

September 8, 2021

To All Concerned Parties

Name of REIT Issuer
 One REIT, Inc.
 2-1-3 Nihonbashi, Chuo-ku, Tokyo, Japan
 Hirofumi Nabeyama, Executive Director
 (TSE Code: 3290)
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Notice concerning Revisions to Forecast of Financial Results and Cash Distribution for the Fiscal Period Ending February 2022 (17th Fiscal Period) and Forecast of Financial Results and Cash Distribution for the Fiscal Period Ending August 2022 (18th Fiscal Period)

One REIT, Inc. (hereafter referred to as “One REIT”) announced that it decided to revise the forecast of financial results and cash distribution for the fiscal period ending February 2022 (17th fiscal period: September 1, 2021 to February 28, 2022) announced in the “Summary of Financial Results for the Fiscal Period Ended February 2021 (REIT)” dated April 14, 2021. One REIT also newly announced the forecast of financial results and cash distribution for the fiscal period ending August 2022 (18th fiscal period: March 1, 2022 to August 31, 2022), as described below. There will be no changes to the forecast of financial results and cash distribution for the fiscal period ended August 2021 (16th fiscal period: March 1, 2021 to August 31, 2021) announced in the “Summary of Financial Results for the Fiscal Period Ended February 2021 (REIT)” dated April 14, 2021.

1. Revisions to Forecast of Financial Results and Cash Distribution for the Fiscal Period Ending February 2022 (17th Fiscal Period: September 1, 2021 to February 28, 2022)

	Operating revenue (million yen)	Operating profit (million yen)	Recurring profit (million yen)	Net income (million yen)	Distribution per unit (excluding distribution in excess of earnings) (yen)	Distribution per unit in excess of earnings (yen)
Previously released forecast (A)	3,918	1,983	1,721	1,720	7,170	—
Revised forecast (B)	4,365	2,235	1,931	1,930	7,190	—

<Note> This document is an English translation of a press release on the revisions to forecast of financial results and cash distribution for the fiscal period ending February 2022 (17th Fiscal Period) and forecast of financial results and cash distribution for the fiscal period ending August 2022 (18th Fiscal Period) of One REIT. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail in all respects.

Change (B-A)	446	251	210	210	20	—
Percentage of change	11.4%	12.7%	12.2%	12.2%	0.3%	—

(Note1) The above forecast figures represent the financial results and the cash distribution forecasted at the moment, and the actual operating revenue, operating profit, recurring profit, net income and distribution per unit (excluding distribution in excess of earnings) may vary. In addition, One REIT does not guarantee any actual distribution amount with this forecast.

(Note2) Forecast number of investment units issued and outstanding at the end of the fiscal period ending February 2022: 268,468 units.

The forecast number of investment units issued and outstanding at the end of the fiscal period related to the revisions to the forecast of financial results and cash distribution for the fiscal period ending February 2022 (17th fiscal period) is calculated based on the assumptions described in the “Investment units” column in “<Reference> 2. Revised Assumptions for the Forecast of Financial Results and Cash Distribution for the Fiscal Periods Ending February 2022 (17th fiscal period) and August 2022 (18th fiscal period)” below.

(Note3) The amounts have been rounded down to the nearest unit and percentages have been rounded to the first decimal place.

2. Forecast of Financial Results and Cash Distribution for the Fiscal Period Ending August 2022 (18th Fiscal Period: March 1, 2022 to August 31, 2022)

	Operating revenue (million yen)	Operating profit (million yen)	Recurring profit (million yen)	Net income (million yen)	Distribution per unit (excluding distribution in excess of earnings) (yen)	Distribution per unit in excess of earnings (yen)
Released forecast	4,425	2,218	1,912	1,911	7,120	—

(Note1) The above forecast figures represent the financial results and the cash distribution forecasted at the moment, and the actual operating revenue, operating profit, recurring profit, net income and distribution per unit (excluding distribution in excess of earnings) may vary. In addition, One REIT does not guarantee any actual distribution amount with this forecast.

