

## Summary of Financial Results for the Fiscal Period Ended February 2022 (REIT)

April 14, 2022

REIT Issuer: One REIT, Inc. Stock Exchange Listing: Tokyo Stock Exchange  
 Securities Code: 3290 URL: <https://one-reit.com/en/>  
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Scheduled date of submission of securities report: May 30, 2022  
 Scheduled date of commencement of distribution payment: May 19, 2022  
 Preparation of supplementary financial results briefing materials: Yes  
 Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

### 1. Status of Management and Assets for the Fiscal Period Ended February 2022 (September 1, 2021, to February 28, 2022)

(1) Management Status (% figures are the percentage of increase (decrease) compared with the previous period)

Fiscal period	Operating revenue		Operating profit		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended Feb. 2022	4,384	(10.3)	2,262	(21.4)	1,967	(24.7)	1,966	(24.7)
Ended Aug. 2021	4,889	20.4	2,878	125.9	2,613	155.4	2,612	155.6

Fiscal period	Net income per unit	Ratio of net income to equity	Ratio of ordinary profit to total assets	Ratio of ordinary profit to operating revenue
	yen	%	%	%
Ended Feb. 2022	7,423	3.4	1.6	44.9
Ended Aug. 2021	10,890	5.0	2.3	53.5

## (2) Distributions status

Fiscal period	Distribution per unit (excluding distribution in excess of earnings)	Total distributions (excluding distribution in excess of earnings)	Distribution per unit in excess of earnings	Total distributions in excess of earnings	Distribution payout ratio	Ratio of distributions to net assets
	yen	million yen	yen	million yen	%	%
Ended Feb. 2022	7,326	1,966	—	—	99.9	3.3
Ended Aug. 2021	7,546	1,810	—	—	69.2	3.4

(Note) Distribution payout ratio is calculated by the following formula (rounded down to one decimal place).

$$\text{Distribution payout ratio} = \text{Total distributions (excluding distribution in excess of earnings)} \div \text{Net income} \times 100$$

## (3) Financial position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
Ended Feb. 2022	130,582	61,322	47.0	228,417
Ended Aug. 2021	113,808	53,156	46.7	221,570

## (4) Status of cash flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Ended Feb. 2022	2,105	(15,432)	14,047	10,221
Ended Aug. 2021	11,453	(12,252)	1,026	9,500

2. Forecast of Financial Results for the Fiscal Periods Ending August 2022 (March 1, 2022, to August 31, 2022) and February 2023 (September 1, 2022, to February 28, 2023)

(% figures are the percentage of increase (decrease) compared with the previous period)

Fiscal period	Operating revenue		Operating profit		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ending Aug. 2022 (Note)	4,439	1.3	2,127	(5.9)	1,826	(7.2)	1,825	(7.2)
Ending Feb. 2023	4,405	(0.8)	2,071	(2.6)	1,773	(2.9)	1,771	(2.9)

Fiscal period	Distribution per unit (excluding distribution in excess of earnings)	Distribution per unit in excess of earnings
	yen	yen
Ending Aug. 2022 (Note)	7,120	—
Ending Feb. 2023	6,600	—

(Reference) Forecast net income per unit (fiscal period ending August 2022): 6,799 yen

Forecast net income per unit (fiscal period ending February 2023): 6,599 yen

(Note) As tenants of owned properties are scheduled to vacate in the fiscal period ending August 31, 2022, operating revenue and other amounts are expected to be lower than the forecasted operating results for the fiscal period ending August 31, 2022, announced in "Summary of Financial Results for the Fiscal Period Ended August 2021 (REIT)." However, we plan to maintain the forecast distribution levels announced in the same document by allocating retained earnings brought forward to distributions.

\* Other

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

① Changes in accounting policies accompanying amendments to accounting standards, etc.: Yes

② Changes in accounting policies other than ①: No

③ Changes in accounting estimates: No

④ Retrospective restatement: No

(Note) For more details, please see "Notes on Changes to Accounting Policies" on page 17.

(2) Total number of investment units issued and outstanding

① Total number of investment units issued and outstanding (including own investment units) at end of period

Fiscal period ended Feb. 2022 268,468 units

Fiscal period ended Aug. 2021 239,908 units

② Number of own investment units at end of period

Fiscal period ended Feb. 2022 — units

Fiscal period ended Aug. 2021 — units

(Note) For the number of investment units used as the basis for calculating net income per unit, please refer to "Notes on Per Unit Information" on page 27.

\* Summary of financial results are exempt from the audit by a certified public accountant or an auditing firm.

\* Special note

The management status outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by One REIT. Accordingly, actual management status and other results may differ materially due to a variety of factors. In addition, the forecast is not a guarantee of the amount of distributions. For the assumptions for the forecast of management status, please refer to "Assumptions for the Forecast of Management Status for the Fiscal Periods Ending August 2022 and February 2023" presented on page 7.

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## 1. Management Status

### (1) Management Status

#### ① Overview of the Fiscal Period Under Review

##### (A) Brief History of the Investment Corporation

One REIT has Mizuho REIT Management Co., Ltd. (hereinafter referred to as the “Asset Management Company”) (Note 1), which is a member of the Mizuho Financial Group, as its asset management company, and sets middle-sized office buildings (Note 2) as its focal investment target while incorporating other office buildings, etc., aiming to construct a portfolio that both ensures stable income in the medium to long term and exhibits growth potential. Furthermore, One REIT strives for further growth with the aim of maximizing unitholder value under the basic policies of “continuous growth of distributions” and “disciplined external growth while considering the portfolio and financial structure,” alongside obtaining various support in terms of property acquisition, management, and financial aspects from our sponsor, Mizuho Trust & Banking Co., Ltd., which has an abundant track record in the Japanese real estate market.

