, is a relatively new logistics facility and will contribute to lowering the average age of the portfolio.

The following factors were considered in deciding to acquire LOGICITY Koga.

1) Location

Koga City, Fukuoka Prefecture, where the property is located, lies in the northwestern part of the prefecture and forms part of the Fukuoka metropolitan area ^(Note). The city is also home to several industrial parks, with a concentration of companies primarily in the manufacturing sector. The property is located within approximately 20 km of central Fukuoka City. In terms of road access, it is approximately six minutes by car from the Koga Interchange on the Kyushu Expressway. From the interchange, central Fukuoka City and central Kitakyushu City are approximately 30 minutes and 47 minutes away, respectively, providing excellent access to both metropolitan areas. With good access to major consumer markets, the property is expected to capture robust logistics demand.

(Note) “Fukuoka metropolitan area” refers to Fukuoka City and municipalities from which at least 10% of the population commutes to Fukuoka City for work or school, based on the tables on commuters aged 15 and over by municipality of work or school and sex in the 2020 Population Census conducted by the Statistics Bureau of the Ministry of Internal Affairs and Communications. “Kitakyushu metropolitan area” refers to Kitakyushu City and municipalities from which at least 10% of the population commutes to Kitakyushu City for work or school, based on the same census tables.

2) Building and Facilities

The property is a versatile, four-story, mid-rise, multi-tenant logistics facility of steel-reinforced concrete and steel-frame construction, with approximately 13,000 tsubo of leasable warehouse space on a site of approximately 7,000 tsubo. FRC believes that the property adequately meets tenant needs through facilities supporting efficient logistics operations, including loading berths accommodating 53 trucks, waiting spaces for 12 trucks, a ramp connecting the first and third floors, and freight elevators and vertical conveyors serving individual units. The warehouse floors have a clear ceiling height of at least 5.5 m and a floor load capacity of 1.5 t/m², providing ample storage functionality and supporting efficient warehouse operations for tenants. The property has also received the highest rating of five stars under BELS (Building-Housing Energy-efficiency Labeling System).

Furthermore, FRC expects the growth of Kyushu’s semiconductor industry to drive increased demand for logistics facilities across northern Kyushu and believes that the value of logistics facilities in the region will increase further. The acquisition is expected to further enhance FRC’s portfolio and help secure stable earnings over the long term.

TORIUS, the retail facility held in trust underlying the silent partnership equity interests to be acquired, is a large-scale retail facility that draws customers from across the Fukuoka metropolitan area. The property is expected to benefit from robust consumer spending and rising prices in an inflationary environment. FRC also believes that the investment will help create future acquisition opportunities for FRC.

In connection with the silent partnership investment, FRC will be granted a preferential negotiation right to acquire the trust beneficiary interest in TORIUS*.

* FRC will have no obligation to acquire the trust beneficiary interest. Furthermore, FRC has not decided to acquire the trust beneficiary interest at this time, nor is there any guarantee that FRC will be able to acquire it.

In deciding to make the silent partnership investment, FRC evaluated the following factors.

1) Location

Hisayama Town, Fukuoka Prefecture, where the property is located, adjoins Fukuoka City in the western part of the prefecture and forms part of the Fukuoka metropolitan area ^(Note). In terms of road access, the Fukuoka Interchange on

the Kyushu Expressway is approximately 5 km to the south, or approximately 10 minutes by car. JR Hakata Station is approximately 30 minutes by car from the area, providing good access to the city center.

2) Building and Facilities

The property is a large-scale retail facility anchored by Costco and United Cinemas, with a diverse mix of tenants, including entertainment and dining establishments. Currently, approximately 35% of total rent is variable rent, and the property is expected to continue to capture tenant sales growth in its earnings in an inflationary environment. In addition, approximately 70% of visitors to anchor tenant Costco come from beyond a 10 km radius, demonstrating the property's broad trade area. FRC also evaluated the potential for future value enhancement utilizing the approximately 250,000 m² site, the prospect of higher future returns on the silent partnership equity interests, and the creation of future acquisition opportunities for FRC.

Meanwhile, Kumamoto East Front Building, the asset scheduled for disposition, is the second-oldest asset in FRC's portfolio and is 32 years old. Although the property maintains a certain level of competitiveness, FRC decided to dispose of it after comprehensively considering its future growth potential, capital efficiency and other factors.

3. Overview of Acquisitions and Disposition

A. LOGICITY Koga

Overview of Asset to be Acquired

Property Name	LOGICITY Koga	
Type of specified asset	Quasi-co-ownership interest (50%)	
Acquisition price	4,700 million yen (excluding consumption tax)	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Term of real estate trust	January 11, 2024 to end of January 2044	
Location	105-36, Aza-Shinjo, Aoyagi-machi, Koga City, Fukuoka Prefecture	
Land	Area	51,280.27 m ²
	Use	Not designated
	Ownership Type	Ownership
Building	Structure/floor	Steel-reinforced concrete/steel, 4 above-ground floors
	Built	March 17, 2023
	Total floor area	44,728.38 m ²
	Use	Warehouse
	Ownership Type	Ownership
Constructor	TAKENAKA CORPORATION KYUSHU	
Designer	TAKENAKA CORPORATION KYUSHU First-Class Architect Office	
Building design office engaged in structural engineering data	TAKENAKA CORPORATION KYUSHU First-Class Architect Office	
Organization that authorized building construction	JAPAN ERI CO.,LTD.	
Appraisal value	5,350,000,000 yen	

Appraiser		JLL Morii Valuation & Advisory K.K.				
Special notations		The quasi-co-ownership agreement is scheduled to be executed by the settlement date.				
Status of leasing	Total number of tenants	2 (Note 1)				
	Total rent income (annual)	Not disclosed (Note 2)				
	Security deposits	Not disclosed (Note 2)				
	Leasable area (Note 2)	43,851.76 m ² (Note 3)				
	Total leased area (Note 2)	43,851.76 m ² (Note 3)				
	Occupancy rate for the last 5 years (Note 4)	August 31, 2022	August 31, 2023	August 31, 2024	August 31, 2025	August 31, 2026
		-	76.4%	100.0%	100.0%	100.0%

* All figures for area, total floor area, use, structure, etc. are based on the descriptions in the registry.

