

Provisional translation only

April 9, 2009

**EARNINGS BRIEFING
FOR THE PERIOD ENDED FEBRUARY 2009
(September 1, 2008 to February 28, 2009)**

Name of real estate investment trust	Fukuoka REIT Corporation (FRC)	Listed Stock Exchanges	Tokyo Stock Exchange, Fukuoka Stock Exchange
Code number	8968	(URL: http://www.fukuoka-reit.jp/eng/)	
Representative Name of asset manager	Operating Officer Masayasu Saki Fukuoka Realty Co., Ltd.		
Representative Contact	President and CEO Masayasu Saki Managing Director, General Manager of Finance Division Yoichi Nishio Phone: +81-92-272-3900		
Expected date for submitting securities report	May 27, 2009		
Expected commencement date of dividend	May 19, 2009		

(Figures rounded off to nearest million yen.)

**1. PERFORMANCE AND SITUATION OF ASSETS FOR THE PERIOD ENDED FEBRUARY 2009
(September 1, 2008 to February 28, 2009)**

(1) Performance

(% shows percentage change from previous period.)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Period ended February 2009	5,466	(0.3)	2,405	(1.5)	1,933	(1.8)	1,932	(1.8)
Period ended August 2008	5,483	5.9	2,441	2.5	1,968	(0.6)	1,966	(0.7)

	Net income per unit	Return on net assets	Ratio of ordinary income to total liabilities and net assets	Ratio of ordinary income to operating revenue
	Yen	%	%	%
Period ended February 2009	18,048	3.1	1.5	35.4
Period ended August 2008	18,373	3.2	1.6	35.9

(2) Dividends

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

	Dividend per unit (excl. dividend in excess of earnings)	Total dividend	Dividend in excess of earnings per unit	Total dividend in excess of earnings	Payout ratio	Ratio of dividend to period-end net assets
Period ended February 2009	18,049 yen	1,932 million yen	0 yen	0 million yen	100.0%	3.1%
Period ended August 2008	18,373 yen	1,966 million yen	0 yen	0 million yen	99.9%	3.2%

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

(3) Financial condition

	Total assets	Net assets	Ratio of net assets to total assets	Net assets per unit
Period ended February 2009	125,222 million yen	62,196 million yen	49.7%	581,004 yen
Period ended August 2008	125,954 million yen	62,231 million yen	49.4%	581,328 yen

(Reference) Net assets: (Period ended February 2009) 62,196 million yen;
(Period ended August 2008) 62,231 million yen

(4) Cash flows condition

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents at period end
Period ended February 2009	2,681 million yen	(485) million yen	(1,969) million yen	6,049 million yen
Period ended August 2008	3,157 million yen	(4,452) million yen	1,920 million yen	5,822 million yen

**2. FORECAST OF PERFORMANCE FOR THE PERIOD ENDING AUGUST 2009
(March 1, 2009 to August 31, 2009) AND THE PERIOD ENDING FEBRUARY 2010
(September 1, 2009 to February 28, 2010)**

(% shows percentage change from previous period.)

	Operating revenue		Operating income		Ordinary income		Net income		Dividend per unit (excl. dividend in excess of earnings)	Dividend in excess of earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen	yen
Period ending August 2009	5,594	2.3	2,310	(4.0)	1,789	(7.4)	1,787	(7.5)	16,700	0
Period ending February 2010	5,569	(0.5)	2,342	1.4	1,767	(1.2)	1,766	(1.2)	16,500	0

(Reference) Forecast net income per unit: (Period ending August 2009) 16,700 yen;
(Period ending February 2010) 16,500 yen

3. Others

(1) Changes in accounting policies:

- (i) Changes due to revisions of accounting standards, etc.: Yes
- (ii) Changes other than above (i): No

(Note) For details, please refer to “Changes in accounting policies,” on page 12.

(2) Number of investment units issued and outstanding

- (i) Number of investment units issued and outstanding at the end of period (including treasury investment units):
107,050 units at end of Feb 2009; 107,050 units at end of Aug 2008
- (ii) Treasury investment units at the end of period:
— units at end of Feb 2009; — units at end of Aug 2008

(Note) Regarding the number of investment units, a basis for calculating net income per unit, please refer to “Per unit information,” on page 12.

*** On the adequate use of performance forecasts and other items warranting special mention**
Forecast figures are calculated based on information available on the date of release of the forecast and contain uncertain factors to a large extent. Actual operating revenues, operating income, ordinary income, net income, and dividend per unit may differ due to change in the business environment. Forecasts should not be construed as a guarantee of actual dividend. Concerning details of the preconditions for the above forecast figures please refer to “2. Portfolio management policy and management situation, (2) Management situation – Preconditions for the performance forecast for the period ending August 2009 (March 1, 2009 to August 31, 2009) and the period ending February 2010 (September 1, 2009 to February 28, 2010),” on page 5.

Concerning the contents hereinafter, items that FRC judges that “can be omitted from the disclosure from the standpoint of importance” are not shown in conformity with “Guidance for Preparation of Earnings Briefing for Listed Real Estate Investment Trusts” (February 2009) released by Tokyo Stock Exchange Group, Inc.

