

Presentation Material

for the Twelfth Fiscal Period (Ended August 2019)

October 16, 2019



<http://www.one-reit.com/en>
Securities Code : 3290

(Asset Management Company)

MIZUHO Mizuho REIT Management



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1 Executive Summary



Summary of Overview of Financial Results and Earnings Forecasts

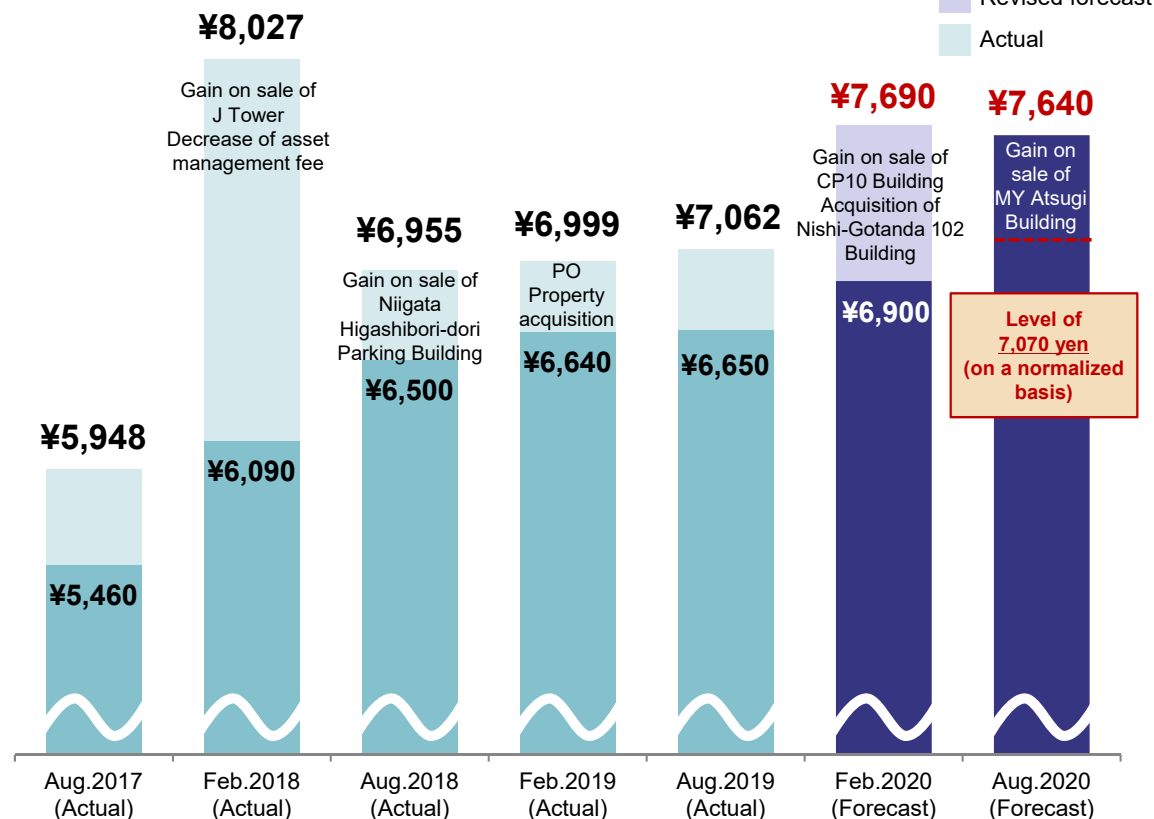
Executive Summary

- Actual dividends per unit for the Twelfth Fiscal Period (ended August 2019) was 7,062 yen due to steady internal growth such as leasing at an early stage and under favorable conditions.
- Forecasted dividends per unit for the Thirteenth Fiscal Period (ending February 2020) is expected to be 7,690 yen due to the recording of gain on sale, etc., coinciding with the asset replacement.
- Forecasted dividends per unit for the Fourteenth Fiscal Period (ending August 2020) is expected to be 7,640 yen due to the recording of gain on sale, etc., coinciding with the sale of MY Atsugi Building.

Overview of Financial Results and Earnings Forecasts

	Eleventh Fiscal Period (Ended Feb. 2019)	Twelfth Fiscal Period (Ended Aug. 2019)	Thirteenth Fiscal Period (Ending Feb. 2020)	Fourteenth Fiscal Period (Ending Aug. 2020)
(Millions of yen)	Actual	Actual	Forecast	Forecast
Operating revenue	3,870	4,046	4,217	4,148
Operating profit	1,941	1,956	2,104	2,091
Recurring profit	1,679	1,696	1,846	1,834
Net income	1,679	1,696	1,844	1,832
Dividends per unit	¥6,999	¥7,062	¥7,690	¥7,640
	+¥99 (+1.4%)	+¥162 (+2.3%)	+¥790 (+11.4%)	Aim for further improvement
Most recent forecast	¥6,900	¥6,900	¥6,900	
Initial forecast	¥6,640	¥6,650		

Dividends per Unit



- Forecasted dividends per unit are expected to continue to be higher than the initial forecast.
- Dividends per unit on a normalized basis in the Fourteenth Fiscal Period (ending August 2020), excluding gain on sale of properties, etc., is expected to be 7,070 yen.

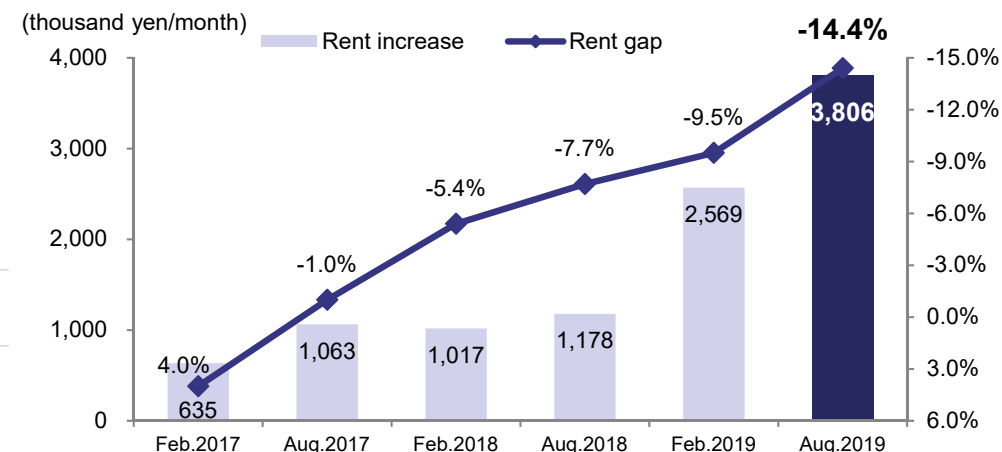
Management Highlight (including asset replacement^(Note 1) and refinancing)

Internal growth	Rent increased steadily and room for rent increase also expanded		
		Eleventh Fiscal Period (Ended Feb. 2019)	Twelfth Fiscal Period (Ended Aug. 2019)
	Period-end occupancy rate	99.2%	98.9%
	Rent increase (cases)	2,569 thousand yen/month (29 cases)	3,806 thousand yen/month (29 cases)
	Rent gap ^(Note 2)	-9.5%	-14.4%
External growth	Qualitative improvement of the portfolio through replacements and gain on sale recorded		
<ul style="list-style-type: none">• Preferential negotiation rights MSB-21 Minami-Otsuka Building (Toshima-ku, Tokyo, minimum purchase price: ¥3.9 billion)• Replacement of asset [Sale] CP10 Building (Planned sale price: ¥3.4 billion), MY Atsugi Building (Planned transfer price: ¥1.36 billion) [Acquisition] Nishi-Gotanda 102 Building (Planned acquisition price: ¥4.5 billion)			
	Reduction of future risk	Realization of unrealized gain	Acquisition of upside
Financial	Conducted refinancing that included issuing of investment corporation bonds		
<ul style="list-style-type: none">• Refinancing (September 2019) Considered the current interest rate environment and promoted the extension of borrowing periods. Issued investment corporation bonds (¥3.5 billion) in August 2019, coinciding with refinancing (¥16.7 billion).			
		Twelfth Fiscal Period (Ended Aug.2019)	After refinancing
	LTV ^(Note 5)	46.3%	45.9%
	Average interest rate ^(Note 6)	0.612%	0.637%
	Average remaining period	2.02 years	3.69 years

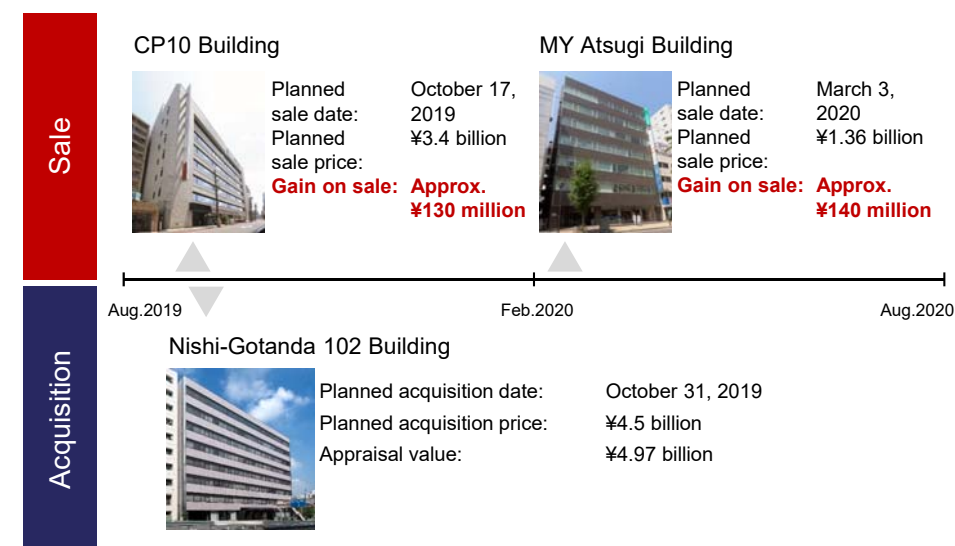
<Basic strategy of One REIT>

- (1) Sustainable growth of dividends
- (2) Disciplined external growth considering the portfolio and financial structure

• Trends in rent increases and rent gap



• Overview of Asset Replacement



Notes (1)

1 Notes in “Executive Summary”

- (Note 1) As of the date of this document, the sales of CP10 Building and MY Atsugi building along with the acquisition of Nishi-Gotanda 102 Building have not been completed. As for the details (dates, price, expected gain on sales, etc.) regarding the asset replacement, they are recorded based on matters decided upon as of the date of this document and forecasted values. This applies hereinafter in this document.
- (Note 2) For the end of each fiscal period, market rent is the expected new contract office rent unit price for each property assessed by CBRE (if assessed in a range, then the median value), and the rent gap (%) is the rate of divergence between the total monthly rent based on the contracted rents of existing office tenants and the total monthly rent based on market rent. The calculated value (%) is rounded to the first decimal place. The same calculation method and display format are applied hereafter in this document.
- (Note 3) Asset size based on acquisition price as of the end of each period is indicated.
- (Note 4) Yields are based on the acquisition price, are annualized according to the number of operating days in each operating period and are rounded to the first decimal place. The same calculation method and display format are applied hereafter in this document.
- (Note 5) LTV (%) is calculated with the formula $[\text{Period-end balance of interest-bearing debt} / \text{Period-end total assets}]$ and is rounded to the first decimal place. “After refinancing” is calculated using the total asset balance as of the end of the Twelfth Fiscal Period (ended August 2019) and the balance of interest-bearing debts, after subtracting 874 million yen from both of these values. The same calculation method and display format are applied hereafter in this document.
- (Note 6) “Average interest rate” is calculated by seeking the weighted average at applicable interest rates as of the end of the fiscal period (as of September 9, 2019 for “After refinancing”) according to the balance of interest-bearing debt and is rounded to the third decimal place. The same calculation method and display format are applied hereafter in this document.

2 Note in “Overview of Financial Results and Earnings Forecasts”

- (Note 1) “NAV per unit” is calculated by dividing the sum of the period-end unitholders’ capital and unrealized gain by the period-end outstanding number of investment units and is rounded down to the nearest thousand yen. “Unrealized gain” is calculated by subtracting the total book value of owned assets from the total appraisal value of owned assets, as of the end of each fiscal period.



2 Overview of Financial Results and Earnings Forecasts



Overview of financial results:

Twelfth Fiscal Period (Ended August 2019)

Earnings forecasts:

Thirteenth Fiscal Period (Ending February 2020) and
Fourteenth Fiscal Period (Ending August 2020)

Comparison with Previous Period and Earnings Forecast

(Millions of yen)	A: Eleventh fiscal period (Ended Feb. 2019) Actual	B: Twelfth fiscal period (Ended Aug. 2019) Forecast	C: Twelfth fiscal period (Ended Aug. 2019) Actual	Comparison with previous period C - A	Comparison with forecast C - B
Operating revenue	3,870	4,053	4,046	+176	-7
Lease business revenue	3,526	3,648	3,663	+137	+15
Other lease business revenue	343	405	383	+39	-22
Expenses related to rent business (excludes depreciation)	1,175	1,289	1,263	+87	-26
Leasing NOI	2,694	2,763	2,782	+88	+18
Depreciation	487	497	495	+8	-2
NOI after depreciation	2,206	2,266	2,287	① +80	① +20
General and administrative expenses	265	342	330	② +64	② -11
Operating profit	1,941	1,924	1,956	+15	+32
Recurring profit	1,679	1,656	1,696	+16	+39
Net income	1,679	1,655	1,696	+16	+40
Dividends per unit	¥6,999	¥6,900	¥7,062	+¥63 (+0.9%)	+¥162 (+2.3%)
Period-end LTV	46.2%		46.3%	+0.1%	
NAV per unit ^(Note 1)	¥268,000		¥273,000	+¥5,000	

Of which unitholders' capital per unit

approx.
¥213,000

approx.
¥213,000

Of which unrealized gain per unit

approx.
¥55,000

approx.
¥60,000

Comparison with Actual Performance of the Eleventh Fiscal Period (Ended February 2019) and Twelfth Fiscal Period (Ended August 2019)

① Increase in NOI after depreciation

Amount of Profit Change

+80 million yen

Full-period contribution of properties acquired in previous period

+90 million yen

Expensing of fixed asset and city planning tax of properties acquired in previous period

-58 million yen

Progress in leasing and rent increase of existing properties

+47 million yen

② Increase in general and administrative expenses

-64 million yen

Increase in asset management fee associated with the acquisition of properties in the previous period

-53 million yen

Recording of expenses related to general meeting of unitholders

-7 million yen

③ Change in non-operating income/expenses

+1 million yen

Comparison with Forecast and Actual Performance of the Twelfth Fiscal Period (Ended August 2019)

① Difference in NOI after depreciation

Amount of Profit Change

+20 million yen

Increase in lease revenue

+15 million yen

Difference in utilities income and expenditure

+12 million yen

Difference in other property-related income and expenditure

-6 million yen

② Difference in general and administrative expenses

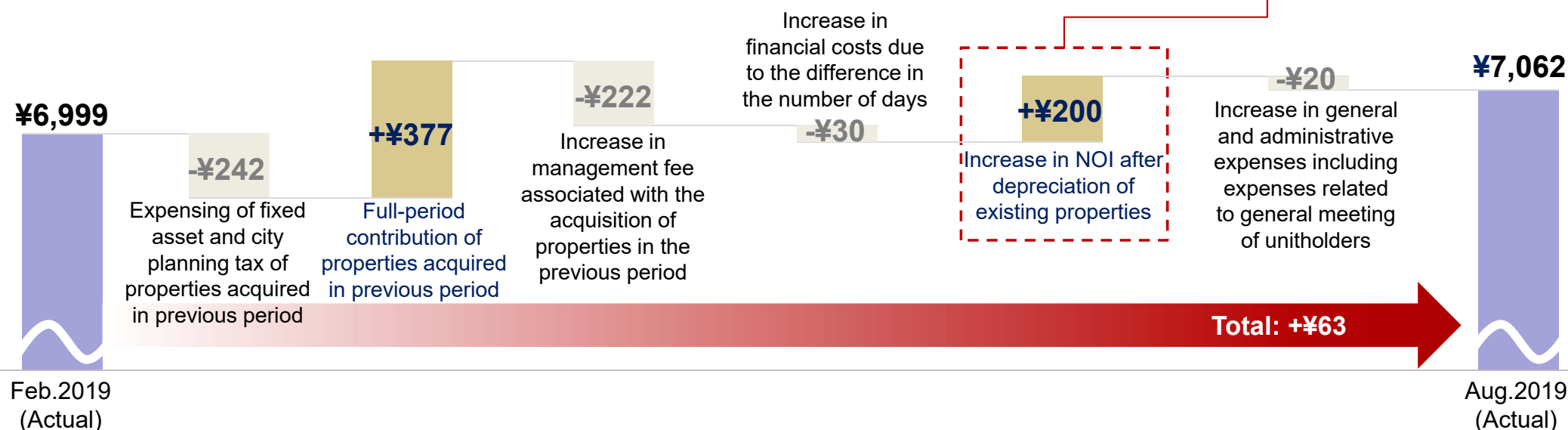
+11 million yen

③ Difference in non-operating income/expenses

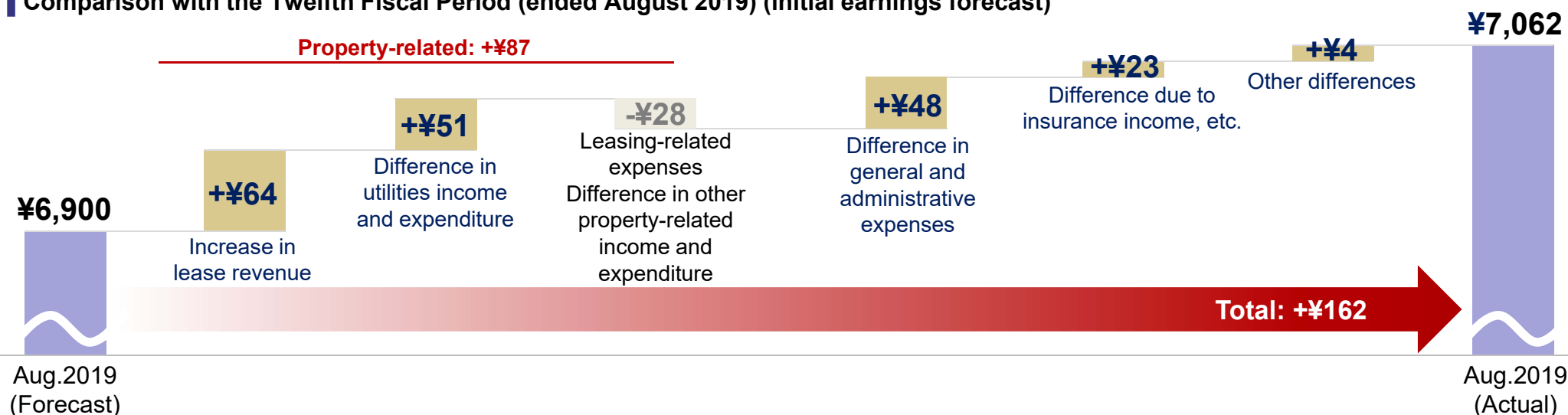
+7 million yen

Comparison with Previous Period (Ended Feb.2019)

Transfer of -¥117 to normalized operation period from public offering in the previous period, properties acquired, and new borrowings



Comparison with the Twelfth Fiscal Period (ended August 2019) (initial earnings forecast)



(Millions of yen)	Twelfth fiscal period (Ended Aug. 2019) Actual	Thirteenth fiscal period (Ending Feb. 2020) Forecast	Comparison with previous Period	Fourteenth fiscal period (Ending Aug. 2020) Forecast	Comparison with previous Period
Operating revenue	4,046	4,217	+171	4,148	-68
Lease business revenue	3,663	3,703	+40	3,655	-47
Other lease business revenue	383	374	-8	349	-24
Gain on sale of real estate, etc.	-	139	① +139	142	① +3
Expenses related to rent business (excludes depreciation)	1,263	1,251	-11	1,214	-36
Leasing NOI	2,782	2,826	+43	2,790	-35
Depreciation	495	505	+9	507	+2
NOI after depreciation	2,287	2,321	② +33	2,283	② -38
General and administrative expenses	330	355	③ +24	334	③ -21
Operating profit	1,956	2,104	+148	2,091	-12
Recurring profit	1,696	1,846	+149	1,834	-12
Net income	1,696	1,844	+148	1,832	-12
Dividends per unit	¥7,062	¥7,690	+¥628 (+8.9%)	¥7,640	-¥50 (-0.7%)
Period-end occupancy rate	98.9%	98.0%	-0.9%	98.4%	+0.4%

Certain amount of move-outs
anticipated in earnings forecasts

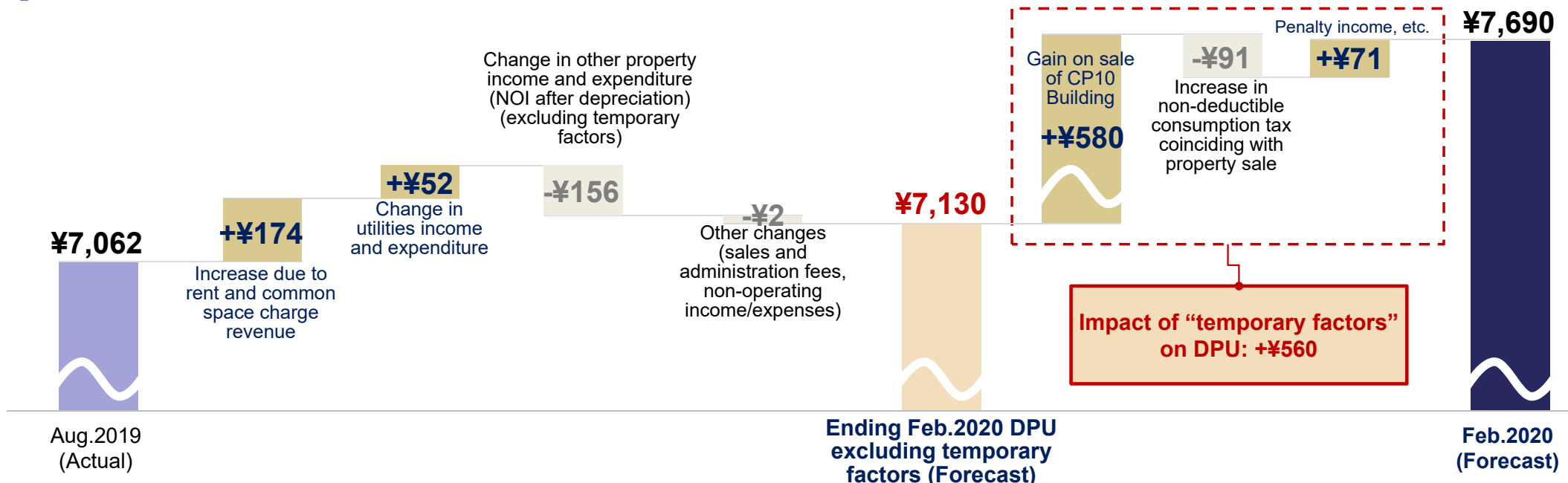
Comparison with Actual Performance of the Twelfth Fiscal Period (Ended August 2019) and Forecast of the Thirteenth Fiscal Period (Ending February 2020)

