

Fukuoka REIT Corporation

Overview of the 26th fiscal period performance [8968] March 1st,2017~August 31st,2017

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[Security code 8968] March 1st,2017~August 31st,2017

Financial statements 1

Business forecasts 10

Overview of retail operation 12

Overview of office buildings operation ... 16

Financial strategy 18

Asset's growth 21

Current situation of Fukuoka City 22

Appendix 24

*Regarding rounding of amounts, percentage, and ratios unless otherwise noted, in these materials, monetary amounts are rounded down to the nearest whole unit, and percentages and ratios are rounded off to one decimal places.

These materials may contain future performance, plans, management targets and strategies. These forward-looking descriptions are based on present assumptions on future events and trends in the business environment, but such assumptions may not necessarily be accurate. Actual results may differ materially due to various factors. Neither Fukuoka REIT Corporation nor Fukuoka Realty shall be liable for the accuracy, rationality and completeness of information contained in these materials, whether they were prepared by Fukuoka REIT Corporation or Fukuoka Realty or provided by a third party. These materials have not been prepared to entice investment. When applying to purchase investment units issued by Fukuoka REIT Corporation, do so based on your own judgment and responsibility.

Topics of the 26th fiscal period (August 2017)

Internal Growth

Canal City Hakata

◎Increases in both sales and the number of visitors resulting from operation that emphasizes experiential value.

Aqua Panorama



Learn! Amusement Park of the Future



Park Place Oita

◎Increase in sales resulting from 15th anniversary renovation and the effect of events.

Office buildings

◎Strong office market in Fukuoka, revision of the amount of rent increase for owned properties.

External Growth

Acquisition of LOGICITY Hisayama



◎Acquired a favorably located logistics property utilizing a bridge SPC and borrowings.

Receipt of stable rents because of single tenant and disallowance of lease termination and rent revision.

Location: Hisayama-town, Kasuya county, Fukuoka

Acquisition price: 5,050 million yen

Acquisition date : June 1, 2017

Financing

Issuance of investment corporation bonds

◎Second series
Issuance amount of 2,000 million yen, 15-year term, interest rate of 1.00%.
Realization of diversification and an increase in duration.

Refinancing, Repayment of debts

◎Refinancing under favorable terms
13,500 million yen and repayment of 1,775 million yen in the 26th fiscal period.

Average interest rate paid 0.79%
(0.85% in 25th FP)

Duration 5.4 years (3.6 years in 25th FP)

LTV 39.3%
at the end of 26th FP

Dividend of the 27th FP : 3,470 yen

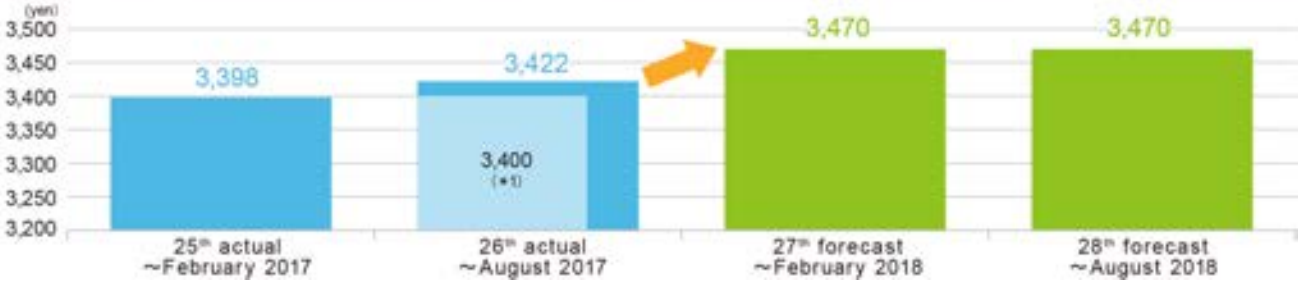
(Feb. 2018) (+48 yen from 26th)

The actual of 26th FP (Aug.2017) : 3,422 yen (+24 yen from 25th)

The forecast of 27th FP (Feb.2018) : 3,470 yen (+48 yen from 26th)

The forecast of 28th FP (Aug.2018) : 3,470 yen

(*1) Forecast at the financial results of 25th fiscal period



Financial statements

Financial highlights

Dividend per unit was 3,422 yen

- unit : mm yen (Figures rounded down to the nearest mm yen)

Category	22nd ~ Aug. 31, 2015	23rd ~ Feb. 29, 2016	24th ~ Aug. 31, 2016	25th ~ Feb. 28, 2017 A	26th ~ Aug. 31, 2017 B	Difference B−A	27th ~ Feb. 28, 2018 (forecast)	28th ~ Aug. 31, 2018 (forecast)
Operating revenues	8,423	8,343	8,234	9,730	8,122	(1,608)	8,134	8,110
Leasing NOI	5,229	5,237	5,164	5,010	4,998	(12)	5,074	5,074
Depreciation and amortization expenses	1,458	1,471	1,470	1,455	1,474	+18	1,502	1,517
Operating income	3,167	3,141	3,069	4,585	2,920	(1,665)	2,939	2,950
Ordinary income	2,663	2,670	2,616	4,199	2,562	(1,637)	2,593	2,593
Profit	2,661	2,669	(*3) 938	(*3) 4,198	2,556	(1,642)	2,592	2,592
Dividend per unit (yen) ①	**3,563**	**3,574**	**(*3) 3,479**	**(*3) 3,398**	**3,422**			
Latest dividend forecast per unit (yen) ②	3,450	3,500	3,430	3,300	3,400		3,470	3,470
Difference from forecast (yen) ①−②	+113	+74	+49	+98	+22		-	-
Total number of investment units outstanding (at period-end) (units)	747,000	747,000	747,000	747,000	747,000		747,000	747,000
Total assets (at period-end) (mm yen)	181,597	181,445	179,513	175,063	178,063			
Total liabilities (at period-end) (mm yen)	87,793	87,633	87,432	81,382	84,364			
Total net assets (at period-end) (mm yen)	93,804	93,812	92,081	93,681	93,699			
Days in fiscal period (days)	184	182	184	181	184			
Number of investment properties (at period-end)	27	27	27	25	26			
Number of tenants (at period-end) (*1)	1,001	1,003	997	871	877			
Total leasable floor space (at period-end) (㎡)	554,464.84	554,549.65	554,541.30	523,817.31	548,564.96			
Occupancy rate (at period-end) (%) (*2)	99.5	99.6	99.5	99.4	99.8			

(*1) The number of tenants shown is based on the total for properties Fukuoka REIT owns. As for the number of tenants in pass-through master leasing properties, the total number of sections stipulated in the tenancy agreements with end tenants is shown.

(*2) "Occupancy rate"="Total leased floor space at period-end"／"Total leasable floor space at period-end"

(*3) With regard to the disposition of AEON Hara Shopping Center ("AEON Hara") and Aqualia Kego ("Kego") (sale agreement concluded in the 24th FP and delivery of property in the 25th FP for both properties), due to the recording of the amount corresponding to the loss on the sale of AEON Hara as an impairment loss in the 24th FP and a gain on the sale of Kego in the 25th FP for accounting purposes, differences from tax treatment (recording of a gain or loss on the sale of AEON Hara and Kego in the 25th FP) occurred (The difference between accounting and taxation). For this reason, the impact of the difference between accounting and taxation on the dividend was reversed by means of the recording and reversal of a reserve for temporary difference adjustments on the dividend statement.

Dividend's track record

Keeping a stable dividend

The 26th fiscal period end	August 31, 2017 (semi-annual periods ending every February and August)	**Days in fiscal period**	184
Dividend (actual)	3,422 yen per unit	**Dividend yield**	4.1% {(Dividend / days in fiscal period × 365)/ Unit price} (as of August 31, 2017)



∗ Dividend reflect the 5-for-1 split of investment unit, ( )=before 5-for-1 split.
∗ Investment units reflect the 5-for-1 split at period-end, ( )=before 5-for-1 split.

Balance sheets（compared with the previous fiscal period）

- unit : mm yen（Figures rounded down to the nearest mm yen）

	Account	25th Feb. 28, 2017 A	26th Aug. 31, 2017 B	Difference B−A
Assets	**Total current assets**	9,579	8,130	(1,449)
	Cash and deposits	4,434	2,253	① (2,181)
	Cash and deposits in trust	4,513	4,926	413
	Operating accounts receivable	376	431	54
	Prepaid expenses	251	248	(3)
	Consumption taxes receivable	-	258	258
	Deferred tax assets	0	-	(0)
	Others	3	13	9
	Total non-current assets	165,458	169,894	4,435
	Total property, plant and equipment	162,919	167,268	② 4,348
	Buildings in trust	61,262	63,565	2,303
	Structures in trust	872	944	72
	Machinery and equipment in trust	700	920	219
	Tools and fixtures in trust	274	270	(3)
	Lands in trust	99,631	101,545	1,913
	Construction in progress in trust	178	21	(156)
	Total intangible assets	1,785	1,784	(1)
	Leasehold right in trust	1,765	1,765	-
	Other intangible assets in trust	20	19	(1)
	Total investment and other assets	752	840	88
	Investment securities	104	-	③ (104)
	Lease and guarantee deposits	10	10	-
	Lease and guarantee deposits in trust	110	110	-
	Long-term prepaid expenses	528	720	192
	Total deferred assets	25	38	13
	Total assets	175,063	178,063	2,999

	Account	25th Feb. 28, 2017 A	26th Aug. 31, 2017 B	Difference B−A
Liabilities	**Total current liabilities**	26,796	14,489	(12,307)
	Operating accounts payable	595	387	(208)
	Short-term debt	-	1,500	④ 1,500
	Current maturities of long-term debt	23,875	10,200	⑤ (13,675)
	Account payable-other	24	21	(2)
	Accrued expenses	335	327	(7)
	Income taxes payable	0	0	(0)
	Accrued consumption taxes	239	-	(239)
	Advances received	973	997	24
	Deposits received	752	1,054	302
	Total non-current liabilities	54,585	69,874	15,288
	Investment corporation bonds	2,000	4,000	⑥ 2,000
	Long-term debt	40,800	54,200	⑦ 13,400
	Tenant leasehold and security deposits	368	368	(0)
	Tenant leasehold and security deposits received in trust	11,416	11,305	(111)
	Total liabilities	**81,382**	**84,364**	2,981
Net assets	**Total unitholders' equity**	93,681	93,699	17
	Unitholders' capital	91,142	91,142	-
	Reserve for temporary difference adjustments (＊2)	(1,660)	-	1,660
	Unitholders' capital, net	89,482	91,142	1,660
	Surplus	4,199	2,556	⑧ (1,642)
	Total net assets	**93,681**	**93,699**	**17**
	Total liabilities and net assets	**175,063**	**178,063**	**2,999**

■Assets

① Repayment of debts (1,775)
Capital expenditures (741)
Others +335
Total : (2,181)

② Acquisition of LOGICITY Hisayama +5,050
Capital expenditures +741
Depreciation and amortization expenses (1,474)
Others +31
Total : +4,348

③ Silent partnership equity interests in LLC FRC1(＊1) (104)

■Liabilities and net assets

④ Committed line of credit +1,500
⑤ Long-term debt
→Long-term debt of current maturities +1,600
Long-term debt of current maturities
→Long-term debt (13,500)
Contractual repayment (1,775)
Total : (13,675)
⑥ Issuance of investment corporation bonds +2,000

⑦ New borrowing of debts +1,500
Long-term debt
→Long-term debt of current maturities (1,600)
Long-term debt of current maturities
→Long-term debt +13,500
Total : +13,400
⑧ Non-recurrence of sold assets (1,657)
Others +15
Total : (1,642)

（＊1）The silent partnership equity interests is based on the Limited Liability Company which holds a real estate in trust of LOGICITY Hisayama. （＊2）Please refer to "（＊3）the items mentioned" on page 2, "Financial Highlights" regarding a reserve for temporary difference adjustments.

Statements of Income（compared with previous fiscal period）

Dividend recovery to the 3,400 yen range

- unit : mm yen（Figures rounded down to the nearest mm yen）

Account			25th ～Feb. 28, 2017 A	26th ～Aug. 31, 2017 B	Difference B－A
Ordinary profit and loss	Operating profit and loss	**Total operating revenues**	9,730	8,122	(1,608)
		Leasing revenues-real estate	7,603	7,605	① 45 [2 / 42]
		Other leasing revenues-real estate	469	511	
		Gain on sale of real estate	(＊1)1,657	-	(1,657)
		Dividends income	0	4	3
		Total operating expenses	5,145	5,202	57
		Expenses related to leasing business	4,517	4,593	② 76
		Asset management fees	476	479	2
		Asset custody fees	6	6	(0)
		Administrative service fees	51	51	(0)
		Director's compensations	9	9	-
		Other operating expenses	83	61	(21)
		Operating income	4,585	2,920	(1,665)
	Non-Operating profit and loss	**Total non-operating revenues**	0	8	7
		Total non-operating expenses	386	366	③ (20)
		Interest expenses (incl. investment corporation bonds)	289	268	(21)
		Financing related expenses	90	87	(3)
		Others	6	10	4
	Ordinary income		4,199	2,562	(1,637)
Net income before income taxes			4,199	2,562	(1,637)
Total income taxes			0	5	4
Profit			4,198	2,556	(1,642)
Dividend	Recording of reserve for temporary difference adjustments		(＊1)1,660	-	(1,660)
	Total dividends		2,538	2,556	17
	Dividend per unit（yen）		3,398	3,422	24

Sign indicates impact on profit（unit : mm yen）

■Operating profit and loss

① Acquired LOGICITY Hisayama at 26th FP (June 2017) +71
- Disposition properties (89)
- Canal City Hakata･B (13)
- Park Place Oita +41
  - [-of which, rent increase +21)
  - [-of which, increase in utility expenses +28)
- Office buildings +29
  - [-of which, rent increase +13)
  - [-of which, increase in utility expenses +15)
- LOGICITY Minato Kashii +9
- Others (3)

Total : +45

② Acquired LOGICITY Hisayama at 26th FP (20)
- Disposition properties +38
- Increase in outsourcing fees (30)
  - [-of which, Park Place Oita (25)]
- Increase in utility expenses (53)
  - [-of which, Park Place Oita (26)]
  - [-of which, Office buildings (16)]
- Decrease in repair & maintenance expenses +13
- Increase in taxes and fees (14)
- Increase in depreciation and amortization expenses (16)
- Decrease in other expenses +6

Total : (76)

■Non-Operating profit and loss

③ Decrease in non-operating expenses +20
- [-of which, decrease in debt-related expenses +24)

(＊1)Please refer to "(＊3)the items mentioned" on page 2, "Financial Highlights" regarding "gain on sales of real estate properties" and "Reversal of the reserve for temporary difference adjustments.

Statements of Income（compared with forecast）

Profit below forecast at the large tax-free shop at Canal City Hakata, but strong at other properties

- unit : mm yen（Figures rounded down to the nearest mm yen）

Account			Previous Forecast A	26th ～Aug. 31, 2017 B	Difference B－A
Ordinary profit and loss	Operating profit and loss	**Total operating revenues**	8,109	8,122	① 13
		Leasing revenues-real estate		7,605	
		Other leasing revenues-real estate		511	
		Dividends income		4	
		Total operating expenses	5,200	5,202	1
		Expenses related to leasing business		4,593	
		Asset management fees		479	
		Asset custody fees		6	
		Administrative service fees		51	
		Director's compensations		9	
		Other operating expenses		61	
		Operating income	2,908	2,920	11
	Non-Operating profit and loss	**Total non-operating revenues**	1	8	7
		Total non-operating expenses	368	366	(2)
		Interest expenses (incl. investment corporation bonds)		268	
		Financing related expenses		87	
		Others		10	
		Ordinary income	2,540	2,562	21
Net income before income taxes			2,540	2,562	21
Total income taxes			1	5	4
Profit			2,539	2,556	16
Dividend	**Total dividends**		2,539	2,556	16
	Dividend per unit (yen)		3,400	3,422	22

Sign indicates impact on profit（unit : mm yen）

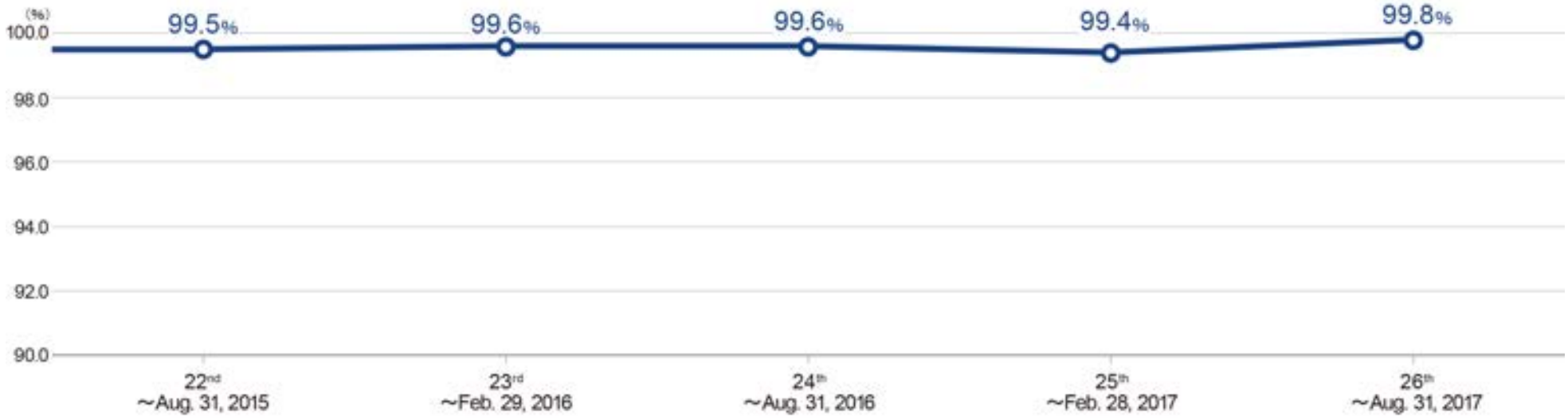
■Operating profit and loss

① Canal City Hakata	(15)
Canal City Hakata･B	+4
Park Place Oita	+5
Office buildings	+14
[-of which, Canal City Business Center Building	+5]
[-of which, Gofukumachi Business Center	+4]
Others	+5
Total	+13

Portfolio properties' occupancy rates

Maintained high occupancy rates

■Historical occupancy rates（the weighted average during the period）



■Occupancy rates（the weighted average during the period）

Category	22nd ～ Aug. 31, 2015	23rd ～ Feb. 29, 2016	24th ～ Aug. 31, 2016	25th ～ Feb. 28, 2017	26th ～ Aug. 31, 2017	Investment ratio (based on acquisition price)
Active retail	99.9%	99.7%	99.7%	99.5%	100.0%	47.8%
Passive retail	100.0%	100.0%	100.0%	99.9%	100.0%	11.3%
Office buildings	99.0%	99.6%	99.8%	99.7%	(＊1) 99.9%	27.2%
Others	98.5%	98.5%	98.3%	98.6%	98.9%	13.7%
Total	**99.5%**	**99.6%**	**99.6%**	**99.4%**	**99.8%**	**100.0%**

＊Calculated by weighted average during the period.
＊Active Retail = properties with variable rents such as Canal City Hakata, Canal City Hakata・B, Park Place Oita, and SunLive City Kokura. Passive Retail = properties without variable rents such as Square Mall Kagoshima Usuki, Kumamoto Intercommunity SC, Hanahata SC, Kurume Higashi Kushiwara SC, K's Denki Kagoshima, and Marinoa City Fukuoka（Marina Side Building）.
（＊1）The occupancy rate of Taihaku Street Business Center（excl. residence）is 100%.

