44th Fiscal Period
Report on Performance and Management Status (Semiannual Report)

March 1, 2026 to August 31, 2026

Security Code 8968



Fukuoka REIT Corporation

8968

I. Overview of Fukuoka REIT Corporation

To Our Unitholders

We would like to express our sincere appreciation to all unitholders for your continued support of Fukuoka REIT Corporation (FRC).

We are pleased to report on the financial results, operating performance and initiatives contributing to the future growth of FRC for the 44th fiscal period (March 1, 2026 to August 31, 2026).



Yukitaka Ohara
Executive Director, Fukuoka REIT Corporation
President and CEO, Fukuoka Realty Co., Ltd.

Operating revenue for the period was 10,898 million yen, operating income was 4,463 million yen, ordinary income was 3,932 million yen, and profit was 3,931 million yen. In addition, by applying the "Tax Benefits for Specific Asset Replacement Transactions", FRC retained 391 million yen as internal reserves, resulting in a distribution per unit of 4,075 yen. This represents an increase of 75 yen from the forecast distribution per unit of 4,000 yen announced at the beginning of the period.

Regarding internal growth, rental business income from our flagship property Canal City Hakata increased by 9.8% compared to the forecast, and other commercial facilities also achieved growth exceeding expectations through tenant replacements and rent revisions, among other factors. In addition, through ongoing rent increase negotiations, FRC achieved rent increase rates of 5.5% for office buildings and 15.4% for residential properties.

Regarding external growth, in pursuit of growth in the next fiscal period and beyond, FRC decided on an asset replacement on October 20, 2026, concurrently with its financial results announcement, with the aim of enhancing portfolio quality and unitholder returns. FRC will acquire a quasi-co-ownership interest in the trust beneficiary interest in the logistics facility LOGICITY Koga and silent partnership equity interests in the retail property TORIUS, while disposing of the office property Kumamoto East Front Building following a comprehensive assessment of property age, growth potential, capital efficiency and other factors. Through this asset replacement, FRC aims to secure future acquisition opportunities, strengthen its earnings base and rejuvenate its portfolio.

As part of our Sustainability Initiatives, one of FRC's key measures, we are committed to "maintaining and improving building performance and environmental performance" under the E (Environment) category and have obtained a 4-Star rating and Green Star designation in the GRESB Real Estate Assessment for our properties. In addition, we have advanced environmental and social considerations at our properties, and the DBJ Green Building Certification for the Hakata FD Business Center was upgraded to 4 Stars. We will continue to actively collaborate with local communities and communicate information to our unitholders through the publication of integrated reports and other means.

As a "region-specific REIT," FRC will strive for sound asset management while responding swiftly to market changes, in collaboration with leading sponsors, including Fukuoka Jisho Co., Ltd., a representative developer in Kyushu. We are resolved to make the utmost efforts to secure stable earnings over the medium to long term, and to continuously offer stable dividends per unit into the future based on our management philosophy of “Act Local, Think Global”. Furthermore, along with our mission to "create value and growth from Fukuoka through leveraging real estate finance", we aim to expand our earnings base and asset size by connecting Fukuoka with the world and creating a sustainable future for real estate.

We greatly appreciate your continued support and cooperation.

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Profile

Status of the Investment Corporation

FRC is Japan’s first REIT specializing in regional properties. FRC manages a portfolio centering on retail facilities featuring excellent design and entertainment qualities and superior office buildings throughout all of Kyushu. With a central focus on Fukuoka, we utilize our strength in knowing the local characteristics of real estate, which is a very regional-specific business.

Overview of the Investment Corporation

Name: Fukuoka REIT Corporation
Representative: Yukitaka Ohara, Executive Director
Asset manager: Fukuoka Realty Co., Ltd. (Fukuoka Local Finance Branch Bureau (financial instruments) No. 10)
Listed date: June 21, 2005 (Tokyo Stock Exchange Inc., and Fukuoka Stock Exchange)

Sponsors NEW

FUKUOKA JISHO CO., LTD. (Note 2) — 80% (Note 1)

Director

Fukuoka Realty Co., Ltd. (Asset Manager)

Nishi-Nippon Railroad Co., Ltd. — 5%

THE NISHI-NIPPON CITY BANK, LTD. — 5%

Development Bank of Japan Inc. — 5%

THE BANK OF FUKUOKA, LTD. — 5%

External director

Appointment of an external director
Appointment of an external director independent of the sponsor
Date of appointment: June 24, 2026 (23rd Annual Meeting of Shareholders)

(Note 1) Kyushu Electric Power Co., Ltd. (10% of total issued shares), Saibu Gas Holdings Co., Ltd. (5% of total issued shares), Kraftia Corporation (5% of total issued shares), and Kyushu Railway Company (5% of total issued shares) sold all of their holdings to Fukuoka Jisho Co., Ltd. as of June 30, 2026.
(Note 2) Concluded MOU with Fukuoka REIT Corporation and Fukuoka Realty Co., Ltd. concerning pipeline support.

Overview of the Asset Manager

Name: Fukuoka Realty Co., Ltd.
Representative: Yukitaka Ohara, President and CEO
Address: 1-2-25, Sumiyoshi, Hakata Ward, Fukuoka City
Telephone: +81-92-272-3900
Established: December 26, 2003
Capital: 200,000,000 yen

Portfolio

Investment type (based on acquisition price)

Retail	Office buildings	Others
46.0%	35.2%	18.8%

Investment area (based on acquisition price)

Fukuoka metropolitan area	Other Kyushu areas
75.1%	24.9%

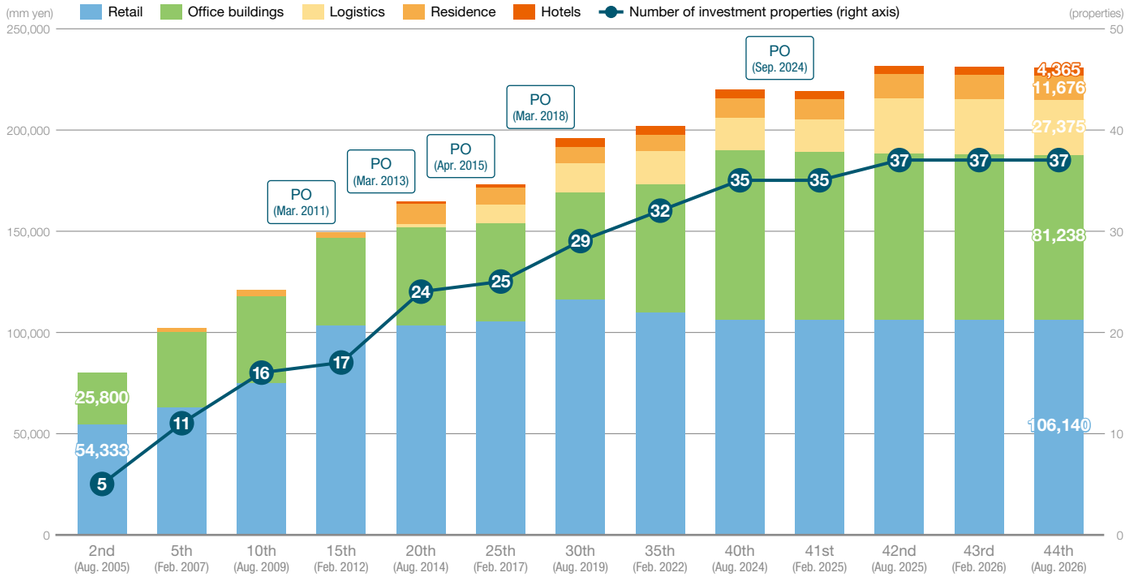
Total leasable floor space 620,894.38 m²
Occupancy rate at end of period 99.4%

*Figures are based on properties owned as of August 31, 2026.

Trend of Growth in Asset Size of FRC

◉ FRC more than doubled its asset size and diversified investment types since listing

The asset size stood at 230.7 billion yen (on an acquisition price basis) in the 44th fiscal period. FRC aims to achieve 300 billion yen, while working to dissipate risks through the portfolio as a diversified REIT.



*Properties are classified in accordance with their main use. Fukuoka Washington Hotel, which is a tenant of Canal City Hakata, is included in the Retail category.

*As the senior equity interest in a silent partnership managed by CCH Bridge Y.K. was redeemed in the 14th fiscal period, it is excluded from total acquired assets from the 14th fiscal period onward. Since interest in the silent partnership managed by Limited Liability Company FRC1 was redeemed in the 26th fiscal period, it is excluded from total acquired assets from the 26th fiscal period onward.

Future Management Policy and Dividends

◉ Future management policy

Fiscal period ending August 2027

DPU: 4,000 yen (Previous target) → Upward revision +50 yen → DPU: **4,050 yen** (Forecast)

Fiscal period ending August 2029

DPU: 4,000 yen + average annual growth rate of 3% (Previous target) → Target Aim for early achievement → DPU: **4,240 yen**

● Specific measures

Internal growth strategy

Retail properties
Implement tenant replacement strategy
Increase percentage-based rents by increasing sales

Office buildings
Capture positive rent gap through rent increase negotiations

Others
Increase rent through value improvement investment and replacement

External growth strategy

New Acquisition of Property / Property Replacement	Securing of Internal Reserves
Diversification of acquisition methods using SPCs and other approaches	Unrealized gains for the period ended August 31, 2026: 64.7 billion yen
	Replacement of properties based on portfolio strategy
LTV borrowing capacity up to 50%: 34.7 billion yen	Realization of unrealized gains
	Underpinning of dividend Utilization of internal reserves

Equity strategy

Utilization of internal Reserves	Acquisition of Own Investment Equity
	P/NAV for fiscal period ended February 28, 2026: 0.87x
	(Consider holistically)
	Acquisition of own investment equity
	Optimization of capital efficiency

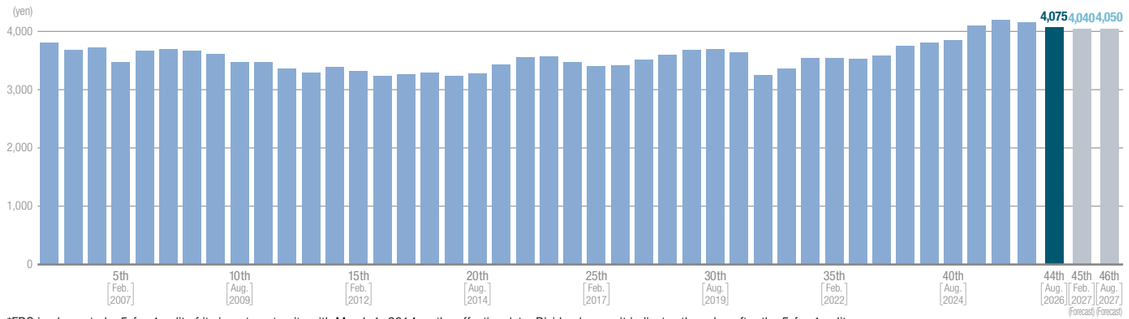
Financial Summary

◉ Financial highlights for 44th fiscal period and business forecasts for 45th and 46th fiscal periods

Category		44th Fiscal Period (March 1, 2026 to August 31, 2026) Actual	45th Fiscal Period (September 1, 2026 to February 28, 2027) Forecast	46th Fiscal Period (March 1, 2027 to August 31, 2027) Forecast
Operating revenues	mm yen	10,898	10,885	10,773
Operating expenses	mm yen	6,434	6,396	6,493
Operating income	mm yen	4,463	4,489	4,280
Ordinary income	mm yen	3,932	3,901	3,519
Profit	mm yen	3,931	3,900	3,518
Dividend per unit	yen (1)	4,075	–	–
Latest dividend forecast per unit	yen (2)	4,000	4,040	4,050
Difference from forecast	yen (1)-(2)	75	–	–
Total number of investment units outstanding (at end of period)	units	868,820	868,820	868,820

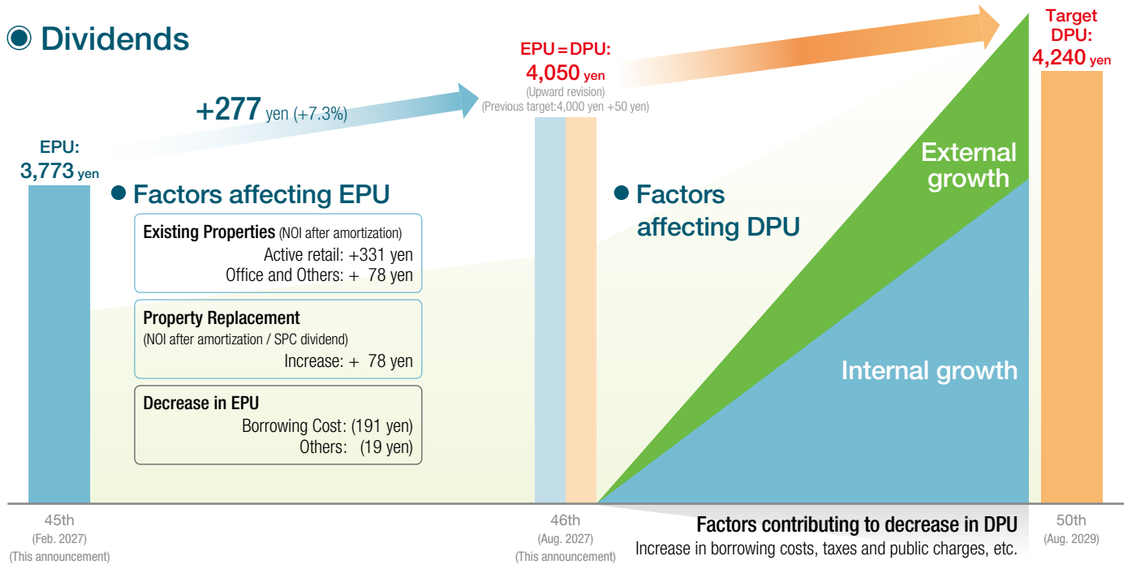
◉ Dividend performance

44th fiscal period end	August 31, 2026 (semiannual periods ending every February and August)	44th fiscal period days	184 days
44th fiscal period dividend	4,075 yen per unit	Dividend yield	4.6% {(Dividend / Days × 365) / Unit price (as of August 31, 2026)}



*FRC implemented a 5-for-1 split of its investment units with March 1, 2014 as the effective date. Dividend per unit indicates the value after the 5-for-1 split.

◉ Dividends



Portfolio Overview

Earthquake insurance coverage FRC has purchased earthquake insurance for all the properties (buildings) it owns.

1 Retail

Canal City Hakata

2 Retail

Canal City Hakata·B

3 Retail

Park Place Oita

4 Retail


SunLive City Kokura

5 Retail

Konoha Mall Hashimoto

6 Retail

Square Mall Kagoshima Usuki

7 Retail


Kumamoto Intercommunity SC

8 Retail

Hanahata SC

9 Retail

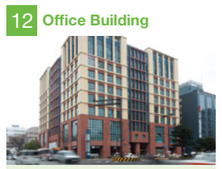
K's Denki Kagoshima

10 Retail

Marinoa City Fukuoka
(Marina Side Building)
(Land with leasehold interest)

11 Office Building

Canal City Business Center Building

12 Office Building

Gofukumachi Business Center

13 Office Building

Sanix Hakata Building

14 Office Building

Taihaku Street Business Center

15 Office Building

Higashi Hie Business Center

16 Office Building

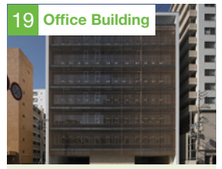
Tenjin Nishi-Dori Center Building

17 Office Building

Tenjin North Front Building
Scheduled completion of disposition on February 25, 2027

18 Office Building

Higashi Hie Business Center II

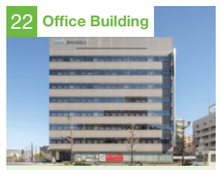
19 Office Building

Higashi Hie Business Center III

20 Office Building

Tenjin Sumitomo Life FJ Business Center
(Land with leasehold interest)

21 Office Building

Hakata Chikushi-Dori Center Building

22 Office Building

NEW Kumamoto East Front Building
Planned disposition on November 30, 2026

23 Office Building

Hakata FD Business Center

24 Others (logistics)

Tosu Logistics Center

25 Others (logistics)

LOGICITY Minato Kashii

26 Others (logistics)

LOGICITY Hisayama

27 Others (logistics)

LOGICITY Wakamiya

28 Others (logistics)

LOGICITY Kumamoto Mifune

29 Others (residence)

Amex Akasakamon Tower

30 Others (residence)

City House Keyaki Dori

31 Others (residence)

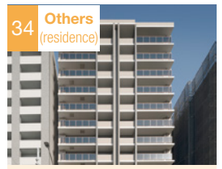
Aqualia Chihaya

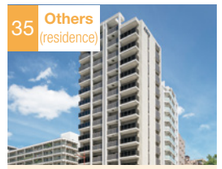
32 Others (residence)

D-Wing Tower

33 Others (residence)

Granfore Yakuin Minami

34 Others (residence)

Axion Befu-Ekimae Premium

35 Others (residence)

Axion Otemon Premium

36 Others (hotel)


Hotel FORZA Oita

37 Others (hotel)

Tissage Hotel Naha

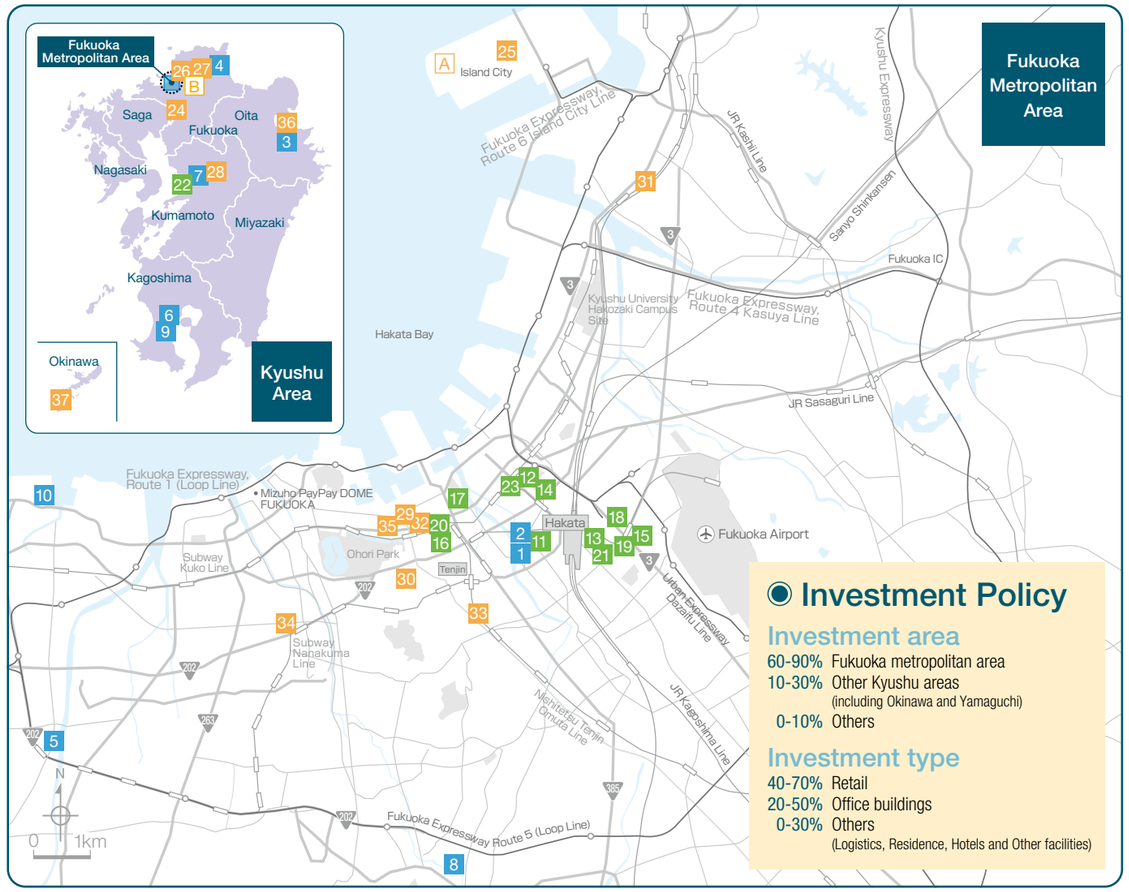
A Others (logistics)

Island City Minato Bay related site (Land with leasehold interest) (tentative)
Scheduled to be acquired on March 31, 2029.

B Others (logistics)

NEW LOGICITY Koga
Scheduled to be acquired on December 28, 2026.

Total Acquisition Price
230.7
billion yen
(as of August 31, 2026)



Investment Policy

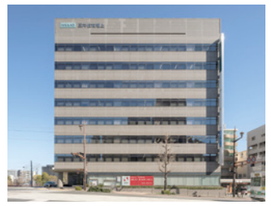
Investment area
60-90% Fukuoka metropolitan area
10-30% Other Kyushu areas
(including Okinawa and Yamaguchi)
0-10% Others

Investment type
40-70% Retail
20-50% Office buildings
0-30% Others
(Logistics, Residence, Hotels and Other facilities)

External Growth (Property Replacement) Strategy

Overview of property replacement (Note 1)

Disposition of an older office property, and external growth opportunities are acquired through the acquisition of a logistics facility and a SPC capital investment.