(Note1) The total number of tenants represents warehouse tenants only and excludes one retail tenant.

(Note2) Not disclosed because the tenant's consent to disclosure has not been obtained.

(Note3) Leasable area is the area available for lease as of the end of August 2026, and total leased area is the aggregate contract area under tenant lease agreements as of the end of August 2026.

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

B. Limited Liability Company FRC3 Silent Partnership Equity

(1) Summary of the Silent Partnership Equity Interests

Operator	Limited Liability Company FRC3					
Term of the silent partnership agreement	Until December 31, 2033					
Total amount of silent partnership equity	4,068 million yen					
Overview of silent partnership agreement	Overview of silent partnership agreement is the following. <table><tr><th colspan="2">FRC3</th></tr><tr><td rowspan="2">Trust beneficiary interests in real estate in trust, etc. 12,656 million yen (Note1) (Note2)</td><td>Non-recourse loans 8,588 million yen</td></tr><tr><td>Silent partnership equity, etc. 4,068 million yen (Note3)</td></tr></table> (Note1) LLC will acquire the trust beneficiary interests in TORIUS on December 16, 2026. (Note2) The amount of the trust beneficiary interests in real estate in trust, etc. includes various expenses relating to the establishment of the silent partnership,	FRC3		Trust beneficiary interests in real estate in trust, etc. 12,656 million yen (Note1) (Note2)	Non-recourse loans 8,588 million yen	Silent partnership equity, etc. 4,068 million yen (Note3)
FRC3						
Trust beneficiary interests in real estate in trust, etc. 12,656 million yen (Note1) (Note2)	Non-recourse loans 8,588 million yen					
	Silent partnership equity, etc. 4,068 million yen (Note3)					

	expenses associated with the acquisition of the trust beneficiary interest, etc., reserve funds, consumption taxes and other related costs. The appraised value of the property held in trust is 12,380 million yen. (Note3) FRC is scheduled to invest 1,356 million yen (approximately 33.3%) in silent partnership equity, etc. *Calculation Period: Each calculation period shall be a three-month period from January 1 to March 31, April 1 to June 30, July 1 to September 30, or October 1 to December 31 of each year. However, the first calculation period shall commence on the initial investment payment date (December 14, 2026) and end on December 31, 2026, and the final calculation period shall end on the date of termination of the silent partnership agreement. *Distribution of Profit and Loss : For each calculation period, the operator shall distribute any profit or loss arising from the silent partnership business to each investor in proportion to their respective investment ratio as of the end of that calculation period.				
Others	Preferential negotiation right granted in connection with the Acquisition <table border="1"> <tr> <td>Contents</td><td>FRC is provided with the right to negotiate the acquisition of the trust beneficiary interests prior to other potential buyers. However, FRC is not obliged to acquire the trust beneficiary Interests. The purchase price is determined based on appropriate due diligence conducted in accordance with the guidelines established by FR.</td></tr> <tr> <td>Pricing Conditions for Preferential Negotiation</td><td>In the case where the Preferential Negotiation Right is exercised to purchase all or a part of the trust beneficiary interest or the properties held in trust, it must be a price reasonably estimated to achieve the target internal rate of return (IRR) and exceed the book value of the trust beneficiary interest or the properties held in trust.</td></tr> </table> This investment interest is subject to restrictions on early redemption and entails the risk of loss of principal or delayed repayment.	Contents	FRC is provided with the right to negotiate the acquisition of the trust beneficiary interests prior to other potential buyers. However, FRC is not obliged to acquire the trust beneficiary Interests. The purchase price is determined based on appropriate due diligence conducted in accordance with the guidelines established by FR.	Pricing Conditions for Preferential Negotiation	In the case where the Preferential Negotiation Right is exercised to purchase all or a part of the trust beneficiary interest or the properties held in trust, it must be a price reasonably estimated to achieve the target internal rate of return (IRR) and exceed the book value of the trust beneficiary interest or the properties held in trust.
Contents	FRC is provided with the right to negotiate the acquisition of the trust beneficiary interests prior to other potential buyers. However, FRC is not obliged to acquire the trust beneficiary Interests. The purchase price is determined based on appropriate due diligence conducted in accordance with the guidelines established by FR.				
Pricing Conditions for Preferential Negotiation	In the case where the Preferential Negotiation Right is exercised to purchase all or a part of the trust beneficiary interest or the properties held in trust, it must be a price reasonably estimated to achieve the target internal rate of return (IRR) and exceed the book value of the trust beneficiary interest or the properties held in trust.				

(2) Summary of Operator

Name	Limited Liability Company FRC3
Address	Fukuoka Daimyo Garden City 10F, 2-6-50 Daimyo, Chuo Ward, Fukuoka City
Nature of business	1. Real estate acquisition, ownership, disposal, management and leasing 2. Real estate trust beneficiary interest acquisition, ownership and disposal 3. Any ancillary business related to the above items or any other businesses
Representative title	Representative Member: General Incorporated Association FRC3 Executive Officer: Nobufumi Kuroda
Specified capital	100,000 yen
Establishment	August 20, 2026

Total assets	12,656 million yen (scheduled)
Total net assets	100,000 yen (scheduled)
Relationship with FRC and asset manager	
Capital relationship Personnel relationship Business relationship	There is no noteworthy relationship between FRC, FR and the company concerned. Furthermore, there is no capital-related, personnel-related or transactional relationship between affiliates or affiliated companies of FRC, FR and the company concerned.
Related-party status	The company concerned does not fall under the category of a related party of FRC or FR. In addition, any associated persons and associated companies of the company concerned do not fall under the category of a related party of FRC or FR.