Appraisal value

Unrealized gains(*1) totaled 22,878 mm yen at the end of 26th fiscal period

- unit : mm yen（Figures rounded down to the nearest mm yen）

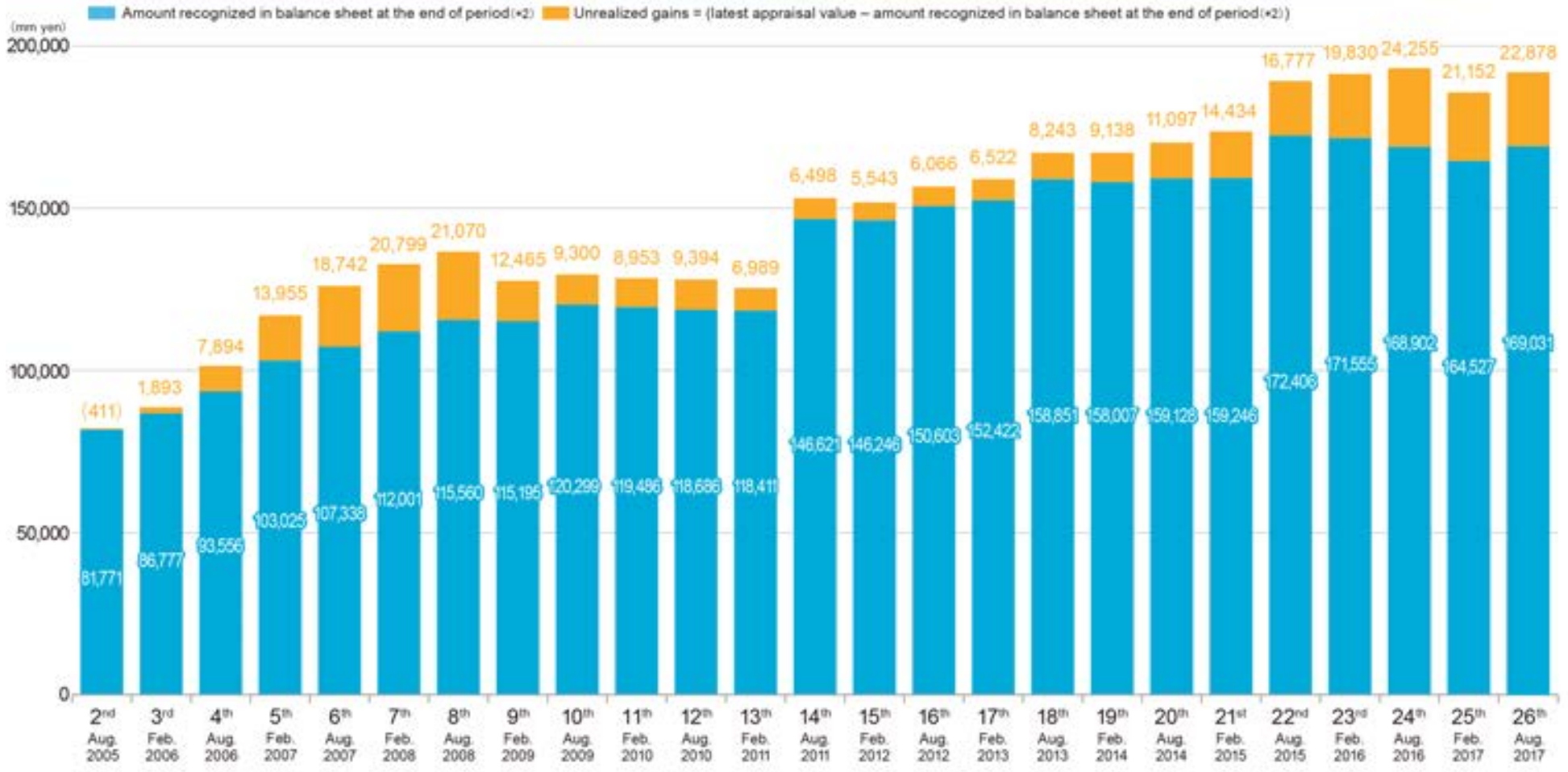
	Property name	Acquisition price (*2)	Acquisition cap rate	Appraisal value 26th Aug. 31, 2017 ①	Appraisal value 25th Feb. 28 2017 ②	Book value at 26th ③	Difference From appraisal value at 25th ①-②	Difference From book value at 26th ①-③	Direct capitalization values 26th Cap rate ④	Direct capitalization values 25th Cap rate ⑤	Direct capitalization values Difference ④-⑤	Name of appraiser
Retail	① Canal City Hakata	32,000	6.0%	31,900	31,900	30,518	0	1,381	4.5%	4.5%	0.0%	Tanizawa Sogo Appraisal
	② Canal City Hakata･B	28,700	5.4%	29,900	29,900	29,213	0	686	4.7%	4.7%	0.0%	Tanizawa Sogo Appraisal
	③ Park Place Oita	17,760	6.6%	19,100	19,200	18,932	(100)	167	5.8%	5.8%	0.0%	Japan Real Estate Institute
	④ SunLive City Kokura	6,633	6.6%	7,930	7,930	5,770	0	2,159	6.1%	6.1%	0.0%	Japan Real Estate Institute
	⑤ Square Mall Kagoshima Usuki	5,300	6.3%	5,420	5,330	4,521	90	898	6.0%	6.1%	(0.1)%	Japan Real Estate Institute
	⑥ Kumamoto Intercommunity SC	2,400	6.5%	2,720	2,670	2,042	50	677	5.9%	6.0%	(0.1)%	Japan Real Estate Institute
	⑦ Hanahata SC	1,130	6.4%	1,250	1,250	1,008	0	241	5.4%	5.5%	(0.1)%	Tanizawa Sogo Appraisal
	⑧ Kurume Higashi Kushiwara SC	2,500	6.1%	2,790	2,790	2,127	0	662	5.5%	5.5%	0.0%	Tanizawa Sogo Appraisal
	⑨ K's Denki Kagoshima	3,550	5.7%	3,710	3,710	3,091	0	618	5.4%	5.4%	0.0%	Tanizawa Sogo Appraisal
	⑩ Marinoa City Fukuoka (Marina Side Building)	5,250	5.5%	5,940	5,600	5,473	340	466	4.9%	5.0%	(0.1)%	Tanizawa Sogo Appraisal
	Total of retail	105,223	-	110,660	110,280	102,701	380	7,958	-	-	-	
Office buildings	⑪ Canal City Business Center Building	14,600	6.3%	14,900	14,900	13,395	0	1,504	4.8%	4.8%	0.0%	Tanizawa Sogo Appraisal
	⑫ Gofukumachi Business Center	11,200	6.3%	13,400	13,600	9,313	(200)	4,086	4.7%	4.7%	0.0%	Tanizawa Sogo Appraisal
	⑬ Sanix Hakata Building	4,400	5.9%	5,430	5,300	3,906	130	1,523	4.5%	4.6%	(0.1)%	Japan Real Estate Institute
	⑭ Taihaku Street Business Center	7,000	6.0%	7,590	7,330	6,219	260	1,370	4.9%	5.0%	(0.1)%	Japan Real Estate Institute
	⑮ Higashi Hie Business Center	5,900	6.0%	6,710	6,620	4,637	90	2,072	5.2%	5.3%	(0.1)%	Tanizawa Sogo Appraisal
	⑯ Tenjin Nishi-Dori Center Building	2,600	5.4%	2,970	2,890	2,709	80	260	4.4%	4.5%	(0.1)%	Japan Real Estate Institute
	⑰ Tenjin North Front Building	2,800	6.1%	3,580	3,510	2,617	70	962	4.8%	4.9%	(0.1)%	Japan Real Estate Institute
	Total of office buildings	48,500	-	54,580	54,150	42,798	430	11,781	-	-	-	
Others	⑱ Amex Akasakamon Tower	2,060	5.4%	1,940	1,910	1,765	30	174	4.7%	4.8%	(0.1)%	Daiwa Real Estate Appraisal
	⑲ City House Keyaki Dori	1,111	5.5%	1,090	1,080	950	10	139	4.7%	4.8%	(0.1)%	Daiwa Real Estate Appraisal
	⑳ Aqualia Chihaya	1,280	6.8%	1,630	1,600	1,190	30	439	5.2%	5.3%	(0.1)%	Japan Real Estate Institute
	㉑ D-Wing Tower	2,800	5.9%	3,420	3,380	2,749	40	670	4.7%	4.8%	(0.1)%	Tanizawa Sogo Appraisal
	㉒ Granfore Yakuin Minami	1,100	5.6%	1,290	1,280	1,149	10	140	4.6%	4.7%	(0.1)%	Tanizawa Sogo Appraisal
	㉓ Hotel FORZA Oita	1,530	6.6%	1,860	1,860	1,431	0	428	5.4%	5.4%	0.0%	Japan Real Estate Institute
	㉔ Tosu Logistics Center	1,250	5.9%	1,420	1,390	1,223	30	196	5.2%	5.3%	(0.1)%	Japan Real Estate Institute
	㉕ LOGICITY Minato Kashii	8,150	5.2%	8,800	8,750	8,008	50	791	4.5%	4.6%	(0.1)%	Tanizawa Sogo Appraisal
	㉖ LOGICITY Hisayama	5,050	5.1%	5,220	(*3)5,190	5,062	30	157	4.7%	(*3)4.8%	(0.1)%	Tanizawa Sogo Appraisal
	Total of others	24,331	-	26,670	26,440	23,531	230	3,138	-	-	-	
	Total properties	178,054	-	191,910	190,870	169,031	1,040	22,878	-	-	-	

(*1) It does not include "construction in progress in trust" in amount recognized in balance sheet at the end of period.
(*2) "Acquisition price" does not include fees, public charge and expenses.
(*3) The figure is indicated as of June 1, 2017, acquisition of LOGICITY Hisayama.

Historical appraisal values （unrealized gains）

Maintained continuously since the 3rd fiscal period（11.9% ratio of unrealized gains at the 26th(*1)）

■Historical appraisal values



(*1)Ratio of unrealized gains = (latest appraisal value – amount recognized in balance sheet at the end of period(*2))／appraisal value at the end of period.
(*2) Amount recognized in balance sheet at the end of period does not include construction in progress.

Business forecast（the 27th fiscal period, Feb. 2018）

Dividend of 3,470 yen due to full-period contribution of LOGICITY Hisayama

■Forecast in the 27th fiscal period

- unit : mm yen（Figures rounded down to the nearest mm yen)

Account	26th Actual A	27th Forecast at 25th B	**27th Forecast at 26th C**	**26th actual Difference C−A**	27th forecast Difference C−B
Operating revenues	8,122	8,125	8,134	① 12	9
Operating expenses	5,202	5,179	5,195	② (7)	15
Operating income	2,920	2,946	2,939	19	(6)
Non-operating revenues	8	1	0	(7)	(0)
Non-operating expenses	366	354	347	③ (18)	(6)
Ordinary income	2,562	2,593	2,593	30	(0)
Profit	2,556	2,592	2,592	35	(0)
Total dividends	2,556	2,592	2,592	35	-
Dividend per unit (yen)	3,422	3,470	3,470	48	-

Sign indicates impact on profit（unit : mm yen）

■Variance between the 26th FP actual and the 27th FP forecast

① Full-period contribution of LOGICITY Hisayama	+64
Canal City Hakata･B	+13
Park Place Oita	(29)
[-of which, decrease in utility expenses	(23)]
Office buildings	(26)
[-of which, downtime accompanying tenant turnover of Canal City Business Center Building etc.	(10)]
[-of which, Higashi Hie Business Center	(8)]
Others	(10)
Total	+12
② Decrease in outsourcing fees	+9
Decrease in utility expenses	+37
[-of which, Park Place Oita	+18]
[-of which, Office buildings	+16]
Increase in repair & maintenance expenses	(12)
Increase in depreciation and amortization expenses	(28)
[-of which, LOGICITY Hisayama	(19)]
Decrease in other expenses	+1
Total	+7
③ Non-operating expenses	+18
[-of which, decrease in debt-related expenses	+15)

Business forecast（the 28th fiscal period, Aug. 2018）

An increase in revenue from office buildings and other factors to compensate for downtime at Canal City Hakata

■Forecast in the 28th fiscal period

- unit : mm yen（Figures rounded down to the nearest mm yen）

Account	27th Forecast at 26th A	28th Forecast at 26th B	27th forecast Difference B−A
Operating revenues	8,134	8,110	① (24)
Operating expenses	5,195	5,159	② (35)
Operating income	2,939	2,950	10
Non-operating revenues	0	0	-
Non-operating expenses	347	358	③ 10
Ordinary income	2,593	2,593	0
Profit	2,592	2,592	0
Total dividends	2,592	2,592	-
Dividend per unit (yen)	3,470	3,470	-

Sign indicates impact on profit（unit : mm yen）

■Variance from updated the 27th FP forecast

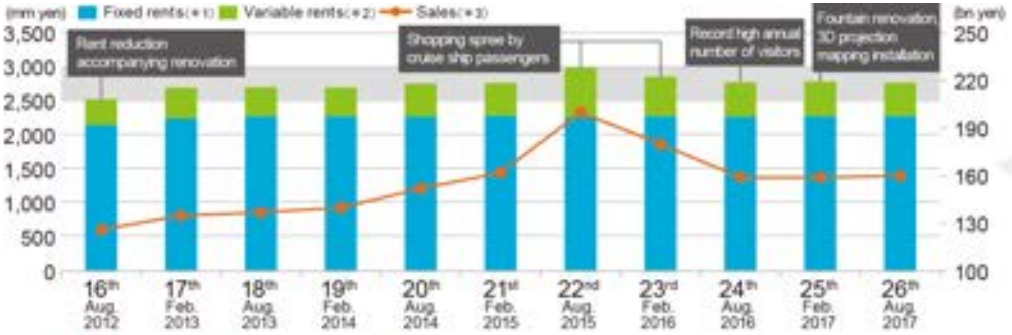
① Canal City Hakata	(33)
[-of which, a seasonal factor of variable rents	(24)]
Canal City Hakata･B	(63)
[-of which, a seasonal factor of variable rents	(23)]
Park Place Oita	+19
[-of which, increase in utility expenses	+21]
Office buildings	+39
[-of which, completed tenant turnover in Canal City Business Center Building etc	+19]
[-of which, Higashi Hie Business Center	+8]
Others	+14
Total :	(24)
② Increase in utility expenses	(27)
[-of which, Park Place Oita	(11)]
[-of which, Office buildings	(11)]
Decrease in repair & maintenance expenses	+82
Increase in depreciation and amortization expenses	(14)
Increase in other expenses	(6)
Total :	+35
③ Non-operating expenses	(10)
[-of which, decrease in debt-related expenses	(15)]

Active retail

Stable rent levels maintained over the long term

Canal City Hakata
Canal City Hakata・B





Sales (annual total(＊3))

Sep. 2015 – Aug. 2016 **33.9 bn yen** ➡ Sep. 2016 – Aug. 2017 **31.8 bn yen**

(6.2)%

Although sales were down compared to the previous year due to subsiding of the shopping spree from inbound tourists, strong sales performance due to the impact of new tenants that emphasize experiential value and an inbound effect.

Park Place Oita





Sales (annual total)

Sep. 2015 – Aug. 2016 **24.8 bn yen** ➡ Sep. 2016 – Aug. 2017 **25.2 bn yen**

+1.6%

Strong performance thanks to the impact of measures such as the 15th year anniversary project to renovate the food terrace to create a facility popular among families with young children.

SunLive City Kokura





Sales (annual total(＊4))

Sep. 2015 – Aug. 2016 **–** ➡ Sep. 2016 – Aug. 2017 **–**

(6.0)%

Although sales declined compared to the previous year due to the September 15, 2016 reopening of a nearby competing store after renovation, strong sales above the level of the year before last maintained.

＊Sales figures are rounded down to the nearest 100 mm yen.

(＊1)Fixed rents are the sum of property rental revenues derived from ① fixed monthly rents, ② the minimum guaranteed portion, if any, of rents from tenants with variable rents(pursuant to which monthly rent is partly or wholly calculated as a percentage of the tenants' monthly sales) ③ common area fees, and ④ parking fees are calculated by total rents from parking fee at Park Place Oita. (＊2)Variable rents are the sum of the portion of rents collected from tenants with variable rents that varies as a function of the tenants' sales. (＊3)Combined sales of Canal City Hakata and Canal City Hakata・B properties owned by Fukuoka REIT. (＊4) Sales figures are omitted because SunLive did not consent to their disclosure.

Current situation at Canal City Hakata（overall）

Canal City Hakata, an evolving “Urban Theater”

■Trend of visitors at Canal City Hakata



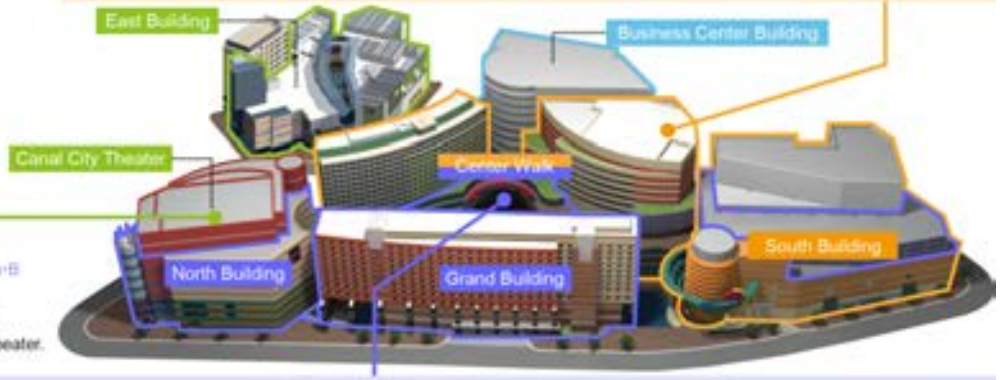
Source: Prepared by Fukuoka Realty based on data from Fukuoka Jisho Co.,Ltd.

■Creation of Experiential Value and Emotionally Satisfying Consumption





Opening of Kyushu's first "Team Lab Island! - Learn! Amusement Park of the Future" and Japan's first "TOMICA PLARAIL Cafe" on the 5th floor south side of Center Walk!, July 1, 2017.



Canal City Hakata　Canal City Hakata-B
Canal City Business Center Building
※Fukuoka REIT currently has no plan to acquire Canal City Hakata East Building and Canal City Theater.



The Little Mermaid, a new-dimension musical from Disney and the Shiki Theatre Company, has been playing at Canal City Theater since August 11, 2017.



*Image

◀ Limited-time appearance of Yamakasa festival show "YAMAKASA"

CANAL SPLASH!! is hugely popular among children. This year, a production of Pirates of the Caribbean! ▶



Current situation at Park Place Oita

15th anniversary, further increasing customer drawing power with a renovation

■Food terrace renovation

◎Renovation into a food terrace popular among families with young children

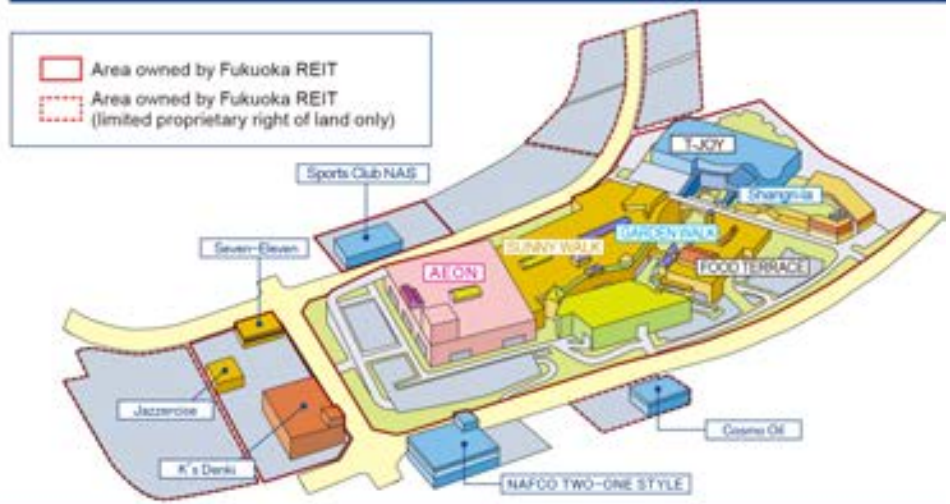
- Creation of a food terrace that families with young children can use with peace of mind by preparing BABY SPACE and a baby stroller area
- Creation of an atmosphere that even adults can enjoy through attention to detail in design
- Seating expanded from 560 to 642, including 126 for children, the most in the prefecture







■Park Place Oita MAP



■Remarkable tenants

At Park Place Oita, the opening of Shimamura Music, a tenant in a new category, has made it possible to attract new customers. Akachan Honpo is delivering strong results even after its opening month, leveraging the advantage of being the chain's first store to open in Oita Prefecture.





