

# ESG (Environment)

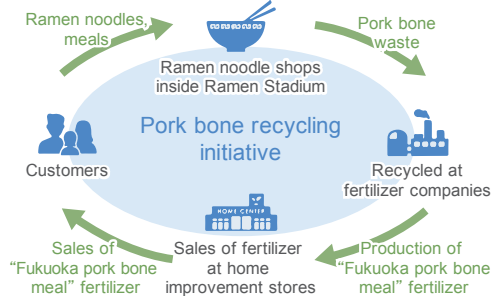
## Environment Initiatives of owned properties

- Retail** At commercial premises, we aim to create environment-friendly facilities and are implementing initiatives for energy and resource saving.



### ©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.



### ©Recycling of pork bones at Ramen Stadium

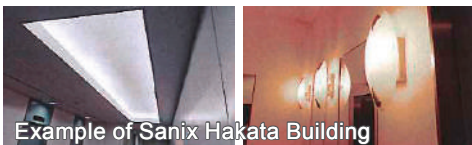
Ramen Stadium at Canal City Hakata is a member of the group of shops collaborating on promoting the recycling of pork bones, which is promoted by the Fukuoka Research Commercialization Center for Recycling Systems, and the pork bones used to make ramen broth at Ramen Stadium are being recycled thereby contributing to the creation of a circular economy.

## Office buildings

### ©Progress with switch to LED lighting

Switch to LED lighting

- Gofukumachi Business Center (Interior shared spaces, some external areas, etc.)
- Sanix Hakata Building (Interior recessed lighting)
- Taihaku Street Business Center (Entrance, interior shared spaces, etc.)



Example of Sanix Hakata Building

## Others (Logistics)

### ©Utilization of renewable energy

Solar panels have been installed on the roofs of LOGICITY Minato Kashii and LOGICITY Hisayama.



LOGICITY Hisayama

## Certification from external organizations

### ©DBJ Green Building Certification

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 the best class (or exceptionally high) environmental & social awareness."



2018	Canal City Hakata	Canal City Hakata • B
2018	Park Place Oita	Canal City Business Center Building
2018	Gofukumachi Business Center	Higashi Hie Business Center
2017	Konoha Mall Hashimoto	LOGICITY Hisayama
2017	Higashi Hie Business Center II	

### ©BELS (Building-Housing Energy-efficiency Labeling System) Evaluation

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.



# ESG (Society)

## Initiatives for employees and tenants

### ◎Initiatives for employees

#### 《Fukuoka Realty: Numbers of credentialed personnel》

\*August 31, 2019

the average number of years of continuous service of permanent employees: 8 years and 1 month

■ Full-time personnel: 41 [Male:22 Female:19]  
\*46.3% Female

- Employees seconded from sponsors : 2
- Employees seconded to a sponsor : 3

#### ■ Number of credentialed personnel

- Real estate brokers : 28
- MBA : 1
- Certified Building Administrators : 4
- Administrative Scrivener : 1
- First-class registered architect : 2
- SME management consultant : 1
- Real estate appraisers : 2
- Attorneys : 2
- ARES Certified Masters : 19

#### 《Support for flexible working styles》

- Child-rearing support (maternity leave, childcare leave system)
- Nursing care leave
- Leave for voluntary work
- No overtime days
- Employee welfare (401K, cumulative investment system, etc.)
- Encouraging use of paid holidays etc.

#### 《Training for employees》

- Regular lectures by Kyushu Economic Research Center
- Compliance training
- ESG training
- Nursing care training
- Overseas inspection tour (Shenzhen) etc.

#### 《Career development support》

- Employee satisfaction survey
- Self-assessment system
- Career interview
- Secondment system (dispatching of employees to sponsor companies)
- Promotion from contract employee to permanent employee status, etc.
- Offering of training programs tailored to each management level
- System for supporting acquisition of qualifications (Real Estate Securitization Master, Real Estate Transaction Agent, etc.)
- Support for language learning etc.

### ◎Initiatives for tenants

Improved the employee lounge environment at Company-owned Konoha Mall Hashimoto with focus on health and comfort of tenants' employees.



Fukuoka REIT engages in a variety of initiatives for tenants to promote their understanding on sustainability.

- Emergency drills intended to improve tenant safety and security
- Conduct tenant satisfaction surveys
- Distribute sustainability guidebooks
- Hold events to improve sustainability awareness
- Conduct sustainability training, etc.