	Amount of Profit Change
① Recording of gain on sale of real estate, etc.	+139 million yen
② Increase in NOI after depreciation	+33 million yen
Increase due to rent and common space charge revenue	+41 million yen
Change in utilities income and expenditure	+12 million yen
Other changes (including temporary factors)	-20 million yen
③ Increase in general and administrative expenses	-24 million yen
Increase in non-deductible consumption tax coinciding with property sale	-22 million yen

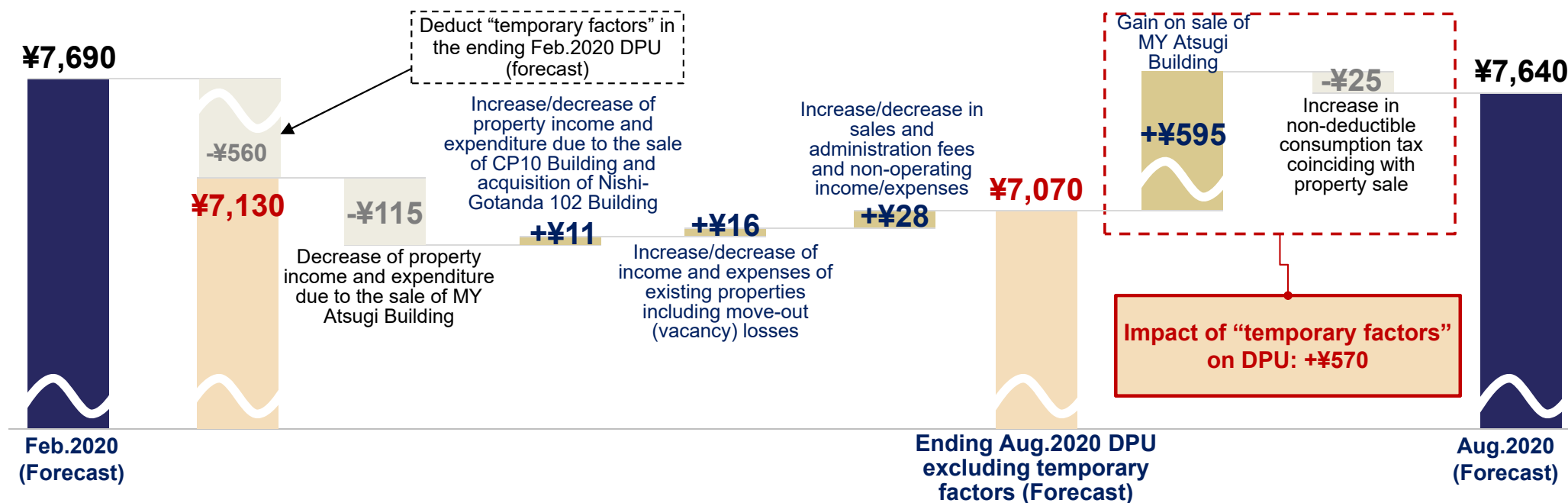
Comparison of Forecast for the Thirteenth Fiscal Period (Ending February 2020) with Forecast for the Fourteenth Fiscal Period (Ending August 2020)

	Amount of Profit Change
① Difference in gain on sale of real estate, etc.	+3 million yen
② Decrease of NOI after depreciation	-38 million yen
Decrease of profits in period due to the sale of MY Atsugi Building	-27 million yen
Decrease of temporary factors (other income)	-17 million yen
Difference in other property income and expenditure	+6 million yen
③ Decrease in general and administrative expenses	+21 million yen
Decrease in non-deductible consumption tax	+15 million yen

Comparison with Actual Performance of the Twelfth Fiscal Period (Ended August 2019) and Forecast of the Thirteenth Fiscal Period (Ending February 2020)



Comparison with Forecast of the Thirteenth Fiscal Period (Ending February 2020) and Forecast of the Fourteenth Fiscal Period (Ending August 2020)





3 Growth Strategy



Portfolio Status (as of the end of Twelfth Fiscal Period (ended August 2019))

Growth Strategy

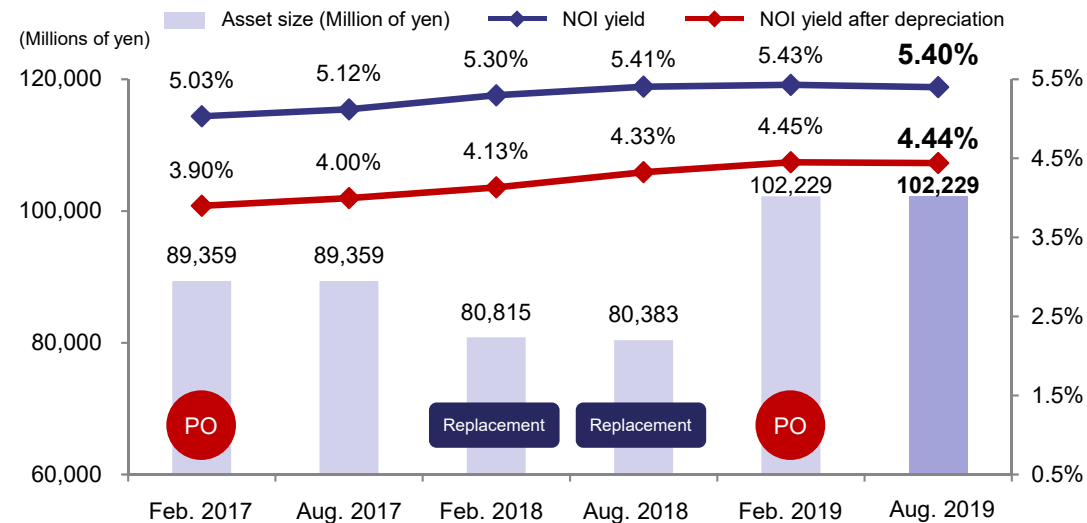
- The stability of the portfolio will be strengthened through asset replacement
(transfer of CP10 Building and MY Atsugi Building and acquisition of Nishi-Gotanda 102 Building)

(Millions of yen)

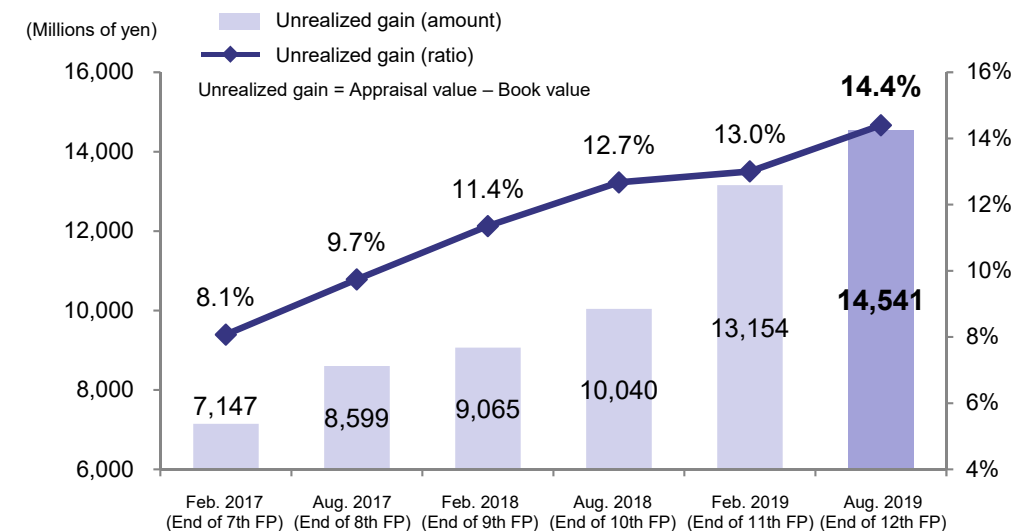
Property type and region		Property name	Location	Acquisition price	Investment ratio	Appraisal value (Note 1)	Unrealized gain	Period-end occupancy rate (Note 2)	Building age (years) (Note 3)
Office buildings	Tokyo metropolitan area	ONEST Kanda Square	Chiyoda Ward, Tokyo	7,350	7.2%	8,890	2,250	100.0%	12.3
		Tachikawa Nishiki-cho Building	Tachikawa City, Tokyo	3,264	3.2%	4,070	833	100.0%	28.2
		CP10 Building (Sale planned for the ending Feb.2020)	Taito Ward, Tokyo	3,229	3.2%	3,380	255	100.0%	30.4
		ONEST Yokohama Nishiguchi Building	Yokohama City, Kanagawa Prefecture	3,110	3.0%	3,800	673	100.0%	36.3
		Yushima First Genesis Building	Bunkyo Ward, Tokyo	2,751	2.7%	3,160	488	100.0%	28.0
		ONEST Nakano Building	Nakano Ward, Tokyo	2,880	2.8%	3,370	506	100.0%	25.0
		36 Sankyo Building	Shinjuku Ward, Tokyo	2,395	2.3%	2,750	426	100.0%	27.8
		Minami-Shinagawa JN Building	Shinagawa Ward, Tokyo	2,165	2.1%	2,114	-22	100.0%	29.1
		Minami-Shinagawa N Building	Shinagawa Ward, Tokyo	2,292	2.2%	2,370	161	95.3%	25.1
		Minami-Shinagawa J Building	Shinagawa Ward, Tokyo	2,020	2.0%	2,420	490	96.8%	27.1
		MY Atsugi Building (Sale planned for the ending Aug.2020)	Atsugi City, Kanagawa Prefecture	1,240	1.2%	1,390	216	97.1%	30.9
		Hachioji SIA Building	Hachioji City, Tokyo	730	0.7%	854	169	97.1%	25.9
		ONEST Motoyoyogi Square	Shibuya Ward, Tokyo	7,500	7.3%	8,350	782	100.0%	27.3
		ONEST Ueno Okachimachi Building	Taito Ward, Tokyo	2,700	2.6%	2,920	134	100.0%	33.3
		Daido Life Omiya Building	Saitama City, Saitama Prefecture	3,000	2.9%	3,220	167	100.0%	27.8
		ONEST Ikebukuro East Building	Toshima Ward, Tokyo	2,200	2.2%	2,310	72	100.0%	27.9
		Crescendo Building	Yokohama City, Kanagawa Prefecture	2,466	2.4%	2,510	-59	97.4%	32.1
		Tokyo Parkside Building	Koto Ward, Tokyo	10,450	10.2%	11,100	612	100.0%	27.9
	Ordinance-designated cities, etc.	Central Shin-Osaka Building	Osaka City, Osaka Prefecture	4,612	4.5%	6,130	1,850	97.7%	27.2
		Karasuma Plaza 21	Kyoto City, Kyoto Prefecture	3,700	3.6%	3,930	45	100.0%	32.8
		ONEST Nagoya Nishiki Square	Nagoya City, Aichi Prefecture	2,381	2.3%	3,110	741	100.0%	28.3
		MY Kumamoto Building	Kumamoto City, Kumamoto Prefecture	1,152	1.1%	1,290	194	91.0%	31.8
		Nagoya Fushimi Square Building	Nagoya City, Aichi Prefecture	4,812	4.7%	5,190	347	100.0%	31.8
		Daihakata Building	Fukuoka City, Fukuoka Prefecture	10,650	10.4%	11,800	1,066	97.1%	43.9
		Higobashi Center Building	Osaka City, Osaka Prefecture	8,930	8.7%	10,300	1,304	99.7%	41.9
		Subtotal • Average			97,979	95.8%	110,728	13,712	98.9%
Retail facility	fab Minami-Osawa	Hachioji City, Tokyo	4,250	4.2%	4,800	828	100.0%	17.7	
Total • Average			102,229	100.0%	115,528	14,541	98.9%	30.1	
(Acquisition planned for the ending Feb.2020)		Nishi-Gotanda 102 Building	Taito Ward, Tokyo	4,500		4,970		100.0%	31.8

- While the effect of the fixed asset and city planning tax of properties acquired in the previous period (Eleventh Fiscal Period ended February 2019) has disappeared, a high portfolio yield was maintained with the maintenance of high occupancy rates and rent due to rent revision, etc.
- Given the rent increases coinciding with increases in rent and tenant replacements, the appraisal value rose, which also steadily expanded the portfolio's unrealized gain (amount and ratio)

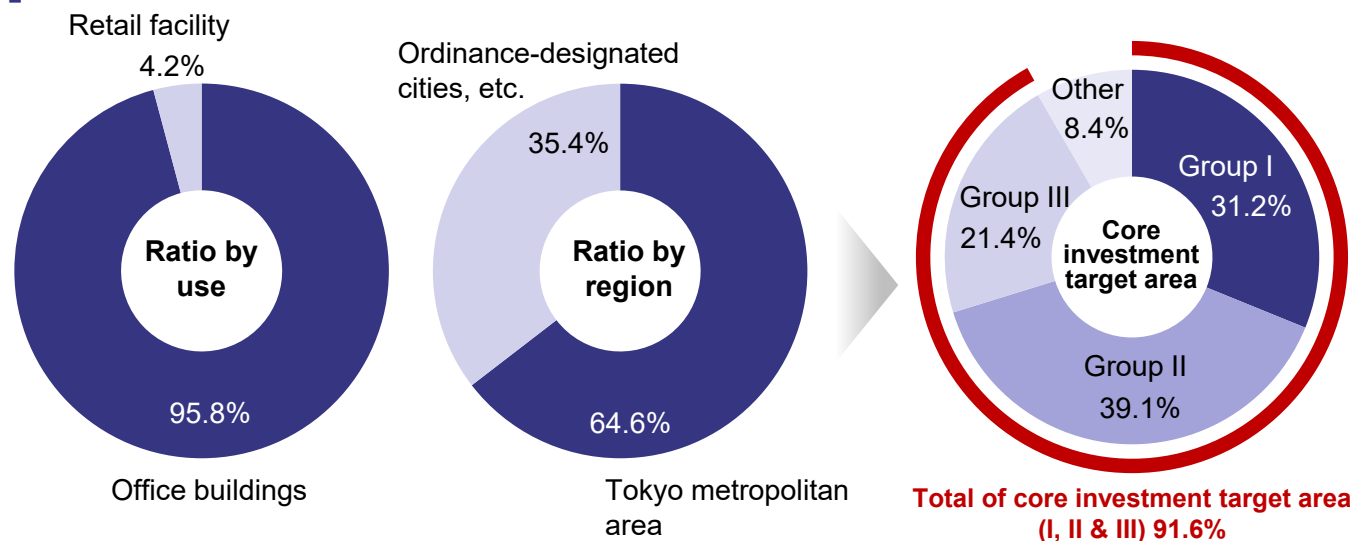
Portfolio Yields (Note 4)



Portfolio's Unrealized Gain and Unrealized Gain Ratio



Investment Ratio (End of 12th FP (ended August 2019), based on acquisition price)



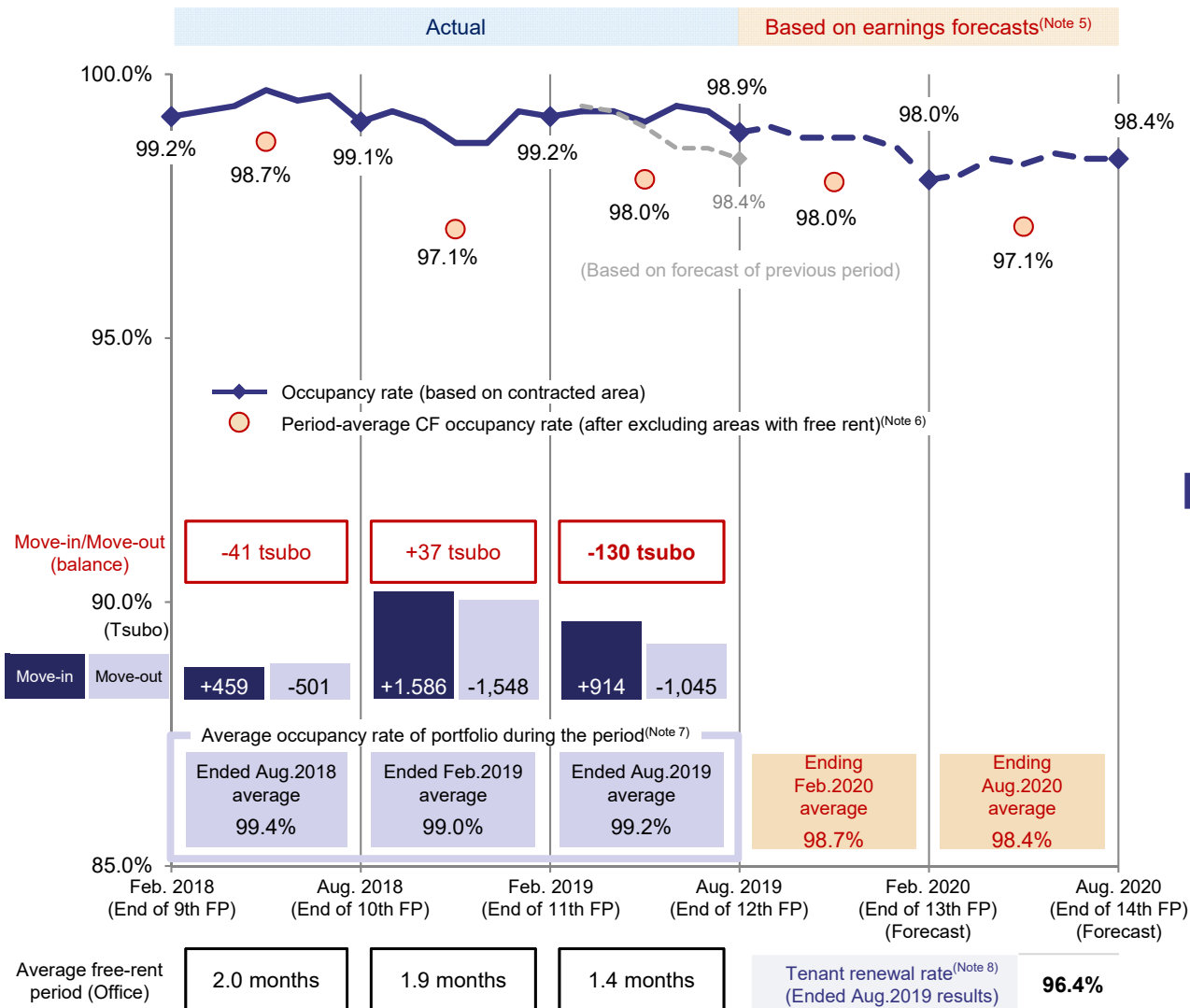
<Components of Core Investment Target Area>

	Tokyo metropolitan area	Ordinance-designated cities, etc.
I	8 central wards of Tokyo*	
II	23 wards of Tokyo (excluding the 8 central wards) Major areas in Yokohama	Central areas of Osaka Central areas of Nagoya
III	Major areas in Kawasaki Major areas in Saitama Major areas in Hachioji, Machida, Tachikawa, Musashino, Chofu and Fuchu	Central areas of Fukuoka Central areas of Sapporo Central areas of Sendai

* The 8 central wards refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya, Toshima, Taito and Shinagawa wards.

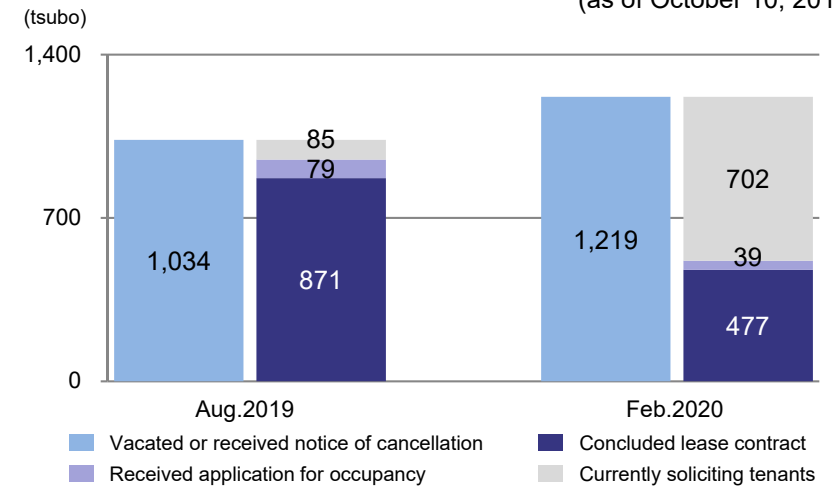
- The occupancy rate in the Twelfth Fiscal Period (ended August 2019) was approximately 99% through the whole period, and as downtime and free-rent periods were contracted during tenant replacement, the period-average CF occupancy rate increased by approximately 1% period on period.
- Leasing of the portion scheduled to be vacated in the Thirteenth Fiscal Period (ending February 2020) remained favorable and One REIT aims to further increase lease revenue by backfilling at an early stage and increasing rent upon tenant replacement.
- Rent increase due to rent revision and tenant replacement in the Twelfth Fiscal Period (ended August 2019) steadily increased and total monthly rent increased by approximately 1 million yen, period on period.