■Summer Experiential Events

- African Safari Traveling zoo(July 1)
- Appearance by penguins and pelicans from Umitamago aquarium(July 2)
- Live comedy performance(July 8)
- Water Circus (July 15 to August 15)
- Live comedy performance(July 22)





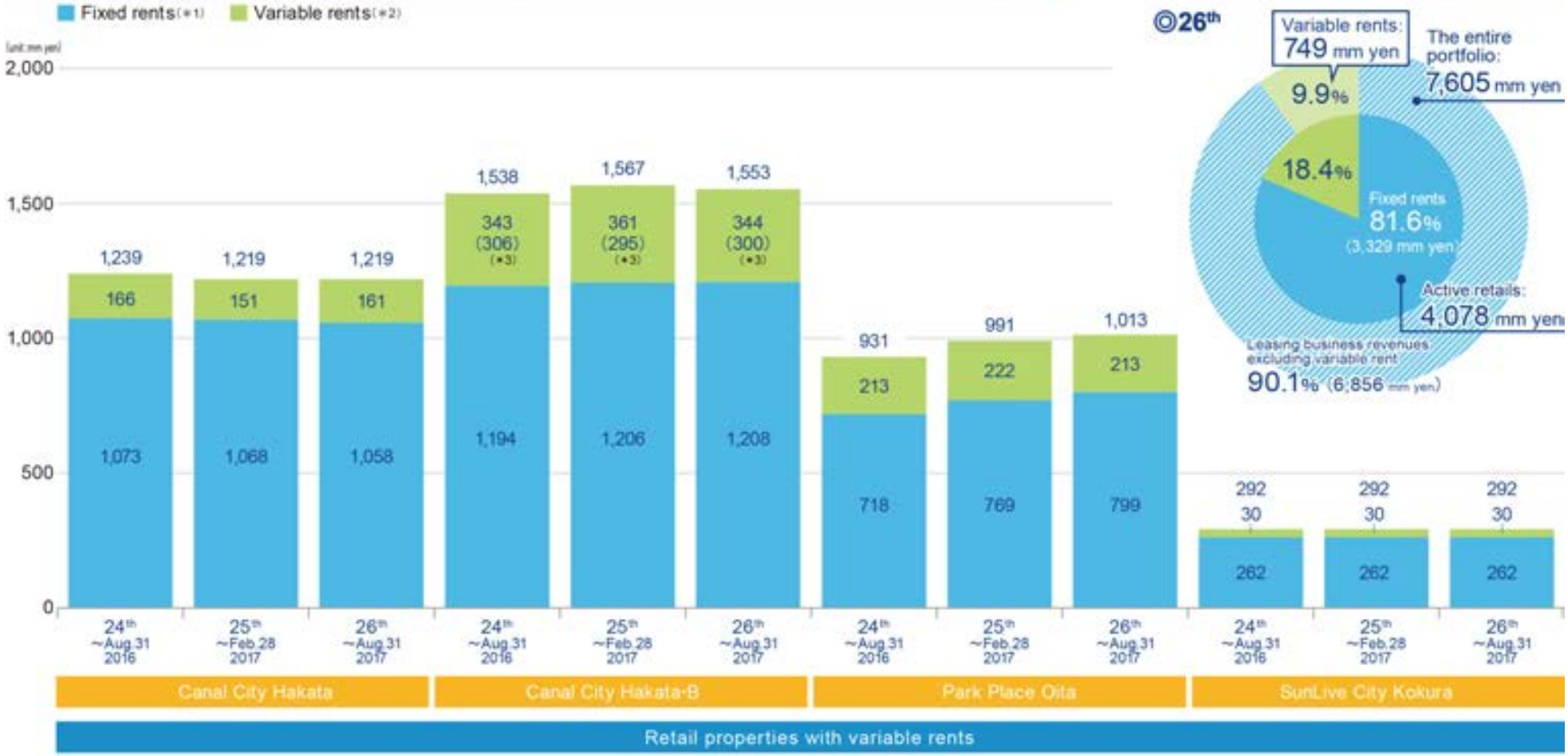
■Interest survey of Oita City's Tourism



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Oita City Tourism Strategy Plan (City of Oita Commerce, Industry, Labor, and Tourism Department, Tourism Division)

Breakdown of active retail rents

Breakdown of rents by property

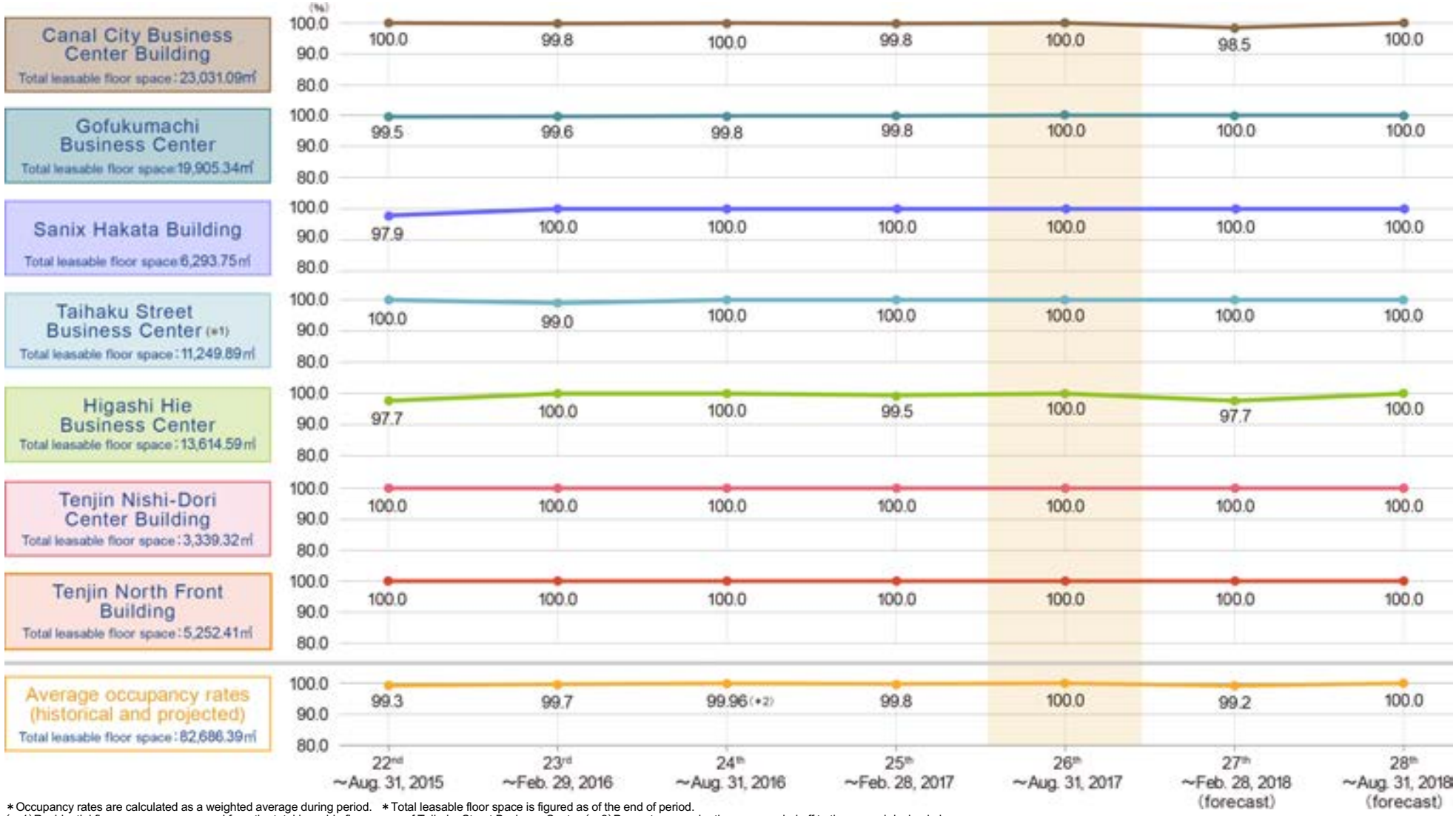


Breakdown of variable rents

(*1)Fixed rents are the sum of property rental revenues derived from ① fixed monthly rents, ② the minimum guaranteed portion, if any, of rents from tenants with variable rents (pursuant to which monthly rent is partly or wholly calculated as a percentage of the tenants' monthly sales), ③ common area fees, and ④ parking fees are calculated by total rents from parking fee at Park Place Oita.
(*2)Variable rents are the sum of the portion of rents collected from tenants with variable rents that varies as a function of the tenants' sales.
(*3) The figures are included parking fee in variable rents of Canal City Hakata・B.

Historical and projected office buildings' occupancy rates

100% occupancy rate as of the 26th fiscal period

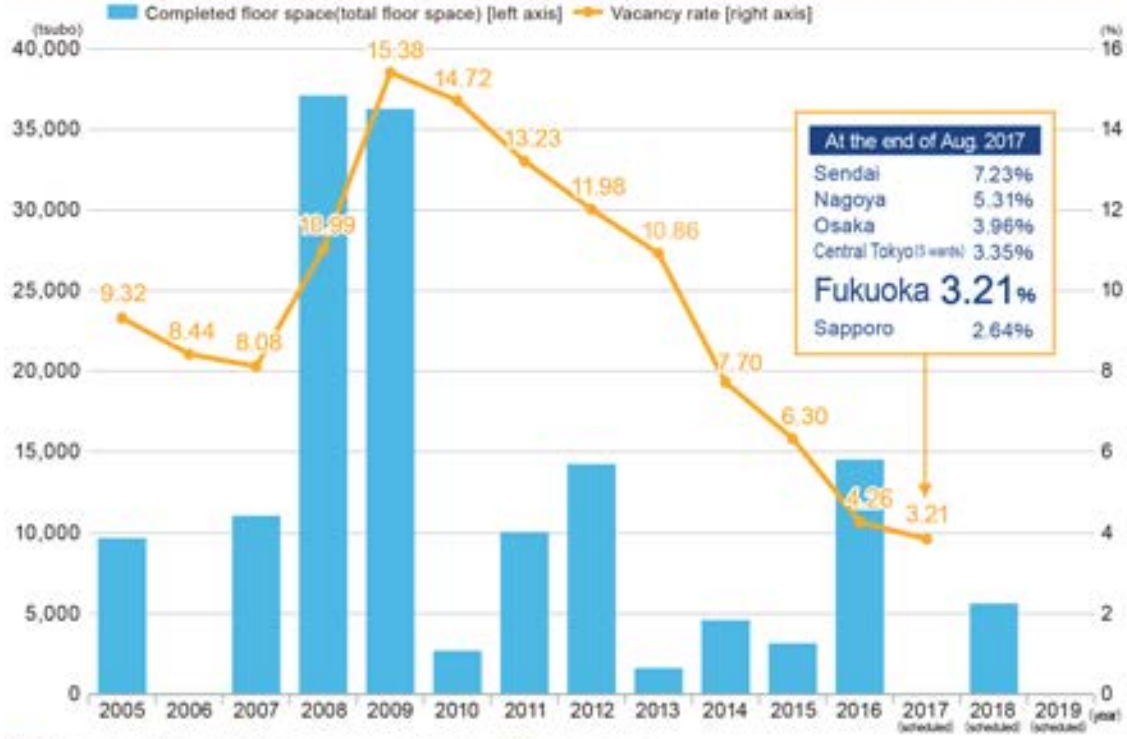


*Occupancy rates are calculated as a weighted average during period. *Total leasable floor space is figured as of the end of period.
(*1) Residential floor spaces are removed from the total leasable floor space of Taihaku Street Business Center. (*2) Percentages and ratios are rounded off to the second decimal place.

Fukuoka office market

Vacancy rate declined to the lower 3% range, and supply will remain limited in the future

■Fukuoka Business Area／Change in vacancy rate and office building completions



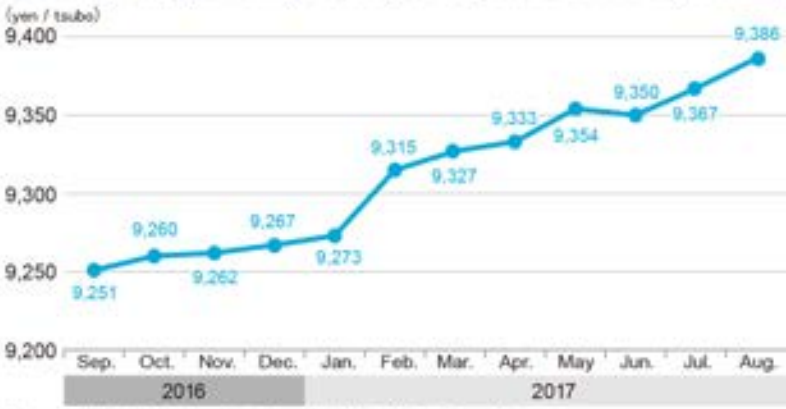
◎Change in leased floor space and vacant floor space

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Leased (tsubo)	623,944	626,668	635,633	666,006	687,297	688,570	689,859	694,865	691,406	689,993	692,139	699,043
Vacant (tsubo)	58,122	52,901	51,360	73,220	105,685	101,367	91,287	83,241	75,078	53,156	43,638	29,790

*Statistics from 2005 to 2016 are based on the figures at the end of December.
*Office building-related data for each city are data for areas and buildings included in surveys conducted by Miki Shoji Co., Ltd.
*One tsubo = 3.30579㎡
Source: Fukuoka Realty, based on data published by Miki Shoji Co., Ltd.

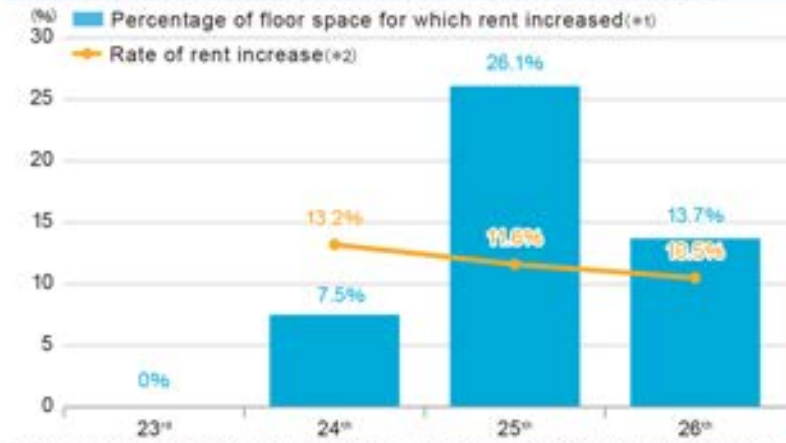
■Fukuoka business district / Change in average asking rent

◎Average asking rent during the past year (September 2016 to August 2017)



Source: Fukuoka Realty, based on data published by Miki Shoji Co., Ltd.

■Status of rent increase for owned properties



(*1) Percentage of floor space for which a rent increase was implemented among floor space subject to amended lease agreements in each fiscal period (*2) Percentage of rent increase compared to the pre-increase rent among tenants whose rent was increased in each fiscal period

Key financing events

Achievement of both interest cost reduction and borrowing term extension and diversification

■Long-term debt-financing and repayment events in the 26th FP or later

	Repayment overview		Financing overview
Average term (*1)	5.5-year	▶	10.1-year
Average interest (*1)(*2)	1.28%	▶	0.79%

(*1) It is calculated using weighted averages.
(*2) Average interest rates are rounded to the second decimal place.

Date	Lender	Amount (mm yen)	Term	Interest rate
March 31, 2017	Mitsubishi UFJ Trust and Banking Corporation	800	8.0-year	0.48130% (Fixed)
	Resona Bank	600	10.0-year	0.65846% (Fixed)
	The Higo Bank	300	8.0-year	0.48130% (Fixed)
June 30, 2017	The Bank of Fukuoka, and others (*3)	6,000	9.0-year	0.77677% (Fixed)
	Development Bank of Japan	1,800	9.5-year	0.65000% (Fixed)
July 31, 2017	The Bank of Fukuoka	2,000	10.0-year	0.79195% (Fixed)
	The Nishi-Nippon City Bank	2,000	10.0-year	0.89195% (Fixed)
	The second series unsecured investment corporation bonds	2,000	15.0-year	1.00000% (Fixed)
August 31, 2017	The Nishi-Nippon City Bank, and others (*4)	1,500	10.0-year	0.84952% (Fixed)
September 29, 2017 NEW	Resona Bank	2,000	10.0-year	0.49350% (Fixed)

(*3) The lenders are The Bank of Fukuoka・The Nishi-Nippon City Bank・The Oita Bank・The Kitakyushu Bank・The Miyazaki Bank・The Shinwa Bank・The Iyo Bank・The Eighteenth Bank
(*4) The lenders are The Bank of Fukuoka・The Nishi-Nippon City Bank・The Oita Bank・The Kitakyushu Bank・The Eighteenth Bank The Shinwa Bank・The Hiroshima Bank

■Issuance of investment corporation bonds

	Latest issue	Previous issue
Name	The second series unsecured investment corporation bonds	The first series unsecured investment corporation bonds
Amount	2,000 mm yen	2,000 mm yen
Issue date	July 31, 2017	December 30, 2013
Term	15.0-year	10.0-year
Coupon	1.00000%	1.32000%

■Average interest rate (*5) and duration



(*5) Interest rates are rounded off to the second decimal place.

■Credit ratings (*6)

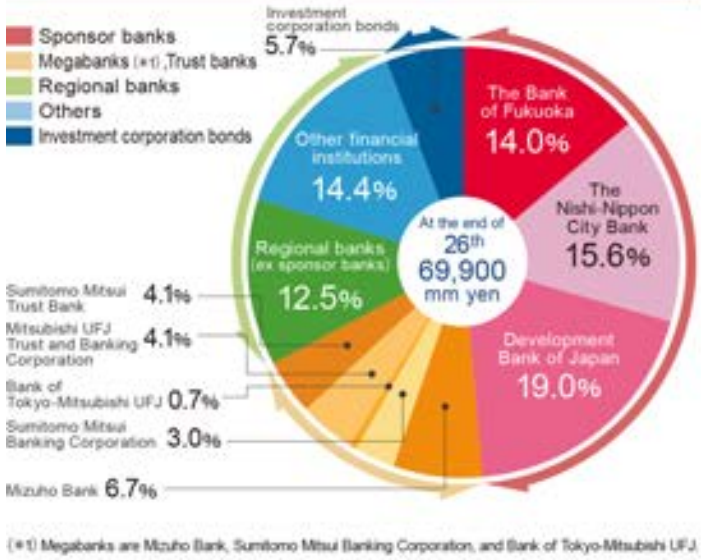
S&P	R&I	JCR
A− (Positive)	A+ (Stable)	AA− (Stable)

(*6) S&P: long-term issuer rating obtained from S&P Global Ratings Japan Inc. (S&P) R&I: issuer rating obtained from Rating and Investment Information, Inc. (R&I) JCR: long-term issuer rating obtained from Japan Credit Rating Agency, Ltd (JCR).

