Provisional translation only

May 25, 2015

Fukuoka REIT Corporation
1-2-25 Sumiyoshi, Hakata Ward, Fukuoka City
Etsuo Matsuyuki
CEO & Representative Director
(Securities Code: 8968)

Asset Management Company:
Fukuoka Realty Co., Ltd.
1-2-25 Sumiyoshi, Hakata Ward, Fukuoka City
Etsuo Matsuyuki
CEO & Representative Director

Inquiries:
Hiroyuki Ayabe
Head of Finance Department
TEL: +81-(0)92-272-3900

Fukuoka REIT Concludes Agreement to Purchase a New Retail Property

Fukuoka REIT Corporation (FRC) announces that Fukuoka Realty Co., Ltd, the asset management company to which it entrusts the management of its assets, today decided to acquire the following domestic real estate for FRC.

1. Summary of Acquisition

Property name	Use	Location	Acquisition price (planned)	Acquisition date (planned)
Adjacent land of Park Place Oita (*)	Parking	4-Chome Koen Dori, Oita City	590 million yen	May 28, 2015

(*)This property will be parking lot exclusively for employees of Park Place Oita's tenants.

2. Reason for Acquisition

FRC invests primarily in retail facilities with excellent design and entertainment qualities and Class A office buildings, focusing on the Fukuoka and Kyushu region. Other than retail facilities and office buildings, FRC also works to acquire properties which, by capitalizing on its community-based strengths to establish appropriate management structures for each property and through other measures, will allow it to secure stable earnings over medium- to long-term periods. By incorporating such properties into its portfolio, FRC intends to pursue risk diversification within the region.

Adjacent land of Park Place Oita (hereafter, the "Property"), the property to be acquired, is a parking lot exclusively for employees of Park Place Oita's tenants. Park Place Oita currently has parking lots available for approximately 4,000 vehicles, which become almost full on holidays, etc. under the present status. Of the people who visit Park Place Oita, 90% use cars as a means for transport and we believe that securing parking lots to accommodate such demand is one of the important issues of the facility.

The Property subject for acquisition is owned by Fukuoka Jisho Co., Ltd., which is currently a sponsor of the asset management company, as part of the for-sale residential land of Park Place Oita Koen-dori. Fukuoka Jisho had been considering whether it should sell the land as residential land for housings or sell it in bulk.

In the case that a third party other than FRC acquired the Property, the capacity of the parking lot would have decreased and risks such as increased congestion on holidays, etc. in surrounding areas and decrease in the number of visitors could be presumed. Thus, it was judged that FRC acquiring the Property is most appropriate

for the operation of Park Place Oita.

FRC believes that integrated management and operation of the Property together with Park Place Oita will be enabled by the acquisition of the Property, and that the required capacity of parking lots has been secured.

3. Details of Property for Acquisition

(1) Overview of Acquisition

1) Property to be acquired (Note 1):	Real estate trust beneficiary interest (Trustee: Sumitomo Mitsui Trust Bank, Limited)
2) Property name:	Adjacent land of Park Place Oita
3) Acquisition price (planned) (Note 2):	590 million yen
4) Appraisal value:	601 million yen
5) Acquisition date (planned):	May 28, 2015
6) Seller:	Fukuoka Jisho Co., Ltd.
7) Funding:	Cash on hand
8) Payment method:	Lump-sum payment upon delivery

*Note 1: Although the property to be acquired is in the form of actual real estate at present, the present owner plans to place it in trust to the trustee and FRC plans to acquire the beneficiary interest in the trust.

*Note 2: The acquisition price (planned) does not include acquisition expenses, amounts equivalent to the settlement of property taxes and city planning taxes, consumption taxes on the building and other expenses.

(2) Overview of Asset to be acquired

Property name	Adjacent land of Park Place Oita	
Property to be acquired	Real estate trust beneficiary interest	
Term of real estate trust (planned)	From May 28, 2015~November 30, 2017	
Location (address)	7189-10-9, 4-Chome Koen Dori, Oita City	
Land	Area	32,147 ㎡
	Zoning	Class-1 residential area
	Floor area ratio	100%
	Building coverage	50%
	Type of ownership	Ownership
Building	Structure/floor	-
	Built	-
	Total floor area	-
	Use	-
	Type of ownership	-
Appraisal value	601 million yen	
Appraiser	Japan Real Estate Institue	
Collateral	None	
Property manager(planned)	Park Place Oita Co.,Ltd	
Earthquake PML	None	

(*) All figures for location, area are based on the indications on the registry.