The Investment Corporation was incorporated, pursuant to the Act on Investment Trusts and Investment Corporations (hereinafter the “Investment Trust Act”), on June 25, 2013, with the Asset Management Company as the organizer and listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3290) on October 9, 2013. With public offering, etc. that followed, the total number of investment units issued and outstanding as of the end of the period under review stands at 268,468.

(Note 1) Mizuho Financial Group, Inc., Mizuho Trust & Banking Co., Ltd. and Mizuho Realty One Co., Ltd. (hereinafter referred to as “MONE”) fall within the scope of parent companies of the Asset Management Company. MONE is a wholly owned subsidiary of Mizuho Trust & Banking Co., Ltd., the sponsor, and holds all issued shares of the Asset Management Company and Mizuho Real Estate Management Co., Ltd. (hereinafter referred to as “MREM”). Three companies, namely MONE, the Asset Management Company and MREM, together comprise the MONE Group. MREM is the management company of MONE Group’s private real estate fund.

(Note 2) “Middle-sized Office Building” is a category of office building with a total floor area within the range of 3,300 m<sup>2</sup> (approximately 1,000 tsubos) and 33,000 m<sup>2</sup> (approximately 10,000 tsubos).

##### (B) Investment Environment and Management Performance

For the economic environment during the period under review (fiscal period ended February 2022 (17th fiscal period)), the number of new COVID-19 cases fell into the end of 2021, and there were movements toward normalization of economic and social activities. However, it remains difficult to foresee when the situation will be resolved with a phase of re-expansion from January 2022 due to the emergence of a variant.

In the office building leasing market, although there has been a lull in the rise in vacancy rates, the spread of new work styles such as telecommuting, triggered by needs to prevent the spread of COVID-19, is making it more apparent that companies are reviewing their office strategies.

One REIT acquired six properties (Kuramochi Building Daiichi, REID-C Chiba Ekimae Building, Shinkawa 1-chome Building, Hakozaeki 314 Building, Aperto Higashi-Nakano Building and Daido Life Mito Building; total acquisition price of 15,657 million yen; hereinafter referred to as the “newly acquired assets”) on September 24, 2021. Through acquisition of these assets, One REIT sought to improve the quality of its portfolio through tenant diversification and stabilization of the revenue base.

Furthermore, One REIT conducted leasing activities focused on maintaining and enhancing occupancy rates by flexibly setting new advertised rent and such in light of market trends, while working to realize optimal costs in property management by taking into consideration tenant needs and the characteristics of the respective properties. As such, One REIT endeavored to enhance leasing business revenues.

As a result, One REIT’s portfolio as of the end of the fiscal period ended February 2022 comprised a total of 31 properties (total acquisition price: 119,927 million yen; not including silent partnership equity interest) with a total leasable area of 171,928.65 m<sup>2</sup>, and the occupancy rate as of the end of the fiscal period ended February 2022 was 97.6%.

##### (C) Overview of Financing

In the fiscal period ended February 2022, One REIT procured 6,000 million yen through syndicated loans arranged by Mizuho Trust & Banking Co., Ltd. and Mizuho Bank, Ltd. on September 7, 2021, and used the funds for scheduled repayment of existing borrowings and payment of various related costs.

In addition, One REIT executed capital increase of 7,628 million yen (total paid-in amount) through public offering with a payment date of September 22, 2021, as well as 3,000 million yen in short-term borrowings and 4,900 million yen in long-term borrowings on September 24, 2021. The proceeds were used to partially fund the acquisition of six new properties and incidental expenses. Furthermore, One REIT executed capital increase of 381 million yen (total paid-in amount) by way of third-party allotment in connection with the capital increase through public offering, with payment date of October 15, 2021.

In addition, on January 27, 2022, One REIT issued its first green bond (5th Unsecured Investment Corporation Bonds, total issue amount: 3,000 million yen), and used the proceeds alongside cash on hand to repay 3,000 million yen in short-term borrowings procured on September 24, 2021, for the purpose of allocation to the acquisition of Kuramochi Building Daiichi, a specified asset meeting eligibility criteria, before their maturity on February 28, 2022.

As a result, as of the end of the fiscal period ended February 2022, the balance of interest-bearing liabilities was 61,574 million yen and the ratio of interest-bearing liabilities to total assets (LTV) was 47.2%.

(D) Overview of Business Performance and Distributions

As a result of the management described above, business performance in the fiscal period ended February 2022 was operating revenue of 4,384 million yen, operating profit of 2,262 million yen, ordinary profit of 1,967 million yen and net income of 1,966 million yen.

One REIT decided to distribute almost the entire amount of unappropriated retained earnings after deduction of the amount internally reserved in or before the previous fiscal period with the incurrence of gain on sale of real estate properties and such in a manner that the maximum amount of distributions of earnings would be included in deductible expenses by application of the special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation).

As a result, One REIT declared distribution per investment unit of 7,326 yen.

② Outlook for the Next Fiscal Period

(A) Future Investment Environment

The domestic economy is expected to pick up by balancing measures to prevent the spread of COVID-19, including vaccinations, and resumption of economic activities going forward. However, resurgence of COVID-19 cases and its prolongation, impact from the Russian invasion of Ukraine and the resulting economic sanctions, etc., as well as fluctuations in financial and capital markets should continue to be watched carefully.