Financing condition

A stable network of sponsor banks and other lenders

Breakdown of debt by lenders

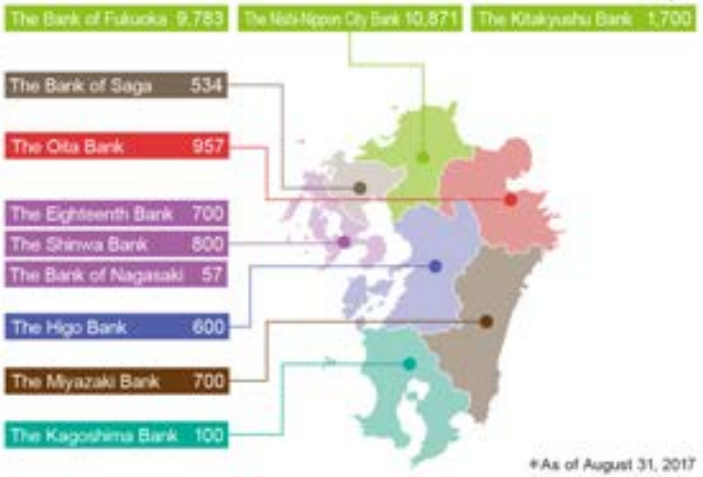


(*1) Megabanks are Mizuho Bank, Sumitomo Mitsui Banking Corporation, and Bank of Tokyo-Mitsubishi UFJ

A regional bank transaction network

◎Sharing of information networks unique to regional banks to utilize for our investment strategy in the area

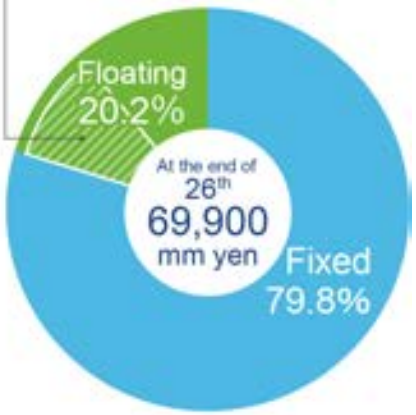
(mm yen)



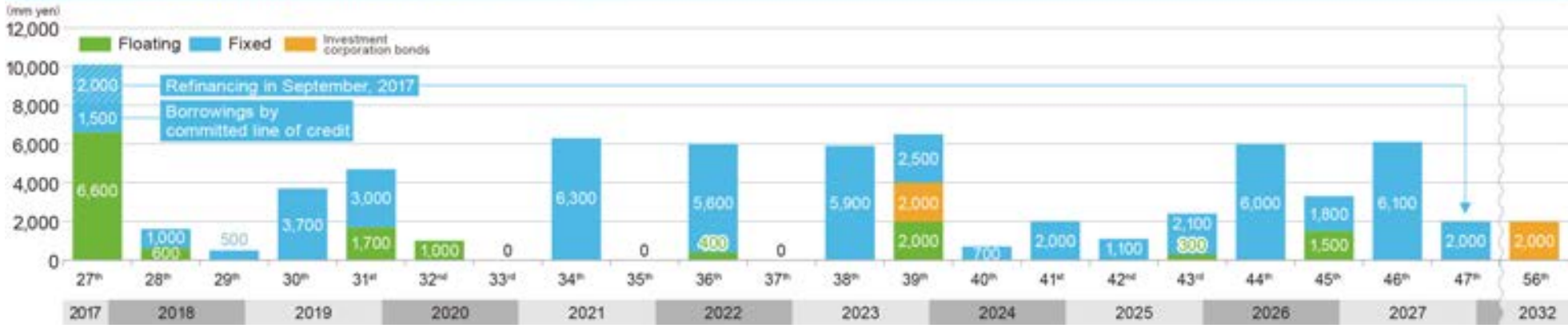
*As of August 31, 2017

Fixed and floating rate

27th fiscal period refinancing plan
6,600 mm yen(9.4%)



Diversification of debt maturities (As of September 29, 2017)



List of borrowings

Stable debt financing

(As of August 31, 2017)

Category	Lender	Balance (mm yen)	Drawdown Date	Repayment Date	Term (year)	Fixed/ Floating	Average Interest Rate
Short-term debt	-	-	-	-	-	-	
Current maturities of long-term debt	Resona Bank	2,000	Sep.28, 2012	Sep.29, 2017	5.0	Fixed	1.03319%
	The Bank of Fukuoka	1,500	Dec.30, 2011	Dec.30, 2017	6.0	Floating	0.65727%
	The Nishi-Nippon City Bank	1,900	Feb.28, 2013	Feb.28, 2018	5.0	Floating	0.55727%
	Sumitomo Mitsui Trust Bank	1,100	Feb.28, 2013	Feb.28, 2018	5.0	Floating	0.60727%
	Mitsubishi UFJ Trust and Banking Corporation	1,500	Feb.28, 2013	Feb.28, 2018	5.0	Floating	0.40727%
	Aozora Bank	600	Feb.28, 2013	Feb.28, 2018	5.0	Floating	0.40727%
	Mitsubishi UFJ Trust and Banking Corporation	600	Mar.29, 2013	Mar.30, 2018	5.0	Floating	0.40727%
	The Dai-ichi Life Insurance Company	1,000	Jul.29, 2011	Jul.31, 2018	7.0	Fixed	1.80000%
	Subtotal	**10,200**					
Long-term debt	Sumitomo Mitsui Banking Corporation	500	Jan.31, 2012	Jan.31, 2019	7.0	Fixed	1.33830%
	The Nishi-Nippon City Bank	2,500	Feb.1, 2013	Feb.29, 2020	7.1	Fixed	0.77500% (*1)
	Mizuho Bank	1,700	Feb.28, 2013	Feb.29, 2020	7.0	Floating	0.55727%
	Aozora Bank	1,000	Jun.28, 2013	Jun.30, 2020	7.0	Floating	0.45727%
	Mizuho Bank, and others(*2)	3,700	Jul.31, 2014	Jul.31, 2019	5.0	Fixed	0.53800% (*1)
	Mizuho Bank, and others(*3)	6,300	Jul.31, 2014	Jul.30, 2021	7.0	Fixed	0.83500% (*1)
	Development Bank of Japan	4,000	Aug.29, 2014	Aug.31, 2022	8.0	Fixed	1.01000%
	The Bank of Tokyo-Mitsubishi UFJ	500	Sep.25, 2014	Sep.25, 2019	5.0	Fixed	0.52000%
	Sumitomo Mitsui Banking Corporation	1,600	Jun.30, 2015	Jun.30, 2022	7.0	Fixed	0.79000% (*1)
	Sumitomo Mitsui Trust Bank	1,500	Jul.31, 2015	Jul.31, 2023	8.0	Fixed	0.56400% (*1)
	Development Bank of Japan	4,000	Aug.31, 2015	Aug.31, 2023	8.0	Fixed	0.88000%
	The Bank of Fukuoka	400	Aug.31, 2015	Aug.31, 2022	7.0	Floating	0.40727%
	The Nishi-Nippon City Bank	400	Aug.31, 2015	Aug.31, 2023	8.0	Fixed	0.87000% (*1)
	Development Bank of Japan	2,000	Feb.29, 2016	Feb.28, 2025	9.0	Fixed	0.62000%
	The Bank of Fukuoka	2,000	Feb.29, 2016	Feb.29, 2024	8.0	Floating	0.40727%
	The Nishi-Nippon City Bank	2,000	Feb.29, 2016	Feb.29, 2024	8.0	Fixed	0.44000% (*1)
	Mizuho Bank	500	Feb.29, 2016	Feb.29, 2024	8.0	Fixed	0.44000% (*1)
	Shinsei Bank	700	Jul.29, 2016	Jul.31, 2024	8.0	Fixed	0.40000%
	Sumitomo Mitsui Trust Bank	300	Sep.30, 2016	Sep.30, 2025	9.0	Floating	0.40127%
Long-term debt	Development Bank of Japan, and others(*4)	2,100	Dec.30, 2016	Dec.30, 2025	9.0	Fixed	0.71750%
	The Bank of Fukuoka	1,500	Dec.30, 2016	Dec.30, 2026	10.0	Floating	0.40727%
	Resona Bank	600	Mar.31, 2017	Mar.31, 2027	10.0	Fixed	0.65846%
	The Higo Bank	300	Mar.31, 2017	Mar.31, 2025	8.0	Fixed	0.48130%
	Mitsubishi UFJ Trust and Banking Corporation	800	Mar.31, 2017	Mar.31, 2025	8.0	Fixed	0.48130%
	The Bank of Fukuoka, and others(*5)	6,000	Jun.30, 2017	Jun.30, 2026	9.0	Fixed	0.77677%
	Development Bank of Japan	1,800	Jun.30, 2017	Dec.31, 2026	9.5	Fixed	0.65000%
	The Bank of Fukuoka	2,000	Jul.31, 2017	Jul.31, 2027	10.0	Fixed	0.79195%
	The Nishi-Nippon City Bank	2,000	Jul.31, 2017	Jul.31, 2027	10.0	Fixed	0.89195%
	The Nishi-Nippon City Bank, and others(*6)	1,500	Aug.31, 2017	Aug.31, 2027	10.0	Fixed	0.84952%
	Subtotal	**54,200**					
Committed line of credit 1	The Bank of Fukuoka, and others(*7)	700	Aug.31, 2017	Sep.30, 2017	0.1	Fixed	0.38000%
Committed line of credit 2	The Nishi-Nippon City Bank, and others(*8)	800	Aug.31, 2017	Sep.30, 2017	0.1	Fixed	0.38000%
	Subtotal	**1,500**					
	Total	**65,900**					

■Investment corporation bonds

Category	Issue	Balance (mm yen)	Issue date	Maturity Date	Term (year)	Coupon
Investment corporation bonds	The first series of unsecured bonds	2,000	Dec.30,2013	Dec.29, 2023	10.0	1.32000%
	The second series of unsecured bonds	2,000	Jul.31, 2017	Jul.30, 2032	15.0	1.00000%
Total		**4,000**				

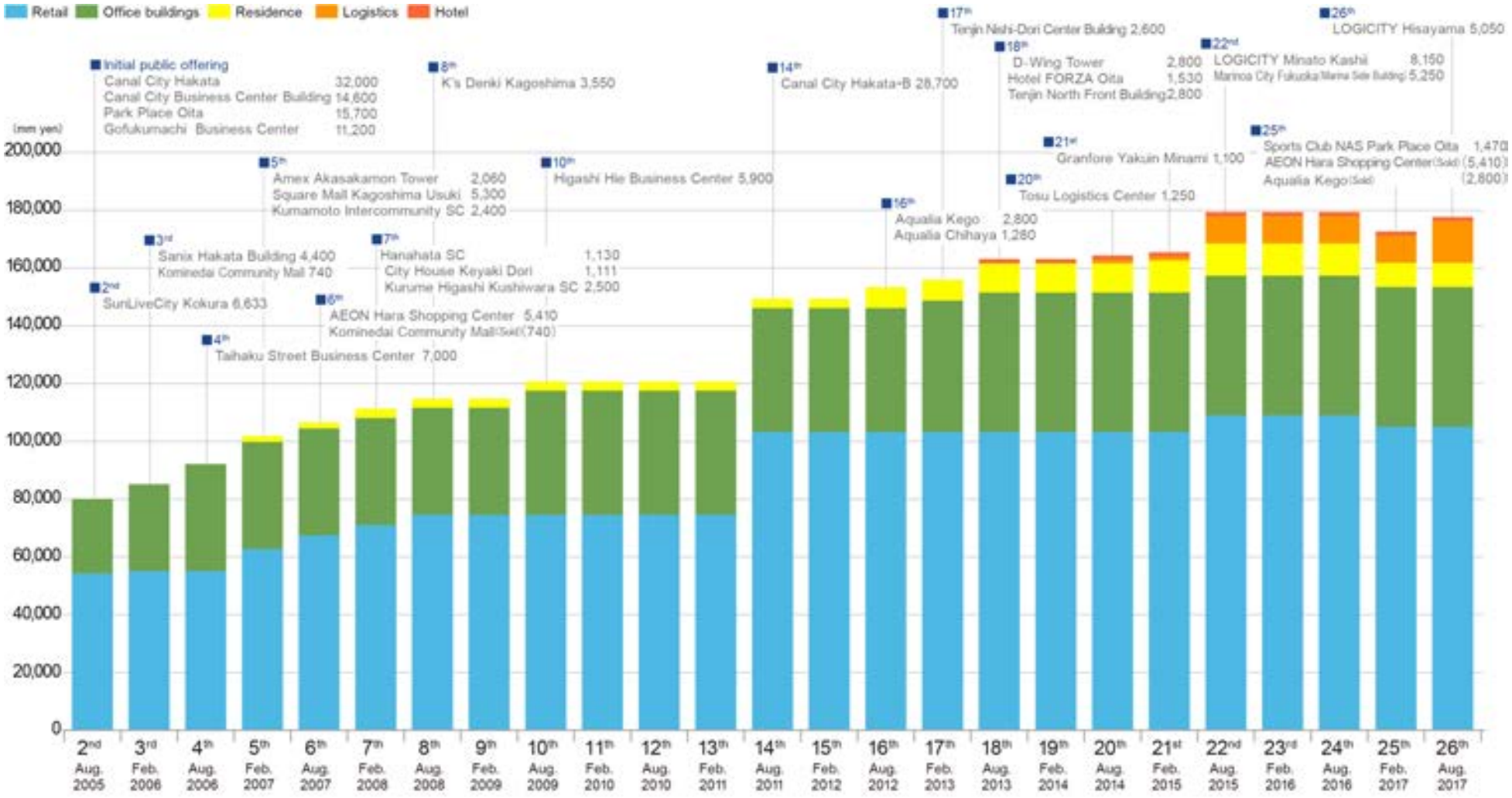
■Committed line of credit

Category	Lender	Credit Limit (mm yen)	Period	
			Start	End
Committed line of credit 1	The Bank of Fukuoka, and others(*7)	6,000	Aug.1, 2017	Jul.31, 2018
Committed line of credit 2	The Nishi-Nippon City Bank, and others(*8)	7,000	Mar.1, 2016	Feb.28, 2018
Total		**13,000**		

* For floating-rate debts, the interest rates applicable as of August 31, 2017 are indicated. *All debts have been borrowed with no collateral and no guarantee, to be repaid in lump-sum upon maturity.
(*1) FRC has concluded a swap agreement to practically fix interest rate on debt. The indicated interest rate reflects the effect of the swap agreement. (*2) The lenders are Mizuho Bank・The Norinchukin Bank・The Bank of Saga (*3) The lenders are Mizuho Bank・The Norinchukin Bank・The Hiroshima Bank・The Kitakyushu Bank・The Iyo Bank・The Higo Bank (*4) The lenders are Development Bank of Japan・The Oita Bank・The Kagoshima Bank・The Kitakyushu Bank・The Eighteenth Bank・The Shinwa Bank・The Hiroshima Bank
(*5) The lenders are The Bank of Fukuoka・The Nishi-Nippon City Bank・The Oita Bank・The Kitakyushu Bank・The Miyazaki Bank・The Shinwa Bank・The Iyo Bank・The Eighteenth Bank (*6) The lenders are The Bank of Fukuoka・The Nishi-Nippon City Bank・The Oita Bank・The Kitakyushu Bank・The Eighteenth Bank・The Shinwa Bank・The Hiroshima Bank (*7) The lenders are The Bank of Fukuoka・Resona Bank (*8) The lenders are The Nishi-Nippon City Bank・ Resona Bank・ The Oita Bank・The Bank of Nagasaki・The Bank of Saga

Historical trends of asset's size by investment type

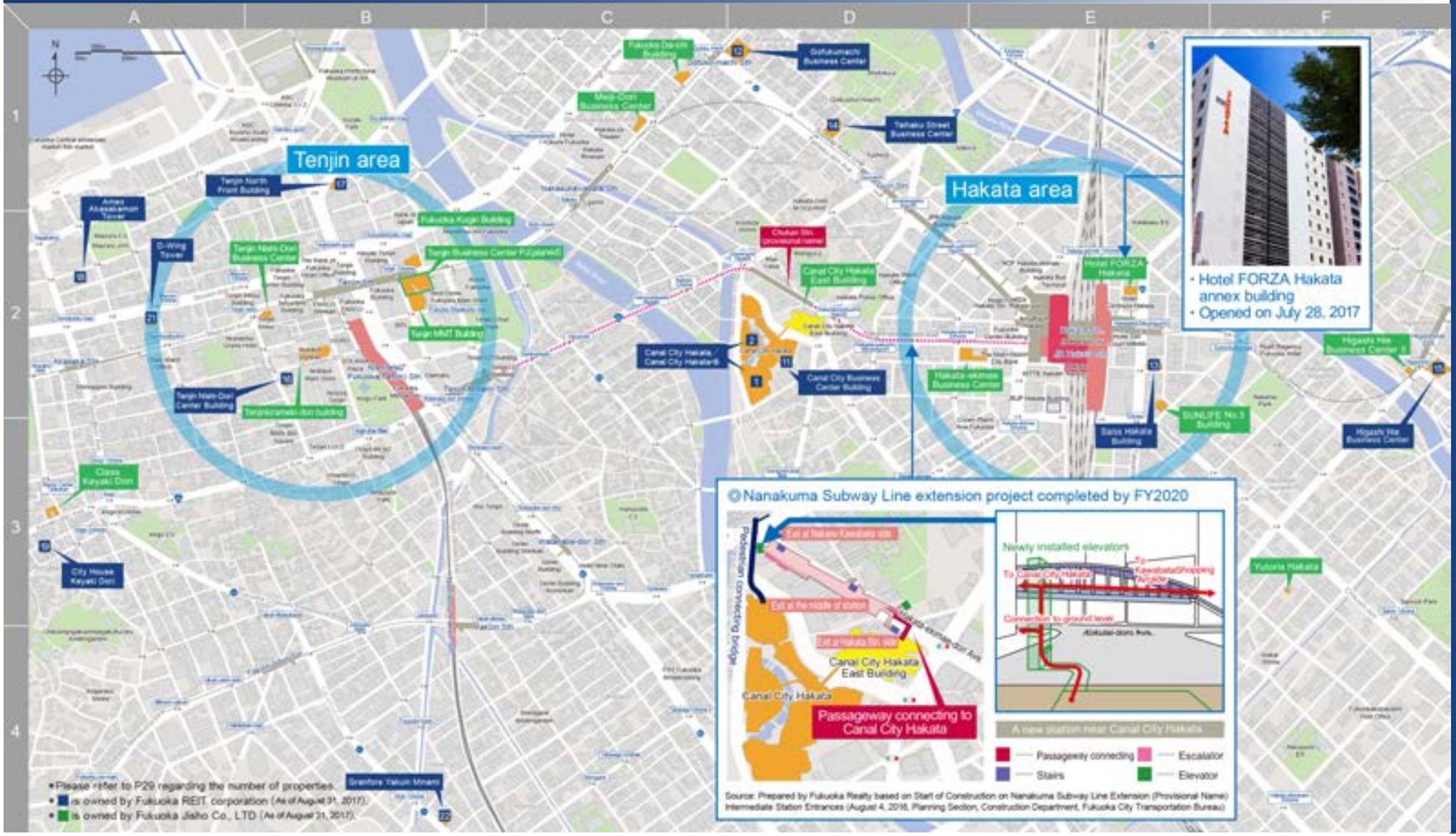
Asset size is 178,054 million yen after acquiring LOGICITY Hisayama (26 properties).



*As the senior equity interest in an anonymous partnership managed by CCH Bridge Y.K. was redeemed in the 14th FP, it is excluded from total acquired assets from the 14th FP onward. Since interest in the anonymous partnership managed by Limited Liability Company FRC1 is scheduled to be redeemed on June 1, 2017, it is excluded from acquired assets hereafter.

The condition of Fukuoka City Center

Main sponsor development is progressing



Current situation of Fukuoka City

The condition of suburb area in Fukuoka

Compact city of Fukuoka, well-organized transport infrastructure



Current situation of Fukuoka City

Fukuoka REIT

Appendix

Profile

Profile

Name	Fukuoka REIT Corporation
Asset manager	Fukuoka Realty Co., Ltd. Licensed by Fukuoka Local Finance Branch Bureau (financial instruments) No.10
Sponsors	Fukuoka Jisho Co., Ltd., Kyushu Electric Power Co., Inc., ROYAL HOLDINGS Co., Ltd., THE BANK OF FUKUOKA, LTD., The Nishi-Nippon City Bank Ltd., Nishi-Nippon Railroad Co., Ltd., Saibu Gas Co., Ltd., Kyudenko Corporation, Kyushu Railway Company, Development Bank of Japan Inc.
Listed date	June 21, 2005 (Tokyo Stock Exchange, Fukuoka Stock Exchange)

Financial highlight

Total assets	178,063 mm yen (as of August 31, 2017)
Total debt	69,900 mm yen (as of August 31, 2017)
Credit ratings	S&P A− (Positive) R&I A＋ (Stable) JCR AA− (Stable)
LTV (interest-bearing liabilities / total assets)	39.3%

Dividend information

The 26th fiscal period end	August 31, 2017 (semi-annual periods ending every February and August)
Dividend (actual)	3,422 yen per unit
Days in fiscal period	184
Dividend yield	4.1% {(Dividend / days in fiscal period × 365)/ Unit price} (as of August 31, 2017)

Investment unit price

Unit price	164,300 yen (as of August 31, 2017)
Total number of investment units outstanding	747,000 units (as of August 31, 2017)
Market capitalization	122,732 mm yen (unit price × outstanding units) (as of August 31, 2017)
Net assets value per unit	125,434 yen (as of August 31, 2017)
Market net assets value per unit	156,061 yen (as of August 31, 2017)

Market net assets value per unit = {(Total appraisal value at the end of period based on appraisal reports -Total book value at the end of period based on balance sheet) + (Net assets at the end of period)} / (Total number of investment units outstanding)

Portfolio summary (＊1)

Investment type (based on acquisition price)



Investment area (based on acquisition price)



Total leasable floor space	548,564.96㎡
Occupancy rate at the end of period	99.8%

(＊1) Figures are based on properties owned as of August 31, 2017.

A real estate investment trust specializing in regional properties

■Sponsors

5%	5%	5%	5%
The Bank of Fukuoka	The Nishi-Nippon City Bank	Development Bank of Japan	Saibu Gas

50%	director	Fukuoka Realty (Asset Manager)	Outside director	10%
Fukuoka Jisho （＊1）				Kyushu Electric Power

5%	5%	5%	5%
Kyudenko	Nishi-Nippon Railroad	KYUSHU RAILWAY COMPANY	Royal Holdings

（＊1）Concluded MOU with Fukuoka REIT and Fukuoka Realty concerning pipeline support.