(3) Summary of property held in trust to be purchased by LLC

Property name	TORIUS	
Type of specified asset	Real estate trust beneficiary interest (planned)	
Acquisition price	10,400 million yen (excluding consumption tax)	
Trustee	Sumitomo Mitsui Trust Bank, Limited	
Term of real estate trust	To be determined ^(Note1)	
Location	1111, Yamada, Hisayama, Kasuya County, Fukuoka Prefecture	
Land	Area	Land: 6,169.86 m ² Leasehold, etc.: 231,962.72 m ²
	Zoning	Unspecified
	Ownership Type	Leasehold/Ownership
Building	Structure/floor	Steel-framed, single-story buildings with galvanized steel sheet roofing, and others
	Built	Individual construction dates are not stated because the property includes both existing buildings and buildings scheduled to be newly constructed.
	Total floor area	80,415.34 m ²
	Use	Retail stores and others
	Ownership Type	Ownership
Constructor	Maeda Corporation, Kyushu Branch and others	
Designer	Nihon Sekkei, Inc., Kyushu Branch, First-Class Architect Office and others	
Building design office engaged in structural engineering data	Nihon Sekkei, Inc., Kyushu Branch, First-Class Architect Office and others	
Organization that authorized building construction	Fukuoka Prefecture and others	
Appraisal value	12,380 million yen	
Appraiser	Japan Valuers Co., Ltd.	
Collateral after acquisition	Yes	
MLPM Company	Torius Management Co., Ltd. (planned)	

Master Lease Type		Pass-through
Special notations		None
Status of leasing	Total number of tenants	3 (102) ^(Note1)
	Total rent income (annual)	Not disclosed ^(Note2)
	Security deposits	Not disclosed ^(Note2)
	Leasable area	79,823.74 m ² ^(Note3)
	Total leased area	76,840.48 m ² ^(Note3)
	Occupancy rate	96.3% ^(Note3)

*All figures for area, total floor area, use, structure, etc. are based on the descriptions in the registry. The figures include only the principal buildings and exclude ancillary buildings.

(Note1) Tenants to which the property is leased in its entirety under a pass-through master lease arrangement are each counted as one tenant. The figure in parentheses represents the total number of end tenants under contract as of August 31, 2026.

(Note2) Not disclosed because the tenant's consent to disclosure has not been obtained.

(Note3) Figures are as of the end of August 2026. For certain buildings, the figures for both leasable area and total leased area exclude areas used for events.

C. Kumamoto East Front Building

Overview of Asset Disposition

Property Name		Kumamoto East Front Building
Type of specified asset		Real Estate
Disposition price (planned)		1,509 million yen
Type of asset to be disposed		Real Estate
Disposition date (scheduled)		November 30, 2026
Location		5-15 1-Chome, Shinyashiki, Chuo Ward, Kumamoto City, and two other parcels
Land	Area	1,053.70 m ²
	Zoning	Commercial Area
	Ownership Type	Ownership
Building	Structure/floor	8-story, SRC/RC structure building with flat roof
	Built	December 3, 1993
	Total floor area	4,251.06 m ²
	Use	Office and garage
	Ownership Type	Compartmented Ownership ^(Note1)
Appraisal value		1,500 million yen (as of August 31, 2026)
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Special notations		None
Status	Total number of	10

of leasing	tenants					
	Total rent income (annual)	105 million yen (Note 2)				
	Security deposits	78 million yen (Note 3)				
	Leasable area	3,114.07 m ² (Note 4)				
	Total leased area	3,114.07 m ² (Note 4)				
	Occupancy rate (Note 5)	August 31, 2022	August 31, 2023	August 31, 2024	August 31, 2025	August 31, 2026
		-	82.0%	87.6%	92.7%	100.0%

*All figures for area, use, structure, etc. are based on the indications on the registry.

(Note1) Although this property is a separately owned building, all exclusively owned portions are owned by FRC.

(Note2) The figure represents the annual results from the end of September 2025 to the end of August 2026 and is the aggregate of rent and common-area charges. The figure has been rounded down to the nearest million yen.

(Note3) The figure is as of the end of August 2026. Moreover, the figure has been rounded down to the nearest million yen.

(Note4) Leasable area is the area available for lease as of the end of August 2026, and total leased area is the aggregate contract area under tenant lease agreements as of the end of August 2026.

(Note5) The figure indicates the ratio of the total leased area to the leasable area and has been rounded to the first decimal place.

4. Overview of the Seller of the Asset to Be Acquired and the Prospective Buyer of the Asset to Be Disposed Of LOGICITY Koga

Name	FJ Private REIT Corporation
Address	9-20 Tsunaba-machi, Hakata Ward, Fukuoka City
Nature of business	Investment in and management of real estate, including office buildings, logistics facilities and residential properties, primarily in prime locations in the Fukuoka metropolitan area, as an unlisted open-ended investment corporation
Representative title and Name	Executive Director Hideya Kanno
Specified capital	17,096 million yen
Establishment	January 16, 2023
Total assets	34,182 million yen
Total net assets	17,475 million yen
Relationship with FRC and the investment corporation	
Capital relationship	There is no noteworthy relationship between FRC, FR and the investment corporation.
Personnel relationship	Hideya Kanno, Executive Director of FJ Private REIT Corporation, has been seconded by FR to FJ Asset Management Co., Ltd., which is entrusted with the asset management of FJ Private REIT Corporation.
Business relationship	Except for the Acquisition, there is no noteworthy relationship between the investment corporation and FRC or FR.
Related-party status	The investment corporation does not fall under the category of a related party of FRC or FR. Furthermore, it does not constitute an interested person, etc. as defined under the Act on Investment Trusts and Investment Corporations

		or a related party as defined under the FR's Regulations on Related-Party Transactions.
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Kumamoto East Front Building