1. Investment Corporation-related Organizations

The disclosure is omitted, since there are no significant changes from the “Structure of the Investment Corporation” disclosed by the latest Securities Report (submitted on November 25, 2008).

2. Portfolio management policy and management situation

(1) Portfolio management policy

The disclosure is omitted, since there are no significant changes from “investment policy,” “investment target” and “dividend policy” disclosed by the latest Securities Report (submitted on November 25, 2008).

(2) Management situation

(i) Summary of current fiscal period

(a) Brief history of the investment corporation

FRC was established on July 2, 2004 based on the “Investment Trust and Investment Corporation Law of Japan” (Law No. 198 in 1951 including later revisions, hereinafter the “Investment Trust Law”) and listed on the Tokyo Stock Exchange and Fukuoka Stock Exchange on June 21, 2005 as the nation’s first real estate investment trust specializing in regional properties (code number: 8968). FRC invests in real estates throughout all of Kyushu (including Okinawa Prefecture), with a central focus on Fukuoka City, and in Yamaguchi Prefecture by turning regionality, characteristics in the real estate industry, into strength.

FRC started asset management activities on November 9, 2004 after acquisition of four properties such as commercial facilities in Canal City Hakata (excluding some areas of specialty shops, hotels, offices and common space), a commercial complex where specialty shops, cinema complex, theaters, amusement facilities, hotels and offices are integrally developed (hereinafter “Canal City Hakata”). FRC now has 15 properties (excluding limited partnership interests)—nine commercial facilities, four office buildings, and two residential properties—in its portfolio as of the end of the current fiscal period.

(b) Investment environment and portfolio performance

The economic downturn became apparent in the current fiscal period, since corporate earnings, capital expenditures and consumers spending were badly affected due to turmoil in global financial markets and drastic fluctuations in stock and foreign exchange markets triggered by U.S. subprime loan problems. In the Kyushu area, a primary area of FRC’s investment target area, local businesses faced very difficult times, since the construction and operation of new factories was postponed on the back of global recession.

According to the official posting of land prices in 2009 (by the Ministry of Land, Infrastructure, Transport and Tourism), average national land prices, in all categories including residential and commercial lands, declined over the previous year. In Fukuoka City, a core of FRC’s investment target area, commercial and residential lands declined by 9.6% and 2.5% over the previous year, respectively.

In such a business environment, the occupancy rate of properties FRC owns stood at 99.2% as of the end of the current fiscal period, thanks to our continuous efforts including operations to enhance competitiveness and customer drawing power in major commercial facilities such as Canal City Hakata.

When analyzing FRC’s portfolio (on an acquisition value basis) by geographic location,

properties in the Fukuoka urban area occupy 68.6% of its portfolio; when analyzing by property type, commercial facilities, office buildings, and residential properties account for 64.9%, 32.3% and 2.8%, respectively.

(c) Summary of fundraising

In the current fiscal period, FRC refinanced a part of debt under the committed line of credit (2,000 million yen) into long-term debt. At the end of the current fiscal period outstanding debt totaled 51,900 million yen, unchanged from the end of the previous fiscal period, with the loan-to-value ratio at 41.4%. To reduce refinancing risks in future debt, FRC will continue to disperse the repayment date and increase the average length of time until maturity.

(d) Summary of performance and dividend

As results of these management efforts, operating revenue totaled 5,466 million yen and operating income after excluding operating expenses such as rental business expenses and asset management fees totaled 2,405 million yen. Ordinary income and net income reached 1,933 million yen and 1,932 million yen, respectively.

Management decided to make a dividend of 18,049 yen per investment unit to meet the requirements of special tax measures for an investment corporation (as stipulated in Article 67-15 of the Special Taxation Measures Law of Japan [Law No. 26 in 1957 including later revisions, hereinafter the “Special Taxation Measures Law”]). Under this law, an investment corporation is allowed to deduct dividends paid to investors from its taxable income if most of the unappropriated earnings as of the end of the current fiscal period are distributed.

(ii) Forecast for the next fiscal year

(a) Portfolio management policy

FRC will increase management and leasing capabilities by cooperating with property management companies including sponsor companies even in a worsening consumer spending environment and maintain the stable operation of the properties by making the most use of their advantages.

The Company will invest based on the basic policy stipulated in its Articles of Incorporation and its basic philosophy: focusing on “high growth potential markets in which FRC can demonstrate its competitive edge.” By geographic location, FRC invests 60% to 90% of its assets in the Fukuoka urban area, since the Fukuoka urban area is expected to have the greatest population growth of any urban area in Japan. In addition to the Fukuoka urban area, management has decided to actively acquire properties in major cities, if FRC can generate sufficient investment merits from community-oriented viewpoints. FRC will acquire high quality properties with adequate use of its advantages, such as information gathering ability in the areas, good knowledge of regional properties and close relations with the local business community and governments, so that investors can continue to invest in FRC with assurance.

Meanwhile, FRC will build stronger relationships with financial institutions to realize stable fundraising and try to maintain a solid financial structure.

(b) Performance forecast for the next fiscal period

FRC aims to achieve the following performance goals for the period ending August 2009 (March 1, 2009 to August 31, 2009) and the period ending February 2010 (September 1, 2009 to February 28, 2010). Concerning preconditions for the forecast, please refer to “Preconditions for the performance forecast for the period ending August 2009 (March 1, 2009 to August 31, 2009) and the period ending February 2010 (September 1, 2009 to February 28, 2010),” on page 5.

