

**EARNINGS BRIEFING
FOR THE PERIOD ENDED AUGUST 2016**

Real estate investment trust: Fukuoka REIT Corporation (FRC)

Code number: 8968

URL: <http://www.fukuoka-reit.jp/eng/>

Stock listings: Tokyo Stock Exchange, and
Fukuoka Stock Exchange

Representative: Etsuo Matsuyuki CEO & Representative Director

Asset manager: Fukuoka Realty Co., Ltd.

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Expected date for submitting securities report: November 29, 2016

Expected commencement date of dividend payments: November 18, 2016

Supplementary documents for earnings briefing: Yes

Analyst meeting (for institutional investors and analysts): Yes

(Figures rounded down to nearest mm yen.)

**1. PERFORMANCE AND SITUATION OF ASSETS FOR THE PERIOD ENDED AUGUST 2016
(March 1, 2016 to August 31, 2016)**

(1) Performance

(% shows percentage change from previous period)

	Operating revenues		Operating income		Ordinary income		Profit	
	mm of yen	%	mm of yen	%	mm of yen	%	mm of yen	%
Period ended August 2016	8,234	(1.3)	3,069	(2.3)	2,616	(2.0)	938	(64.8)
Period ended February 2016	8,343	(0.9)	3,141	(0.8)	2,670	0.3	2,669	0.3

	Profit per unit	Return on net assets	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
Period ended August 2016	1,256 yen	1.0%	1.4%	31.8%
Period ended February 2016	3,573 yen	2.8%	1.5%	32.0%

(2) Dividends

	Dividend per unit (excl. dividend in excess of earnings)	Total dividend (excl. dividend in excess of earnings)	Dividend in excess of earnings per unit	Total dividend in excess of earnings	Dividend per unit (incl. dividend in excess of earnings)	Total dividend (incl. dividend in excess of earnings)	Payout ratio	Ratio of dividend to net assets
Period ended August 2016	1,256 yen	938 mm yen	2,223 yen	1,660 mm yen	3,479 yen	2,598 mm yen	100.0%	1.0%
Period ended February 2016	3,574 yen	2,669 mm yen	0 yen	0 mm yen	3,574 yen	2,669 mm yen	100.0%	2.8%

(Note) The entire dividend in excess of earnings for the period ended August 2016 came from reserve for temporary difference adjustments.

(3) Financial condition

	Total assets	Net assets	Ratio of net assets to total assets	Net assets per unit
Period ended August 2016	179,513 mm yen	92,081 mm yen	51.3%	123,267 yen
Period ended February 2016	181,445 mm yen	93,812 mm yen	51.7%	125,585 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 end of period
Period ended August 2016	4,336 mm yen	(772) mm yen	(3,043) mm yen	8,873 mm yen
Period ended February 2016	4,174 mm yen	(606) mm yen	(2,747) mm yen	8,353 mm yen

2. FORECAST OF PERFORMANCE FOR THE PERIOD ENDING FEBRUARY 2017 (September 1, 2016 to February 28, 2017) AND THE PERIOD ENDING AUGUST 2017 (March 1, 2017 to August 31, 2017)

(% shows percentage change from previous period)

	Operating revenues		Operating income		Ordinary income		Profit		Dividend per unit (excl. dividend in excess of earnings)	Dividend in excess of earnings per unit
	mm of yen	%	mm of yen	%	mm of yen	%	mm of yen	%		
Period ending February 2017	9,707	17.9	4,517	47.2	4,127	57.8	4,126	339.7	3,300 yen	0 yen
Period ending August 2017	8,008	(17.5)	2,820	(37.6)	2,466	(40.2)	2,465	(40.2)	3,300 yen	0 yen

(Reference) Forecast profit per unit: Period ending February 2017 5,524 yen
Forecast profit per unit: Period ending August 2017 3,300 yen

(Note) For the period ending February 2017, FRC anticipates recording of 1,655 mm yen as gain on sale, etc. of Aqualia Kego, which is scheduled to be transferred on November 29, 2016. Moreover, while FRC anticipates profit of 4,126 mm yen for the period ending February 2017, total dividend is forecast to be 2,465 mm yen as FRC plans to reverse the reserve for temporary difference adjustments amounting to 1,660 mm yen.

3. Other

(1) Changes in accounting policies, changes in accounting estimates and restatement of accounting errors

- (i) Changes in accounting policies accompanying amendments to accounting standards, etc.: No
- (ii) Changes in accounting policies other than above (i): No
- (iii) Changes in accounting estimates: No
- (iv) Restatement of accounting errors: No

(2) Number of investment units outstanding

- (i) Number of investment units outstanding at end of period (including treasury investment units):
747,000 units at end of August 2016
747,000 units at end of February 2016
- (ii) Treasury investment units at end of period:
— units at end of August 2016
— units at end of February 2016

Note: Regarding the number of investment units, a basis for calculating profit per unit, please refer to “Per unit information,” on page 13.

* Statement on Implementation Status of Audit Procedure

This Earnings Briefing (“Kessan Tanshin” in Japanese) report is outside the scope of the auditing procedure under the Financial Instruments and Exchange Act. As of the publication of this report, no auditing procedure under the Financial Instruments and Exchange Act has been completed for the financial statements.

* 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, profit, and dividend per unit may differ due to changes in the business environment. The forecast 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 February 2017 (September 1, 2016 to February 28, 2017) and the period ending August 2017 (March 1, 2017 to August 31, 2017)” on page 6.

Concerning the contents hereinafter, items that FRC judges “can be omitted from the disclosure from the standpoint of importance” are not shown in conformity with the “Format and Guidance for Preparation of Earnings Briefing for REITs” (January 2016).

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 May 31, 2016).

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 May 31, 2016).

(2) Management situation

(i) Summary of the current fiscal period

(a) Brief history of the investment corporation

Fukuoka REIT Corporation (hereinafter “FRC”) was established on July 2, 2004 based on the “Act on Investment Trusts and Investment Corporations” (Act No. 198 in 1951 including later revisions) and listed on the Tokyo Stock Exchange Group Inc. and the 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 estate throughout all of Kyushu (including Okinawa Prefecture), with a central focus on Fukuoka City, and Yamaguchi Prefecture (hereinafter the “Fukuoka/Kyushu area) by turning regional characteristics in the real estate industry, into strengths.