Portfolio Occupancy Rate



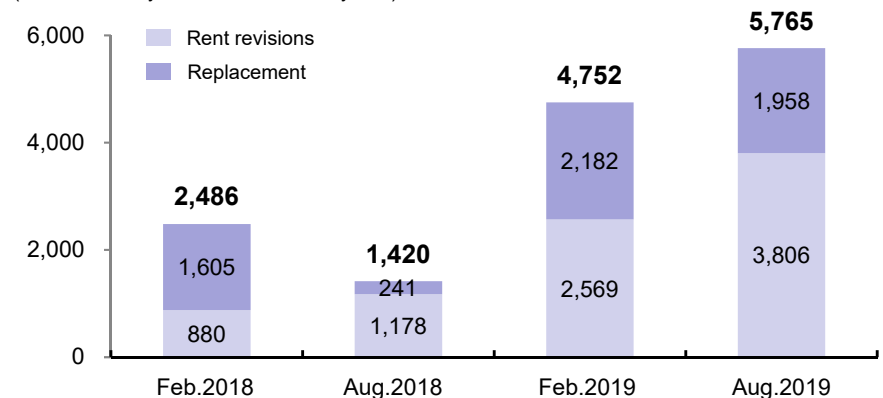
Status of Progress in Leasing of Vacant Areas^(Note 9)

(as of October 10, 2019)



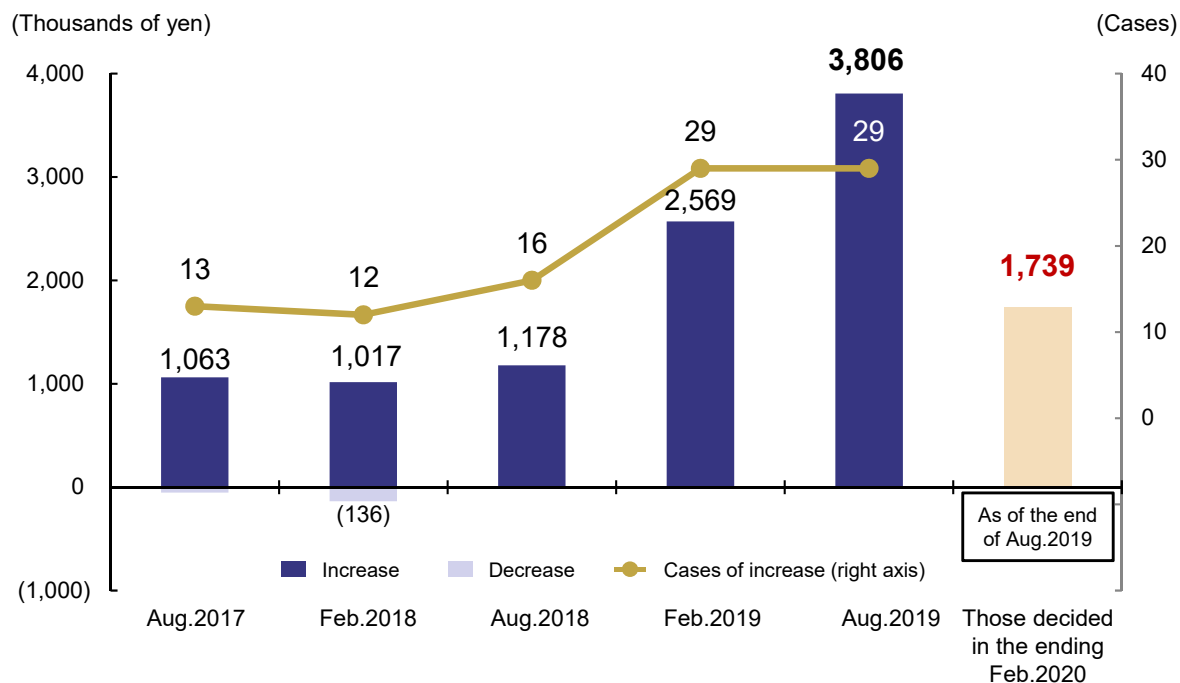
Impact of Rent Revisions and Tenant Replacements on Lease Revenue (Office Buildings)

(Thousands of yen, based on monthly rent)

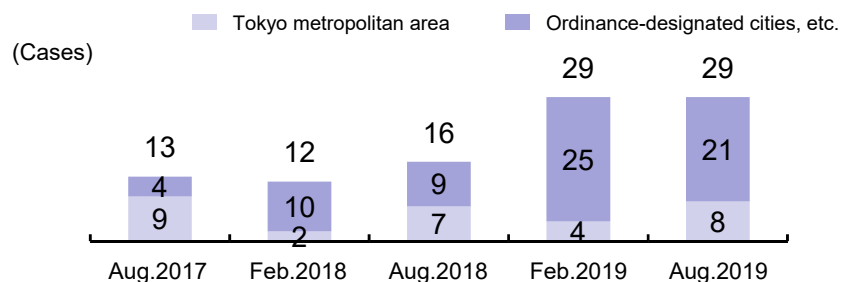


- Given the favorable office market and the effects of value enhancement work, rent increase through revision for the Twelfth Fiscal Period (ended August 2019) increased by approximately 48% period on period (based on monthly rent).
- Rent increase for the Thirteenth Fiscal Period (ending February 2020) has already increased by 1,739 thousand yen per month as of the end of August 2019, and One REIT is aiming for further increase.
- In addition, One REIT is also raising its stock of rent increase in and after the Fourteenth Fiscal Period (ending August 2020) by introducing step-up rent for tenants with rent that differs largely from market rent.

Amount of Change in Revised Rents (Based on monthly rent)

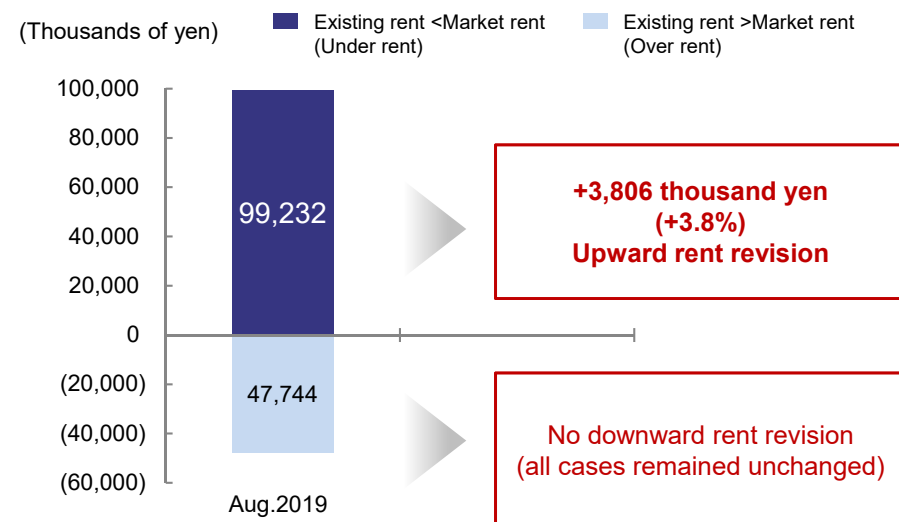


Number of Cases of Rent Increase and Increase Rate

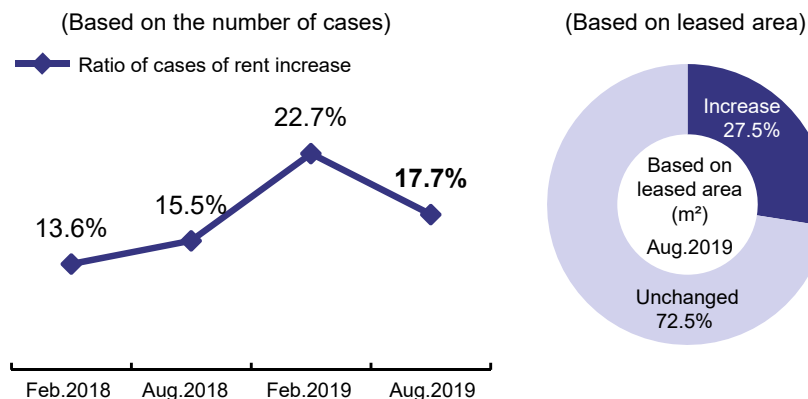


Rent increase rate	13.0%	12.9%	8.4%	10.8%	9.9%
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*Rent revision in the Twelfth Fiscal Period (ended August 2019)

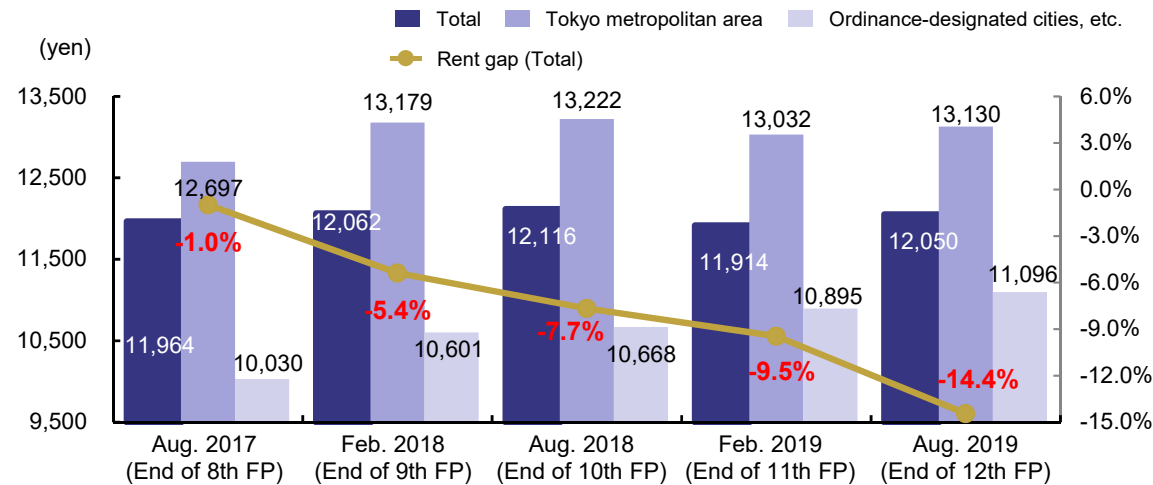


Rent Revision (Ratio of the number of cases and leased area)

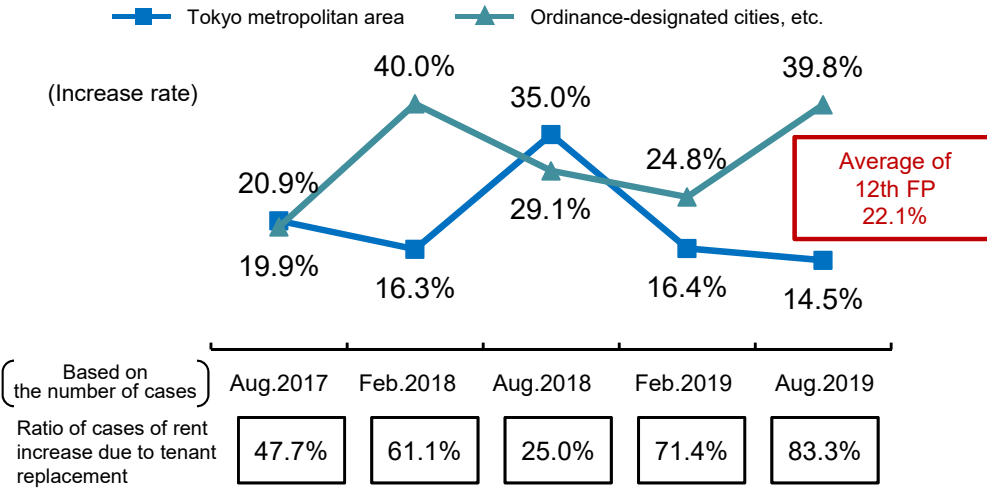


- Rent gap (contracted rent < market rent) has further expanded in the Twelfth Fiscal Period (ended August 2019) as the leasing market continued to be favorable, and rent can be expected to increase upon tenant replacement.
- Rent increase has been conspicuous among tenant replacement in the Twelfth Fiscal Period (ended August 2019) as 83% of tenant replacements resulted in rent increase, while the increase rate for unit rent was approximately 22%.

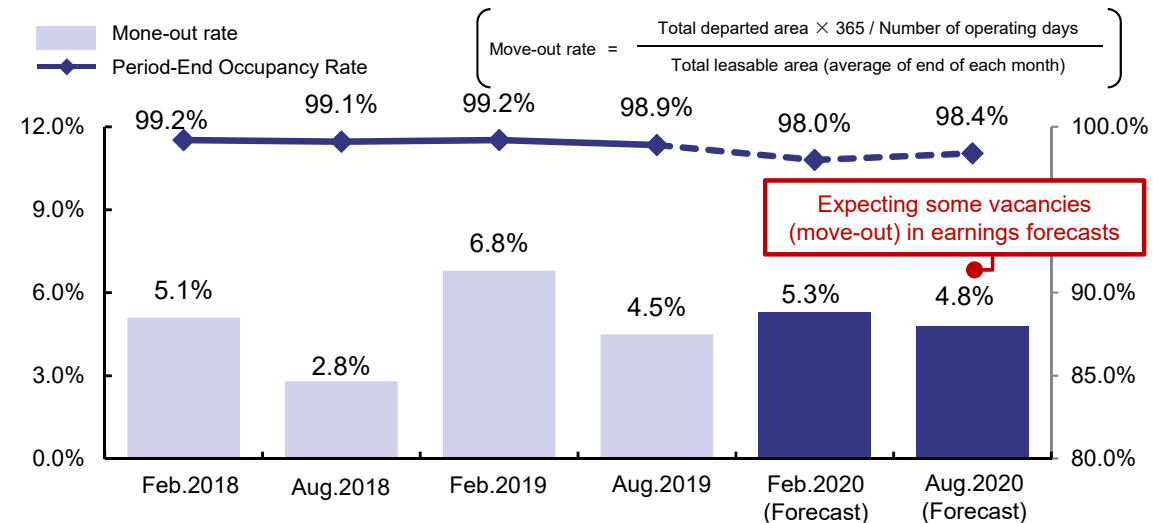
Average Rent^(Note 10) (month/tnsubo) and Rent Gap



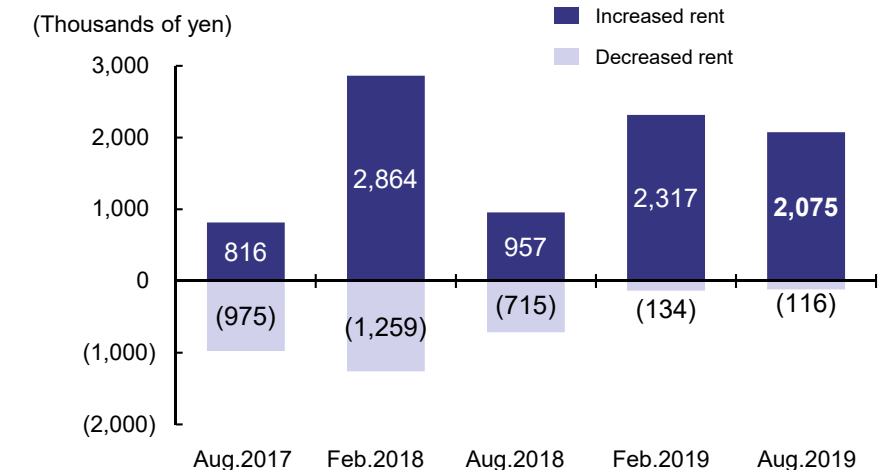
Increase Rate of Unit Rent Upon Tenant Replacement



Move-out Rate^(Note 11) (Annual rate)

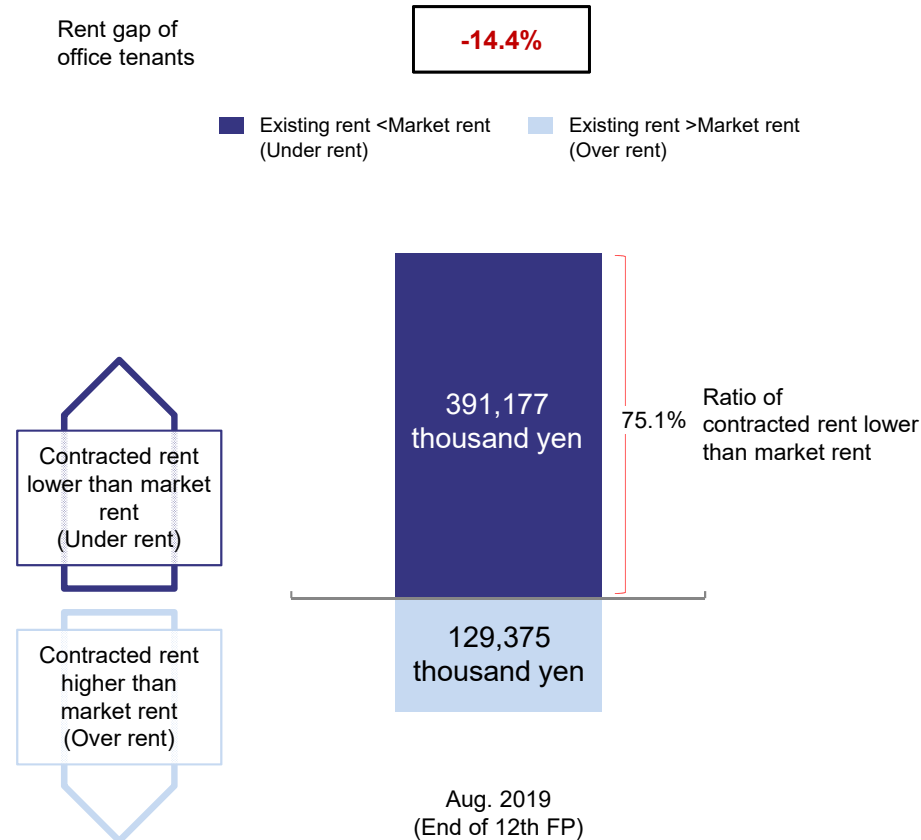


Amount of Change Upon Tenant Replacement (Based on monthly rent)



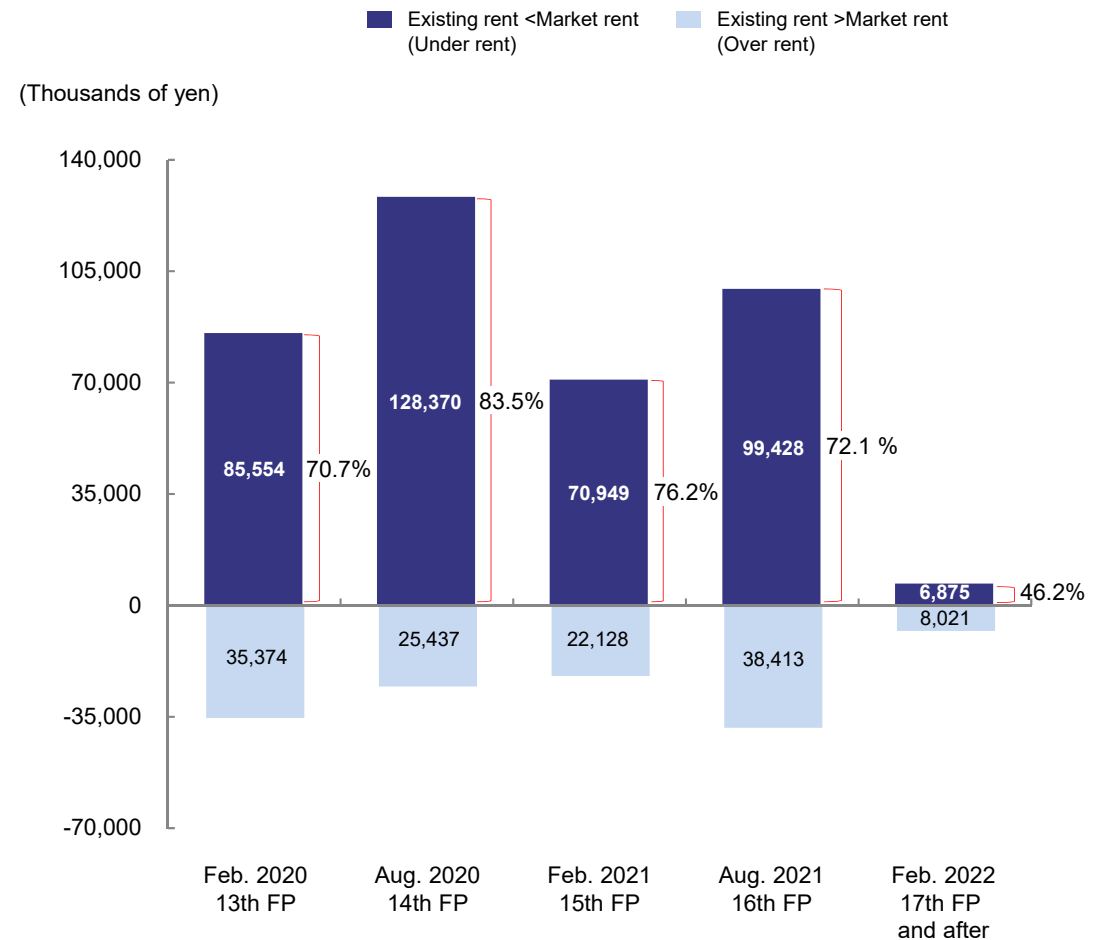
- Under rent tenants accounted for approximately 75% of total rent, expanding from the previous fiscal period when it was approximately 68%. One REIT is focused on increasing unit rent by starting negotiations for rent increase ahead of schedule.

Status of Contracted Rent and Market Rent



Status of Distribution by Period of Expiry of Contracts

(As of end of 12th FP (ended Aug.2019))



- The top 10 tenants occupy 14.3% of the portfolio's total leasable floor area, the average leased area of office tenants is approximately 92 tsubo, and the ratio of tenants occupying less than 200 tsubo is approximately 88%. One REIT has built a portfolio that is highly diversified.
- Moreover, while a large tenant renting a space comprising 480 tsubo moved out in September 2019, 373 tsubo of space has already been backfilled through the in-house expansions of two tenants.

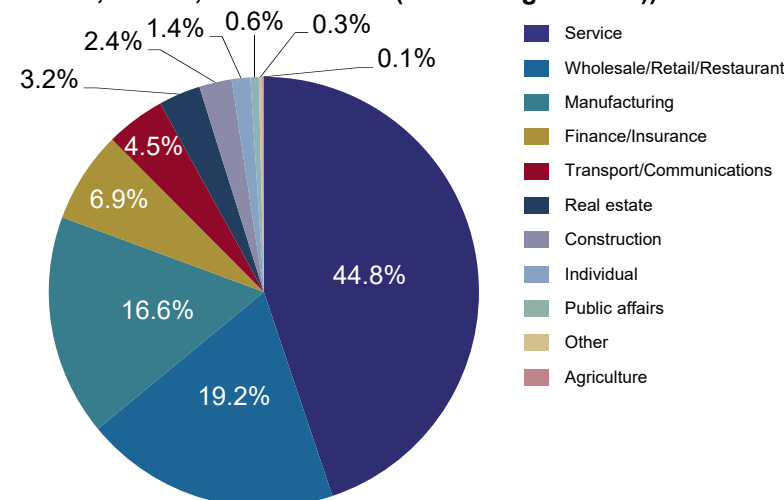
Status of Top Tenants After Acquisition of New Properties (End of 12th FP (ended August 2019))

	Name of tenant	Leased floor area (Tsubo) (Note 12)	% of total leasable floor area (Note 13)	Property occupied
1	TOHO Cinemas, Ltd.	1,731.84	3.6%	fab Minami-Osawa
2	Nakanihon Engineering Consultants Co., Ltd.	917.52	1.9%	ONEST Nagoya Nishiki Square
3	TDS Co, Ltd.	703.08	1.4%	36 Sankyo Building
4	Original Engineering Consultants Co., Ltd.	591.31	1.2%	ONEST Motoyoyogi Square
5	(undisclosed) ^(Note 14) Business type: information system-related	587.14	1.2%	Tokyo Parkside Building
6	Maxell, Ltd.	532.49	1.1%	ONEST Motoyoyogi Square
7	(undisclosed) ^(Note 14) Business type: information system-related	483.53	1.0%	Tokyo Parkside Building
8	Japan Patent Information Organization	480.17	1.0%	Tokyo Parkside Building
9	(undisclosed) ^(Note 14) Business type: automobile-related company	475.72	1.0%	ONEST Motoyoyogi Square
10	Kirindo Co., Ltd.	465.68	1.0%	Central Shin-Osaka Building Higobashi Center Building
Total of top 10 tenants		6,968.48	14.3%	

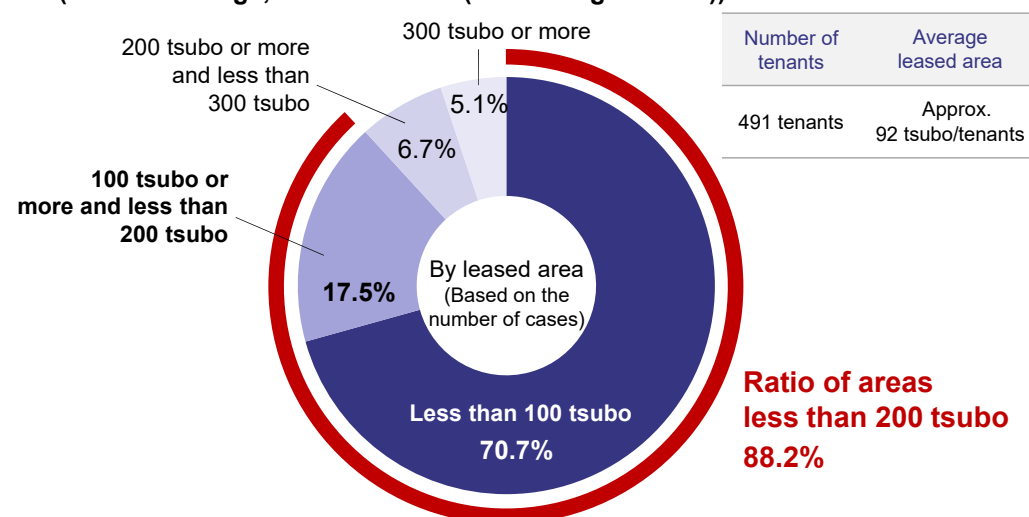
<Leasing status of Tokyo Parkside Building>

- Moved out as of September 30, 2019
- Of the cancelled area, 373 tsubo has already been filled through in-house expansions of two tenants.