(3) Outline of Lease

This property includes the lease agreement of the signboard-land and the contract of parking lot for employees. As acquired this property, the leasing revenues are expected to increase about 12 million yen annually as Park Place Oita.

(4) Profile of Seller

(1)	Company name	Fukuoka Jisho Co., Ltd.
(2)	Address	2-25, 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City
(3)	Representative title and name	Kan Ishii, President and Representative Director
(4)	Activities	Engaged in urban development, residential development, development and operation of retail facilities and office buildings, etc.
(5)	Specified capital	4,000 million yen (as of March 31, 2015)
(6)	Establishment	July 19, 1961
(7)	Net assets	37,945 million yen
(8)	Total assets	133,466 million yen
(9)	Relationship with FRC and the asset management company	
	Capital relationship	The seller is a shareholder of FRC's asset management company, Fukuoka Realty Co., Ltd., with equity of 50%. The company also owns 64,775 investment units of FRC as of April 8, 2015).
	Personnel relationship	The seller has dispatched a full-time director and two part-time directors to the asset management company.
	Business relationship	The seller has such transactions with FRC and the asset management company as property management services, brokerage of real estate transactions and lease of properties owned by FRC. There is no relationship to note between the affiliates or affiliated companies of the seller and the affiliates or affiliated companies of FRC and the asset management company.
	Related parties or not	The seller falls within the scope of related parties of FRC. The seller falls within the scope of parent company, etc., designated in the Financial Instruments and Exchange Act, of the asset management company.

(5) Profile of Previous Owners

Property name		Adjacent land of Park Place Oita	
Status of previous owners		Previous owner	Owner before previous owner
	Company name	Fukuoka Jisho Co., Ltd.	－
	Relationship with special interested parties	A shareholder of the asset management company (with equity of 50%)	－
	Background and reason of acquisition, etc.	For the purpose of development	－
	Acquisition price	－	－
	Acquisition date(Note1)	March, 2011	－

(Note1) This property is the real estate which the previous owner, Fukuoka Jisho Co..Ltd took over due to merger of the owner before previous owner. Therefore the Acquisition date is the merger of companies.

(6) Transaction with Interested Parties

1) Fukuoka Jisho Co., Ltd., the seller of the Property, falls within the scope of interested parties of the asset management company. Accordingly, the asset management company has conducted discussions at and obtained approvals of its Investment Management Committee, Compliance Assessment Committee and

Board of Directors concerning the acquisition price and other terms of the Property, pursuant to the regulations and other rules of the asset management company.

2) FRC will conclude a real estate lease and management consignment agreement with Park Place Oita Co., Ltd. for Park Place Oita in order to lease the Property to and consign the latter with the property management work for the Property. The same procedures for discussions and approvals as above (1) have been taken for concluding the agreement.

(7) Sales Agent Profile

None

(8) Acquisition Schedule

May 25, 2015: Decision of acquisition
May 28, 2015: Conclusion of agreement (planned)
May 28, 2015: Payment (planned)
May 28, 2015: Delivery of the property (planned)

4. Outlook

The impact of the transaction on FRC's operating forecast for the fiscal period ending August 2015 (March 1, 2015 – August 31, 2015) and for the fiscal period ending February 2016 (September 1, 2015 – February 29, 2016), which were announced in the "Earnings Briefing for the Period Ended February 2015" dated April 8, 2015 is considered to be minimal, and FRC will not revise the forecast at present.

5. Outline of Appraisal Report

Property name	Adjacent land of Park Place Oita	
Appraiser	Japan Real Estate Institute	
Appraisal value	601,000 thousand yen	
Pricing date	May 1, 2015	
	Figures	Reasons, etc.
Value indicated by the sales comparison approach	601,000 thousand yen	
Value indicated by the DCF method for residential development project	601,000 thousand yen	Assumed cases when the subject property will be sold for housings after land formation and plotting.