With respect to the disposition of Kumamoto East Front Building, the scheduled acquirer of the asset is a domestic operating company. However, as consent for disclosure has not been obtained from the said acquirer, the information cannot be disclosed. As of today, the scheduled acquirer does not fall under the category of a related party of FRC or FR, nor an interested person, etc. as defined in the Act on Investment Trusts and Investment Corporations, and there is no notable capital relationship, personnel relationship or business relationship between the acquirer and FRC or FR.

5. Overview of Property Acquirers, etc

Property name		LOGICITY Koga		
Status of Property Owners, etc.		Previous owner	Owner prior to the previous owner	Owner two transfers prior (Note)
Company name		FJ Private REIT Corporation	Fukuoka Jisho Co., Ltd.	-
Relationship with persons having a special interest		-	Shareholder of FR (Ownership ratio: 80%)	-
Background and reason for the transaction, etc.		Investment purpose	Development purpose	-
Acquisition price		Omitted as the previous owner has held the property for more than one year	Omitted as the previous owner has held the property for more than one year	-
Time of acquisition		December 28, 2026	October 30, 2020	-

(Note) Since there was no owner two transfers prior, accordingly, no information is provided.

6. Overview of Brokerage

There is no brokerage with respect to the Acquisition of LOGICITY Koga.

With respect to the Acquisition of TORIUS, the broker is a domestic operating company and has no special interest relationship with FRC or FR.

With respect to the Disposition, the broker is a domestic operating company and has no special interest relationship with FRC or FR.

7. Transactions with interested parties

With respect to the Acquisition, LOGICITY Koga, although FJ Private REIT Corporation, the seller of the property, does not fall under the category of a related party of FR, in light of the fact that it is an investment corporation managed by Fukuoka Jisho Group, the sponsor of FR, the acquisition price and other terms and conditions of the property have been deliberated and approved by the Investment Management Committee, the Compliance Evaluation Committee and the Board of Directors of FR in accordance with FR's regulations, etc., treating the seller

in the same manner as a related party.

With respect to the Acquisition, TORIUS, the LLC does not fall under the category of related parties pertaining to this acquisition, interested persons, etc. as defined in the Act on Investment Trusts and Investment Corporations, or related parties as defined in FR's regulations on transactions with related parties.

With respect to the Disposition, the acquirer and broker for this disposition do not fall under the category of interested persons, etc. as defined in the Act on Investment Trusts and Investment Corporations, or related parties as defined in FR's regulations on transactions with related parties.

8. Forward Commitment, etc.

1) The trust beneficiary interest purchase and sale agreement for LOGICITY Koga constitutes a forward commitment, etc. by an investment corporation as defined in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. issued by the Financial Services Agency (meaning a purchase and sale agreement providing for settlement and delivery of the property at least one month after the execution of the agreement, or any other similar agreement). If, due to reasons not attributable to FRC, it becomes reasonably and objectively impossible to achieve the purpose of the purchase and sale agreement, FRC may terminate the agreement without paying a penalty. FRC will not pay any deposit under the purchase and sale agreement. As the circumstances in which FRC may be liable to the seller are limited, FRC believes that the agreement is unlikely to have a material direct adverse effect on its financial condition, distributions or other matters.

2) The silent partnership investment agreement for TORIUS does not constitute a forward commitment, etc. by an investment corporation as defined in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. issued by the Financial Services Agency (meaning a purchase and sale agreement providing for settlement and delivery of the property at least one month after the execution of the agreement, or any other similar agreement), but will be treated in the same manner as such a commitment. If the operator or any silent partner delays the performance of any payment obligation under the agreement, the defaulting party is required to pay the other party default interest on the unpaid amount at an annual rate of 14.6% (calculated on a daily basis using a 365-day year) from and including the day following the due date through and including the date of payment. As the circumstances in which FRC may be liable to the seller are limited, FRC believes that the agreement is unlikely to have a material direct adverse effect on its financial condition, distributions or other matters.

3) The real estate purchase and sale agreement for Kumamoto East Front Building does not constitute a forward commitment, etc. by an investment corporation as defined in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. issued by the Financial Services Agency (meaning a purchase and sale agreement providing for settlement and delivery of the property at least one month after the execution of the agreement, or any other similar agreement).

9. Schedule of the Asset Replacement

(1) The Acquisition

<LOGICITY Koga>

October 20, 2026	Decision on the Acquisition
October 20, 2026	Execution of agreement
Around December 2026	Execution of other ancillary agreements (scheduled)
December 28, 2026	Payment and delivery of property (scheduled)

<TORIUS>

October 20, 2026	Decision on the Acquisition
October 23, 2026	Execution of agreement (scheduled)
December 14, 2026	Investment in silent partnership (scheduled)
December 16, 2026	Delivery of the real estate trust beneficiary interests, etc. to the silent partnership operator (scheduled)

(2) The Disposition

<Kumamoto East Front Building>

October 20, 2026	Decision on the Disposition
October 30, 2026	Execution of disposition agreement (scheduled)
November 30, 2026	Receipt of disposition proceeds and delivery of the property (scheduled)

10. Form of Payment, etc

FRC plans to pay the acquisition price for LOGICITY Koga in full in a single payment on December 28, 2026, using borrowings of 4,700 million yen.