FRC started asset management activities on November 9, 2004 after acquisition of four properties such as Retail in Canal City Hakata (excluding some areas of specialty shops, hotels, theaters, 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”). As of the end of the current fiscal period (August 31, 2016), FRC manages a total of 27 properties comprising 11 Retail, 7 Office buildings and 9 Others.

(b) Investment environment and portfolio performance

During the fiscal period under review, the Japanese economy remained on course for a modest recovery although weakness can be identified. Looking ahead, with the employment and income environment continuing to improve, the economy is expected to head for a moderate recovery due to various political measures proving effective. In the Fukuoka and Kyushu area, the core investment target area for FRC, the economy was rapidly pressed downward, primarily in the production and tourism sectors, due to restricted supply and reduced demand resulting from the 2016 Kumamoto Earthquake (hereinafter the “Kumamoto Earthquake”). As the impact of the Kumamoto Earthquake is mitigated, however, the economy is picking up moderately. While consumers still keep cautious sentiment, the impact of the earthquake on business activities is softening. The tourism sector is also picking up as a whole, with a variety of measures to support and encourage tourism starting to prove effective.

As for land price trends, the national average over the past year from July 2015 showed a slower rate of decrease in terms of the combined average for residential and commercial land, according to the 2016 Land Price Survey. By land type, the residential land price decreased at a decelerated pace, and the commercial land price shifted from a decrease that had continued through last year to a level-off. In Fukuoka City, the central area of FRC's investment targets, land prices continued rising for the fourth consecutive year, up 7.3% year-on-year for commercial land and up 2.9% year-on-year for residential land, marking higher rates of increase.

Under such circumstances, FRC continued its efforts to reinforce competitive advantages and customer drawing ability at Canal City Hakata and other major retail facilities, and focused on maintaining and increasing the occupancy rate of its owned properties. As a result of these endeavors, the average occupancy rate of all properties FRC owns was 99.5% at the end of the 24th fiscal period.

When analyzing FRC’s portfolio (on an acquisition price basis) by investment target area, the investment ratio in the Fukuoka urban area accounted for 78.1%; when analyzing by property type, Retail, Office buildings, and Others accounted for 60.7%, 27.0% and 12.3%, respectively.

(c) Summary of fundraising

In the 24th fiscal period, FRC repaid 300 mm yen by using cash on hand for the long-term debt that

matured in the period (totaling 5,000 mm yen). As a result, the balance of interest-bearing debt outstanding (including investment corporation bonds) at the end of the 24th fiscal period totaled 71,950 mm yen, with the loan-to-value ratio (ratio of interest-bearing debt (including investment corporation bonds) to total assets) at 40.1% and the ratio of fixed-interest rate debt (including investment corporation bonds) at 80.0% as of the same date. Going forward, FRC will continue its efforts to reduce refinancing risks by dispersing the debt repayment dates and increasing the average length of time until debt maturity, and to mitigate risks of rising interest rates by shifting to fixed-interest rate borrowings and through other measures.

Moreover, the credit ratings assigned to FRC as of the end of the current fiscal period are as follows.

Credit Rating Agency	Rating Type	Rating	Rating Outlook
Standard & Poor's Ratings Japan K.K. (S&P)	Long-term Corporate Credit Rating	A-	Positive
	Short-term Corporate Credit Rating	A-2	—
Rating and Investment Information, Inc. (R&I)	Issuer Rating	A+	Stable
Japan Credit Rating Agency, Ltd. (JCR)	Long-term Senior Debts Rating	AA-	Stable

(d) Summary of performance and dividend

As a result of these management efforts, operating revenues totaled 8,234 mm yen and operating income after excluding operating expenses such as expenses related to the leasing business and asset management fees totaled 3,069 mm yen. Ordinary income was 2,616 mm yen. Due to occurrence of the Kumamoto Earthquake, FRC recorded the insurance benefit (totaling 75 mm yen) for the loss on disaster at its owned properties (mainly Kumamoto Intercommunity SC) as “insurance income” under extraordinary income. At the same time, FRC recorded 90 mm yen of costs for restoration work in accordance with the loss on disaster as “loss on disaster” under extraordinary losses.

Moreover, for the AEON Hara Shopping Center that was disposed on September 30, 2016, FRC reduced its book value to a recoverable amount in the 24th fiscal period and recorded the reduced amount as impairment loss (1,660 mm yen) under extraordinary losses. The recoverable amount was estimated based on the net sale price, and the net sale price was calculated by deducting the estimated disposal expenses from the actual sale price. The impairment loss consists of land in trust.

As a result, profit was 938 mm yen for the period ended August 31, 2016.

Moreover, based on the policy of paying dividends in excess of earnings as set forth in its Articles of Incorporation, FRC set reserve for temporary difference adjustments (as set forth in Article 2-2-30 of the Regulations on Calculations of Investment Corporations; the same shall apply hereafter) at 1,660 mm yen and dividend in excess of earnings per unit at 2,223 yen. Accordingly, dividend per unit came to 3,479 yen.

(ii) Forecast for the next fiscal period

(a) Portfolio management policy

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

FRC will make investments based on the basic policy stipulated in its Articles of Incorporation and its basic philosophy: focusing on “specialized areas in which FRC can demonstrate its competitive edge” that are in “high growth potential markets.” By geographic location, of Fukuoka and Kyushu areas, FRC will invest 60% to 90% of its assets in the Fukuoka urban area, since the Fukuoka urban area is expected to have a high population growth rate in the future. In addition to the Fukuoka urban area, management has decided to actively acquire properties in major cities, if there are regions or properties where FRC can generate 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) Significant events that have occurred after the end of the current fiscal period

No relevant items.

(Reference Information)

FRC acquired Sports Club NAS Park Place Oita on September 1, 2016 and disposed AEON Hara Shopping Center on September 30, 2016. Moreover, FRC plans to dispose Aqualia Kego on November 29, 2016.