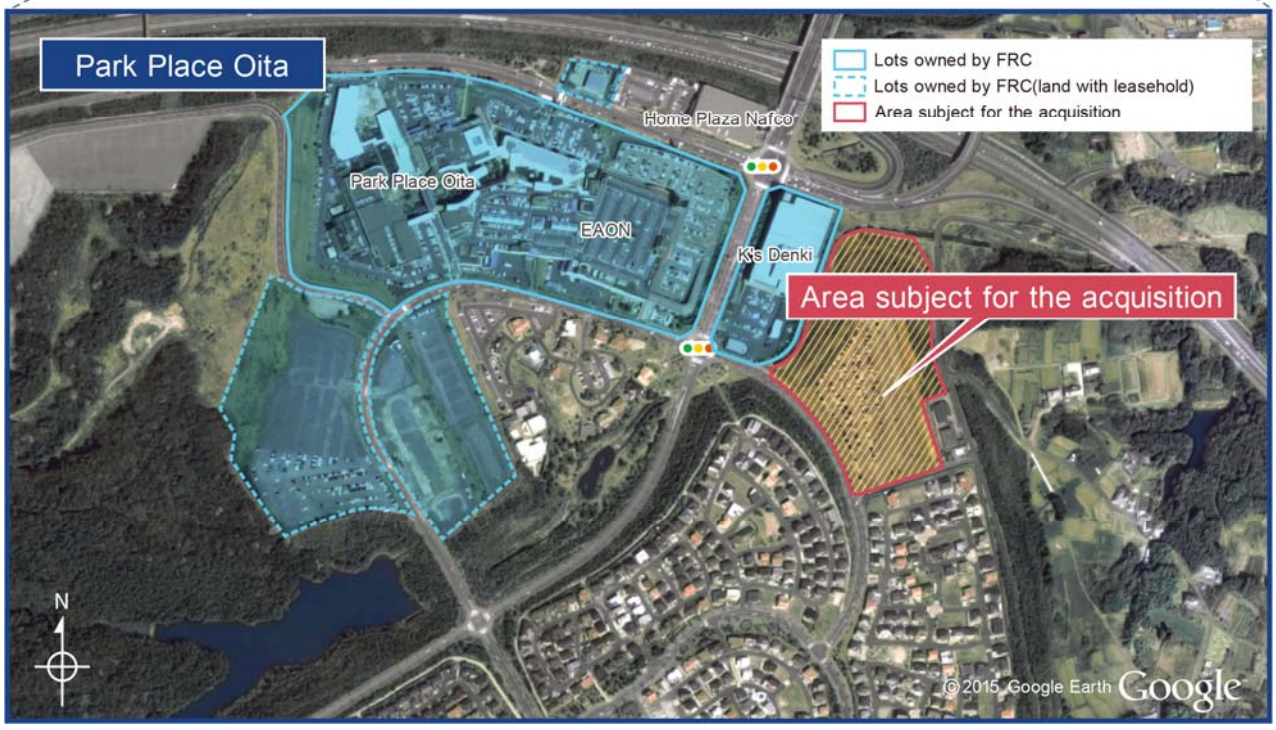
Other matters noted by the appraiser in conducting appraisal	The cost method was not applied as the land formation for the subject property had already been completed and it is difficult to figure out the replacement cost. In addition, the income approach was not applied as the subject property is not based on the premise that it will generate earnings alone, and thus the approach lacks canonicity from the highest and best use as well as market participant perspectives.

(Note) Appraisal value of the Property will be disclosed in combination with that for existing portion in Park Place Oita from now on.

(Attachments)
Reference 1: Location of the property
Reference 2: Map of FRC’s portfolio
Reference 3: List of FRC’s portfolio

Reference 1: Location of the property





Reference 2: Map of FRC's portfolio

1 Canal City Hakata
- Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City
- Acquisition date : Nov. 9, 2004
- Acquisition price : 32 bn yen

2 Canal City Hakata・B
- Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City
- Acquisition date : Nov. 9, 2004
- Acquisition price : 28.7 bn yen

3 Canal City Business Center Building
- Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City
- Acquisition date : Nov. 9, 2004
- Acquisition price : 14.6 bn yen

4 Gofukumachi Business Center
- Address : Kami Gofukumachi, Hakata Ward, Fukuoka City
- Acquisition date : Nov. 9, 2004
- Acquisition price : 11.2 bn yen