In the office building leasing market, close attention needs to be paid to the impact of COVID-19 on tenants and the movements of tenants, such as cutback of office expenses in line with deterioration of business results and reviewing of future offices amid the promotion and increase of remote work. In the office building transaction market, since there still are many investors both in Japan and abroad who are eager to acquire prime investment properties, transaction prices are expected to remain at a high level. In the office building transaction market, since there still are many investors both in Japan and abroad who are eager to acquire prime investment properties, transaction prices are expected to remain at a high level. However, it will be important to firmly maintain the attitude of making selective investment while carefully monitoring the impact of COVID-19 and other factors on the trends of the real estate market.

(B) Future Management Policy and Challenges to Address

One REIT strives to grow while obtaining various support in terms of property acquisition, management and financial aspects from our sponsor, Mizuho Trust & Banking Co., Ltd., which has an abundant track record in the Japanese real estate market, and aims to maximize unitholder value. One REIT will seek to maintain and increase the value of assets under management through operation and management aimed at maximizing competitiveness (internal growth) as well as improve the portfolio quality by continuing to conduct selective investment (external growth) to achieve stable growth over the medium to long term.

In order to achieve the growth strategy in both aspects of external growth and internal growth as described above, it is the policy of One REIT to take full advantage of support from Mizuho Trust & Banking Co., Ltd., the sponsor, in addition to utilizing investment expertise and business as well as other resources of the Asset Management Company, MONE and MREM.

(a) External growth

One REIT aims to expand asset size, while maintaining and enhancing the portfolio quality by conducting investment having assessed the location, building specifications, tenant attributes, etc. of individual properties, based on the policy to build a portfolio with middle-sized office buildings as the core investment target while also incorporating other office buildings, etc.

With the Tokyo metropolitan area, which has a relatively large market size and holds abundant acquisition opportunity, as the primary investment target region and also targeting ordinance-designated cities and core regional cities equivalent to ordinance-designated cities (Note) (hereinafter collectively referred to as “ordinance-designated cities, etc.”) which offer the prospect of a degree of rental demand, One REIT will seek to build a portfolio that diversifies investment to regional areas as well. By formulating main investment target areas and degree of importance for each region in the Tokyo metropolitan area and in ordinance-designated cities, etc., investment areas are carefully selected and, furthermore, suitability of location is scrutinized in each investment area in terms of convenience of transportation, ability to attract tenants, etc.

(Note) “Core regional cities” refers to non-ordinance-designated cities located outside the Tokyo metropolitan area that are the location of a prefectural government (prefectural capitals) or their equivalent.

(b) Internal growth

One REIT will seek to maintain and increase occupancy rates and increase lease business revenue by taking the following initiatives.

- ◆ Strengthening collaboration with property management companies and brokers
- ◆ Building and strengthening tenant relations
- ◆ Negotiating for upward rent revisions to meet the market trends
- ◆ Maintaining and enhancing property value through utilization of strategic CAPEX (capital expenditure) (Note)
- ◆ Reducing operation/management costs by reviewing current contracts
- ◆ Strengthening ESG (environment, society and governance) initiatives for which there is strong demand from society

(Note) “Strategic CAPEX (capital expenditure)” refers to implementing capital expenditures for renovation work, introduction of individual air-conditioning systems, improvement of building visibility through renovating entrance areas and other work for maintaining and enhancing property value based on long-term perspectives, in a timely and appropriate manner while taking priority level and other factors into consideration.

③ Subsequent Material Events

Not applicable.

Assumptions for the Forecast of Management Status for the Fiscal Periods Ending August 2022 and February 2023