Period ending August 2009	
Operating revenue	5,594 million yen
Ordinary income	1,789 million yen
Net income	1,787 million yen
Dividend per unit	16,700 yen
Dividend in excess of earnings per unit	0 yen
Period ending February 2010	
Operating revenue	5,569 million yen
Ordinary income	1,767 million yen
Net income	1,766 million yen
Dividend per unit	16,500 yen
Dividend in excess of earnings per unit	0 yen

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

Preconditions for the performance forecast for the period ending August 2009 (March 1, 2009 to August 31, 2009) and for the period ending February 2010 (September 1, 2009 to February 28, 2010)

Item	Preconditions
Calculation period	10th fiscal period, from March 1, 2009 to August 31, 2009 (184 days) 11th fiscal period, from September 1, 2009 to February 28, 2010 (181 days)
Assets under management	<ul style="list-style-type: none"> It is assumed that 15 properties and limited partnership interests FRC owns as of February 28, 2008 and Higashi Hie Business Center (acquisition price of 5,900 million yen) FRC acquired on March 13, 2009. In practice, they may fluctuate due to changes in assets under management.
Number of investment units issued and outstanding	<ul style="list-style-type: none"> It is assumed that there will be no issuance of new investment units until February 28, 2010.
Interest-bearing debt and refinancing	<ul style="list-style-type: none"> Outstanding interest bearing debts on February 28, 2010 are expected to total 57,300 million yen, an increase of 5,400 million yen from the end of the current period (February 28, 2009). The loan-to-value ratio (Interest-bearing debt ÷ total assets × 100) is expected to stand at around 43.9% (as of February 28, 2009 the loan-to-value ratio stands at 41.4%). In the fiscal period ending August 2009, it is assumed that FRC will refinance long-term debt (12,000 million yen) and a part of short-term debt that will come due this fiscal period (due on August 31, 2009) into long-term debt. In the fiscal period ending February 2010, it is assumed that FRC will refinance a part of short-term debt into long-term debt.
Operating revenues	<ul style="list-style-type: none"> Of revenues from the real estate rental business, revenues from properties FRC has already acquired are calculated based on tenancy agreements that are valid as of today by taking into account the competitiveness of the properties and the market environment. Of revenues from the real estate rental business, revenues from the percentage lease contracts are calculated based on past results by taking into account sales fluctuation factors of the relevant tenants. Concerning revenues from the real estate rental business, vacancies are taken into account to a certain extent. It is assumed that there will be no rent arrears or non-payments by tenants. Concerning interests in limited partnerships, dividends from limited partnerships are calculated based on the conditions stipulated in each limited partnership contract.
Operating expenses	<ul style="list-style-type: none"> When acquiring assets under management, the fixed property tax and city planning tax for the assets will be proportionally calculated according to the holding period and adjusted with the former owner. FRC will not write them off since the Company will include the relevant adjusted amount in the acquisition cost. FRC writes off estimated repair costs for buildings for the calculation periods, the periods ending August 2009 and February 2010. Actual repair costs may differ significantly from the estimated amounts since there is the possibility that repair costs are incurred urgently due to damages to buildings caused by unforeseeable factors; repair costs generally differ largely from period to period; repair costs are not regularly incurred. Concerning outsourcing expenses, FRC anticipates 1,025 million yen for the period ending August 31, 2009 and 1,005 million yen for the period ending February 28, 2010. Concerning depreciation and amortization expenses, FRC anticipates 945 million yen for the period ending August 31, 2009 and 948 million yen for the period ending February 28, 2010.
Non-operating expenses	<ul style="list-style-type: none"> Concerning interests paid and expenses related to loans, FRC writes off estimated amounts by taking into account the past figures and variable factors in the calculation periods, the periods ending August 2009 and February 2010.
Dividend per unit	<ul style="list-style-type: none"> Dividend (dividend per unit) is calculated based on the dividend policy stipulated in FRC's Articles of Incorporation. Dividend per unit may fluctuate due to fluctuations in rent revenues caused by changes in assets under management and tenants or various factors including unexpected occurrences of repair.
Dividend in excess of earnings per unit	<ul style="list-style-type: none"> The dividends of excess earnings are not planned at the moment.

Other	<ul style="list-style-type: none">• It is assumed that there will be no significant revisions to laws and regulations, the tax system, and accounting standards that may influence the forecast figures.• It is also assumed that there will be no significant unexpected changes in general economic conditions and the real estate market.
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- (c) Significant facts after the closing of accounts
No relevant items

(3) Investment risks

The disclosure is omitted, since there are no significant changes from the “Investment risks” disclosed in the latest Securities Report (submitted on November 25, 2008).