FRC plans to pay its capital contribution to the silent partnership related to TORIUS in full in a single payment on December 14, 2026, using borrowings of 1,300 million yen and cash on hand.

For the Disposition (Kumamoto East Front Building), FRC is scheduled to receive the disposition amount in a lump sum on November 30, 2026, the same day as the delivery of the property.

11. Outlook

The impact of this Asset Replacement on FRC's operating forecast for the fiscal period ending February 2027 (September 1, 2026 - February 28, 2027) and the fiscal period ending August 2027 (March 1, 2027 – August 31, 2027), has already been incorporated in the "Earnings Briefing for the Period Ended August 2026 (FRC) Forecast for the period ending February 2027 (September 1, 2026 to February 28, 2027) and the period ending August 2027 (March 1, 2027 to August 31, 2027)" released today.

12. Overview of Appraisal Report

A. LOGICITY Koga

Property name	LOGICITY Koga	
Appraisal value	5,350,000 thousand yen	
Appraiser	JLL Morii Valuation & Advisory K.K.	
Pricing date	October 1, 2026	
Category	Figures	Reasons, etc.
Income capitalization approach value	5,350,000 thousand yen	
Value calculated using the direct capitalization method	11,100,000 thousand yen	
Gross operating revenue	614,345 thousand yen	
Maximum gross operating revenue	620,578 thousand yen	Based on stable medium- to long-term rents
Shortfall attributed to vacancies	6,232 thousand yen	
Operating expenses	105,767 thousand yen	
Repair and maintenance expenses	17,122 thousand yen	
PM fees	2,400 thousand yen	
Utilities Expenses	22,285 thousand yen	
Repair and Maintenance Expenses	4,226 thousand yen	Based on ER
Tenants' Leasing Expenses etc.	9,815 thousand yen	
Taxes and fees	47,244 thousand yen	
Damage Insurances	1,742 thousand yen	Based on quotations, etc.
Other expenses	930 thousand yen	Based on actual, etc.
Net operating income	508,577 thousand yen	
Profit through mangement of temporary deposits, etc.	1,470 thousand yen	
Capital expenditure	9,860 thousand yen	Based on ER
Net cash flow	500,187 thousand yen	
Capitalization Rate	4.5%	Determined taking into account the subject property's location and other characteristics, future uncertainties, and comparable cases.
Value through DCF method	10,500,000 thousand yen	
Discount rate	4.3%	
Terminal cap rate	4.7%	
Value through cost method	9,730,000 thousand yen	
Percentage of leased land	40.0%	
Percentage of building	60.0%	
Other matters noted by the appraiser in conducting appraisal	The appraisal value of the property as of the valuation date has been calculated by first determining the value of the entire building and its site as of the valuation date and then multiplying such value by the quasi-co-ownership interest in the property to be acquired (equivalent to a 50% interest in the entire property).	

B. Kumamoto East Front Building

Property name	Kumamoto East Front Building	
Appraisal value	1,500,000 thousand yen	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Pricing date	August 31, 2026	
Category	Figures	Reasons, etc.
Income capitalization approach value	1,500,000 thousand yen	
Value calculated using the direct capitalization method	1,530,000 thousand yen	
Gross operating revenue	134,383 thousand yen	
Maximum gross operating revenue	142,022 thousand yen	Based on the market rent level
Shortfall attributed to vacancies	7,639 thousand yen	
Operating expenses	50,916 thousand yen	
Repair and maintenance expenses	15,321 thousand yen	Based on past performance, etc.
PM fees	3,743 thousand yen	
Utilities Expenses	12,331 thousand yen	Based on past performance, etc.
Repair and Maintenance Expenses	6,055 thousand yen	Based on the similar cases and ER
Tenants' Leasing Expenses etc.	1,239 thousand yen	
Taxes and fees	11,226 thousand yen	Based on the property taxes notice, etc
Damage Insurances	595 thousand yen	
Other expenses	403 thousand yen	
Net operating income	83,466 thousand yen	
Profit through mangement of temporary deposits, etc.	737 thousand yen	
Capital expenditure	15,570 thousand yen	
Net cash flow	68,634 thousand yen	
Capitalization Rate	4.5%	Determined taking into account the subject property's location and other characteristics, future uncertainties, and comparable cases.
Value through DCF method	1,480,000 thousand yen	
Discount rate	4.3%	
Terminal cap rate	4.7%	
Value through cost method	1,440,000 thousand yen	
Percentage of leased land	53.0%	
Percentage of building	47.0%	
Other matters noted by the appraiser in conducting appraisal	Not listed	

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

(Attachments)

Reference 1: Location and pictures of property

Reference 2: Overview of the Appraisal Report for the property held in trust (TORIUS)

