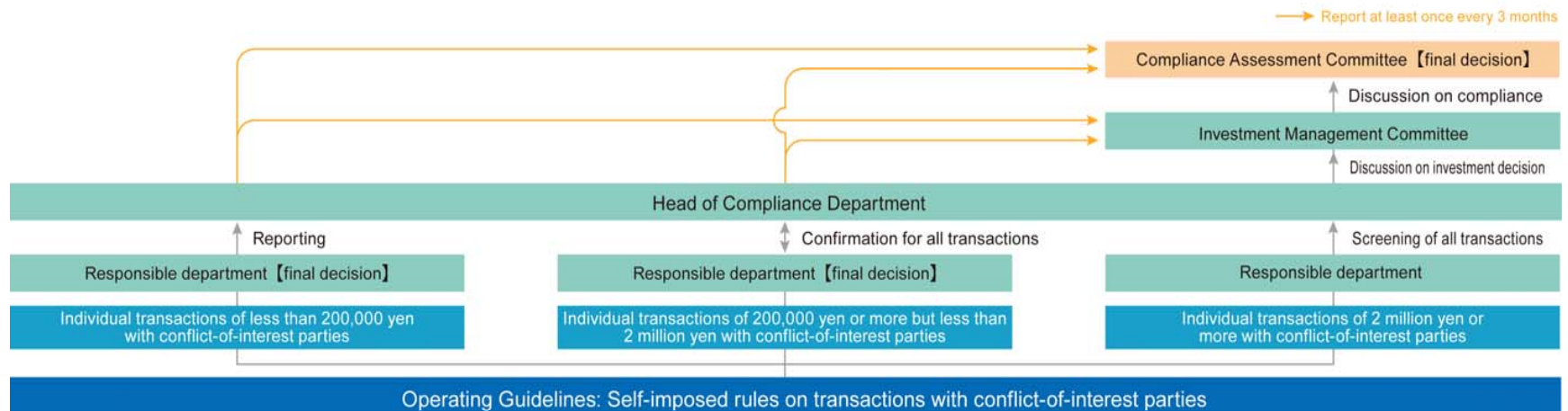


Compliance Assessment Committee

Operating guidelines and regulations on the division of duties and authority (self-imposed rules on identifying conflicts of interests arising from transactions)



The Compliance Assessment Committee met 8 times during the period (March 1 – August 31, 2010)

I. Major matters reviewed during the period

① Acquisition of additional interest in senior anonymous partnership operated by CCH Bridge YK

The property appraisal report, contracts and reports used, etc. were carefully examined and, through the decision-making process and final decisions, determined to be in compliance with applicable laws and regulations and internal rules (i.e., "absence of compliance problems").

② Construction and other work on held properties contracted out to conflict-of-interest parties

With reference to competing quotes and third-party reports, the necessity of contracting out such work and the value of the contracts were examined to ensure the absence of compliance problems.

③ Fiscal 2010 budgeting for the Canal City Hakata Management Association

In light of actual income and expenditures for fiscal 2009, budgets were examined to ensure the absence of compliance problems.

④ Conflict-of-interest parties becoming tenants in properties held by Fukuoka REIT

The external environment, vacancy levels and rent levels in held properties, and other pertinent factors were comprehensively considered to ensure the absence of compliance problems.

II. Other matters reviewed during the period

● Amendments to internal rules, such as internal regulations and guidelines.
No compliance problems were identified with respect to these matters also.

● Expenses, such as legal expenses, involved in collecting unpaid rents from (residential) properties held by Fukuoka REIT.