5 Taihaku Street Business Center
- Address : Gokushomachi, Hakata Ward, Fukuoka City
- Acquisition date : Mar. 16, 2006
- Acquisition price : 7 bn yen

6 Sanix Hakata Building
- Address : 2-chome, Hakataekihigashi, Hakata Ward, Fukuoka City
- Acquisition date : Sep. 30, 2005
- Acquisition price : 4.4 bn yen

7 Higashi Hie Business Center
- Address : 3-chome, Higashi-hie, Hakata Ward, Fukuoka City
- Acquisition date : Mar. 13, 2009
- Acquisition price : 5.9 bn yen

8 Amex Akasakamon Tower
- Address : 2-chome, Maizuru, Chuo Ward, Fukuoka City
- Acquisition date : Sep. 1, 2004
- Acquisition price : 2 bn yen

9 City House Keyaki Dori
- Address : 2-chome, Kego, Chuo Ward, Fukuoka City
- Acquisition date : Dec. 20, 2007
- Acquisition price : 1.1 bn yen

10 AEON Hara Shopping Center
- Address : 6-chome, Hara, Sawara Ward, Fukuoka City
- Acquisition date : Mar. 1, 2007
- Acquisition price : 5.4 bn yen

11 Hanahata SC
- Address : 4-chome, Hanahata, Minami Ward, Fukuoka City
- Acquisition date : Sep. 3, 2007
- Acquisition price : 1.1 bn yen

12 Park Place Oita (*1)
- Address : 2-chome, Koen Dori Nishi, Oita City
- Acquisition date : Nov. 9, 2004
- Acquisition price : 16.2 bn yen

13 SunLiveCity Kokura
- Address : 2-chome, Kami Kuzuhara, Kokura Ward, Kitakyushu City
- Acquisition date : Jul. 1, 2005
- Acquisition price : 6.6 bn yen

14 Kurume Higashi Kushiwara SC
- Address : Higashi kushiwara-cho, Kurume City
- Acquisition date : Feb. 1, 2008
- Acquisition price : 2.5 bn yen

15 Kumamoto Intercommunity SC
- Address : 1-chome, Kozono, Higashi Ward, Kumamoto City
- Acquisition date : Nov. 30, 2006
- Acquisition price : 2.4 bn yen

16 Square Mall Kagoshima Usuki
- Address : 2-chome, Usuki, Kagoshima City
- Acquisition date : Sep. 28, 2006
- Acquisition price : 5.3 bn yen

17 K's Denki Kagoshima
- Address : Tokai-cho, Kagoshima City
- Acquisition date : Mar. 27, 2008
- Acquisition price : 3.5 bn yen

18 Aqualia Kego
- Address : 2-chome, Kego, Chuo Ward, Fukuoka City
- Acquisition date : Mar. 1, 2012
- Acquisition price : 2.8 bn yen

19 Aqualia Chihaya
- Address : 4-chome, Chihaya, Higashi Ward, Fukuoka City
- Acquisition date : Mar. 1, 2012
- Acquisition price : 1.2 bn yen

20 Tenjin Nishi-Dori Center Building
- Address : 2-chome, Tenjin, Chuo Ward, Fukuoka City
- Acquisition date : Feb. 1, 2013
- Acquisition price : 2.6 bn yen

21 D-Wing Tower
- Address : 2-chome, Daimyo, Chuo Ward, Fukuoka City
- Acquisition date : Mar. 1, 2013
- Acquisition price : 2.8 bn yen

22 Hotel FORZA Oita
- Address : 1-chome, Chuo-machi, Oita City
- Acquisition date : Mar. 1, 2013
- Acquisition price : 1.5 bn yen

23 Tenjin North-Front Building
- Address : 4-chome, Tenjin, Chuo Ward, Fukuoka City
- Acquisition date : Mar. 28, 2013
- Acquisition price : 2.8 bn yen

24 Tosu Logistic Center
- Address : Himekatamachi, Tosu-City, Saga,
- Acquisition date : Mar. 28, 2014
- Acquisition price : 1.2 bn yen