(Note2) Forecast number of investment units issued and outstanding at the end of the fiscal period ending August 2022: 268,468 units

The forecast number of investment units issued and outstanding at the end of the fiscal period related to the forecast of financial results and cash distribution for the fiscal period ending August 2022 (18th fiscal period) is calculated based on the assumptions described in the “Investment units” column in “<Reference> 2. Revised Assumptions for the Forecast of Financial Results and Cash Distribution for the Fiscal Periods Ending February 2022 (17th fiscal period) and August 2022 (18th fiscal period)” below.

(Note3) The amounts have been rounded down to the nearest unit.

3. Reason for Revision and Announcement

One REIT resolved, at the meeting of its board of directors held today, to issue new investment units with an aim to use the proceeds for the part of the acquisition price of six new specified assets (as defined in Article 2, Paragraph 1 of the Act on Investment Trust and Investment Corporations (1951 Act No. 198, including all subsequent revisions) described in “Notice concerning Acquisition and Leasing of Assets (six Properties)” announced today. As a result, the assumptions for the forecast of financial results and cash distribution for the fiscal period ending February 2022 (17th fiscal period) announced in “Summary of Financial Results for the Fiscal Period Ended February 2021 (REIT)” dated April 14, 2021 have changed and operating revenue is expected to change by more than 10%. Therefore, One REIT revised such forecast and announce the new forecast of financial results and cash distribution for the fiscal period ending August 2022 (18th fiscal period).

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There will be no change to the forecast of financial results and cash distribution for the fiscal period ended August 2021 (16th fiscal period) announced in “Summary of Financial Results for the Fiscal Period Ended February 2021 (REIT)” dated April 14, 2021.

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

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<Reference>

1. Transitions of Forecast of Financial Results and Cash Distribution

(Millions of yen)

	Fiscal Period Ended February 2021 (Actual)	Fiscal Period Ended August 2021 (Forecast)	Fiscal Period Ending February 2022 (Forecast)		Fiscal Period Ending August 2022 (Forecast)
		As of April 14, 2021	As of April 14, 2021	As of September 8, 2021	As of September 8, 2021
Operating revenue	4,060	4,834	3,918	4,365	4,425
Operating profit	1,274	2,838	1,983	2,235	2,218
Recurring profit	1,023	2,569	1,721	1,931	1,912
Net income	1,022	2,568	1,720	1,930	1,911
Distribution per unit (excluding distribution in excess of earnings) (yen)	5,057	7,320	7,170	7,190	7,120
Distribution per unit in excess of earnings (yen)	2,548	—	—	—	—
Distribution per unit (including distribution in excess of earnings) (yen)	7,605	7,320	7,170	7,190	7,120

(Note1) For the assumptions for the forecast of financial results and cash distribution as of April 14, 2021, please refer to “Summary of Financial Results for the Fiscal Period Ended February 2021 (REIT)” dated April 14, 2021.

(Note2) Distribution in excess of earnings for the fiscal period ended February 2021 is from allowance for temporary difference adjustments.