	Disposition	Acquisition / SPC capital investment	
	Kumamoto East Front Building	LOGICITY Koga	TORIUS
			
Address	Kumamoto City, Kumamoto	Koga City, Fukuoka	Hisayama, Kasuya County, Fukuoka
Asset type	Office building	Logistics (50% quasi co-ownership interest)	Retail (Investment in silent partnership)
Building age	32 years and 8 months	3 years and 5 months	27 years and 5 months
Appraisal value	1,500 mm yen	5,350 mm yen	12,380 mm yen
Acquisition price / Disposition price	1,509 mm yen	4,700 mm yen	10,400 mm yen (planned) (Note 2)
Investment amount	—	—	1,356 mm yen
Planned timing	November 2026	December 2026	December 2026

Property replacement

(Note 1) Property replacement includes SPC capital investment.
(Note 2) The scheduled acquisition price by the relevant SPC is stated.

Benefits of portfolio replacement

	Before replacement	After replacement	Benefits
Asset size (acquisition price)	**230.7** bn yen	**234.0** bn yen	**+3.3** bn yen
Average building age (entire portfolio)	**20** years and **11** months	**20** years and **6** months	(**5** months)
NOI after amortization + SPC dividend (Note 3)	**30** mm yen (44th fiscal period Actual)	**104** mm yen (Note 4) (46th fiscal period Forecast)	**+74** mm yen

(Note 3) Figures indicate NOI and SPC dividends for properties involved in replacement, not for the overall portfolio.
(Note 4) Includes SPC dividend of 26 million yen.

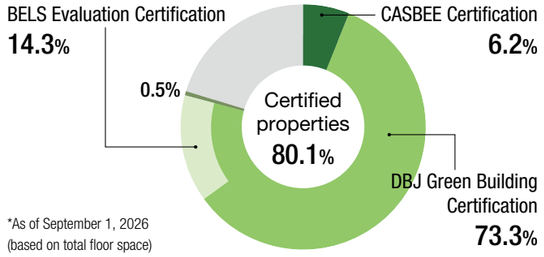
Initiatives on Sustainability

FRC is taking steps to identify materiality (important issues to address) in its sustainability initiatives based on the requests and expectations of its stakeholders and the expected impact on and importance to FRC. By promoting initiatives based on materiality policies and targets derived through cooperation with stakeholders, FRC targets sustainable growth at FRC alongside contributions toward solving social issues.

Environmental

Green Building certification

Green Building certification obtained for 80.1% of entire portfolio



*As of September 1, 2026 (based on total floor space)

Improvement of DBJ Green Building certification evaluation rank

Hakata FD Business Center

Evaluation rank raised to ★★★★ (previously ★★★)



Highly evaluated points

- Consideration paid to the convenience, comfort, and health of users
- Support for the promotion of better hygiene and health
- Improvements to facility fireproofing and security
- Contributions to CO_2 emissions reduction

Social

Creation of pleasant workplaces

Expansion of flexible workstyles
- Refresh leave system (instituted from April 1, 2025)
- Work policy (revised on October 1, 2026)
  Expansion of flexible working hour system: Abolishment of core hours (11:00 a.m. to 3:00 p.m.), etc.
  Expansion of eligibility to use shortened working hours (inclusion of employees requiring medical care for pre-existing conditions, etc.)

Measures for promoting communication among employees to ensure smoother business operations (meal subsidies)

Improvement of operational efficiency by utilizing AI

Employee engagement survey

Employee training (Instructor: CEO) and internal study groups

Expansion of eligibility to use Employee Stock Ownership Plan


Training session

Improvement of tenant engagement

Increase tenant satisfaction and achieve stable property operation by improving facility operations
- Initiatives at Canal City Hakata

Examples of improvements based on tenant satisfaction survey (Ramen Stadium)
- Increased number of rest spaces
- Newly installed separate changing rooms for men and women
- Review and revision of ingredient storage space, etc.


Break area


Men's locker room

Governance

Enrichment of Non-Financial Information Disclosures for External Evaluations

Progress on KPIs and targets is disclosed on the Fukuoka REIT Corporation website.
Information is available from the 2D barcode on the right.

Please scan the 2D barcode to access the Materiality page of the FRC website

II. Semiannual Report

Overview of Asset Management

1. Changes in operating results and financial position

Fiscal Period		(unit)	40th fiscal period (March 1, 2024 to August 31, 2024)	41st fiscal period (September 1, 2024 to February 28, 2025)	42nd fiscal period (March 1, 2025 to August 31, 2025)	43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
Operating revenues		mm yen	9,652	10,400	10,792	10,822	10,898
[Leasing business revenues]		mm yen	[9,456]	[9,410]	[9,916]	[10,180]	[10,249]
Operating expenses		mm yen	5,987	5,992	6,265	6,334	6,434
[Expenses related to leasing business]		mm yen	[5,268]	[5,235]	[5,457]	[5,538]	[5,633]
Operating income		mm yen	3,664	4,408	4,526	4,487	4,463
Ordinary income		mm yen	3,225	3,967	4,056	4,006	3,932
Profit	(a)	mm yen	3,223	3,966	4,055	4,005	3,931
Total assets	(b)	mm yen	215,083	226,966	226,809	227,423	227,404
[Change from previous period]		%	[0.3]	[5.5]	[(0.1)]	[0.3]	[(0.0)]
Interest-bearing debt	(c)	mm yen	96,350	96,350	96,350	96,350	96,350
Net assets	(d)	mm yen	102,161	113,389	113,373	113,727	114,052
[Change from previous period]		%	[0.2]	[11.0]	[(0.0)]	[0.3]	[0.3]
Unitholders' capital, net	(Note 2)	mm yen	98,938	109,264	108,764	108,764	108,764
Total number of investment units outstanding	(e)	units	796,000	872,000	868,820	868,820	868,820
Net assets per unit	(d)/(e)	yen	128,344	130,034	130,491	130,898	131,273
Total dividend	(f)	mm yen	3,064	3,571	3,651	3,606	3,540
Dividend per unit	(f)/(e)	yen	3,850	4,096	4,203	4,151	4,075
[Earnings dividend per unit]		yen	[3,850]	[4,096]	[4,203]	[4,151]	[4,075]
[Dividend in excess of earnings per unit]		yen	[–]	[–]	[–]	[–]	[–]
Ratio of ordinary income to total assets	(Note 3)	%	1.5 [3.0]	1.8 [3.6]	1.8 [3.5]	1.8 [3.6]	1.7 [3.4]
Return on net assets	(Note 3)	%	3.2 [6.3]	3.7 [7.4]	3.6 [7.1]	3.5 [7.1]	3.5 [6.8]
Ratio of net assets to total assets	(d)/(b)	%	47.5	50.0	50.0	50.0	50.2
[Change from previous period]		%	[(0.1)]	[2.5]	[0.0]	[0.0]	[0.1]
Payout ratio	(Note 3) (Note 4)	%	95.1	90.0	90.1	90.0	90.1
Ratio of interest-bearing debt to total assets at end of period (LTV)	(c)/(b)	%	44.8	42.5	42.5	42.4	42.4
[Other reference information]							
Number of investment properties (at end of period)		properties	35	35	37	37	37
Total leasable floor space (at end of period)		m^2	590,145.62	582,606.85	622,652.88	621,813.29	620,894.38
Occupancy rate (at end of period)		%	98.9	99.2	99.6	98.5	99.4
Depreciation and amortization expenses		mm yen	1,611	1,595	1,686	1,724	1,768
Capital expenditures		mm yen	986	1,611	2,419	1,040	2,429
Leasing NOI	(Note 3)	mm yen	5,800	5,770	6,145	6,367	6,384
Days in fiscal period		days	184	181	184	181	184
FFO (Funds from Operation)	(g)(Note 3)	mm yen	4,639	4,571	4,866	5,091	5,056
FFO per unit	(g)/(e)	yen	5,828	5,242	5,601	5,860	5,819

(Note 1) In the above table, monetary amounts are rounded down to the nearest specified unit and percentage figures are rounded off to one decimal place. The same shall apply hereafter.

(Note 2) The amount obtained by deducting deduction from unitholders' capital from unitholders' capital is indicated.

(Note 3) The indicators are calculated by using the following methods. Furthermore, the figures in square brackets represent annualized value based on the number of days in each fiscal period.

Ratio of ordinary income to total assets	Ordinary income / average total assets Average total assets = (Total assets at beginning of period + total assets at end of period) / 2
Return on net assets	Profit / average net assets Average net assets = (Net assets at beginning of period + net assets at end of period) / 2
Payout ratio	Dividend per unit (excluding dividend in excess of earnings) / profit per unit Profit per unit = Profit / total number of investment units outstanding In the case of the 41st fiscal period and 42nd fiscal period: Total dividend (excluding dividend in excess of earnings) / profit × 100
Leasing NOI	Leasing business revenues – expenses related to leasing business + depreciation and amortization expenses
FFO (Funds from Operation)	Profit + depreciation and amortization expenses + impairment loss - gain or loss on sales of real estate property

Overview of Asset Management

(Note 4) For the 40th fiscal period, 41st fiscal period, 42nd fiscal period, 43rd fiscal period and 44th fiscal period, FRC decided to distribute almost the entire amount of unappropriated surplus remaining after deducting the provision of reserve for tax purpose reduction entry stipulated in Article 65-7 of the "Act on Special Measures Concerning Taxation" (Act No. 26 in 1957 including later revisions, hereinafter the "Special Taxation Measures Act") as earnings dividend, resulting in total dividend of 3,064 million yen for the 40th fiscal period, 3,571 million yen for the 41st fiscal period, 3,651 million yen for the 42nd fiscal period, 3,606 million yen for the 43rd fiscal period and 3,540 million yen for the 44th fiscal period. The payout ratio factoring for this provision of reserve for tax purpose reduction entry is 100.0%.

2. Management assessment

(1) Brief history of the investment corporation

Based on the "Act on Investment Trusts and Investment Corporations" (Act No. 198 in 1951 including later revisions, hereinafter the "Investment Trusts Act"), FRC was established on July 2, 2004 as Japan's first real estate investment trust specializing in regional properties, investing in real estate throughout Kyushu (including Okinawa) and Yamaguchi Prefecture, with a central focus on Fukuoka (hereinafter the "Fukuoka and Kyushu areas") by using its strength of expertise in regional characteristics, a feature in the real estate industry. FRC started asset management activities on November 9, 2004 after acquisition of four properties comprising retail properties and an office building, and listed on the Tokyo Stock Exchange, Inc. (TSE) and the Fukuoka Stock Exchange on June 21, 2005 (code number: 8968).

As of the end of the 44th fiscal period (August 31, 2026), FRC manages a total of 37 properties (including co-ownership interest in real estate trust beneficiary interest, excluding silent partnership equity interest and including land with leasehold interest for retail/office property) comprising 10 Retail, 13 Office buildings, and 14 Others.

(2) Investment environment and portfolio performance

During the fiscal period under review (the 44th fiscal period), the Japanese economy showed a mild recovery. Looking to the future, improvements in the employment and income environment and the effects of various policies are expected to support a moderate recovery, but attention should be paid to the impacts of the situation in the Middle East and natural disasters as well as the impacts of changes in the financial and capital markets, etc.

In the Fukuoka and Kyushu area, the core investment target area for FRC, personal consumption is recovering moderately although it remains weak in some areas. As for production activity, the production of general-purpose and production machinery is gradually picking up due to strong investment demand for automation and labor saving, while that of electronic parts and devices is also gradually picking up due to the partial recovery in demand. The pace of pick-up in the employment situation is becoming moderate. Although the active job openings-to-applicants ratio remains generally flat, it is currently declining, and the number of new job openings continues to decrease year-on-year. However, companies continue to feel a labor shortage.

As for land price trends, according to the 2026 Prefectural Land Price Survey, the combined average price for residential and commercial land as well as residential land price and commercial land price increased for the fifth consecutive year, respectively, on a national basis, with the range of increase expanding for commercial land. Meanwhile, in Fukuoka City, the central area of FRC's investment targets, land prices rose 8.1% year-on-year for commercial land and 5.5% year-on-year for residential land.

Under such circumstances, FRC's portfolio as a whole achieved generally solid performance in the 44th fiscal period. Among them, Canal City Hakata, a city-center retail property, continued to see the effects of the inbound tourism from Asia.

In the 44th fiscal period, FRC disposed of 16% co-ownership interest in Tenjin North Front Building on August 27, 2026.

When analyzing FRC's portfolio (on an acquisition price basis) as of the end of the 44th fiscal period by investment target area, the investment ratio in the Fukuoka urban area accounted for 75.1%; when analyzing by property type, Retail, Office buildings, and Others accounted for 46.0%, 35.2% and 18.8%, respectively.

Fukuoka Realty Co., Ltd. to which FRC entrusts its asset management (the Asset Manager) has established the Sustainability Policy and Regulations Concerning Sustainability Management to promote sustainability through environmental, social and governance (ESG) considerations. As of the end of the 44th fiscal period, the ratio of acquisition of external certifications, namely, DBJ Green Building Certification, CASBEE Certification for Real Estate and BELS Certification, was 80.1% against the 2030 target of 85% or more.

Overview of Asset Management

(3) Summary of fundraising

In the 44th fiscal period, FRC conducted refinancing of 6,600 million yen, resulting in the balance of interest-bearing debt outstanding (including investment corporation bonds) at the end of the period totaling 96,350 million yen. The loan-to-value ratio (ratio of interest-bearing debt (including investment corporation bonds) to total assets) was 42.4% and the ratio of fixed-interest rate debt (ratio of fixed-interest rate debt (including investment corporation bonds) to total interest-bearing debt) stood at 83.1% at the end of the 44th fiscal period. While endeavoring to reduce refinancing risks by dispersing debt repayment dates and other measures, FRC will investigate minimizing the possible increase in financing costs in accordance with higher interest rates, including shortening of financing periods.

Moreover, the credit ratings assigned to FRC as of the end of the 44th fiscal period are as follows:

Credit Rating Agency	Rating Type	Rating	Rating Outlook
Japan Credit Rating Agency, Ltd. (JCR)	Long-term Issuer Rating	AA–	Stable
Rating and Investment Information, Inc. (R&I)	Issuer Rating	A+	Stable

(4) Summary of performance and dividend

As a result of these management efforts, operating revenues totaled 10,898 million yen and operating income after excluding operating expenses such as expenses related to leasing business and asset management fees totaled 4,463 million yen. Ordinary income was 3,932 million yen and profit amounted to 3,931 million yen. With respect to the dividend, FRC decided to distribute almost the entire amount of unappropriated surplus remaining after deducting the provision of reserve for tax purpose reduction entry stipulated in Article 65-7 of the Special Taxation Measures Act as earnings dividend, resulting in dividend per unit of 4,075 yen.

3. Change in the number of investment units issued

Changes in unitholders' capital from the incorporation of FRC to the end of the 44th fiscal period are as follows:

Date	Item	Number of investment units issued (units)		Unitholders' capital (mm of yen) (Note 14)		Remarks
		Increase	Balance	Increase	Balance	
July 2, 2004	Established through private placement	250	250	125	125	(Note 1)
November 8, 2004	Additional issue of investment units through private offering	82,800	83,050	41,400	41,525	(Note 2)
June 20, 2005	Additional issue of new investment units through public offering	7,000	90,050	5,944	47,469	(Note 3)
July 21, 2005	Additional issue of new investment units through third-party allotment	2,000	92,050	1,698	49,167	(Note 4)
September 7, 2006	Additional issue of new investment units through public offering	15,000	107,050	11,096	60,264	(Note 5)
March 1, 2011	Additional issue of new investment units through public offering	16,000	123,050	8,913	69,177	(Note 6)
March 1, 2013	Additional issue of new investment units through public offering	14,950	138,000	10,263	79,441	(Note 7)
March 1, 2014	Split of investment units	552,000	690,000	–	79,441	(Note 8)
April 27, 2015	Additional issue of new investment units through public offering	57,000	747,000	11,701	91,142	(Note 9)
March 1, 2018	Additional issue of new investment units through public offering	49,000	796,000	7,795	98,938	(Note 10)
September 10, 2024	Additional issue of new investment units through public offering	72,400	868,400	9,836	108,775	(Note 11)
October 8, 2024	Additional issue of new investment units through third-party allotment	3,600	872,000	489	109,264	(Note 12)
July 31, 2025	Cancellation	(3,180)	868,820	(499)	108,764	(Note 13)

(Note 1) FRC was established with an issue of investment units at 500,000 yen per unit.
(Note 2) New investment units were issued through private offering at the issue price of 500,000 yen per unit for the purpose of procuring funds for acquiring new properties, etc.
(Note 3) New investment units were issued through public offering at the issue price of 880,000 yen per unit (purchase price of 849,200 yen) for the purpose of procuring funds for acquiring new properties, etc.
(Note 4) New investment units were issued through third-party allotment at the purchase price of 849,200 yen per unit.
(Note 5) New investment units were issued through public offering at the issue price of 766,360 yen per unit (purchase price of 739,772 yen) for the purpose of procuring funds for acquiring new properties, etc.
(Note 6) New investment units were issued through public offering at the issue price of 576,083 yen per unit (purchase price of 557,078 yen) for the purpose of procuring funds for acquiring new properties, etc.
(Note 7) New investment units were issued through public offering at the issue price of 710,580 yen per unit (purchase price of 686,529 yen) for the purpose of procuring funds for acquiring new properties, etc.
(Note 8) FRC implemented a 5-for-1 split of its investment units.
(Note 9) New investment units were issued through public offering at the issue price of 212,257 yen per unit (purchase price of 205,290 yen) for the purpose of procuring funds for acquiring new properties, etc.
(Note 10) New investment units were issued through public offering at the issue price of 164,414 yen per unit (purchase price of 159,102 yen) for the purpose of procuring funds for acquiring new properties, etc.
(Note 11) New investment units were issued through public offering at the issue price of 140,400 yen per unit (purchase price of 135,864 yen) for the purpose of procuring funds for acquiring new properties, etc.
(Note 12) Along with the public offering, new investment units were issued through third-party allotment with SMBC Nikko Securities Inc. as the allottee at the purchase price of 135,864 yen per unit for the purpose of procuring funds for acquiring new properties, etc.

Overview of Asset Management

(Note 13) From April 17, 2025 to May 21, 2025, FRC acquired own investment units through market purchases on the Tokyo Stock Exchange pursuant to a purchase contract with a securities company for the acquisition of own investment units. FRC cancelled all of the acquired investment units on July 31, 2025, based on the resolution at its Board of Directors meeting held on April 16, 2025.
(Note 14) No consideration has been given to the change in unitholders' capital due to distribution of dividend in excess of earnings that came from reserve for temporary difference adjustments. The same shall apply hereafter.

[Changes in market price of investment certificates]

The highest and lowest (closing price) market prices on the Real Estate Investment Trust Section of the TSE, on which FRC's investment certificates are listed, in each fiscal period are as follows:

Fiscal period	40th fiscal period (March 1, 2024 to August 31, 2024)	41st fiscal period (September 1, 2024 to February 28, 2025)	42nd fiscal period (March 1, 2025 to August 31, 2025)	43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
Highest	176,000 yen	150,400 yen	188,600 yen	193,800 yen	185,200 yen
Lowest	147,800 yen	139,600 yen	141,600 yen	179,400 yen	168,000 yen

4. Results of dividend, etc.

With respect to the dividend for the 44th fiscal period, FRC decided to distribute almost the entire amount of unappropriated surplus after deducting the provision of reserve for reduction entry as stipulated in Article 65-7 of the Special Taxation Measures Act, resulting in dividend per unit of 4,075 yen.

(thousands of yen)

Fiscal period	40th fiscal period (March 1, 2024 to August 31, 2024)	41st fiscal period (September 1, 2024 to February 28, 2025)	42nd fiscal period (March 1, 2025 to August 31, 2025)	43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
Profit	3,223,043	3,966,821	4,055,095	4,005,704	3,931,967
Unappropriated surplus	3,223,195	3,968,416	4,055,100	4,005,754	3,931,970
Undistributed earnings	158,595	396,704	403,449	399,282	391,528
Total dividends [Dividend per unit]	3,064,600 [3,850 yen]	3,571,712 [4,096 yen]	3,651,650 [4,203 yen]	3,606,471 [4,151 yen]	3,540,441 [4,075 yen]
Earnings dividends [Earnings dividend per unit]	3,064,600 [3,850 yen]	3,571,712 [4,096 yen]	3,651,650 [4,203 yen]	3,606,471 [4,151 yen]	3,540,441 [4,075 yen]
Contribution refund [Contribution refund per unit]	– [–]	– [–]	– [–]	– [–]	– [–]
Of the contribution refund, distribution of the reserve for temporary difference adjustments (Of the contribution refund per unit, distribution per unit of the reserve for temporary difference adjustments)	– [–]	– [–]	– [–]	– [–]	– [–]
Of the contribution refund, distribution through the reduction in unitholders' capital for tax purposes (Of the contribution refund per unit, distribution per unit through the reduction in unitholders' capital for tax purposes)	– [–]	– [–]	– [–]	– [–]	– [–]

5. Future portfolio management policy and vital issues

FRC will further reinforce management and leasing capabilities by cooperating with property management companies including sponsor companies, and secure and maintain the stable operation of the properties by making full use of its 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 metropolitan area since the Fukuoka metropolitan area is expected to have a high population growth rate in the future. In addition to the Fukuoka metropolitan 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 make adequate use of its strengths, such as its local information gathering ability, knowledge of local land, and network with its sponsors and other local business community and governments, to acquire high-quality properties so that investors can continue to invest with assurance.