Reference 3: Map of FRC's Portfolio

Reference 4: FRC Portfolio List

Reference 1: Location and pictures of property

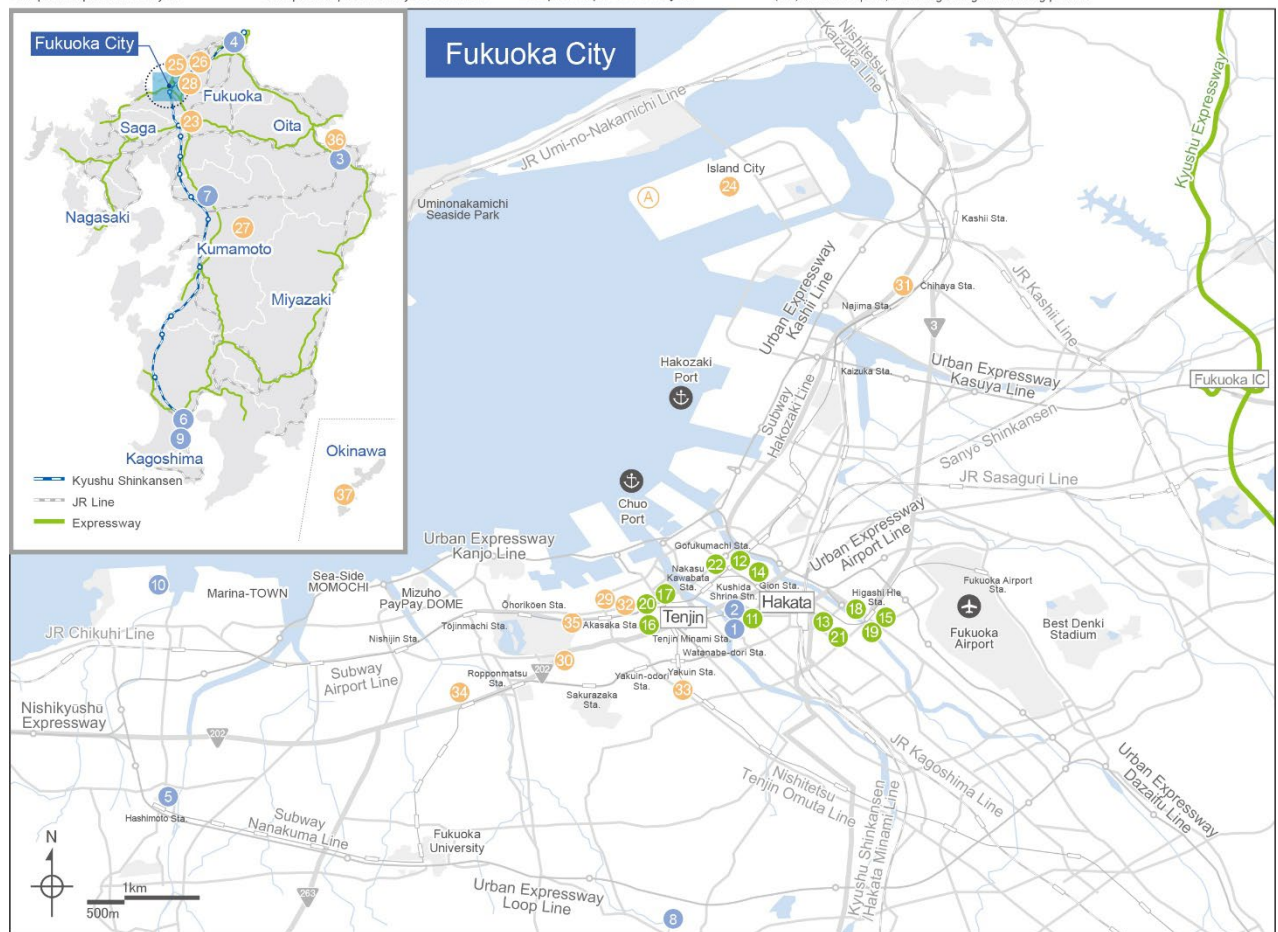


Reference 2: Overview of the Appraisal Report for the property held in trust (TORIUS)

Property name	TORIUS	
Appraisal value	12,380,000 thousand yen	
Appraiser	Japan Valuers Co., Ltd.	
Pricing date	July 31, 2026	
Category	Figures	Reasons, etc.
Income capitalization approach value	12,380,000 thousand yen	
Value calculated using the direct capitalization method	12,380,000 thousand yen	
Gross operating revenue	1,535,287 thousand yen	
Maximum gross operating revenue	1,568,990 thousand yen	Based on current rents, market rents and actual amounts
Shortfall attributed to vacancies	33,703 thousand yen	Determined taking into account the current occupancy rate, market vacancy rate levels and other factors
Operating expenses	845,275 thousand yen	
Repair and maintenance expenses	139,738 thousand yen	Based on actual, etc.
PM fees	135,300 thousand yen	Estimated amount
Utilities Expenses	200,380 thousand yen	Based on actual, etc.
Repair and Maintenance Expenses	16,695 thousand yen	Based on ER
Tenants' Leasing Expenses etc.	11,751 thousand yen	A replacement rate is set for each building (0%–15%)
Taxes and fees	42,235 thousand yen	Based on actual, etc.
Damage Insurances	8,512 thousand yen	0.06% of the building replacement cost
Other expenses	290,664 thousand yen	
Net operating income	690,012 thousand yen	-
Profit through mangement of temporary deposits, etc.	4,634 thousand yen	Investment yield of 1.0%
Capital expenditure	87,862 thousand yen	Based on ER
Net cash flow	606,785 thousand yen	
Capitalization Rate	4.9%	Determined taking into account the subject property's location and other characteristics, future uncertainties, and comparable cases.
Value through DCF method	12,370,000 thousand yen	
Discount rate	4.6%	
Terminal cap rate	5.0%	
Value through cost method	7,490,000 thousand yen	
Percentage of leased land	70.5%	
Percentage of building	29.5%	
Other matters noted by the appraiser in conducting appraisal	Not listed	