3. Financial statements

(1) Balance sheets

Account	8th fiscal period (as of August 31, 2008)		9th fiscal period (as of February 28, 2009)			
	Amount (thousands of yen)	%	Amount (thousands of yen)	%		
Assets						%
Current assets						
Cash and equivalents		1,931,769		2,570,213		
Cash and deposit in trust		4,378,955		3,479,265		
Operating receivable		302,233		284,700		
Prepaid expenses		165,581		122,925		
Deferred tax assets		61		17		
Other current assets		33,531		34,978		
Total current assets		6,812,132	5.4	6,492,099		
Fixed assets						
Tangible fixed assets						
Buildings in trust	50,046,206		50,430,314			
Aggregate of accumulated depreciation	4,647,080	45,399,125	5,424,456	45,005,858		
Structures in trust	757,968		768,153			
Aggregate of accumulated depreciation	93,683	664,284	121,612	646,540		
Machinery and equipment in trust	338,209		338,698			
Aggregate of accumulated depreciation	61,978	276,230	72,003	266,695		
Tools and fixtures in trust	578,558		683,096			
Aggregate of accumulated depreciation	168,271	410,286	217,572	465,523		
Lands in trust		68,810,414		68,810,414		
Total tangible fixed assets		115,560,343	91.8	115,195,033		
Investment and other assets						
Investment securities		3,421,633		3,421,633		
Guarantee deposits		10,000		10,000		
Long-term prepaid expenses		127,759		95,666		
Total investment and other assets		3,559,393	2.8	3,527,300		
Total fixed assets		119,119,736	94.6	118,722,333		
Deferred assets						
Establishment expenses		5,595		—		
Expenses for issuing new		16,825		8,412		

investment units							
Total deferred assets		22,420	0.0		8,412		
Total assets		125,954,289	100.0		125,222,845		

Account	8th fiscal period (as of August 31, 2008)		9th fiscal period (as of February 28, 2009)			
	Amount (thousands of yen)	%	Amount (thousands of yen)	%		
Liabilities						%
Current liabilities						
Accounts payable	320,244		353,113			
Short-term debt	3,400,000		1,400,000			
Current maturities of long-term debt	12,000,000		12,000,000			
Accrued liabilities	14,720		16,867			
Accrued expenses payable	327,108		323,764			
Accrued income taxes	572		331			
Accrued consumption taxes	40,854		110,935			
Advances received	708,189		602,580			
Deposits received	803,691		493,649			
Total current liabilities	17,615,381	14.0	15,301,242			
Fixed liabilities						
Long-term debt	36,500,000		38,500,000			
Security deposits and guarantee money in trust	9,607,644		9,225,045			
Total fixed liabilities	46,107,644	36.6	47,725,045			
Total liabilities	63,723,025	50.6	63,026,288			
Net assets						
Net Assets						
Shareholders' capital	60,264,380		60,264,380			
Retained earnings						
Unappropriated retained earnings	1,966,884		1,932,176			
Total retained earnings	1,966,884		1,932,176			
Total Net Assets	62,231,264	49.4	62,196,556			
Total net assets	62,231,264	49.4	62,196,556			
Total liabilities and net assets	125,954,289	100.0	125,222,845			

(2) Statements of Income

Account	8th fiscal period (March 1, 2008 to August 31, 2008)		9th fiscal period (September 1, 2008 to February 28, 2009)			
	Amount (thousands of yen)	%	Amount (thousands of yen)	%		
1. Operating revenues						
Real estate leasing revenues	5,169,535		5,111,304			
Other revenues from real estate leasing	177,472		219,007			
Limited partnership	136,000	5,483,008	136,000	5,466,311		

dividend						
2. Operating expenses						
Real estate leasing expenses	2,597,412			2,597,820		
Asset management fees	336,502			336,157		
Asset custodian fees	10,702			10,930		
General administration fees	33,724			35,711		
Directors compensation	9,600			9,600		
Other operating expenses	53,564	3,041,506	55.5	70,865	3,061,085	
Operating income		2,441,502	44.5		2,405,225	
3. Non-operating revenues						
Interest received	7,863			9,513		
Other non-operating revenue	861	8,724	0.2	2,453	11,967	
4. Non-operating expenses						
Interest payment	410,487			414,387		
Amortization of establishment cost	5,595			5,595		
Investment unit issuance fee write off	8,412			8,412		
Expenses related to debt financing	52,600			55,592		
Other non-operating expenses	4,542	481,637	8.8	—	483,987	
Ordinary income		1,968,589	35.9		1,933,205	
Net income before tax		1,968,589	35.9		1,933,205	
Corporation, inhabitant and business tax	1,778			1,039		
Adjustment to income tax	(43)	1,734	0.0	43	1,083	
Net income		1,966,854	35.9		1,932,122	
Retained earnings brought forward from previous period		29			54	
Unappropriated retained earnings for the period		1,966,884			1,932,176	

(3) Statement of changes in net assets

8th Fiscal Period (March 1, 2008 to August 31, 2008)

(thousands of yen)

Item	Net Assets			Differences from valuation and translation		Total net assets
	Shareholders' capital	Retained earnings Unappropriated retained earnings	Total Net Assets	Deferred hedge profit or loss	Total difference from valuation and translation	
Balance as of February 29, 2008	60,264,380	1,980,347	62,244,727	(144,515)	(144,515)	62,100,212
Changes in the current fiscal period						
Dividend of retained earnings	—	(1,980,317)	(1,980,317)	—	—	(1,980,317)
Net income for the current fiscal period	—	1,966,854	1,966,854	—	—	1,966,854
Deferred hedge profit or loss	—	—	—	144,515	144,515	144,515
Total of changes in the current fiscal period	—	(13,463)	(13,463)	144,515	144,515	131,051
Balance as of August 31, 2008	60,264,380	1,966,884	62,231,264	—	—	62,231,264

