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To All Concerned Parties

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**Notice concerning Revisions to Forecast of Financial Results for the Fiscal Period Ended February 2021
(15th Fiscal Period) and Fiscal Period Ending August 2021 (16th Fiscal Period) and Forecast of Financial Results
for the Fiscal Period Ending February 2022 (17th Fiscal Period)**

One REIT, Inc. (hereinafter referred to as “One REIT”) announced that it decided to revise the forecast of financial results for the fiscal period ended February 2021 (15th fiscal period: September 1, 2020 to February 28, 2021) and the fiscal period ending August 2021 (16th fiscal period: March 1, 2021 to August 31, 2021) announced in “Summary of Financial Results for the Fiscal Period Ended August 2020 (REIT)” dated October 15, 2020. One REIT also newly announced the forecast of financial results for the fiscal period ending February 2022 (17th fiscal period: September 1, 2021 to February 28, 2022), as described below.

1. Revisions to Forecast of Financial Results for the Fiscal Period Ended February 2021 (15th Fiscal Period)

	Operating revenue	Operating profit	Recurring profit	Net income	Distribution per unit (including distribution in excess of earnings)	Distribution per unit (excluding distribution in excess of earnings)	Distribution per unit in excess of earnings (allowance for temporary difference adjustments) (Note 3)
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)	(yen)	(yen)
Previously released forecast (A)	4,064	2,033	1,781	1,780	7,420	7,420	—
Revised forecast (B)	4,064	1,220	969	967	7,420	4,831	2,589
Change (B-A)	0	-812	-812	-812	0	-2,589	2,589
Percentage of change	0.0%	-39.9%	-45.6%	-45.6%	0.0%	-34.9%	—

(Note 1) The above forecast figures represent the financial results forecast at the moment, and the actual operating revenue, operating profit, recurring profit, net income, and distribution per unit (excluding distribution in excess of earnings) may vary. In addition, One REIT does not guarantee any actual distribution amount with this forecast.

(Note 2) Number of investment units issued and outstanding at the end of the fiscal period ended February 2021: 239,908 units.

(Note 3) As announced in “Notice concerning Asset Transfers and Lease Terminations (fab Minami-Osawa and Two Other Properties) and Acquisition and Leasing of Assets (D'sVARIE HONGO BLDG and Two Other Properties)” dated today, One REIT has decided to dispose assets (hereinafter referred to as the “Transfer”) in the fiscal period ending August 2021. Among the assets to be disposed, fab Minami-Osawa will be sold at a price below the book value. Therefore, 812 million yen, which is the expected amount of loss on sale, will be recorded as impairment loss for the fiscal period ended February 2021 in accordance with the accounting standards, etc. related to the impairment of fixed assets. As discrepancy between tax and accounting treatment in excess income (stipulated in Article 2, Paragraph 2, Item 30 (ii) of the Ordinance on Accountings of Investment Corporations. The same applies hereafter.) will occur due to the recording of impairment loss, 612 million yen, which is obtained by deducting the profit brought forward from the expected amount of loss on sale, is scheduled to be recorded once as allowance for temporary difference adjustments (stipulated in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations. The same applies hereafter.) and distributed.

(Note 4) The amounts have been rounded down to the nearest unit and percentages have been rounded to the first decimal place.

2. Revisions to Forecast of Financial Results for the Fiscal Period Ending August 2021 (16th Fiscal Period)

	Operating revenue (million yen)	Operating profit (million yen)	Recurring profit (million yen)	Net income (million yen)	Distribution per unit (excluding distribution in excess of earnings) (yen)	Distribution per unit in excess of earnings (yen)
Previously released forecast (A)	3,992	1,967	1,716	1,715	7,150	—
Revised forecast (B)	4,834	2,838	2,569	2,568	7,320	—
Change (B-A)	842	870	852	852	170	—
Percentage of change	21.1%	44.3%	49.7%	49.7%	2.4%	—

(Note 1) The above forecast figures represent the financial results forecast at the moment, and the actual operating revenue, operating profit, recurring profit, net income, and distribution per unit (excluding distribution in excess of earnings) may vary. In addition, One REIT does not guarantee any actual distribution amount with this forecast.

(Note 2) Forecast number of investment units issued and outstanding at the end of the fiscal period ending August 2021: 239,908 units.

(Note 3) As the discrepancy between tax and accounting treatment in excess income will be eliminated due to the Transfer in the fiscal period ending August 2021, 621 million yen of allowance for temporary difference adjustments that was once recorded in the fiscal period ended February 2021 is scheduled to be reversed.

(Note 4) The amounts have been rounded down to the nearest unit and percentages have been rounded to the first decimal place.

3. Forecast of Financial Results for the Fiscal Period Ending February 2022 (17th Fiscal Period)

	Operating revenue (million yen)	Operating profit (million yen)	Recurring profit (million yen)	Net income (million yen)	Distribution per unit (excluding distribution in excess of earnings) (yen)	Distribution per unit in excess of earnings (yen)
Released forecast	3,918	1,983	1,721	1,720	7,170	—

(Note 1) The above forecast figures represent the financial results forecast at the moment, and the actual operating revenue, operating profit, recurring profit, net income, and distribution per unit (excluding distribution in excess of earnings) may vary. In addition, One REIT does not guarantee any actual distribution amount with this forecast.