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

Overview of Asset Management

6. Significant events that have occurred after the end of the 44th fiscal period

No relevant items.

(Reference information)

Disposition of asset

FRC plans to dispose of the following real estate trust beneficiary interest based on a sales agreement entered into on August 28, 2024.

Type of asset disposed	Property name	Use	Location	Buyer	Disposition price (planned)	Planned disposition date
Real estate trust beneficiary interest	Tenjin North Front Building	Office	4-20, 4-chome, Tenjin, Chuo Ward, Fukuoka City	ORIX JREIT Inc.	6,350 mm yen (Note 1) FRC plans to dispose of the property in six phases (in the form of co-ownership interest (5% co-ownership interest, 25% co-ownership interest, 22% co-ownership interest, 16% co-ownership interest,16% co-ownership interest, and 16% co-ownership interest), and the disposition price (planned) on each disposition date (scheduled) are as follows. 1st: 317.5 mm yen (5% co-ownership interest of the real estate trust beneficiary interest) 2nd: 1,587.5 mm yen (25% co-ownership interest of the real estate trust beneficiary interest) 3rd: 1,397 mm yen (22% co-ownership interest of the real estate trust beneficiary interest) 4th: 1,016 mm yen (16% co-ownership interest of the real estate trust beneficiary interest) 5th: 1,016 mm yen (16% co-ownership interest of the real estate trust beneficiary interest) 6th: 1,016 mm yen (16% co-ownership interest of the real estate trust beneficiary interest)	6th (16% co-ownership interest) February 25, 2027 (Note 2)

(Note 1) Disposition price (planned) does not include disposition expenses, the amount equivalent to the settlement of property taxes and city planning taxes, etc. and consumption taxes.
(Note 2) 1st disposition (5% co-ownership interest) took place on August 29, 2024, 2nd disposition (25% co-ownership interest) on February 27, 2025, 3rd disposition (22% co-ownership interest) on August 28, 2025, 4th disposition (16% co-ownership interest) on February 26, 2026, and 5th disposition (16% co-ownership interest) on August 27, 2026.

FRC entered into a sales agreement for the disposition of real estate on October 30, 2026.

Type of asset to be disposed	Property name	Use	Location	Buyer	Planned disposition price	Planned disposition date
Real estate	Kumamoto East Front Building	Office	5-15, 1-chome, Shinyashiki, Chuo Ward, Kumamoto City	Not disclosed (Note 1)	1,509 mm yen (Note 2)	November 30, 2026

(Note 1) The buyer is a domestic operating company. However, the name is not disclosed as consent for disclosure has not been obtained from the said buyer. The buyer does not fall under the category of a related party of FRC or Fukuoka Realty Co., Ltd., which is the asset management company.
(Note 2) Planned disposition price does not include disposition expenses, the amount equivalent to the settlement of property taxes and city planning taxes, etc. and consumption taxes.

Overview of Asset Management

Acquisition of assets

FRC entered into a sales agreement for the acquisition of real estate trust beneficiary interest on October 20, 2026.

Type of asset to be acquired	Property name	Use	Location	Seller	Planned acquisition price	Planned acquisition date
Real estate trust beneficiary interest (50% co-ownership interest)	LOGICITY Koga	Logistics	105-36, Aoyagi-machi, Koga City, Fukuoka Prefecture	FJ Private REIT Corporation	4,700 mm yen (Note 1)	December 28, 2026

(Note 1) Planned acquisition price does not include acquisition expenses, the amount equivalent to the settlement of property taxes and city planning taxes, etc. and consumption taxes.
(Note 2) The trust beneficiary interest purchase and sale agreement for the acquisition of the asset to be acquired constitutes a forward commitment, etc. (meaning a purchase and sale agreement providing for settlement and delivery of the property at least one month after the execution of the agreement, or any other similar agreement. The same shall apply hereafter.)

FRC entered into a silent partnership investment agreement for the investment in silent partnership equity interests backed primarily by real estate trust beneficiary interests on October 23, 2026.

Type of asset to be acquired	Property name	Investee	Investment amount	Date of investment payment
Silent partnership interest backed primarily by real estate trust beneficiary interests	Limited Liability Company FRC3 silent partnership equity interests	Limited Liability Company FRC3	1,356 mm yen (Note 1)	December 14, 2026

(Note 1) Planned acquisition price does not include acquisition expenses and consumption taxes.
(Note 2) The silent partnership investment agreement for the acquisition of the asset to be acquired does not constitute a forward commitment, etc., but will be treated in the same manner as such a commitment.

The asset management company decided to enter into a sales agreement regarding the acquisition of real estate trust beneficiary interests on November 27, 2026.

Type of asset to be acquired	Property name	Use	Location	Seller	Planned date of conclusion of agreement	Planned acquisition price	Planned acquisition date
Real estate trust beneficiary interest	Maizuru Office Building (Land with leasehold interest)	Office	2-chome, Maizuru, Chuo Ward, Fukuoka City	Not disclosed (Note 1)	December 4, 2026	9,500 mm yen (Note 2)	December 22, 2026

(Note 1) The name of the seller is not disclosed as no consent to disclosure has been obtained from the seller.
(Note 2) Planned acquisition price does not include acquisition expenses, the amount equivalent to the settlement of property taxes and city planning taxes, etc. and consumption taxes.

The asset management company entered into a preferred equity subscription agreement for the acquisition of preferred equity securities of a special purpose company backed primarily by real estate trust beneficiary interests on November 27, 2026.

Type of asset to be acquired	Underlying property name	Investee	Investment amount	Date of investment payment
Preferred equity securities of KIC Tosu TMK	JAIC Tosu FLEX Cold Logistics Center	KIC Tosu TMK	Total: 505 mm yen 1st: 252.5 mm yen 2nd: 138.2 mm yen 3rd: 114.3 mm yen	1st: December 3, 2026 2nd: September 8, 2027 3rd: June 13, 2028

Overview of the Investment Corporation

1. Summary of unitholders' capital

Fiscal period	40th fiscal period as of August 31, 2024	41st fiscal period as of February 28, 2025	42nd fiscal period as of August 31, 2025	43rd fiscal period as of February 28, 2026	44th fiscal period as of August 31, 2026
Total number of authorized investment units	10,000,000 units	10,000,000 units	10,000,000 units	10,000,000 units	10,000,000 units
Total number of investment units outstanding	796,000 units	872,000 units	868,820 units	868,820 units	868,820 units
Number of unitholders	14,616	16,839	15,973	15,398	14,898

2. Matters related to investment units

The following table sets forth the major unitholders of FRC as of August 31, 2026.

Name	Investment units held (units)	Percentage of total number of investment units outstanding (%) (Note)
Custody Bank of Japan, Ltd. (Trust account)	205,180	23.61
The Master Trust Bank of Japan, Ltd. (Trust account)	108,099	12.44
Fukuoka Jisho Co., Ltd.	103,706	11.93
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	38,820	4.46
JAPAN ACTIVE VALUE FUND ONE HOLDINGS LTD.	27,729	3.19
BNP PARIBAS FINANCIAL MARKETS	13,758	1.58
STATE STREET BANK AND TRUST COMPANY 505001	11,197	1.28
JP MORGAN CHASE BANK 385781	11,102	1.27
MetLife, Inc.	9,408	1.08
Shikoku Railway Company	9,130	1.05
Total	538,129	61.93

(Note) Percentage of total number of investment units outstanding is rounded down to the nearest specified unit.

3. Matters related to directors

(1) The names of FRC's directors, etc. and their fees for the 44th fiscal period are as follows:

Title	Name of directors, etc.	Major concurrent assignments	Total fee for each title for the 44th fiscal period (thousands of yen) (Note 3)
Executive Director	Yukitaka Ohara	President and CEO, Fukuoka Realty Co., Ltd.	–
Supervisory Directors	Masahiro Uchida	Head, Uchida Masahiro Certified Public Accountant Office	3,600
	Takashi Tanabe	Representative attorney at law at Tanabe Law Office	
Independent Auditor	PricewaterhouseCoopers Japan LLC	–	10,000

(Note 1) Yukitaka Ohara, the Executive Director, possesses 56 investment units of FRC under his own name. The Supervisory Directors do not possess investment units of FRC under their own name or under another person's name. Although there are cases where the Supervisory Directors may be directors of companies other than those stated above, none of the companies or those stated above have vested interest in FRC.

(Note 2) Appointments of Executive Director and Supervisory Directors of FRC due to the expiration of their terms of office were made at the 12th General Meeting of Unitholders held on May 21, 2026. Yukitaka Ohara was appointed (reappointed) as Executive Director on May 29, 2026 and Masahiro Uchida and Takashi Tanabe were appointed (both reappointed) as Supervisory Director on May 29, 2026.

(Note 3) The fees for the Executive Director and Supervisory Directors are the amounts paid to them in the 44th fiscal period, and the fee to the Independent Auditor is the amount payable to it for audits pertaining to the 44th fiscal period. Aside from the above, 5,650 thousand yen was paid to parties who belong to the same network as the Independent Auditor based on their non-audit services.

(2) Policy on deciding to dismiss and not to reappoint the Independent Auditor

FRC will review at its Board of Directors meetings decisions regarding the dismissal of the Independent Auditor in accordance with the provisions of the Investment Trusts Act, and review decisions not to reappoint the Independent Auditor following the comprehensive consideration of the audit quality, audit fee and other various conditions.

II. Semiannual Report

Overview of the Investment Corporation

4. Matters concerning directors and officers liability insurance agreement

FRC has entered into a directors and officers liability insurance agreement as follows:

Scope of the insured	Overview of agreement
Executive Director and Supervisory Directors	[Overview of insured event covered by the insurance] The directors and officers liability insurance agreement covers such losses as compensation payment and dispute costs to be borne by the insured when they receive a claim for compensation for the actions they have taken based on their positions at FRC. [Measures to ensure the appropriateness of the execution of duties] When the insured suffer damages by actions which they executed while recognizing that it may constitute criminal act or violate the laws and regulations, the loss is not subject of the protection.

5. Names of asset management company, asset custodian and general administrators as of the end of the 44th fiscal period

The following table sets forth the asset management company, asset custodian and general administrators of FRC as of August 31, 2026.

Category of entrustment	Name
Asset Management Company	Fukuoka Realty Co., Ltd.
Asset Custodian	Mitsubishi UFJ Trust and Banking Corporation
General Administrator (accounting matters, etc.)	Mitsubishi UFJ Trust and Banking Corporation
General Administrator (administration of unitholders' list)	Sumitomo Mitsui Trust Bank, Limited
General Administrator (administration of investment corporation bonds registry)	Sumitomo Mitsui Banking Corporation
General Administrator (administration of investment corporation bonds registry)	Mizuho Bank, Ltd.

Status of FRC's Assets under Management

1. FRC's asset structure

Type of asset	Use	Area (Note 1)	43rd fiscal period as of February 28, 2026		44th fiscal period as of August 31, 2026	
			Total value of properties owned (mm of yen) (Note 2)	Percentage of total assets (%) (Note 3)	Total value of properties owned (mm of yen) (Note 2)	Percentage of total assets (%) (Note 3)
Real estate	Retail	Fukuoka metropolitan area	–	–	–	–
		Other Kyushu areas	–	–	–	–
	Office buildings	Fukuoka metropolitan area	–	–	–	–
		Other Kyushu areas	1,498	0.7	1,495	0.7
	Others	Fukuoka metropolitan area	–	–	–	–
		Other Kyushu areas	2,200	1.0	2,185	1.0
Real estate trust beneficiary interest	Retail	Fukuoka metropolitan area	66,683	29.3	67,139	29.5
		Other Kyushu areas	33,698	14.8	33,445	14.7
	Office buildings	Fukuoka metropolitan area	71,075	31.3	71,376	31.4
		Other Kyushu areas	–	–	–	–
	Others	Fukuoka metropolitan area	22,725	10.0	22,647	10.0
		Other Kyushu areas	16,382	7.2	16,300	7.2
Silent partnership equity interest (Note 4)			167	0.1	167	0.1
Deposits and other assets			12,992	5.7	12,645	5.6
Total amount of assets (Note 5)			227,423 [214,472]	100.0 [94.3]	227,404 [214,791]	100.0 [94.5]

(Note 1) "Fukuoka metropolitan 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 2020 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 metropolitan area).
(Note 2) "Total value of properties owned" is based on the value on the balance sheet (the value of real estate and real estate trust beneficiary interest 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) As for the silent partnership equity interest, investment is made in a silent partnership with Limited Liability Company FRC2 as the operator.
(Note 5) Figures in square brackets for "Total amount of assets" refer to the value and percentage of real estate owned in effect to the total amount of assets.

2. Major assets owned by FRC

The following is an overview of the major assets (top ten properties on a book value basis) owned by FRC as of August 31, 2026.

Real estate property name (Note 1)	Book value (mm of yen)	Total leasable floor space (m^2)	Total leased floor space (m^2)	Occupancy rate (%) (Note 2)	Percentage of total leasing business revenues (%) (Note 3)	Main use
Canal City Hakata	29,889	48,090.11	48,090.11	100.0	12.1	Retail
Canal City Hakata·B	22,132	30,516.78	30,030.63	98.4	12.7	Retail
Park Place Oita	19,590	121,184.87	120,783.06	99.7	11.5	Retail
Hakata FD Business Center (Note 4)	13,727	12,102.05	12,102.05	100.0	4.3	Office buildings
Canal City Business Center Building	13,071	23,039.49	22,694.01	98.5	6.3	Office buildings
LOGICITY Kumamoto Mifune	11,272	39,895.59	39,895.59	100.0	Undisclosed (Note 5)	Others
Konoha Mall Hashimoto	9,677	22,190.81	22,142.21	99.8	9.0	Retail
Gofukumachi Business Center	9,236	19,905.34	19,800.77	99.5	6.0	Office buildings
Tenjin Sumitomo Life FJ Business Center (Land with leasehold interest)	7,754	1,343.51 (Note 6)	1,343.51	100.0	1.6	Office buildings
LOGICITY Minato Kashii	7,474	43,233.72	43,233.72	100.0	Undisclosed (Note 5)	Others
Total	143,827	361,502.27	360,115.66	99.6	–	–

(Note 1) The properties listed above are owned in the form of trust beneficiary interest.
(Note 2) "Occupancy rate" refers to the percentage of leased floor space to leasable floor space and the figures are rounded off to one decimal place.
(Note 3) "Percentage of total leasing business revenues" is rounded off to one decimal place.
(Note 4) The asset is the beneficiary interest in trust for the 77% co-ownership interest in the building and the land (part of the building's leasehold land; so-called "partial ownership"). The figures reflecting the percentage of ownership interest are indicated. The same shall apply hereafter.
(Note 5) The figures are not disclosed as no consent to disclosure has been obtained from the tenants.
(Note 6) "Total leasable floor space" indicates the land area recorded in the real estate registry. The same shall apply hereafter.

Status of FRC's Assets under Management

3. Details of real estate properties in the portfolio

The following table provides details of the real estate properties owned by FRC as of August 31, 2026.

Real estate property name	Location	Form of ownership	Total leasable floor space (m^2)	Period-end appraisal value (mm of yen) (Note 1)	Book value at end of period (mm of yen)	Real estate appraiser
Canal City Hakata	2-22, 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City	Trust beneficiary interest	48,090.11	30,500	29,889	Tanizawa Sogo Appraisal Co., Ltd.
Canal City Hakata·B	2-1, 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City	Trust beneficiary interest	30,516.78	22,800	22,132	Tanizawa Sogo Appraisal Co., Ltd.
Park Place Oita	1, 2-chome, Koen Dori Nishi, Oita City, Oita	Trust beneficiary interest	121,184.87	20,400	19,590	Japan Real Estate Institute
SunLive City Kokura	14-1, 2-chome, Kami Kuzuhara, Kokura Minami Ward, Kitakyushu City	Trust beneficiary interest	61,450.22	8,670	5,234	Japan Real Estate Institute
Konoha Mall Hashimoto	27-2, 2-chome, Hashimoto, Nishi Ward, Fukuoka City	Trust beneficiary interest	22,190.81	11,100	9,677	Tanizawa Sogo Appraisal Co., Ltd.
Square Mall Kagoshima Usuki	2-18, 2-chome, Usuki, Kagoshima City, Kagoshima	Trust beneficiary interest	14,602.88	5,460	4,046	Japan Real Estate Institute
Kumamoto Intercommunity SC	1-5, 1-chome, Kozono, Higashi Ward, Kumamoto City	Trust beneficiary interest	6,968.66	2,860	1,848	Japan Real Estate Institute
Hanahata SC	9-12, 4-chome, Hanahata, Minami Ward, Fukuoka City	Trust beneficiary interest	2,801.15	1,270	946	Tanizawa Sogo Appraisal Co., Ltd.
K's Denki Kagoshima	4-12, Tokai-cho, Kagoshima City, Kagoshima	Trust beneficiary interest	7,296.17	3,630	2,725	Tanizawa Sogo Appraisal Co., Ltd.
Marinoa City Fukuoka (Marina Side Building) (Land with leasehold interest)	12-30, 2-chome, Odo, Nishi Ward, Fukuoka City	Trust beneficiary interest	26,846.74	4,470	4,494	Tanizawa Sogo Appraisal Co., Ltd.
Retail subtotal:			341,948.39	111,160	100,584	
Canal City Business Center Building	2-25, 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City	Trust beneficiary interest	23,039.49	20,200	13,071	Tanizawa Sogo Appraisal Co., Ltd.
Gofukumachi Business Center	10-10, Kami Gofukumachi, Hakata Ward, Fukuoka City	Trust beneficiary interest	19,905.34	17,600	9,236	Tanizawa Sogo Appraisal Co., Ltd.
Sanix Hakata Building	1-23, 2-chome, Hakataeki Higashi, Hakata Ward, Fukuoka City	Trust beneficiary interest	6,293.76	7,730	3,606	Japan Real Estate Institute
Taihaku Street Business Center	3-21 Gokushomachi, Hakata Ward, Fukuoka City	Trust beneficiary interest	14,677.35	11,300	5,532	Japan Real Estate Institute
Higashi Hie Business Center	1-2, 3-chome, Higashi Hie, Hakata Ward, Fukuoka City	Trust beneficiary interest	13,482.02	10,500	4,266	Tanizawa Sogo Appraisal Co., Ltd.
Tenjin Nishi-Dori Center Building	5-28, 2-chome, Tenjin, Chuo Ward, Fukuoka City	Trust beneficiary interest	3,339.32	3,620	2,595	Japan Real Estate Institute
Tenjin North Front Building (Note 2)	4-20, 4-chome, Tenjin, Chuo Ward, Fukuoka City	Trust beneficiary interest	840.39	873	341	Japan Real Estate Institute
Higashi Hie Business Center II	5-13, 1-chome, Higashi Hie, Hakata Ward, Fukuoka City	Trust beneficiary interest	6,214.77	5,090	3,627	Tanizawa Sogo Appraisal Co., Ltd.
Higashi Hie Business Center III	45, 4-chome, Higashi Hie, Hakata Ward, Fukuoka City	Trust beneficiary interest	2,981.16	3,500	3,073	Tanizawa Sogo Appraisal Co., Ltd.
Tenjin Sumitomo Life FJ Business Center (Land with leasehold interest)	149, 2-chome, Tenjin, Chuo Ward, Fukuoka City	Trust beneficiary interest	1,343.51	9,250	7,754	Japan Real Estate Institute
Hakata Chikushi-Dori Center Building	1-9, 2-chome, Hakataekiminami, Hakata Ward, Fukuoka City	Trust beneficiary interest	5,994.42	4,610	4,542	Tanizawa Sogo Appraisal Co., Ltd.
Kumamoto East Front Building	5-15, 1-chome, Shinyashiki, Chuo Ward, Kumamoto City	Real estate	3,114.07	1,500	1,495	Tanizawa Sogo Appraisal Co., Ltd.
Hakata FD Business Center	2-1 Tsunabamachi, Hakata Ward, Fukuoka City	Trust beneficiary interest	12,102.05	16,700	13,727	Japan Real Estate Institute
Office buildings subtotal:			113,327.65	112,473	72,872	
Amex Akasakamon Tower	4-23, 2-chome, Maizuru, Chuo Ward, Fukuoka City	Trust beneficiary interest	4,821.25	2,560	1,567	Daiwa Real Estate Appraisal Co., Ltd.
City House Keyaki Dori	16-21, 2-chome, Kego, Chuo Ward, Fukuoka City	Trust beneficiary interest	2,710.86	1,420	821	Daiwa Real Estate Appraisal Co., Ltd.
Aqualia Chihaya	3-12, 4-chome, Chihaya, Higashi Ward, Fukuoka City	Trust beneficiary interest	5,619.69	2,440	1,120	Japan Real Estate Institute

Status of FRC's Assets under Management

Real estate property name	Location	Form of ownership	Total leasable floor space (m²)	Period-end appraisal value (mm of yen) (Note 1)	Book value at end of period (mm of yen)	Real estate appraiser
D-Wing Tower	10-38, 2-chome, Daimyo, Chuo Ward, Fukuoka City	Trust beneficiary interest	7,187.59	4,800	2,675	Tanizawa Sogo Appraisal Co., Ltd.
Granfore Yakuin Minami	11-20, 1-chome, Hirao, Chuo Ward, Fukuoka City	Trust beneficiary interest	2,496.06	1,700	1,092	Tanizawa Sogo Appraisal Co., Ltd.
Axion Befu-Ekimae Premium	296-1, 3-chome, Befu, Jonan Ward, Fukuoka City	Trust beneficiary interest	1,937.33	1,570	1,604	Daiwa Real Estate Appraisal Co., Ltd.
Axion Otemon Premium	1-1, 2-chome, Otemon, Chuo Ward, Fukuoka City	Trust beneficiary interest	1,936.79	1,810	1,859	Tanizawa Sogo Appraisal Co., Ltd.
Hotel FORZA Oita	5-18, 1-chome, Chuo-cho, Oita City, Oita	Trust beneficiary interest	5,785.44	1,940	1,386	Japan Real Estate Institute
Tissage Hotel Naha	14-1, 2-chome, Nishi, Naha City, Okinawa	Trust beneficiary interest	3,758.76	3,070	2,578	Tanizawa Sogo Appraisal Co., Ltd.
Tosu Logistics Center	1607 Aza Momota, Himekata-cho, Tosu City, Saga	Trust beneficiary interest	4,173.29	1,940	1,166	Japan Real Estate Institute
LOGICITY Minato Kashii	3-4, 2-chome, Minato Kashii, Higashi Ward, Fukuoka City	Trust beneficiary interest	43,233.72	11,500	7,474	Tanizawa Sogo Appraisal Co., Ltd.
LOGICITY Hisayama	2335-3 Oaza Yamada, Hisayama-machi, Kasuya County, Fukuoka	Trust beneficiary interest	24,505.65	6,650	4,429	Tanizawa Sogo Appraisal Co., Ltd.
LOGICITY Wakamiya	1406 Shimoaruki, Miyawaka City, Fukuoka	Real estate	17,556.32	2,590	2,082	Tanizawa Sogo Appraisal Co., Ltd.
LOGICITY Kumamoto Mifune	407-1 Aza Bishamon, Oaza Kinokura, Mifune-machi, Kamimashiki County, Kumamoto, etc.	Trust beneficiary interest, Real estate	39,895.59	11,700	11,272	Tanizawa Sogo Appraisal Co., Ltd.
Others subtotal:			165,618.34	55,690	41,134	
Total			620,894.38	279,323	214,591	

(Property (to be) acquired)

Real estate property name	Location	Form of ownership	Total leasable floor space (m²)	Period-end appraisal value (mm of yen) (Note 1)	Book value at end of period (mm of yen)	Real estate appraiser
Island City Minato Bay related site (Land with leasehold interest) (tentative) (Note 3) (Note 4) (Note 5)	Part of 32-1, Minato Kashii 3-chome, Higashi Ward, Fukuoka City (Note 6)	Real estate	Approx. 39,142 (Note 6)	8,210	–	Tanizawa Sogo Appraisal Co., Ltd.