Status of Distribution of Tenants by Business Type (Based on leased area, offices, end of 12th FP (ended August 2019))

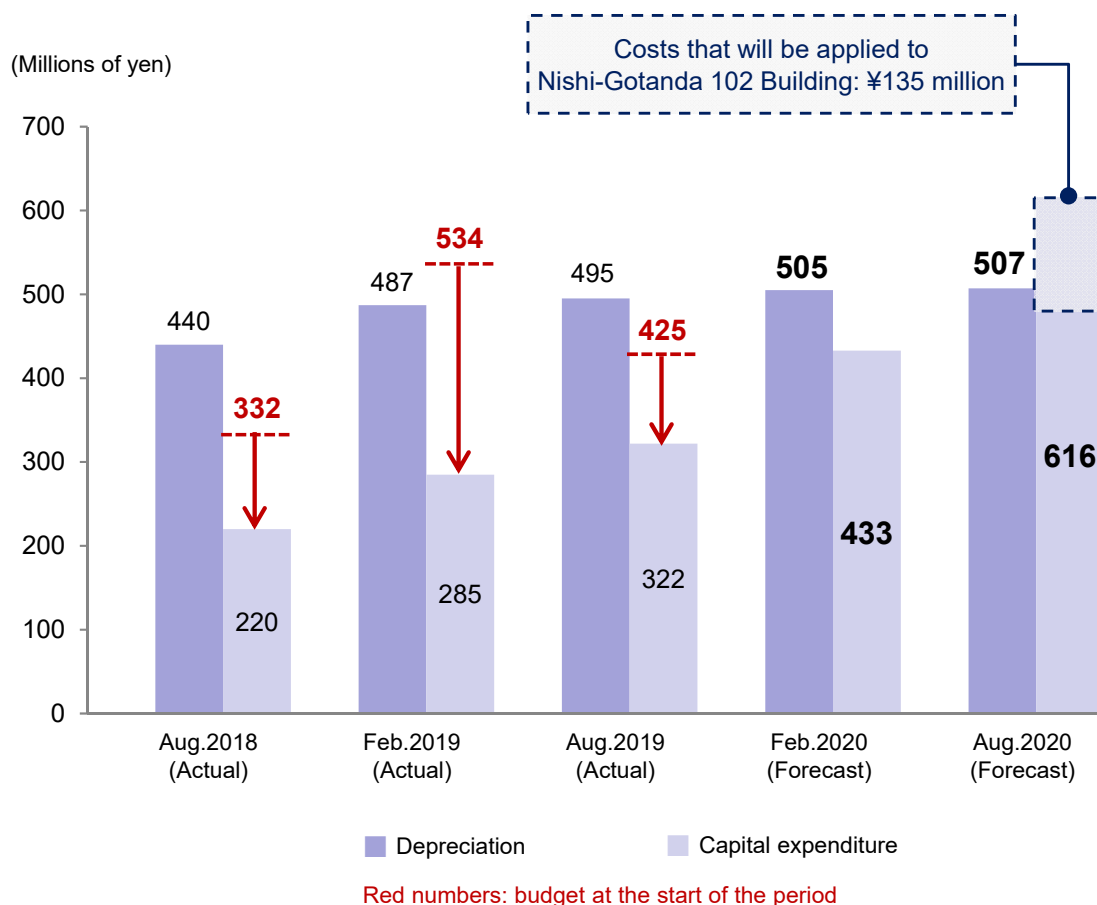


Status of Distribution of Tenants by Leased Area^(Note 15) (Office buildings, end of 12th FP (ended August 2019))



- In principle, One REIT has a policy to maintain the amount of its capital expenditure within a range of 80% to 90% of depreciation in each period, and strives to review the items upon construction work and reduce costs by obtaining competitive quotes, etc.
- However, when it is deemed that value enhancement work, etc., would have a large impact on rent increases or if there is an emergency, there may be cases when One REIT may plan for capital expenditure equal to or more than depreciation.

Depreciation and Capital Expenditure



Breakdown of Capital Expenditure Budget in the Thirteenth Fiscal Period (Ending February 2020)

Items on construction work	Amount of budget (Millions of yen)	Ratio
Value enhancement work	110	24.8%
Other than value enhancement work	334	75.2%
Total	444	100.0%

Breakdown of Capital Expenditure Budget in the Fourteenth Fiscal Period (Ending August 2020)




Items on construction work	Amount of budget (Millions of yen)	Ratio
Value enhancement work	134	22.0%
Other than value enhancement work	476	78.0%
Total	610	100.0%

Major Value Enhancement Work Plans^(Note 16)

- Renovation work of common space
ONEST Ueno Okachimachi Building, ONEST Ikebukuro East Building, Tokyo Parkside Building, Central Shin-Osaka Building, Nagoya Fushimi Square Building
- Mechanical security update and system renovation
Nishi-Gotanda 102 Building, Central Shin-Osaka Building

Acquisition of Assessment Certifications in “CASBEE for Real Estate”

- One REIT newly acquired certifications for 6 properties in the Tenth Fiscal Period (ended August 2018) and for 3 properties in the Eleventh Fiscal Period (ended February 2019). In the Twelfth Fiscal Period (ended August 2019) 1 property renewed its certification and 1 property newly acquired certification, each acquiring “Rank A” (Very Good).
- As a result, the number of properties which acquired “Rank A” (Very Good) increased to 11, accounting for 39.0% of the portfolio based on total floor area.

<p>Tenth Fiscal Period (ended August 2018) New recognition (6 properties)</p>	<ul style="list-style-type: none"> • Tachikawa Nishiki-cho Building • Yushima First Genesis Building • Hachioji SIA Building • Daido Life Omiya Building • ONEST Ikebukuro East Building • Nagoya Fushimi Square Building 	
<p>Eleventh Fiscal Period (ended February 2019) New recognition (3 properties)</p>	<ul style="list-style-type: none"> • Crescendo Building • Karasuma Plaza 21 • fab Minami-Osawa 	
<p>Twelfth Fiscal Period (ended August 2019) New recognition, renewal (1 property each)</p>	<ul style="list-style-type: none"> • (New) Tokyo Parkside Building • (Renewal) ONSET Kanda Square 	

- Properties which acquired “Rank A” in “CASBEE for Real Estate” (comparison with portfolio)^(Note 17)

11 properties/26 properties 39.0% (based on total floor area)

Acquisition of “Green Star” in GRESB Real Estate Assessment



- One REIT has acquired “Green Star” for the second consecutive year, as its initiatives for environmental considerations and sustainability were highly evaluated, including its policies that consider sustainability, corporate structure, and environmental certification acquisitions.
- We acquired the “2 Star” in the “GRESB Rating,” a relative evaluation of comprehensive scores.
- One REIT will engage in various issues to continue to acquire the “Green Star” and to improve its “GRESB Rating.”

- One REIT will aim for disciplined external growth while improving portfolio quality through asset replacement, given that a basic strategy of One REIT is “disciplined external growth considering the portfolio and financial structure.”

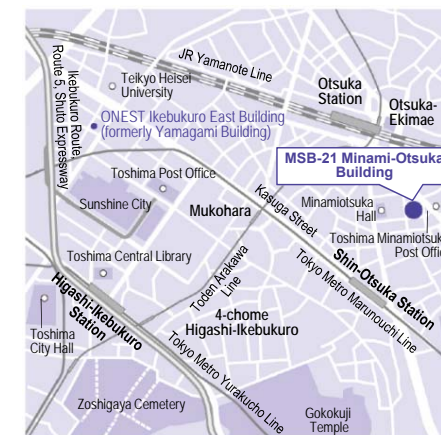
Efforts Based on Dialogue with Market

Continue “Asset Replacement” and Build Up Pipeline Properties

- ✓ Focusing again on “location” and “area” and maintaining the stance of “selective investment.”
- ✓ Consider the building ages and strictly select properties with building specifications that can be maintained, improved, or enhance value in the long term.
- ✓ Aim for early contribution to dividends after acquisition by conducting renewal work before acquisition by the Investment Corporation for properties in the pipeline.
- ✓ Select candidate properties for sale upon considering leeway to raise rent and future risks, etc., and return the realized unrealized gain to the unitholders through sale.
- ✓ Upon asset replacement, considerations will be made on the increase/decrease of NOI before and after the replacement, and leverage may be considered as well.

Asset size	Next Target: ¥200 billion (Mid-term target)
Investment area ratio	Improvement of Tokyo metropolitan area ratio (64.6% as of the end of the end of August 2019)

Overview of Property with Preferential Negotiation Rights: MSB-21 Minami-Otsuka Building



Location	Minami-Otsuka, Toshima-ku, Tokyo
Nearest Station	Approximately a five-minute walk from Otsuka Station on the JR Yamanote Line and Shin-Otsuka Station on the Toden Arakawa Line
Total Leasable Area^(Note 18)	4,123.03 m ²
Period Allowed for Sale	From September 1, 2020 to September 30, 2021
Minimum Purchase Price	3,900 million yen (excluding consumption tax)

<Property Characteristics>

- MSB-21 Minami-Otsuka Building has great traffic convenience as it is located within walking distance from Otsuka Station on the JR Yamanote Line and Shin-Otsuka Station on the Tokyo Metro Marunouchi Line, which gives it excellent access to Tokyo Station and Otemachi Station.
- In addition, the property has high building specifications with a ceiling height of 2,600 mm, an individual air-conditioning system, and seismic isolation structure. Stable tenant demand is expected.
- Eyeing future negotiations for rent increase, One REIT has scheduled renewal work of the common space, etc., during the handover period.

- The asset replacement on this occasion was suggested by our sponsor, Mizuho Trust & Banking, and was realized through a reciprocal transaction
- One REIT sold two “over rent” properties, “reducing future risk” while simultaneously aiming for “continuous growth of dividends” with the acquisition of Nishi-Gotanda 102 Building which has large “room for upside rent.”

Overview of Property Planned for Acquisition: Nishi-Gotanda 102 Building



Property name	Nishi-Gotanda 102 Building
Location	Nishi-Gotanda, Shinagawa-ku, Tokyo
Planned acquisition price	4,500 million yen
Appraisal value	4,970 million yen
Appraised NOI yield ^(Note 19)	4.71%
Total Leasable Area ^(Note 20)	4,350.47 m ²
Occupancy rate (as of August 31, 2019) ^(Note 20)	100.0%

<Property Characteristics>

- Multiple train lines are available around the asset to be acquired including Gotanda Station on the JR Yamanote Line and Toei Subway Asakusa Line. The location has great traffic convenience as it offers excellent access to Shibuya and Shinjuku as well as the Tokaido Shinkansen Line and Haneda Airport.
- Approximately 170 tsubo of exclusive area is secured per floor. Furthermore, the property has the capability to accommodate various tenant needs as its rental rooms enable tenants to determine layouts easily and even divide the space into smaller sections.

Overview of Asset Replacement

Reducing future risk

Achievement of
unrealized gains

Acquisition of upside



CP10 Building



MY Atsugi Building



Asset
Replacement



Nishi-Gotanda
102 Building

	Sale	
	CP10 Building	MY Atsugi Building
Use	Office building	Office building
Location	Taito Ward, Tokyo	Atsugi City, Kanagawa Prefecture
Planned sale/acquisition date	October 17, 2019	March 3, 2020
Planned sale/acquisition price (gain on sale/appraisal value)	¥3,400 million (¥139 million)	¥1,360 million (¥142 million)
Rent gap	Over rent (+5% or under)	Over rent (+10% or under)
Occupancy rate (as of August 31, 2019)	100.0%	97.1%

With the intent to standardize dividends (gain on sale), One REIT is splitting the sale period between the Thirteenth Fiscal Period (ending February 2020) and the Fourteenth Fiscal Period (ending August 2020)

Acquisition	
	Nishi-Gotanda 102 Building
	Office building
	Shinagawa Ward, Tokyo
	October 31, 2019
	¥4,500 million (¥4,970 million)
	Under rent (-20% or more)
	100.0%

- In September 2019, One REIT refinanced borrowings due for repayment valued at 16.7 billion yen, and significantly extended the average remaining period through its first-ever issuance of investment corporation bonds.
- LTV (against total assets) is planned to be operated in the 45-50% range. Borrowing capacity with LTV up to 50% is approximately 9.1 billion yen after refinancing.

Summary of Interest-Bearing Debt (after refinancing)

Balance of interest-bearing debt	Average interest rate	Fixed-interest borrowings rate	External credit ratings [JCR]
50,824 million yen	0.637%	88.2%	Single A (Stable)
LTV (Ratio of interest-bearing liabilities to total assets)	Borrowing capacity (LTV = up to 50%)	Average remaining period ^(Note 21)	Average procured years
45.9%	Approx. 9.1 billion yen	3.69 years	5.04 years

Overview of Refinancing

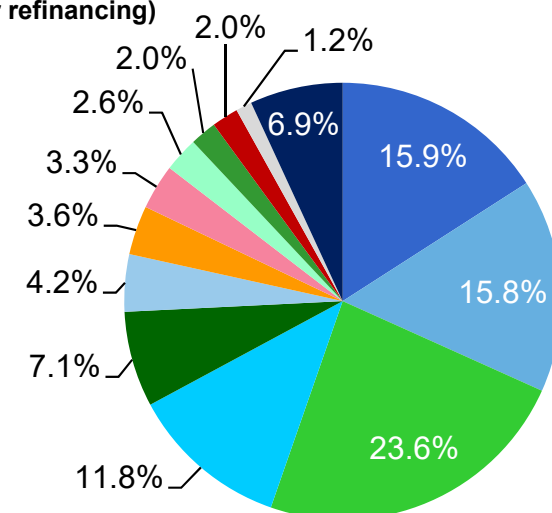
Borrowings due for Repayment in September 2019^(Note 22)

[Floating interest rate]		
• 1 year	¥2,700 million	0.315%
[Fixed interest rate]		
• 3 years	¥14,074 million	0.581%
[Total/average]		
• 2.7 years	¥16,774 million	0.538%

Procurement through Refinancing^(Note 22)

[Investment corporation bonds] (issued August 2019)		
• 5 years	¥1,500 million	0.400%
• 10 years	¥2,000 million	0.820%
[Fixed interest rate] (borrowed September 2019)		
• 5 years	¥4,000 million	0.510%
• 7 years	¥9,200 million	0.750%
[Total/average]		
• 6.7 years	¥16,700 million	0.669%

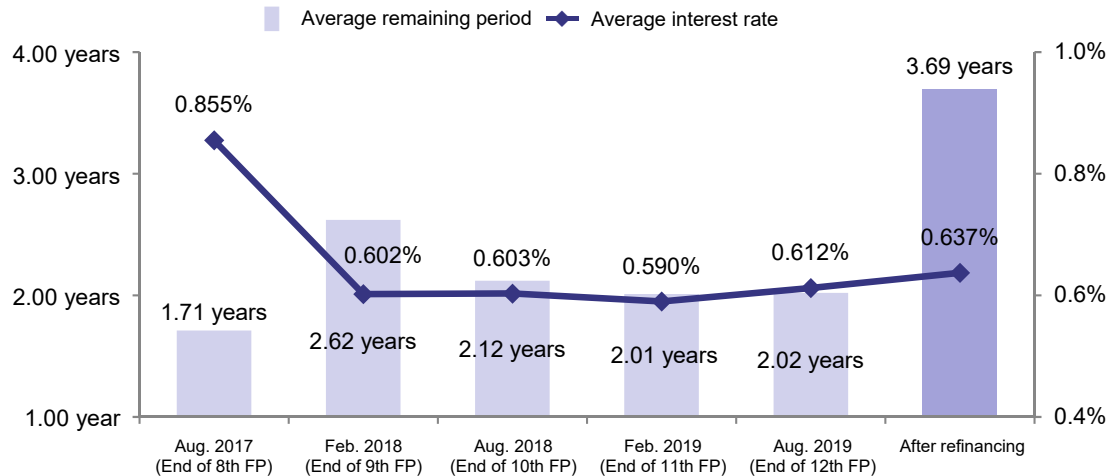
Composition of Interest-Bearing Liabilities (after refinancing)



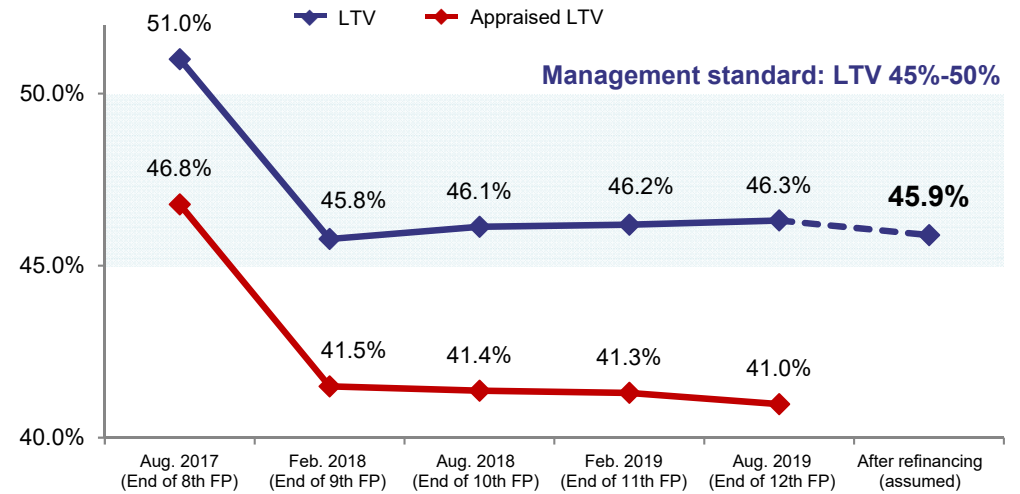
	(Millions of yen)
Mizuho Trust & Banking Co., Ltd.	8,086
Mizuho Bank, Ltd.	8,037
Sumitomo Mitsui Banking Corporation	12,000
Shinsei Bank, Limited	6,000
Resona Bank, Limited	3,600
Aozora Bank, Ltd.	2,150
The Bank of Fukuoka, Ltd.	1,850
The Mie Bank, Ltd.	1,700
The Nishi-Nippon City Bank, Ltd.	1,300
The Bank of Kyoto, Ltd.	1,000
Nippon Life Insurance Company	1,000
The Chugoku Bank, Ltd.	600
Investment corporation bonds	3,500
Total	50,824

- Considered the current interest rate environment and extended the average remaining period to approximately 3.7 years through refinancing of 16.7 billion yen of borrowings, which included the issuance of investment corporation bonds.
- With the extension of liabilities, the average interest rate rose slightly. However, various indicators such as LTV and fixed-interest borrowing rates are favorable.

