

ESG (Environment)

Environment Initiatives of owned properties

Major initiatives by each property

Canal City Hakata



©Canal Water Filtration System

Canal City Hakata's symbolic canal has both a recreational function and as a source of water to fight fires in the case of an emergency. At all times, this canal holds roughly 1,200 tons of water, and this water uses rainwater in order to conserve resources.



©Groundwater Purification System (RO treatment system)

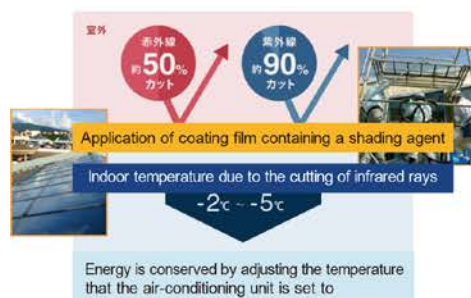
Canal City Hakata uses a water treatment system employing a special RO (reverse osmosis) membrane (*) to reuse on-site groundwater and produce tap water used at the property.

(*) RO membrane: A membrane with extremely small holes that allows basically only water to pass through and eliminates impurities and harmful substances. This membrane makes it possible to generate drinking water from both seawater and muddy water.

Park Place Oita

©Reduction in Air Conditioning Load

In the facility, coating film containing a shading agent has been applied to the skylights in the food court passageway and in the dining terrace.



Konoha Mall Hashimoto

©Solar Power Generation System

Solar panels have been installed on top of the symbolic leaf-shaped structural objects, and a solar power generation system integrating building design and environment has been installed.



DBJ Green Building Certification



DBJ Green Building

2017

- Konoha Mall Hashimoto
- LOGICITY Hisayama

2017

- Higashi Hie Business Center II

2016

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

2016

- Gofukumachi Business Center
- Higashi Hie Business Center

Fukuoka REIT has obtained DBJ Green Building Certification, a system by Development Bank of Japan Inc. (DBJ) to certify real estate properties evincing high environmental and social awareness, for the following nine properties it owns as "Properties with exceptionally high (or excellent) environmental & social awareness." (62.4% certification rate (based on total floor area))



Awarded by Yamagi Kyushu Branch Manager, Development Bank of Japan



This is a system in which a third party evaluates and announces the energy-conservation performance of non-residential buildings based on the "Guidelines for Evaluation of Energy Conservation Performance of Non-residential Buildings (2013)." Four properties owned by the Fukuoka REIT corporation were certified.

Higashi Hie Business Center II



Higashi Hie Business Center



LOGICITY Minato Kashii



LOGICITY Hisayama

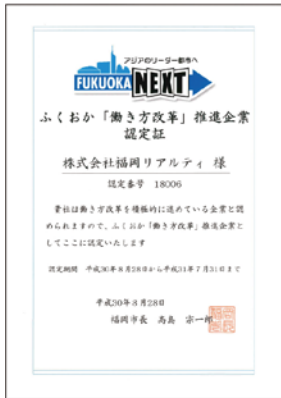


ESG (Society)

■Asset management company's work style reform

On August 28, 2018, Fukuoka Realty Co., Ltd. was certified as a "Fukuoka 'Work Style Reform' Promotion Company."

This is a system to recognize companies that have achieved at least a certain number of the "initiative items" selected by Fukuoka City as indicators to advance work style reforms.



Awarded by the Fukuoka City Economy, Tourism & Culture Bureau chief

◎Recognized initiatives

- There is a training system for employees
- There is a support system for self-development initiatives
- There is a system to support the setting of career advancement goals and to consult about career-building
- There is a certification acquisition support system, English training system, and a bookkeeping learning (support) system
- The company has measures in place to encourage the shortening of working times
- There is a system allowing employees to take time off in increments of hours and half-days
- There is a personnel development system, including training that contributes to career advancement

◎Fukuoka Realty Co., Ltd. (August 31, 2018)

This asset management company has 39 employees (46.1% women), and the average number of years of continuous service of permanent employees is 7 years, 6 months.

■Full-time personnel:39 [Male:21 Female:18]

■Employees seconded from sponsors : 2

■Employees seconded to a sponsor : 3

■Number of credentialed personnel

- Real estate brokers : 24, • Certified Building Administrators : 4
- First-class registered architect : 1, • Administrative Scrivener : 1
- MBA : 1, • ARES Certified Masters : 16, • Attorneys : 2
- Real estate appraisers : 2, • SME management consultant : 1

■Initiatives to local communities

Environment promotion event



At Canal City Hakata, Employees participate in sprinkling water events to cool down sidewalks and streets to promote well-being.

Safety Town Council



At Park Place Oita, we established a "Safety Town Council" that partners with related institutions and groups to conduct crime-prevention patrols and proactively strives to prevent youth misconduct

Clean-up days



Employees actively participate in community clean-up activities.

Participation of local communities' events



We participated in the 2018 Hakata Gion Yamakasa. (Company CEO Etsuo Matsuyuki sat on the Hachiban Yamakasa Kamikawabatadori float and directed the team carrying it.)