(Note 1) "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 Management Association of Japan.

(Note 2) Period-end appraisal value of Tenjin North Front Building indicates the appraisal value for the 16% co-ownership interest of the real estate trust beneficiary interest, which is owned at the end of the 44th fiscal period. FRC disposed of 5% co-ownership interest of the real estate trust beneficiary interest in Tenjin North Front Building on August 29, 2024, 25% co-ownership interest on February 27, 2025, 22% co-ownership interest on August 28, 2025, 16% co-ownership interest on February 26, 2026, and 16% co-ownership interest on August 27, 2026. The same shall apply hereafter.

(Note 3) The acquisition of the property falls under the category of forward commitment, etc. as provided by the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." set forth by the Financial Services Agency.

(Note 4) As a reservation deposit, FRC paid 4 million yen to the Fukuoka City Government. If FRC withdraws from the purchase of the property, the deposit shall be used as cancellation penalty.

(Note 5) The property is planned for delivery on March 31, 2029 (which may be changed depending on the situation of its foundation enhancement work and other factors).

(Note 6) The location and total leasable floor space are to be finalized after measurement surveys to be conducted later and registration of subdivided lots.

(Note 7) Property (to be) acquired indicates the properties for which an agreement or a letter of agreement has been concluded as of the end of the 44th fiscal period.

Status of FRC's Assets under Management

Real estate property name	43rd fiscal period (September 1, 2025 to February 28, 2026)				44th fiscal period (March 1, 2026 to August 31, 2026)			
	Number of tenants at end of period (Note 1)	Occupancy rate at end of period (%) (Note 3)	Total leasing business revenues during periods (mm of yen) (Note 4)	Percentage of total leasing business revenues (%) (Note 5)	Number of tenants at end of period (Note 1)	Occupancy rate at end of period (%) (Note 3)	Total leasing business revenues during periods (mm of yen) (Note 4)	Percentage of total leasing business revenues (%) (Note 5)
Canal City Hakata	1 (14)	98.6	1,272	12.5	1 (22)	100.0	1,236	12.1
Canal City Hakata·B	1 (59)	100.0	1,235	12.1	1 (55)	98.4	1,305	12.7
Park Place Oita	1 (94)	97.9	1,175	11.5	1 (95)	99.7	1,180	11.5
SunLive City Kokura	1	100.0	300	2.9	1	100.0	300	2.9
Konoha Mall Hashimoto	1 (114)	83.8	891	8.8	1 (118)	99.8	921	9.0
Square Mall Kagoshima Usuki	13	100.0	252	2.5	13	100.0	254	2.5
Kumamoto Intercommunity SC	2	100.0	89	0.9	2	100.0	89	0.9
Hanahata SC	2	100.0	40	0.4	2	100.0	40	0.4
K's Denki Kagoshima	1	100.0	105	1.0	1	100.0	105	1.0
Marinoa City Fukuoka (Marina Side Building) (Land with leasehold interest)	1 (Note 6)	100.0	32	0.3	1 (Note 6)	100.0	32	0.3
Retail subtotal:	24 [301] (Note 2)	98.0	5,396	53.0	24 [310] (Note 2)	99.7	5,467	53.3
Canal City Business Center Building	1 (62)	97.5	644	6.3	1 (64)	98.5	649	6.3
Gofukumachi Business Center	35	99.5	616	6.1	35	99.5	610	6.0
Sanix Hakata Building	16	100.0	225	2.2	16	100.0	230	2.2
Taihaku Street Business Center	1 (70)	99.2	337	3.3	2 (71)	99.6	344	3.4
Higashi Hie Business Center	1 (24)	100.0	381	3.7	1 (24)	100.0	385	3.8
Tenjin Nishi-Dori Center Building	1	100.0	87	0.9	1	100.0	91	0.9
Tenjin North Front Building	11	100.0	71	0.7	11	100.0	47	0.5
Higashi Hie Business Center II	3	100.0	168	1.7	3	100.0	170	1.7
Higashi Hie Business Center III	6	72.5	76	0.8	7	89.2	72	0.7
Tenjin Sumitomo Life FJ Business Center (Land with leasehold interest)	1 (Note 6)	100.0	159	1.6	1 (Note 6)	100.0	159	1.6
Hakata Chikushi-Dori Center Building	1 (19)	100.0	158	1.6	1 (16)	86.2	143	1.4
Kumamoto East Front Building	13	100.0	62	0.6	13	100.0	65	0.6
Hakata FD Business Center	1 (17)	100.0	425	4.2	1 (17)	100.0	438	4.3
Office buildings subtotal:	91 [278] (Note 2)	98.6	3,414	33.5	93 [279] (Note 2)	98.5	3,408	33.3
Amex Akasakamon Tower	1 (67)	100.0	70	0.7	1 (62)	92.8	70	0.7
City House Keyaki Dori	1 (42)	100.0	41	0.4	1 (42)	100.0	40	0.4
Aqualia Chihaya	1 (104)	99.3	62	0.6	1 (104)	99.3	63	0.6
D-Wing Tower	1 (126)	92.7	115	1.1	1 (129)	94.4	119	1.2
Granfore Yakuin Minami	1 (97)	98.0	41	0.4	1 (97)	98.0	43	0.4
Axion Befu-Ekimae Premium	1 (26)	96.3	31	0.3	1 (26)	96.3	32	0.3
Axion Otemon Premium	1 (25)	96.0	34	0.3	1 (25)	96.2	34	0.3
Hotel FORZA Oita	1	100.0	63	0.6	1	100.0	62	0.6
Tissage Hotel Naha	1	100.0	75	0.7	1	100.0	59	0.6
Tosu Logistics Center	1	100.0	Undisclosed (Note 7)	Undisclosed (Note 7)	1	100.0	Undisclosed (Note 7)	Undisclosed (Note 7)
LOGICITY Minato Kashii	2	100.0	Undisclosed (Note 7)	Undisclosed (Note 7)	2	100.0	Undisclosed (Note 7)	Undisclosed (Note 7)
LOGICITY Hisayama	1	100.0	Undisclosed (Note 7)	Undisclosed (Note 7)	1	100.0	Undisclosed (Note 7)	Undisclosed (Note 7)
LOGICITY Wakamiya	1	100.0	Undisclosed (Note 7)	Undisclosed (Note 7)	1	100.0	Undisclosed (Note 7)	Undisclosed (Note 7)
LOGICITY Kumamoto Mifune	4	100.0	Undisclosed (Note 7)	Undisclosed (Note 7)	4	100.0	Undisclosed (Note 7)	Undisclosed (Note 7)
Others subtotal:	18 [498] (Note 2)	99.5	1,369	13.5	18 [496] (Note 2)	99.4	1,373	13.4
Total	133 [1,077] (Note 2)	98.5	10,180	100.0	135 [1,085] (Note 2)	99.4	10,249	100.0

Status of FRC's Assets under Management

(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 square brackets. Furthermore, for a single tenant that has concluded a lease agreement for multiple sections in a property, the number of lease agreements may be used instead of the number of sections, and the total number of tenants of logistics facilities is the number of counterparties in the lease agreement for warehouses. Taihaku Street Business Center is an office building with a residential tower. Its number of tenants comprises 13 for the office building and 58 for the residence in the 44th fiscal period (13 for the office building and 57 for the residence in the 43rd fiscal period).
(Note 2) The total of all the tenants in properties other than pass-through master leasing properties and the total number of sections stipulated in the tenancy agreements with end tenants for pass-through master leasing properties is shown in square brackets in the subtotal and total columns for "Number of tenants."
(Note 3) "Occupancy rate" refers to the percentage of leased floor space to leasable floor space and the figures are rounded off to one decimal place.
(Note 4) "Total leasing business revenues" indicates 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 business revenues" is rounded off to one decimal place, and the total of individual percentages in the above table may not equal 100%.
(Note 6) The number of tenants indicates the number of lessees of the land with leasehold interest.
(Note 7) The figures are not disclosed as no consent to disclosure has been obtained from the tenants.

4. Details of renewable energy generation facilities in the portfolio

No relevant items.

5. Details of the rights to operate public facilities, etc. in the portfolio

No relevant items.

6. Securities incorporated in the portfolio

The following table provides details of FRC's securities portfolio as of August 31, 2026.

Name	Type of asset	Quantity	Book value		Fair value (Note 1)		Gain or loss on valuation (mm of yen)	Remarks
			Unit price	Amount (mm of yen)	Unit price	Amount (mm of yen)		
Silent partnership equity interest with Limited Liability Company FRC2 as the operator	Silent partnership equity interest	–	–	167	–	167	–	(Note 2)
Total		–	–	167	–	167	–	–

(Note 1) "Evaluation value" indicates the book value.
(Note 2) The asset under management is a real estate trust beneficiary interest with ABAS CHIKUGOMACHI and ABAS KANAYAMACHI as the properties held in trust.

7. List of specific transaction and forward exchange transaction contract amount and status of fair value

The following table provides the contract amount of FRC's specific transactions and the status of its fair value as of August 31, 2026.

Category	Type	Contract amount, etc. (mm of yen)		Fair value (mm of yen) (Note 2)
		(Note 1)	Of which, exceeding 1 year	
Off-market transaction	Interest rate swap transaction (Receivable floating; Payable fixed)	16,200	14,700	1,108
Total		16,200	14,700	1,108

(Note 1) The contract amount, etc. of the interest rate swap transaction is based on the notional principal amount.
(Note 2) The fair value is calculated by the counterparty of the transaction contract based on the actual interest rate on the market and other factors.

8. Status of other assets

All real estate trust beneficiary interests and real estate owned by FRC have been entered under "3. Details of real estate properties in the portfolio" on page 16. There is no incorporation of major specified assets which are the main investment targets of FRC other than the assets described in "3. Details of real estate properties in the portfolio" and "6. Securities incorporated in the portfolio" above as of the end of the 44th fiscal period.

9. Status of owned assets by country and region

As of the end of the 44th fiscal period, no overseas real estate properties in countries or regions other than Japan are incorporated into FRC's portfolio.

Capital Expenditures for Owned Real Estate

1. Planned capital expenditures

The following table provides amounts of major items of capital expenditures associated with currently planned renovations, etc. for real estate properties owned by FRC as of the date of this Semiannual Report. The planned construction costs indicated below may be partly classified as expenses. In addition, FRC will implement renewal construction work in order to maintain and improve the competitiveness of properties in the market as well as tenant satisfaction, on top of the construction, facilities and replacement work for which expenditures will be made regularly.

Real estate property name	Location	Purpose	Schedule	Planned construction cost (mm of yen)		
				Total	Construction cost	Amount already paid
Canal City Hakata	Hakata Ward, Fukuoka City	Renovation of Washington Hotel	From April 2026 to October 2026	1,409	–	–
Konoha Mall Hashimoto	Nishi Ward, Fukuoka City	Renovation of external walls	From November 2025 to October 2026	280	–	4
Canal City Hakata	Hakata Ward, Fukuoka City	Maintenance of elevator	From October 2026 to July 2027	241	–	–
Tenjin Nishi-Dori Center Building	Chuo Ward, Fukuoka City	Renovation of external walls	From June 2026 to January 2027	164	–	–
Amex Akasakamon Tower	Chuo Ward, Fukuoka City	Large-scale repair and maintenance	From June 2026 to February 2027	163	–	2
Canal City Hakata	Hakata Ward, Fukuoka City	Maintenance of elevator	From May 2026 to September 2026	103	–	–

2. Capital expenditures during the 44th fiscal period

Capital expenditures for the real estate properties owned by FRC totaled 2,429 million yen in the 44th period. Furthermore, FRC incurred construction costs of 2,583 million yen in total in the period, including 142 million yen in repair and maintenance expenses classified as expenses on the Statement of Income and 11 million yen in expenses for restoration to former state. The following table provides the overview of major construction work that was completed in the 44th fiscal period.

Real estate property name	Location	Purpose	Period	Construction cost (mm of yen)
Canal City Hakata	Hakata Ward, Fukuoka City	Renovation of Ramen Stadium	From September 2025 to March 2026	604
Canal City Business Center Building	Hakata Ward, Fukuoka City	Replacement of cubicle at power receiving and transforming facilities	From March 2024 to May 2026	516
Gofukumachi Business Center	Hakata Ward, Fukuoka City	Replacement of air-conditioning equipment	From November 2025 to May 2026	242
Gofukumachi Business Center	Hakata Ward, Fukuoka City	Replacement of LED lighting	From September 2025 to May 2026	103
Konoha Mall Hashimoto	Nishi Ward, Fukuoka City	Replacement of air-conditioning equipment	From February 2026 to July 2026	82
Taihaku Street Business Center	Hakata Ward, Fukuoka City	Replacement of air-conditioning equipment	From December 2025 to June 2026	60
Konoha Mall Hashimoto	Nishi Ward, Fukuoka City	Replacement of mechanical security equipment	From September 2025 to March 2026	51
Canal City Hakata·B	Hakata Ward, Fukuoka City	Maintenance of elevator	From March 2026 to April 2026	45

Capital Expenditures for Owned Real Estate

3. Reserves for long-term repair and maintenance plans

FRC has deposited the following amounts from the cash flows generated during the 44th fiscal period in order to fund large-scale repair and maintenance work in the medium- to long-term, based on long-term repairs and maintenance plans prepared for respective properties.

(millions of yen)

Fiscal period	40th fiscal period (March 1, 2024 to August 31, 2024)	41st fiscal period (September 1, 2024 to February 28, 2025)	42nd fiscal period (March 1, 2025 to August 31, 2025)	43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
Balance of deposits at beginning of period	1,000	1,000	1,000	1,000	1,000
Deposits during the period	–	–	–	–	–
Amounts used from deposits during the period	–	–	–	–	–
Deposits carried forward to the next period	1,000	1,000	1,000	1,000	1,000

Expenses and Liabilities

1. Details of expenses related to asset management

(thousands of yen)

Item	43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
(a) Asset management fees (Note)	634,585	638,574
(b) Asset custody fees	8,435	8,598
(c) Administrative service fees	64,494	67,725
(d) Directors' compensations	3,600	3,600
(e) Other operating expenses	85,338	82,239
Total	796,453	800,736

(Note) Aside from the amounts of the asset management fees shown above, 1,305 thousand yen for asset management, capitalized in the acquisition costs, related to the acquisition of a silent partnership equity interest and LOGICITY Kumamoto Mifune (Parking), as well as 5,080 thousand yen for asset management related to the disposition of Tenjin North Front Building (16% co-ownership interest) was paid in the 43rd fiscal period, and 5,080 thousand yen for asset management related to the disposition of Tenjin North Front Building (16% co-ownership interest) was paid in the 44th fiscal period.

2. Status of debt

As of the end of the 44th fiscal period (August 31, 2026), FRC has the following debt from respective financial institutions.

	Category / Lender	Drawdown date	Balance as of March 1, 2026 (mm of yen)	Balance as of August 31, 2026 (mm of yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use of funds	Description
Current maturities of long-term debt	MUFG Bank	March 30, 2018	600	–	0.480	March 31, 2026	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	June 30, 2017	1,300	–	0.777	June 30, 2026	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank		1,000	–					
	The Oita Bank		700	–					
	The Kitakyushu Bank		700	–					
	The Miyazaki Bank		700	–					
	The Juhachi-Shinwa Bank		1,100	–					
	The Iyo Bank		500	–					
	The Bank of Fukuoka	December 30, 2016	1,500	1,500	1.641	December 30, 2026	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	June 30, 2017	1,800	1,800	0.650	December 31, 2026	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Norinchukin Bank	July 31, 2019	1,500	1,500	0.303	January 29, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Sumitomo Mitsui Trust Bank	February 28, 2018	1,100	1,100	0.600	February 26, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Resona Bank	March 31, 2017	–	600	0.658	March 31, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	MUFG Bank	March 30, 2018	–	500	0.490	March 31, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Sumitomo Mitsui Trust Bank	March 30, 2018	–	400	0.576	March 31, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	July 31, 2017	–	2,000	0.792	July 31, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	July 31, 2017	–	2,000	0.892	July 31, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	August 31, 2017	–	500	0.850	August 31, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka		–	500					
	The Oita Bank		–	100					
	The Kitakyushu Bank		–	100					
	The Juhachi-Shinwa Bank		–	200					
	The Hiroshima Bank		–	100					
	Subtotal		12,500	12,900					
Long-term debt	Resona Bank	March 31, 2017	600	–	0.658	March 31, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	MUFG Bank	March 30, 2018	500	–	0.490	March 31, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Sumitomo Mitsui Trust Bank	March 30, 2018	400	–	0.576	March 31, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	July 31, 2017	2,000	–	0.792	July 31, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee

Expenses and Liabilities

Category	Lender	Drawdown date	Balance as of March 1, 2026 (mm of yen)	Balance as of August 31, 2026 (mm of yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use of funds	Description
Long-term debt	The Nishi-Nippon City Bank	July 31, 2017	2,000	–	0.892	July 31, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	August 31, 2017	500	–	0.850	August 31, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka		500	–					
	The Oita Bank		100	–					
	The Kitakyushu Bank		100	–					
	The Juhachi-Shinwa Bank		200	–					
	The Hiroshima Bank		100	–					
	Resona Bank	September 29, 2017	2,000	2,000	0.493	September 30, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	December 29, 2017	1,500	1,500	0.812	December 30, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	December 29, 2017	500	500	0.680	December 30, 2027	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	MUFG Bank	January 31, 2019	500	500	0.590	January 31, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	February 28, 2018	1,900	1,900	0.750	February 29, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Resona Bank	February 28, 2018	600	600	0.567	February 29, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	March 1, 2018	2,500	2,500	0.720	March 1, 2028	Lump-sum upon maturity	Acquisition fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	March 30, 2018	600	600	0.802	March 31, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	March 30, 2018	500	500	0.802	March 31, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Mizuho Bank	March 30, 2018	500	500	0.630	March 31, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Oita Bank	March 30, 2018	400	400	0.646	March 31, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Hiroshima Bank	March 30, 2018	400	400	0.646	March 31, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Higo Bank	March 31, 2023	700	700	0.615	March 31, 2028	Lump-sum upon maturity	Acquisition fund	No collateral/ No guarantee
	The Kagoshima Bank	June 30, 2020	500	500	0.465	June 30, 2028	Lump-sum upon maturity	Acquisition fund	No collateral/ No guarantee
	Sumitomo Mitsui Trust Bank	July 31, 2023	900	900	0.501	July 31, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	MUFG Bank	September 25, 2019	500	500	0.480	September 29, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	SBI Shinsei Bank	September 29, 2023	600	600	0.767	September 29, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Higo Bank	September 29, 2023	600	600	0.767	September 29, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Iyo Bank	September 29, 2023	500	500	0.767	September 29, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Kagoshima Bank	September 29, 2023	300	300	0.767	September 29, 2028	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Sumitomo Mitsui Banking Corporation	January 31, 2019	500	500	0.655	January 31, 2029	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	January 31, 2019	400	400	1.591	January 31, 2029	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	January 31, 2019	300	300	1.591	January 31, 2029	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Resona Bank	February 28, 2019	200	200	0.488	February 28, 2029	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	MUFG Bank	June 30, 2020	500	500	0.600	June 29, 2029	Lump-sum upon maturity	Acquisition fund	No collateral/ No guarantee
	Sumitomo Mitsui Banking Corporation	June 30, 2022	1,600	1,600	0.726	June 29, 2029	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Hiroshima Bank	June 30, 2023	500	500	0.541	June 29, 2029	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Mizuho Bank	July 31, 2019	1,200	1,200	0.521	July 31, 2029	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Bank of Saga		500	500					
	The Higo Bank		500	500					
	Development Bank of Japan	August 31, 2023	2,000	2,000	0.838	August 31, 2029	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee