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>➤ Fiscal period ending August 2022 (18th fiscal period) (March 1, 2022, to August 31, 2022) (184 days)</li> <li>➤ Fiscal period ending February 2023 (19th fiscal period) (September 1, 2022, to February 28, 2023) (181 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>➤ The real estate and real estate trust beneficiary rights held as of February 28, 2022, total 31 properties. Otherwise, it is assumed that no change in assets under management (acquisition of new properties, disposition of portfolio properties, etc.) will take place through the end of the fiscal period ending February 2023.</li> <li>➤ Changes in assets under management may occur from acquisition of new properties, disposition of portfolio properties, etc.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>➤ Operating revenue of the above “Assets under management” is used as an assumption. The calculation of property-related operating revenue assumes that there will be no late or delinquent payments of rent by tenants, given the lease agreements effective as of the date of today, tenant trends, market trends, etc. In addition to tenants vacating Tokyo Parkside Building on February 28, 2022, the calculation reflects the move-out and move-in of tenants recognized or expected by the Asset Management Company.</li> <li>➤ Occupancy rate of portfolio (average during the period) based on the above “Assets under management” is assumed to be 97.2% in the fiscal period ending August 2022 and 97.7% in the fiscal period ending February 2023.</li> <li>➤ Property-related operating revenue is calculated after taking into account a certain degree of decrease due to the impact of COVID-19.</li> <li>➤ As to operating revenue other than property-related operating revenue, it is assumed that there will be no changes to the properties held as of today and no gain or loss on sale of real estate properties.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>➤ Property-related expenses, which are the main component of operating expenses, are estimated to be 1,937 million yen in the fiscal period ending August 2022 and 1,958 million yen in the fiscal period ending February 2023. Expenses other than depreciation are calculated based on historical data and by reflecting factors causing fluctuations in expenses. <ol style="list-style-type: none"> <li>1) Property management fees are estimated to be 429 million yen in the fiscal period ending August 2022 and 411 million yen in the fiscal period ending February 2023.</li> <li>2) Depreciation is calculated using the straight-line method, including ancillary costs, etc. Depreciation is estimated to be 568 million yen in the fiscal period ending August 2022 and 584 million yen in the fiscal period ending February 2023.</li> <li>3) Fixed asset tax, city planning tax, etc. are estimated to be 357 million yen in the fiscal period ending August 2022 and 357 million yen in the fiscal period ending February 2023.</li> <li>4) Repair expenses are estimated to be 113 million yen in the fiscal period ending August 2022 and 126 million yen in the fiscal period ending February 2023, based on the repair plan formulated by the Asset Management Company for each property. However, repair expenses may greatly differ from the forecast amount because increased or additional repair expenses may arise due to unforeseeable factors.</li> </ol> </li> <li>➤ Operating expenses other than property-related expenses (asset management fee, asset custody fees, administrative service fees, etc.) are estimated to be 374 million yen in the fiscal period ending August 2022 and 376 million yen in the fiscal period ending February 2023. Among the above, asset management fees of 286 million yen for the fiscal period ending August 2022 and 284 million yen for the fiscal period ending February 2023 are expected.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>➤ Interest expenses, interest expenses on investment corporation bonds and borrowing-related expenses are expected to be 288 million yen for the fiscal period ending August 2022 and 286 million yen for the fiscal period ending February 2023.</li> <li>➤ Amortization of investment unit issuance costs is expected to be recorded at 5 million yen for each of the fiscal period ending August 2022 and the fiscal period ending February 2023.</li> <li>➤ Amortization of investment corporation bond issuance costs is expected to be 5 million yen for each of the fiscal period ending August 2022 and the fiscal period ending February 2023.</li> </ul>
Interest-bearing liabilities	<ul style="list-style-type: none"> <li>➤ The balance of interest-bearing liabilities as of February 28, 2022, is 61,574 million yen.</li> <li>➤ The borrowings due for repayment in the fiscal period ending February 2023 totaling 9,000 million yen are expected to be refinanced in the same amount on September 7, 2022.</li> <li>➤ In addition to the above, it is assumed that there will be no change in the balance of interest-bearing liabilities (new borrowings, repayment of borrowings, etc.) until the end of the fiscal period ending February 2023.</li> </ul>

Item	Assumptions
Investment units	<ul style="list-style-type: none"> <li>➤ 268,468 units that are the investment units issued and outstanding as of the date of today are assumed.</li> <li>➤ It is assumed that there will be no other change in the number of investment units due to issuance of new investment units, etc. until the end of the fiscal period ending February 2023.</li> </ul>
Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ For the fiscal period ending August 2022, it is assumed that retained earnings brought forward of 85 million yen of One REIT will be allocated to distributions.</li> <li>➤ 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.</li> </ul>
Distribution per unit in excess of earnings	<ul style="list-style-type: none"> <li>➤ There are no plans at this point in time to distribute cash in excess of earnings.</li> <li>➤ 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.</li> </ul>
Other	<ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ It is assumed that there will be no serious unforeseen change in general economic trends, real estate market conditions, etc.</li> </ul>

(2) Investment Risks

Disclosure is omitted because there is no significant change from “Investment Risks” in the securities report (submitted on November 29, 2021).



## 2. Financial Statements

## (1) Balance Sheet

(Unit: thousand yen)

	16th fiscal period (As of Aug. 31, 2021)	17th fiscal period (As of Feb. 28, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	3,133,360	3,263,960
Cash and deposits in trust	6,367,301	6,957,579
Operating accounts receivable	75,711	77,163
Prepaid expenses	157,776	194,062
Income taxes receivable	—	51
Consumption taxes receivable	—	319,110
Other	936	942
Total current assets	9,735,086	10,812,870
Non-current assets		
Property, plant and equipment		
Buildings	3,636,820	3,645,780
Accumulated depreciation	(1,010,473)	(1,074,776)
Buildings, net	2,626,347	2,571,004
Structures	9,842	9,842
Accumulated depreciation	(4,995)	(5,318)
Structures, net	4,847	4,524
Machinery and equipment	63,479	64,275
Accumulated depreciation	(62,122)	(62,201)
Machinery and equipment, net	1,357	2,074
Tools, furniture and fixtures	3,744	3,744
Accumulated depreciation	(1,352)	(1,634)
Tools, furniture and fixtures, net	2,392	2,110
Land	3,770,347	3,770,347
Buildings in trust	26,813,480	30,558,226
Accumulated depreciation	(4,077,162)	(4,544,305)
Buildings in trust, net	22,736,317	26,013,921
Structures in trust	25,511	25,511
Accumulated depreciation	(4,382)	(5,275)
Structures in trust, net	21,129	20,236
Machinery and equipment in trust	300,889	328,717
Accumulated depreciation	(87,514)	(103,133)
Machinery and equipment in trust, net	213,374	225,584
Tools, furniture and fixtures in trust	81,324	85,280
Accumulated depreciation	(42,178)	(46,968)
Tools, furniture and fixtures in trust, net	39,146	38,311
Land in trust	70,970,623	83,357,166
Construction in progress in trust	9,457	13,237
Total property, plant and equipment	100,395,342	116,018,519
Intangible assets		
Land leasehold interests in trust	3,278,336	3,278,336
Other	1,636	2,054
Total intangible assets	3,279,973	3,280,391
Investments and other assets		
Investment securities	38,548	17,664
Lease and guarantee deposits	10,300	10,300
Long-term prepaid expenses	307,965	359,683
Deferred tax assets	11	17
Total investments and other assets	356,824	387,665
Total non-current assets	104,032,140	119,686,576