■Investment policy

◎Investment area

60-90% Fukuoka metropolitan area

10-30% Other Kyushu areas
（Including Okinawa and Yamaguchi prefectures）

0-10% Others

◎Investment type

Others 0-20%
（Residence,Hotel,Logistics,Public and Other facilities）

Office buildings 20-40%
（A-class office buildings）

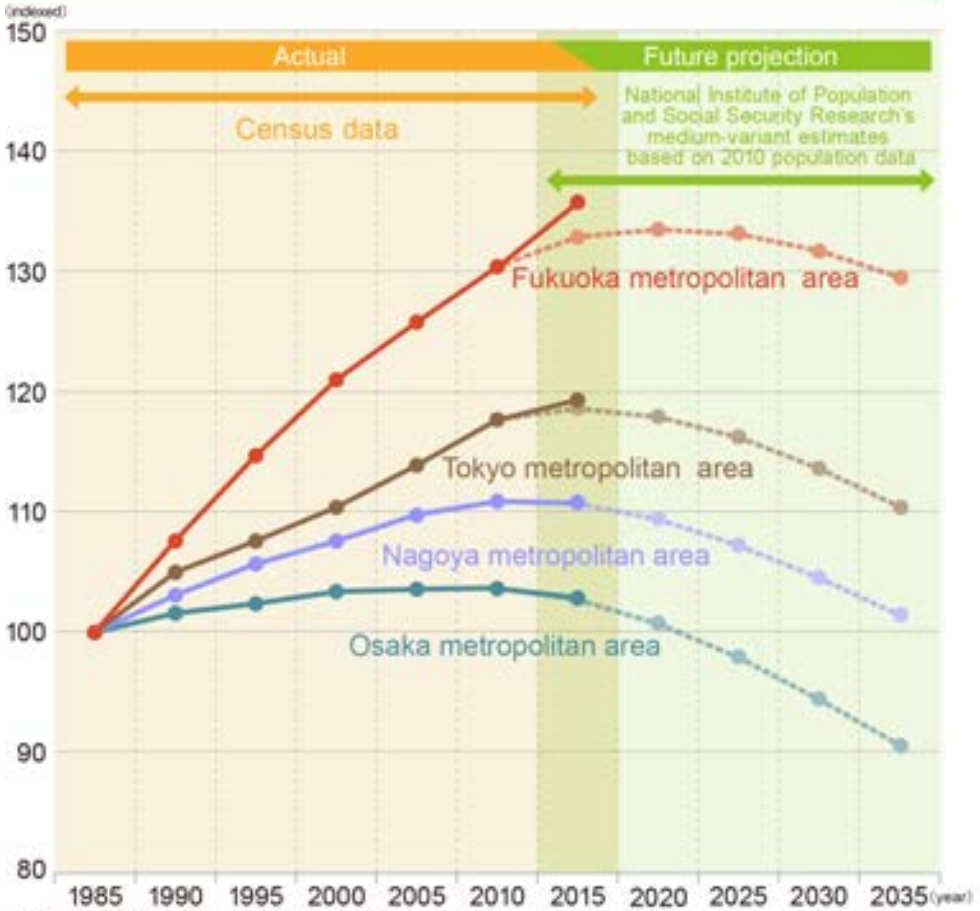
Retail 60-80%
（Urban,Regional and Community shopping centers）

Appendix

Population movement of Fukuoka metropolitan area

The population of Fukuoka metropolitan area continues to increase

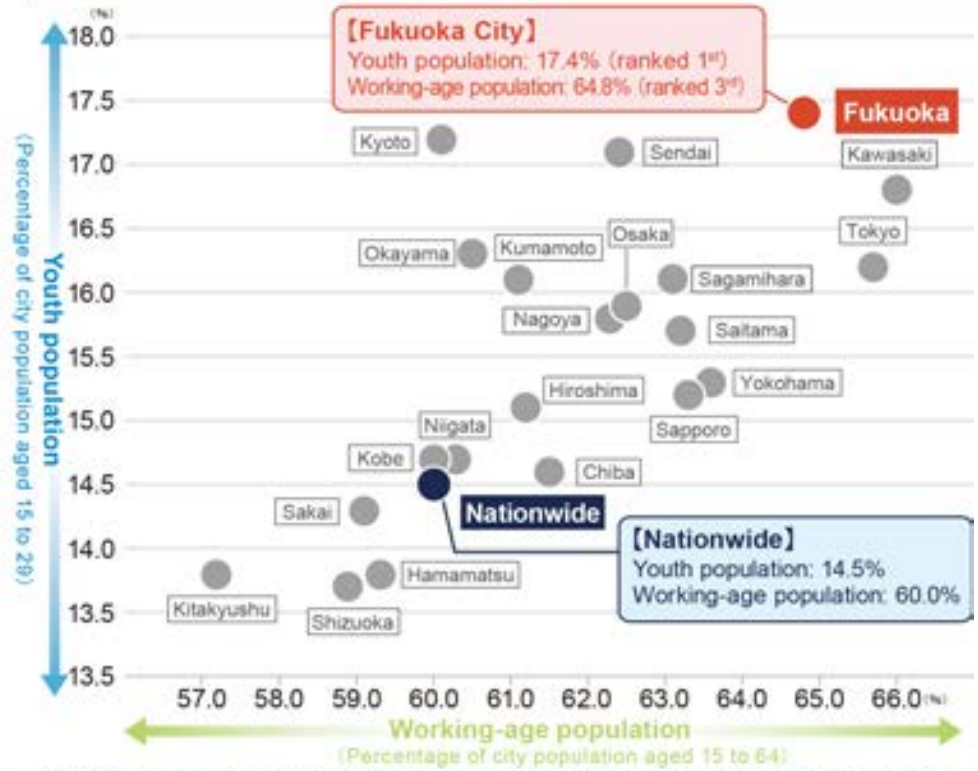
■Major Japanese metropolitan areas population trends



* The graph was plotted taking the 1985 population of each urban area as 100.
* "Fukuoka metropolitan area" refers to Fukuoka City, Chikushino City, Kasuga City, Onojo City, Munakata City, Dazaifu City, Koga City, Fukutsu City, Itoshima City, Nakagawa Town, Umi Town, Sasaguri Town, Shime Town, Sue Town, Shingu Town, Hisayama Town, and Kasuya Town.
"Greater Tokyo area" refers to Tokyo Metropolis, Kanagawa Prefecture, Saitama Prefecture, and Chiba Prefecture. "Nagoya urban area" refers to Aichi Prefecture, Gifu Prefecture, and Mie Prefecture. "Osaka urban area" refers to Osaka Prefecture, Kyoto Prefecture, Hyogo Prefecture, and Nara Prefecture.

Source: Prepared by Fukuoka Realty based on data from "Changes in Fukuoka City as Seen in Data," 2015 and 2010 Population Census of Japan, Preliminary Counts of the Population and Households," Ministry of Internal Affairs and Communications; and "Population Projections by Municipality: Japan," National Institute of Population and Social Security Research

■Youth and working-ago population ratios nationwide and in major cities



Source: Prepared by Fukuoka Realty based on Ministry of Internal Affairs and Communications "2015 Population Census of Japan"

■Population of Fukuoka City in 2010 and 2015

Population of Fukuoka City among the [government ordinance]	Year 2010		Year 2015
	1,463,743 [Rank 7th]	(+5.1%)	1,538,681 [Rank 5th]

Source: Prepared by Fukuoka Realty based on data from "2010 Population Census of Japan" (Statistics Bureau, Ministry of Internal Affairs and Communications) and "2015 Population Census of Japan, Preliminary Counts of the Population and Households" (Statistics Bureau, Ministry of Internal Affairs and Communications)

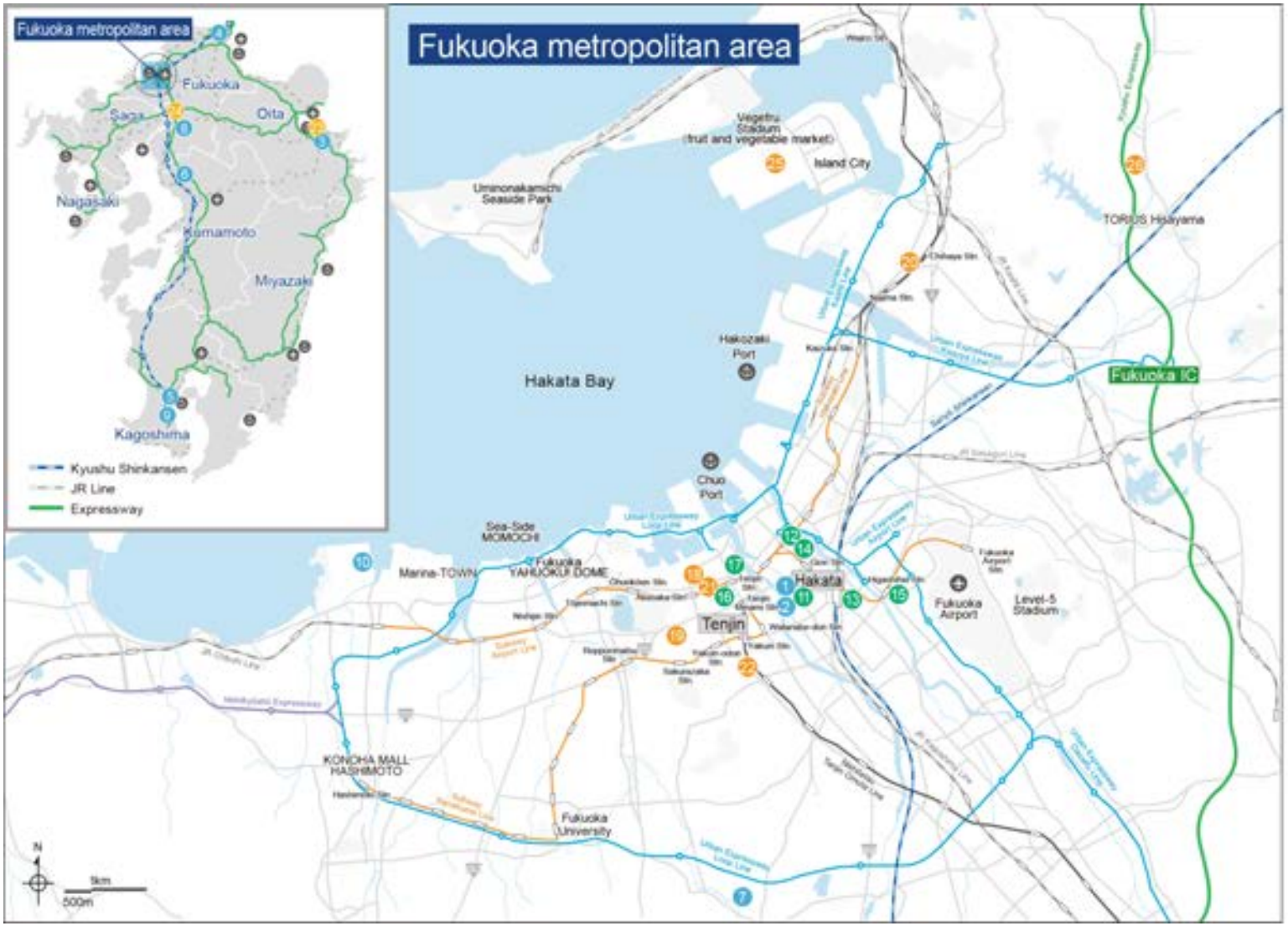
Portfolio table

(As of August 31, 2017)

	Real estate property name	Age (＊1)	Acquisition Price (mm yen) (＊2)	Investment ratio	Acquisition timing	Source (＊3)	Total leasable floor space (㎡)	Occupancy rate	Tenants (＊4)	Primary tenants
Retail	①Canal City Hakata	21yr 4m	32,000	18.0%	Nov. 9, 2004	Sponsor	46,602.94	100.0%	49	Washington Hotel and United Cinema
	②Canal City Hakata・B	21yr 4m	28,700	16.1%	Mar. 2, 2011	Outside party	68,820.27	100.0%	50	Grand Hyatt Fukuoka and OPA
	③Park Place Oita	15yr 5m	17,760	10.0%	Nov. 9, 2004	Sponsor	113,837.73	100.0%	107	AEON and K's Denki
	④SunLiveCity Kokura	12yr 5m	6,633	3.7%	Jul. 1, 2005	Outside party	61,450.22	100.0%	1	SunLive
	⑤Square Mall Kagoshima Usuki	10yr11m	5,300	3.0%	Sep. 28, 2006	Sponsor	14,602.88	100.0%	12	Sports Depo / Golf5 and Edion
	⑥Kumamoto Intercommunity SC	10yr 9m	2,400	1.3%	Nov. 30, 2006	Sponsor	6,968.66	100.0%	2	Sports Depo / Golf5 and Starbucks Coffee
	⑦Hanahata SC	10yr 1m	1,130	0.6%	Sep. 3, 2007	Sponsor	2,801.15	100.0%	2	BON REPAS and Matsumoto Kiyoshi
	⑧Kurume Higashi Kushiwara SC	9yr 8m	2,500	1.4%	Feb. 1, 2008	Sponsor	6,467.80	100.0%	1	Sports Depo / Golf5
	⑨K's Denki Kagoshima	9yr 9m	3,550	2.0%	Mar. 27, 2008	Outside party	7,296.17	100.0%	1	K's Denki
	⑩Marinoa City Fukuoka（Marina Side Building）	16yr10m	5,250	2.9%	May 1, 2015	Sponsor	33,069.82	100.0%	1	Fukuoka Jisho Co.,Ltd
	Total or weighted average of retail	–	105,223	59.1%	–	–	361,917.64	100.0%	226	–
Office buildings	⑪Canal City Business Center Building	21yr 4m	14,600	8.2%	Nov. 9, 2004	Sponsor	23,031.09	100.0%	61	TOTO and Bell System24
	⑫Gofukumachi Business Center	13yr10m	11,200	6.3%	Nov. 9, 2004	Sponsor	19,905.34	100.0%	35	SMBC CONSUMER FINANCE and Sumitomo Mitsui Banking Corporation
	⑬Sanix Hakata Building	16yr 5m	4,400	2.5%	Sep. 30, 2005	Outside party	6,293.75	100.0%	16	SANIX and The Nishi-Nippon City Bank
	⑭Taihaku Street Business Center	15yr 5m	7,000	3.9%	Mar. 16, 2006	Sponsor	14,677.27	98.8%	68	NTT COMWARE and Tokyo Marine Nichido Jimu Outsourcing
	⑮Higashi Hie Business Center	8yr 6m	5,900	3.3%	Mar. 13, 2009	Outside party ＋Sponsor	13,614.59	100.0%	25	Fujitsu and Forest Holdings
	⑯Tenjin Nishi-Dori Center Building	20yr 11m	2,600	1.5%	Feb. 1, 2013	Outside party	3,339.32	100.0%	1	The Nishi-Nippon City Bank
	⑰Tenjin North Front Building	7yr 7m	2,800	1.6%	Mar. 28, 2013	Outside party	5,252.41	100.0%	11	Rakuten Card and Prudential
	Total or weighted average of office buildings	–	48,500	27.2%	–	–	86,113.77	99.8%	217	–
Others	⑱Amex Akasakamon Tower	12yr 1m	2,060	1.2%	Sep. 1, 2006	Outside party	4,821.25	91.1%	60	–
	⑲City House Keyaki Dori	9yr 9m	1,111	0.6%	Dec. 20, 2007	Outside party	2,710.86	92.2%	39	–
	⑳Aqualia Chihaya	9yr 8m	1,280	0.7%	Mar. 1, 2012	Outside party	5,619.69	98.2%	103	–
	㉑D-Wing Tower	11yr 6m	2,800	1.6%	Mar. 1, 2013	Outside party	7,187.59	99.4%	136	–
	㉒Granfore Yakuin Minami	9yr 8m	1,100	0.6%	Nov. 4, 2014	Outside party	2,496.06	91.9%	91	–
	㉓Hotel FORZA Oita	9yr 0m	1,530	0.9%	Mar. 1, 2013	Sponsor	5,785.44	100.0%	1	FJ Hotels
	㉔Tosu Logistics Center	9yr 3m	1,250	0.7%	Mar. 28, 2014	Outside party	4,173.29	100.0%	1	non-disclosure
	㉕LOGICITY Minato Kashii	3yr 4m	8,150	4.6%	Mar. 27, 2015	Outside party	43,233.72	100.0%	2	Fukuoka Logistic System and KYUSHU F－LINE CORPORATION
	㉖LOGICITY Hisayama	2yr 7m	5,050	2.8%	Jun. 1, 2017	Outside party	24,505.65	100.0%	1	KASEI inc. Co., Ltd
	Total or weighted average of others	–	24,331	13.7%	–	–	100,533.55	99.0%	434	–
	Total or weighted average of all properties	15yr 10m	178,054	100.0%	–	–	548,564.96	99.8%	877	–

（＊1） "Age" as of the end of the fiscal period. （＊2） Acquisition price does not include fees, public charge and expenses.
（＊3） Properties acquired through arrangement by a sponsor company are indicate with "sponsor" in the column of seller.
（＊4） Parking contracts, etc., are excluded from "Number of tenants".

Portfolio



1. Canal City Hakata
2. Canal City Hakata-B
3. Park Place Oita
4. SunLive City Kokura
5. Square Mall Kagoshima Usuki
6. Kumamoto Intercommunity SC
7. Hanahata SC
8. Kurume Higashi Kushiwara SC
9. K's Denki Kagoshima
10. Marinoa City Fukuoka(Marina Side Building)
11. Canal City Business Center Building
12. Gofukumachi Business Center
13. Sanix Hakata Building
14. Taihaku Street Business Center
15. Higashi Hie Business Center
16. Tenjin Nishi-Dori Center Building
17. Tenjin North Front Building
18. Amex Akasakamon Tower
19. City House Keyaki Dori
20. Aqualia Chihaya
21. D-Wing Tower
22. Granfore Yakuin Minami
23. Hotel FORZA Oita
24. Tosu Logistics Center
25. LOGICITY Minato Kashii
26. LOGICITY Hisayama

Retail ● Office buildings ● Others

*As of August 31, 2017

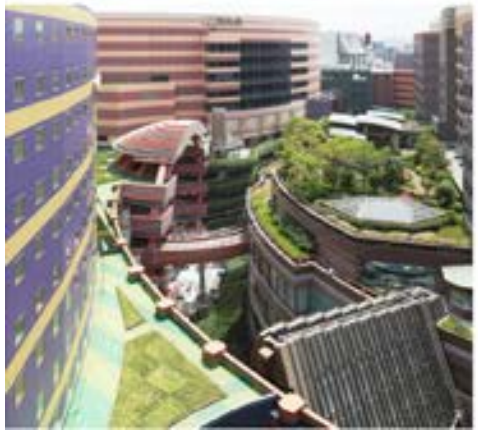
Portfolio : Active retail

Active retail

①Canal City Hakata

■ Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City







Active retail

②Canal City Hakata・B

■ Address : 1-chome, Sumiyoshi, Hakata Ward, Fukuoka City







Portfolio : Active retail

Active retail

③Park Place Oita

■ Address：2-chome,Koen Dori Nishi, Oita City, and others







Active retail

④SunLive City Kokura

■ Address：2-chome,Kamikuzuhara, Kokura Minami Ward, Kitakyushu City







Appendix

Portfolio : Passive retail

Passive retail

⑤Square Mall Kagoshima Usuki

■ Address：2-chome, Usuki, Kagoshima City



Passive retail

⑥Kumamoto Intercommunity SC

■Address：1-chome, Kozono, Higashi Ward, Kumamoto City



Passive retail

⑦Hanahata SC

■Address：4-chome, Hanahata, Minami Ward, Fukuoka City



Passive retail

⑧Kurume Higashi Kushiwara SC

■Address：Higashi kushiwaramachi, Kurume City



Passive retail

⑨K's Denki Kagoshima

■Address：Tokai-cho, Kagoshima City



Passive retail

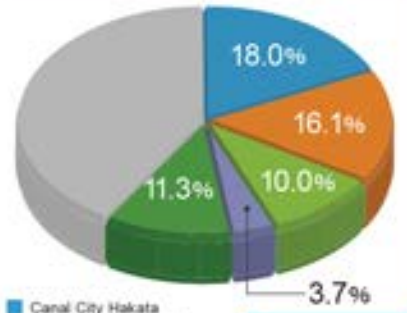
⑩Marinoa City Fukuoka (Marina Side Building)

■Address：2-chome, Odo, Nishi Ward, Fukuoka City





Investment ratio (Retail)



Retail total 59.1%

* As of August 31, 2017

Appendix

Portfolio : Office buildings

Office buildings

⑪Canal City Business Center Building

■ Address：1-chome, Sumiyoshi, Hakata Ward, Fukuoka City



Office buildings

⑫Gofukumachi Business Center

■ Address：Kamigofukumachi, Hakata Ward, Fukuoka City



Office buildings

⑬Sanix Hakata Building

■ Address：2-chome, Hakataekihigashi, Hakata Ward, Fukuoka City



Office buildings

⑭Taihaku Street Business Center

■ Address：Gokushomachi, Hakata Ward, Fukuoka City



Office buildings

⑮Higashi Hie Business Center

■ Address：3-chome, Higashihie, Hakata Ward, Fukuoka City



Office buildings

⑯Tenjin Nishi-Dori Center Building

■ Address：2-chome, Tenjin, Chuo Ward, Fukuoka City



Office buildings

⑰Tenjin North Front Building

■ Address：4-chome, Tenjin, Chuo Ward, Fukuoka City



Investment ratio (Office buildings)