(Note 2) Forecast number of investment units issued and outstanding at the end of the fiscal period ending February 2022: 239,908 units

(Note 3) The amounts have been rounded down to the nearest unit.

4. Reason for Revision and Announcement

As a result of the Transfer, the financial results are expected to change significantly from the figures announced in “Summary of Financial Results for the Fiscal Period Ended August 2020 (REIT)” dated October 15, 2020, as follows. Therefore, One REIT will revise the forecast and announce the new forecast of financial results for the fiscal period ending February 2022 (17th fiscal period).

- (1) Revisions to Forecast of Financial Results for the Fiscal Period Ended February 2021 (15th Fiscal Period)
One REIT will revise the forecast as recurring profit and net income are expected to change by more than 30% due to the recording of impairment loss for the assets to be disposed as described in “1. Revisions to Forecast of Financial Results for the Fiscal Period Ended February 2021 (15th Fiscal Period) (Note 3)” above.
- (2) Revisions to Forecast of Financial Results for the Fiscal Period Ending August 2021 (16th Fiscal Period)
One REIT will revise the forecast as gain on sale will occur for Yushima First Genesis Building and 36 Sankyo Building among the assets to be disposed, and operating revenue is expected to change by more than 10% and recurring profit and net income by more than 30%.

One REIT corporate website: <https://one-reit.com/en/>

<Reference>

Revised Assumptions for the Forecast of Financial Results for the Fiscal Periods Ended February 2021
(15th Fiscal Period), August 2021 (16th Fiscal Period), and February 2022 (17th Fiscal Period)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> ➤ Fiscal period ended February 2021 (15th fiscal period) (September 1, 2020 to February 28, 2021) (181 days) ➤ Fiscal period ending August 2021 (16th fiscal period) (March 1, 2021 to August 31, 2021) (184 days) ➤ Fiscal period ending February 2022 (17th fiscal period) (September 1, 2021 to February 28, 2022) (181 days)
Assets under management	<ul style="list-style-type: none"> ➤ The real estate and real estate trust beneficiary interest held as of today total 25 properties (hereinafter referred to as the “Assets Acquired”). Among such properties, One REIT has decided to dispose “Yushima First Genesis Building,” “36 Sankyo Building,” and “fab Minami-Osawa” on March 26, 2021. In addition, One REIT has decided to acquire “D'sVARIE HONGO BLDG,” “MSB-21 Minami-Otsuka Building,” and “D'sVARIE KANDA BLDG” (hereinafter collectively referred to as the “Assets to be Acquired”) on March 30, 2021. It is assumed that there will be no other changes in the portfolio assets (such as acquisition of new properties and disposal of existing properties) until the end of the fiscal period ending February 2022. ➤ Changes in assumptions for assets under management may actually occur due to the acquisition of new properties, transfer of portfolio properties, etc. ➤ For more details on the transfer and acquisition of assets, please refer to “Notice concerning Asset Transfers and Lease Terminations (fab Minami-Osawa and Two Other Properties) and Acquisition and Leasing of Assets (D'sVARIE HONGO BLDG and Two Other Properties)” announced today.
Operating revenue	<ul style="list-style-type: none"> ➤ Operating revenue of the above “Assets under management” is used as an assumption. The calculation of lease business revenue assumes that there will be no late or delinquent payments of rent by tenants, given the lease agreements effective as of today, tenant trends, market trends, etc. ➤ Occupancy rate of portfolio (average during the period) based on the above “Assets under management” is assumed to be 99.3% in the fiscal period ended February 2021, 98.6% in the fiscal period ending August 2021 and 97.2% in the fiscal period ending February 2022. ➤ Lease business revenue is calculated after taking into account a certain degree of decrease due to the impact of COVID-19 ➤ The transfer of “Yushima First Genesis Building,” “36 Sankyo Building,” and “fab Minami-Osawa” has been decided as of today, and 873 million yen of gain on sale of real estate, etc. is expected to be recorded in the fiscal period ending August 2021.