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2. Revised Assumptions for the Forecast of Financial Results and Cash Distribution for the Fiscal Periods Ending February 2022 (17th Fiscal Period) and August 2022 (18th Fiscal Period)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> ➤ Fiscal period ending February 2022 (17th fiscal period) (September 1, 2021 to February 28, 2022) (181 days) ➤ Fiscal period ending August 2022 (18th fiscal period) (March 1, 2022 to August 31, 2022) (184 days)
Assets under management	<ul style="list-style-type: none"> ➤ It is assumed that, in addition to a total of 25 properties and beneficiary interests owned by One REIT as of today (hereafter referred to as the “Assets Acquired”), “Kuramochi Building Daiichi”, “REID-C Chiba Ekimae Building”, “Shinkawa 1-chome Building”, “Hakozaki 314 Building”, “Aperto Higashi-Nakano Building” and “Daido Life Mito Building” will be acquired as of September 24, 2021 (hereafter referred to as the “Assets to be Acquired”) and there will be no other change in the portfolio assets (such as acquisition of new properties and disposal of existing properties) until the end of the fiscal period ending August 2022. ➤ Changes in assumptions for assets under management may actually occur due to the change of the acquisition date of the Assets to be Acquired, acquisition of new properties other than the Assets to be Acquired, disposition of portfolio properties, etc. ➤ For more details on the Assets to be Acquired, please refer to “Notice concerning Acquisition and Leasing of Assets (six Properties)” announced today.
Operating revenue	<ul style="list-style-type: none"> ➤ Operating revenue of the above “Assets under management” is used as an assumption. The calculation of property-related operating revenue for the Assets Acquired assumes that there will be no late or delinquent payments of rent by tenants, given the lease agreements effective as of today, tenant trends, market trends, etc. The calculation of property-related operating revenue for the Assets to be Acquired assumes that there will be no late or delinquent payments of rent by tenants, and based on the information provided by the current holder of trust beneficiary interests for each property (hereafter referred to as the “current owner”), lease agreements that will be effective on the scheduled acquisition date of the Assets to be Acquired, and market trends, etc. ➤ Occupancy rate of portfolio (average during the period) based on the above “Assets under management” is assumed to be 98.1% in the fiscal period ending February 2022 and 97.6% in the fiscal period ending August 2022. ➤ Property-related operating revenue is calculated after taking into account a certain degree of decrease due to the impact of COVID-19. ➤ As to operating revenue other than property-related operating revenue, it is assumed that there will be no change to the properties held as of today and no gain on sale of real estate is expected.

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Operating expenses

- Property-related expenses, which are the main component of operating expenses, are estimated to be 1,225 million yen in the fiscal period ending February 2022 and 1,265 million yen in the fiscal period ending August 2022. Expenses other than depreciation are calculated on a historical data basis for the Assets Acquired excluding D'sVARIE HONGO BLDG, MSB-21 Minami-Otsuka Building and D'sVARIE KANDA BLDG acquired as of March 30, 2021, and calculated based on the historical data provided by the former or current owner, etc. for D'sVARIE HONGO BLDG, MSB-21 Minami-Otsuka Building, D'sVARIE KANDA BLDG and the Assets to be Acquired, by reflecting factors causing fluctuations in expenses.
 - 1) Property management fees are estimated to be 429 million yen in the fiscal period ending February 2022 and 403 million yen in the fiscal period ending August 2022.
 - 2) Depreciation is calculated using the straight-line method, including ancillary costs, etc. Depreciation is estimated to be 556 million yen in the fiscal period ending February 2022 and 571 million yen in the fiscal period ending August 2022.
 - 3) Fixed asset tax and city planning tax, etc. are estimated to be 295 million yen in the fiscal period ending February 2022 and 355 million yen in the fiscal period ending August 2022. While fixed asset tax and city planning tax, etc. are adjusted upon acquisition by prorating the pro forma taxes with the current owner in general, expenses will not be recorded in the period when the property is acquired as the amount equivalent to such adjustments will be included in the acquisition costs in case of One REIT. Accordingly, fixed asset tax and city planning tax, etc. related to D'sVARIE HONGO BLDG, MSB-21 Minami-Otsuka Building, D'sVARIE KANDA BLDG and the Assets to be Acquired will be recorded as expenses from the fiscal period ending August 2022 onwards. With regard to D'sVARIE HONGO BLDG, MSB-21 Minami-Otsuka Building, D'sVARIE KANDA BLDG and the Assets to be Acquired, the total amount of fixed asset tax and city planning tax, etc. that will be included in the acquisition costs is estimated to be 52 million yen.
 - 4) Repair expenses are estimated to be 98 million yen in the fiscal period ending February 2022 and 88 million yen in the fiscal period ending August 2022 based on the repair plan formulated by the asset management company (Mizuho REIT Management Co., Ltd.) for each property. However, repair expenses may materially differ from the forecast amount because increased or additional repair expenses may arise due to unforeseeable factors.
- Operating expenses other than property-related expenses (asset management fee, asset custody fee, administrative service fees, etc.) are estimated to be 348 million yen in the fiscal period ending February 2022 and 370 million yen in the fiscal period ending August 2022.