Appendix

Portfolio : Others

Others (Residence)

⑱Amex Akasakamon Tower

■Address：2-chome, Maizuru, Chuo Ward, Fukuoka City



Others (Residence)

⑲City House Keyaki Dori

■Address：2-chome, Kego,Chuo Ward, Fukuoka City



Others (Residence)

⑳Aqualia Chihaya

■Address：4-chome, Chihaya, Higashi Ward, Fukuoka City



Others (Residence)

㉑D-Wing Tower

■Address：2-chome, Daimyo, Chuo Ward, Fukuoka City



Others (Residence)

㉒Granfore Yakuin Minami

■Address：1-Chome, Hirao, Chuo Ward, Fukuoka City



Others (Hotel)

㉓Hotel FORZA Oita

■Address：1-chome, Chuo-cho, Oita City



Others (Logistics)

㉔Tosu Logistics Center

■Address：Himekata-machi, Tosu City



Others (Logistics)

㉕LOGICITY Minato Kashii

■Address：2-chome, Minatokashii, Higashi Ward, Fukuoka City



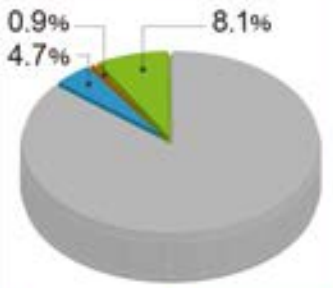
Others (Logistics)

㉖LOGICITY Hisayama

■Address：Hisayama-cho, Kasuya-gun Fukuoka Prefecture



Investment ratio(Others)



Appendix

Top tenants by leased floor area

Ordinary lease　Fixed-term lease

	Lessee	Tenant	Share of total leased space (*1)	27th ~Feb. 28, 2018	28th ~Aug. 31, 2018	29th ~Feb. 28, 2019	Remaining lease term (years) (*2)
1	SunLive Co., Ltd.	SunLive	11.2%	●SunLive City Kokura			7
2	AEON Kyushu Co., Ltd.	AEON	10.7%	●Park Place Oita			4
3	FJ Hotels Co., Ltd	Grand Hyatt Fukuoka	8.1%	●Canal City Hakata・B			6
		Hotel FORZA Oita		●Hotel FORZA Oita			10
4	Fukuoka Jisho Co., Ltd.	—	6.4% (*3)	●Marinoa City Fukuoka (Marina Side Building)			17
5	Canal City OPA Co., Ltd.	OPA	4.7%	●Canal City Hakata			1
				●Canal City Hakata・B			1
6	KASEI inc Co., Ltd.	—	4.5%	●LOGICITY Hisayama			7
7	Fukuoka Logistic System	—	4.2%	●LOGICITY Minato Kashii			7
8	KYUSHU F−LINE CORPORATION	—	3.7%	●LOGICITY Minato Kashii			non-disclosure (*4)
9	Alpen Co., Ltd.	Sports Depo, Golf 5	3.3%	●Square Mall Kagoshima Usuki			9
				●Kumamoto Intercommunity SC			9
				●Kurume Higashi Kushiwara SC			10
10	K's Holdings Corporation	K's Denki	2.5%	●Park Place Oita			4

(*1)Share of total leased space is calculated using the formula "Leased floor area by tenant / Total leased floor area," with residential space excluded from leased floor area by tenant. (*2)Remaining lease periods shown are the remaining periods of lease contracts as of August 31, 2017 with periods shorter than one year rounded down to the nearest whole year. (*3)The 6.4% includes a 0.3% office portion. [Five ordinary leases (with automatic renewal provisions for periods of one or two years) have been concluded for Canal City Business Center Building.] (*4)Information is not disclosed because the permission of tenants has not been obtained.

Income and expenditure by properties (Active retail)

- unit : mm yen (Figures rounded down to the nearest mm yen)

Category	Canal City Hakata	Canal City Hakata・B	Park Place Oita	SunLive City Kokura	26th Total A	25th Total B	Difference A−B	Forecast C (＊1)	Difference A−C
(Length)	26th FP (Mar. 1, 2017 ～ Aug. 31, 2017)								
	184 days					181 days	3 days		
①Total leasing business revenues	1,250	1,598	1,228	292	4,369	4,346	22	4,374	(5)
Leasing revenue-real estate	1,219	1,553	1,013	292	4,078	4,071	7		
Other leasing revenue-real estate	30	45	214	-	290	274	15		
②Total leasing business expenses	482	809	682	46	2,020	1,993	27	2,031	(10)
Outsourcing fees	316	532	317	8	1,175	1,145	29		
Repair and maintenance expenses	23	44	34	0	103	146	(42)		
Expenses for restoration to former state	-	-	-	-	-	3	(3)		
Tax and other public charges	74	156	93	33	358	344	13		
Insurance premiums and trust compensation	8	18	7	1	37	36	0		
Utilities expenses	24	48	182	-	256	227	28		
Other expenses	34	7	46	0	89	88	1		
③NOI (=①-②)	767	789	545	246	2,349	2,353	(4)	2,343	5
④Depreciation and amortization expenses	241	254	222	47	765	744	21		
⑤Leasing business profit (=③-④)	526	535	323	198	1,583	1,609	(25)		
⑥NOI yield (acquisition price)	4.8%	5.5%	6.1%	7.4%	5.5%	5.5%	(0.0)%		
⑦Capital expenditures	133	225	89	1	449	1,440	(990)		

(＊1) Forecast at the financial results of 25th fiscal period

Income and expenditure by properties (Passive retail)

- unit : mm yen (Figures rounded down to the nearest mm yen)

Category	Square Mall Kagoshima Usuki	Kumamoto Inter-Community SC	Hanahata SC	Kurume Higashi Kushiwara SC	K's Denki Kagoshima	Marinoa City Fukuoka (Marina Side Building)	26th Total A	25th Total B	Difference A−B	Forecast C (＊1)	Difference A−C
(Length)	26th FP (Mar. 1, 2017 ～ Aug. 31, 2017)										
	184 days							181 days	3 days		
①Total leasing business revenues	257	89	40	88	111	177	764	791	(26)	762	2
Leasing revenue-real estate	221	89	40	88	111	177	728	759	(30)		
Other leasing revenue-real estate	35	0	-	-	0	0	35	31	3		
②Total leasing business expenses	93	11	7	9	10	43	175	163	12	168	7
Outsourcing fees	38	2	1	2	1	1	48	49	(0)		
Repair and maintenance expenses	3	2	2	0	0	21	29	11	18		
Expenses for restoration to former state	-	-	-	-	-	-	-	-	-		
Tax and other public charges	17	5	3	5	7	18	57	63	(5)		
Insurance premiums and trust compensation	1	0	0	0	0	0	3	3	(0)		
Utilities expenses	32	-	-	-	-	-	32	28	4		
Other expenses	0	0	0	0	0	0	3	6	(2)		
③NOI (=①-②)	164	78	33	78	100	133	589	628	(39)	593	(4)
④Depreciation and amortization expenses	39	13	6	18	24	20	123	129	(6)		
⑤Leasing business profit (=③-④)	124	64	26	60	76	113	465	498	(32)		
⑥NOI yield (acquisition price)	6.2%	6.6%	5.9%	6.3%	5.7%	5.1%	5.9%	(＊2)6.0%	(0.1)%		
⑦Capital expenditures	-	-	-	-	0	206	206	22	183		

(＊1) Forecast at the financial results of 25th fiscal period (＊2) It is not included "AEON Hara Shopping Center" sold in the 25th fiscal period.

Income and expenditure by properties（Office buildings）

- unit : mm yen（Figures rounded down to the nearest mm yen）

Category	Canal City Business Center Building	Gofukumachi Business Center	Sanix Hakata Building	Taihaku Street Business Center	Higashi Hie Business Center	Tenjin Nishi-Dori Center Building	Tenjin North Front Building	26th Total A	25th Total B	Difference A−B	Forecast C（＊1）	Difference A−C
（Length）	26th FP（Mar. 1, 2017 ～ Aug. 31, 2017）											
	184 days								181 days	3 days		
①Total leasing business revenues	639	540	199	299	334	86	139	2,239	2,210	29	2,225	13
Leasing revenue-real estate	637	473	182	299	309	86	111	2,101	2,087	13		
Other leasing revenue-real estate	1	66	16	0	25	-	28	138	122	15		
②Total leasing business expenses	198	183	57	106	134	15	53	749	729	19	734	14
Outsourcing fees	136	72	19	55	41	1	10	337	337	0		
Repair and maintenance expenses	6	16	1	20	5	0	7	58	51	7		
Expenses for restoration to former state	-	-	-	-	-	-	-	-	-	-		
Tax and other public charges	44	34	18	25	16	12	8	161	161	0		
Insurance premiums and trust compensation	2	3	0	1	2	0	0	11	11	0		
Utilities expenses	6	55	16	-	28	-	24	132	115	16		
Other expenses	1	0	0	3	39	0	1	47	52	(5)		
③NOI(=①-②)	440	356	141	193	200	71	86	1,490	1,480	9	1,490	(0)
④Depreciation and amortization expenses	101	100	38	77	77	8	32	436	435	1		
⑤Leasing business profit(=③-④)	339	255	103	116	122	62	53	1,053	1,045	8		
⑥NOI yield（acquisition price）	6.0%	6.4%	6.4%	5.5%	6.8%	5.5%	6.2%	6.1%	6.1%	0.0%		
⑦Capital expenditures	26	2	2	18	-	0	2	53	310	(257)		

（＊1） Forecast at the financial results of 25th fiscal period

Office buildings

Appendix

Income and expenditure by properties (Others)

- unit : mm yen (Figures rounded down to the nearest mm yen)

Category	Amex Akasakamon Tower	City House Keyaki Dori	Aqualia Chihaya	D-Wing Tower	Granfore Yakuin Minami	Hotel FORZA Oita	Tosu Logistics Center	LOGICITY Minato Kashii	LOGICITY Hisayama	26th Total A	25th Total B	Difference A−B	Forecast C (＊1)	Difference A−C
(Length)	26th FP (Mar. 1, 2017 ～ Aug. 31, 2017)								26th FP (Jun. 1, 2017 ～ Aug. 31, 2017)	26th FP (Mar. 1, 2017 ～ Aug. 31, 2017)				
	184 days								92 days	184 days	181 days	3 days		
①Total leasing business revenues	65	36	59	113	37	63				743	723	19	743	0
Leasing revenue-real estate	63	36	56	109	35	63				697	684	13		
Other leasing revenue-real estate	2	0	2	4	1	-				46	39	6		
②Total leasing business expenses	18	9	17	23	10	10				173	175	(1)	178	(5)
Outsourcing fees	5	2	3	7	2	0				31	34	(2)		
Repair and maintenance expenses	1	1	4	1	1	0				17	13	4		
Expenses for restoration to former state	2	-	2	1	1	-				8	6	2		
Tax and other public charges	5	3	4	7	2	7				66	73	(6)		
Insurance premiums and trust compensation	0	0	0	0	0	0				5	5	(0)		
Utilities expenses	1	0	0	2	0	-				33	30	3		
Other expenses	1	2	1	2	1	0				10	12	(1)		
③NOI (=①-②)	46	27	41	90	26	52	32	182	69	569	548	21	564	5
④Depreciation and amortization expenses	18	10	8	17	9	19	9	36	18	148	146	1		
⑤Leasing business profit (=③-④)	27	17	33	73	16	33	23	145	50	421	401	19		
⑥NOI yield (acquisition price)	4.5%	4.9%	6.5%	6.5%	4.8%	6.9%	5.2%	4.5%	5.5%	5.3%	(＊3)5.3%	(0.0)%		
⑦Capital expenditures	1	0	19	1	2	7	-	-	-	31	16	15		

Non-disclosure (＊2)

(＊1) Forecast at the financial results of 25th fiscal period (＊2) Information is not disclosed because the permission of tenants has not been obtained. (＊3) It is not included "Aqualia Kego" sold in the 25th fiscal period.

Others

Appendix

Income and expenditure by properties (Total)

Total

- unit : mm yen (Figures rounded down to the nearest mm yen)

Category	26th Total A	25th Total B	Difference A−B	Forecast C (＊1)	Difference A−C
(Length)	184 days	181 days	3 days		
①Total leasing business revenues	8,117	8,072	45	8,106	10
Leasing revenue-real estate	7,605	7,603	2		
Other leasing revenue-real estate	511	469	42		
②Total leasing business expenses	3,119	3,061	57	3,113	5
Outsourcing fees	1,593	1,566	26		
Repair and maintenance expenses	209	222	(13)		
Expenses for restoration to former state	8	9	(1)		
Tax and other public charges	644	643	1		
Insurance premiums and trust compensation	57	57	0		
Utilities expenses	454	401	52		
Other expenses	151	160	(8)		
③NOI (=①-②)	4,998	5,010	(12)	4,993	5
④Depreciation and amortization expenses	1,474	1,455	18		
⑤Leasing business profit (=③-④)	3,524	3,554	(30)		
⑥NOI yield (acquisition price)	5.7%	(＊2) 5.7%	(0.0)%		
⑦Capital expenditures	741	1,789	(1,048)		

(＊1) Forecast at the financial results of 25th fiscal period (＊2) It is not included "AEON Hara Shopping Center" and "Aqualia Kego" sold in the 25th fiscal period.

Appendix

Cash flow statements (compared with previous fiscal period)

- unit : mm yen (Figures rounded down to the nearest mm yen)

Category	25th ~Feb. 28, 2017 A	26th ~Aug. 31, 2017 B	Difference B−A
Net cash provided by (used in) operating activities	**3,685**	**3,590**	**(94)**
Net income before income taxes	4,199	2,562	(1,637)
Depreciation and amortization expenses	1,455	1,474	18
Amortization of investment corporation bond issuance expenses	0	1	0
Amortization of investment unit issuance expenses	5	5	-
Interest received	(0)	(0)	0
Interest expenses	289	268	(21)
Gain on sales of real estate	(1,657)	-	1,657
Decrease (increase) in operating accounts receivables	39	(54)	(94)
Decrease (increase) in consumption taxes refund receivable	-	(258)	(258)
Increase (decrease) in accrued consumption taxes	132	(239)	(371)
Increase (decrease) in operating accounts payable	3	(15)	(19)
Increase (decrease) in accounts payable-other	11	(3)	(14)
Increase (decrease) in accrued expenses	(6)	1	7
Increase (decrease) in advances received	(97)	24	121
Increase (decrease) in deposits expenses	(450)	302	753
Decrease (increase) in prepaid expenses	9	3	(5)
Decrease (increase) in long-term prepaid expenses	17	(192)	(209)
Others, net	20	(4)	(24)
Subtotal	3,974	3,874	(99)
Interest income received	0	0	(0)
Interest expenses paid	(296)	(277)	19
Proceeds from insurance income	75	-	(75)
Payments for loss on disaster	(65)	-	65
Income taxes paid	(1)	(6)	(5)
Net cash provided by (used in) investment activities	**4,220**	**(6,029)**	**(10,249)**
Proceeds from sales of property, plant and equipment in trust	7,862	-	(7,862)
Purchase of property, plant and equipment in trust	(3,250)	(5,995)	(2,744)
Purchase of of intangible assets in trust	-	(20)	(20)
Proceeds from tenant leasehold and security deposits	5	-	(5)
Repayments of tenant leasehold and security deposits	(8)	(0)	8
Proceeds from tenant leasehold and security deposits in trust	172	144	(27)
Repayments of tenant leasehold and security deposits in trust	(482)	(255)	227
Proceeds from redemption of investment securities	-	100	100
Purchase of investment securities	(103)	(0)	103
Proceeds from restricted trust deposits	29	3	(25)
Payments for restricted trust deposits	(4)	(7)	(3)
Net cash provided by (used in) financial activities	**(7,872)**	**667**	**8,540**
Proceeds from short-term debt	3,000	14,500	11,500
Repayments of short-term debt	(7,000)	(13,000)	(6,000)
Proceeds from long-term debt	3,900	15,000	11,100
Repayments of long-term debt	(5,175)	(15,275)	(10,100)
Proceeds from issuance of investment corporation bonds	-	2,000	2,000
Payments of investment corporation bond issuance expenses	-	(19)	(19)
Dividends paid	(2,597)	(2,537)	60
Net increase (decrease) in cash and cash equivalents	**32**	**(1,771)**	**(1,803)**
Balance of cash and cash equivalents at beginning of period	**8,873**	**8,905**	**32**
Balance of cash and cash equivalents at end of period	**8,905**	**7,134**	**(1,771)**

Repair and maintenance expenses, capital expenditures, and depreciation

- unit : mm yen（Figures rounded down to the nearest mm yen）

■Repair and maintenance expenses, capital expenditures, and depreciation



(*1) Capital expenditures related to renewal works at Canal City Hakata and Canal City Hakata-B

◎Major capital expenditures in the 26th fiscal period

- unit : mm yen（Figures rounded down to the nearest mm yen）

Property	Purpose	Construction cost
Canal City Hakata	Exterior wall repairs, etc.	133
Canal City Hakata・B	Exterior wall repairs, etc, Firefighting equipment renewal, etc.	225
Park Place Oita	Food terrace environment improvement, etc.	89
Marinoa City Fukuoka (Marina Side Building)	Exterior wall painting, etc.	206
Canal City Business Center Building	Exterior wall repairs, etc.	26

◎Major capital expenditures in the 27th fiscal period and the 28th fiscal period

- unit : mm yen（Figures rounded down to the nearest mm yen）

Property	Purpose	Planned construction cost		
		Total amount	Construction cost in the 26th	Paid in total amount
Canal City Hakata	Tenant space creation, etc.	410	0	0
Canal City Hakata・B	Emergency telephone replacement, etc.	435	0	0
Park Place Oita	Air-conditioning equipment replacement, etc.	234	-	-
Canal City Business Center Building	Tenant space creation, etc.	86	0	0
Sanix Hakata Building	Central monitoring system replacement, etc.	46	-	-

Appendix

IR initiatives

■IR activities

Major IR activities

◎For institutional investors

- Results briefing roadshows in Japan
- One-on-one meetings
- Property tours

◎For overseas investors

- Participation in global conferences in Japan
- Overseas IR activities
- One-on-one meetings in Japan
- Start of results briefing video distribution
- Start of online registration for IR mail delivery

◎For individual investors

- Briefings for individual investors (Tokyo, Fukuoka)
- Participation in J-REIT Fair 2017(Scheduled)



The 75th FSE fair, hosted by Fukuoka Stock Exchange (Fukuoka)



Kyushu IR fair (Tokyo)

■Publicity activities

◎Coverage in Newspaper and Local economic journal・Radiocast



The Nikkei, July. 31, 2017



Fukuoka Keizai EX2017



radiocast of interview on Radio Nikkei' s program "Asazai"

◎Other Coverages

- Nishinippon Shimbun May 25, 2017 morning edition "People — Etsuo Matsuyuki, Fukuoka Realty
- ZaikaiKyushu June issue "Fukuoka-Hisayama Logistics Facility Acquisition"
- Fukuoka Keizai May issue"The 4th IR Good Visual Award Winner"
- Fukuoka Keizai June issue "5.0 Billion Acquisition of Logistics Facility in Hisayama Town"

■IR Good Visual Award Winner!

Sponsored by the IR Good Visual Award Executive Committee, organized by Japan Investor Relations Association and Value Create Inc.
The first J-REIT asset management company to receive the award!



The slide



Award ceremony

◎Other Winners (code number)

2337	Ichigo Inc.
4927	POLA ORBIS HOLDINGS INC.
6869	Sysmex Corporation
8001	ITOCHU Corporation
8411	Mizuho Financial Group, Inc.

■IR Kyushu Workshop

The IR workshop series, which was started in fiscal 2011, Fukuoka REIT, together with listed companies having their head offices in Fukuoka or Kyushu, holds three workshops each year for the purpose of engaging in research in the latest IR theories and techniques with IR representatives.
At the first 2017 Kyushu IR Workshop, Ms. Yoshiko Sato, Executive Managing Director of Japan Investor Relations Association, gave a lecture on the topic "The Latest Trends in IR and Corporate IR Activities."

Schedule	Theme
December 2017 (Planned)	"A Scenario for Corporate Value Enhancement Utilizing Non-financial Information"





Appendix

CSR initiatives

■Formulation of a basic policy on customer-oriented business conduct

Fukuoka Realty Co., Ltd. has adopted all seven principles set forth in the Principles for Customer-Oriented Business Conduct, announced by the Financial Services Agency on March 30, 2017, and formulated a basic policy to realize customer-oriented business operations on September 20, 2017.