Operating expenses	<p>➤ Expenses related to rent business, which are the main component of operating expenses, are estimated to be 1,695 million yen in the fiscal period ended February 2021, 1,616 million yen in the fiscal period ending August 2021 and 1,604 million yen in the fiscal period ending February 2022. Expenses other than depreciation are calculated on a historical data basis for the Assets Acquired and calculated based on the historical data provided by the current owner, etc. for the Assets to be Acquired, by reflecting factors causing fluctuations in expenses.</p> <ol style="list-style-type: none"> 1) Property management fees are estimated to be 359 million yen in the fiscal period ended February 2021, 377 million yen in the fiscal period ending August 2021 and 364 million yen in the fiscal period ending February 2022. 2) Depreciation is calculated using the straight-line method, including ancillary costs, etc. Depreciation is estimated to be 508 million yen in the fiscal period ended February 2021, 507 million yen in the fiscal period ending August 2021 and 514 million yen in the fiscal period ending February 2022. 3) Fixed asset tax and city planning tax, etc. are estimated to be 321 million yen in the fiscal period ended February 2021, 301 million yen in the fiscal period ending August 2021 and 298 million yen in the fiscal period ending February 2022. While fixed asset tax and city planning tax, etc. are adjusted upon acquisition by prorating the pro forma taxes with the current owner in general, expenses will not be recorded in the period when the property is acquired as the amount equivalent to such adjustments will be included in the acquisition costs in case of One REIT. Accordingly, fixed asset tax and city planning tax, etc. related to the Assets to be Acquired will be recorded as expenses from the fiscal period ending February 2022 onwards. With regard to the Assets to be Acquired, the total amount of fixed asset tax and city planning tax, etc. that will be included in the acquisition costs is estimated to be 32 million yen. 4) Repair expenses are estimated to be 121 million yen in the fiscal period ended February 2021, 72 million yen in the fiscal period ending August 2021 and 71 million yen in the fiscal period ending February 2022 based on the repair plan formulated by the asset management company (Mizuho REIT Management Co., Ltd.) for each property. However, repair expenses may materially differ from the forecast amount because increased or additional repair expenses may arise due to unforeseeable factors. <p>➤ Operating expenses other than expenses related to rent business (asset management fee, asset custody fee, administrative service fees, etc.) are estimated to be 335 million yen in the fiscal period ended February 2021, 380 million yen in the fiscal period ending August 2021 and 330 million yen in the fiscal period ending February 2022. Among the above, asset management fees of 253 million yen for the fiscal period ended February 2021, 257 million yen for the fiscal period ending August 2021 and 255 million yen for the fiscal period ending February 2022 are expected.</p> <p>➤ As a result of the Disposition, 812 million yen of impairment loss is expected to be recorded in the fiscal period ended February 2021.</p>
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Non-operating expenses	<ul style="list-style-type: none"> ➤ Interest expenses, interest expenses on investment corporation bonds and borrowing related expenses are expected to be 241 million yen for the fiscal period ended February 2021, 258 million yen for the fiscal period ending August 2021 and 257 million yen for the fiscal period ending February 2022. ➤ Amortization of investment unit issuance expenses is expected to be 5 million yen for each the fiscal period ended February 2021 and the fiscal period ending August 2021. ➤ Amortization of investment corporation bond issuance expenses is expected to be 3 million yen for each the fiscal period ended February 2021, the fiscal period ending August 2021 and the fiscal period ending February 2022.
Interest-bearing liabilities	<ul style="list-style-type: none"> ➤ The total balance of interest-bearing liabilities as of today is 50,824 million yen ➤ It is assumed that One REIT will conduct borrowing of a total of 2,850 million yen as of March 30, 2021, to procure part of the acquisition costs and ancillary costs of the Assets to be Acquired, and as a result, the balance of interest-bearing liabilities as of March 30, 2021, will be 53,674 million yen (for more details on the Borrowings, please refer to “Notice concerning Borrowing of Funds” announced today). ➤ As for a total of 6,000 million yen of borrowings due for repayment in the fiscal period ending February 2022, the same amount is expected to be refinanced. ➤ In addition to the above, it is assumed that there will be no change (new borrowings, repayment of borrowings, etc.) until the end of the fiscal period ending February 2022.
Investment units	<ul style="list-style-type: none"> ➤ The 239,908 units that are the investment units issued and outstanding as of today is assumed. ➤ It is assumed that there will be no change in the number of investment units due to issuance of new investment units, etc. until the end of the fiscal period ending February 2022.
Reversal of allowance for temporary difference adjustments	<ul style="list-style-type: none"> ➤ It is expected that 621 million yen of allowance for temporary difference adjustments made in the fiscal period ended February 2021 will be reversed in the fiscal period ending August 2021.
Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> ➤ Distribution per unit (excluding distribution in excess of earnings) is calculated by assuming the cash distribution policy stipulated in the Articles of Incorporation of One REIT. ➤ Distribution per unit is subject to change due to a variety of factors, including fluctuations in rent revenue caused by change in assets under management, relocation of tenants, etc. or occurrence of unforeseen repairs.
Distribution per unit in excess of earnings	<ul style="list-style-type: none"> ➤ There are no plans at this time to distribute cash in excess of earnings. ➤ However, cash distribution in excess of earnings may be made for the purpose of reducing occurrence of corporate tax and other taxes derived from discrepancy between tax and accounting treatment, and it is assumed that distribution in excess of earnings for 621 million yen of allowance for temporary difference adjustments will be conducted in the fiscal period ended February 2021.
Other	<ul style="list-style-type: none"> ➤ It is assumed that there will be no revision of laws and regulations, tax systems, accounting standards, listing rules, rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. ➤ It is assumed that there will be no serious unforeseen change in general economic trends, real estate market conditions, etc.