9th Fiscal Period (September 1, 2008 to February 28, 2009)

(thousands of yen)

Item	Net Assets			Differences from valuation and translation		Total net assets
	Shareholders' capital	Retained earnings Unappropriated retained earnings	Total Net Assets	Deferred hedge profit or loss	Total difference from valuation and translation	
Balance as of August 31, 2008	60,264,380	1,966,884	62,231,264	—	—	62,231,264
Changes in the current fiscal period						
Dividend of retained earnings	—	(1,966,829)	(1,966,829)	—	—	(1,966,829)
Net income for the current fiscal period	—	1,932,122	1,932,122	—	—	1,932,122
Deferred hedge profit or loss	—	—	—	—	—	—
Total of changes in the current fiscal period	—	(34,707)	(34,707)	—	—	(34,707)
Balance as of February 29, 2009	60,264,380	1,932,176	62,196,556	—	—	62,196,556

(4) Dividend Statement

Account	8th fiscal period (March 1, 2008 to August 31, 2008)	9th fiscal period (September 1, 2008 to February 28, 2009)
I. Unappropriated retained earnings	1,966,884 thousand yen	1,932,176 thousand yen
II. Total (Dividend per unit)	1,966,829 thousand yen (18,373 yen)	1,932,145 thousand yen (18,049 yen)
III. Retained earnings brought forward	54 thousand yen	31 thousand yen

Method for calculating dividends	FRC shall decide the amount of dividends, which must exceed 90% of FRC's distributable income as stipulated in Article 67-15 of the Special Taxation Measures Law of Japan (Article 38-1-1 of FRC's Articles of Incorporation). For the current fiscal period, dividend as income dividends totaled 1,966,829 thousand yen, which is almost the entire amount of unappropriated earnings. Moreover, dividend in excess of earnings as stipulated in Article 38-2 of FRC's Articles of Incorporation will not be provided.	FRC shall decide the amount of dividends, which must exceed 90% of FRC's distributable income as stipulated in Article 67-15 of the Special Taxation Measures Law of Japan (Article 38-1-1 of FRC's Articles of Incorporation). For the current fiscal period, dividend as income dividends totaled 1,932,145 thousand yen, which is almost the entire amount of unappropriated earnings. Moreover, dividend in excess of earnings as stipulated in Article 38-2 of FRC's Articles of Incorporation will not be provided.
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(Note) Concerning amounts other than dividend per investment unit, fractions of 1,000 yen are omitted.

(5) Cash flows statements

Account	8th fiscal period (March 1, 2008 to August 31, 2008)	9th fiscal period (September 1, 2008 to February 28, 2009)
	Amount (thousands of yen)	Amount (thousands of yen)
I. Cash flows from operating activities		
Net income before taxes	1,968,589	1,933,205
Depreciation expenses	847,195	864,630
Amortization of establishment expenses	5,595	5,595
Investment unit issuance depreciation	8,412	8,412
Interest received	(7,863)	(9,513)
Interest payment	410,487	414,387
Increase or decrease in operating receivables	(69,450)	17,533
Increase or decrease in uncollected consumption tax receivables	50,608	—
Increase or decrease in consumption tax payable	40,854	70,081
Increase or decrease in operating payable	31,188	87,594
Increase or decrease in account payable	(1,280)	4,422
Increase or decrease in payable expenses	10,682	(3,040)
Increase or decrease in rent received in advance	50,260	(67,815)
Increase or decrease in deposits	313,729	(310,186)
Increase or decrease in prepaid expenses	(61,727)	42,655
Increase or decrease in long-term prepaid expenses	(37,950)	32,093
Others	5,690	(1,016)
Subtotal	3,565,021	3,089,038
Interest received	7,863	9,513
Interest payment	(400,237)	-414,690
Income for Corporation tax payment, etc	(29,056)	(29,673)
Income from Corporation tax payment	14,284	27,563
Cash flows from operating activities	3,157,875	2,681,751
II. Cash flows from investing activities		
Payment for purchase of tangible fixed assets in trust	(4,409,606)	(553,500)
Proceeds from key money and security deposit in trust	287,371	95,125
Payment for key money and security deposits in trust	(330,175)	(515,517)
Proceeds from payout of restricted deposits in trust	—	488,662
Net cash used for investing activities	(4,452,409)	(485,230)
III. Cash flows from financing activities		
Proceeds from short-term debt	30,100,000	6,200,000
Repayment of short-term debt	(29,600,000)	(8,200,000)
Proceeds from long-term debt	10,000,000	2,000,000
Repayment of long-term debt	(6,600,000)	—
Payment of dividends	(1,979,389)	(1,969,105)
Cash flows from financing activities	1,920,610	(1,969,105)
IV. Net Increase or decrease in cash and cash equivalents	626,076	227,415
V. Balance of cash and cash equivalents at beginning of period	5,195,986	5,822,063
VI. Balance of cash and cash equivalents at end of period	5,822,063	6,049,478

(6) Footnotes in precondition of a going concern

No relevant items

(7) Significant accounting policies

The disclosure is omitted, since there are no significant changes from contents disclosed by the latest Securities Report (submitted on November 25, 2008).