Among the above, asset management fees of 263 million yen for the fiscal period ending February 2022 and 288 million yen for the fiscal period ending August 2022 are expected.

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Non-operating expenses	<ul style="list-style-type: none"> ➤ Interest expenses, interest expenses on investment corporation bonds and borrowing related expenses are expected to be 292 million yen for the fiscal period ending February 2022 and 293 million yen for the fiscal period ending August 2022. ➤ The expenses related to issuance of new investment units described in “Notice concerning Issuance of New Investment Units and Secondary Offering of Investment Units” announced today are expected to be 39 million yen in total, and amortization of investment unit issuance expenses is expected to be 6 million yen for each of the fiscal periods ending February 2022 and August 2022. ➤ One REIT expects 3 million yen in amortization expense of the investment corporation bond issuing fees for each of the fiscal period ending February 2022 and August 2022.
Interest-bearing debts	<ul style="list-style-type: none"> ➤ The balance of total interest-bearing debts as of today is 53,674 million yen. It is assumed that One REIT will conduct borrowing of a total of 7,900 million yen as of September 24, 2021 (hereafter referred to as the “Borrowings”) to procure part of the acquisition costs and ancillary costs of the Assets to be Acquired, and as a result, the balance of total interest-bearing debts as of September 24, 2021 will be 61,574 million yen (hereafter referred to as the “Balance of Total Outstanding Interest-Bearing Debts after the Borrowings”) (for more details on the Borrowings, please refer to “Notice concerning Borrowing of Funds” announced today). However, depending on the final number and the issue price of new investment units related to the issuance of new investment units resolved at the meeting of One REIT’s board of directors held today (hereafter referred to as the “Primary Offering”) and issuance of new investment units by way of third-party allotment resolved as of the same date (hereafter referred to as the “Third-party Allotment”; for more details on the Primary Offering and the Third-party Allotment, please refer to “Notice concerning Issuance of New Investment Units and Secondary Offering of Investment Units” announced today), the amount of the Borrowings and the Balance of Total Outstanding Interest-Bearing Debts after the Borrowings is subject to change. ➤ One REIT refinanced the 6 billion yen in borrowings that will mature during the fiscal period ending February 2022 on September 7, 2021. ➤ In addition to the above, it is assumed that there will be no change in the balance of Interest-bearing debts (new borrowings, repayment of borrowings, etc.) until the end of the fiscal period ending August 2022.
Investment units	<ul style="list-style-type: none"> ➤ In addition to 239,908 investment units issued and outstanding as of today, it is assumed that the total number of investment units issued and outstanding will be 268,468 units as a result of additional issue of 28,560 units in the fiscal period ending February 2022, by way of the Primary Offering (27,200 units) and the Third-party Allotment (up to 1,360 units). ➤ In addition to the above, it is assumed that there will be no change in the number of investment units due to issuance of new investment units, etc. until the end of the fiscal period ending August 2022.

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Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> ➤ Distribution per unit (excluding distribution in excess of earnings) is calculated by assuming the cash distribution policy stipulated in the Articles of Incorporation of One REIT. ➤ Distribution per unit (excluding distribution in excess of earnings) is subject to change due to a variety of factors, including fluctuations in rent revenue caused by change in assets under management, relocation of tenants, etc. or occurrence of unforeseen repairs.
Distribution per unit in excess of earnings	<ul style="list-style-type: none"> ➤ There are no plans at this time to distribute cash in excess of earnings. ➤ However, cash distribution in excess of earnings may be made for the purpose of reducing occurrence of corporate tax and other taxes derived from discrepancy between tax and accounting treatment.
Other	<ul style="list-style-type: none"> ➤ It is assumed that there will be no revision of laws and regulations, tax systems, accounting standards, listing rules, rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. ➤ It is assumed that there will be no serious unforeseen change in general economic trends, real estate market conditions, etc.

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