(Unit: thousand yen)

	16th fiscal period (As of Aug. 31, 2021)	17th fiscal period (As of Feb. 28, 2022)
Deferred assets		
Investment unit issuance expenses	—	22,515
Investment corporation bond issuance costs	40,806	60,366
Total deferred assets	40,806	82,881
Total assets	113,808,033	130,582,328
Liabilities		
Current liabilities		
Operating accounts payable	213,715	187,896
Current portion of long-term borrowings	6,000,000	9,000,000
Accounts payable - other	418,365	587,505
Accrued expenses	3,830	5,650
Income taxes payable	690	714
Accrued consumption taxes	109,898	42,304
Advances received	667,174	740,917
Other	24,865	9,936
Total current liabilities	7,438,539	10,574,924
Non-current liabilities		
Investment corporation bonds	6,500,000	9,500,000
Long-term borrowings	41,174,000	43,074,000
Leasehold and guarantee deposits received	294,490	383,192
Leasehold and guarantee deposits received in trust	5,244,559	5,727,539
Total non-current liabilities	53,213,049	58,684,732
Total liabilities	60,651,589	69,259,656
Net assets		
Unitholders' equity		
Unitholders' capital	51,154,926	59,164,521
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*2 (611,285)	*2 —
Total deduction from unitholders' capital	(611,285)	—
Unitholders' capital, net	50,543,640	59,164,521
Surplus		
Unappropriated retained earnings (undisposed loss)	2,612,802	2,158,150
Total surplus	2,612,802	2,158,150
Total unitholders' equity	53,156,443	61,322,671
Total net assets	*1 53,156,443	*1 61,322,671
Total liabilities and net assets	113,808,033	130,582,328

## (2) Statement of Income

(Unit: thousand yen)

	16th fiscal period (From: Mar. 1, 2021 To: Aug. 31, 2021)	17th fiscal period (From: Sep. 1, 2021 To: Feb. 28, 2022)
<b>Operating revenue</b>		
Leasing business revenue	* <sub>1</sub> 3,681,450	* <sub>1</sub> 4,032,431
Other leasing business revenue	* <sub>1</sub> 327,382	* <sub>1</sub> 351,066
Dividends received	714	652
Gain on sale of real estate properties	* <sub>2</sub> 879,917	—
Total operating revenue	4,889,464	4,384,150
<b>Operating expenses</b>		
Expenses related to leasing business	* <sub>1</sub> 1,633,882	* <sub>1</sub> 1,778,699
Asset management fees	259,580	264,454
Asset custody fees	4,427	4,534
Administrative service fees	18,705	18,985
Directors' compensations	3,876	3,876
Other operating expenses	90,654	51,575
Total operating expenses	2,011,126	2,122,125
Operating profit	2,878,338	2,262,024
<b>Non-operating income</b>		
Interest income	46	50
Insurance claim income	3,379	—
Reversal of distributions payable	710	698
Other	61	—
Total non-operating income	4,196	749
<b>Non-operating expenses</b>		
Interest expenses	147,027	159,296
Interest expenses on investment corporation bonds	21,980	23,385
Financing fees	88,394	101,246
Amortization of investment unit issuance expenses	5,624	4,503
Amortization of investment corporation bond issuance expenses	3,869	4,266
Other	2,088	2,132
Total non-operating expenses	268,984	294,829
Ordinary profit	2,613,550	1,967,944
Net income before income taxes	2,613,550	1,967,944
Income taxes – current	843	971
Income taxes – deferred	4	(6)
Total income taxes	847	965
Net income	2,612,702	1,966,978
Retained earnings brought forward	100	191,171
Unappropriated retained earnings (undisposed loss)	2,612,802	2,158,150

## (3) Statement of Unitholders' Equity

16th fiscal period (March 1, 2021, to August 31, 2021)

(Unit: thousand yen)

	Unitholders' equity			
	Unitholders' capital			Unitholders' capital, net
	Unitholders' capital	Deduction from unitholders' capital		
		Allowance for temporary difference adjustments	Total deduction from unitholders' capital	
Balance at beginning of period	51,154,926	—	—	51,154,926
Changes during period				
Dividends of surplus				
Distribution in excess of earnings from allowance for temporary difference adjustments		(611,285)	(611,285)	(611,285)
Net income				
Total changes during period	—	(611,285)	(611,285)	(611,285)
Balance at end of period	51,154,926	(611,285)	(611,285)	50,543,640

(Unit: thousand yen)

	Unitholders' equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	1,213,315	1,213,315	52,368,241	52,368,241
Changes during period				
Dividends of surplus	(1,213,214)	(1,213,214)	(1,213,214)	(1,213,214)
Distribution in excess of earnings from allowance for temporary difference adjustments			(611,285)	(611,285)
Net income	2,612,702	2,612,702	2,612,702	2,612,702
Total changes during period	1,399,487	1,399,487	788,202	788,202
Balance at end of period	2,612,802	2,612,802	53,156,443	53,156,443

17th fiscal period (September 1, 2021, to February 28, 2022)

(Unit: thousand yen)

	Unitholders' equity			
	Unitholders' capital			Unitholders' capital, net
	Unitholders' capital	Deduction from unitholders' capital		
		Allowance for temporary difference adjustments	Total deduction from unitholders' capital	
Balance at beginning of period	51,154,926	(611,285)	(611,285)	50,543,640
Changes during period				
Issuance of new investment units	8,009,594			8,009,594
Dividends of surplus				
Reversal of allowance for temporary difference adjustments		611,285	611,285	611,285
Net income				
Total changes during period	8,009,594	611,285	611,285	8,620,880
Balance at end of period	59,164,521	—	—	59,164,521