(8) Change in accounting policies

Effective from the current fiscal period, FRC has applied the “Accounting standard for Lease Transactions” (Accounting Standards Board of Japan, ASBJ Statement No. 13 [revised on March 30, 2007]) and the “Implementation Guidance for Accounting Standards for Lease Transactions” (Accounting Standards Board of Japan, ASBJ Guidance No. 16 [revised on March 30 2007]) to financial statements.

There is no impact on the business performance from the change.

(9) Additional information

In accordance with the revision to “Ministerial Ordinance Concerning the Useful Life of Depreciable Assets and etc.” under the Fiscal Year 2008 tax reform, the statutory useful life of machinery and equipment is revised, but FRC continues applying the previous useful life.

(10) Footnotes in financial statements

FRC omits the disclosure of footnoted items on the balance sheet, income statement, statement of changes in net assets, cash flows statement, lease transactions, securities, derivative transactions, retirement benefits, tax effect accounting, and related party transactions, since the Company does not find substantial need for disclosure in the earnings briefing.

(Data per investment unit)

8th Fiscal Period March 1, 2008 to August 31, 2008	9th Fiscal Period September 1, 2008 to February 28, 2009
Net assets per investment unit: 581,328 yen Net income per investment unit: 18,373 yen Net income per investment unit is calculated by dividing net income by the weighted average number of investment units issued and outstanding during the fiscal period. Diluted net income per investment unit is not shown since there are no potential investment units.	Net assets per investment unit: 581,004 yen Net income per investment unit: 18,048 yen Net income per investment unit is calculated by dividing net income by the weighted average number of investment units issued and outstanding during the fiscal period. Diluted net income per investment unit is not shown since there are no potential investment units.

(Note) Calculation of net income per investment unit is based on the following.

Account	8th Fiscal Period (March 1, 2008 to August 31, 2008)	9th Fiscal Period (September 1, 2008 to February 28, 2009)
Net income (thousands of yen)	1,966,854	1,932,122
Net income not distributed to shareholders (thousands of yen)	—	—
Net income distributed to shareholders (thousands of yen)	1,966,854	1,932,122
Number of average investment units during the fiscal period (units)	107,050	107,050

(Subsequent critical events)

8th Fiscal Period March 1, 2008 to August 31, 2008	9th Fiscal Period September 1, 2008 to February 28, 2009
No relevant items	Same as on the left

- (11) Change in the number of investment units issued and outstanding
No relevant items

4. Change in directors

- (1) Change in directors in Fukuoka REIT Corporation
No relevant items

- (2) Change in directors in Fukuoka Realty Co., Ltd.
(November 30, 2008) Retirement of Hidekazu Tanaka as Managing Director
(January 6, 2009) New appointment of Yoichi Nishio as Managing Director

Directors of Fukuoka Realty Co., Ltd. are as follows as of April 9, 2009.

Title	Name	Career Summary	Number of shares held
CEO and Representative Director	Masayasu Saki	<p>April 1969</p> <p>Joined The Nippon Fudosan Bank, Limited. (later, The Nippon Credit Bank, Ltd.; currently, Aozora Bank, Ltd.)</p> <p>June 1992</p> <p>Member of the Board and Tokyo Branch Manager</p> <p>February 1994</p> <p>Member of the Board and Director for Financial Product Development</p> <p>June 1995</p> <p>Member of the Board and Director for Marketing Planning Division 2</p> <p>June 1996</p> <p>Executive Director</p> <p>June 1998</p> <p>Senior Executive Director</p> <p>November 1999</p> <p>Director at CSK KK</p> <p>November 2000</p> <p>Executive Officer at Sanyo Shinpan Finance Co., Ltd.</p> <p>July 2003</p> <p>CEO of Fitch Ratings Japan</p> <p>April 2006</p> <p>Advisor of Fukuoka Realty Co., Ltd.</p> <p>June 2006</p> <p>CEO of Fukuoka Realty Co., Ltd. (current position)</p> <p>July 2006</p> <p>CEO & Representative Director of</p>	0

			Fukuoka REIT Corporation (current position)	
Vice President and Director	Takeshi Okuma	April 1975	Joined Japan Development Bank, (currently Development Bank of Japan Inc.)	0
		June 2000	General Manager, Department for Regional Development	
		June 2002	General Manager, Department for Urban Development	
		June 2004	Kyushu Branch Manager	
		June 2006	Director, Research Institute of Capital Formation	
		October 2007	Vice President and Director of Fukuoka Realty Co., Ltd. (current position)	
Managing Director	Yoichi Nishio	April 1985	Joined The Nippon Credit Bank, Ltd. (currently, Aozora Bank, Ltd.)	0
		September 2005	General Manager, Real Estate Finance Division	
		July 2008	Joined as Senior Vice President of New City Corporation.	
		January 2009	Joined as Managing Director and Head of Finance Department of Fukuoka Realty Co., Ltd. (current position)	

(Note) Masayasu Saki, CEO of Fukuoka Realty Co., Ltd., also serves as CEO & Representative Director of Fukuoka REIT Corporation. In conformity with Article 13 of Securities Investment Trust Act (before revision), he obtained approval for serving concurrently from Minister for the Financial Services Agency as of June 22, 2006.