Reference 3: Map of FRC's Portfolio

1 Canal City Hakata ■Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City ■Acquisition date : Nov. 9, 2004 ■Acquisition price : 5.2 bn yen	2 Canal City Hakata・B ■Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City ■Acquisition date : Mar. 2, 2011 ■Acquisition price : 21 bn yen	3 Park Place Oita ■Address : 2-chome, Koen Dori Nishi, Oita City ■Acquisition date : Nov. 9, 2004 / May 28, 2015 ■Acquisition price : 19.6 bn yen	4 SunLive City Kokura ■Address : 2-chome, Kami Kuzuhara, Kokura Minami Ward, Kitakyushu City ■Acquisition date : Jul. 1, 2005 ■Acquisition price : 6.6 bn yen	5 Konoha Mall Hashimoto ■Address : 2-chome, Hashimoto, Nishi Ward, Fukuoka City ■Acquisition date : Mar. 1, 2018 ■Acquisition price : 10 bn yen
6 Square Mall Kagoshima Usuki ■Address : 2-chome, Usuki, Kagoshima City ■Acquisition date : Sept. 28, 2006 ■Acquisition price : 11.2 bn yen	7 Kumamoto Intercommunity SC ■Address : 1-chome, Kozono, Higashi Ward, Kumamoto City ■Acquisition date : Nov. 30, 2006 ■Acquisition price : 2.4 bn yen	8 Hanahata SC ■Address : 4-chome, Hanahata, Minami Ward, Fukuoka City ■Acquisition date : Sept. 3, 2007 ■Acquisition price : 1.1 bn yen	9 K's Denki Kagoshima ■Address : Tokai-cho, Kagoshima City ■Acquisition date : Mar. 27, 2008 ■Acquisition price : 3.5 bn yen	11 Canal City Business Center Building ■Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City ■Acquisition date : Nov. 9, 2004 ■Acquisition price : 14.6 bn yen
12 Gofukumachi Business Center ■Address : Kami Gofukumachi, Hakata Ward, Fukuoka City ■Acquisition date : Nov. 9, 2004 ■Acquisition price : 11.2 bn yen	13 Sanix Hakata Building ■Address : 2-chome, Hakataekihigashi, Hakata Ward, Fukuoka City ■Acquisition date : Sept. 30, 2005 ■Acquisition price : 4.4 bn yen	14 Taihaku Street Business Center ■Address : Gokushomachi, Hakata Ward, Fukuoka City ■Acquisition date : Mar. 16, 2006 ■Acquisition price : 7 bn yen	15 Higashi Hie Business Center ■Address : 3-chome, Higashi-hie, Hakata Ward, Fukuoka City ■Acquisition date : Mar. 13, 2009 ■Acquisition price : 5.9 bn yen	16 Tenjin Nishi-Dori Center Building ■Address : 2-chome, Tenjin, Chuo Ward, Fukuoka City ■Acquisition date : Feb. 1, 2013 ■Acquisition price : 2.6 bn yen
17 Tenjin North Front Building ■Address : 4-chome, Chuo Ward, Fukuoka City ■Acquisition date : Mar. 28, 2013 ■Acquisition price : 14.1 bn yen	18 Higashi Hie Business Center II ■Address : 1-chome, Higashi-hie, Hakata Ward, Fukuoka City ■Acquisition date : Mar. 1, 2018 ■Acquisition price : 4.2 bn yen	19 Higashi Hie Business Center III ■Address : 4-chome, Higashi-hie, Hakata Ward, Fukuoka City ■Acquisition date : May 29, 2020 ■Acquisition price : 3.2 bn yen	20 Tenjin Sumitomo Life FJ Business Center (Land with leasehold interest) ■Address : 2-chome, Tenjin, Chuo Ward, Fukuoka City ■Acquisition date : June 1, 2021 ■Acquisition price : 7.7 bn yen	21 Hakata Chikushi-Dori Center Building ■Address : 2-chome, Hakataekiminami, Hakata Ward, Fukuoka City ■Acquisition date : March 1, 2022 ■Acquisition price : 4.3 bn yen
22 Hakata FD Business Center ■Address : Tsunabamachi, Hakata Ward, Fukuoka City ■Acquisition date : Sept. 1 2023 ■Acquisition price : 14.1 bn yen	23 Tosu Logistics Center ■Address : Himekatama-cho, Tosu City, Saga ■Acquisition date : Mar. 28, 2014 ■Acquisition price : 1.2 bn yen	24 LOGICITY Minato Kashii ■Address : 2-chome, Minatokashi, Higashi Ward, Fukuoka City ■Acquisition date : Sept. 27, 2015 ■Acquisition price : 8.1 bn yen	25 LOGICITY Hisayama ■Address : Hisayama-machi, Kasuya-gun, Fukuoka City ■Acquisition date : June 1, 2017 ■Acquisition price : 5.0 bn yen	26 LOGICITY Wakamiya ■Address : Shimoaruki, Miyawaka City ■Acquisition date : June 30, 2020 ■Acquisition price : 1.7 bn yen
27 LOGICITY Kumamoto Mifune ■Address : Mifune-machi, Kamimashiki-gun, Kumamoto ■Acquisition date : Mar. 27, 2025 ■Acquisition price : ■Additional land acquisition: Feb. 27, 2026 ■Additional acquisition price: 0.1 bn yen	28 LOGICITY Koga NEW ■Address : Aoyagi-machi, Koga city ■Acquisition date : Dec. 28, 2026 (scheduled) ■Acquisition price : 4.7 bn yen (scheduled)	29 Amex Akasakamon Tower ■Address : 2-chome, Maizuru, Chuo Ward, Fukuoka City ■Acquisition date : Sept. 1, 2006 ■Acquisition price : 2 bn yen	30 City House Keyaki Dori ■Address : 2-chome, Kego, Chuo Ward, Fukuoka City ■Acquisition date : Dec. 20, 2007 ■Acquisition price : 1.1 bn yen	31 Aqualia Chihaya ■Address : 4-chome, Chihaya, Higashi Ward, Fukuoka City ■Acquisition date : Mar. 1, 2012 ■Acquisition price : 1.2 bn yen
32 D-Wing Tower ■Address : 2-chome, Daimyo, Chuo Ward, Fukuoka City ■Acquisition date : Mar. 1, 2013 ■Acquisition price : 2.8 bn yen	33 Granfore Yakuin Minami ■Address : 1-chome, Hirao, Chuo Ward, Fukuoka City ■Acquisition date : Nov. 4, 2014 ■Acquisition price : 1.1 bn yen ■Island City Minato Bay related site (Land with leasehold interest)(tentative)(*)	34 Axion Befu-Ekimae Premium ■Address : 3-chome, Befu, Jonan Ward, Fukuoka City ■Acquisition date : Apr. 27, 2023 ■Acquisition price : 1.5 bn yen	35 Axion Otemon Premium ■Address : 2-chome, Otemon, Chuo Ward, Fukuoka City ■Acquisition date : Mar. 28, 2025 ■Acquisition price : 1.8 bn yen	36 Hotel FORZA Oita ■Address : 1-chome, Chuo-machi, Oita City ■Acquisition date : Mar. 1, 2013 ■Acquisition price : 1.5 bn yen
37 Tissage Hotel Naha ■Address : 2-chome, Nishi, Naha City ■Acquisition date : Dec. 7, 2018 ■Acquisition price : 2.8 bn yen	10 Marina City Fukuoka (Marina Side Building) (Land with leasehold interest)(*) ■Address : 2-chome, Odo, Nishi Ward, Fukuoka City ■Acquisition date : May 1, 2015 ■Acquisition price : 4.4 bn yen	Retail ■ Office buildings ■ Others ■ (*) Figures are rounded down to the nearest 100mm yen (*)1 Scheduled to be acquired on March 31, 2029 (*)2 Sold on Sept. 2, 2024 regarding the building portion		