(c) Performance forecast for the next fiscal period

FRC aims to achieve the following performance goals for the period ending February 2017 (September 1, 2016 to February 28, 2017) and the period ending August 2017 (March 1, 2017 to August 31, 2017).

Concerning preconditions for the forecast, please refer to “Preconditions for the performance forecast for the period ending February 2017 (September 1, 2016 to February 28, 2017) and the period ending August 2017 (March 1, 2017 to August 31, 2017)” on page 6.

Period ending February 2017

Operating revenues	9,707 mm yen
Operating income	4,517 mm yen
Ordinary income	4,127 mm yen
Profit	4,126 mm yen
Dividend per unit (Note 1)	3,300 yen
Dividend in excess of earnings per unit	0 yen

Period ending August 2017

Operating revenues	8,008 mm yen
Operating income	2,820 mm yen
Ordinary income	2,466 mm yen
Profit	2,465 mm yen
Dividend per unit	3,300 yen
Dividend in excess of earnings per unit	0 yen

Note 1: FRC plans to reverse the reverse for temporary difference adjustments amounting to 1,660 mm yen.

Note 2: The above forecast figures are calculated based on certain preconditions. The forecast should not be construed as a guarantee of actual performance since actual operating revenues, operating income, ordinary income, profit, 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 February 2017 (September 1, 2016 to February 28, 2017) and the period ending August 2017 (March 1, 2017 to August 31, 2017)

Item	Preconditions
Calculation period	25th fiscal period: from September 1, 2016 to February 28, 2017 (181 days) 26th fiscal period: from March 1, 2017 to August 31, 2017 (184 days)
Assets under management	<ul style="list-style-type: none"> It is assumed that, on the basis of the 27 investment properties FRC owns as of August 31, 2016, FRC completes acquisition of Sports Club NAS Park Place Oita (acquired on September 1, 2016) and transfer of AEON Hara Shopping Center (disposed on September 30, 2016) and Aqualia Kego (scheduled to be disposed on November 29, 2016), respectively. In practice, they may fluctuate due to changes in assets under management.
Total number of investment units outstanding	<ul style="list-style-type: none"> It is assumed that there will be no issuance of new investment units until August 31, 2017.
Interest-bearing debt and refinancing	<ul style="list-style-type: none"> The balance of interest-bearing debt outstanding at the end of the period ending February 2017 (February 28, 2017) is expected to total 66,575 mm yen, a decrease of 5,375 mm yen from the end of the current period (August 31, 2016). The loan-to-value ratio (interest-bearing debt ÷ total assets × 100) is expected to stand at around 38.0% (as of August 31, 2016, the loan-to-value ratio stands at 40.1%). The balance of interest-bearing debt outstanding at the end of the period ending August 2017 (August 31, 2017) is expected to total 65,600 mm yen, a decrease of 975 mm yen from the end of the period ending February 2017 (February 28, 2017). The loan-to-value ratio (interest-bearing debt ÷ total assets × 100) is expected to stand at around 37.7%.
Operating revenues	<ul style="list-style-type: none"> Of leasing revenues – real estate, revenues from properties FRC has already acquired are calculated based on tenancy agreements that are valid as of October 13, 2016 by taking into account the competitiveness of the properties and the market environment. Of leasing revenues – real estate, revenues from percentage lease contracts are calculated based on past results by taking into account sales fluctuation factors of the relevant tenants. For leasing revenues – real estate, tenant vacancies are taken into account to a certain extent. It is assumed that there will be no rent arrears or non-payments by tenants. For the period ending February 2017, FRC anticipates 1,655 mm yen as gain on sale, etc. of Aqualia Kego, which is scheduled to be disposed on November 29, 2016.
Operating expenses	<ul style="list-style-type: none"> When acquiring investment properties, the property taxes and city planning taxes 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 it 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 February 2017 and August 2017). 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, and repair costs are not regularly incurred. Concerning outsourcing expenses, FRC anticipates 1,552 mm yen for the period ending February 2017 and 1,566 mm yen for the period ending August 2017. Concerning taxes and other public charges, FRC anticipates 643 mm yen for the period ending February 2017 and 636 mm yen for the period ending August 2017. Concerning depreciation and amortization expenses, FRC anticipates 1,465 mm yen for the period ending February 2017 and 1,474 mm yen for the period ending August 2017.
Non-operating expenses	<ul style="list-style-type: none"> Concerning interest expenses (including interest expenses on investment corporation bonds) and expenses related to financing, FRC anticipates 385 mm yen for the period ending February 2017 and 348 mm yen for the period ending August 2017.
Reversal of reserve for temporary difference adjustments	<ul style="list-style-type: none"> FRC anticipates a reversal of the reverse for temporary difference adjustments totaling 1,660 mm yen for the period ending February 2017.
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 leasing 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"> Dividend in excess of earnings (dividend in excess of earnings per unit) is 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.

(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 May 31, 2016).

3. Financial Statements

(1) Balance sheet

Account	(thousands of yen)			
	23rd fiscal period (as of February 29, 2016)		24th fiscal period (as of August 31, 2016)	
Assets				
Current assets				
Cash and deposits		3,513,400		4,165,198
Cash and deposits in trust		4,905,852		4,775,377
Operating accounts receivable		372,912		491,196
Prepaid expenses		284,075		262,218
Deferred tax assets		8		26
Others		6,442		7,859
Total current assets		9,082,690		9,701,876
Non-current assets				
Property, plant and equipment				
Buildings in trust	84,421,663		84,816,296	
Accumulated depreciation	(20,966,851)	63,454,811	(22,332,561)	62,483,734
Structures in trust	1,477,663		1,486,567	
Accumulated depreciation	(559,477)	918,185	(597,379)	889,187
Machinery and equipment in trust	638,321		674,893	
Accumulated depreciation	(284,920)	353,400	(308,433)	366,459
Vehicles and transport equipment in trust	747		747	
Accumulated depreciation	(246)	500	(294)	452
Tools and fixtures in trust	1,274,834		1,313,384	
Accumulated depreciation	(973,210)	301,623	(1,014,927)	298,456
Lands in trust		104,756,397		103,095,432
Construction in progress in trust		19,571		206,478
Total property, plant and equipment		169,804,490		167,340,202
Intangible assets				
Leasehold right in trust		1,765,318		1,765,318
Other intangible assets in trust		5,633		3,610
Total intangible assets		1,770,951		1,768,928
Investment and other assets				
Lease and guarantee deposits		10,000		10,000
Lease and guarantee deposits in trust		110,000		110,000
Long-term prepaid expenses		628,962		549,999
Total investment and other assets		748,962		669,999
Total non-current assets		172,324,405		169,779,131
Deferred assets				
Investment corporation bond issuance expenses		15,392		14,410
Investment unit issuance expenses		23,383		17,771
Total deferred assets		38,776		32,181
Total assets		181,445,872		179,513,189