Expenses and Liabilities

Category	Lender	Drawdown date	Balance as of March 1, 2026 (mm of yen)	Balance as of August 31, 2026 (mm of yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use of funds	Description
Long-term debt	The Nishi-Nippon City Bank	February 28, 2020	2,500	2,500	0.480	February 28, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Mizuho Bank	February 28, 2020	1,700	1,700	0.420	February 28, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	August 31, 2023	2,000	2,000	0.907	February 28, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	February 28, 2025	1,000	1,000	1.385	February 28, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Higo Bank	March 31, 2025	300	300	1.370	March 29, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Aozora Bank	June 30, 2020	1,000	1,000	0.569	June 28, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Resona Bank	June 30, 2020	700	700	0.569	June 28, 2030	Lump-sum upon maturity	Acquisition fund	No collateral/ No guarantee
	The Hiroshima Bank	June 30, 2023	1,000	1,000	0.635	June 28, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	July 31, 2020	1,500	1,500	0.530	July 31, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Mizuho Bank	July 31, 2020	1,000	1,000	0.470	July 31, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Kitakyushu Bank	July 31, 2020	500	500	0.526	July 31, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Iyo Bank	July 31, 2020	200	200	0.526	July 31, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	September 29, 2023	2,000	2,000	0.919	September 30, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	MUFG Bank	October 31, 2023	1,000	1,000	1.202	October 31, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Sumitomo Mitsui Banking Corporation	October 31, 2023	1,000	1,000	1.202	October 31, 2030	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	February 29, 2024	1,000	1,000	0.889	February 28, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	February 29, 2024	1,000	1,000	1.474	February 28, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	February 28, 2025	1,000	1,000	1.460	February 28, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Higo Bank	February 27, 2026	200	200	1.780	February 28, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Kagoshima Bank	February 27, 2026	200	200	1.780	February 28, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Juhachi-Shinwa Bank	March 31, 2021	1,000	1,000	0.590	March 31, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	MUFG Bank	March 31, 2026	–	600	2.501	March 31, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Mizuho Bank	July 30, 2021	2,300	2,300	0.490	July 31, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Hiroshima Bank		1,400	1,400					
	The Kitakyushu Bank		800	800					
	The Iyo Bank		500	500					
	The Higo Bank		300	300					
	Sumitomo Mitsui Trust Bank	July 31, 2023	600	600	0.829	July 31, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	September 29, 2023	1,900	1,900	1.015	September 30, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	MUFG Bank	March 31, 2025	800	800	1.686	September 30, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Sumitomo Mitsui Banking Corporation	March 31, 2025	500	500	1.669	September 30, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	October 31, 2023	2,500	2,500	1.491	October 31, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Mizuho Bank	October 31, 2023	1,000	1,000	1.249	October 31, 2031	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee

Expenses and Liabilities

Category	Lender	Drawdown date	Balance as of March 1, 2026 (mm of yen)	Balance as of August 31, 2026 (mm of yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use of funds	Description
Long-term debt	The Bank of Fukuoka	June 30, 2026	–	715	1.409	January 30, 2032	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Juhachi-Shinwa Bank		–	605					
	The Nishi-Nippon City Bank		–	550					
	The Oita Bank		–	385					
	The Kitakyushu Bank		–	385					
	The Miyazaki Bank		–	385					
	The Iyo Bank		–	275					
	Mizuho Trust & Banking Co., Ltd.	March 31, 2022	1,000	1,000	1.591	March 31, 2032	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	August 31, 2022	4,000	4,000	0.919 (Note 2)	August 31, 2032	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank		500	500					
	The Bank of Fukuoka		400	400					
	SBI Shinsei Bank	March 31, 2025	300	300	1.485	September 30, 2032	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	December 30, 2025	600	600	1.921	November 30, 2032	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	SBI Shinsei Bank		600	600					
	The Kitakyushu Bank		400	400					
	The Oita Bank		300	300					
	The Kagoshima Bank		100	100					
	The Hiroshima Bank		100	100					
	SBI Shinsei Bank	July 31, 2024	700	700	1.132	January 31, 2033	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	February 29, 2024	1,000	1,000	1.070	February 28, 2033	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	February 29, 2024	1,000	1,000	1.514	February 28, 2033	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	MUFG Bank	February 27, 2026	1,500	1,500	1.299	February 28, 2033	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Oita Bank	February 27, 2026	200	200	1.935	February 28, 2033	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Higo Bank	March 31, 2023	750	750	1.591	March 31, 2033	Lump-sum upon maturity	Acquisition fund	No collateral/ No guarantee
	Sumitomo Mitsui Trust Bank	September 30, 2025	300	300	1.269	March 31, 2033	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	June 30, 2026	–	585	1.409	June 30, 2033	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	The Juhachi-Shinwa Bank		–	495					
	The Nishi-Nippon City Bank		–	450					
	The Oita Bank		–	315					
	The Kitakyushu Bank		–	315					
	The Miyazaki Bank		–	315					
	The Iyo Bank		–	225					
	The Nishi-Nippon City Bank	September 29, 2023	1,000	1,000	1.189	September 30, 2033	Lump-sum upon maturity	Refinance fund	No collateral/ No guarantee
	Subtotal		80,850	80,450					
Total			93,350	93,350					

(Note 1) The average interest rate is a weighted-average figure during the fiscal period and is rounded to three decimal places. Furthermore, the average interest rate of debt for which FRC conducted interest rate swap transactions in order to hedge against interest rate fluctuation risks is the weighted-average figure during the fiscal period taking into consideration the effect of interest rate swaps.

(Note 2) The borrowing is a Sustainability-Linked Loan in which it has been set as a Sustainability Performance Target (SPT) to reduce CO_2 emissions (in terms of intensity) by 35% compared with fiscal 2019 by February 28, 2031, and the achievement of the target is linked to the loan conditions. When the SPT is achieved, the contract will offer a preferential treatment for the interest rate determined at the time of borrowing, for the period from August 2031 to the repayment date.

Expenses and Liabilities

3. Investment corporation bonds

As of the end of the 44th fiscal period (August 31, 2026), FRC has the following investment corporation bonds outstanding.

Issue	Issue date	Balance as of March 1, 2026 (mm of yen)	Decrease during the fiscal period (mm of yen)	Balance as of August 31, 2026 (mm of yen)	Coupon (%)	Maturity date	Maturity method	Use	Description
Second Series of Unsecured Bonds	July 31, 2017	2,000	–	2,000	1.00	July 30, 2032	Lump-sum upon maturity (Note 1)	Repayment of debt	No collateral/ No guarantee (Note 2)
Third Series of Unsecured Bonds	July 31, 2018	1,000	–	1,000	1.20	July 30, 2038	Lump-sum upon maturity (Note 1)	Repayment of debt	No collateral/ No guarantee (Note 2)
Total		3,000	–	3,000					

(Note 1) The bonds may be repurchased and cancelled by FRC at any time on and after the date following the payment date, unless otherwise determined by the book-entry transfer agent.

(Note 2) The bonds are subject to the limited pari passu clause among specified investment corporation bonds.

4. Short-term investment corporation bonds

No relevant items.

5. Subscription rights to shares

No relevant items.

Acquisitions and Sales during the 44th Fiscal Period

1. Acquisition and sale of real estate property, asset-backed securities, infrastructure assets, etc. and infrastructure-related assets, etc.

Property name	Acquisition		Disposition			
	Acquisition date	Acquisition price (Note) (mm of yen)	Disposition date	Disposition price (Note) (mm of yen)	Book value (mm of yen)	Gain or loss on sale (mm of yen)
Tenjin North Front Building (16% co-ownership interest)	–	–	August 27, 2026	1,016	341	643
Total	–	–	–	1,016	341	643

(Note) Acquisition price or disposition price is the amount (transaction price indicated in the sales agreement) excluding expenses (transaction brokerage fees, taxes and other public charges, etc.) required for the acquisition or disposition of the relevant real estate, etc.

2. Acquisition and sale of other assets

No relevant items.

3. Survey on prices of specified assets, etc.

(1) Real estate, etc.

Acquisition or disposition	Property name	Type of asset	Transaction date	Acquisition price or disposition price (Note 1) (mm of yen)	Real estate appraisal value (Note 2) (mm of yen)	Real estate appraiser	Appraisal date
Disposition	Tenjin North Front Building (16% co-ownership interest)	Real estate trust beneficiary interest	August 27, 2026	1,016	828 (Note 3)	Japan Real Estate Institute	February 29, 2024

(Note 1) Acquisition price or disposition price is the amount (transaction price indicated in the sales agreement) excluding expenses (transaction brokerage fees, taxes and other public charges, etc.) required for the acquisition or disposition of the relevant real estate, etc.

(Note 2) The above appraisal was valuated by applying the "Real Estate Appraisal Standards, Chapter 3: Valuation for price of real estate for securitization."

(Note 3) The real estate appraisal value stated above indicates the value equivalent to 16% disposition portion of the property's appraisal value (5,180 million yen) as of February 29, 2024 for Tenjin North Front Building.

(2) Other

Other than the transaction described in "(1) Real estate, etc." above, FRC carried out no transaction in the 44th fiscal period that was required to have the value, etc. reviewed pursuant to the provisions of Article 201 of the Investment Trusts Act.

4. Transactions with interested parties, etc.

(1) Transaction status

No relevant items.

(2) Amount of fees paid, etc.

FRC paid the following fees to the interested parties, etc. during the 44th fiscal period. Furthermore, interested parties, etc. refer to the interested parties of the asset management company who have concluded an asset management agreement with FRC and are designated in Article 123 of the Enforcement Order of the Act on Investment Trusts and Investment Corporations. Of these interested parties, etc., the below table indicates the business partners to which FRC paid fees, etc. during the 44th fiscal period.

Acquisitions and Sales during the 44th Fiscal Period

Category	Total paid fees (A) (thousands of yen) (Note 1)	Breakdown of transactions with interested parties, etc.		Percentage of total amount (B) / (A) (%)
		Paid party	Paid amount (B) (thousands of yen)	
Property leasing brokerage fees (Note 2)	31,473	Fukuoka Jisho Co., Ltd.	2,197	7.0
		FJ. Entertainment Works Ltd.	22,146	70.4
Property management fees (Note 3)	416,161	Fukuoka Jisho Co., Ltd.	72,398	17.4
		FJ. Entertainment Works Ltd.	326,697	78.5
Outsourcing fees (Note 2) (Note 4)	1,383,275	Fukuoka Jisho Co., Ltd.	585,352	42.3
		FJ. Entertainment Works Ltd.	644,058	46.6
		Sunlife Co., Ltd.	124,625	9.0
Other operating expenses (Note 2)	1,780,969	Fukuoka Jisho Co., Ltd.	232,141	13.0
		FJ. Entertainment Works Ltd.	448,839	25.2

(Note 1) Aside from the paid fees shown above, FRC paid the following amounts for repairs, etc. that were ordered to interested parties, etc. during the 44th fiscal period. The amounts include construction work fees paid to third parties through interested parties, etc.
Fukuoka Jisho Co., Ltd. 295,616 thousand yen
FJ. Entertainment Works Ltd. 1,519,471 thousand yen
Sunlife Co., Ltd. 556,136 thousand yen

(Note 2) The property leasing brokerage fees, outsourcing fees and other operating expenses include property leasing brokerage fees, etc. paid to third parties through interested parties, etc.

(Note 3) The property management fees do not include the following construction supervision fees. In addition, of the fees below, the construction supervision fees paid upon acquiring real estate are included in the acquisition cost of the relevant real estate.
Fukuoka Jisho Co., Ltd. 33,707 thousand yen
FJ. Entertainment Works Ltd. 74,852 thousand yen

(Note 4) The outsourcing fees shown above are paid fees, etc. regarding building management outsourcing fees, and do not coincide with the outsourcing fees described in IX. Notes to Financial Statements (Notes to statement of income) on later pages of this report that include property management fees and others.

5. Transactions with the asset management company regarding concurrent work conducted by the asset management company

The asset management company (Fukuoka Realty Co., Ltd.) concurrently conducts investment advisory and agency business, but has no such transactions with FRC. The company does not concurrently conduct any class 1 financial instruments transaction business, class 2 financial instruments transaction business, land and building transaction business or real estate syndication business, and has no such transactions with FRC.

Overview of Accounting

1. Assets, liabilities, principal and profits/loss

Please refer to the IV. Balance Sheet, V. Statement of Income, VI. Statement of Changes in Net Assets, VII. Statement of Cash Distributions, VIII. Cash Flow Statement, IX. Notes to Financial Statements and X. Supplementary Schedules on later pages of this report.

2. Changes in calculation method of depreciation

No relevant items.

3. Changes in valuation method of real estate and infrastructure assets, etc.

No relevant items.

4. Overview of self-managed investment trust beneficiary certificates

The following table shows the status of the investment units of FRC held by the asset management company (Fukuoka Realty Co., Ltd.).

(1) Status of acquisition, etc.

Date	Number of units acquired (units)	Number of units disposed (units)	Number of units held (units)
September 10, 2024	7,600	–	7,600
Cumulative total	7,600	–	7,600

(2) Status of holdings, etc.

	Number of units held at end of period (units)	Total amount held at end of period (thousands of yen) (Note)	Ratio to total number of investment units outstanding
41st fiscal period (September 1, 2024 to February 28, 2025)	7,600	1,067,040	0.87%
42nd fiscal period (March 1, 2025 to August 31, 2025)	7,600	1,067,040	0.87%
43rd fiscal period (September 1, 2025 to February 28, 2026)	7,600	1,067,040	0.87%
44th fiscal period (March 1, 2026 to August 31, 2026)	7,600	1,067,040	0.87%

(Note) Total amount held at end of period indicates the acquisition price.

5. Disclosure on corporation owning foreign real estate

No relevant items.

6. Disclosure on real estate owned by corporation owning foreign real estate

No relevant items.

Other

1. Handling of fractions of monetary amounts and percentage figures

Unless otherwise stated, the figures less than the specified unit are rounded down for monetary amounts and rounded off to one decimal place for percentage figures throughout this Semiannual Report.

III. Independent Auditor's Report

Independent Auditor's Report

To the Board of Directors of Fukuoka REIT Corporation

THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Fukuoka REIT Corporation (the Company), which comprise the balance sheet as of August 31, 2026, and the statement of income, statement of changes in net assets, statement of cash distributions and cash flow statement for the six-month period then ended, notes to financial statements and supplementary schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2026, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to audits of financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the semiannual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information. In addition, those charged with governance are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

FEE-RELATED INFORMATION

In connection with our audit of the financial statements for the six-month period ended August 31, 2026, the amounts of fees for the audit and the other services charged to the Company by PricewaterhouseCoopers Japan LLC and other PwC Network firms are disclosed in "3. Matters related to directors" included in "Overview of the Investment Corporation" in the Semiannual Report.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Mitsuo Tsuruta
Designated Engagement Partner
Certified Public Accountant

Takashi Yabutani
Designated Engagement Partner
Certified Public Accountant

November 20, 2026

IV. Balance Sheet

(thousands of yen)

	43rd fiscal period as of February 28, 2026	44th fiscal period as of August 31, 2026
Assets		
Current assets		
Cash and deposits	5,815,414	4,919,593
Cash and deposits in trust	4,145,708	4,637,429
Operating accounts receivable	1,359,739	1,447,772
Prepaid expenses	281,004	270,489
Consumption taxes receivable	–	49,449
Others	66,168	45,564
Total current assets	11,668,035	11,370,298
Non-current assets		
Property, plant and equipment		
Buildings	2,109,628	2,115,926
Accumulated depreciation	(222,866)	(250,326)
Buildings, net	1,886,761	1,865,599
Structures	37,187	37,187
Accumulated depreciation	(2,507)	(2,882)
Structures, net	34,679	34,304
Machinery and equipment	0	4,223
Accumulated depreciation	–	(95)
Machinery and equipment, net	0	4,127
Tools and fixtures	3,513	3,513
Accumulated depreciation	(1,856)	(2,118)
Tools and fixtures, net	1,657	1,394
Lands	1,775,660	1,775,890
Buildings in trust	*1 123,262,883	*1 125,316,252
Accumulated depreciation	(47,058,903)	(48,580,624)
Buildings in trust, net	76,203,979	76,735,627
Structures in trust	2,311,425	2,320,771
Accumulated depreciation	(1,062,152)	(1,087,822)
Structures in trust, net	1,249,273	1,232,949
Machinery and equipment in trust	1,690,652	1,718,752
Accumulated depreciation	(959,536)	(989,863)
Machinery and equipment in trust, net	731,115	728,888
Vehicles and transport equipment in trust	626	626
Accumulated depreciation	(594)	(594)
Vehicles and transport equipment in trust, net	31	31
Tools and fixtures in trust	1,623,819	1,658,825
Accumulated depreciation	(1,323,770)	(1,346,494)
Tools and fixtures in trust, net	300,049	312,331
Lands in trust	*1 126,531,790	*1 126,352,131
Construction in progress in trust	41,656	33,064
Total property, plant and equipment	208,756,655	209,076,341
Intangible assets		
Leasehold right in trust	5,545,883	5,545,883
Other intangible assets in trust	2,456	2,080
Total intangible assets	5,548,339	5,547,963
Investment and other assets		
Investment securities	167,451	167,651
Deferred tax assets	15	14
Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	335,530	335,530
Long-term prepaid expenses	900,878	867,004
Others	820	1,308
Total investment and other assets	1,414,696	1,381,509
Total non-current assets	215,719,692	216,005,815
Deferred assets		
Investment corporation bond issuance expenses	17,004	15,998
Investment unit issuance expenses	18,385	12,257
Total deferred assets	35,390	28,256
Total assets	227,423,118	227,404,370

(thousands of yen)

	43rd fiscal period as of February 28, 2026	44th fiscal period as of August 31, 2026
Liabilities		
Current liabilities		
Operating accounts payable	1,050,521	818,467
Current maturities of long-term debt	12,500,000	12,900,000
Accounts payable-other	25,006	15,223
Accrued expenses	555,312	561,875
Income taxes payable	765	756
Accrued consumption taxes	521,432	86,963
Advances received	1,099,930	1,092,073
Deposits received	1,269,835	1,585,726
Total current liabilities	17,022,804	17,061,086
Non-current liabilities		
Investment corporation bonds	3,000,000	3,000,000
Long-term debt	80,850,000	80,450,000
Tenant leasehold and security deposits	926,142	868,119
Tenant leasehold and security deposits received in trust	*1 11,896,791	*1 11,972,289
Total non-current liabilities	96,672,934	96,290,408
Total liabilities	113,695,739	113,351,495
Net assets		
Unitholders' equity		
Unitholders' capital	109,264,428	109,264,428
Deduction from unitholders' capital	*3 (499,903)	*3 (499,903)
Unitholders' capital, net	108,764,524	108,764,524
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	957,100	1,356,380
Total voluntary retained earnings	957,100	1,356,380
Unappropriated surplus	4,005,754	3,931,970
Total surplus	4,962,854	5,288,350
Total unitholders' equity	113,727,379	114,052,874
Total net assets	*4 113,727,379	*4 114,052,874
Total liabilities and net assets	227,423,118	227,404,370

V. Statement of Income

(thousands of yen)

	43rd fiscal period (September 1, 2025 to February 28, 2026)		44th fiscal period (March 1, 2026 to August 31, 2026)	
Operating revenues				
Leasing revenues – real estate	*1 *3	9,494,842	*1 *3	9,541,194
Other leasing revenues – real estate	*1 *3	686,096	*1 *3	708,404
Gain on sales of real estate	*2	638,829	*2	643,745
Dividend income		2,776		4,660
Total operating revenues		10,822,545		10,898,004
Operating expenses				
Expenses related to leasing business	*1 *3	5,538,425	*1 *3	5,633,349
Asset management fees		634,585		638,574
Asset custody fees		8,435		8,598
Administrative service fees		64,494		67,725
Director's compensations		3,600		3,600
Other operating expenses		85,338		82,239
Total operating expenses		6,334,879		6,434,086
Operating income		4,487,665		4,463,918
Non-operating revenues				
Interest received		8,271		15,054
Others		1,907		604
Total non-operating revenues		10,178		15,659
Non-operating expenses				
Interest expenses		368,719		423,351
Interest expenses on investment corporation bonds		16,000		16,000
Amortization of investment corporation bond issuance expenses		1,005		1,005
Amortization of investment unit issuance expenses		6,128		6,128
Financing related expenses		99,203		100,121
Others		22		22
Total non-operating expenses		491,079		546,630
Ordinary income		4,006,765		3,932,947
Profit before income taxes		4,006,765		3,932,947
Income taxes-current		1,008		978
Income taxes-deferred		51		1
Total income taxes		1,060		979
Profit		4,005,704		3,931,967
Surplus brought forward		49		2
Unappropriated surplus		4,005,754		3,931,970