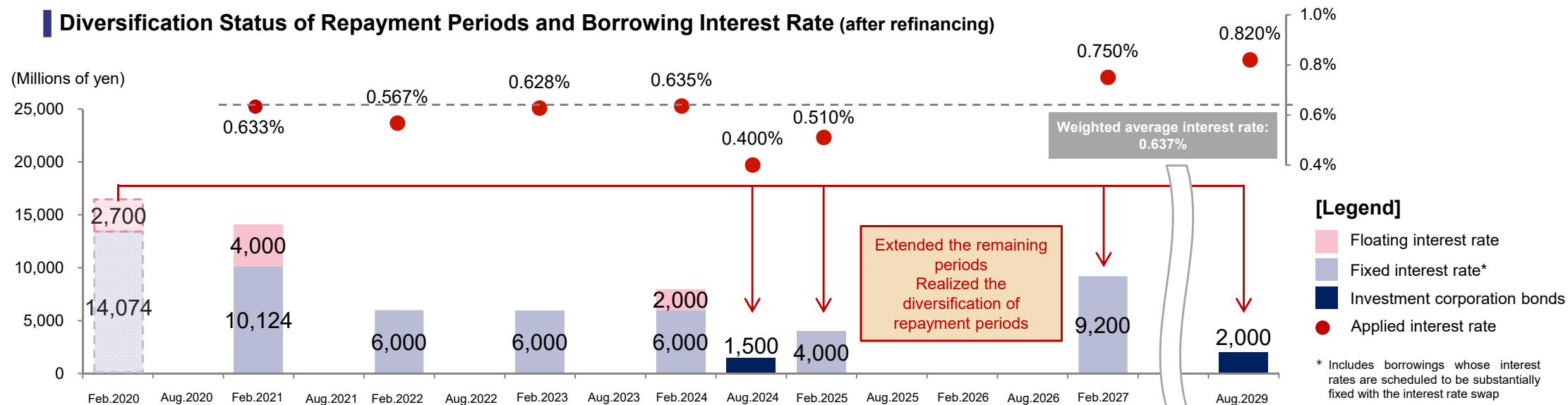
Average Interest Rate / Average Remaining Period



LTV and Appraised LTV (Note 23)



Diversification Status of Repayment Periods and Borrowing Interest Rate (after refinancing)



History of Initiatives Aimed at Increasing Unitholder Value (for assets)

Growth Strategy

September 2016 Public offering

October 2017 Asset replacement

August and September 2018 Asset replacement and public offering

October 2019, Asset replacement

Properties sold



- ① J Tower
- ② Fuchu City, Tokyo
- ③ ¥25.22 billion



- ① Niigata Higashibori-dori Parking Building
- ② Niigata City, Niigata Prefecture
- ③ ¥0.62 billion



- ① CP10 Building
- ② Taito Ward, Tokyo
- ③ ¥3.4 billion
- ① MY Atsugi Building
- ② Atsugi City, Kanagawa Prefecture
- ③ ¥1.36 billion

Properties acquired



- ① ONEST Motoyoyogi Square
- ② Shibuya Ward, Tokyo
- ③ ¥7.5 billion



- ① Daihakata Building
- ② Fukuoka City, Fukuoka Prefecture
- ③ ¥10.65 billion



- ① Crescendo Building
- ② Yokohama City, Kanagawa Prefecture
- ③ ¥2.46 billion



- ① Nishi-Gotanda 102 Building
- ② Shinagawa Ward, Tokyo
- ③ ¥4.5 billion



- ① ONEST Ueno Okachimachi Building
- ② Taito Ward, Tokyo
- ③ ¥2.7 billion



- ① Daido Life Omiya Building
- ② Saitama City, Saitama Prefecture
- ③ ¥3.0 billion



- ① Tokyo Parkside Building
- ② Koto Ward, Tokyo
- ③ ¥10.45 billion



- ① Nagoya Fushimi Square Building
- ② Nagoya City, Aichi Prefecture
- ③ ¥4.81 billion



- ① ONEST Ikebukuro East Building
- ② Toshima Ward, Tokyo
- ③ ¥2.2 billion



- ① Higobashi Center Building
- ② Osaka City, Osaka Prefecture
- ③ ¥8.93 billion

**Aiming to further
increase unitholder
value**

[End of 7th FP] (ended Feb. 2017)

Investment unit price (closing price)	193,400 yen
NAV per unit	249,000 yen
Multiplication ratio of NAV	0.78-fold

[End of 9th FP] (ended Feb. 2018)

Investment unit price (closing price)	246,500 yen
NAV per unit	259,000 yen
Multiplication ratio of NAV	0.95-fold

[End of 11th FP] (ended Feb. 2019)

Investment unit price (closing price)	273,900 yen
NAV per unit	268,000 yen
Multiplication ratio of NAV	1.02-fold

[End of 12th FP] (ended Aug. 2019)

Investment unit price (closing price)	309,000 yen
NAV per unit	273,000 yen
Multiplication ratio of NAV	1.13-fold

[legend] ① Property name, ② Location, ③ Sale/acquisition price (planned)

Notes (2)

3 Notes in Growth Strategy

- (Note 1) As for properties owned (hereinafter referred to as “Existing Properties”) as of the end of August 31, 2019, the appraisal value as of August 31, 2019, is listed. As for Nishi-Gotanda 102 Building, the appraisal value as of September 1, 2019, is listed. This applies hereinafter in this document.
- (Note 2) Occupancy rates as of August 31, 2019, are indicated for both Existing Properties and Nishi-Gotanda 102 Building. In the “Subtotal·Average” and “Total·Average” column, the weighted average of the above occupancy rates is indicated. Furthermore, information for Nishi-Gotanda 102 Building is indicated based on information provided by the seller.
- (Note 3) For Existing Properties, “building age” indicates the number of years elapsed from the completion of each owned asset to the end of August 2019, and for Nishi-Gotanda 102 Building it indicates the number of years elapsed from its completion to October 31, 2019, the planned acquisition date. In the “Total·Average” column, the weighted average of the building age of each owned asset of Existing Properties is calculated based on acquisition price.
- (Note 4) Yields are based on acquisition price, are annualized according to the number of operating days in each operating period and are rounded to the first decimal place. The same calculation method and display format are applied hereafter in this document.
- (Note 5) Occupancy rates based on earnings forecast are calculated based on the assumptions of the earnings forecast and may vary due to the progress in leasing, new move-out of tenants and other factors.
- (Note 6) Period-average CF occupancy rate is calculated with the following formula and is rounded to the first decimal place:
Period-average CF occupancy rate (%) = (Sum of total leased floor area at end of each month – Area subject to free rent in target operating period) / Sum of total leasable floor area at end of each month
- (Note 7) The average occupancy rate during the period (%) is calculated with the following formula and is rounded to the first decimal place: Sum of total leased floor area at end of each month / Sum of total leasable floor area at end of each month.
- (Note 8) “Tenant renewal rate” indicates the ratio of tenants that conducted contract renewals among tenants whose contracts had expired during the Twelfth Fiscal Period. It is calculated based on leased area and rounded to the first decimal place.
- (Note 9) The departed area for the 13th FP(ending February 2020) is based on the earnings forecast as of the date of this document and may differ from the actual departed area.
- (Note 10) “Average rent” is calculated by dividing the sum of each tenant’s monthly rent and the common space charges indicated in their lease agreements by the leased floor space and does not include floor area in which lease agreements are yet to begin or where lease agreements are not yet concluded.
- (Note 11) The office move-out rate targets assets classified as offices from among assets owned by One REIT, is calculated using the following formula and is rounded to the first decimal place: Move-out rate (%) = (Total departed area in the target operating period ÷ Average leasable floor area as of the end of each month during the targeted operating period) X 365 ÷ Number of operating days in the target operating period. The same calculation method and display format are applied hereafter in this document.
- (Note 12) “Leased floor area” column shows the floor area indicated in the lease agreements concluded with each tenant effective as of the end of the Twelfth FP (ended Aug. 2019). Parking spaces and land provided for other uses are not included.
- (Note 13) The “% of total leasable floor area” column shows each tenant’s percentage of the total leasable floor area of all the assets One REIT owns and is rounded to the first decimal place.
- (Note 14) The information is undisclosed as consent for disclosure has not been obtained from either of the tenants.
- (Note 15) As for the status of distribution by leased area, each ratio is calculated with the number of tenants occupying each office building. Tenants occupying multiple properties are calculated as a single tenant.
- (Note 16) The plan is as of the date of this document and the content of construction work may be changed or cancelled due to revision of plans in the future and other factors.
- (Note 17) This is calculated based on the portfolio status as of the end of the Twelfth Fiscal Period (ended August 2019).
- (Note 18) Status as of the end of September 2019 is indicated based on information provided by the party One REIT acquired the preferential negotiation rights from.
- (Note 19) “Appraised NOI yield (%) = net operating income (NOI) recorded under “working balance, income price through direct capitalization method” of the appraisal report ÷ acquisition price” and is rounded to the first decimal place.
- (Note 20) Both are indicated as of August 31, 2019 based on information provided by seller.
- (Note 21) The average remaining period is calculated by seeking the weighted average of remaining period as of the end of September 9, 2019, according to the balance of interest-bearing debt and is rounded to the second decimal place.
- (Note 22) The interest rate indicated for “Loans Payable as of September 2019” is the interest rate used when repaying debt, while the interest rate indicated for “Procurement through Refinancing” is the interest rate at the issuance of investment corporation bonds and the interest rates that have been substantially fixed with the interest rate swap.
- (Note 23) Appraised LTV is calculated with the following formula and is rounded to the first decimal place:
Appraised LTV (%) = Period-end balance of interest-bearing debt / (Period-end total assets + Unrealized gain)

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4 Appendix

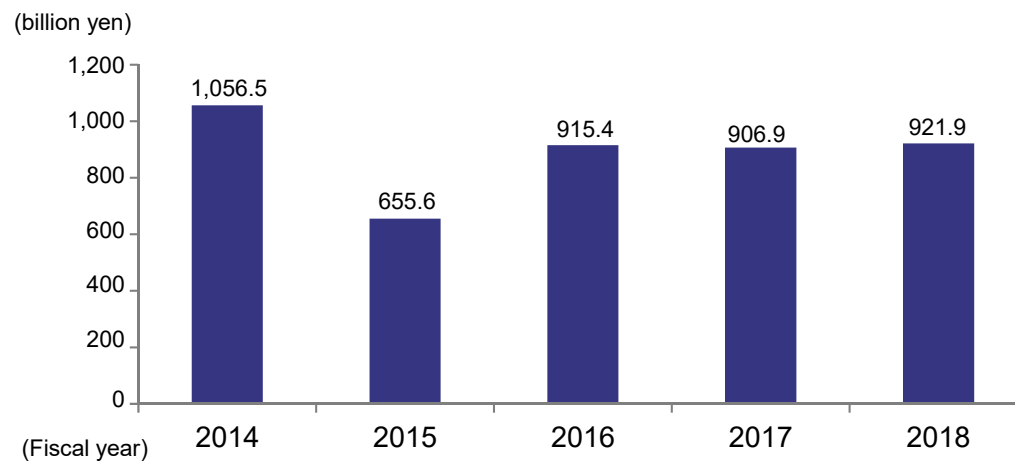


- Mizuho Trust & Banking provides diverse solutions for real estate businesses such as real estate brokerage, real estate asset management, and financial advisory, and has a reputation as one of the strongest players in the Japanese real estate market.

Overview of Mizuho Trust & Banking Co., Ltd.

Name	Mizuho Trust & Banking Co., Ltd.
Address	1-2-1 Yaesu, Chuo-ku, Tokyo
Representative	Tetsuo Iimori, President & CEO
Line of Business	Trust services, banking services
Established	May 9, 1925
Large shareholder and shareholding ratio	Mizuho Financial Group, Inc.: 100% (excluding treasury stock)

Real Estate Brokerage Business



Overview of Support by Mizuho Trust & Banking Co., Ltd.

External growth support
Internal growth support

- ▶ Share information about assets in the market that meets One REIT's investment strategy
⇒ Increase AUM and improve portfolio quality
- ▶ Provide know-how about bridge fund
⇒ Future pipeline of asset acquisition
- ▶ Advise and support on asset acquisition and asset management, support on planning of leasing strategy
⇒ Acquire AM know-how and improve portfolio profitability
- ▶ Provide information about potential tenant
⇒ Maintain and improve occupancy rate
- ▶ Provide information about real estate market update
⇒ Improve investment strategy

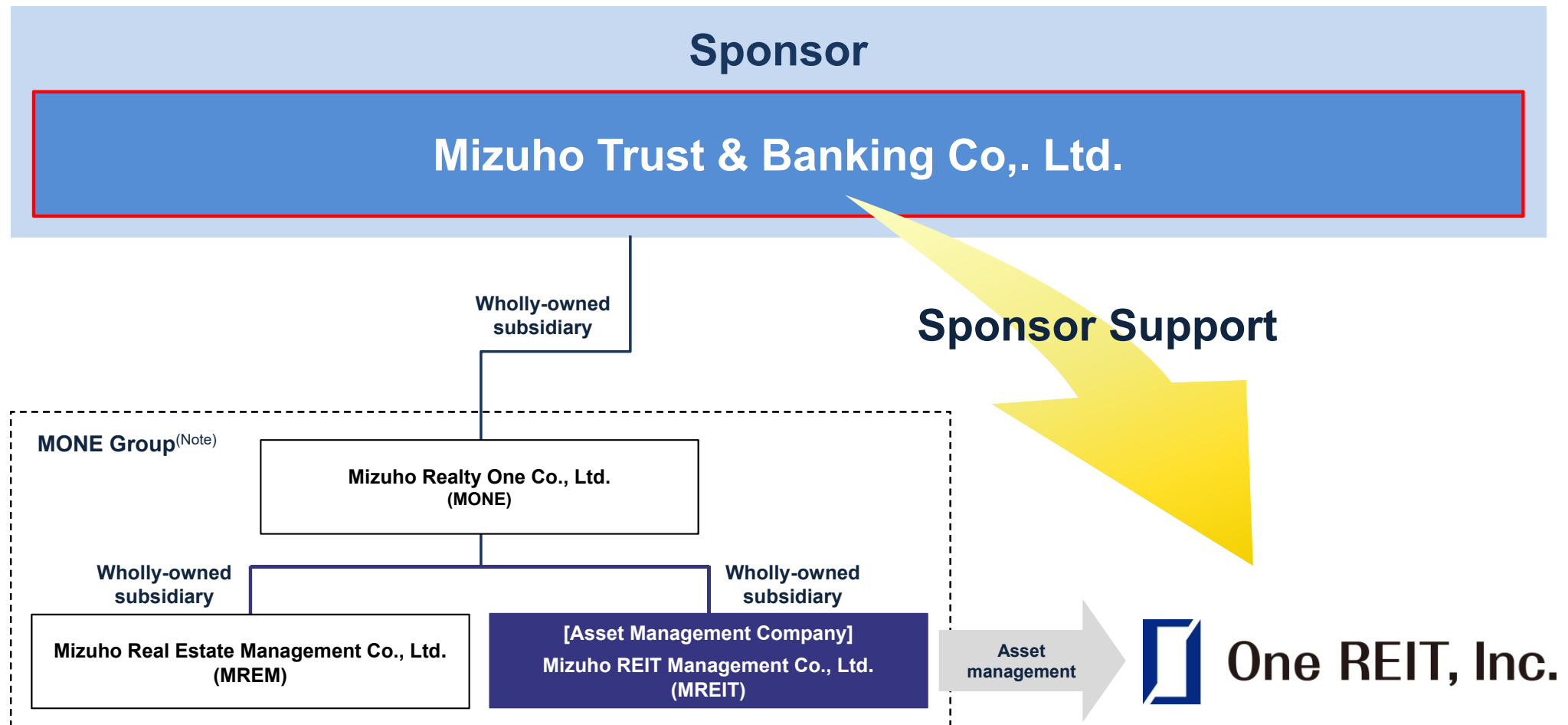
Financial strategy support

- ▶ Advise on financing structure such as ① debt financing, ② formation of syndicate banks
⇒ Improve financial structure and strengthening lender formation
- ▶ Advise and support about financing
⇒ Improve financial stability

Other support

- ▶ Same-boat investment
⇒ Share interests with unitholders
- ▶ Cooperative structure of sending experienced directors and employees to pursue investment management
⇒ Build an effective structure for growth of One REIT

- Aim to achieve sustainable and stable growth by utilizing sponsor support from Mizuho Trust & Banking



(Note) Mizuho REIT Management Co., Ltd. (the Asset Management Company), Mizuho Realty One Co., Ltd. and Mizuho Real Estate Management Co., Ltd. are collectively referred to as the MONE Group.



Mizuho Real Estate Management Co., Ltd. (MREM)		Mizuho Realty One Co., Ltd. (MONE)		Mizuho REIT Management Co., Ltd. (MREIT)	
Line of business	Real estate investment advisory services for investors in Japan and abroad	Administration of subsidiaries		Management of the Investment Corporation's assets	
Established	September 10, 2007	October 28, 2015		July 1, 2005	
Capital	¥100 million	¥100 million		¥50 million	
Representative	Kazuma Oe, President and Representative Director	Kazuma Oe, President and Representative Director		Koji Hashimoto, President and Representative Director	
Address of head office	Urbannet Nihonbashi 2-chome Building 4th Floor, 2-1-3 Nihonbashi, Chuo-ku, Tokyo	Urbannet Nihonbashi 2-chome Building 4th Floor, 2-1-3 Nihonbashi, Chuo-ku, Tokyo		Urbannet Nihonbashi 2-chome Building 4th Floor, 2-1-3 Nihonbashi, Chuo-ku, Tokyo	
No. of directors/employees	47 (as of October 1, 2019) ^(Note)	26 (as of October 1, 2019) ^(Note)		29 (as of October 1, 2019) ^(Note)	
Membership	Japan Investment Advisors Association			The Investment Trusts Association, Japan	
Licenses, etc.	1. Financial Instruments Business Operator (Type II Financial Instruments Business; Investment Advisory and Agency Business; Investment Management Business): Kanto Financial Bureau (Kinsho) No.1915			1. Real Estate Brokerage License: Issued by the Governor of Tokyo (3), No.84787 2. Financial Instruments Business Operator (Investment Management Business): Kanto Financial Bureau (Kinsho) No.342 3. License No. 46 issued by the Minister of Land, Infrastructure, Transport and Tourism (Trading Agency Etc., License)	

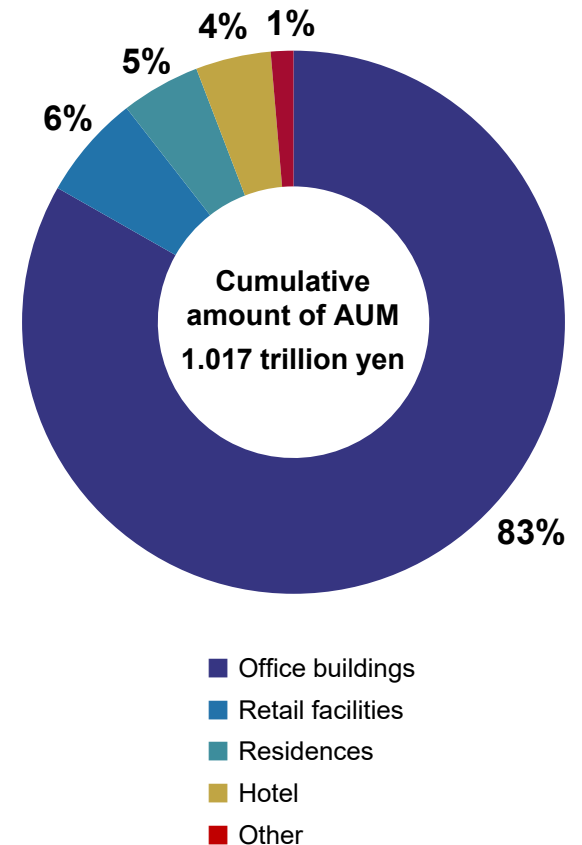
(Note) Includes full time auditors, contracted employees and employees on postings from other companies, and excludes outside directors and temporary staff. Includes members holding concurrent positions among MONE Group companies.

- Real estate investment and fund management record with an asset size of over 1.017 trillion yen since its founding in 2002

History

2002	June	Nikko Cordial Securities Inc. (at the time) and Simplex Holdings Inc. establish Simplex Investment Advisors Inc. (former SIA) to offer real estate investment advisory services
2005	June	Former SIA listed on Tokyo Stock Exchange Mothers market
	July	Simplex REIT Partners Inc. (SRP; currently Mizuho REIT Management Co., Ltd.) established for entry into the J-REIT market
2007	September	Simplex Real Estate Management Inc. (SRM; currently Mizuho Real Estate Management Co., Ltd.) established for the purpose of splitting up real estate investment advisory services
	November	Takeover bid of former SIA shares by the Aetos Group and Goldman Sachs Group completed
2011	February	Financial base strengthened through public offering with Aetos Group's underwriting and long-term refinancing with financial institutions; the Aetos Group acquired shares of SIA formerly held by the Goldman Sachs Group at the same time, becoming the sole shareholder.
2013	October	SIA REIT (currently One REIT, Inc.) listed on the J-REIT section of the Tokyo Stock Exchange
2015	December	Mizuho Trust & Banking acquired all of the shares of SRM and SRP through its subsidiary Simplex Investment Advisors Inc. (SIA; currently Mizuho Realty One Co., Ltd.) ^(Note 1)
2018	January	Trade name of SRP was changed to Mizuho REIT Management Co., Ltd.

Fund Formations and Management (cumulative)^{(Note 2), (Note 3)}



(Note 1) The trade name is the same as the former SIA but they are different companies.

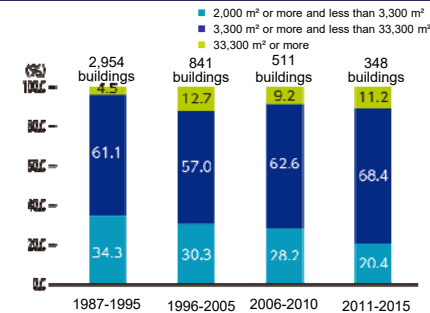
(Note 2) Indicates fund formation and management records in MONE Group (includes Simplex Investment Advisors Inc. which seceded from the sponsor of One REIT on November 30, 2015) which was invested in by investors other than MONE Group from the establishment in 2002 through the end of September 2019. The figures are calculated from the cumulative amount of acquisition prices as of the end of September 2019.

(Note 3) Includes funds that have ended and have refunded equity interests.

1 Portfolio Focusing on Middle-Sized Office Buildings^(Note) as the Core Investment Target

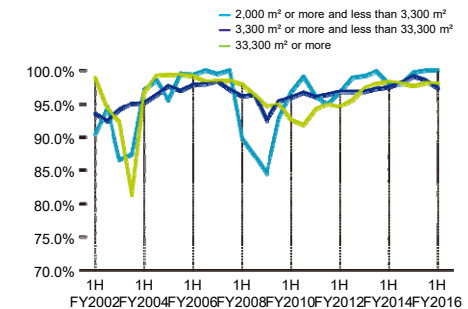
- A large number of middle-sized office buildings, the core investment target of One REIT, are located in the 23 wards of Tokyo, and One REIT believes that such buildings have a relatively large market scale and hold abundant acquisition opportunity.
- Middle-sized office buildings maintain a stable occupancy rate over the medium to long term. One REIT believes that middle-sized office buildings are an asset class from which stable profits can be expected while sufficiently utilizing the knowledge and experience of the Asset Management Company, and has set such buildings as a core investment target.

Number of Construction Starts by Scale
(23 wards of Tokyo)



(Source) Created by the Asset Management Company based on the material created by Urban Research Institute Corporation based on the "Tokyo Metropolitan Government Annual Statistics Report on Construction."

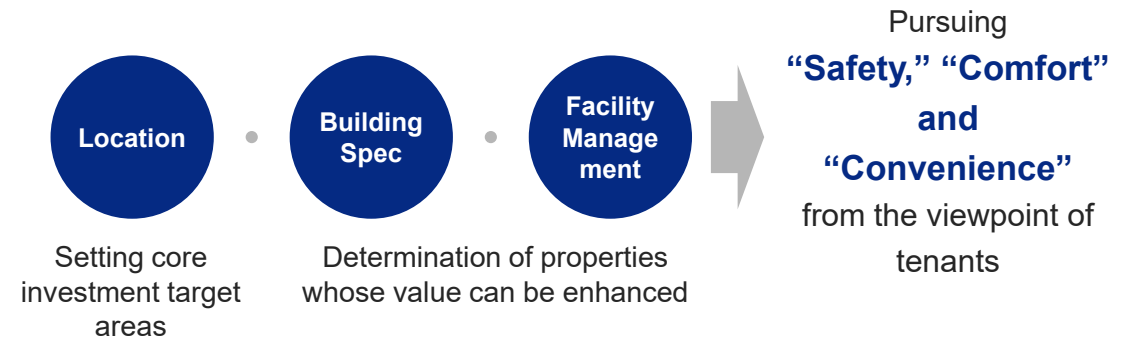
Stable Occupancy Rate over the Medium Term



(Source) Created by the Asset Management Company based on the material created by Urban Research Institute Corporation based on "ReiTREDA."

2 Pursuit of Essential Values of Real Estate—"Location" and "Building Specification"

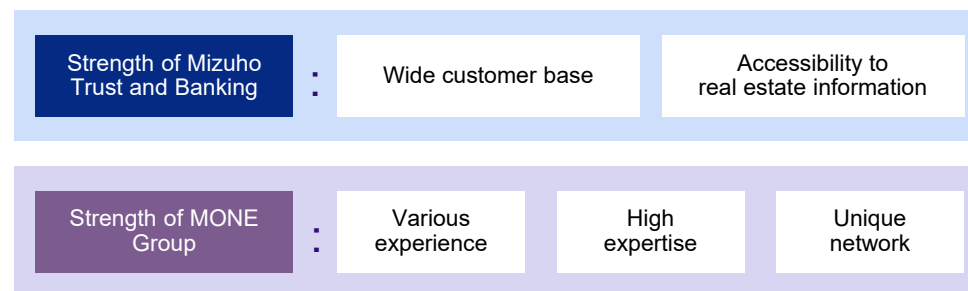
- One REIT believes that most of the essential values of real estate are dependent on "location" and "building specification (functionality, design, etc.)"
- One REIT will invest in carefully selected properties with high building specification situated at locations with high tenant needs and pursue the maintenance and improvement of building specifications over the long term with an aim to create buildings chosen by tenants by taking into consideration "safety," "comfort" and "convenience" from the viewpoint of tenants.