(Unit: thousand yen)

	Unitholders' equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	2,612,802	2,612,802	53,156,443	53,156,443
Changes during period				
Issuance of new investment units			8,009,594	8,009,594
Dividends of surplus	(1,810,345)	(1,810,345)	(1,810,345)	(1,810,345)
Reversal of allowance for temporary difference adjustments	(611,285)	(611,285)	—	—
Net income	1,966,978	1,966,978	1,966,978	1,966,978
Total changes during period	(454,652)	(454,652)	8,166,227	8,166,227
Balance at end of period	2,158,150	2,158,150	61,322,671	61,322,671

## (4) Statement of Cash Distributions

(Unit: yen)

	16th fiscal period (From: Mar. 1, 2021 To: Aug. 31, 2021)	17th fiscal period (From: Sep. 1, 2021 To: Feb. 28, 2022)
	Amount	Amount
I. Unappropriated retained earnings	2,612,802,961	2,158,150,331
II. Capitalization	611,285,584	—
<i>Of which:</i> Reversal of allowance for temporary difference adjustments	611,285,584	—
III. Amount of distributions	1,810,345,768	1,966,796,568
[Amount of distributions per investment unit]	[7,546]	[7,326]
IV. Retained earnings carried forward	191,171,609	191,353,763

Method of calculating the amount of distributions	<p>Pursuant to the distribution policy provided in Article 35, Paragraph 1, Item 2 of the Articles of Incorporation of One REIT, the amount of distributions shall be in excess of an amount equivalent to 90% of the amount of earnings available for distribution of One REIT provided in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings.</p> <p>Based on such policy, One REIT decided to pay out distributions of earnings of 1,810,345,768 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (239,908 units) out of the remaining amount after deducting the amount internally reserved in or before the previous fiscal period with the reversal of allowance for temporary difference adjustments, the accrual of gain on sale of real estate properties and such from unappropriated retained earnings. One REIT will not engage in the distribution of cash in excess of earnings provided in Article 35, Paragraph 2 of the Articles of Incorporation of One REIT.</p>	<p>Pursuant to the distribution policy provided in Article 35, Paragraph 1, Item 2 of the Articles of Incorporation of One REIT, the amount of distributions shall be in excess of an amount equivalent to 90% of the amount of earnings available for distribution of One REIT provided in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings.</p> <p>Based on such policy, One REIT decided to pay out distributions of earnings of 1,966,796,568 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (268,468 units) out of the remaining amount after deducting the amount internally reserved in or before the previous fiscal period with the accrual of gain on sale of real estate properties and such from unappropriated retained earnings. One REIT will not engage in the distribution of cash in excess of earnings provided in Article 35, Paragraph 2 of the Articles of Incorporation of One REIT.</p>
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## (5) Statement of Cash Flows

(Unit: thousand yen)

	16th fiscal period (From: Mar. 1, 2021 To: Aug. 31, 2021)	17th fiscal period (From: Sep. 1, 2021 To: Feb. 28, 2022)
<b>Cash flows from operating activities</b>		
Net income before income taxes	2,613,550	1,967,944
Depreciation	504,164	553,602
Amortization of investment unit issuance expenses	5,624	4,503
Amortization of investment corporation bond issuance expenses	3,869	4,266
Interest income	(46)	(50)
Reversal of distributions payable	(710)	(698)
Interest expenses	169,007	182,681
Decrease (increase) in operating accounts receivable	(6,204)	(1,452)
Decrease (increase) in consumption taxes receivable	51,252	(319,110)
Decrease (increase) in prepaid expenses	8,067	(36,286)
Decrease in property, plant and equipment in trust due to sale	8,119,378	—
Increase (decrease) in operating accounts payable	38,613	(25,818)
Increase (decrease) in accounts payable - other	(5,352)	17,060
Increase (decrease) in accrued consumption taxes	56,497	(67,594)
Increase (decrease) in advances received	5,064	73,743
Decrease (increase) in long-term prepaid expenses	40,171	(51,718)
Other	21,737	(14,109)
Subtotal	11,624,685	2,286,962
Interest received	46	50
Interest paid	(170,130)	(180,861)
Income taxes paid	(991)	(999)
Cash flows from operating activities	11,453,609	2,105,151
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(9,577)	(4,782)
Purchase of property, plant and equipment in trust	(12,184,366)	(16,018,628)
Purchase of intangible assets	—	(588)
Payments of leasehold and guarantee deposits	(300)	—
Refund of leasehold and guarantee deposits received	(50,462)	(288)
Proceeds from leasehold and guarantee deposits received	22,965	88,990
Refund of leasehold and guarantee deposits received in trust	(617,522)	(235,862)
Proceeds from leasehold and guarantee deposits received in trust	586,247	718,842
Proceeds from redemption of investment securities	376	20,058
Cash flows from investing activities	(12,252,639)	(15,432,257)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	—	3,000,000
Repayment of short-term borrowings	—	(3,000,000)
Proceeds from long-term borrowings	2,850,000	10,900,000
Repayments of long-term borrowings	—	(6,000,000)
Proceeds from issuance of investment corporation bonds	—	2,976,173
Proceeds from issuance of investment units	—	7,982,576
Distributions paid	(1,823,514)	(1,810,766)
Cash flows from financing activities	1,026,485	14,047,983
Net increase (decrease) in cash and cash equivalents	227,455	720,877
Cash and cash equivalents at beginning of period	9,273,206	9,500,662
Cash and cash equivalents at end of period	*1 9,500,662	*1 10,221,539