Account	(thousands of yen)			
	23rd fiscal period (as of February 29, 2016)		24th fiscal period (as of August 31, 2016)	
Liabilities				
Current liabilities				
Operating accounts payable		667,486		639,486
Short-term debt		-		4,000,000
Current maturities of long-term debt		10,250,000		20,450,000
Accounts payable-other		23,963		12,451
Accrued expenses		353,001		348,865
Income taxes payable		736		1,242
Accrued consumption taxes		321,550		107,177
Advances received		1,004,199		1,070,989
Deposits received		777,866		1,202,954
Total current liabilities		13,398,803		27,833,167
Non-current liabilities				
Investment corporation bonds		2,000,000		2,000,000
Long-term debt payable		60,075,000		45,500,000
Tenant leasehold and security deposits		331,243		371,765
Tenant leasehold and security deposits received in trust		11,828,272		11,727,080
Total non-current liabilities		74,234,515		59,598,846
Total liabilities		87,633,318		87,432,014
Net assets				
Unitholders' equity				
Unitholders' capital		91,142,766		91,142,766
Surplus				
Unappropriated surplus		2,669,786		938,409
Total surplus		2,669,786		938,409
Total unitholders' equity		93,812,553		92,081,175
Total net assets		93,812,553		92,081,175
Total liabilities and net assets		181,445,872		179,513,189

(2) Statement of income

(thousands of yen)

Account	23rd fiscal period (September 1, 2015 to February 29, 2016)		24th fiscal period (March 1, 2016 to August 31, 2016)	
Operating revenues				
Leasing revenues – real estate	7,864,570		7,701,123	
Other leasing revenues – real estate	478,927	8,343,498	533,107	8,234,231
Operating expenses				
Expenses related to leasing business	4,577,406		4,540,803	
Asset management fees	493,021		492,164	
Asset custody fees	6,772		6,841	
Administrative service fees	52,472		54,537	
Director’s compensations	9,600		9,600	
Other operating expenses	62,612	5,201,885	61,153	5,165,100
Operating income		3,141,613		3,069,130
Non-operating revenues				
Interest received	780		114	
Others	2,566	3,346	893	1,007
Non-operating expenses				
Interest expenses	345,071		333,165	
Interest expenses on investment corporation bonds	13,200		13,200	
Amortization of investment corporation bond issuance expenses	982		982	
Amortization of investment unit issuance expenses	11,154		5,612	
Financing related expenses	104,000		100,963	
Others	15	474,423	15	453,938
Ordinary income		2,670,536		2,616,200
Extraordinary income				
Insurance income	-		75,052	
Total extraordinary income		-		75,052
Extraordinary losses				
Impairment loss	-		1,660,964	
Loss on disaster	-		90,646	
Total extraordinary losses		-		1,751,611
Net income before income taxes		2,670,536		939,641
Income taxes-current	855		1,259	
Income taxes-deferred	53	908	(18)	1,241
Profit		2,669,627		938,400
Surplus brought forward		159		8
Unappropriated surplus		2,669,786		938,409

(3) Statement of changes in net assets

23rd fiscal period (September 1, 2015 to February 29, 2016)

(thousands of yen)

Item	Unitholders' Equity			Total net assets
	Unitholders' capital	Surplus		
		Unappropriated surplus		
Balance as of September 1, 2015	91,142,766	2,661,720		93,804,487
Changes in the current fiscal period				
Dividend of surplus	—	(2,661,561)		(2,661,561)
Profit	—	2,669,627		2,669,627
Total of changes in the current fiscal period	—	8,066		8,066
Balance as of February 29, 2016	91,142,766	2,669,786		93,812,553

24th fiscal period (March 1, 2016 to August 31, 2016)

(thousands of yen)

Item	Unitholders' Equity			Total net assets
	Unitholders' capital	Surplus		
		Unappropriated surplus		
Balance as of March 1, 2016	91,142,766	2,669,786		93,812,553
Changes in the current fiscal period				
Dividend of surplus	—	(2,669,778)		(2,669,778)
Profit	—	938,400		938,400
Total of changes in the current fiscal period	—	(1,731,377)		(1,731,377)
Balance as of August 31, 2016	91,142,766	938,409		92,081,175

(4) Dividend statement

Account	23rd fiscal period (September 1, 2015 to February 29, 2016)	24th fiscal period (March 1, 2016 to August 31, 2016)
I. Unappropriated surplus	2,669,786 thousand yen	938,409 thousand yen
II. Addition of dividend in excess of earnings	- thousand yen	1,660,581 thousand yen
Of which, reverse for temporary difference adjustments	- thousand yen	1,660,581 thousand yen
III. Total	2,669,778 thousand yen	2,598,813 thousand yen
[Dividend per investment unit]	[3,574 yen]	[3,479 yen]
Of which, earnings dividend	2,669,778 thousand yen	938,232 thousand yen
[Of which, earnings dividend per unit]	[3,574 yen]	[1,256 yen]
Of which, dividend in excess of earnings	- thousand yen	1,660,581 thousand yen
[Of which, dividend in excess of earnings per unit [using reserve for temporary difference adjustments]]	[-yen]	[2,223 yen]
IV. Surplus brought forward	8 thousand yen	177 thousand yen