VI. Statement of Changes in Net Assets

43rd fiscal period (September 1, 2025 to February 28, 2026)

(thousands of yen)

	Unitholders' Equity								
	Unitholders' capital			Surplus				Total unitholders' equity	Total net assets
				Voluntary retained earnings					
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Reserve for reduction entry	Total voluntary retained earnings	Unappropriated surplus	Total surplus		
Balance as of September 1, 2025	109,264,428	(499,903)	108,764,524	553,700	553,700	4,055,100	4,608,800	113,373,325	113,373,325
Changes in the current fiscal period									
Provision of reserve for reduction entry				403,400	403,400	(403,400)	–	–	–
Dividend of surplus						(3,651,650)	(3,651,650)	(3,651,650)	(3,651,650)
Profit						4,005,704	4,005,704	4,005,704	4,005,704
Total of changes in the current fiscal period	–	–	–	403,400	403,400	(49,345)	354,054	354,054	354,054
Balance as of February 28, 2026	109,264,428	(499,903)	108,764,524	957,100	957,100	4,005,754	4,962,854	113,727,379	113,727,379

44th fiscal period (March 1, 2026 to August 31, 2026)

(thousands of yen)

	Unitholders' Equity								
	Unitholders' capital			Surplus				Total unitholders' equity	Total net assets
				Voluntary retained earnings					
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Reserve for reduction entry	Total voluntary retained earnings	Unappropriated surplus	Total surplus		
Balance as of March 1, 2026	109,264,428	(499,903)	108,764,524	957,100	957,100	4,005,754	4,962,854	113,727,379	113,727,379
Changes in the current fiscal period									
Provision of reserve for reduction entry				399,280	399,280	(399,280)	–	–	–
Dividend of surplus						(3,606,471)	(3,606,471)	(3,606,471)	(3,606,471)
Profit						3,931,967	3,931,967	3,931,967	3,931,967
Total of changes in the current fiscal period	–	–	–	399,280	399,280	(73,784)	325,495	325,495	325,495
Balance as of August 31, 2026	109,264,428	(499,903)	108,764,524	1,356,380	1,356,380	3,931,970	5,288,350	114,052,874	114,052,874

VII. Statement of Cash Distributions

(thousands of yen)

Item	43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
I. Unappropriated surplus	4,005,754	3,931,970
II. Reversal of voluntary retained earnings Reversal of reserve for reduction entry	–	0
III. Total dividend [Dividend per investment unit]	3,606,471 [4,151 yen]	3,540,441 [4,075 yen]
IV. Voluntary retained earnings Provision of reserve for reduction entry	399,280	391,500
V. Surplus brought forward	2	29
Method for calculating dividends	The amount of dividends shall be decided in accordance with the dividend policy stipulated in Article 38-1-2 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 3,606,471 thousand yen, which is almost the entire amount remaining after deducting the provision of reserve for reduction entry as stipulated in Article 65-7 of the Special Taxation Measures Act from 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 38-1-2 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 3,540,441 thousand yen, which is almost the entire amount remaining after deducting the provision of reserve for reduction entry as stipulated in Article 65-7 of the Special Taxation Measures Act from unappropriated surplus and the total amount of reversal corresponding to excess depreciation in the 44th fiscal period of the reserve for reduction entry of buildings, 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.

(Note) Amounts other than dividend per investment unit are rounded down to the nearest thousand yen.

VIII. Cash Flow Statement

(thousands of yen)

	43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
Net cash provided by (used in) operating activities		
Profit before income taxes	4,006,765	3,932,947
Depreciation and amortization expenses	1,724,583	1,768,307
Amortization of investment corporation bond issuance expenses	1,005	1,005
Amortization of investment unit issuance expenses	6,128	6,128
Interest received	(8,271)	(15,054)
Interest expenses	384,719	439,351
Gain on sales of real estate	(638,829)	(643,745)
Decrease (increase) in operating accounts receivables	26,694	(88,032)
Decrease (increase) in accounts receivable	(819)	2,213
Decrease (increase) in consumption taxes refund receivable	681,667	(49,449)
Increase (decrease) in accrued consumption taxes	439,249	(434,468)
Increase (decrease) in operating accounts payable	1,040	(10,174)
Increase (decrease) in accounts payable-other	2,629	(9,488)
Increase (decrease) in accrued expenses	2,707	(279)
Increase (decrease) in advances received	(6,281)	(7,857)
Increase (decrease) in deposits received	(378,237)	315,890
Decrease (increase) in prepaid expenses	(47,838)	10,515
Decrease (increase) in long-term prepaid expenses	(32,045)	33,874
Others, net	26,243	22,233
Subtotal	6,191,110	5,273,916
Interest income received	8,271	15,054
Interest expenses paid	(381,864)	(432,509)
Income taxes paid	(1,497)	(6,432)
Income taxes refund	1,837	1,017
Net cash provided by (used in) operating activities	5,817,857	4,851,047
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(186,335)	(20,639)
Proceeds from sale of property, plant and equipment in trust	985,471	985,471
Purchase of property, plant and equipment in trust	(789,536)	(2,630,603)
Proceeds from tenant leasehold and security deposits	52,560	100
Repayments of tenant leasehold and security deposits	(220)	(58,123)
Proceeds from tenant leasehold and security deposits in trust	156,750	270,796
Repayments of tenant leasehold and security deposits in trust	(181,758)	(195,299)
Purchase of investment securities	(167,451)	(200)
Increase in other investments	(369)	(488)
Proceeds from restricted trust deposits	2,164	5,939
Payments for restricted trust deposits	(2,200)	(6,561)
Net cash provided by (used in) investment activities	(130,925)	(1,649,609)
Net cash provided by (used in) financial activities		
Proceeds from long-term debt	4,500,000	6,600,000
Repayments of long-term debt	(4,500,000)	(6,600,000)
Dividends paid	(3,650,758)	(3,606,161)
Net cash provided by (used in) financial activities	(3,650,758)	(3,606,161)
Net increase (decrease) in cash and cash equivalents	2,036,173	(404,722)
Balance of cash and cash equivalents at beginning of period	7,859,093	9,895,267
Balance of cash and cash equivalents at end of period	*1 9,895,267	*1 9,490,544

IX. Notes to Financial Statements

(Basis of presentation)

The financial statements of FRC, which is incorporated in Japan, have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Act of Japan and related regulations and accounting principles generally accepted in Japan, which are different in certain respects to the application and disclosure requirements of International Financial Reporting Standards ("IFRS Standards").

The accompanying financial statements have been translated into English, for the convenience of readers outside Japan, from the audited financial statements that were prepared for Japanese domestic purposes from the accounts and records maintained by FRC and were filed with the Kanto Local Finance Bureau of the Ministry of Finance as required by the said Act.

(Significant accounting policies)

1. Valuation standard and method for assets	Investment securities Other securities Stocks without market price Cost of sales is calculated by utilizing the moving-average method. A method to take in the amount equivalent to equity interest in silent partnership on a net basis is adopted for silent partnership equity interest.
2. Depreciation method for non-current assets	(1) Property, plant and equipment Depreciation is calculated using the straight-line method. The useful lives of major categories of property, plant and equipment including trust assets are as follows: Buildings: 10 – 65 years Structures: 15 – 60 years Machinery and equipment: 15 – 30 years Vehicles and transport equipment: 7 years Tools and fixtures: 5 – 20 years (2) Intangible assets Intangible assets are amortized utilizing the straight-line method. (3) Long-term prepaid expenses Long-term prepaid expenses are amortized utilizing the straight-line method.
3. Accounting for deferred assets	Investment unit issuance expenses Investment unit issuance expenses are amortized utilizing the straight-line method over three years. Investment corporation bond issuance expenses Investment corporation bond issuance expenses are amortized utilizing the straight-line method over the period through redemption.
4. Standards for recognition of revenues and expenses	(1) Standards for revenue recognition The details of main performance obligations concerning revenues generated from contracts between FRC and its customers and the ordinary time to fulfil said performance obligations (ordinary time to recognize revenues) are as follows: ① Sales of real estate property FRC recognizes revenues from sales of real estate property when the purchaser, who is a customer, obtains control of the relevant real estate property as a result of FRC fulfilling its delivery obligations stipulated in the transaction agreement of the real estate property. ② Utilities income FRC recognizes utilities income in accordance with the supply of electricity and water, etc. to the lessee, who is a customer, based on the lease agreement of real estate, etc. and details of agreements incidental to it. Of the utilities income, in the case that FRC deems itself to be an agent, the net amount obtained by deducting the amount it pays to other parties from the amount it receives as charges for electricity and gas, etc. supplied by the said other parties is recognized as revenue. (2) Accounting treatment of property taxes, etc. In connection with property taxes, city planning taxes and depreciated asset taxes, FRC uses the method of charging the corresponding amounts of assessed taxes to the current fiscal period as expenses related to leasing business. The amount equivalent to property taxes, etc. for the initial fiscal year paid to the seller as settlement money upon acquisition of real estate or trust beneficiary interests in real estate as entrusted property is not expensed but capitalized as part of the acquisition cost of the relevant property. The amount equivalent to property taxes, etc. capitalized in the acquisition cost of real estate, etc. was 20 thousand yen for the 43rd fiscal period. No amount equivalent to property taxes, etc. was capitalized in the acquisition cost of real estate, etc. for the 44th fiscal period.
5. Method of hedge accounting	(1) Method of hedge accounting Deferred hedge accounting is applied for interest rate swap transactions. However, special accounting is applied for interest rate swap transactions that satisfy the requirements for special accounting. (2) Hedging instruments and hedged items Hedging instrument: interest rate swap transactions Hedged items: interest rates of borrowings (3) Hedging policy FRC conducts derivative transactions to hedge interest rate fluctuation risks for floating-rate borrowings based on FRC's Articles of Incorporation. (4) Method for assessing the effectiveness of hedging Assessment of the effectiveness of hedging is omitted as requirements are satisfied for special accounting for interest rate swap transactions.
6. Scope of funds (cash and cash equivalents) in cash flow statement	The funds (cash and cash equivalents) in the cash flow statement consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of value fluctuation.
7. Other significant items fundamental to preparing the financial statements	Accounting methods for trust beneficiary interests in real estate as entrusted property Regarding trust beneficiary interests in owned real estate as entrusted property, all asset and liability accounts of the entrusted properties as well as all revenue and expense accounts generated by the entrusted properties are recorded in relevant accounts on the balance sheet and statement of income. Furthermore, the following material accounts are separately stated on the balance sheet for entrusted properties recorded in relevant accounts. ① Cash and deposits in trust ② Buildings in trust, structures in trust, machinery and equipment in trust, vehicles and transport equipment in trust, tools and fixtures in trust, lands in trust and construction in progress in trust ③ Leasehold right in trust ④ Other intangible assets in trust ⑤ Lease and guarantee deposits in trust ⑥ Tenant leasehold and security deposits received in trust

(Notes to accounting standards not yet adopted)

- Accounting Standard for Leases (ASBJ Statement No. 34 issued by the Accounting Standards Boards of Japan (ASBJ) on September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33 issued by ASBJ on September 13, 2024), etc.

(1) Overview

As part of its efforts to ensure consistency between Japanese GAAP and international accounting standards, the ASBJ reviewed the Accounting Standard for Leases to recognize assets and liabilities for all leases held by a lessee, with international accounting standards taken into consideration. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc. that adopts only the key provisions of IFRS 16 that is based on the single accounting model. The revision aims to be simple and highly convenient, and to make it unnecessary to revise non-consolidated financial statements that apply IFRS 16 in the Accounting Standard for Leases, etc. Regarding the method for allocating the lease expenses in the lessee's accounting treatment, using the same approach as IFRS 16, a single accounting model is applied for recording the depreciation associated with the right-of-use assets and the amount equivalent to the interest on the lease liabilities for all leases regardless of whether the lease is a finance lease or an operating lease.

(2) Scheduled date of adoption

FRC will adopt the accounting standards, etc. from the beginning of the fiscal period ending February 2028.

(3) Impact of adoption of the accounting standards, etc.

The amount of impact on the financial statements by the adoption of the Accounting Standard for Leases, etc. is being assessed at present.

(Notes to balance sheet)

*1. Assets pledged as collateral and secured liabilities

Assets pledged as collateral are as follows:

(thousands of yen)

	43rd fiscal period as of February 28, 2026	44th fiscal period as of August 31, 2026
Buildings in trust	5,019,025	4,879,725
Lands in trust	11,618,595	11,618,595
Total	16,637,620	16,498,320

Secured liabilities are as follows:

(thousands of yen)

	43rd fiscal period as of February 28, 2026	44th fiscal period as of August 31, 2026
Tenant leasehold and security deposits received in trust	821,462	821,462

*2. Balance of unused committed line of credit

FRC has executed committed line of credit agreements with its banks primarily to conduct efficient and dynamic cash management.

[Committed line of credit agreement 1]

(thousands of yen)

	43rd fiscal period as of February 28, 2026	44th fiscal period as of August 31, 2026
Credit limit	6,000,000	6,000,000
Outstanding debt at end of period	–	–
Unused committed line of credit at end of period	6,000,000	6,000,000

[Committed line of credit agreement 2]

(thousands of yen)

	43rd fiscal period as of February 28, 2026	44th fiscal period as of August 31, 2026
Credit limit	7,000,000	7,000,000
Outstanding debt at end of period	–	–
Unused committed line of credit at end of period	7,000,000	7,000,000

*3. Status of cancellation of treasury investment units

(thousands of yen)

	43rd fiscal period as of February 28, 2026	44th fiscal period as of August 31, 2026
Total number of investment units cancelled	3,180 units	3,180 units
Total amount of cancellation	499,903	499,903

*4. Minimum net assets designated in Article 67- 4 in the Act on Investment Trusts and Investment Corporations.

(thousands of yen)

43rd fiscal period as of February 28, 2026	44th fiscal period as of August 31, 2026
50,000	50,000

(Notes to statement of income)

*1. Breakdown of revenues and expenses related to real estate leasing business.

(thousands of yen)

	43rd fiscal period (September 1, 2025 to February 28, 2026)		44th fiscal period (March 1, 2026 to August 31, 2026)	
A. Real estate leasing business revenues				
Leasing revenues - real estate				
Rents	8,174,104		8,204,019	
Common charges	856,840		853,653	
Parking revenues	463,897	9,494,842	483,520	9,541,194
Other leasing revenues - real estate				
Incidental income	664,486		687,134	
Other miscellaneous income	21,609	686,096	21,270	708,404
Total real estate leasing business revenues		10,180,939		10,249,599
B. Expenses related to real estate leasing business				
Expenses related to leasing business				
Outsourcing fees	1,687,083		1,799,437	
Repair and maintenance expenses	246,627		142,589	
Taxes and other public charges	837,836		899,732	
Insurance premiums and trust compensation	45,567		45,864	
Utilities expenses	703,566		719,570	
Depreciation and amortization expenses	1,724,583		1,768,307	
Other expenses related to real estate leasing business	293,159	5,538,425	257,847	5,633,349
Total expenses related to real estate leasing business		5,538,425		5,633,349
C. Revenues and expenses related to real estate leasing business (A - B)		4,642,514		4,616,249

*2. Breakdown of gain on sales of real estate property

43rd fiscal period (September 1, 2025 to February 28, 2026)

Tenjin North Front Building (16% co-ownership interest)

(thousands of yen)

Proceeds from sales of real estate property	1,016,000
Costs of sale of real estate property	346,641
Other selling expenses	30,528
Gain on sales of real estate property	638,829

44th fiscal period (March 1, 2026 to August 31, 2026)

Tenjin North Front Building (16% co-ownership interest)

(thousands of yen)

Proceeds from sales of real estate property	1,016,000
Costs of sale of real estate property	341,726
Other selling expenses	30,528
Gain on sales of real estate property	643,745

*3. Transactions with major unitholders

(thousands of yen)

	43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
Related to operating transactions		
Leasing revenues – real estate	302,693	305,038
Expenses related to real estate leasing business	921,044	931,837

(Notes to statement of changes in net assets)

	43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
Total number of authorized investment units and total number of investment units outstanding		
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units outstanding	868,820 units	868,820 units

(Notes to cash flow statement)

*1. Relationship between the balance of cash and cash equivalents at end of period and the amounts of the corresponding accounts on the balance sheet.

(thousands of yen)

	43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
Cash and deposits	5,815,414	4,919,593
Cash and deposits in trust	4,145,708	4,637,429
Restricted trust deposits (Note)	(65,855)	(66,478)
Cash and cash equivalents	9,895,267	9,490,544

(Note) Restricted trust deposits are trust deposits reserved for refunding tenant leasehold and security deposits deposited by tenants and for other purposes.

(Notes to leases)

The future lease revenues under the non-cancellable operating leases [as lessor] are as follows:

(thousands of yen)

	43rd fiscal period as of February 28, 2026	44th fiscal period as of August 31, 2026
Due within 1 year	6,387,299	7,401,482
Due after 1 year	14,133,022	22,428,620
Total	20,520,321	29,830,102

(Notes to financial instruments)

1. Matters concerning status of financial instruments

(1) Policy on handling financial instruments

In order to secure stable earnings and steady growth of assets under management, FRC procures funds primarily through borrowings from financial institutions, issuance of investment corporation bonds or issuance of investment units for property acquisitions, repair and maintenance work, repayment of interest-bearing debt and other purposes.

In procuring interest-bearing debt, FRC borrows funds primarily in long-term, fixed interest debt based on the policy of establishing a solid financial structure, and conducts conservative operations intended to secure financial stability and liquidity by dispersing debt payment dates and utilizing committed lines of credit and through other measures.

With regard to surplus funds, FRC manages them as various deposits and savings, etc. to support efficient management while considering security.

FRC conducts derivative transactions only for the purpose of hedging the risk of future interest rate fluctuation, and not for the purpose of speculation.

(2) Description of financial instruments and associated risks, and risk management structure

Debt and investment corporation bonds are funds procured primarily for acquiring real estate trust beneficiary interests and refinancing of borrowings. Borrowings and investment corporation bonds are exposed to liquidity risks upon debt payment dates, but FRC works to mitigate these risks by such measures as appropriately controlling the ratio of interest-bearing debt to total assets and executing commitment line agreements with local financial institutions that are lenders to secure on-hand liquidity.

In addition, borrowings with floating interest rates are exposed to interest rate fluctuation risks. However, FRC works to reduce the risks by such measures as adjusting the ratio of the balance of borrowings with floating interest rates to total borrowings in accordance with the financial environment and other factors. FRC conducts derivative transactions (specifically interest rate swap transactions) for part of its borrowings with floating interest rates in order to hedge the risk of future fluctuations in the rates of interest payable. Furthermore, assessment of the effectiveness of these interest rate swaps is omitted as it has been determined that they have met the requirements for special accounting. FRC executes and manages its derivative transactions in accordance with its financial derivative transaction management policies and, it does so only with financial institutions it determines to have a certain level of creditworthiness, by reference to their credit ratings, to reduce counterparty risks.

FRC manages surplus funds in large time deposits. Such deposits are subject to the risks of failure of the financial institutions holding the deposits as well as other credit risks. FRC mitigates the risks by limiting its deposits to financial institutions with a certain level of creditworthiness, by reference to their credit ratings, as well as by setting short durations for these deposits.

Tenant leasehold and security deposits and tenant leasehold and security deposits received in trust are deposits from tenants and are exposed to liquidity risks if tenants move out before the contracts expire. FRC mitigates this risk by such measures as securing on-hand liquidity.

Investment securities are investments in silent partnerships and are exposed to the credit risk of the issuer and the risk of fluctuation in the value of real estate assets, etc. FRC mitigates these risks by such measures as periodically evaluating the financial position of the issuer and the value of real estate assets, etc.

(3) Supplementary explanation on matters concerning fair value of financial instruments

Certain assumptions are made in calculating the fair value of financial instruments, and there may be cases where the values will vary when different assumptions are used.

As for the contract value and other conditions of derivative transactions indicated in “2. Matters concerning fair value of financial instruments,” the contract value is not an indicator of the market risks related to such transactions.

2. Matters concerning fair value of financial instruments

The following table includes the book values for financial instruments as recorded on the balance sheet, the corresponding fair values and the difference between these amounts as of February 28, 2026. Furthermore, notes to Cash and deposits and Cash and deposits in trust are omitted as these are settled with cash and within a short period of time, and thus the fair value is approximately the same as the book value.