(6) Notes on the Going Concern Assumption  
Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

<p>1. Standards for valuation and method of valuation of assets</p>	<p>Securities Other securities Stocks and others without a quoted market price Stated at cost determined by the moving average method. Silent partnership equity interests The method of incorporating an equity interest's proportionate amount of the net amount of income (loss) of the silent partnership is adopted.</p>
<p>2. Method of depreciation of non-current assets</p>	<p>① Property, plant and equipment (including trust assets) The straight-line method is adopted. The useful life of core property, plant and equipment is as follows: Buildings 3-59 years Structures 4-40 years Machinery and equipment 5-10 years Tools, furniture and fixtures 3-15 years ② Intangible assets The straight-line method is adopted. ③ Long-term prepaid expenses The straight-line method is adopted.</p>
<p>3. Accounting for deferred assets</p>	<p>① Investment unit issuance expenses Amortized using the straight-line method over 3 years. ② Investment corporation bond issuance costs Amortized using the straight-line method through to the redemption date.</p>
<p>4. Standards for recognition of revenue and expenses</p>	<p>① Accounting for property tax, etc. Of the tax amount assessed and determined for property tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held, the method adopted is that the amount corresponding to the relevant calculation period is expensed as expenses related to leasing business. The amount equivalent to property tax, etc. in the fiscal year including the acquisition date when money was paid to the seller as reimbursement upon acquisition of real estate, etc. is included in the cost of acquisition of the relevant real estate, etc. and not recognized as expenses. The amount equivalent to property tax, etc. included in the cost of acquisition of real estate property was 32,758 thousand yen in the 16th fiscal period, and 17,539 thousand yen in the 17th fiscal period. ② Standards for recognition of revenue • Sale of real estate properties For sale of real estate properties, revenue is recognized when the customer, the buyer, obtains control of the real estate and other assets as a result of fulfilling the delivery obligations stipulated in the real estate property sale agreement. In the statement of income, "Gain on sale of real estate properties" or "Loss on sale of real estate properties" is presented as the amount of "Revenue on sale of real estate properties," the amount paid for the real estate properties, less "Cost of sale of real estate properties," which is the book value of real estate properties sold, and "Other expenses on sale," which are expenses directly related to sale. • Utilities revenue Utilities revenue is recognized as revenue in accordance with the supply of electricity and other services to the lessee (customer), in accordance with the real estate property lease agreement and related agreements. For Utilities revenue deemed as revenue for which One REIT is an agent, One REIT recognizes as revenues net amount received as charges for electricity and other services supplied by the relevant third party provider, less the amount paid to said provider.</p>



<p>5. Hedge accounting method</p>	<p>① Hedge accounting method Special treatment is applied to interest rate swap transactions since they satisfy the requirements for special treatment.</p> <p>② Hedging instruments and hedge items Hedging instruments: Interest rate swap transactions Hedged items: Interest on borrowings</p> <p>③ Hedging policy One REIT conducts derivative transactions for hedging risks provided for in the Articles of Incorporation pursuant to the financing policy stipulated in the Asset Management Guideline.</p> <p>④ Method of assessing hedge effectiveness Since interest rate swap transactions satisfy the requirements for special treatment, assessment of hedge effectiveness is omitted.</p>
<p>6. Scope of funds in the statement of cash flows</p>	<p>The funds (cash and cash equivalents) in the statement of cash flows consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.</p>
<p>7. Other matters serving as the basis for preparing financial statements</p>	<p>① Accounting for trust beneficiary rights in real estate, etc. Concerning trust beneficiary rights in real estate, etc. held, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses from the trust assets are recognized in the relevant account item of the balance sheet and statement of income. The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet.</p> <p>(1) Cash and deposits in trust</p> <p>(2) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust and land in trust; construction in progress in trust</p> <p>(3) Land leasehold interests in trust</p> <p>(4) Leasehold and guarantee deposits received in trust</p> <p>② Accounting for non-deductible consumption taxes. Non-deductible consumption taxes in the acquisition of assets is included in the cost of acquisition of the respective assets.</p>

(8) Notes on Changes to Accounting Policies

1. Application of accounting standards, etc. for recognition of revenue

At the beginning of the fiscal period under review, One REIT adopted the Revised Accounting Standard for Revenue Recognition, etc. (ASBJ Statement No. 29, March 31, 2020; hereinafter the “Accounting Standard for Revenue Recognition”). As a result, revenue is now recognized as the amount expected to be received in exchange for promised goods or services at the time of the transfer of their control to the customer. The amount of the impact on financial statements of the fiscal period under review from applying “Accounting Standard for Revenue Recognition,” etc. is minimal.

In accordance with the transitional measures set forth in Paragraph 89-3 of the Accounting Standard for Revenue Recognition, notes related to revenue recognition for the previous period are not presented.