Method for calculating dividends	The amount of dividends shall be decided in accordance with the dividend policy stipulated in Article 38-1-1 of FRC's Articles of Incorporation and must exceed 90% of FRC's distributable profits as stipulated in Article 67-15 of the Special Taxation Measures Act. Following the above policy, FRC shall decide to distribute 2,669,778 thousand yen, which is almost the entire amount of unappropriated surplus, as earnings dividends. Moreover, dividend in excess of earnings as stipulated in Article 38-2 of FRC's Articles of Incorporation will not be provided.	The amount of dividends shall be decided in accordance with the dividend policy stipulated in Article 38-1-1 of FRC's Articles of Incorporation and must exceed 90% of FRC's distributable profits as stipulated in Article 67-15-1 of the Special Taxation Measures Act. Following the above policy, FRC shall decide to distribute 938,232 thousand yen, which is almost the entire amount of unappropriated surplus, as earnings dividends. Moreover, FRC shall decide to provide dividend in excess of earnings as stipulated in Article 38-2 of its Articles of Incorporation, using reserve for temporary difference adjustments totaling 1,660,581 thousand yen, which is the maximum value arrived at when the total number of investment units outstanding (747,000 units) is multiplied by an integer, to the extent not surpassing the amount equivalent to the impairment loss recorded for the fiscal period.
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(Note) All amounts except for dividend per investment unit, earnings dividend per unit and dividend in excess of earnings per unit (using reserve for temporary difference adjustments) are rounded down to the nearest thousand yen.

(5) Cash flows statement

Account	(thousands of yen)	
	23rd fiscal period (September 1, 2015 to February 29, 2016)	24th fiscal period (March 1, 2016 to August 31, 2016)
Net cash provided by (used in) operating activities		
Net income before income taxes	2,670,536	939,641
Depreciation and amortization expenses	1,471,072	1,470,912
Amortization of investment corporation bond issuance expenses	982	982
Amortization of investment unit issuance expenses	11,154	5,612
Impairment loss	-	1,660,964
Interest received	(780)	(114)
Interest expenses	358,271	346,365
Insurance income	-	(75,052)
Loss on disaster	-	90,646
Decrease (increase) in operating accounts receivables	61,654	(43,230)
Decrease (increase) in consumption taxes receivable	246,657	-
Increase (decrease) in accrued consumption taxes	321,550	(214,372)
Increase (decrease) in operating accounts payable	(145,288)	(76,677)
Increase (decrease) in accounts payable-other	9,219	(11,623)
Increase (decrease) in accrued expenses	1,824	(3,346)
Increase (decrease) in advances received	(10,644)	66,789
Increase (decrease) in deposits expenses	(271,423)	425,087
Decrease (increase) in prepaid expenses	(16,137)	22,919
Decrease (increase) in long-term prepaid expenses	(172,080)	83,034
Others, net	(2,806)	(2,310)
Subtotal	4,533,761	4,686,229
Interest income received	780	114
Interest expenses paid	(358,527)	(347,154)
Payments for loss on disaster	-	(1,857)
Income taxes paid	(1,863)	(753)
Net cash provided by (used in) operating activities	4,174,151	4,336,578
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment in trust	(549,764)	(710,811)
Proceeds from tenant leasehold and security deposits	30	87,129
Repayments of tenant leasehold and security deposits	(30)	(46,606)
Proceeds from tenant leasehold and security deposits in trust	74,447	124,063
Repayments of tenant leasehold and security deposits in trust	(131,849)	(225,255)
Proceeds from restricted trust deposits	5,507	5,569
Payments for restricted trust deposits	(5,065)	(6,972)
Net cash provided by (used in) investment activities	(606,723)	(772,883)
Net cash provided by (used in) financial activities		
Proceeds from short-term debt payable	-	4,000,000
Proceeds from long-term debt payable	6,500,000	700,000
Repayments of long-term debt payable	(6,575,000)	(5,075,000)
Payment of investment unit issuance expenses	(11,411)	-
Dividends paid	(2,661,169)	(2,668,773)
Net cash provided by (used in) financial activities	(2,747,581)	(3,043,773)
Net increase (decrease) in cash and cash equivalents	819,846	519,920
Balance of cash and cash equivalents at beginning of period	7,533,380	8,353,226
Balance of cash and cash equivalents at end of period	8,353,226	8,873,147

(6) Notes on the going concern assumption

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 May 31, 2016).

(8) Notes to financial statements

FRC omits the disclosure of notes to balance sheet, statement of income, statement of changes in net assets, and cash flows statement, as well as notes on lease transactions, financial instruments, securities, derivative transactions, related-party transactions, tax-effect accounting, retirement benefits, asset retirement obligations, rental properties, segment information and equity method income, etc. since it does not find substantial need for disclosure in the earnings briefing.

(Per unit information)

23rd fiscal period (September 1, 2015 to February 29, 2016)		24th fiscal period (March 1, 2016 to August 31, 2016)	
Net assets per investment unit:	125,585 yen	Net assets per investment unit:	123,267 yen
Profit per investment unit:	3,573 yen	Profit per investment unit:	1,256 yen

Note 1: Profit per investment unit is calculated by dividing profit by the weighted average number of investment units outstanding during the fiscal period. Diluted profit per investment unit is not shown since there are no potential investment units.

Note 2: Calculation of profit per investment unit is based on the following.

Account	23rd fiscal period (September 1, 2015 to February 29, 2016)	24th fiscal period (March 1, 2016 to August 31, 2016)
Profit (thousands of yen)	2,669,627	938,400
Amount not attributable to common shareholders (thousands of yen)	—	—
Profit attributable to common investment units (thousands of yen)	2,669,627	938,400
Average number of investment units during the fiscal period (units)	747,000	747,000

(Significant subsequent events)

No relevant items.

(9) Change in the number of investment units outstanding

No relevant items.

4. Change in Directors

(1) Change in directors in FRC

Takashi Shinohara resigned from the post of Supervisory Director (as of May 28, 2016).

Yasuo Kawasho was newly appointed as Supervisory Director (as of May 29, 2016).