Title	Name	Career Summary		Number of shares held
Director (part-time)	Soichiro Shigefuchi	April 1988	Joined Tokyu Construction Co., Ltd.	0
		November 1990	Joined Fukuoka Jisho Co., Ltd.	
		June 2004	Deputy General Manager, Development Unit	
		June 2006	Director of Fukuoka Realty Co., Ltd. (current position)	
		April 2008	General Manager, Commercial Business Unit, Shopping Center Development and Operation, Fukuoka Jisho Co., Ltd.	
		June 2008	General Manager, Commercial Business Unit, Business Control Division (current position)	
Director (part-time)	Yasumichi Hinago	April 1968	Joined Kyushu Electric Power Co., Inc.	0
		July 1998	General Manager, Material Procurement Division	
		July 2002	General Manager, Material & Fuel	

		June 2003	Procurement Division Saga Branch Manager	
		July 2003	Executive Officer and Saga Branch Manager	
		June 2005	Director	
		June 2007	Senior Managing Executive Officer (current position)	
		June 2007	Director of Fukuoka Realty Co., Ltd. (current position)	
Director (part-time)	Hiroshi Shimuta	October 2000	Registered as lawyer	0
		April 2004	Joined Fukuoka Realty Co., Ltd.	
		April 2005	General Manager, Compliance Division	
		June 2007	Joined Nishimura & Tochiwa (currently, Nishimura & Asahi) (current position)	
		June 2007	Director of Fukuoka Realty Co., Ltd. (current position)	
Auditor (part-time)	Masanori Tasaka	April 1978	Joined The Fukuoka Sogo Bank, Ltd. (currently, The NISHI-NIPPON CITY BANK, LTD.)	0
		August 2000	Deputy General Manager, Planning Division	
		July 2003	General Manager for Planning Division and Risk Control Manager	
		October 2004	General Manager, General Planning Division	
		April 2005	Loaned to NCB Management Information Service Co., Ltd., General Manager for Business Alliance	
		April 2006	Head of Tasaka Masanori Certified Tax Accountant Office (current position)	
		June 2006	Auditor of Fukuoka Realty Co., Ltd. (current position)	

5. Reference information

(1) Investment situation

(as of February 28, 2009)

Type of asset	Purpose	Location (Note 1)	Total value of properties held (Millions of yen) (Note 2)	Percentage of total assets (%) (Note 3)
Real estate	Commercial facility	Fukuoka urban area	38,530	30.8
		Other Kyushu areas	37,079	29.6
	Office building	Fukuoka urban area	36,386	29.1
		Other Kyushu areas	—	—
	Residential property	Fukuoka urban area	3,198	2.6
		Other Kyushu areas	—	—
Subtotal			115,195	92.0
Interests in limited partnership (Note 4)			3,421	2.7
Deposits and other assets			6,606	5.3
Total assets (Note 5)			125,222 (118,616)	100.0 (94.7)

Note 1: The Fukuoka urban area refers to cities, towns and villages where 10% or more of the population commute to Fukuoka City for school and work, according to the 2005 census, which states “the number of workers and students aged 15 years or older commuting between their homes and places of work or school” conducted by Fukuoka City and the Statistics Bureau of the Ministry of Internal Affairs and Communications.

“Other Kyushu areas” refers to all other parts of Kyushu (excluding the Fukuoka urban area) and Yamaguchi Prefecture.

Note 2: “Total value of properties held” is based on figures on the balance sheet (the value of real estate in trust is a book value after depreciation).

Note 3: Concerning the “Percentage of total assets,” all numbers after the second decimal place are disregarded. The total of individual percentages in the above table may not equal 100 percent.

Note 4: Preferred interests in limited partnerships are capital contributions to an SPC (CCH Bridge LLC), who owns and manages a section of Canal City Hakata excluding the section the Company already holds (Canal City Hakata SPC holding section).

Note 5: Figures in parentheses for “Total assets” refer to the value and percentage of real estates held in effect to total assets.

(as of February 28, 2009)

	Figures on balance sheet (millions of yen)	Percentage of total assets (%)
Total amount of debt	63,026	50.3
Total amount of net assets	62,196	49.7

(2) Investment assets

(i) Primary issues of investment securities

(as of February 28, 2009)

Type	Description	Book value (millions of yen)	Evaluated amount (millions of yen) (Note)	Percentage of total assets (%)
Preferred limited partnership interest	Preferred interest in limited partnerships to CCH Bridge LLC	3,421	3,400	2.7

(Note) The evaluated amount is provided by the operator of a limited partnership in conformity with rules stipulated by the Investment Trusts Association, Japan.

(ii) Real estate investment portfolio

(a) Values and investment ratios at end of year are as follows.

