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Provisional translation only

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Notice Concerning Issuance of Investment Corporation Bonds

Fukuoka REIT Corporation (FRC) today announced its decision to issue investment corporation bonds as follows, based on the general resolution on FRC bond issuance adopted at the Board of Directors' Meeting held on November 26, 2015.

1. Terms of investment corporation bonds

(1)	Name	Fukuoka REIT Investment Corporation 2nd Unsecured Investment Corporation Bonds (hereinafter called the "2nd Bonds" with pari passu conditions among the specified investment corporation bonds)
(2)	Total amount to be issued	2,000 million yen
(3)	Form of bond certificate	Under the Act on Book-Entry Transfer of Company Bonds, Shares, etc., there will be no bond certificate for the 2nd Bonds.
(4)	Total amount to be paid in or minimum amount	100 yen per 100 yen of each bond
(5)	Redemption price	100 yen per 100 yen of each bond
(6)	Interest rate	1.000% per annum
(7)	Denomination price	100 million yen
(8)	Offering method	Public offering
(9)	Subscription period	July 14, 2017
(10)	Payment date	July 31, 2017
(11)	Collateral	No collateral or grantee and no assets are reserved as security specifically for the bonds.
(12)	Redemption date and method	The entire principal shall be redeemed on July 30, 2032. The bonds may be purchased and cancelled at any time on and after the date following the issue date unless otherwise stipulated by the depository.
(13)	Interest payment date	January 31 and July 31 every year (or the immediately

	preceding business day if such date is a bank holiday in Japan)
(14) Financial covenant	Contains a negative pledge
(15) Ratings	AA- Japan Credit Rating Agency, Ltd. (JCR)
(16) Fiscal agent, issuing agent and paying agent	Sumitomo Mitsui Banking Corporation
(17) Underwriters	SMBC Nikko Securities Inc. and Mizuho Securities Co., Ltd.

2. Reasons for the issuance

FRC intends to diversify financing methods and extend debt maturity dates.

3. Amount, use and scheduled expenditure date of proceeds

(1) Amount of estimated net proceeds (estimated net proceeds)

1,980 million yen

(2) Specific usage and scheduled expenditure date of proceeds

The proceeds will be used for the early repayment of short-term debt on July 31, 2017.

4. Status of debt after issuance of the investment corporation bonds

(unit: mm yen)

	Before issuance	After issuance (Note 1)	Difference
Short-term debt (Note 2)	5,000	3,000	(2,000)
Long-term debt	62,900	62,900	0
[Of which, long term debt payable due within one year)	[13,200]	[13,200]	[0]
Total debt	67,900	65,900	(2,000)
Investment corporation bonds	2,000	4,000	2,000
Total interest-bearing debt	69,900	69,900	0

(Note 1) "After issuance" refers to the borrowing balance based on the assumption that the early repayment of short-term debt is implemented on July 31, 2017.

(Note 2) The borrowings are used from committed credit line (13,000 mm yen).

5. Other matters required for investors to appropriately understand and evaluate the above information

There are no changes to the content of "I. Fund Information, 1. Fund Status, 3 Investment Risks" in the Securities Report submitted on May 30, 2017 with respect to the risks involved in repayment etc. due to the current issuance of Bonds.

*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