Officers of FRC as of October 13, 2016 are listed below.

(as of October 13, 2016)

Title	Name	Career Summary		Number of units owned
CEO & Representative Director	Etsuo Matsuyuki	April 1980	Joined Japan Development Bank (currently Development Bank of Japan)	0
		June 2004	Appointed as Manager, Human Resources Division	
		April 2005	Appointed as General Manager, Management Division	
		July 2006	Seconded to Fukuoka Jisho Co., Ltd. Appointed as Deputy General Manager, Development Business Group	
		July 2009	Joined Fukuoka Jisho Co., Ltd. Appointed as Executive Officer and Deputy General Manager, Development Business Group and General Manager, Building Division	
		August 2010	Appointed as Executive Officer and General Manager, Accounting & Finance Division and in charge of General Affairs Division and Finance Division	
		June 2011	Appointed as Managing Director and Head of Planning Dept., Fukuoka Realty Co., Ltd.	
		January 2012	Appointed as Managing Director and Executive Officer, Fukuoka Jisho Co., Ltd.	
		June 2012	Appointed as CEO & Representative Director, Fukuoka Realty Co., Ltd. (current position)	
		May 2014	Appointed as CEO & Representative Director, Fukuoka REIT Corporation (current position)	
Supervisory Director	Hiroyasu Shindo	April 1973	Registered as Lawyer	0
		April 1985	Appointed as Chief of Secretariat, Kyushu Federation of Bar Associations	
		April 1986	Opened Shindo Law Firm (current position)	
		April 1990	Appointed as Chief of Public Relations, Kyushu Federation of Bar Associations	
		April 1996	Appointed as Member of Disciplinary Committee, Fukuokaken Bengoshikai., Ltd.	
		July 2004	Appointed as Supervisory Director, Fukuoka REIT Corporation	
		July 2006	Retired from Supervisory Director, Fukuoka REIT Corporation	
		November 2010	Appointed as Supervisory Director, Fukuoka REIT Corporation (current position)	
Supervisory Director	Yasuo Kawasho	August 1980	Registered as Certified Public Accountant and Certified Tax Accountant	0
		January 1981	Opened Kawasho Authorize Accountant Office (current position)	
		December 1987	Opened Creative Management Consultants Co., Ltd. (current position)	
		February 1993	Opened KawaSho Jinji Kenkyusyo Co., Ltd. (current position)	
		May 2016	Appointed as Supervisory Director, Fukuoka REIT Corporation (current position)	

(Note) Etsuo Matsuyuki concurrently serves as CEO & Representative Director of Fukuoka Realty Co., Ltd., the asset management company for FRC, and as CEO & Representative Director of FRC.

- (2) Change in directors at Fukuoka Realty Co., Ltd.
Naofumi Sato resigned from the post of Director (as of June 24, 2016).
Tomoyuki Aramaki was newly appointed as Director (as of June 24, 2016).

Officers of Fukuoka Realty as of October 13, 2016 are listed below.

(as of October 13, 2016)

Title	Name	Career Summary		Number of units owned
CEO & Representative Director	Etsuo Matsuyuki	April 1980	Joined Japan Development Bank (currently Development Bank of Japan)	0
		June 2004	Appointed as Manager, Human Resources Division	
		April 2005	Appointed as General Manager, Management Division	
		July 2006	Seconded to Fukuoka Jisho Co., Ltd. Appointed as Deputy General Manager, Development Business Group	
		July 2009	Joined Fukuoka Jisho Co., Ltd. Appointed as Executive Officer and Deputy General Manager, Development Business Group and General Manager, Building Division	
		August 2010	Appointed as Executive Officer and General Manager, Accounting & Finance Division and in charge of General Affairs Division and Finance Division	
		June 2011	Appointed as Managing Director and Head of Planning Dept., Fukuoka Realty Co., Ltd.	
		January 2012	Appointed as Managing Director and Executive Officer, Fukuoka Jisho Co., Ltd.	
		June 2012	Appointed as CEO & Representative Director, Fukuoka Realty Co., Ltd. (current position)	
		May 2014	Appointed as CEO & Representative Director, Fukuoka REIT Corporation (current position)	
Managing Director and Head of Planning Department	Hidenori Hara	April 1985	Joined the Bank of Fukuoka	0
		June 1990	Joined Sumitomo Realty & Development Co., Ltd.	
		August 2005	Joined Fukuoka Jisho Co., Ltd.	
		August 2009	Appointed as General Manager, Development Business Group	
		June 2012	Appointed as Executive Officer and General Manager, Housing Business Division	
		June 2014	Appointed as Executive Officer in charge of Housing Business Division	
		September 2014	Appointed as Executive Officer (current position)	
		September 2014	Seconded to Fukuoka Realty Co., Ltd. Appointed as Managing Director	
		February 2015	Appointed as Managing Director and Head of Planning Department (current position)	
Director	Hiroshi Shimuta	October 2000	Registered as attorney at law	0
		December 2003	Appointed as Auditor, Fukuoka Realty Co., Ltd.	
		April 2004	Appointed as Head of Compliance Office	
		April 2005	Appointed as Head of Compliance Dept.	
		June 2007	Joined Nishimura Tokiwa Law Office (currently, Nishimura Asahi Law Office)	
		June 2007	Appointed as Director, Fukuoka Realty Co., Ltd. (current position)	
		September 2013	Appointed as General Manger, Fukuoka Jisho Co., Ltd. Legal Division (current position)	
Director	Masaru Ito	April 1985	Joined Nichiboshin, Ltd.	0
		July 1994	Joined FJ. Toshi Kaihatsu Co.	
		October 1996	Joined Fukuoka Jisho Co., Ltd.	
		September 2003	Appointed as General Manager, Accounting & Finance Division	
		July 2009	Appointed as General Manager, Finance Division	
		August 2011	Appointed as General Manager, President's Office and concurrently as General Manager, Finance Division	
		June 2012	Seconded to FJ. HOTELS Co., Ltd. Appointed as Managing Director	
		June 2014	Appointed as General Manager, Fukuoka Jisho Co., Ltd. Finance Division (current position)	
		June 2015	Appointed as Director, Fukuoka Realty Co., Ltd. (current position)	