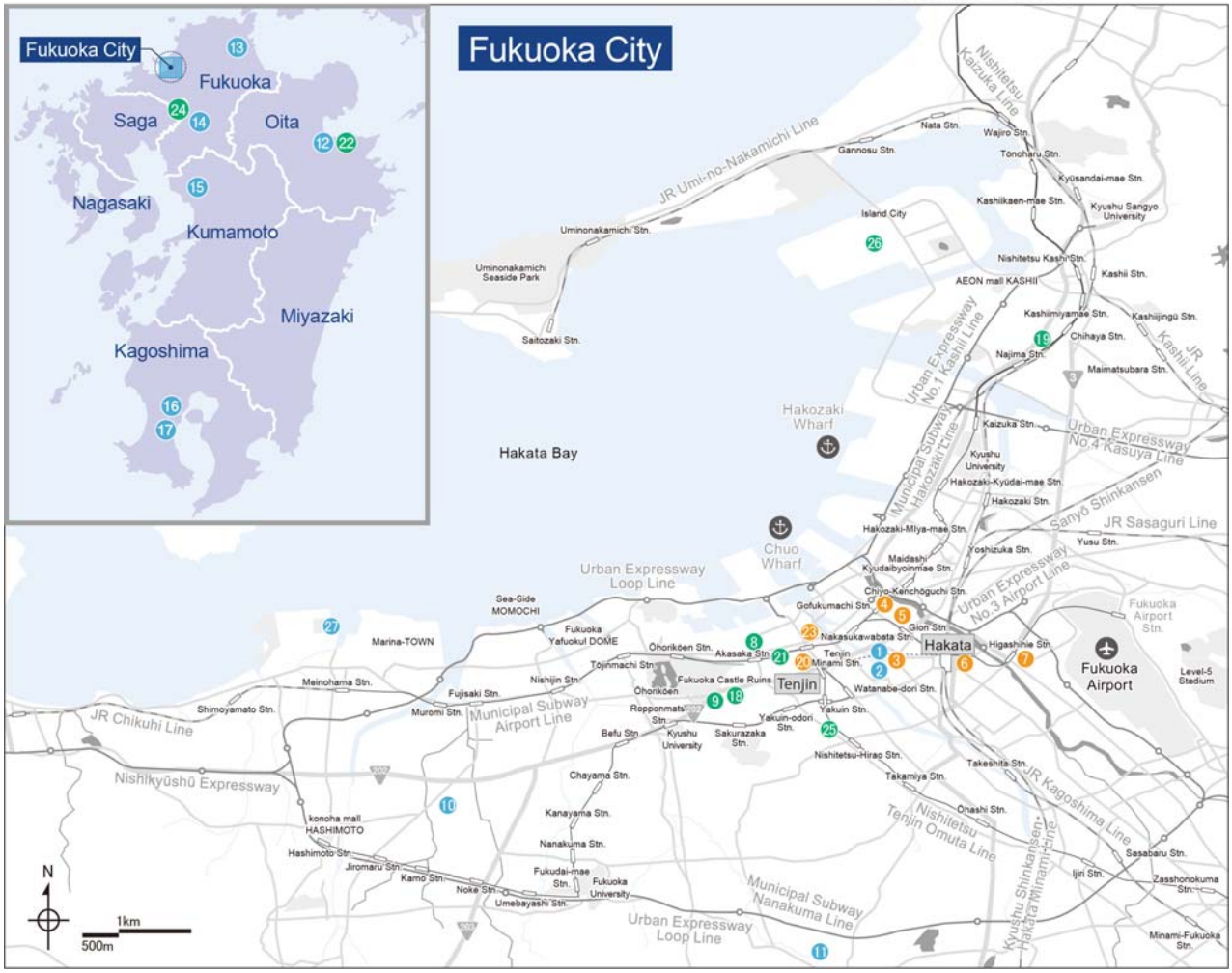
25 Granfore Yakuin Minami
- Address : 1-chome, Hirao, Chuo Ward, Fukuoka City
- Acquisition date : Nov. 4, 2014
- Acquisition price : 1.1 bn yen

26 LOGIPORT Island-City Hakata
- Address : 2-chome, Minatokashi, Chuo Ward, Fukuoka City
- Acquisition date : Mar. 27, 2015
- Acquisition price : 8.1 bn yen

