

An illustration of a modern urban scene. On the left is a tall, multi-story building with a grid-like facade of windows. To its right is a shorter, more modern building with large glass panels. In the foreground, a green lawn is populated with colorful silhouettes of people in various active poses: a person in pink jumping, a person in yellow crouching, a person in purple running, and others in blue and red. Green leaves are shown floating in the air. In the background, a blue suspension bridge is visible against a clear blue sky.

# Supplementary Material to the Series of Press Releases Announced Today



**One REIT, Inc.**

(TSE Code: 3290)

**March 24, 2021**

Mizuho REIT Management Co., Ltd.  
(Asset Management Company)

- Decided as of today the sale of Yushima First Genesis Building, 36 Sankyo Building, and fab Minami-Osawa, as well as the acquisition of three office buildings.
- Intend to select properties to be sold from the viewpoint of the degree of tenant concentration and the management forecast regarding retail facilities to reduce future management risks.
- The three properties to be acquired are properties maintaining high occupancy rates and whose tenants are dispersed, and the ratio of the top 10 tenants improved significantly with the asset replacement.

## Overview and Goal of Asset Replacement



	Sale		
	Yushima First Genesis Building	36 Sankyo Building	fab Minami-Osawa
Use	Office building	Office building	Retail facility
Location	Bunkyo Ward, Tokyo	Shinjuku Ward, Tokyo	Hachioji City, Tokyo

	Acquisition		
	D'sVARIE HONGO BLDG	MSB-21 Minami-Otsuka Building	D'sVARIE KANDA BLDG
Use	Office building	Office building	Office building
Location	Bunkyo Ward, Tokyo	Toshima Ward, Tokyo	Chiyoda Ward, Tokyo

### Asset replacement intending to reduce future management risks

#### (1) Alleviation of tenant concentration

Intend to enhance revenue stability by replacing properties with stability issues such as being occupied by tenants leasing large areas with properties whose tenants are dispersed

#### (2) Forecast regarding retail facilities

Conducted sales before the expiration of the lease contracts concluded with tenants while requests for rent reduction are continuously made by retail tenants including restaurants due to the impact of the spread of COVID-19 infection

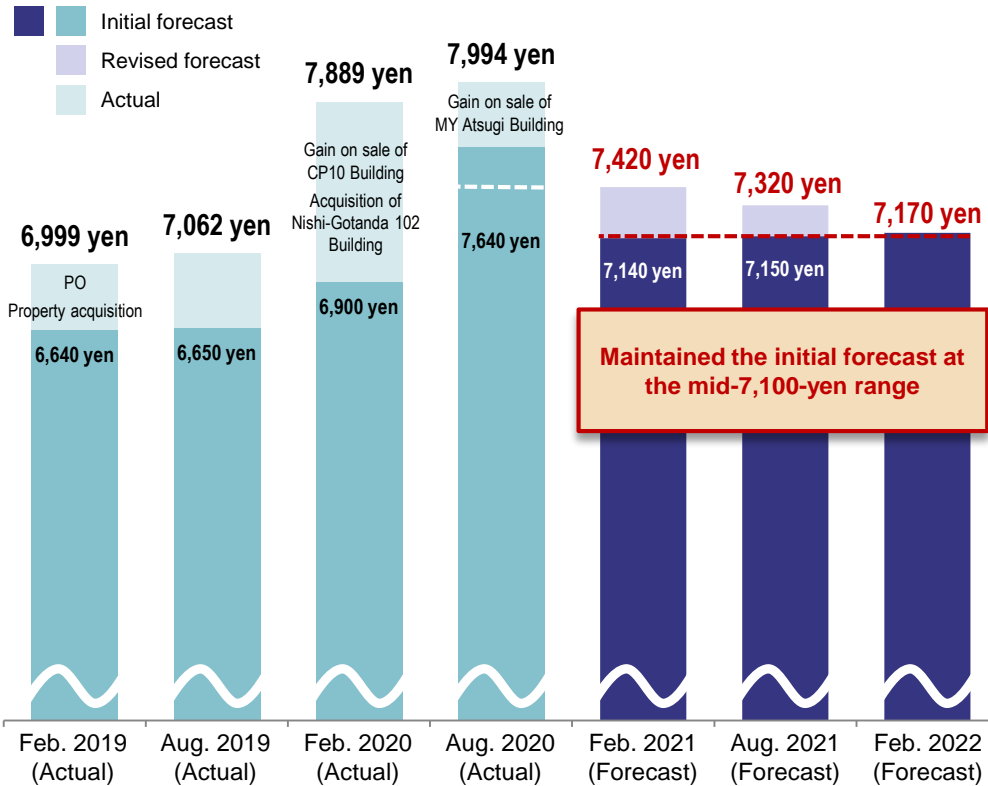
	Before replacement (end of Aug. 2020)	After replacement
Ratio of top 10 tenants <small>(Note)</small>	15.1%	12.2%
Ratio of office buildings	95.8%	100%

(Note) The figure indicates the tenants' percentage among the total leasable floor area of all assets One REIT owns and is rounded to the first decimal place. The ratio after replacement is calculated based on the status as of the end of January 2021.

# Forecast Dividends and Allowance for Temporary Difference Adjustments

- Although tenant move-outs will increase in the Sixteenth Fiscal Period (ending Aug. 2021), vacancies are being steadily leased up with the focus on leasing activities, and dividends per unit for the Seventeenth Fiscal Period (ending Feb. 2022) is forecast to be 7,170 yen.
- Due to the asset replacement, 812 million yen is recorded as impairment loss and discrepancy between tax and accounting treatment in excess income occurs in the Fifteenth Fiscal Period (ended Feb. 2021), but the same amount as before is scheduled to be distributed due to the recording of allowance for temporary difference adjustments. Because the discrepancy between tax and accounting treatment in excess income will be eliminated in the Sixteenth Fiscal Period (ending Aug. 2021) due to the delivery and settlement of properties, the reversal of the allowance for temporary difference adjustments, which has been recorded, is scheduled to be conducted.

## Change in Dividends Per Unit



(Note1) The overview of the statement of income and statement concerning cash distribution based on the earnings forecast announced today are indicated, and the actual operating revenue, operating profit, ordinary income, net income and total dividends may vary.

(Note2) The amount obtained by deducting the unappropriated retained earnings brought forward from the previous period (Aug. 2020) from the expected amount of impairment loss is scheduled to be recorded as allowance for temporary difference adjustments.

## Overview of Statement of Income and Calculation on Dividends (Note 1)

(Millions of yen)

[Statement of Income]		Feb. 2021	Aug. 2021
Operating revenue		4,064	4,834
Gain on sale		—	873
Operating expenses		2,843	1,996
Impairment loss		812	—
Operating profit		1,220	2,838
Net income		967	2,568

[Calculation on Dividends]		Feb. 2021	Aug. 2021
Net income		967	2,568
Internal reserves (profit brought forward)		191	-191
Recording of allowance for temporary difference adjustments (Note 2)		621	—
Reversal of allowance for temporary difference adjustments		—	-621
Total dividends		1,780	1,756
(Dividends per unit)		(7,420 yen)	(7,320 yen)

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