Director	Tomoyuki Aramaki	April 1975 July 1997 July 2004 June 2007 June 2009 July 2010 June 2012 June 2015 June 2016	Joined Kyushu Electric Power Co., Inc. Appointed as Manager, Personnel Department, Personnel Division Appointed as General Manager, Personnel and Labor Relations Division Appointed as President & CEO, Kyushu Sogo Service Co., Ltd. Appointed as Senior Executive Officer, Kyushu Electric Power Co., Inc. Appointed as Senior Executive Officer and General Manager, Business Promotion Division and Human Resources Vitalization Division Appointed as Senior Managing Executive Officer and General Manager, Human Resources Vitalization Division and General Manager of Secretary Office Appointed as Executive Vice President in charge of Secretary Office, CSR and Crisis Management, Crisis Manager (current position) Appointed as Director, Fukuoka Realty Co., Ltd. (current position)	0
Director	Masanori Tasaka	April 1978 August 2000 July 2003 October 2004 April 2005 April 2006 June 2006	Joined Fukuoka Sogo Bank, Ltd. (currently, The Nishi-Nippon City Bank, Ltd.) Appointed as Deputy General Manager of Planning Division Appointed as General Manager of Planning Division and Manager of Risk Management Office Appointed as Senior Manager supporting Business Planning Division Seconded to NCB Management Information Service Co., Ltd. (currently, NCB Research & Consulting Co., Ltd.) and appointed as General Manager of Business Alliance Division Opened Masanori Tasaka Tax & Accounting Office (current position) Appointed as Auditor, Fukuoka Realty Co., Ltd. (current position)	0

(Note) Etsuo Matsuyuki concurrently serves as CEO & Representative Director of Fukuoka Realty Co., Ltd., the asset management company for FRC, and as CEO & Representative Director of FRC. A notification regarding the concurrent office has been filed to the Commissioner of the Financial Services Agency, based on the provisions of Article 31-4-1 of the Financial Instruments and Exchange Act.

5. Reference Information

(1) Investment situation

(as of August 31, 2016)

Type of asset	Purpose	Location (Note 1)	Total value of properties held (mm of yen) (Note 2)	Percentage of total assets (%) (Note 3)
Real estate in Trust	Retail	Fukuoka urban area	68,692	38.3
		Other Kyushu areas	35,581	19.8
	Office buildings	Fukuoka urban area	43,292	24.1
		Other Kyushu areas	—	—
	Others	Fukuoka urban area	18,640	10.4
		Other Kyushu areas	2,696	1.5
Subtotal			168,902	94.1
Deposits and other assets			10,610	5.9
Total amount of assets (Note 4)			179,513 [169,109]	100.0 [94.2]

Note 1: “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 2010 census, which states “the number of workers and students aged 15 years or older (students including those aged 14 years or younger: particular reference) including 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).

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

Note 3: Concerning the “Percentage of total assets,” the figures are rounded off to one decimal place. The total of individual percentages in the above table may not equal 100%.

Note 4: Figures in parentheses for “Total amount of assets” refer to the value and percentage of real estate held in effect to the total amount of assets.

(as of August 31, 2016)

	Value on balance sheet (mm of yen)	Percentage of total amount of assets (%)
Total amount of liabilities	87,432	48.7
Total amount of net assets	92,081	51.3

(2) Investment assets

(i) Primary issues of investment securities

No relevant items.

(ii) Real estate investment portfolio

No relevant items.

(iii) Other primary investment assets

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

(as of August 31, 2016)

Real estate property name	Acquisition value (mm of yen) (Note 1)	Value on balance sheet (mm of yen)	Period-end appraisal value (mm of yen) (Note 2)	Investment ratio (%) (Note 3)	Real estate appraiser
Canal City Hakata	32,000	30,368	33,300	17.8	Tanizawa Sogo Appraisal Co., Ltd.
Canal City Hakata・B	28,700	28,426	30,200	16.0	Tanizawa Sogo Appraisal Co., Ltd.
Park Place Oita	16,290	17,740	17,738	9.1	Japan Real Estate Institute
SunLive City Kokura	6,633	5,864	7,890	3.7	Japan Real Estate Institute
Square Mall Kagoshima Usuki	5,300	4,599	5,290	2.9	Japan Real Estate Institute
Kumamoto Intercommunity SC	2,400	2,072	2,650	1.3	Japan Real Estate Institute
AEON Hara Shopping Center (Note 4)	5,410	3,588	3,700	3.0	-
Hanahata SC	1,130	1,022	1,240	0.6	Tanizawa Sogo Appraisal Co., Ltd.
Kurume Higashi Kushiwara SC	2,500	2,163	2,750	1.4	Tanizawa Sogo Appraisal Co., Ltd.
K's Denki Kagoshima	3,550	3,141	3,680	2.0	Tanizawa Sogo Appraisal Co., Ltd.
Marinoa City Fukuoka (Marina Side Building)	5,250	5,286	5,600	2.9	Tanizawa Sogo Appraisal Co., Ltd.
Retail subtotal:	109,163	104,274	114,038	60.7	
Canal City Business Center Building	14,600	13,440	15,200	8.1	Tanizawa Sogo Appraisal Co., Ltd.
Gofukumachi Business Center	11,200	9,368	13,400	6.2	Tanizawa Sogo Appraisal Co., Ltd.
Sanix Hakata Building	4,400	3,959	5,370	2.4	Japan Real Estate Institute
Taihaku Street Business Center	7,000	6,332	7,280	3.9	Japan Real Estate Institute
Higashi Hie Business Center	5,900	4,792	6,520	3.3	Tanizawa Sogo Appraisal Co., Ltd.
Tenjin Nishi-Dori Center Building	2,600	2,723	2,990	1.4	Japan Real Estate Institute
Tenjin North Front Building	2,800	2,674	3,490	1.6	Japan Real Estate Institute
Office buildings subtotal:	48,500	43,292	54,250	27.0	
Amex Akasakamon Tower	2,060	1,800	1,870	1.1	Daiwa Real Estate Appraisal Co., Ltd.
City House Keyaki Dori	1,111	969	1,050	0.6	Daiwa Real Estate Appraisal Co., Ltd.
Aqualia Kego	2,800	2,632	4,320	1.6	-
Aqualia Chihaya	1,280	1,208	1,600	0.7	Japan Real Estate Institute
D-WING TOWER	2,800	2,780	3,320	1.6	Tanizawa Sogo Appraisal Co., Ltd.
Granfore Yakuin Minami	1,100	1,166	1,260	0.6	Tanizawa Sogo Appraisal Co., Ltd.
Hotel FORZA Oita	1,530	1,454	1,810	0.9	Japan Real Estate Institute
Tosu Logistics Center	1,250	1,242	1,370	0.7	Japan Real Estate Institute
LOGICITY Minato Kashii (Note 5)	8,150	8,081	8,590	4.5	Tanizawa Sogo Appraisal Co., Ltd.
Others subtotal:	22,081	21,336	25,190	12.3	
Total	179,744	168,902	193,478	100.0	