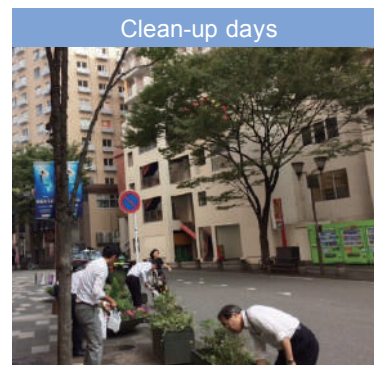
## Initiatives to local communities



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



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.



Employees actively participate in community clean-up activities.



Every year, male employees of the Company participate in the Hakata Gion Yamakasa festival (Hachiban Yamakasa, Kazariyama, Kamikawabata-dori; CEO Etsuo Matsuyuki rode on a float in 2018)

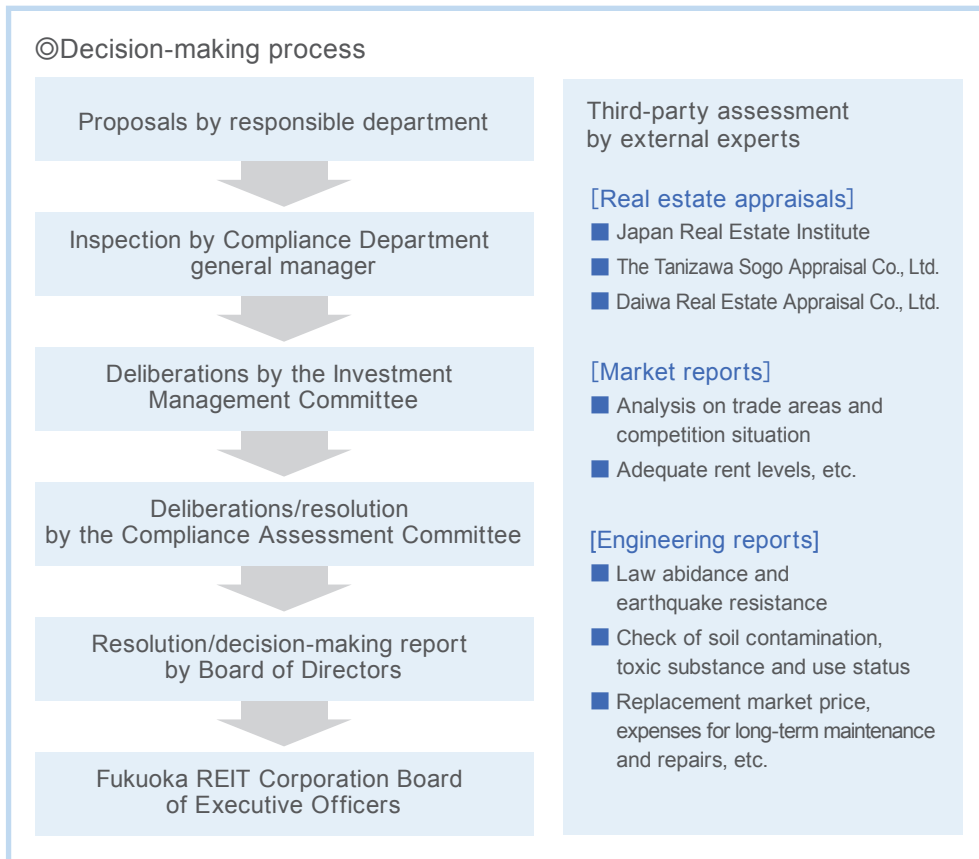


OnRAMP was established by DOGAN Advisors, Inc. and Fukuoka Realty Corporation and is operated by General Incorporated Association OnRAMP.

# ESG (Governance)

## Governance System

Fukuoka Realty has established a Basic Policy on Compliance, as well as compliance regulations and other internal rules to prevent conflicts of interest. We conduct conflict of interest risk management pertaining to our dealings with stakeholders in an appropriate manner based on the abovementioned rules and regulations with preliminary assessment carried out by the Compliance Department general manager and deliberations conducted by the Compliance Assessment Committee (consisting of the Compliance Department general manager and three outside experts).



(\*) 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.

## Governance structure



## Risk management

Fukuoka Realty has established a system for comprehensively managing risks by setting up the Risk Management Committee as the organization to manage various risks. In terms of the basic policy on risk management and the risk items to be managed, the Company has established the Risk Management Regulations and the Risk Management Committee monitors whether the risks are under control.

## Compliance training

We carry out periodic compliance training to improve awareness within the company and to maintain the compliance system



Joint training with sponsor



In-house training (Group discussion)