Supporting local vitalization



OnRAMP was established by DOGAN Advisors, Inc. and Fukuoka Realty Corporation and is operated by General Incorporated Association OnRAMP.

ESG (Governance①)

■ 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 a financial business operator that operates listed REITs. We will constantly strive to provide high-quality services so that we can meet the investment needs of unitholders.

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.

■ Governance structure



Supervisory Director
Yasuo Kawasho

CEO and Representative Director
Etsuo Matsuyuki

Supervisory Director
Hiroyasu Shindo



Fukuoka REIT Corporation

■ Ordinary Board of Executive Officers meeting: 10 times (total of the 27th FP and the 28th FP)



Director
(Non-Executive)
Hidenori Hara

Director
(Non-Executive)
Yoshiro Watanabe

CEO and
Representative Director
Etsuo Matsuyuki

Executive Managing Director
and General Manager
of Planning Dept.
Akira Eguchi

Director
(Non-Executive)
Hirosi Shimuta

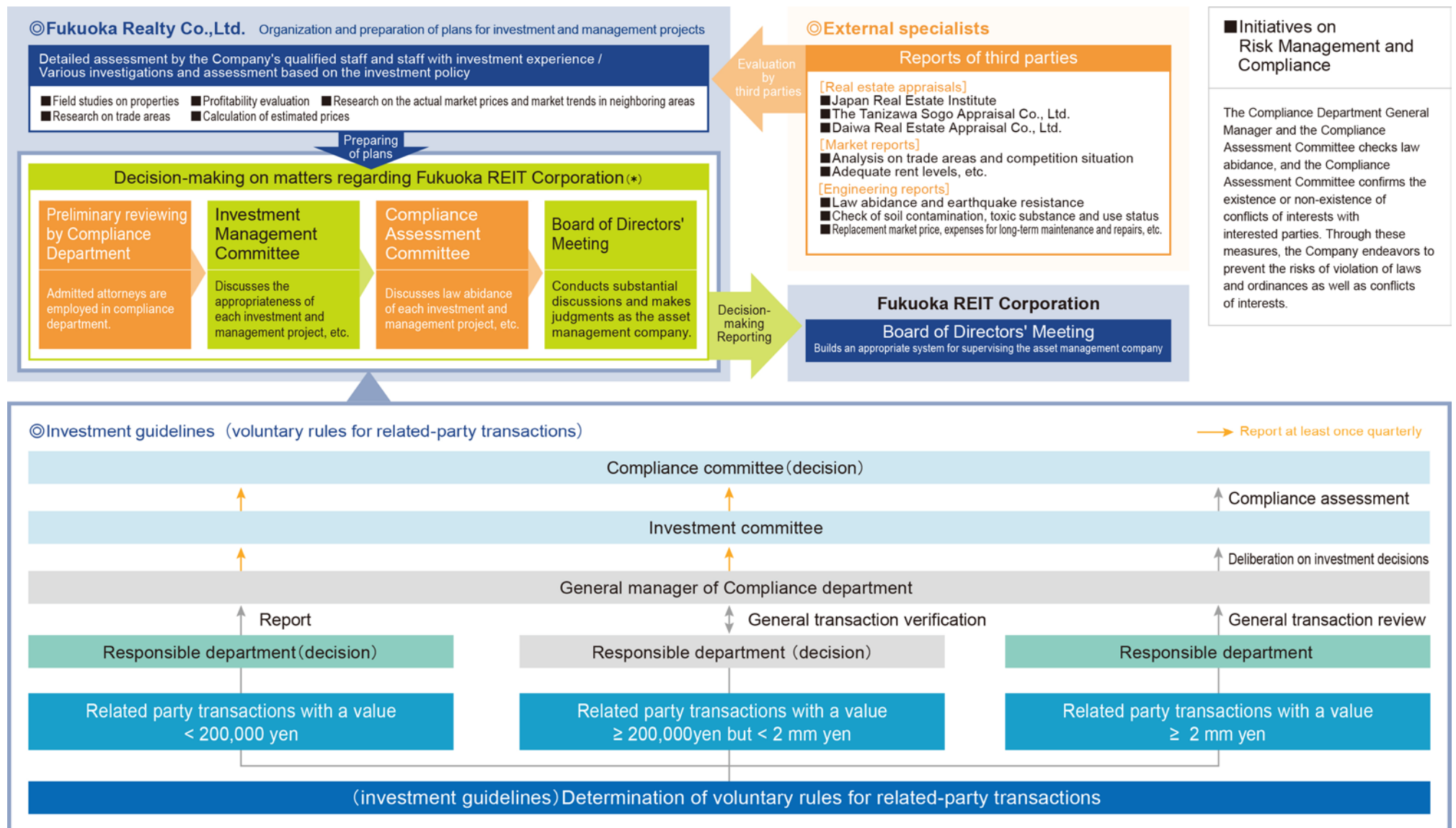
Auditor
(Non-Executive)
Masanori Tasaka



Fukuoka Realty Co., Ltd.

■ Ordinary Board of Directors meeting: 12 times (total of FY 2017)

ESG (Governance②)



(*) 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.