Fukuoka Realty's Basic Policy

① Fukuoka Realty is an asset management company that operates listed REIT. We will constantly strive to provide high-quality services so that we can meet the investment needs of unitholders of the listed REIT.

② Fukuoka Realty, as an asset management company knowledgeable about the particular circumstances of the region, strives to maximize the interest of unitholders by utilizing information and expertise.

③ Fukuoka Realty will make the fiduciary duty entrusted to us by unitholders the primary consideration and appropriately manage conflicts of interest.

④ Fukuoka Realty' s executives and employees daily engage in honest and fair operation and act responsibly toward the Company' s investors and other stakeholders.

⑤ Fukuoka Realty will proactively engage in voluntary IR activities in addition to statutory disclosure and timely disclosure and increase the fairness and transparency of information disclosure.

■CSR initiatives

● The 10th Real Estate, Economics and Finance Gathering

Local real estate companies, financial institutions, and government agencies participated in the conference, Economics and Finance Gathering, which contributed to networking and further stimulation of the local economy. Held each year since 2008.

Date (Scheduled)	November 13, 2017
Lectures (Scheduled)	Session One "FUKUOKA NEXT ~taking Fukuoka City to the Next Stage" Mr. Hiroaki Mitsuyama, Director Fukuoka City Housing and Urban Planning Bureau
	Session Two "Potential for New Hybridization~considering What Only Fukuoka Can Do" Mr. Shohei Shigematsu, Director OMA Partner, OMA New York



● OnRAMP supports local vitalization

OnRAMP is a members-only entrepreneurs' salon with business incubation facilities established in 2012 to support and cultivate entrepreneurs and facilitate networking among them. It had 57 member companies as of March 2017.

OnRAMP

◎Success story of entrepreneur support in Kyushu



Mr. Mamoru Masumoto started up OnRAMP member Truebizon, Ltd. in 2014. He produces videos using drones (unmanned aerial vehicles) and provides consulting for the utilization of drones in business.

No. of startups during the past 3 years: 10 companies
(As of September 2017)

◎OnRAMP' high-quality interior



Appendix

Environment initiatives

■Environmentally friendly facility operation

●Canal City Hakata

◎Mall area



Wall surfaces have been greened by planting several varieties of ivy, reducing reflected heat absorbed by the wall surface.

◎Gray water plant



Kitchen wastewater generated at restaurants is collected at a gray water plant and reused as rinse water for lavatories in the building.

◎Mist effect



A mist generating system is used to cool the air with a watering effect in summer, when solar radiation is strong.

◎Rooftop greening



Ecological consideration through preferred use of recycled products as landscaping materials.

◎Ramen Stadium



Pork stock bones collected here are recycled as fertilizer, contributing to construction of a recycling society.

◎Shared bicycle service



A bicycle port installed at the Canal City Hakata East Building houses bicycles used for excursions by Japanese and foreign tourists.

●Park Place Oita

◎Green space

Trees have been planted and planters installed to reduce CO^2 emissions.



CO^2 reduction from tree planting and planter installation



A water environment featuring fountains and waterfalls created using groundwater

◎Recycling

Recycling bins installed within the facility.



Collection of PET bottle caps



Installation of recycling bins

◎Energy conservation

Proactive engagement in lighting design and energy conservation.



Installation of LED lighting



Air conditioning load reduction

■Contribution to local communities

Fukuoka REIT makes various contributions to local communities through participation in the Hakata Community Development Promotion Conference.

◎Clean-up days

Employees actively participate in community clean-up activities.



◎Flower plants

Flowers are planted from Hakata to Tenjin by local residents and private enterprises.



◎Activities

Promoted sprinkling of water on sidewalks and streets as an environmental improvement.



◎National Strategic Road Occupancy Project

HAKATA STREET Bar is held as part of activities to create bustle and festivity.



◎Meetups

Persons who operate businesses in Hakata are invited to meetups to think about and discuss the Hakata district.



◎Walking map

The Hakata City Walk Map is published to publicize the attractions of Hakata and suggest walking courses.



■Environmental Certifications

◎DBJ Green Building Certification

Five properties had obtained certification as of 2016.

DBJ Green Building 2016 ★★★★

- Canal City Hakata
- Park Place Oita
- Canal City Business Center Building

DBJ Green Building 2016 ★★★

- Gofukumachi Business Center
- Higashi Hie Business Center

◎CASBEE Certification

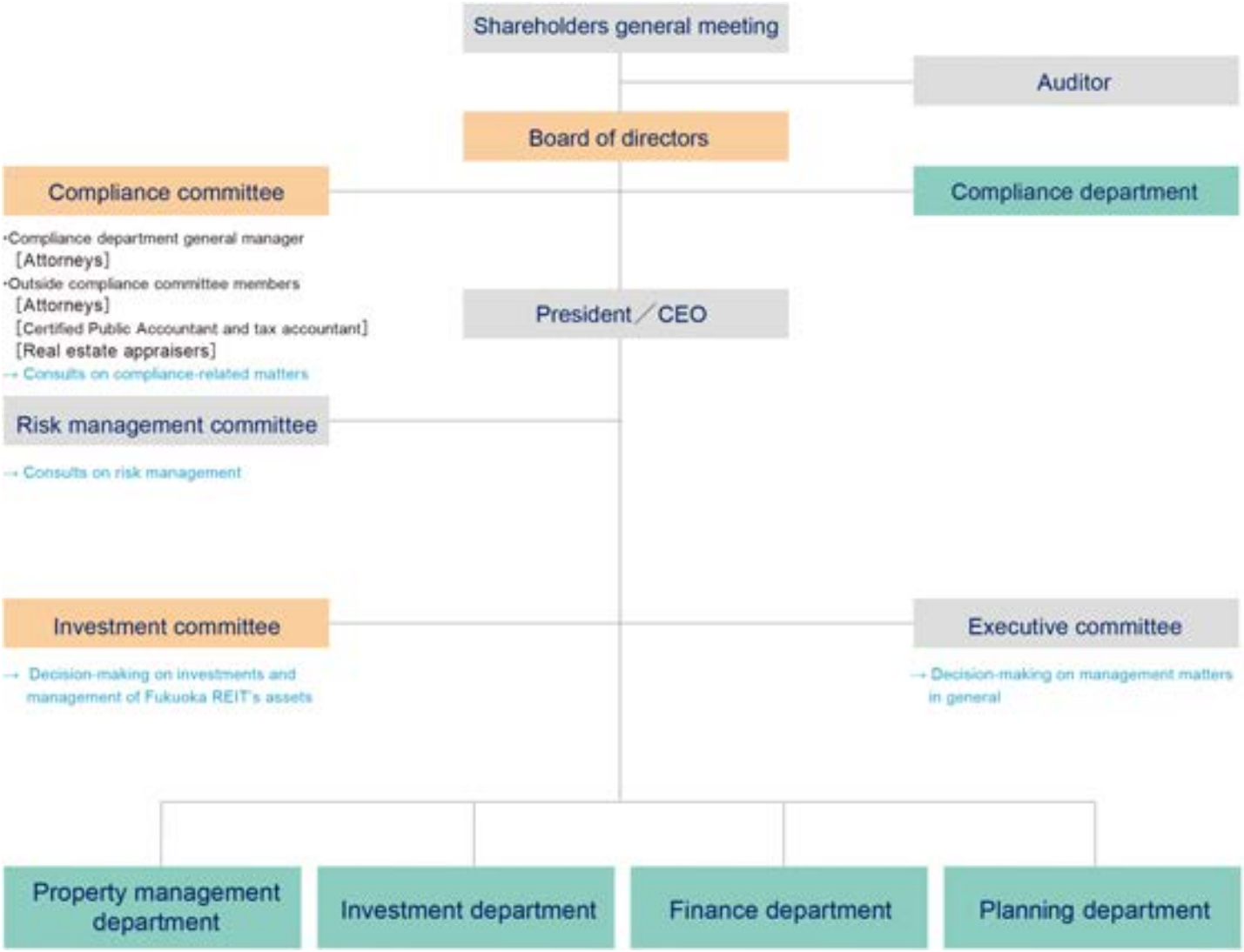
Two properties had obtained certification as of 2016.

CASBEE

- Higashi Hie Business Center
- LOGICITY Hisayama

Appendix

Asset management company's organization



Fukuoka Realty

Full-time personnel:36
[Male:20 Female:16]
(August 31, 2017)

Employees seconded from sponsors	2
Employees seconded to sponsors	3

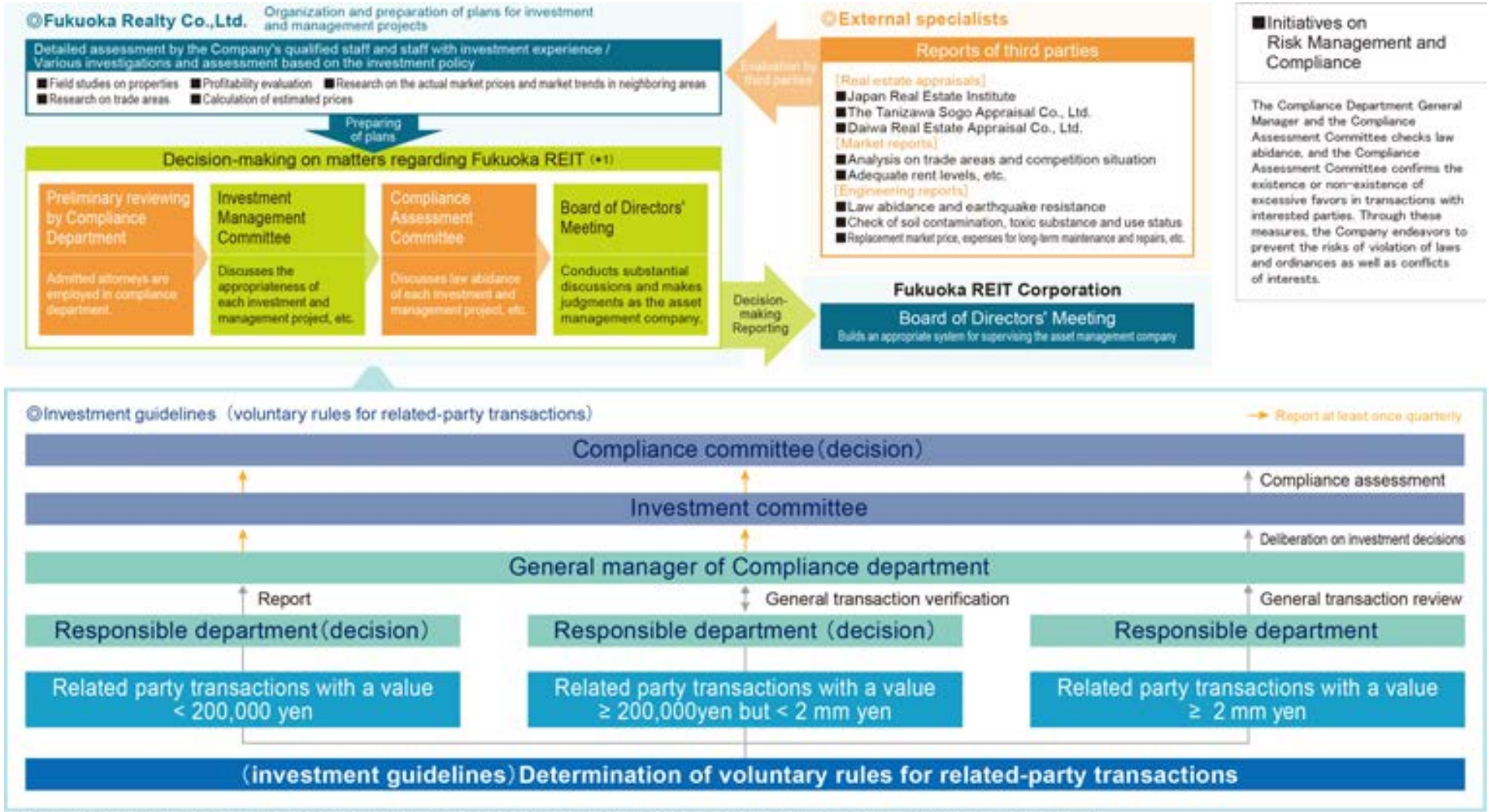
Numbers of credentialed personnel

*As of August 31, 2017

• Real estate brokers	19
• ARES Certified Masters	15
• Certified Building Administrators	3
• Real estate appraisers	3
• Attorneys	2
• First-class registered architect	2
• MBA	1
• SME management consultant	1
• Administrative Scrivener	1

Appendix

Corporate governance



(•1) The prior consent of the investment corporation's Board of Directors is obtained in cases falling under the provisions of Article 201-2 (1) of the Act on Investment Trusts and Investment Corporations.

Unitholders' data

■Distribution by investor category (breakdown of investment units)



*Percentages and ratio are rounded off to two decimal places.

■Major investors (end of the 26th FP)

(As of August 31, 2017)

Rank	Investor name	Investment units held	Percentage of total number of investment units outstanding
1	Japan Trustee Services Bank, Ltd. (Trust account)	196,925	26.36%
2	The Master Trust Bank of Japan, Ltd. (Trust account)	83,095	11.12%
3	Fukuoka Jisho Co., Ltd.	66,075	8.84%
4	Trust & Custody Service Bank, Ltd. (Securities investment trust account)	42,572	5.69%
5	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	26,576	3.55%
6	Individual investor	11,985	1.60%
7	STATE STREET BANK - WEST PENSION FUND CLIENTS EXEMPT 505233	11,400	1.52%
8	Met Life Inc.	11,200	1.49%
9	Shikoku Railway Company	9,130	1.22%
10	The Joyo Bank, Ltd.	8,570	1.14%

Unit price chart



(*1) A 5-for-1 split of Fukuoka REIT investment units was effectuated on March 1, 2014. Accordingly, investment unit prices and issuance prices until February 25, 2014 have been divided by five.
(*2) Turnover by February 25, 2014 was multiplied by 5

Analysis of earthquake risk in Fukuoka

All properties owned by Fukuoka REIT are covered by earthquake insurance

■Earthquake insurance basic premium rates

It is possible to purchase earthquake insurance in the Fukuoka and Kyushu areas at a relatively lower cost than in other areas. Fukuoka REIT has taken out earthquake insurance on all owned buildings.

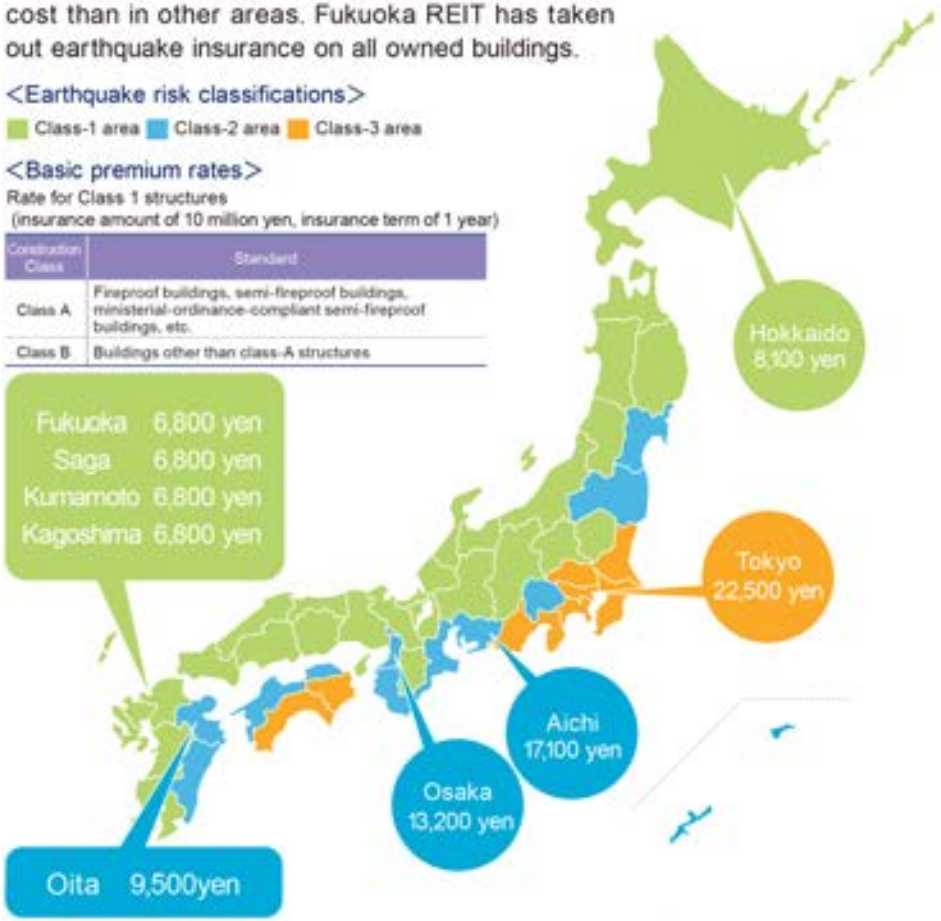
<Earthquake risk classifications>

Class-1 area Class-2 area Class-3 area

<Basic premium rates>

Rate for Class 1 structures
(insurance amount of 10 million yen, insurance term of 1 year)

Construction Class	Standard
Class A	Fireproof buildings, semi-fireproof buildings, ministerial-ordinance-compliant semi-fireproof buildings, etc.
Class B	Buildings other than class-A structures



Source: Prepared by Fukuoka Realty Co., Ltd. based on Overview of Standard Premiums for Earthquake Insurance (General Insurance Rating Organization of Japan)

■Overview of earthquake risk analysis

Property	Inspector	Report date	PML (%) (※1)
Canal City Hakata (※2)	Takenaka Corporation	Nov. 30, 2010 Jan. 21, 2011	(A) 8.0 (B) 7.6 (C) 5.3 (D) 11.1
Canal City Hakata・B (※3)	Takenaka Corporation	Jan. 21, 2011	(A) 8.2 (B) 6.1 (C) 11.1
Park Place Oita (※4)	Takenaka Corporation, Tokyo Marine & Nichido Risk Consulting	Nov. 30, 2010 Jun. 21, 2012 Apr. 11, 2014 Aug.10, 2016	(A) 13.7 (B) 11.2 (C) 9.1 (D) 15.1 (E) 11.2
SunLive City Kokura	Takenaka Corporation	Aug. 31, 2011	6.7
Square Mall Kagoshima Usuki	Takenaka Corporation	Feb. 28, 2013	9.2
Kumamoto Intercommunity SC	Takenaka Corporation	Feb. 28, 2013	15.8
Hanahata SC	Takenaka Corporation	Feb. 28, 2014	5.4
Kurume Higashi Kushiwara SC	Takenaka Corporation	Aug. 31, 2014	8.9
K's Denki Kagoshima	Takenaka Corporation	Aug. 31, 2014	6.5
Marinoa City Fukuoka (Marina side building)	Tokyo Marine & Nichido Risk Consulting	Mar. 13, 2015	4.3
Canal City Business Center Building (※5)	Takenaka Corporation	Nov. 30, 2010 Jan. 21, 2011	(A) 6.9 (B) 11.1
Gofukumachi Business Center	Takenaka Corporation	Nov. 30, 2010	4.0
Sanix Hakata Building	Takenaka Corporation	Aug. 31, 2011	4.3
Taihaku Street Business Center	Takenaka Corporation	Feb. 28, 2013	6.7
Higashi Hie Business Center	Tokyo Marine & Nichido Risk Consulting	Feb. 27, 2015	1.7
Tenjin Nishi-Dori Center Building	Tokyo Marine & Nichido Risk Consulting	Dec. 20, 2012	5.4
Tenjin North Front Building	Tokyo Marine & Nichido Risk Consulting	Feb. 5, 2013	3.6
Amex Akasakamon Tower	Takenaka Corporation	Feb. 28, 2013	11.1
City House Keyaki Dori	Takenaka Corporation	Aug. 31, 2014	1.9
Aqualia Chihaya	Takenaka Corporation	Sep. 1, 2011	7.5
D-wing Tower	NIPPON KANZAI Corporation	Dec. 20, 2012	3.8
Granfore Yakuin Minami	Tokyo Marine & Nichido Risk Consulting	Sep. 15, 2014	2.7
Hotel FORZA Oita	Takenaka Corporation	Dec. 28, 2012	14.5
Tosu Logistics Center	Tokyo Marine & Nichido Risk Consulting	Jan. 16, 2014	8.9
LOGICITY Minato Kashii	Engineering and Risk Services Corporation, OYO RMS Corporation	Feb. 13, 2015	1.3
LOGICITY Hisayama	Tokyo Marine & Nichido Risk Consulting	Mar. 23, 2017	0.6
Overall portfolio (※6)	Takenaka Corporation	Aug. 31, 2017	5.0

(※1) PML: probable maximum loss (maximum expected loss due to earthquake expressed as a percentage of the total replacement cost of the building).
(※2) Canal City Hakata was divided into four segments (A, B, C and D), each of which was inspected separately.
Segment A is Center Walk (Washington Hotel), B is Center Walk (former amusement building), C is the South Building, and D is common area.
(※3) Canal City Hakata・B was divided into three segments (A, B and C), each of which was inspected separately.
Segment A is the Grand Hyatt Fukuoka, B is the North Building, and C is common area.
(※4) Park Place Oita was divided into five segments (A, B, C, D and E), each of which was inspected separately. Segment A is the areas other than B, C, D and E, B is a 7-Eleven store, C is Magnolia Court, D is K's Denki, and E is Sports Club NAS Park Place Oita.
(※5) Canal City Business Center Building was divided into two segments (A and B), each of which was inspected separately.
Segment A is the Canal City Business Center Building and B is common area.
(※6) The PML for Fukuoka REIT's overall portfolio was calculated based on the assumption that the earthquake's epicenter is in central Fukuoka city, which is one of several hypothetical earthquake scenarios considered.