(thousands of yen)

	Book value recorded on the balance sheet	Fair value (Note 1)	Difference
(1) Current maturities of long-term debt	12,500,000	12,501,231	1,231
(2) Investment corporation bonds	3,000,000	2,753,437	(246,562)
(3) Long-term debt	80,850,000	78,536,916	(2,313,083)
(4) Tenant leasehold and security deposits	926,142	397,412	(528,730)
(5) Tenant leasehold and security deposits received in trust	11,896,791	8,022,799	(3,873,992)
Total of liabilities	109,172,934	102,211,796	(6,961,137)
(6) Derivative transactions	–	–	–
Total of derivative transactions	–	–	–

The following table includes the book values for financial instruments as recorded on the balance sheet, the corresponding fair values and the difference between these amounts as of August 31, 2026. Furthermore, notes to Cash and deposits and Cash and deposits in trust are omitted as these are settled with cash and within a short period of time, and thus the fair value is approximately the same as the book value.

(thousands of yen)

	Book value recorded on the balance sheet	Fair value (Note 1)	Difference
(1) Current maturities of long-term debt	12,900,000	12,908,671	8,671
(2) Investment corporation bonds	3,000,000	2,731,993	(268,006)
(3) Long-term debt	80,450,000	78,406,857	(2,043,142)
(4) Tenant leasehold and security deposits	868,119	358,127	(509,992)
(5) Tenant leasehold and security deposits received in trust	11,972,289	7,793,108	(4,179,180)
Total of liabilities	109,190,408	102,198,758	(6,991,650)
(6) Derivative transactions	–	–	–
Total of derivative transactions	–	–	–

(Note 1) Calculation method for fair value of financial instruments

(1) Current maturities of long-term debt, (2) investment corporation bonds and (3) Long-term debt

The fair value of long-term debt with fixed interest rates (including debt with practical fixed interest rates through interest rate swaps) and investment corporation bonds (the "debt, etc.") is calculated by discounting the total amount of principal and interest by the rate assumed as being applicable in the event of a new drawdown of similar debt, etc.

The fair value of long-term debt with floating interest rates is based on the book value, as the contract terms require the interest rates to be revised in a certain period of time (within six months) and thus is considered to be nearly equal to the book value.

(4) Tenant leasehold and security deposits and (5) Tenant leasehold and security deposits received in trust

The fair value of tenant leasehold and security deposits and tenant leasehold and security deposits received in trust is calculated by using the present value, which is obtained by discounting the future cash flows of such deposits by a rate that takes into account the term remaining until the reimbursement deadline and credit risks.

(6) Derivative transactions

Please refer to (Notes to derivative transactions).

(Note 2) Silent partnership equity interest

As for silent partnership equity interest, treatment of Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No.31, June 17, 2021) is applied and the note to matters stipulated in Paragraph 4 (1) of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 19, March 31, 2020) is not indicated.

Moreover, book value recorded on the balance sheet of silent partnership investment that applies the treatment of the paragraph is 167,451 thousand yen for the 43rd fiscal period and 167,651 thousand yen for the 44th fiscal period.

(Note 3) Amount of repayment of long-term debt and investment corporation bonds scheduled to be due after closing of accounts (as of February 28, 2026).

(thousands of yen)

	Due in 1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Due after 5 years
Long-term debt	12,500,000	14,000,000	10,900,000	14,000,000	13,600,000	28,350,000
Investment corporation bonds	–	–	–	–	–	3,000,000

Amount of repayment of long-term debt and investment corporation bonds scheduled to be due after closing of accounts (as of August 31, 2026)

(thousands of yen)

	Due in 1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Due after 5 years
Long-term debt	12,900,000	14,000,000	10,700,000	13,400,000	14,900,000	27,450,000
Investment corporation bonds	–	–	–	–	–	3,000,000

(Notes to investment securities)

43rd fiscal period (as of February 28, 2026)

Silent partnership equity interest (book value recorded on the balance sheet of 167,451 thousand yen) is not subject to disclosure of fair value pursuant to Paragraph 5 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 19, March 31, 2020).

44th fiscal period (as of August 31, 2026)

Silent partnership equity interest (book value recorded on the balance sheet of 167,651 thousand yen) is not subject to disclosure of fair value pursuant to Paragraph 5 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 19, March 31, 2020).

(Notes to derivative transactions)

1. Derivatives to which hedge accounting is not applied

43rd fiscal period (as of February 28, 2026)

Not applicable.

44th fiscal period (as of August 31, 2026)

Not applicable.

2. Derivatives to which hedge accounting is applied

43rd fiscal period (as of February 28, 2026)

The following is the contract amount or amount equivalent to the principal provided in the contract as of the closing of accounts for each method of hedge accounting.

(thousands of yen)

Method of hedge accounting	Type of derivative transactions, etc.	Main hedged item	Contract amount, etc.	Of which, exceeding 1 year	Fair value	Calculation method for the fair value
Special accounting for interest rate swaps	Interest rate swap transaction Receivable floating; Payable fixed	Long-term debt	16,200,000	15,100,000	(*)	–

(*) Transactions for which special accounting for interest rate swaps is applied are combined with long-term debt for accounting purposes. Accordingly, their fair value is included in the fair value of the relevant long-term debt (refer to Notes to financial instruments, 2. Matters concerning fair value of financial instruments, (Note 1) (1) and (3).

44th fiscal period (as of August 31, 2026)

The following is the contract amount or amount equivalent to the principal provided in the contract as of the closing of accounts for each method of hedge accounting.

(thousands of yen)

Method of hedge accounting	Type of derivative transactions, etc.	Main hedged item	Contract amount, etc.	Of which, exceeding 1 year	Fair value	Calculation method for the fair value
Special accounting for interest rate swaps	Interest rate swap transaction Receivable floating; Payable fixed	Long-term debt	16,200,000	14,700,000	(*)	–

(*) Transactions for which special accounting for interest rate swaps is applied are combined with long-term debt for accounting purposes. Accordingly, their fair value is included in the fair value of the relevant long-term debt (refer to Notes to financial instruments, 2. Matters concerning fair value of financial instruments, (Note 1) (1) and (3).

(Notes to retirement benefits)

43rd fiscal period (as of February 28, 2026)

Not applicable as FRC does not have any retirement benefit system.

44th fiscal period (as of August 31, 2026)

Not applicable as FRC does not have any retirement benefit system.

(Notes to tax effect accounting)

1. Breakdown of primary causes for occurrence of deferred tax assets and deferred tax liabilities.

(thousands of yen)

	43rd fiscal period as of February 28, 2026	44th fiscal period as of August 31, 2026
Deferred tax assets		
Amount of accrued business taxes not deductible from taxable income	15	14
Total deferred tax assets	15	14
Deferred tax assets, net	15	14

2. Breakdown of significant causes of the difference between the effective statutory income tax rate and the effective income tax rate after application of tax effect accounting.

(%)

	43rd fiscal period as of February 28, 2026	44th fiscal period as of August 31, 2026
Effective statutory income tax rate	31.25	31.25
Deductible dividend amount	(28.13)	(28.13)
Other	(3.10)	(3.09)
Effective income tax rate after application of tax effect accounting	0.03	0.02

(Notes to equity method income and earnings)

43rd fiscal period (from September 1, 2025 to February 28, 2026)

Not applicable as FRC does not have any affiliated companies.

44th fiscal period (from March 1, 2026 to August 31, 2026)

Not applicable as FRC does not have any affiliated companies.

(Notes to transactions with related parties)

1. Transactions with related parties

(1) Parent company and major corporate unitholders

43rd fiscal period (from September 1, 2025 to February 28, 2026)

(thousands of yen)

Classification	Name	Location	Capital	Business description	FRC's share of voting rights, etc. [or ownership of such in FRC]	Description of relationship	Description of transaction	Transaction amount	Category	Balance at end of period
Major unitholders	Fukuoka Jisho Co., Ltd. (Note 2)	Hakata Ward, Fukuoka City	100,000	General real estate business	Ownership in FRC Direct [11.28%] Indirect [0.95%]	Consignment of real estate management, etc.	Consignment of real estate management, etc. (Note 1)	921,044 (Note 3)	Operating accounts payable	69,699 (Note 3)

(Note 1) Transaction terms and conditions are determined in reference to market prices, etc. and by concluding business consignment agreements after negotiating on prices.
(Note 2) FRC has concluded a building lease and management consignment agreement with Fukuoka Jisho Co., Ltd. for Taihaku Street Business Center and Hakata FD Business Center. The lease contract is a master lease type with pass-through rent, in which rents and other proceeds from end tenants are directly related to an increase or decrease of FRC's revenues. For the property covered by the said type of agreement, the above table shows figures that regard end tenants as direct lessees.
(Note 3) Consumption taxes are not included in the transaction amount but are included in the balance at end of period.

44th fiscal period (from March 1, 2026 to August 31, 2026)

(thousands of yen)

Classification	Name	Location	Capital	Business description	FRC's share of voting rights, etc. [or ownership of such in FRC]	Description of relationship	Description of transaction	Transaction amount	Category	Balance at end of period
Major unitholders	Fukuoka Jisho Co., Ltd. (Note 2)	Hakata Ward, Fukuoka City	100,000	General real estate business	Ownership in FRC Direct [11.94%] Indirect [0.95%]	Consignment of real estate management, etc.	Consignment of real estate management, etc. (Note 1)	931,837 (Note 3)	Operating accounts payable	80,358 (Note 3)

(Note 1) Transaction terms and conditions are determined in reference to market prices, etc. and by concluding business consignment agreements after negotiating on prices.
(Note 2) FRC has concluded a building lease and management consignment agreement with Fukuoka Jisho Co., Ltd. for Taihaku Street Business Center and Hakata FD Business Center. The lease contract is a master lease type with pass-through rent, in which rents and other proceeds from end tenants are directly related to an increase or decrease of FRC's revenues. For the property covered by the said type of agreement, the above table shows figures that regard end tenants as direct lessees.
(Note 3) Consumption taxes are not included in the transaction amount but are included in the balance at end of period.

(2) Affiliated companies, etc.

43rd fiscal period (from September 1, 2025 to February 28, 2026)

Not applicable.

44th fiscal period (from March 1, 2026 to August 31, 2026)

Not applicable.

(3) Sister companies

43rd fiscal period (from September 1, 2025 to February 28, 2026)

(thousands of yen)

Classification	Name	Location	Capital	Business description	FRC's share of voting rights, etc. [or ownership of such in FRC]	Description of relationship	Description of transaction	Transaction amount	Category	Balance at end of period
Subsidiaries of major unitholders	FJ. Entertainment Works Ltd. (Note 2)	Hakata Ward, Fukuoka City	20,000	Real estate business	–	Consignment of real estate management, etc.	Consignment of real estate management, etc. (Note 1)	1,529,949 (Note 5)	Operating accounts payable	384,962 (Note 5)
Subsidiaries of major unitholders	Fukuoka Realty Co., Ltd.	Hakata Ward, Fukuoka City	200,000	Asset management of FRC and other businesses	–	Asset management of FRC, etc. (Note 3)	Payment of asset management fees (Note 4)	634,585 (Note 5)	Accrued expenses	388,634 (Note 5)

(Note 1) Transaction terms and conditions are determined in reference to market prices, etc. and by concluding business consignment agreements after negotiating on prices.
(Note 2) FRC has concluded with FJ. Entertainment Works Ltd. a building lease and management consignment agreement for Canal City Hakata, Canal City Hakata-B, Canal City Business Center Building and Konoha Mall Hashimoto, and a real estate lease and management consignment agreement for Park Place Oita. The relevant lease agreements are master lease type with pass-through rent, in which rents and other proceeds from end tenants are directly related to an increase or decrease of FRC's revenues. For the properties covered by the said type of the agreements, the above table shows figures that regard end tenants as direct lessees.
(Note 3) As of the end of the 43rd fiscal period (February 28, 2026), Yukitaka Ohara concurrently serves as President and CEO of Fukuoka Realty Co., Ltd.
(Note 4) The amount of the asset management fees is decided based on the asset management consignment agreement following discussion between the concerned parties.
(Note 5) Consumption taxes are not included in the transaction amount but are included in the balance at end of period.

44th fiscal period (from March 1, 2026 to August 31, 2026)

(thousands of yen)

Classification	Name	Location	Capital	Business description	FRC's share of voting rights, etc. [or ownership of such in FRC]	Description of relationship	Description of transaction	Transaction amount	Category	Balance at end of period
Subsidiaries of major unitholders	FJ. Entertainment Works Ltd. (Note 2)	Hakata Ward, Fukuoka City	20,000	Real estate business	–	Consignment of real estate management, etc.	Consignment of real estate management, etc. (Note 1)	1,515,874 (Note 5)	Operating accounts payable	379,117 (Note 5)
Subsidiaries of major unitholders	Fukuoka Realty Co., Ltd.	Hakata Ward, Fukuoka City	200,000	Asset management of FRC and other businesses	–	Asset management of FRC, etc. (Note 3)	Payment of asset management fees (Note 4)	638,574 (Note 5)	Accrued expenses	387,154 (Note 5)

(Note 1) Transaction terms and conditions are determined in reference to market prices, etc. and by concluding business consignment agreements after negotiating on prices.
(Note 2) FRC has concluded with FJ. Entertainment Works Ltd. a building lease and management consignment agreement for Canal City Hakata, Canal City Hakata-B, Canal City Business Center Building and Konoha Mall Hashimoto, and a real estate lease and management consignment agreement for Park Place Oita. The relevant lease agreements are master lease type with pass-through rent, in which rents and other proceeds from end tenants are directly related to an increase or decrease of FRC's revenues. For the properties covered by the said type of the agreements, the above table shows figures that regard end tenants as direct lessees.
(Note 3) As of the end of the 44th fiscal period (August 31, 2026), Yukitaka Ohara concurrently serves as President and CEO of Fukuoka Realty Co., Ltd.
(Note 4) The amount of the asset management fees is decided based on the asset management consignment agreement following discussion between the concerned parties.
(Note 5) Consumption taxes are not included in the transaction amount but are included in the balance at end of period.

(4) Directors and major individual unitholders

43rd fiscal period (from September 1, 2025 to February 28, 2026)

Not applicable.

44th fiscal period (from March 1, 2026 to August 31, 2026)

Not applicable.

2. Parent company and major affiliated companies

43rd fiscal period (from September 1, 2025 to February 28, 2026)

Not applicable.

44th fiscal period (from March 1, 2026 to August 31, 2026)

Not applicable.

(Notes to asset retirement obligations)

43rd fiscal period (from September 1, 2025 to February 28, 2026)

Not applicable.

44th fiscal period (from March 1, 2026 to August 31, 2026)

Not applicable.

(Notes to properties for lease)

FRC owns retail, office buildings and other properties for lease in the Kyushu area centering on Fukuoka. The following table provides the book value recorded on the balance sheet, amount of change during the period and fair value of these properties for lease.

(thousands of yen)

Use			43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
Retail	Amount recorded on the balance sheet			
		Balance at beginning of period	100,919,241	100,407,421
		Amount of change during period	(511,820)	195,821
		Balance at end of period	100,407,421	100,603,242
	Fair value at end of period		109,880,000	111,160,000
Office buildings	Amount recorded on the balance sheet			
		Balance at beginning of period	72,953,812	72,575,663
		Amount of change during period	(378,148)	297,244
		Balance at end of period	72,575,663	72,872,907
	Fair value at end of period		113,412,000	112,616,000
Others	Amount recorded on the balance sheet			
		Balance at beginning of period	41,358,895	41,321,910
		Amount of change during period	(36,985)	(173,755)
		Balance at end of period	41,321,910	41,148,155
	Fair value at end of period		55,240,000	55,690,000
Total	Amount recorded on the balance sheet			
		Balance at beginning of period	215,231,949	214,304,995
		Amount of change during period	(926,953)	319,309
		Balance at end of period	214,304,995	214,624,305
	Fair value at end of period		278,532,000	279,466,000

(Note 1) Amount recorded on the balance sheet is the cost of acquisition less accumulated depreciation.
(Note 2) Of the amount of change during the 43rd fiscal period, the amount of increase is primarily attributable to acquisition of part of land of LOGICITY Kumamoto Mifune, etc. (103 million yen) and capital expenditures (1,040 million yen), and the amount of decrease is primarily attributable to disposition of Tenjin North Front Building (16% co-ownership interest) (346 million yen) and depreciation and amortization expenses (1,724 million yen). Of the amount of change during the 44th fiscal period, the amount of increase is primarily attributable to capital expenditures (2,429 million yen), and the amount of decrease is primarily attributable to disposition of Tenjin North Front Building (16% co-ownership interest) (341 million yen) and depreciation and amortization expenses (1,768 million yen).
(Note 3) The fair value at end of period is the appraisal value provided by outside real estate appraisers. However, during the 43rd fiscal period actual or planned disposition prices are indicated for Tenjin North Front Building (32% co-ownership interest) for which a purchase and sale agreement was concluded on August 28, 2024, and during the 44th fiscal period actual or planned disposition prices are indicated for Tenjin North Front Building (16% co-ownership interest) for which a purchase and sale agreement was concluded on August 28, 2024.

The following table provides the income (loss) from properties for lease.

(thousands of yen)

Use		43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
Retail	Amount recorded on the statement of income		
	Real estate leasing business revenues	5,396,400	5,467,847
	Expenses related to real estate leasing business	3,397,225	3,437,317
	Revenues and expenses related to real estate leasing business	1,999,175	2,030,530
Office buildings	Amount recorded on the statement of income		
	Real estate leasing business revenues	3,414,984	3,408,338
	Expenses related to real estate leasing business	1,613,543	1,614,114
	Revenues and expenses related to real estate leasing business	1,801,441	1,794,223
Others	Amount recorded on the statement of income		
	Real estate leasing business revenues	1,369,554	1,373,413
	Expenses related to real estate leasing business	527,656	581,917
	Revenues and expenses related to real estate leasing business	841,897	791,496
Total	Amount recorded on the statement of income		
	Real estate leasing business revenues	10,180,939	10,249,599
	Expenses related to real estate leasing business	5,538,425	5,633,349
	Revenues and expenses related to real estate leasing business	4,642,514	4,616,249

(Note) Real estate leasing business revenues and expenses related to real estate leasing business are comprised of leasing business revenues and accompanying expenses (outsourcing fees, depreciation and amortization expenses, taxes and other public charges, etc.), and are recorded as Leasing revenues - real estate, Other leasing revenues - real estate and Expenses related to leasing business, respectively.

(Notes to revenue recognition)

43rd fiscal period (from September 1, 2025 to February 28, 2026)

1. Breakdown information on revenue from contracts with customers

(thousands of yen)

	Revenues from contracts with customers (Note 1)	Sales to external customers (Note 2)
Proceeds from sales of real estate	1,016,000	638,829
Utilities income	493,742	493,742
Others	113,551	9,689,973
Total	1,623,294	10,822,545

(Note 1) Leasing business revenues subject to the "Accounting Standard for Lease Transactions" (ASBJ Statement No.13) and transfers of real estate property subject to the "Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies" (ASBJ Transferred Guidance No.10) are excluded from "Revenues from contracts with customers" as such revenues are not covered by the Accounting Standard for Revenue Recognition. Revenues generated from contracts with customers mainly represent proceeds from sales of real estate and utilities income.

(Note 2) As sale of real estate is recorded as gain on sales of real estate property on the statement of income based on the "Regulations on calculations of investment corporations" (Cabinet Office Order No. 47 of 2006), the amount obtained by deducting costs of sale of real estate property and other selling expenses from proceeds from sales of real estate is indicated.

2. Information for understanding the amount of revenue for the current fiscal period and the next fiscal period and thereafter
   Transaction price allocated to remaining performance obligations
   As of February 28, 2026, the total transaction price allocated to the remaining performance obligations related to the sale of real estate properties was 2,032,000 thousand yen for the real estate property for which a sales agreement was signed on August 28, 2024. FRC expects to recognize revenue for the remaining performance obligations of 1,016,000 thousand yen on August 27, 2026 and 1,016,000 thousand yen on February 25, 2027 upon the scheduled delivery of the relevant real estate properties.

44th fiscal period (from March 1, 2026 to August 31, 2026)

1. Breakdown information on revenue from contracts with customers

(thousands of yen)

	Revenues from contracts with customers (Note 1)	Sales to external customers (Note 2)
Proceeds from sales of real estate	1,016,000	643,745
Utilities income	503,867	503,867
Others	120,778	9,750,391
Total	1,640,646	10,898,004

(Note 1) Leasing business revenues subject to the "Accounting Standard for Lease Transactions" (ASBJ Statement No.13) and transfers of real estate property subject to the "Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies" (ASBJ Transferred Guidance No.10) are excluded from "Revenues from contracts with customers" as such revenues are not covered by the Accounting Standard for Revenue Recognition. Revenues generated from contracts with customers mainly represent proceeds from sales of real estate and utilities income.

(Note 2) As sale of real estate is recorded as gain on sales of real estate property on the statement of income based on the "Regulations on calculations of investment corporations" (Cabinet Office Order No. 47 of 2006), the amount obtained by deducting costs of sale of real estate property and other selling expenses from proceeds from sales of real estate is indicated.

2. Information for understanding the amount of revenue for the current fiscal period and the next fiscal period and thereafter
   Transaction price allocated to remaining performance obligations
   As of August 31, 2026, the total transaction price allocated to the remaining performance obligations related to the sale of real estate properties was 1,016,000 thousand yen for the real estate property for which a sales agreement was signed on August 28, 2024. FRC anticipates to recognize revenues for the remaining performance obligations on February 25, 2027 upon the scheduled delivery of the relevant real estate property.