Note 1: "Acquisition value" refers to the 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. For AEON Hara Shopping Center and Aqualia Kego, the transfer prices stated in the sales agreements dated August 31, 2016 are indicated.

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%, since the figures are rounded off to one decimal place.

Note 4: The value on balance sheet is the amount after declaring impairment.

Note 5: The property was renamed from LOGIPORT Island-city Hakata as of March 1, 2016. The same shall apply hereafter.

(b) Summary of the real estate leasing business

(as of August 31, 2016)

Real estate property name	Number of tenants (Note 1)	Occupancy rate (%) (Note 3)	Total leasable floor space (m ²)	Total leased floor space (m ²)	Total leasing revenues (mm of yen) (Note 4)	Percentage of total leasing revenues (%) (Note 5)
Canal City Hakata	1 [48]	100.0	46,602.94	46,602.94	1,273	15.5
Canal City Hakata・B	1 [49]	99.4	68,820.39	68,397.87	1,598	19.4
Park Place Oita	1 [104]	99.7	109,590.83	109,282.25	1,138	13.8
SunLive City Kokura	1	100.0	61,450.22	61,450.22	292	3.6
Square Mall Kagoshima Usuki	12	100.0	14,602.88	14,602.88	269	3.3
Kumamoto Intercommunity SC (Note 6)	2	100.0	6,968.66	6,968.66	32	0.4
AEON Hara Shopping Center	1	100.0	27,313.53	27,313.53	212	2.6
Hanahata SC	2	100.0	2,801.15	2,801.15	41	0.5
Kurume Higashi Kushiwara SC	1	100.0	6,467.80	6,467.80	88	1.1
K's Denki Kagoshima	1	100.0	7,296.17	7,296.17	111	1.4
Marinoa City Fukuoka (Marina Side Building)	1	100.0	33,069.82	33,069.82	182	2.2
Retail subtotal:	24 [222] (Note 2)	99.8	384,984.39	384,253.29	5,240	63.6
Canal City Business Center Building	1 [61]	100.0	23,030.98	23,030.98	628	7.6
Gofukumachi Business Center	35	99.5	19,905.34	19,806.06	533	6.5
Sanix Hakata Building	16	100.0	6,293.75	6,293.75	197	2.4
Taihaku Street Business Center	1 [70]	99.2	14,677.27	14,554.68	297	3.6
Higashi Hie Business Center	1 [25]	100.0	13,614.59	13,614.59	327	4.0
Tenjin Nishi-Dori Center Building	1	100.0	3,339.32	3,339.32	86	1.1
Tenjin North Front Building	11	100.0	5,252.41	5,252.41	136	1.7
Office buildings subtotal:	66 [219] (Note 2)	99.7	86,113.66	85,891.79	2,207	26.8
Amex Akasakamon Tower	1 [63]	92.8	4,821.25	4,474.94	67	0.8
City House Keyaki Dori	1 [39]	91.7	2,710.86	2,485.95	36	0.4
Aqualia Kego	1 [124]	95.7	7,415.36	7,096.46	118	1.4
Aqualia Chihaya	1 [99]	93.6	5,619.69	5,261.15	57	0.7
D-WING TOWER	1 [131]	96.0	7,187.58	6,902.38	114	1.4
Granfore Yakuin Minami	1 [96]	97.0	2,496.06	2,421.18	39	0.5
Hotel FORZA Oita	1	100.0	5,785.44	5,785.44	63	0.8
Tosu Logistics Center	1	100.0	4,173.29	4,173.29	Undisclosed (Note 7)	Undisclosed (Note 7)
LOGICITY Minato Kashii	2	100.0	43,233.72	43,233.72	Undisclosed (Note 7)	Undisclosed (Note 7)
Others subtotal:	10 [556] (Note 2)	98.1	83,443.25	81,834.51	786	9.6
Total	100 [997] (Note 2)	99.5	554,541.30	551,979.59	8,234	100.0

Note 1: "Number of tenants" is based on the total number of sections stipulated in the tenancy agreements for retail 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 is an office building with a residential tower. Its number of tenants comprises 13 offices and 57 residences.

Note 2: The subtotal and 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 for "Number of tenants."

Note 3: "Occupancy rate" refers to the percentage of total leased floor space to total leasable floor space and the figures are rounded off to one decimal place.

Note 4: "Total leasing revenues" are the total of real estate leasing revenues and other revenues from real estate rent in the current fiscal period.

Note 5: "Percentage of total leasing revenues" is obtained by dividing each property's total leasing revenues by the total amount of total leasing revenues. The total of individual percentages in the above table may not equal 100%, since the figures are rounded off to one decimal place.

Note 6: As the property suspended operations due to the Kumamoto Earthquake, FRC reduced rents for the suspension period based on the lease contracts with the tenants.

Note 7: The figures are not disclosed as no consent to disclosure has been obtained from the tenants.

(3) Investment target

The disclosure is omitted, since there are no significant changes from the “Investment target” disclosed by the latest securities report (submitted on May 31, 2016).