Fukuoka Jisho Group

Owned properties, development and operation of retail facilities, office management

■Major properties owned by Fukuoka Jisho Group

Purpose	Name	Year of completion	Total floor space
Office	Tenjin Business Center Project (provisional name)	FY2020 (planned)	60,250㎡ (planned)
	Hakata Ekimae Business Center	1999	24,731㎡
	Tenjin MMT Building	1979	19,874㎡
	Fukuoka Kogin Building	1970	15,408㎡
	Tenjin Nishi-Dori Business Center	1978	10,394㎡
	Fukuoka Daiichi Building	1961	9,962㎡
	Meiji-Dori Business Center	1974 (Main Building) / 1986 (Annex)	9,844㎡
	Higashi Hie Business Center II	2016	9,002㎡
	Sun Life No. 3 Building	1978	8,302㎡
Retail	Konoha Mall Hashimoto	2011	84,400㎡
	Marinoa City Fukuoka (Outlet Building)	2000 (building I) / 2004 (building II) / 2007 (building III)	48,330㎡
	Tenjin Kirameki Dori Building	2003	25,284㎡
	Canal City Hakata East Building	2011	17,007㎡
Residence	Class Keyaki Dori	2008	5,492㎡
Hotel	Hotel FORZA Sapporo Ekimae (provisional name)	2020 (planned)	11,300㎡ (planned)
	Hotel FORZA Hakata	2012 / 2017 (Annex Building)	7,359㎡
Logistics	Island City Logistics Development Project (provisional name)	FY2019 (planned)	30,000㎡ (planned)

•The listed properties include properties jointly owned with other companies.

■Tenjin Business Center Project (provisional name)



■Higashi Hie Business Center II



■Canal City Hakata East Building



■Class Keyaki Dori



■Hotel FORZA Hakata



■Island City Logistics Development Project (provisional name)



Source: Prepared by Fukuoka Realty based on data from Fukuoka Jisho Co., LTD.

■Development and operation of retail facilities

■Canal City Hakata





■Marinoa City Fukuoka



■Park Place Oita



■Konoha Mall Hashimoto



■River Walk Kitakyushu



■Trend of their managed floor space and vacancy rate

◎Top share of office building managed floor space in Fukuoka City and high occupancy rate maintained

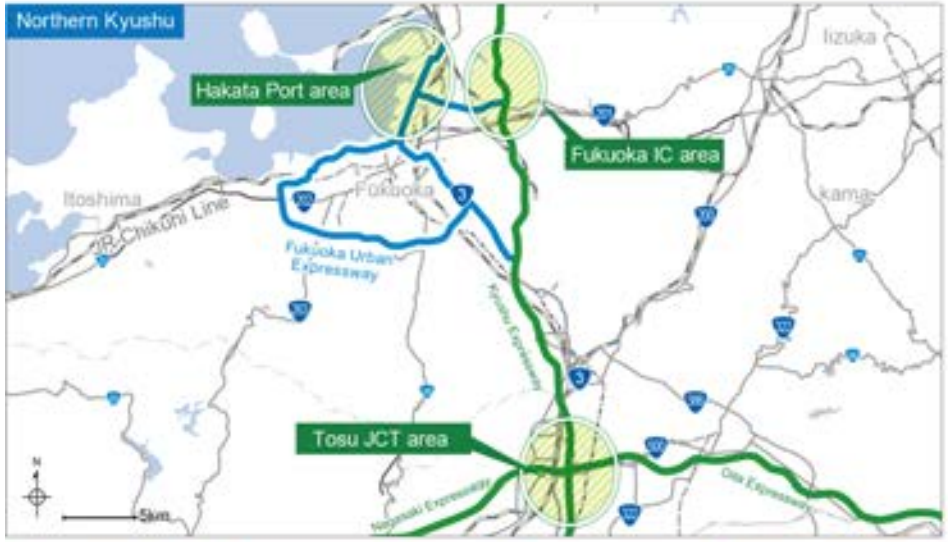


Appendix

Logistics market in Northern part of Kyushu

Market formation centered on Hakata Port, Fukuoka Interchange, and Tosu Junction

■Main area of Logistics Center







■Properties

LOGICITY Minato Kashii [Hakata Port area]



Location	Minatokashii, Higashi Ward, Fukuoka City
Construction timing	April 2014
Structure / floor	Steel-framed, 2 floors
Land area	43,803.89㎡
Total floor space	45,885.65㎡
Acquisition timing	March 2015
Acquisition Price	8,150 mm yen

LOGICITY Hisayama [Fukuoka IC area]



Location	Hisayama-cho, Kasuya-gun Fukuoka Prefecture
Construction timing	January 2015
Structure / floor	Steel-framed, 3 floors
Land area	16,156.23㎡
Total floor space	24,492.91㎡
Acquisition timing	June 2017
Acquisition Price	5,050 mm yen

Tosu Logistics Center [Tosu JCT area]

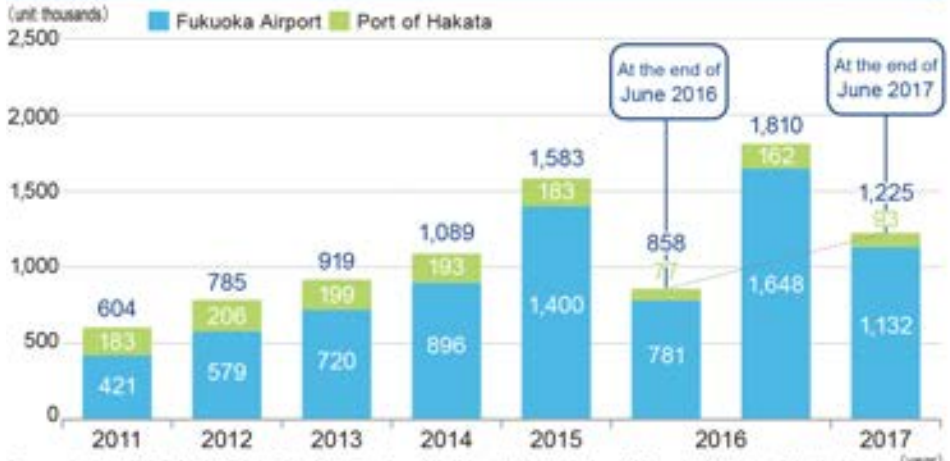


Location	Himekata-machi, Tosu City
Construction timing	May 2008
Structure / floor	Steel-framed, 2 floors
Land area	10,263.09㎡
Total floor space	4,169.40㎡
Acquisition timing	March 2014
Acquisition Price	1,250 mm yen

Current situation of Fukuoka and Kyushu①

Inbound Visitor Situation

■Change in number of overseas visitors



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Statistics on Legal Migrants (Ministry of Justice)

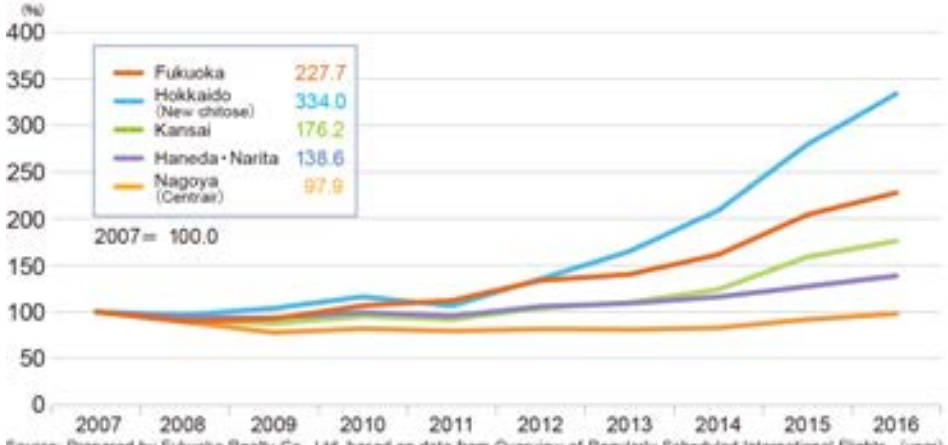
■Change in number of international flights at Fukuoka Airport

◎Increase in flights on Korean routes due to an increase in low-cost carrier (LCC) flights



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Overview of Regularly Scheduled International Flights (Ministry of Land, Infrastructure, Transport and Tourism)

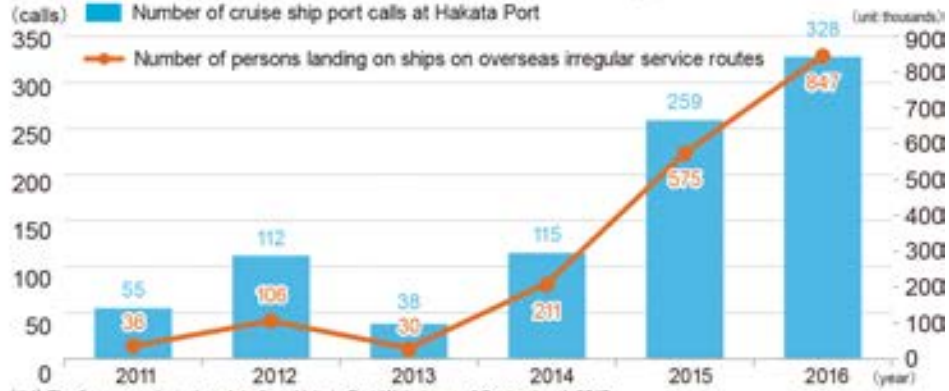
■Change in number of passengers on international flights



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Overview of Regularly Scheduled International Flights (Ministry of Land, Infrastructure, Transport and Tourism)

■Change in number of cruise ship port calls

◎339 of cruise ship port calls in 2017 (including scheduled ships) (※1)



(※1) The figures are based on data from Hakata Port Website as of September 1, 2017

Source: Prepared by Fukuoka Realty Co., Ltd. based on data published on the Hakata Port website and data from "Number of Passengers on Overseas Routes" (Port and Harbor Bureau, Fukuoka City)

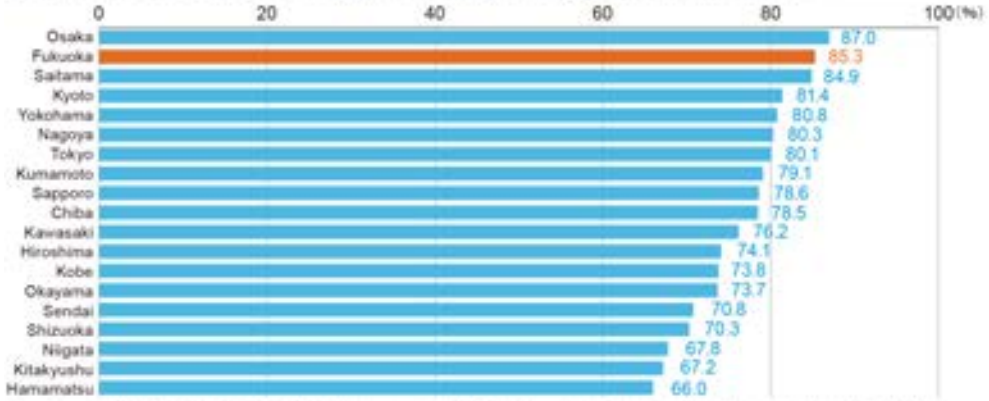
Appendix

Current situation of Fukuoka and Kyushu②

Influx of visitors from within Japan and overseas

■Current situation of hotels in Fukuoka City

◎Guest room occupancy rate rankings of cities designated by government ordinance (2016 second half)



Source: Prepared by Fukuoka Realty based on Statistical Survey on Overnight Travel (Japan Tourism Agency) and Kyushu Economic Research Center data

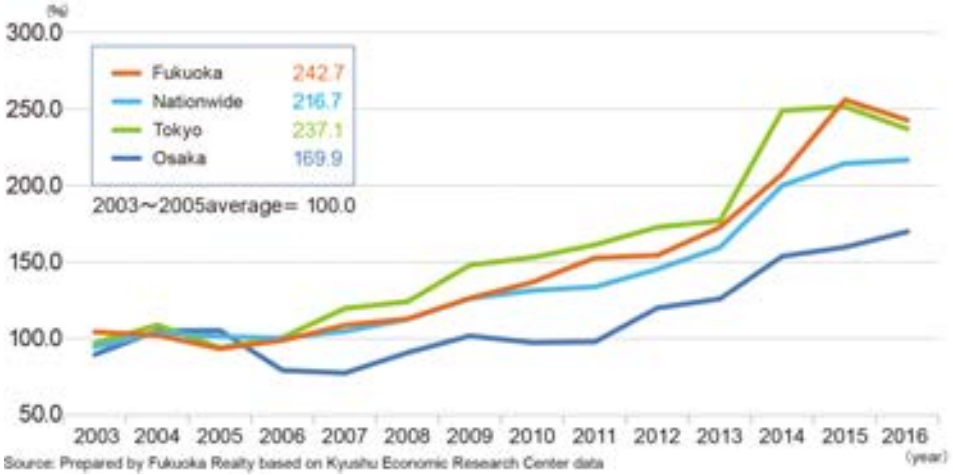
◎Guest room occupancy rate at hotels in Fukuoka City (※3)



(※3) Hotels with ten or more employees

Source: Prepared by Fukuoka Realty based on Statistical Survey on Overnight Travel (Japan Tourism Agency) and Kyushu Economic Research Center data

■Increase in the number of live entertainment performances



Source: Prepared by Fukuoka Realty based on Kyushu Economic Research Center data

■Increasing number of international conventions

◎Ranked 2nd for seven consecutive years

(Number of conventions)

Rank	2009	2010	2011	2012	2013	2014	2015
1	Tokyo [497]	Tokyo [491]	Tokyo [470]	Tokyo [500]	Tokyo [531]	Tokyo [543]	Tokyo [557]
2	Fukuoka [206]	Fukuoka [216]	Fukuoka [221]	Fukuoka [252]	Fukuoka [253]	Fukuoka [336]	Fukuoka [363]
3	Yokohama [179]	Yokohama [174]	Yokohama [169]	Kyoto [196]	Yokohama [226]	Kyoto [202]	Sendai [221]
4	Kyoto [164]	Kyoto [155]	Kyoto [137]	Yokohama [191]	Kyoto [176]	Yokohama [200]	Kyoto [218]
5	Nagoya [124]	Nagoya [122]	Nagoya [112]	Osaka [140]	Osaka [172]	Nagoya [163]	Yokohama [190]

Source: Prepared by Fukuoka Realty based on data from Japan National Tourism Organization (JNTO)

Appendix

Current situation of Fukuoka and Kyushu③

Future potential and population dynamics

■Top-ranking cities for growth potential

Rank	City
1	Fukuoka
2	Kagoshima
3	Tsukuba
4	Matsuyama
5	Kurume
6	Matsumoto
7	Sapporo
8	Miyazaki
9	Naha
10	Kumamoto

Rank 1 Fukuoka City

- Fukuoka City has a culture conducive to innovation, and even companies that will lead the industries of tomorrow may emerge. Further start-up support and fostering of industries are expected.
- The residents are highly tolerant of diversity and have the disposition to accept different things and take on new challenges.

Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Visualization of the Growth Potential of Cities According to Rankings (Nomura Research Institute, Ltd.)

■Number of population growth in Fukuoka City



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from the Statistics Bureau, Ministry of Internal Affairs and Communications, "Estimated Population" (Fukuoka City General Affairs and Planning Bureau), and "Natural Dynamics of the Population" (Fukuoka City Public Health & Welfare Bureau)

■Former Daimyo Elementary School Site utilization plan (formulated March 2017)

A Place for New Creation Where People, Things, and Events Interact

◎Overview

- Location: Daimyo 2-chome, Chuo Ward, Fukuoka City
- Site area: Approx. 11,900㎡

◎Future schedule (planned)

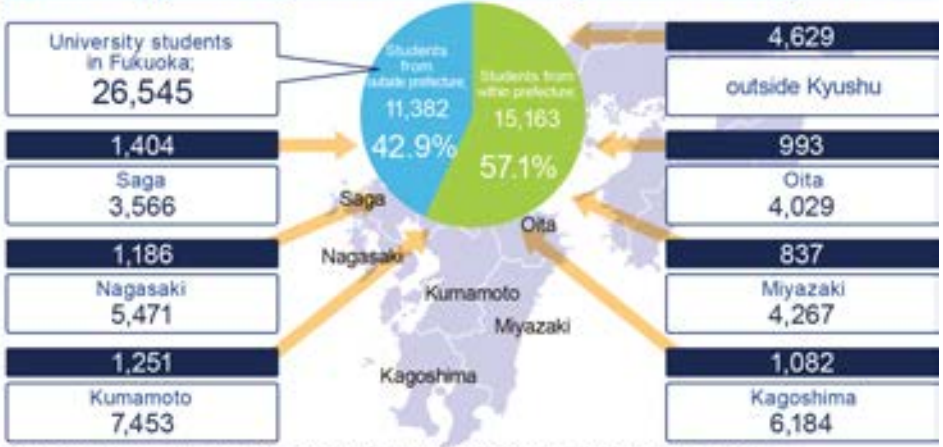
- Contractor open recruitment procedure: Oct. 2017
- Contractor (preferred bidder) decision: Mar. 2018
- Project start possible: Oct. 2018

Fukuoka Growth Next, opened in April 2017, is a public-private collaborative start-up support facility. It contributes to job creation and development of the regional economy by supporting start-up companies and the "second founding" of SMEs.



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from Former Daimyo Elementary School Site Community Development (Fukuoka City Housing and Urban Planning Bureau)

■Interregional migration of university students in Kyushu



Source: Prepared by Fukuoka Realty Co., Ltd. based on data from FY2017 School Basic Survey (Preliminary Results) (Statistics Bureau, Ministry of Internal Affairs and Communications)

Appendix

Current situation of Fukuoka and Kyushu④

Implementation of urban redevelopment in Tenjin area

■Preparation made for functional renewal of buildings in the Tenjin district





Tenjin Business Center Project (planned)	
Entity	Fukuoka Jisho Co.,Ltd
Location	1-Chome, Tenjin, Chuo Ward, Fukuoka City
Land area	approx. 3,900㎡
Total floor space	approx. 60,250㎡ ※including the floor space not covered floor area ratio restriction
Floors	16 aboveground floors, penthouse 2 floors, basement 2 floors
Use	Office, shops, parking etc.
Height	approx. 76m
Completion	FY 2020 (planned)

■National strategic special zone (National Strategic Special Zone for Global Startups & Job Creation)

◎Creation of an attractive environment that promotes Tenjin as a start-up location

Issues pertaining to functional renewal in the Tenjin district

①Problem of existing noncompliant buildings (use exceeding the current designated floor area ratio)

②Problem of building height restrictions under the Civil Aeronautics Act

	Deregulation of floor area ratios through a district development plan	Relaxation of restrictions
First step	•Tenjin 1-chome south block 800%→1400%	•Tenjin Meiji-dori district (Nov. 2014) approx.67m→ approx.76m
Second step	•Former Daimyo Elementary School Site (Aug. 2017) approx.450%→800%	•Former Daimyo Elementary School Site (Jul. 2017) approx.76m→ approx.115m

Third step — Relaxation of restrictions (as of September 26, 2017)

- •Tenjin Meiji-dori district
  approx.76m–From the Watanabe-dori Street center line
  【West side】approx.115m
  (Roughly the height of NTT Communications Fukuoka Tenjin Building to the lightning rod tip)
  【East side】approx.76～100m
  (Roughly the height of the Fukuoka City Hall to the lightning rod tip)
- •Waterfront district
  approx.70～90m→approx.100m
  (Roughly the height of the Hakata Port Tower to the lightning rod tip)
- •Area surrounding Hakata Station
  To be reconsidered in light of surrounding existing buildings at the time of submission of a specific zone

Appendix