27 Marinoa City Fukuoka (Marina Side Building)
- Address : 2-chome, Odo, Nishi Ward, Fukuoka City
- Acquisition date : May 1, 2015
- Acquisition price : 5.2 bn yen

■ Retail ■ Office buildings ■ Others

(*)Figures round down to nearest 100mm yen
(*1)The acquisition price is included the parking lots which will be acquired as of May 28,2015



Reference 3: List of FRC's portfolio

Use	Property Name	Acquisition Date (planned)	Acquisition Price (planned) (million yen) (Note 1)	Acquisition Cap Rate (NCF basis) (Note 2)	Investment Ratio
Retail	Canal City Hakata	Nov. 9, 2004	32,000	6.00%	17.80%
	Park Place Oita	Nov. 9, 2004	16,290 (Note3)	6.60%	9.06% (Note3)
	SunLiveCity Kokura	Jul. 1, 2005	6,633	6.60%	3.69%
	Square Mall Kagoshima Usuki	Sep. 28, 2006	5,300	6.30%	2.95%
	Kumamoto Intercommunity SC	Nov. 30, 2006	2,400	6.50%	1.34%
	Aeon Hara Shopping Center	Mar. 1, 2007	5,410	6.80%	3.01%
	Hanahata SC	Sep. 3, 2007	1,130	6.40%	0.63%
	Kurume Higashi Kushiwara SC	Feb. 1, 2008	2,500	6.10%	1.39%
	K's Denki Kagoshima Head Office	Mar. 27, 2008	3,550	5.70%	1.98%
	Canal City Hakata B	Mar. 2, 2011	28,700	5.40%	15.97%
	Marinoa City Fukuoka (Marina Side Building)	May 1, 2015	5,250	5.50%	2.92%
Office buildings	Canal City Business Center Building	Nov. 9, 2004	14,600	6.30%	8.12%
	Gofukumachi Business Center	Nov. 9, 2004	11,200	6.30%	6.23%
	Sanix Hakata Building	Sep. 30, 2005	4,400	5.90%	2.45%
	Taihaku Street Business Center	Mar. 16, 2006	7,000	6.00%	3.89%
	Higashi Hie Business Center	Mar. 13, 2009	5,900	6.00%	3.28%
	Tenjin Nishi-Dori Center Building	Feb. 1, 2013	2,600	5.40%	1.45%

	Tenjin North Front Building	Mar. 28, 2013	2,800	6.10%	1.56%
Others	Amex Akasakamon Tower	Sep. 1, 2006	2,060	5.40%	1.15%
	City House Keyaki Dori	Dec. 20, 2007	1,111	5.40%	0.62%
	Aqualia Kego	Mar. 1, 2012	2,800	6.30%	1.56%
	Aqualia Chihaya	Mar. 1, 2012	1,280	6.80%	0.71%
	D-Wing Tower	Mar. 1, 2013	2,800	5.90%	1.56%
	Granfore Yakuin Minami	Nov. 4, 2014	1,100	5.60%	0.61%
	Hotel FORZA Oita	Mar. 1, 2013	1,530	6.60%	0.85%
	Tosu Logistics Center	Mar. 28, 2014	1,250	5.90%	0.70%
	LOGIPORT Island-city Hakata	Mar. 27, 2015	8,150	5.20%	4.53%
Total or weighted average of all properties		—	179,744	6.00%	100.00%

(Note 1) All figures in the Acquisition Price (planned) column indicate the acquisition price written in the sales agreement between FRC and the seller, and exclude charges, taxes and other expenses.

(Note 2) Figures in the Acquisition Cap Rate column have been calculated using the direct capitalization method: NCF/planned acquisition value x 100 (%) of the appraisal assessment, and rounded to the second decimal place.

(Note3) The acquisition price is included as of May 28th, 2015.

*This document was distributed to Kabuto Club (press club within the Tokyo Stock Exchange), Press Club for the Ministry of Land, Infrastructure, Transport and Tourism, Construction Trade Paper Press Club for the Ministry of Land, Infrastructure, Transport and Tourism, Fukuoka Economic Press Club, and Fukuoka Securities Finance Press Club

*Fukuoka REIT Corporation's website is http://www.fukuoka-reit.jp