(as of February 28, 2009)

Name of property	Acquisition value (millions of yen) (Note 1)	Value on balance sheet (millions of yen)	Period-end appraisal value (millions of yen) (Note 2)	Investment ratio (%) (Note 3)	Real estate appraiser
Canal City Hakata	32,000	31,837	36,000	27.8	TANIZAWA SOGO APPRAISAL CO., LTD.
Park Place Oita	15,700	17,083	18,900	13.7	Japan Real Estate Institute
SunLive City Kokura	6,633	6,441	7,610	5.8	Japan Real Estate Institute
Square Mall Kagoshima Usuki	5,300	5,129	5,040	4.6	Japan Real Estate Institute
Kumamoto Intercommunity SC	2,400	2,339	2,460	2.1	Japan Real Estate Institute
Hara SATY	5,410	5,566	5,330	4.7	Japan Real Estate Institute
Hanahata SC	1,130	1,127	1,170	1.0	TANIZAWA SOGO APPRAISAL CO., LTD.
Kurume Higashi Kushiwara SC	2,500	2,493	2,540	2.2	TANIZAWA SOGO APPRAISAL CO., LTD.
K's Denki Kagoshima	3,550	3,592	3,420	3.1	TANIZAWA SOGO APPRAISAL CO., LTD.
Canal City Business Center Building	14,600	14,350	16,400	12.7	TANIZAWA SOGO APPRAISAL CO., LTD.
Gofukumachi Business Center Building	11,200	10,658	13,500	9.7	TANIZAWA SOGO APPRAISAL CO., LTD.
Sanix Hakata Building	4,400	4,460	5,220	3.8	Japan Real Estate Institute
Taihaku Street Business Center Building	7,000	6,917	7,150	6.1	Japan Real Estate Institute
Amex Akasakamon Tower	2,060	2,053	1,870	1.8	Daiwa Real Estate Appraisal Co., Ltd.
City House Keyaki Dori	1,111	1,144	1,050	1.0	Daiwa Real Estate Appraisal Co., Ltd.
Total	114,994	115,195	127,660	100.0	

Note 1: "Acquisition value" refers to be amount (purchasing prices shown on the purchasing contracts) not including expenses for the acquisition of relevant properties (agency fees and taxes and other public charges).

Note 2: "Period-end appraisal value" refers to the evaluation value based on appraisals by a real estate appraiser in conformity with the method and standards for asset evaluation stipulated in FRC's Articles of Incorporation and rules stipulated by the Investment Trusts Association, Japan.

Note 3: "Investment ratio" is obtained by dividing each property's acquisition value by the total acquisition value. The total of individual percentages in the above table may not equal 100 percent, since all numbers after the second decimal place are disregarded.

(b) Summary of the real estate rental business

(as of February 28, 2009)

Name of property	Number of tenants (Note 1)	Occupancy rate (%) (Note 3)	Total leasable space (m ²)	Total leased space (m ²)	Total rental revenue (millions of yen) (Note 4)	Percentage of total rental revenue (%)
Canal City Hakata	1 (49)	100.0	45,982.41	45,982.41	1,365	25.6
Park Place Oita	1 (99)	99.9	103,963.32	103,826.00	994	18.7
SunLive City Kokura	1	100.0	61,450.22	61,450.22	292	5.5
Square Mall Kagoshima Usuki	11	100.0	14,661.72	14,661.72	257	4.8
Kumamoto Intercommunity SC	2	100.0	6,968.66	6,968.66	90	1.7
Hara SATY	1	100.0	27,580.75	27,580.75	212	4.0
Hanahata SC	2	100.0	2,801.15	2,801.15	40	0.8
Kurume Higashi Kushiwara SC	1	100.0	6,467.80	6,467.80	88	1.7
K's Denki Kagoshima	1	100.0	7,296.17	7,296.17	111	2.1
Canal City Business Center Building	1 (43)	97.8	23,017.20	22,500.80	707	13.3
Gofukumachi Business Center Building	20	97.9	19,906.22	19,482.38	553	10.4
Sanix Hakata Building	14	100.0	6,293.77	6,293.77	203	3.8
Taihaku Street Business Center Building (Note 4)	1 (58)	92.9	14,641.03	13,598.72	306	5.8
Amex Akasakamon Tower	1 (61)	90.4	4,755.14	4,298.25	67	1.3
City House Keyaki Dori	1 (41)	97.2	2,710.86	2,635.91	38	0.7
Total	59 [404] (Note 2)	99.2	348,496.42	345,844.71	5,330	100.0

Note 1: The number of tenants shown is based on the total number of sections stipulated in the tenancy agreements for commercial and office buildings among relevant properties. For the number of tenants in pass-through master leasing properties, the number of sections stipulated in the tenancy agreements with end tenants is shown in parentheses. The Taihaku Street Business Center Building is an office building with residential blocks. Its number of tenants comprises nine offices and 49 residents.

Note 2: The total of all the tenants in other than pass-through master leasing properties and the number of sections stipulated in the tenancy agreements with end tenants for pass-through master leasing properties is shown in parentheses in the totals column.

Note 3: "Occupancy rate" refers to the percentage of total leased space to total leasable space and all numbers after the second decimal place are disregarded.

Note 4: The total rental revenues shown are the total of revenues from the real estate rental business and revenues from other real estate rental business in the current fiscal period.

Note 5: The percentage of total rental revenue is obtained by dividing each property's total rental revenue by the total rental revenue. The total of individual percentages in the above table may not equal 100 percent, since all numbers after the second decimal place are disregarded.

(3) Investment Target

The disclosure is omitted, since there are no significant changes from "Investment Target" disclosed by the latest Securities Report (submitted on November 25, 2008).