(Notes to segment information)

[Segment information]

Descriptions are omitted as FRC has a single business segment of real estate leasing business.

[Related information]

43rd fiscal period (from September 1, 2025 to February 28, 2026)

(1) Information by product and service

Descriptions are omitted as FRC's operating revenues under single product/service classification for outside customers exceed 90% of operating revenues recorded in the statement of income.

(2) Information by region

(a) Operating revenues

Descriptions are omitted as FRC's operating revenues for outside customers in Japan exceed 90% of operating revenues recorded in the statement of income.

(b) Property, plant and equipment

Descriptions are omitted as the amount of FRC's property, plant and equipment located in Japan exceeds 90% of property, plant and equipment recorded on the balance sheet.

(3) Information by major customer

Descriptions are omitted as FRC's operating revenues for any single external customer are less than 10% of operating revenues recorded in the statement of income.

44th fiscal period (from March 1, 2026 to August 31, 2026)

(1) Information by product and service

Descriptions are omitted as FRC's operating revenues under single product/service classification for outside customers exceed 90% of operating revenues recorded in the statement of income.

(2) Information by region

(a) Operating revenues

Descriptions are omitted as FRC's operating revenues for outside customers in Japan exceed 90% of operating revenues recorded in the statement of income.

(b) Property, plant and equipment

Descriptions are omitted as the amount of FRC's property, plant and equipment located in Japan exceeds 90% of property, plant and equipment recorded on the balance sheet.

(3) Information by major customer

Descriptions are omitted as FRC's operating revenues for an individual outside customer are less than 10% of operating revenues recorded in the statement of income.

(Notes to per unit information)

(yen)

	43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
Net assets per unit	130,898	131,273
Profit per unit	4,610	4,525

(Note 1) Profit per unit was calculated by dividing the profit by the daily weighted average number of investment units. Diluted profit per unit is not stated as there are no dilutive investment units.

(Note 2) Profit per unit was calculated based on the following data:

(thousands of yen)

	43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
Profit	4,005,704	3,931,967
Amounts not attributable to ordinary unitholders	–	–
Profit attributable to ordinary investment units	4,005,704	3,931,967
Average number of units during the fiscal period	868,820 units	868,820 units

(Notes to significant subsequent events)

43rd fiscal period (September 1, 2025 to February 28, 2026)	44th fiscal period (March 1, 2026 to August 31, 2026)
No relevant items.	No relevant items.

X. Supplementary Schedules

(Schedule of securities)

(1) Securities

Not applicable.

(2) Investment securities other than securities

(thousands of yen)

Type of asset	Name	Total amount	Book value	Accrued interest	Accrued interest paid	Evaluation value (Note 1)	Gain or loss on valuation	Remarks
Silent partnership equity interest	Silent partnership equity interest with Limited Liability Company FRC2 as the operator	–	167,651	–	–	167,651	–	(Note 2)
Total		–	167,651	–	–	167,651	–	

(Note 1) "Evaluation value" indicates the book value.

(Note 2) The asset under management is a real estate trust beneficiary interest with ABAS CHIKUGOMACHI and ABAS KANAYAMACHI as the properties held in trust.

(Schedule of contract amount, etc. and fair value of derivative transactions and forward exchange transactions)

(thousands of yen)

Category	Type	Contract amount, etc. (Note 1)	Of which, exceeding 1 year	Fair value (Note 2)
Off-market transaction	Interest rate swap transaction Receivable floating; Payable fixed	16,200,000	14,700,000	1,108,721
Total		16,200,000	14,700,000	1,108,721

(Note 1) The contract amount, etc. of the interest rate swap transaction is based on the notional principal amount.

(Note 2) The fair value is calculated by the counterparty of the transaction contract based on the actual interest rate on the market and other factors.

(Schedule of property, plant and equipment, and intangible assets)

(thousands of yen)

Type of asset		Balance as of March 1, 2026	Increase	Decrease	Balance as of August 31, 2026	Accumulated depreciation	Depreciation for the period	Net property and equipment	Remarks
Total property, plant and equipment	Buildings	2,109,628	6,298	–	2,115,926	250,326	27,459	1,865,599	
	Structures	37,187	–	–	37,187	2,882	375	34,304	
	Machinery and equipment	0	4,223	–	4,223	95	95	4,127	
	Tools and fixtures	3,513	–	–	3,513	2,118	262	1,394	
	Land	1,775,660	230	–	1,775,890	–	–	1,775,890	
	Buildings in trust	123,262,883	2,344,046	290,677	125,316,252	48,580,624	1,651,716	76,735,627	
	Structures in trust	2,311,425	9,612	266	2,320,771	1,087,822	25,883	1,232,949	
	Machinery and equipment in trust	1,690,652	36,185	8,084	1,718,752	989,863	37,244	728,888	
	Vehicles and transport equipment in trust	626	–	–	626	594	–	31	
	Tools and fixtures in trust	1,623,819	37,360	2,354	1,658,825	1,346,494	24,894	312,331	
	Land in trust	126,531,790	–	179,659	126,352,131	–	–	126,352,131	
	Construction in progress in trust	41,656	427	9,020	33,064	–	–	33,064	
	Subtotal	259,388,843	2,438,383	490,062	261,337,164	52,260,822	1,767,931	209,076,341	
Total intangible assets	Leasehold right in trust	5,545,883	–	–	5,545,883	–	–	5,545,883	
	Other intangible assets in trust	74,898	–	–	74,898	72,818	376	2,080	
	Subtotal	5,620,781	–	–	5,620,781	72,818	376	5,547,963	
Total		265,009,625	2,438,383	490,062	266,957,946	52,333,640	1,768,307	214,624,305	

(Schedule of other specified assets)

Not applicable.

(Schedule of investment corporation bonds)

Issue	Issue date	Balance as of March 1, 2026 (thousands of yen)	Decrease during the fiscal period (thousands of yen)	Balance as of August 31, 2026 (thousands of yen)	Coupon (%)	Maturity date	Maturity method	Use	Description
Second Series of Unsecured Bonds	July 31, 2017	2,000,000	–	2,000,000	1.00	July 30, 2032	Lump-sum upon maturity (Note 1)	Repayment of debt	No collateral/ No guarantee (Note 2)
Third Series of Unsecured Bonds	July 31, 2018	1,000,000	–	1,000,000	1.20	July 30, 2038	Lump-sum upon maturity (Note 1)	Repayment of debt	No collateral/ No guarantee (Note 2)
Total		3,000,000	–	3,000,000					

(Note 1) The bonds may be repurchased and cancelled by FRC at any time on and after the date following the payment date, unless otherwise determined by the book-entry transfer agent.
(Note 2) The bonds are subject to the limited pari passu clause among specified investment corporation bonds.
(Note 3) Amount of redemption of investment corporation bonds scheduled to be due within 5 years after period end.

(thousands of yen)

Category	Due in 1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Investment corporation bonds	–	–	–	–	–

(Schedule of debt)

(thousands of yen)

Category	Lender	Balance as of March 1, 2026	Increase	Decrease	Balance as of August 31, 2026	Average interest rate (%) (Note 1)	Repayment date	Use of funds	Description
Current maturities of long-term debt	MUFG Bank	600,000	–	600,000	–	0.480	March 31, 2026	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	1,300,000	–	1,300,000	–	0.777	June 30, 2026	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	1,000,000	–	1,000,000	–				
	The Oita Bank	700,000	–	700,000	–				
	The Kitakyushu Bank	700,000	–	700,000	–				
	The Miyazaki Bank	700,000	–	700,000	–				
	The Juhachi-Shinwa Bank	1,100,000	–	1,100,000	–				
	The Iyo Bank	500,000	–	500,000	–				
	The Bank of Fukuoka	1,500,000	–	–	1,500,000	1.641	December 30, 2026	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	1,800,000	–	–	1,800,000	0.650	December 31, 2026	Refinance fund	No collateral/ No guarantee
	The Norinchukin Bank	1,500,000	–	–	1,500,000	0.303	January 29, 2027	Refinance fund	No collateral/ No guarantee
	Sumitomo Mitsui Trust Bank	1,100,000	–	–	1,100,000	0.600	February 26, 2027	Refinance fund	No collateral/ No guarantee
	Resona Bank	–	600,000	–	600,000	0.658	March 31, 2027	Refinance fund	No collateral/ No guarantee
	MUFG Bank	–	500,000	–	500,000	0.490	March 31, 2027	Refinance fund	No collateral/ No guarantee
	Sumitomo Mitsui Trust Bank	–	400,000	–	400,000	0.576	March 31, 2027	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	–	2,000,000	–	2,000,000	0.792	July 31, 2027	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	–	2,000,000	–	2,000,000	0.892	July 31, 2027	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	–	500,000	–	500,000	0.850	August 31, 2027	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	–	500,000	–	500,000				
	The Oita Bank	–	100,000	–	100,000				
	The Kitakyushu Bank	–	100,000	–	100,000				
	The Juhachi-Shinwa Bank	–	200,000	–	200,000				
	The Hiroshima Bank	–	100,000	–	100,000				
	Subtotal	12,500,000	7,000,000	6,600,000	12,900,000				

Category	Lender	Balance as of March 1, 2026	Increase	Decrease	Balance as of August 31, 2026	Average interest rate (%) (Note 1)	Repayment date	Use of funds	Description
Long-term debt	Resona Bank	600,000	–	600,000	–	0.658	March 31, 2027	Refinance fund	No collateral/ No guarantee
	MUFG Bank	500,000	–	500,000	–	0.490	March 31, 2027	Refinance fund	No collateral/ No guarantee
	Sumitomo Mitsui Trust Bank	400,000	–	400,000	–	0.576	March 31, 2027	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	2,000,000	–	2,000,000	–	0.792	July 31, 2027	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	2,000,000	–	2,000,000	–	0.892	July 31, 2027	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	500,000	–	500,000	–	0.850	August 31, 2027	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	500,000	–	500,000	–				
	The Oita Bank	100,000	–	100,000	–				
	The Kitakyushu Bank	100,000	–	100,000	–				
	The Juhachi-Shinwa Bank	200,000	–	200,000	–				
	The Hiroshima Bank	100,000	–	100,000	–				
	Resona Bank	2,000,000	–	–	2,000,000	0.493	September 30, 2027	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	1,500,000	–	–	1,500,000	0.812	December 30, 2027	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	500,000	–	–	500,000	0.680	December 30, 2027	Refinance fund	No collateral/ No guarantee
	MUFG Bank	500,000	–	–	500,000	0.590	January 31, 2028	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	1,900,000	–	–	1,900,000	0.750	February 29, 2028	Refinance fund	No collateral/ No guarantee
	Resona Bank	600,000	–	–	600,000	0.567	February 29, 2028	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	2,500,000	–	–	2,500,000	0.720	March 1, 2028	Acquisition fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	600,000	–	–	600,000	0.802	March 31, 2028	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	500,000	–	–	500,000	0.802	March 31, 2028	Refinance fund	No collateral/ No guarantee
	Mizuho Bank	500,000	–	–	500,000	0.630	March 31, 2028	Refinance fund	No collateral/ No guarantee
	The Oita Bank	400,000	–	–	400,000	0.646	March 31, 2028	Refinance fund	No collateral/ No guarantee
	The Hiroshima Bank	400,000	–	–	400,000	0.646	March 31, 2028	Refinance fund	No collateral/ No guarantee
	The Higo Bank	700,000	–	–	700,000	0.615	March 31, 2028	Acquisition fund	No collateral/ No guarantee
	The Kagoshima Bank	500,000	–	–	500,000	0.465	June 30, 2028	Acquisition fund	No collateral/ No guarantee
	Sumitomo Mitsui Trust Bank	900,000	–	–	900,000	0.501	July 31, 2028	Refinance fund	No collateral/ No guarantee
	MUFG Bank	500,000	–	–	500,000	0.480	September 29, 2028	Refinance fund	No collateral/ No guarantee
	SBI Shinsei Bank	600,000	–	–	600,000	0.767	September 29, 2028	Refinance fund	No collateral/ No guarantee
	The Higo Bank	600,000	–	–	600,000	0.767	September 29, 2028	Refinance fund	No collateral/ No guarantee
	The Iyo Bank	500,000	–	–	500,000	0.767	September 29, 2028	Refinance fund	No collateral/ No guarantee
	The Kagoshima Bank	300,000	–	–	300,000	0.767	September 29, 2028	Refinance fund	No collateral/ No guarantee
	Sumitomo Mitsui Banking Corporation	500,000	–	–	500,000	0.655	January 31, 2029	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	400,000	–	–	400,000	1.591	January 31, 2029	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	300,000	–	–	300,000	1.591	January 31, 2029	Refinance fund	No collateral/ No guarantee
	Resona Bank	200,000	–	–	200,000	0.488	February 28, 2029	Refinance fund	No collateral/ No guarantee
	MUFG Bank	500,000	–	–	500,000	0.600	June 29, 2029	Acquisition fund	No collateral/ No guarantee
	Sumitomo Mitsui Banking Corporation	1,600,000	–	–	1,600,000	0.726	June 29, 2029	Refinance fund	No collateral/ No guarantee

Category	Lender	Balance as of March 1, 2026	Increase	Decrease	Balance as of August 31, 2026	Average interest rate (%) (Note 1)	Repayment date	Use of funds	Description
Long-term debt	The Hiroshima Bank	500,000	–	–	500,000	0.541	June 29, 2029	Refinance fund	No collateral/ No guarantee
	Mizuho Bank	1,200,000	–	–	1,200,000	0.521	July 31, 2029	Refinance fund	No collateral/ No guarantee
	The Bank of Saga	500,000	–	–	500,000				
	The Higo Bank	500,000	–	–	500,000				
	Development Bank of Japan	2,000,000	–	–	2,000,000	0.838	August 31, 2029	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	2,500,000	–	–	2,500,000	0.480	February 28, 2030	Refinance fund	No collateral/ No guarantee
	Mizuho Bank	1,700,000	–	–	1,700,000	0.420	February 28, 2030	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	2,000,000	–	–	2,000,000	0.907	February 28, 2030	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	1,000,000	–	–	1,000,000	1.385	February 28, 2030	Refinance fund	No collateral/ No guarantee
	The Higo Bank	300,000	–	–	300,000	1.370	March 29, 2030	Refinance fund	No collateral/ No guarantee
	Aozora Bank	1,000,000	–	–	1,000,000	0.569	June 28, 2030	Refinance fund	No collateral/ No guarantee
	Resona Bank	700,000	–	–	700,000	0.569	June 28, 2030	Acquisition fund	No collateral/ No guarantee
	The Hiroshima Bank	1,000,000	–	–	1,000,000	0.635	June 28, 2030	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	1,500,000	–	–	1,500,000	0.530	July 31, 2030	Refinance fund	No collateral/ No guarantee
	Mizuho Bank	1,000,000	–	–	1,000,000	0.470	July 31, 2030	Refinance fund	No collateral/ No guarantee
	The Kitakyushu Bank	500,000	–	–	500,000	0.526	July 31, 2030	Refinance fund	No collateral/ No guarantee
	The Iyo Bank	200,000	–	–	200,000	0.526	July 31, 2030	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	2,000,000	–	–	2,000,000	0.919	September 30, 2030	Refinance fund	No collateral/ No guarantee
	MUFG Bank	1,000,000	–	–	1,000,000	1.202	October 31, 2030	Refinance fund	No collateral/ No guarantee
	Sumitomo Mitsui Banking Corporation	1,000,000	–	–	1,000,000	1.202	October 31, 2030	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	1,000,000	–	–	1,000,000	0.889	February 28, 2031	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	1,000,000	–	–	1,000,000	1.474	February 28, 2031	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	1,000,000	–	–	1,000,000	1.460	February 28, 2031	Refinance fund	No collateral/ No guarantee
	The Higo Bank	200,000	–	–	200,000	1.780	February 28, 2031	Refinance fund	No collateral/ No guarantee
	The Kagoshima Bank	200,000	–	–	200,000	1.780	February 28, 2031	Refinance fund	No collateral/ No guarantee
	The Juhachi-Shinwa Bank	1,000,000	–	–	1,000,000	0.590	March 31, 2031	Refinance fund	No collateral/ No guarantee
	MUFG Bank	–	600,000	–	600,000	2.501	March 31, 2031	Refinance fund	No collateral/ No guarantee
	Mizuho Bank	2,300,000	–	–	2,300,000	0.490	July 31, 2031	Refinance fund	No collateral/ No guarantee
	The Hiroshima Bank	1,400,000	–	–	1,400,000				
	The Kitakyushu Bank	800,000	–	–	800,000				
	The Iyo Bank	500,000	–	–	500,000				
	The Higo Bank	300,000	–	–	300,000				
	Sumitomo Mitsui Trust Bank	600,000	–	–	600,000	0.829	July 31, 2031	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	1,900,000	–	–	1,900,000	1.015	September 30, 2031	Refinance fund	No collateral/ No guarantee
	MUFG Bank	800,000	–	–	800,000	1.686	September 30, 2031	Refinance fund	No collateral/ No guarantee
	Sumitomo Mitsui Banking Corporation	500,000	–	–	500,000	1.669	September 30, 2031	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	2,500,000	–	–	2,500,000	1.491	October 31, 2031	Refinance fund	No collateral/ No guarantee
	Mizuho Bank	1,000,000	–	–	1,000,000	1.249	October 31, 2031	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	–	715,000	–	715,000	1.409	January 30, 2032	Refinance fund	No collateral/ No guarantee
	The Juhachi-Shinwa Bank	–	605,000	–	605,000				
	The Nishi-Nippon City Bank	–	550,000	–	550,000				
	The Oita Bank	–	385,000	–	385,000				
	The Kitakyushu Bank	–	385,000	–	385,000				
	The Miyazaki Bank	–	385,000	–	385,000				
	The Iyo Bank	–	275,000	–	275,000				
	Mizuho Trust & Banking Co., Ltd.	1,000,000	–	–	1,000,000	1.591	March 31, 2032	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	4,000,000	–	–	4,000,000	0.919 (Note 2)	August 31, 2032	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	500,000	–	–	500,000				
	The Bank of Fukuoka	400,000	–	–	400,000				
	SBI Shinsei Bank	300,000	–	–	300,000	1.485	September 30, 2032	Refinance fund	No collateral/ No guarantee
	Development Bank of Japan	600,000	–	–	600,000	1.921	November 30, 2032	Refinance fund	No collateral/ No guarantee
	SBI Shinsei Bank	600,000	–	–	600,000				
	The Kitakyushu Bank	400,000	–	–	400,000				
	The Oita Bank	300,000	–	–	300,000				
	The Kagoshima Bank	100,000	–	–	100,000				
	The Hiroshima Bank	100,000	–	–	100,000				
	SBI Shinsei Bank	700,000	–	–	700,000	1.132	January 31, 2033	Refinance fund	No collateral/ No guarantee
	The Nishi-Nippon City Bank	1,000,000	–	–	1,000,000	1.070	February 28, 2033	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	1,000,000	–	–	1,000,000	1.514	February 28, 2033	Refinance fund	No collateral/ No guarantee
	MUFG Bank	1,500,000	–	–	1,500,000	1.299	February 28, 2033	Refinance fund	No collateral/ No guarantee
	The Oita Bank	200,000	–	–	200,000	1.935	February 28, 2033	Refinance fund	No collateral/ No guarantee
	The Higo Bank	750,000	–	–	750,000	1.591	March 31, 2033	Acquisition fund	No collateral/ No guarantee
	Sumitomo Mitsui Trust Bank	300,000	–	–	300,000	1.269	March 31, 2033	Refinance fund	No collateral/ No guarantee
	The Bank of Fukuoka	–	585,000	–	585,000	1.409	June 30, 2033	Refinance fund	No collateral/ No guarantee
	The Juhachi-Shinwa Bank	–	495,000	–	495,000				
	The Nishi-Nippon City Bank	–	450,000	–	450,000				
	The Oita Bank	–	315,000	–	315,000				
	The Kitakyushu Bank	–	315,000	–	315,000				
	The Miyazaki Bank	–	315,000	–	315,000				
	The Iyo Bank	–	225,000	–	225,000				
	The Nishi-Nippon City Bank	1,000,000	–	–	1,000,000	1.189	September 30, 2033	Refinance fund	No collateral/ No guarantee
	Subtotal	80,850,000	6,600,000	7,000,000	80,450,000				
Total		93,350,000	13,600,000	13,600,000	93,350,000				

(Note 1) The average interest rate is a weighted-average figure during the fiscal period and is rounded to three decimal places. Furthermore, the average interest rate of debt for which FRC conducted interest rate swap transactions is the weighted-average figure during the fiscal period taking into consideration the effect of interest rate swaps.

(Note 2) The borrowing is a Sustainability-Linked Loan in which it has been set as a Sustainability Performance Target (SPT) to reduce CO_2 emissions (in terms of intensity) by 35% compared with fiscal 2019 by February 28, 2031, and the achievement of the target is linked to the loan conditions. When the SPT is achieved, the contract will offer a preferential treatment for the interest rate determined at the time of borrowing, for the period from August 2031 to the repayment date.

(Note 3) Amount of repayment of long-term debt scheduled to be due within 5 years after period end.

(thousands of yen)

Category	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Long-term debt	14,000,000	10,700,000	13,400,000	14,900,000

X. Supplementary Schedules



Fukuoka REIT Corporation