(Note) "Middle-sized office" refers to medium or medium-large-scale office buildings whose total floor area is within the range of 3,300 m² (approximately 1,000 tsubo) to 33,000 m² (approximately 10,000 tsubo) and with certain specifications that satisfy the needs of tenants.

3 Utilization of Abundant and High-Quality Property Information Obtained by Utilizing the Strength of Sponsors

- One REIT utilizes Mizuho Trust & Banking's wide customer base, information network and unique accessibility to real estate information as well as MONE Group's various experience on real estate investment and management, high expertise and unique network.
- One REIT aims to form a high-quality portfolio by widely obtaining high-quality information at an early stage from the viewpoint of properties and accuracy of sales and connecting it to the acquisition of properties against the backdrop of responding to various needs for utilization and sales of real estate.



4 Construction of Stable Financial Base and Strict Internal Control and Risk Management System under Financial Sponsors

- Building a stable financial base with a lender formation centering on Mizuho Trust & Banking, the sponsor, and Mizuho Bank, Ltd.
- Managing conflict-of-interest transactions, information, etc. based on strict rules utilizing know-how at financial institutions.

Efforts on Conflict-of-Interest Transactions

- ✓ Under the interested parties transaction rules, the Asset Management Company will define interested parties^(Note) broader than what is determined as interested parties by the Act on Investment Trusts and Investment Corporations as well as the Order for Enforcement of the Act on Investment Trusts and Investment Corporations.
- ✓ The Compliance Committee conducts reviews in light of the opinions of external members, lawyers that have no conflict of interest with the Asset Management Company. Moreover, there are strict operational procedures, as support from two-thirds of the members at a meeting, including support from external members, are required to make resolutions.

(Note)

① The Asset Management Company or directors/employees of the Asset Management Company

② The Asset Management Company's shareholders

③ Interested parties, etc., determined by the Order for Enforcement of the Act on Investment Trusts and Investment Corporations, other than ① and ②

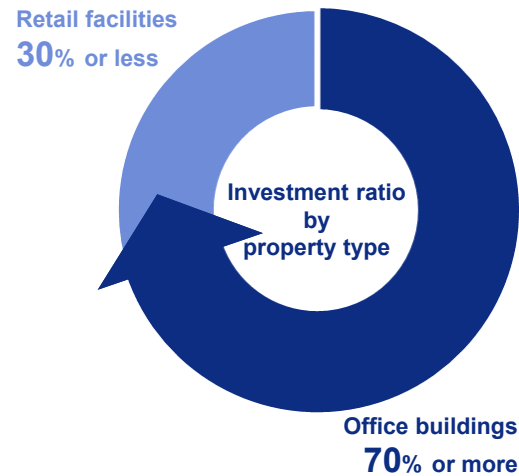
④ Corporations to which those who correspond to ① or ③ conduct the majority of investments, silent partnership of equity investments, or preferred equity investments.

⑤ Corporations that have contracted asset management operations to those who correspond to ① through ③

⑥ Corporations in which executives of the Asset Management Company also hold an executive position

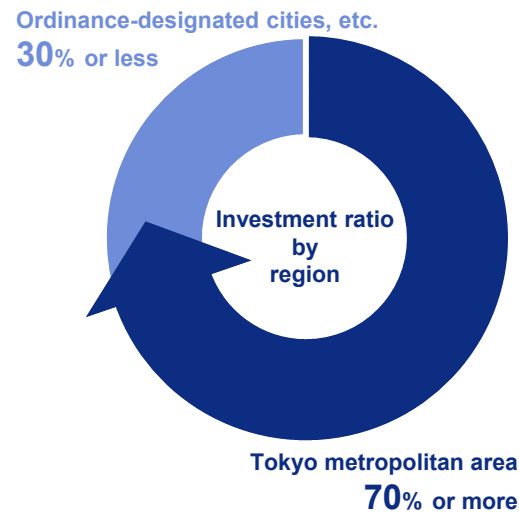
Investment Ratio by Property Type^(Note)

We will build a portfolio intending to diversify the investment target by considering middle-sized office buildings as the core investment target and also incorporating office buildings other than middle-sized office buildings as well as urban retail facilities.

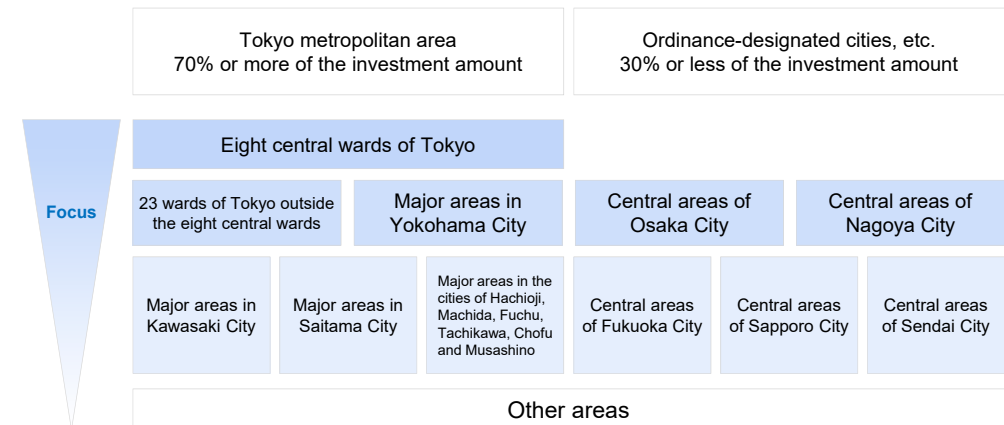


Investment Ratio by Area^(Note)

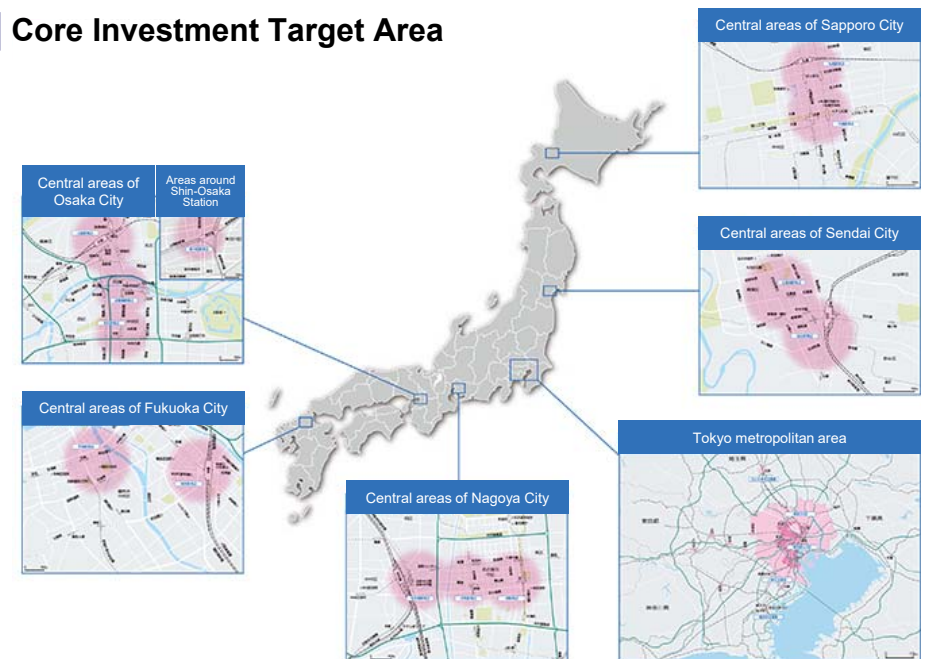
We intend to build a portfolio considering regional diversification by including ordinance-designated cities or their equivalent where certain rental demand is expected in the investment target while focusing on investments in the Tokyo metropolitan area where stability is expected.



Investment Area



Core Investment Target Area



(Note) Investment ratio is based on acquisition price and consumption tax and other expenses related to acquisitions are excluded. Moreover, ratios may temporarily differ from the abovementioned percentage as a result of acquisition or sale of real-estate related assets.

Basic Stance

Managing financial products with the “idea of manufacturing”

Creating Value, and More

What Is the “Idea of Manufacturing?”

- Deciding and realizing policies based on accumulated experience and teamwork by viewing and considering things from the viewpoint of external appearance, functionality, interior, facilities, usage, cost and many other positions by not only devoting efforts to manufacturing but also aiming to be appreciated by people engaged in manufacturing.
- Creating not only visible values but also real estate that bring about powerful impressions, trust and appreciation.

The Concept Behind “and More”

- To not just simply increase the value of properties and see that tenants are satisfied but also create “values” for people related to the scheme, real estate market and investors through sufficient consideration.
- Through these efforts, we believe that we can build a long-term relationship with people related to the scheme, contribute to the real estate market and maximize unitholder value.

Our Thoughts in “One”

One REIT aims to maximize unitholder value by understanding the value within the corporate philosophy of “No. 1 credibility,” “No. 1 service provision,” and “No. 1 group capability” set by Mizuho Financial Group to which the sponsor (Mizuho Trust & Banking Co., Ltd.) belongs as universal, and sharing value in “One” between One REIT, the Asset Management Company and sponsor.

In addition, in naming our company “One REIT Investment Corporation,” we reflected the idea of being “Unique,” or the “Only One” in the J-REIT market where competition is intensifying

Significance of Logo



The two curving lines forming the mark represent a square scale, which is an important tool of temple and shrine carpenters and derived from One REIT’s basic stance on the “idea of manufacturing.” The two square scales facing one another resemble “real estate” and “finance” and show that “real estate” and “finance” are integrated elements.






In addition, the slit from the lower left to the upper right shows “continuous growth and development” and expresses One REIT’s will to contribute not only to the sustainable growth of unitholder value but also to sound growth and development of the real estate market by providing added value to various stakeholders including society through asset management based on the “idea of manufacturing.”

Disclosure of Policy for Consideration of Sustainability

The policy for consideration of sustainability was disclosed on One REIT's website
<http://www.one-reit.com/ja/environment/index.html>

1. Promotion of energy saving	We will promote operation that saves electrical power and which makes energy use effective, plan to introduce facilities that contribute to energy saving and contribute to the real estate sector's reduction of energy use and greenhouse gas emissions.
2. Promotion of effective use of resources	We will promote operational efforts related to saving water and reducing waste and contribute to a recycling-oriented society.
3. Compliance	We will observe laws and regulations concerning environment, society and governance while appropriately managing the risks such as from changes in regulations.
4. Cooperation with parties within and outside the company	We will continue to educate our employees as well as cooperate with related parties in a way that promotes environmental consideration in order to execute the policy for sustainability.
5. Disclosure of information	We will make efforts to disclose our policy concerning sustainability and status of activities to investors and other related parties.

Environment

Acquisition of Environment-Related Assessment and Certification	Energy-Saving Efforts	Other Efforts in Operation and Management						
<p>Acquisition of Assessment Certification in "CASBEE for Real Estate"</p>  <p>11 properties out of the 26 properties owned by One REIT acquired "Rank A" (Very Good), as of the end of August 2019</p>	<p>Promotion of energy saving in updates of air conditioning-related equipment</p> <table> <tr> <th>Name of Property</th><th>energy-saving effects</th><th>Effects of reduction^(Note)</th></tr> <tr> <td>Karasuma Plaza 21</td><td> <ul style="list-style-type: none"> Reduction of CO₂ emissions, etc. Reduction of water consumption </td><td>Approx. 22% reduction per year</td></tr> </table> <p>(Note) The reduction of energy costs indicated is that which is estimated by the Asset Management Company and may differ from the actual rate of reduction.</p>	Name of Property	energy-saving effects	Effects of reduction ^(Note)	Karasuma Plaza 21	<ul style="list-style-type: none"> Reduction of CO₂ emissions, etc. Reduction of water consumption 	Approx. 22% reduction per year	<p>Introduction of paperless meeting system</p> <ul style="list-style-type: none"> The paperless meeting system used by Mizuho Trust & Banking, one of the sponsors, was introduced for the meetings of One REIT and the Asset Management Company, thereby promoting conservation of resources.
Name of Property	energy-saving effects	Effects of reduction ^(Note)						
Karasuma Plaza 21	<ul style="list-style-type: none"> Reduction of CO₂ emissions, etc. Reduction of water consumption 	Approx. 22% reduction per year						
<p>Acquisition of GRESB Real Estate Assessment</p>  <p>Acquired "Green Star" assessment for the second consecutive year, upon being highly evaluated in the 2019 GRESB Real Estate Assessment</p>	<p>Promoting installation of LED lighting in common spaces</p> <ul style="list-style-type: none"> Yushima First Genesis Building, ONEST Nakano Building and ONEST Ikebukuro East Building 	<p>Efforts concerning printing (paper and ink)</p> <ul style="list-style-type: none"> Used environmentally friendly paper and ink for the asset management report distributed to unitholders 						

Social

Efforts in Personnel Training (Human Resources Development)

- In the Mizuho Realty One Group (MONE Group) in which the Asset Management Company belongs, the personnel/management base, including the employment and education of professional personnel, is being enhanced for the sophistication of management and provision of high added value to customers.
- As part of these efforts, professional personnel with advanced certificates that are useful for the MONE Group are being employed and support is given to employees for their education and acquisition of certificates.
- With regards to the status of efforts of the Asset Management Company aimed at implementing customer-based business operation including the sophistication of management through personnel training, we promptly disclosed “Efforts on Fiduciary Duty at Mizuho REIT Management Co., Ltd.” on the website of the Asset Management Company. <https://www.mizuho-reit.co.jp/interim-report-on-the-progress-of-the-fy2017-action-plan-initiatives-for-the-fulfillment-of-mizuho-reit-management-co-ltd-s-fiduciary-duties/>

Number of Major Qualified Persons in the MONE Group^(Note 1)

Real estate transaction agent (real estate notary)	45	Energy manager	3
ARES certified master	24	Real estate appraiser	3
First-class architect	8	Certified public accountant	3
Building administrator	8	Securities analyst	3
Facility manager	4	Besides the above there are other employees qualified in real estate and finance	
First-class construction work operation and management engineer	4		

(Note 1) The status as of October 1, 2019 is indicated.
For details of qualified persons please visit the MONE Group's website:
<https://www.mizuho-realtyone.co.jp/en/group/#about01>

Governance

Construction of a System that Aims to Align with Unitholder Interest

Sponsors' funding of One REIT

- Mizuho Realty One Co., Ltd., a sponsor, holds 22,530 units in One REIT (9.39% of outstanding number of investment units)^(Note 2).
- The investment units have continually been held without them being sold.

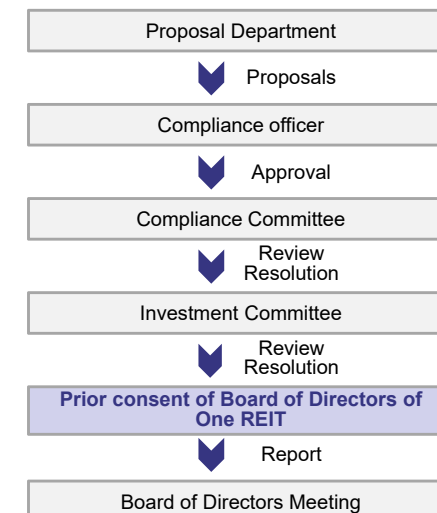
Introduction of Cumulative Investment Unit Investment Program

- The Cumulative Investment Unit Investment Program was started in November 2014 with the aim of deepening awareness among executives and staff of the MONE Group of the sustained growth of One REIT.

Aim to align the interest of unitholders to the interest of sponsors and employees

Decision-Making Process that Contributes to the Protection of Unitholder Interest

- When an issue pertains to a transaction with an interested party, prior consent from One REIT's Board of Directors must be obtained in addition to resolutions by the Compliance Committee and the Investment Committee.
- In light of the fact that the Asset Management Company is a member of a financial institution group, the same rule is applied not only for issues of acquisition and sale of assets but also of borrowing of funds and underwriting of investment units.



(Note 2) The ownership ratio is calculated based on the number of investment units issued and outstanding as of the date of this document (239,908 units).

- Aims to form and promote brand strategies and create optimum added value for tenants and unitholders

Brand name

ONEST

(“ONE” (uniqueness, oneness) + “BEST” (greatest)) × “HONEST”

One REIT intends to contribute to the improvement and development of existing building stock by defining specifications to realize “safety,” “comfort” and “convenience” for tenants under the name “ONEST” as well as spreading it widely throughout the market.

“ONEST” Specifications

- “Safety” To provide safety and security to ONEST buildings
⇒ Securing safety and having an environmentally-friendly and detailed building management system.
- “Comfort” To provide beauty and comfort to ONEST buildings.
⇒ Having excellent design and comfortable office space.
- “Convenience” To make ONEST buildings more convenient
⇒ Having high functionality and convenience in buildings .



Management System

AM: Asset manager

Specification management

**Asset Management Company:
Investment & Asset Management Division I**

Adopted an effective specification capable of maintaining competitiveness in comparison with competitive properties

&

FM: facility manager

Cost management

**MONE:
Facility Management Division**
Implementing appropriate cost management while maintaining functionality and design

Achieved both “improvement of tenant satisfaction” and “maximization of unitholder value” through constant collaboration and response by the asset manager striving to accurately grasp the needs of tenants in a timely manner and the facility manager with special knowledge on buildings

Portfolio Status (after asset replacement)

Appendix

Property type and region		Property name	Location	Acquisition price	Investment ratio	Appraisal value	Unrealized gain (Note 1)	Period-end occupancy rate (Note 2)	(Millions of yen) Building age (years) (Note 3)	
Office buildings	Tokyo metropolitan area	ONEST Kanda Square	Chiyoda Ward, Tokyo	7,350	7.2%	8,890	2,250	100.0%	12.3	
		Tachikawa Nishiki-cho Building	Tachikawa City, Tokyo	3,264	3.2%	4,070	833	100.0%	28.2	
		ONEST Yokohama Nishiguchi Building	Yokohama City, Kanagawa Prefecture	3,110	3.0%	3,800	673	100.0%	36.3	
		Yushima First Genesis Building	Bunkyo Ward, Tokyo	2,751	2.7%	3,160	488	100.0%	28.0	
		ONEST Nakano Building	Nakano Ward, Tokyo	2,880	2.8%	3,370	506	100.0%	25.0	
		36 Sankyo Building	Shinjuku Ward, Tokyo	2,395	2.3%	2,750	426	100.0%	27.8	
		Minami-Shinagawa JN Building	Shinagawa Ward, Tokyo	2,165	2.1%	2,114	-22	100.0%	29.1	
		Minami-Shinagawa N Building	Shinagawa Ward, Tokyo	2,292	2.2%	2,370	161	95.3%	25.1	
		Minami-Shinagawa J Building	Shinagawa Ward, Tokyo	2,020	2.0%	2,420	490	96.8%	27.1	
		Hachioji SIA Building	Hachioji City, Tokyo	730	0.7%	854	169	97.1%	25.9	
		ONEST Motoyoyogi Square	Shibuya Ward, Tokyo	7,500	7.3%	8,350	782	100.0%	27.3	
		ONEST Ueno Okachimachi Building	Taito Ward, Tokyo	2,700	2.6%	2,920	134	100.0%	33.3	
		Daido Life Omiya Building	Saitama City, Saitama Prefecture	3,000	2.9%	3,220	167	100.0%	27.8	
		ONEST Ikebukuro East Building	Toshima Ward, Tokyo	2,200	2.2%	2,310	72	100.0%	27.9	
		Crescendo Building	Yokohama City, Kanagawa Prefecture	2,466	2.4%	2,510	-59	97.4%	32.1	
		Tokyo Parkside Building	Koto Ward, Tokyo	10,450	10.2%	11,100	612	100.0%	27.9	
		Nishi-Gotanda 102 Building	Shinagawa Ward, Tokyo	4,500	4.4%	4,970	470	100.0%	31.6	
		Ordinance-designated cities, etc.	Central Shin-Osaka Building	Osaka City, Osaka Prefecture	4,612	4.5%	6,130	1,850	97.7%	27.2
			Karasuma Plaza 21	Kyoto City, Kyoto Prefecture	3,700	3.6%	3,930	45	100.0%	32.8
	ONEST Nagoya Nishiki Square		Nagoya City, Aichi Prefecture	2,381	2.3%	3,110	741	100.0%	28.3	
	MY Kumamoto Building		Kumamoto City, Kumamoto Prefecture	1,152	1.1%	1,290	194	91.0%	31.8	
	Nagoya Fushimi Square Building		Nagoya City, Aichi Prefecture	4,812	4.7%	5,190	347	100.0%	31.8	
	Daihakata Building		Fukuoka City, Fukuoka Prefecture	10,650	10.4%	11,800	1,066	97.1%	43.9	
	Higobashi Center Building		Osaka City, Osaka Prefecture	8,930	8.7%	10,300	1,304	99.7%	41.9	
Subtotal • Average			98,010	95.8%	110,928	13,712	98.9%			
Retail facility	fab Minami-Osawa	Hachioji City, Tokyo	4,250	4.2%	4,800	828	100.0%	17.7		
Total • Average			102,260	100.0%	115,728	14,541	98.9%	30.1		

(Note 1) For Nishi-Gotanda 102 Building, the difference between appraisal value and acquisition price is recorded.

(Note 2) Occupancy rates as of August 31, 2019, are indicated. In the “Subtotal•Average” and “Total•Average” column, the weighted average of the occupancy rates of existing properties is indicated. Furthermore, information for Nishi-Gotanda 102 Building is indicated based on information provided by the seller.

(Note 3) For Nishi-Gotanda 102 Building, “building age” indicates the number of years elapsed from its completion to October 31, 2019, the planned acquisition date, and for other properties it indicates the number of years elapsed from the completion of each owned asset to the end of August 2019. In the “Total•Average” column, the weighted average of the building age of each owned asset is calculated based on acquisition price.