Reference 4: FRC Portfolio List

Use	Property Name	Acquisition Date (Scheduled)	Acquisition Price (Scheduled) (mm yen) ^(Note 1)	Investment Ratio ^(Note 2)
Retail	Canal City Hakata	Nov. 9, 2004	32,000	13.7%
	Canal City Hakata • B	Mar. 2, 2011	21,060	9.0%
	Park Place Oita	Nov. 9, 2004	19,610	8.4%
	SunLive City Kokura	Jul. 1, 2005	6,633	2.8%
	Konoha Mall Hashimoto	Mar. 1, 2018	10,000	4.3%
	Square Mall Kagoshima Usuki	Sep. 28, 2006	5,300	2.3%
	Kumamoto Intercommunity SC	Nov. 30, 2006	2,400	1.0%
	Hanahata SC	Sep. 3, 2007	1,130	0.5%
	K's Denki Kagoshima	Mar. 27, 2008	3,550	1.5%
	Marinoa City Fukuoka (Marina Side Building) (Land with leasehold interest)	May 1, 2015	4,457	1.9%
Office buildings	Canal City Business Center Building	Nov. 9, 2004	14,600	6.2%
	Gofukumachi Business Center	Nov. 9, 2004	11,200	4.8%
	Sanix Hakata Building	Sep. 30, 2005	4,400	1.9%
	Taihaku Street Business Center	Mar. 16, 2006	7,000	3.0%
	Higashi Hie Business Center	Mar. 13, 2009	5,900	2.5%
	Tenjin Nishi-Dori Center Building	Feb. 1, 2013	2,600	1.1%
	Tenjin North Front Building ^(Note 3)	Mar. 28, 2013	448	0.2%
	Higashi Hie Business Center II	Mar. 1, 2018	4,230	1.8%
	Higashi Hie Business Center III	May 29, 2020	3,290	1.4%
	Tenjin Sumitomo Life FJ Business Center (Land with leasehold interest)	Jun.1, 2021	7,700	3.3%
	Hakata Chikushi-Dori Center Building	Mar. 1, 2022	4,320	1.8%
	Hakata FD Business Center	Sep. 1, 2023	14,100	6.0%
Others	Amex Akasakamon Tower	Sep. 1, 2006	2,060	0.9%
	City House Keyaki Dori	Dec. 20, 2007	1,111	0.5%
	Aqualia Chihaya	Mar. 1, 2012	1,280	0.5%
	D-Wing Tower	Mar. 1, 2013	2,800	1.2%
	Granfore Yakuin Minami	Nov. 4, 2014	1,100	0.5%
	Axion Befu-Eximae Premium	Apr. 27, 2023	1,525	0.7%
	Axion Otemon Premium	Mar. 28, 2025	1,800	0.8%
	Hotel FORZA Oita	Mar. 1, 2013	1,530	0.7%
	Tissage Hotel Naha	Dec. 7, 2018	2,835	1.2%
	Tosu Logistics Center	Mar. 28, 2014	1,250	0.5%
	LOGICITY Minato Kashii	Mar. 27, 2015	8,150	3.5%
	LOGICITY Hisayama	Jun. 1, 2017	5,050	2.2%
	LOGICITY Wakamiya	Jun. 30, 2020	1,700	0.7%
	LOGICITY Kumamoto Mifune	Mar. 27, 2025	11,225	4.8%
	LOGICITY Koga	Dec. 28, 2026	4,700	2.0%
Total of all properties		—	234,044	100.0%

- (Note1) All figures in the acquisition price (scheduled) column indicate the acquisition price written in the sales agreement or other relevant agreements between FRC and the seller, and excludes acquisition-related expenses, consumption taxes or other costs.
- (Note2) Investment ratios are rounded to one decimal place.
- (Note3) The transfer of trust beneficiary interest on August 29, 2024 (5% of the quasi-shared interest); February 27, 2025 (25% of the quasi-shared interest); August 28, 2025 (22% of the quasi-shared interest); February 26, 2026 (16% of the quasi-shared interest); and August 27, 2026 (16% of the quasi-shared interest) was completed. The figure shown for "Acquisition Price" excludes the portion for which disposition is completed (84% of the quasi-shared interest).