Balance Sheet

Appendix

(Thousands of yen)

	Eleventh fiscal period (Ended February 2019)	Twelfth fiscal period (Ended August 2019)
Assets		
Cash and deposits	3,060,248	4,203,194
Cash and deposits in trust	5,833,522	5,994,282
Operating accounts receivable	73,816	90,016
Prepaid expenses	179,207	143,322
Income taxes receivable	5	6
Consumption taxes receivable	283,140	-
Other	1,030	259
Total current assets	9,430,973	10,431,081
Property, plant and equipment		
Buildings	2,922,934	2,861,105
Structures	6,252	5,934
Machinery and equipment	0	0
Tools, furniture and fixtures	1,854	1,678
Land	3,770,347	3,770,347
Buildings in trust	25,638,497	25,498,675
Structures in trust	9,967	13,511
Machinery and equipment in trust	103,062	130,337
Tools, furniture and fixtures in trust	37,703	38,562
Land in trust	65,388,250	65,388,250
Construction in progress in trust	190	-
Total property, plant and equipment	97,879,059	97,708,403
Intangible assets		
Leasehold rights in trust	3,278,336	3,278,336
Other	2,070	1,956
Total intangible assets	3,280,406	3,280,293
Investments and other assets		
Lease and guarantee deposits	10,960	10,960
Long-term prepaid expenses	210,982	151,950
Total investments and other assets	221,942	162,910
Total noncurrent assets	101,381,409	101,151,607
Investment unit issuance expenses	35,005	22,498
Investment corporation bond issuance fees	-	28,060
Total deferred assets	35,005	50,559
Total assets	110,847,388	111,633,249

	Eleventh fiscal period (Ended February 2019)	Twelfth fiscal period (Ended August 2019)
Liabilities		
Operating accounts payable	165,341	233,533
Short-term loans payable	3,000,000	-
Current portion of long-term loans payable	14,074,000	14,074,000
Accounts payable - other	389,628	361,476
Accrued expenses	827	3,266
Income taxes payable	605	605
Consumption taxes payable	33,771	195,386
Advances received	645,011	653,763
Other	1,319	893
Total current liabilities	18,310,505	15,522,924
Investment corporation bonds	-	3,500,000
Long-term loans payable	34,124,000	34,124,000
Tenant lease and security deposits	312,104	283,148
Tenant lease and security deposits in trust	5,076,779	5,162,220
Total non-current liabilities	39,512,883	43,069,368
Total liabilities	57,823,389	58,592,293

	Eleventh fiscal period (Ended February 2019)	Twelfth fiscal period (Ended August 2019)
Net assets		
Unitholders' capital	51,154,926	51,154,926
Surplus		
Unappropriated retained earnings (undisposed loss)	1,869,072	1,886,029
Total surplus	1,869,072	1,886,029
Total unitholders' equity	53,023,999	53,040,955
Total net assets	53,023,999	53,040,955
Total liabilities and net assets	110,847,388	111,633,249

(Note) Amounts are rounded down to the nearest thousand yen.

Statement of Income



	(Thousands of yen)	
	Eleventh fiscal period (Ended February 2019)	Twelfth fiscal period (Ended August 2019)
Lease business revenue	3,526,098	3,663,220
Other lease business revenue	343,901	383,096
Total operating revenue	3,870,000	4,046,316
Expenses related to rent business	1,663,023	1,758,937
Asset management fee	196,073	249,406
Asset custody fee	3,637	4,441
Administrative service fees	16,055	19,280
Directors' compensations	3,876	3,876
Other operating expenses	46,267	53,580
Total operating expenses	1,928,932	2,089,522
Operating profit	1,941,068	1,956,794
Interest income	39	45
Insurance income	702	4,649
Reversal of dividends payable	1,017	547
Interest on refund	1,310	1,044
Total non-operating income	3,069	6,287
Interest expenses	146,975	152,227
Interest expenses on investment corporation bonds	-	1,656
Borrowing related expenses	98,423	98,592
Amortization of investment unit issuance expenses	12,506	12,506
Amortization of investment corporation bond issuance expenses	-	337
Other	6,303	1,083
Total non-operating expenses	264,210	266,404
Recurring profit	1,679,927	1,696,677
Net income before income taxes	1,679,927	1,696,677
Income taxes - current	605	605
Income taxes - deferred	190	-
Total income taxes	795	605
Net income	1,679,131	1,696,702
Profit brought forward	189,941	189,956
Unappropriated retained earnings (undisposed loss)	1,869,072	1,886,029

(Note) Amounts are rounded down to the nearest thousand yen.

Overview of Individual Properties (1)

Appendix

(As of August 31, 2019 (the end of the twelfth fiscal period))

Property Name	OT-2 ONEST Kanda Square	OT-3 Tachikawa Nishiki-cho Building	OT-4 CP10 Building	OT-5 ONEST Yokohama Nishiguchi Building	OT-6 Yushima First Genesis Building	OT-7 ONEST Nakano Building
						
Location	Chiyoda Ward, Tokyo	Tachikawa City, Tokyo	Taito Ward, Tokyo	Yokohama City, Kanagawa Prefecture	Bunkyo Ward, Tokyo	Nakano Ward, Tokyo
Nearest Station	Kanda Station on JR Line	Tachikawa Station on JR Line	Okachimachi Station on JR Line	Yokohama Station on JR Line	Hongo 3-chome Station on Tokyo Metro Line	Nakano Station on JR Line
Completed	April 2007	June 1991	March 1989	May 1983	August 1991	August 1994
Acquisition Price	¥7,350 million	¥3,264 million	¥3,229 million	¥3,110 million	¥2,751 million	¥2,880 million
Appraisal Value	¥8,890 million	¥4,070 million	¥3,380 million	¥3,800 million	¥3,160million	¥3,370 million
Structure	SRC	SRC	SRC	RC	SRC	S/SRC
Number of Floors	10F	8F	B1/7F	B1/8F	B1/7F	B1/7F
Total Floor Area	7,145.42 m ²	8,026.84 m ²	4,454.05 m ²	5,648.65 m ²	5,048.99 m ²	4,316.75 m ²
Total Leasable Area	5,261.34 m ²	5,629.48 m ²	3,495.03 m ²	4,326.68 m ²	2,965.49 m ²	3,116.49 m ²
PML	6.06%	4.51%	3.51%	10.17%	7.00%	3.04%
Occupancy Rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Tenants	30	19	7	10	6	7

Overview of Individual Properties (2)

(As of August 31, 2019 (the end of the twelfth fiscal period))

Property Name	OT-8 36 Sankyo Building	OT-9 Minami-Shinagawa JN Building	OT-10 Minami-Shinagawa N Building	OT-11 Minami-Shinagawa J Building	OT-12 MY Atsugi Building	OT-13 Hachioji SIA Building
						
Location	Shinjuku Ward, Tokyo	Shinagawa Ward, Tokyo	Shinagawa Ward, Tokyo	Shinagawa Ward, Tokyo	Atsugi City, Kanagawa Prefecture	Hachioji City, Tokyo
Nearest Station	Iidabashi Station on JR Line	Aomono Yokocho Station on Keikyu Line	Aomono Yokocho Station on Keikyu Line	Aomono Yokocho Station on Keikyu Line	Hon-Atsugi Station on Odakyu Line	Hachioji Station on JR Line
Completed	October 1991	July 1990	July 1994	July 1992	September 1988	September 1993
Acquisition Price	¥2,395 million	¥2,165 million	¥2,292 million	¥2,020 million	¥1,240 million	¥730 million
Appraisal Value	¥2,750 million	¥2,114 million	¥2,370 million	¥2,420 million	¥1,390 million	¥854 million
Structure	RC	SRC	SRC	SRC	RC/SRC	SRC
Number of Floors	B2/4F	B2/10F	B2/10F	B1/10F	8F	9F
Total Floor Area	4,687.65 m ²	9,621.66 m ²	8,570.72 m ²	5,529.02 m ²	5,040.07 m ²	3,920.36 m ²
Total Leasable Area	3,724.17 m ²	6,390.33 m ²	5,476.73 m ²	3,673.61 m ²	3,857.74 m ²	2,751.99 m ²
PML	8.85%	5.57%	5.50%	3.70%	7.69%	4.53%
Occupancy Rate	100.0%	100.0%	95.3%	96.8%	97.1%	97.1%
Number of Tenants	3	20	17	11	24	13







Overview of Individual Properties (3)

(As of August 31, 2019 (the end of the twelfth fiscal period))

Property Name	OT-14 ONEST Motoyoyogi Square	OT-15 ONEST Ueno Okachimachi Building	OT-16 Daido Life Omiya Building	OT-17 ONEST Ikebukuro East Building	OT-18 Crescendo Building	OT-19 Tokyo Parkside Building
						
Location	Shibuya Ward, Tokyo	Taito Ward, Tokyo	Saitama City, Saitama Prefecture	Toshima Ward, Tokyo	Yokohama City, Kanagawa Prefecture	Koto Ward, Tokyo
Nearest Station	Yoyogi-Hachiman Station on Odakyu Line	Naka-Okachimachi Station on Tokyo Metro Line	Omiya Station on JR Line	Ikebukuro Station on JR Line	Shin-Yokohama Station on JR Line	Kiba Station on Tokyo Metro Line
Completed	April 1992	May 1986	October 1991	September 1991	July 1987	September 1991
Acquisition Price	¥7,500 million	¥2,700 million	¥3,000 million	¥2,200 million	¥2,466 million	¥10,450 million
Appraisal Value	¥8,350 million	¥2,920 million	¥3,220 million	¥2,310 million	¥2,510 million	¥11,100 million
Structure	SRC/RC	SRC	SRC	SRC/RC	SRC	S/SRC
Number of Floors	B2/8F	B1/9F	8F	B2/8F	B1/9F	B1/14F
Total Floor Area	10,695.54 m ²	4,369.49 m ²	6,155.16 m ²	3,503.13 m ²	5,534.88 m ²	18,881.34 m ²
Total Leasable Area	7,644.40 m ²	2,943.07 m ²	3,574.03 m ²	2,677.80 m ²	4,390.02 m ²	12,920.17 m ²
PML	7.70%	6.04%	4.72%	6.14%	4.58%	4.79%
Occupancy Rate	100.0%	100.0%	100.0%	100.0%	97.4%	100.0%
Number of Tenants	9	13	15	7	30	15



Overview of Individual Properties (4)

(As of August 31, 2019 (the end of the twelfth fiscal period))

Property Name	OO-1 Central Shin-Osaka Building	OO-2 Karasuma Plaza 21	OO-3 ONEST Nagoya Nishiki Square	OO-4 MY Kumamoto Building	OO-5 Nagoya Fushimi Square Building	OO-6 Daihakata Building
						
Location	Osaka City, Osaka Prefecture	Kyoto City, Kyoto Prefecture	Nagoya City, Aichi Prefecture	Kumamoto City, Kumamoto Prefecture	Nagoya City, Aichi Prefecture	Fukuoka City, Fukuoka Prefecture
Nearest Station	Shin-Osaka Station on JR Line	Karasuma Station on Hankyu Line	Fushimi Station on Nagoya City Subway Line	Kumamoto Tram Kumamoto Castle/ City Hall Tram Stop	Fushimi Station on Nagoya City Subway Line	Gion Station on the Subway Kuko Line
Completed	June 1992	November 1986	April 1991	October 1987	November 1987	August 1975
Acquisition Price	¥4,612 million	¥3,700 million	¥2,381 million	¥1,152 million	¥4,812 million	¥10,650 million
Appraisal Value	¥6,130 million	¥3,930 million	¥3,110 million	¥1,290 million	¥5,190 million	¥11,800 million
Structure	S	SRC	S/SRC	S/RC	SRC	S/RC
Number of Floors	B1/12F	B1/8F	B1/8F	9F	B2/13F	B3/14F
Total Floor Area	13,624.65 m ²	11,998.02 m ²	8,147.56 m ²	4,980.96 m ²	12,995.90 m ²	30,427.88 m ²
Total Leasable Area	9,417.09 m ²	8,893.59 m ²	5,801.80 m ²	3,755.94 m ²	8,421.27 m ²	15,430.32 m ²
PML	12.72%	5.18%	13.58%	5.08%	6.20%	1.08%
Occupancy Rate	97.7%	100.0%	100.0%	91.0%	100.0%	97.1%
Number of Tenants	27	12	5	16	47	66

Overview of Individual Properties (5)

(As of August 31, 2019 (the end of the twelfth fiscal period))

Property Name	OO-7 Higobashi Center Building	R-1 fab Minami-Osawa
		
Location	Osaka City, Osaka Prefecture	Hachioji City, Tokyo
Nearest Station	Higobashi Station on the Osaka Metro Yotsubashi Line	Minami-Osawa Station on Keio Line
Completed	September 1977	December 2001
Acquisition Price	¥8,930 million	¥4,250 million
Appraisal Value	¥10,300 million	¥4,800 million
Structure	SRC/RC/S	S
Number of Floors	B2/18F	7F
Total Floor Area	24,556.71 m ²	9,140.30 m ²
Total Leasable Area	15,940.39 m ²	8,409.23 m ²
PML	4.69%	3.03%
Occupancy Rate	99.7%	100.0%
Number of Tenants	62	14

Occupancy Rate

Property type and region	Property No.	Property name	Eighth fiscal period	Ninth fiscal period	Tenth fiscal period	Eleventh fiscal period	Twelfth fiscal period						
			End of Aug. 2017	End of Feb. 2018	End of Aug. 2018	End of Feb. 2019	End of Mar. 2019	End of Apr. 2019	End of May 2019	End of June 2019	End of July 2019	End of Aug. 2019	
Office buildings	Tokyo metropolitan area	OT-1	J Tower	99.8%									
		OT-2	ONEST Kanda Square	85.2%	100.0%	99.1%	100.0%	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%
		OT-3	Tachikawa Nishiki-cho Building	100.0%	100.0%	97.1%	97.1%	97.1%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-4	CP10 Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-5	ONEST Yokohama Nishiguchi Building	93.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-6	Yushima First Genesis Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-7	ONEST Nakano Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-8	36 Sankyo Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-9	Minami-Shinagawa JN Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	93.7%	100.0%	100.0%	100.0%
		OT-10	Minami-Shinagawa N Building	97.4%	97.4%	100.0%	98.5%	98.5%	98.5%	96.5%	98.0%	98.0%	95.3%
		OT-11	Minami-Shinagawa J Building	100.0%	100.0%	100.0%	100.0%	100.0%	94.2%	100.0%	100.0%	100.0%	96.8%
		OT-12	MY Atsugi Building	100.0%	95.8%	100.0%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%
		OT-13	Hachioji SIA Building	100.0%	100.0%	100.0%	96.6%	100.0%	100.0%	100.0%	100.0%	100.0%	97.1%
		OT-14	ONEST Motoyoyogi Square	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-15	ONEST Ueno Okachimachi Building	100.0%	92.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-16	Daido Life Omiya Building		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-17	ONEST Ikebukuro East Building		100.0%	85.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-18	Crescendo Building				100.0%	100.0%	100.0%	97.4%	97.4%	97.4%	97.4%
		OT-19	Tokyo Parkside Building				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Average occupancy rate		98.6%	99.2%	99.1%	99.5%	99.6%	99.5%	99.0%	99.5%	99.6%	99.2%	
	Ordinance-designated cities, etc.	OO-1	Central Shin-Osaka Building	97.6%	97.7%	97.7%	97.7%	97.7%	97.7%	97.7%	97.7%	97.7%	97.7%
		OO-2	Karasuma Plaza 21	100.0%	100.0%	97.5%	97.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OO-3	ONEST Nagoya Nishiki Square	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OO-4	MY Kumamoto Building	95.8%	95.8%	100.0%	100.0%	98.1%	98.1%	100.0%	100.0%	97.3%	91.0%
		OO-5	Nagoya Fushimi Square Building	97.4%	98.7%	98.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OO-6	Daihakata Building		100.0%	99.9%	97.3%	97.7%	97.7%	97.7%	97.7%	97.7%	97.1%
		OO-6	Higobashi Center Building				99.9%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
		Average occupancy rate		98.4%	99.1%	98.9%	98.7%	99.0%	99.0%	99.1%	99.1%	98.9%	98.4%
	Average occupancy rate		98.6%	99.1%	99.0%	99.1%	99.3%	99.3%	99.0%	99.3%	99.3%	98.9%	
Retail facilities	R-1	fab Minami-Osawa	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	R-2	Niigata Higashibori-dori Parking building	100.0%	100.0%									
	Average occupancy rate		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Overall average occupancy rate			98.7%	99.2%	99.1%	99.2%	99.3%	99.3%	99.1%	99.4%	99.3%	98.9%	

Lease Business Revenue and Expenditure by Property (1)

Property number	OT-2	OT-3	OT-4	OT-5	OT-6	OT-7	OT-8	OT-9	OT-10	OT-11
Property name	ONEST Kanda Square	Tachikawa Nishiki-cho Building	CP10 Building	ONEST Yokohama Nishiguchi Building	Yushima First Genesis Building	ONEST Nakano Building	36 Sankyo Building	Minami- Shinagawa JN Building	Minami- Shinagawa N Building	Minami- Shinagawa J Building
① Total property-related operating revenue (Thousands of yen)	197,488	147,766	105,813	133,778	97,281	115,026	88,168	135,111	105,217	99,605
Lease business revenue	184,952	140,937	93,451	121,196	91,339	105,018	78,179	118,931	96,503	91,851
Other lease business revenue	12,535	6,829	12,362	12,582	5,941	10,007	9,988	16,179	8,714	7,753
② Total property-related operating expenses (Thousands of yen)	33,114	38,065	25,857	28,138	23,980	25,735	23,761	70,696	39,500	35,976
Property management fees	13,287	15,859	7,665	7,896	7,215	8,243	5,526	18,017	6,994	5,694
Utilities expenses	10,422	9,493	8,705	7,426	5,487	7,547	7,799	23,768	8,715	7,710
Taxes and public dues	8,562	10,943	6,873	10,540	8,365	7,833	7,541	9,611	9,185	5,657
Insurance premiums	211	222	115	145	131	117	111	241	210	134
Repair expenses	630	1,047	1,997	1,629	2,280	1,495	2,283	2,266	963	7,151
Other expenses	—	500	500	500	500	500	500	16,790	13,431	9,627
③ Leasing NOI (=①-②) (Thousands of yen)	164,373	109,700	79,955	105,639	73,300	89,290	64,406	64,414	65,717	63,629
④ Depreciation (Thousands of yen)	64,485	26,272	16,267	13,452	13,912	11,463	8,570	17,883	15,478	12,578
⑤ Lease business profit (=③-④) (Thousands of yen)	99,888	83,427	63,687	92,187	59,387	77,826	55,836	46,530	50,239	51,050
⑥ Capital expenditures (Thousands of yen)	2,161	746	9,354	4,313	770	1,522	—	2,299	—	1,043
⑦ Leasing NCF (=⑤-⑥) (Thousands of yen)	162,211	108,953	70,600	101,325	72,530	87,768	64,406	62,115	65,717	62,585

(Note) Amounts are rounded down to the nearest thousand yen.

Lease Business Revenue and Expenditure by Property (2)

Property number	OT-12	OT-13	OT-14	OT-15	OT-16	OT-17	OT-18	OT-19	OO-1	OO-2
Property name	MY Atsugi Building	Hachioji SIA Building	ONEST Motoyoyogi Square	ONEST Ueno Okachimachi Building	Daido Life Omiya Building	ONEST Ikebukuro East Building	Crescendo Building	Tokyo Parkside Building	Central Shin-Osaka Building	Karasuma Plaza 21
① Total property-related operating revenue (Thousands of yen)	62,607	48,899	234,916	88,029	112,645	66,367	85,773	359,940	205,960	204,234
Lease business revenue	56,464	43,610	216,873	82,915	104,658	57,522	73,847	322,165	183,547	191,090
Other lease business revenue	6,143	5,289	18,043	5,113	7,986	8,844	11,926	37,774	22,412	13,144
② Total property-related operating expenses (Thousands of yen)	23,924	21,624	55,132	25,035	27,192	18,969	30,818	92,633	71,301	72,081
Property management fees	8,826	9,605	13,897	6,843	8,984	6,881	11,034	28,566	20,041	29,474
Utilities expenses	7,064	5,761	17,444	7,561	7,659	3,935	9,249	41,086	20,635	14,982
Taxes and public dues	4,798	4,538	16,235	7,194	6,813	4,627	7,294	18,495	15,654	25,351
Insurance premiums	131	94	302	114	156	87	132	496	320	292
Repair expenses	2,603	1,124	6,852	2,822	3,129	2,936	2,607	3,338	14,149	1,480
Other expenses	500	500	400	500	450	500	500	650	500	500
③ Leasing NOI (=①-②) (Thousands of yen)	38,683	27,274	179,783	62,993	85,452	47,398	54,955	267,306	134,658	132,152
④ Depreciation (Thousands of yen)	13,433	5,242	24,587	7,906	9,995	6,609	7,447	25,548	33,626	24,799
⑤ Lease business profit (=③-④) (Thousands of yen)	25,249	22,032	155,195	55,086	75,456	40,788	47,508	241,758	101,032	107,353
⑥ Capital expenditures (Thousands of yen)	20,142	—	64,789	7,686	34,523	14,677	2,150	12,531	2,097	2,577
⑦ Leasing NCF (=⑤-⑥) (Thousands of yen)	18,541	27,274	114,994	55,307	50,928	32,720	52,804	254,775	132,560	129,575

(Note) Amounts are rounded down to the nearest thousand yen.

Lease Business Revenue and Expenditure by Property (3)

Property number	OO-3	OO-4	OO-5	OO-6	OO-7	R-1	
Property name	ONEST Nagoya Nishiki Square	MY Kumamoto Building	Nagoya Fushimi Square Building	Daihakata Building	Higobashi Center Building	fab Minami-Osawa	Total
① Total property-related operating revenue (Thousands of yen)	130,380	72,846	186,500	400,638	370,935	190,383	4,046,316
Lease business revenue	113,458	66,896	175,696	371,029	334,965	146,116	3,663,220
Other lease business revenue	16,922	5,949	10,803	29,609	35,969	44,267	383,096
② Total property-related operating expenses (Thousands of yen)	36,592	22,432	49,626	185,587	118,645	69,738	1,263,624
Property management fees	10,607	9,319	16,219	53,254	36,147	21,981	388,085
Utilities expenses	12,215	6,810	13,172	47,627	43,533	36,036	391,856
Taxes and public dues	9,933	4,759	17,515	48,416	32,280	7,697	316,720
Insurance premiums	205	128	365	721	616	183	5,991
Repair expenses	3,130	914	1,853	34,917	5,416	3,339	112,362
Other expenses	500	500	500	650	650	500	48,607
③ Leasing NOI (=①-②) (Thousands of yen)	93,787	50,414	136,873	215,051	252,289	120,645	2,782,692
④ Depreciation (Thousands of yen)	21,628	13,426	19,398	33,719	24,681	22,896	495,313
⑤ Lease business profit (=③-④) (Thousands of yen)	72,159	36,987	117,475	181,331	227,607	97,749	2,287,379
⑥ Capital expenditures (Thousands of yen)	7,404	16,307	16,458	87,784	6,912	4,048	322,305
⑦ Leasing NCF (=⑤-⑥) (Thousands of yen)	86,383	34,106	120,415	127,266	245,377	116,597	2,460,386

(Note) Amounts are rounded down to the nearest thousand yen.

List of Appraisal Values | As of August 31, 2019 (End of the Twelfth Fiscal Period)

Appendix

Property number	Property name	Acquisition price (Millions of yen)	End of Twelfth Fiscal Period (ended Aug. 2019)						End of Eleventh Fiscal Period (ended Feb. 2019)	
			Appraisal value (Millions of yen)		Direct cap rate		Book value (Millions of yen)	Unrealized gain (loss) (Millions of yen)	Appraisal value (Millions of yen)	Direct cap rate
				Difference from end of Eleventh Fiscal Period		Difference from end of Eleventh Fiscal Period				
OT-2	ONEST Kanda Square	7,350	8,890	20	3.5%	0.0%	6,639	2,250	8,870	3.5%
OT-3	Tachikawa Nishiki-cho Building	3,264	4,070	50	4.5%	0.0%	3,236	833	4,020	4.5%
OT-4	CP10 Building	3,229	3,380	10	4.1%	0.0%	3,124	255	3,370	4.1%
OT-5	ONEST Yokohama Nishiguchi Building	3,110	3,800	0	4.3%	0.0%	3,126	673	3,800	4.3%
OT-6	Yushima First Genesis Building	2,751	3,160	0	4.1%	0.0%	2,671	488	3,160	4.1%
OT-7	ONEST Nakano Building	2,880	3,370	10	4.4%	0.0%	2,863	506	3,360	4.4%
OT-8	36 Sankyo Building	2,395	2,750	10	4.2%	0.0%	2,323	426	2,740	4.2%
OT-9	Minami-Shinagawa JN Building	2,165	2,114	20	4.4%	0.0%	2,136	-22	2,094	4.4%
OT-10	Minami-Shinagawa N Building	2,292	2,370	20	4.6%	0.0%	2,208	161	2,350	4.6%
OT-11	Minami-Shinagawa J Building	2,020	2,420	10	4.6%	0.0%	1,929	490	2,410	4.6%
OT-12	MY Atsugi Building	1,240	1,390	0	5.6%	0.0%	1,173	216	1,390	5.6%
OT-13	Hachioji SIA Building	730	854	16	5.1%	-0.1%	684	169	838	5.2%
OT-14	ONEST Motoyoyogi Square	7,500	8,350	200	4.0%	-0.1%	7,567	782	8,150	4.1%
OT-15	ONEST Ueno Okachimachi Building	2,700	2,920	30	4.0%	0.0%	2,785	134	2,890	4.0%
OT-16	Daido Life Omiya Building	3,000	3,220	70	4.6%	-0.1%	3,052	167	3,150	4.7%
OT-17	ONEST Ikebukuro East Building	2,200	2,310	10	4.2%	0.0%	2,237	72	2,300	4.2%
OT-18	Crescendo Building	2,466	2,510	10	4.6%	0.0%	2,569	-59	2,500	4.6%
OT-19	Tokyo Parkside Building	10,450	11,100	100	4.2%	0.0%	10,487	612	11,000	4.2%
OO-1	Central Shin-Osaka Building	4,612	6,130	320	4.4%	0.0%	4,279	1,850	5,810	4.4%
OO-2	Karasuma Plaza 21	3,700	3,930	80	4.7%	0.0%	3,884	45	3,850	4.7%
OO-3	ONEST Nagoya Nishiki Square	2,381	3,110	10	4.7%	0.0%	2,368	741	3,100	4.7%
OO-4	MY Kumamoto Building	1,152	1,290	10	6.0%	0.0%	1,095	194	1,280	6.0%
OO-5	Nagoya Fushimi Square Building	4,812	5,190	0	4.6%	0.0%	4,842	347	5,190	4.6%
OO-6	Daihakata Building	10,650	11,800	100	4.3%	0.0%	10,733	1,066	11,700	4.3%
OO-7	Higobashi Center Building	8,930	10,300	100	4.2%	0.0%	8,995	1,304	10,200	4.2%
R-1	fab Minami-Osawa	4,250	4,800	10	4.7%	0.0%	3,971	828	4,790	4.7%
Total		102,229	115,528	1,216	-	-	100,986	14,541	114,312	-

(Note) Amounts are rounded down to the nearest million yen.

Trends in Interest-Bearing Debt and Financial Indicators

		Eleventh Fiscal Period (Ended February 2019)	Twelfth Fiscal Period (Ended August 2019)
	Borrowings	¥51,198 million	¥48,198 million
	Investment corporation bonds	—	¥3,500 million
	Total interest-bearing liabilities	¥51,198 million	¥51,698 million
	Average interest rate	0.590%	0.612%
	Fixed-interest borrowings rate	82.4%	88.4%
	LTV	46.2%	46.3%
	Average remaining period^(Note 1)	2.01 years	2.02 years
	Average procured years	3.70 years	4.14 years

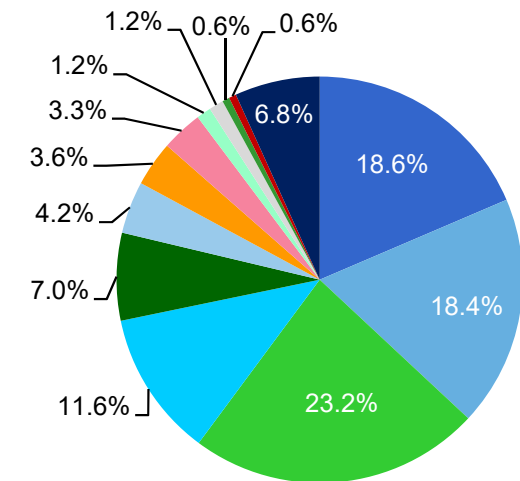
Overview of Issuance of Investment Corporation Bonds

Name	Issue amount (million yen)	Interest rate	Issuance date	Maturity period	Period	Security guarantee	External rating [JCR]
The 1st Investment Corporation Bonds	1,500	0.400%	August 5, 2019	August 5, 2024	5 Years	Unsecured and unguaranteed	Single A
The 2nd Investment Corporation Bonds	2,000	0.820%		August 3, 2029	10 years		
Total investment corporation bonds	3,500						

(Note 1) The average remaining period is calculated by seeking the weighted average of remaining period as of the end of each period according to the balance of interest-bearing debt and is rounded to the second decimal place.

(Note 2) Amounts are rounded down to the nearest million yen.

Distribution Status of Interest-Bearing Liabilities



(Millions of yen)

Mizuho Trust & Banking Co., Ltd.	9,598
Mizuho Bank, Ltd.	9,500
Sumitomo Mitsui Banking Corporation	12,000
Shinsei Bank, Limited	6,000
Resona Bank, Limited	3,600
Aozora Bank, Ltd.	2,150
The Bank of Fukuoka, Ltd.	1,850
The Mie Bank, Ltd.	1,700
The Nishi-Nippon City Bank, Ltd.	600
The Chugoku Bank, Ltd.	600
The Bank of Kyoto, Ltd.	300
Nippon Life Insurance Company	300
Investment corporation bonds	3,500
Total	51,698

Balance of Borrowings by Repayment Date

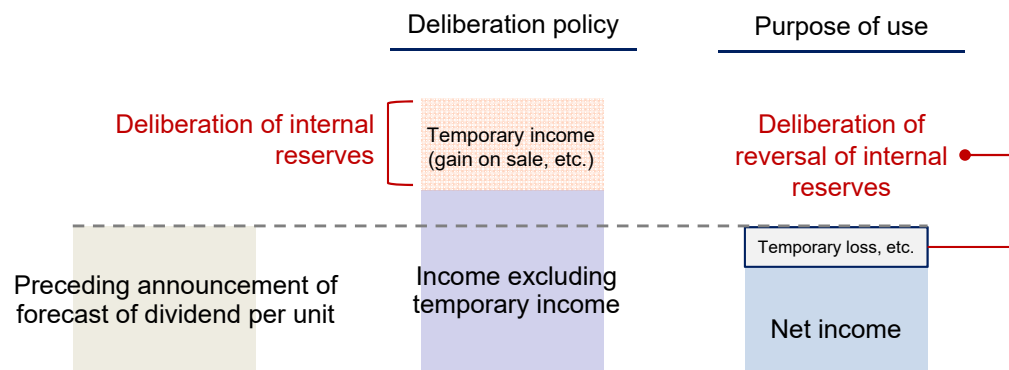
Lenders	Balance (Millions of yen)	Interest rate (Fixed/floating)	Repayment date
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Resona Bank, Limited The Mie Bank, Ltd. The Bank of Fukuoka, Ltd.	5,925	0.58096% (Fixed)	September 7, 2019
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Shinsei Bank, Limited Resona Bank, Limited	8,149	0.58096% (Fixed)	September 7, 2019
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Resona Bank, Limited The Mie Bank, Ltd. The Bank of Fukuoka, Ltd.	1,975	0.69593% (Fixed)	September 7, 2020
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Shinsei Bank, Limited Resona Bank, Limited	8,149	0.69593% (Fixed)	September 7, 2020
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Resona Bank, Limited Aozora Bank, Ltd. The Mie Bank, Ltd. The Bank of Fukuoka, Ltd.	4,000	0.47545% (Floating)	September 7, 2020
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Resona Bank, Limited Aozora Bank, Ltd. The Mie Bank, Ltd. The Bank of Fukuoka, Ltd.	6,000	0.56720% (Fixed) ^(Note 1)	September 7, 2021

Lenders	Balance (Millions of yen)	Interest rate (Fixed/floating)	Repayment date
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Resona Bank, Limited Aozora Bank, Ltd. The Mie Bank, Ltd. The Bank of Fukuoka, Ltd.	6,000	0.62750% (Fixed) ^(Note 1)	September 7, 2022
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Resona Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd. The Nishi-Nippon City Bank, Ltd. The Chugoku Bank, Limited Bank of Kyoto, Ltd. Nippon Life Insurance Company	2,000	0.52545% (Floating)	September 7, 2023
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Resona Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd. The Nishi-Nippon City Bank, Ltd. The Chugoku Bank, Limited Bank of Kyoto, Ltd. Nippon Life Insurance Company	6,000	0.67200% (Fixed) ^(Note 1)	September 7, 2023
Total borrowings	48,198		

(Note 1) Borrowings for which interest rates will be substantially fixed through the interest rate swap are also indicated as “fixed,” and the interest rate arrived at after substantial fixing through the interest rate swap is indicated.

(Note 2) Amounts are rounded down to the nearest million yen.

Internal Reserves



Deliberation Policy of Internal Reserves

- Deliberating internal reserves within the range of not falling below the forecast figures of dividends per unit announced immediately before when temporary income such as gain on sale of real estate, etc. are generated

Purpose of Use of Internal Reserves

One REIT has a policy to utilize internal reserves to stabilize dividends or secure a certain level of dividends. Stabilization of dividends indicates cases when dividends are expected to fall below the forecast due to the following events, etc.

- Occurrence of loss on sale of real estate, etc. and loss caused by the impairment of owned assets
- Dilution of dividends per unit associated with the issuance of investment units
- In case sufficient rental revenue cannot be secured due to agile property acquisitions such as acquisition of properties during the period
- Occurrence of expenses and loss due to other disasters and sudden events, etc.

Asset Management Fee Scheme^(Note 1)

		Calculation method
Management fees ^(Note 1)	1	Total assets × 0.3% × (Number of months in the fiscal period / 12)
	2	NOI ^(Note 2) × 2.5%
	3	EPU ^(Note 3) × 2,000
Acquisition fees		Acquisition price × 1.0% (Transactions with interested parties: Acquisition price × 0.5%)
Transfer fees		Transfer price × 1.0% (Transactions with interested parties: Transfer price × 0.5%)
Merger Fee		Appraisal value of real-estate related assets, etc. (effective date of the merger) × 1.0%

(Note 1) This will start applying in the Thirteenth Fiscal Period (from September 1, 2019 to February 29, 2020).

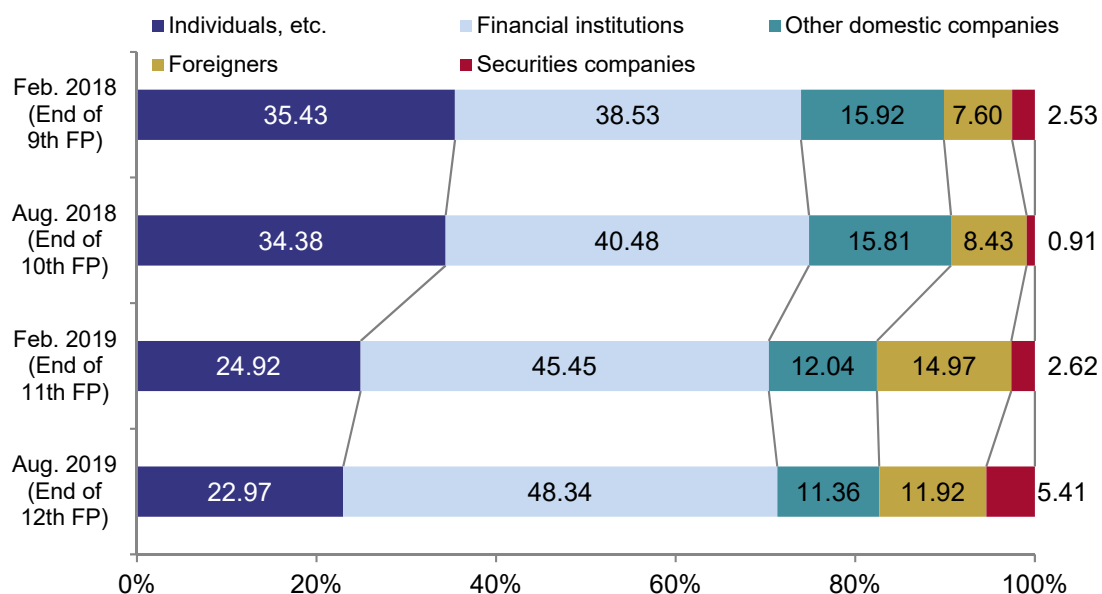
(Note 2) NOI is the amount arrived at after deducting property-related operating expenses (excluding depreciation and loss on retirement of noncurrent assets) from the sum total of property-related operating revenue, silent partnership dividends and revenues from Real Estate-Related Loans and Other Assets for each operating period.

(Note 3) EPU is the amount arrived at after dividing net income before income taxes (the amount before deducting Management Fee 3 and non-deductible consumption tax for Management Fee 3 and after adding amortization of goodwill and deducting gain on negative goodwill) for each operating period (if there is loss carried forward, the amount after covering the amount) by the total number of investment units issued and outstanding as of the period's settlement for the relevant operating period.

Number of Unitholders and Investment Units by Unitholder Type

	End of the Twelfth fiscal period (as of August 31, 2019)			
	Number of unitholders	Percentage (Note)	Number of investment units	Percentage (Note)
Individuals, etc.	8,463	95.94%	55,104	22.97%
Financial institutions	39	0.44%	115,982	48.34%
Other domestic companies	164	1.86%	27,243	11.36%
Foreigners	133	1.51%	28,596	11.92%
Securities companies	22	0.25%	12,983	5.41%
Total	8,821	100.00%	239,908	100.00%

Investment Unit Ratios



Main Unitholders

Main unitholders	Number of investment units	Percentage (Note)
The Master Trust Bank of Japan, Ltd. (Trust Acct.)	47,743	19.90%
Japan Trustee Services Bank, Ltd. (Trust Acct.)	32,720	13.64%
Mizuho Realty One Co., Ltd.	22,530	9.39%
The Nomura Trust and Banking Co., Ltd. (Trust Acct.)	13,371	5.57%
Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	7,231	3.01%
BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/SECURITIES-AIFM	3,075	1.28%
JPMorgan Securities Japan Co., Ltd.	3,023	1.26%
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	3,003	1.25%
SMBC Nikko Securities Inc.	2,939	1.23%
Japan Trustee Services Bank, Ltd. (trust account 9)	2,866	1.19%
Total	138,501	57.73%

(Note) Percentages are rounded to the second decimal place.

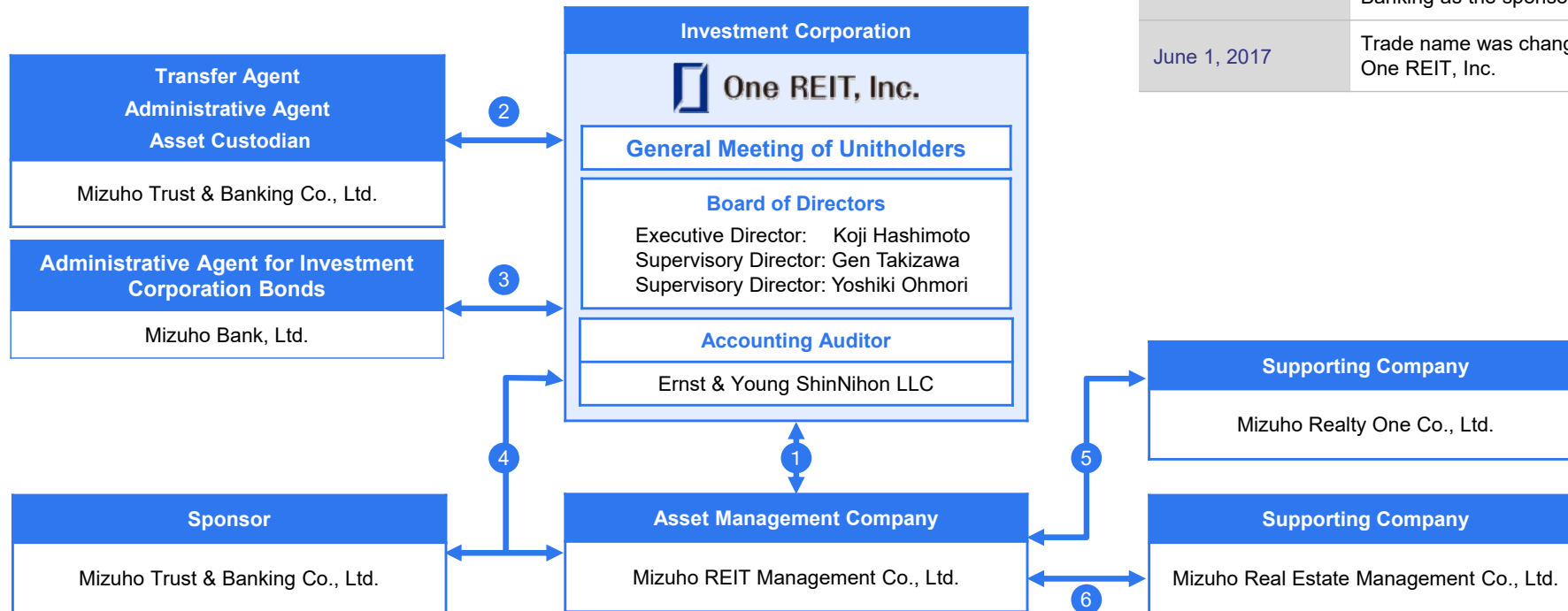
- ① Asset management contract
- ② Administrative Agreement(Administration of investment units) /
Administrative agency entrustment / Asset custodian
entrustment
- ③ Financial affairs and issuance & payment agency agreements
- ④ Sponsor/support contract
- ⑤ Business entrustment agreement
- ⑥ Sponsor/support contract

Profile

Name of Investment Company	One REIT, Inc.
Establishment	June 25, 2013
Representative	Koji Hashimoto, Executive Director
Headquarter Address	2-1-3 Nihonbashi, Chuo-ku, Tokyo

History

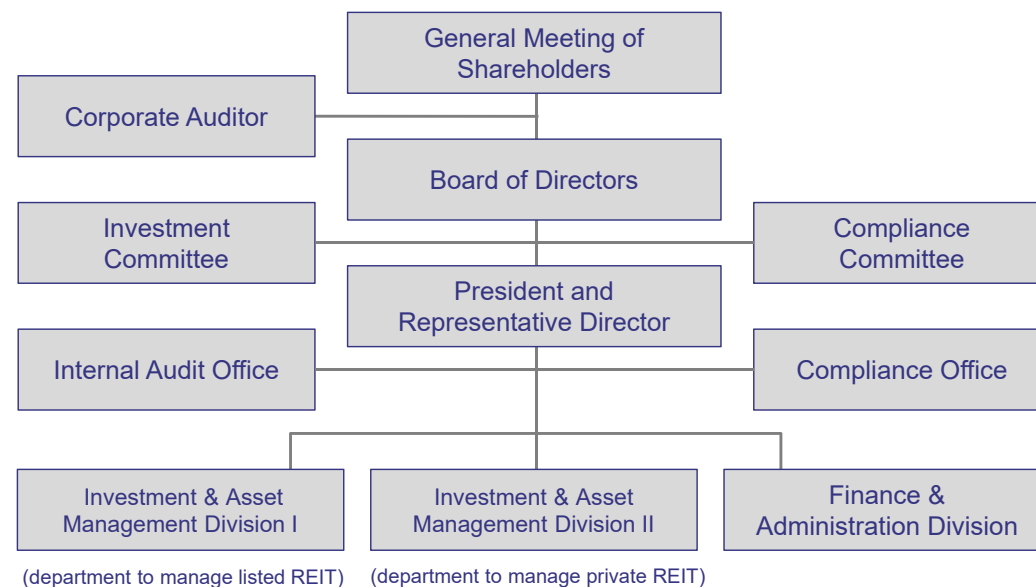
June 20, 2013	Notification of incorporation of SIA REIT by the organizer (Simplex REIT Partners Inc.; currently Mizuho REIT Management Co., Ltd.) pursuant to Article 69 of the Investment Trusts Act
June 25, 2013	Registration of incorporation pursuant to Article 166 of the Investment Trusts Act, SIA REIT incorporated
July 8, 2013	Application for registration pursuant to Article 188 of the Investment Trusts Act
July 23, 2013	Registration approved by the Prime Minister pursuant to Article 189 of the Investment Trusts Act (Director General of the Kanto Local Finance Bureau Registration No. 85)
October 9, 2013	Listed on the real estate securities market of the Tokyo Stock Exchange
December 29, 2015	Transitioned to a system with Mizuho Trust & Banking as the sponsor
June 1, 2017	Trade name was changed from SIA REIT, Inc. to One REIT, Inc.





Name	Mizuho REIT Management Co., Ltd.
Established	July 1, 2005
Capital	¥50 million
Representative	Koji Hashimoto, President and Representative Director
Address of head office	Urbannet Nihonbashi 2-chome Building 4th Floor, 2-1-3 Nihonbashi, Chuo-ku, Tokyo
No. of directors/employees	29 (As of October 1, 2019) ^(Note)
Shareholder	Mizuho Realty One Co., Ltd. (100%)
Membership	The Investment Trusts Association, Japan
Licenses, etc.	Investment Management Business: Director General of Kanto Local Finance Bureau (Financial Instruments) Registration No. 342 Building Lots and Buildings Transaction Business: Governor of Tokyo (3) Registration No. 84787 Trading Agency Etc. License: Minister of Land, Infrastructure, Transport and Tourism License No. 46

Organization



(Note) Includes full-time auditors, contract employees, and employees on postings from other companies. Does not include outside directors or temporary staff. Includes members holding concurrent positions among MONE Group companies.



(Note 1) It indicates changes from October 9, 2013 (the day One REIT listed) to October 4, 2019.

(Note 2) The closing price of the TSE REIT Index on October 9, 2013 of 1,467.30 points is converted to One REIT's offer price at its point of listing of 225,000 yen (after considering 2-for-1 split) and the relative performance of One REIT's investment unit price (closing price) is compared.

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Asset Management Company: Mizuho REIT Management Co., Ltd.

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