2. Application of accounting standards, etc. for fair value measurement

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; hereinafter the “Accounting Standard for Fair Value Measurement”) and other standards have been applied from the beginning of the fiscal period under review. As a result, pursuant to transitional measures set forth in Paragraph 19 of the Accounting Standard for Fair Value Measurement and in Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No.10, July 4, 2019), new accounting policies stipulated by the Accounting Standard for Fair Value Measurement and other standards are applied prospectively. The amount of the impact on financial statements of the fiscal period under review from applying “Accounting Standard for Revenue Recognition,” etc. is minimal. In accordance with Article 2, Paragraph 5 of the Supplementary Provision of the Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Cabinet Office Ordinance No. 61, September 24, 2021), the matters listed in Article 8-6-2, Paragraph 1, Item 3 of the revised Regulation on Terminology, Forms, and Preparation Methods of Financial Statements have been omitted.

(Additional Information)

[Notes on Provision and Reversal of Allowance for Temporary Difference Adjustments]

16th fiscal period (March 1, 2021, to August 31, 2021)

1. Reason for reversal, related assets, etc., and amount of reversal

(Unit: thousand yen)

Related assets, etc.	Reason for reversal	Allowance for temporary difference adjustments
Land in trust, etc.	Sale of properties with impairment losses	(611,285)

2. Specific method of reversal

The plan is reversal of the corresponding amount at the time of sale of the property.

17th fiscal period (September 1, 2021, to February 28, 2022)

Not applicable.

(9) Notes to the Financial Statements

[Notes to the Balance Sheet]

- \*1. Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: thousand yen)

	16th fiscal period (As of Aug. 31, 2021)	17th fiscal period (As of Feb. 28, 2022)
	50,000	50,000

- \*2. Allowance for temporary difference adjustments

16th fiscal period (March 1, 2021, to August 31, 2021)

1. Reason for provision, related assets, etc., initial amount and amount of provision

(Unit: thousand yen)

Related assets, etc.	Occurred event	Initial amount	Balance at beginning of period	Provision amount during period	Reversal amount during period	Balance at end of period	Reason for reversal
Land in trust, etc.	Incurrence of impairment loss	611,285	—	611,285	—	611,285	—

2. Specific method of reversal

The plan is reversal of the corresponding amount at the time of sale of the property.

17th fiscal period (September 1, 2021, to February 28, 2022)

1. Reason for provision, reversal, related assets, etc., initial amount of provision and reversal

(Unit: thousand yen)

Related assets, etc.	Occurred event	Initial amount	Balance at beginning of period	Provision amount during period	Reversal amount during period	Balance at end of period	Reason for reversal
Land in trust, etc.	Incurrence of impairment loss	611,285	611,285	—	(611,285)	—	Sale of properties with impairment losses

2. Specific method of reversal

Reversal of the corresponding amount was made at the time of sale of the property.

[Notes to the Statement of Income]

## \*1. Breakdown of property-related operating income (loss)

	(Unit: thousand yen)	
	16th fiscal period ( From: Mar. 1, 2021 To: Aug. 31, 2021 )	17th fiscal period ( From: Sep. 1, 2021 To: Feb. 28, 2022 )
A. Property-related operating revenue		
Leasing business revenue		
Rent revenue	2,945,746	3,251,686
Common area charges revenue	554,688	587,612
Parking revenue	156,439	168,842
Other rent revenue	24,575	24,290
Total	3,681,450	4,032,431
Other leasing business revenue		
Utilities revenue	277,921	316,519
Other revenue	49,460	34,546
Total	327,382	351,066
Total property-related operating revenue	4,008,832	4,383,497
B. Property-related operating expenses		
Expenses related to leasing business		
Property management fees	374,859	412,557
Utilities expenses	300,375	359,885
Taxes and public dues	298,911	295,064
Insurance premiums	7,844	8,345
Repair expenses	97,225	96,146
Trust fees	12,273	14,917
Depreciation	504,043	553,432
Other sundry expenses	38,349	38,349
Total property-related operating expenses	1,633,882	1,778,699
C. Property-related operating income (loss) [A - B]	2,374,950	2,604,798

## \*2. Breakdown of gain on sale of real estate properties

16th fiscal period (March 1, 2021, to August 31, 2021)

(Unit: thousand yen)

Yushima First Genesis Building, 36 Sankyo Building, and fab Minami-Osawa (Note)

Revenue on sale of real estate, etc.	9,390,000
Cost of sale of real estate, etc.	8,119,378
<u>Other expenses on sale</u>	<u>390,703</u>
<u>Gain on sale of real estate properties</u>	<u>879,917</u>

(Note) Only the sum of each of the items of breakdown of gain on sale of real estate properties is indicated as it is required by the buyer as a prerequisite for the transfer that the transfer prices of individual properties not be disclosed.

17th fiscal period (September 1, 2021, to February 28, 2022)

Not applicable.

[Notes to the Statement of Unitholders' Equity]

## 1. Total number of investment units authorized, and total number of investment units issued and outstanding

	16th fiscal period ( From: Mar. 1, 2021 To: Aug. 31, 2021 )	17th fiscal period ( From: Sep. 1, 2021 To: Feb. 28, 2022 )
Total number of investment units authorized	4,000,000 units	4,000,000 units
Total number of investment units issued and outstanding	239,908 units	268,468 units

[Notes to the Statement of Cash Flows]

## \*1. Reconciliation of cash and cash equivalents at end of period to the amount of balance sheet accounts

	(Unit: thousand yen)	
	16th fiscal period ( From: Mar. 1, 2021 To: Aug. 31, 2021 )	17th fiscal period ( From: Sep. 1, 2021 To: Feb. 28, 2022 )
Cash and deposits	3,133,360	3,263,960
Cash and deposits in trust	6,367,301	6,957,579
Cash and cash equivalents	9,500,662	10,221,539

[Notes on Financial Instruments]

## 1. Matters concerning status of financial instruments

## (1) Policy for handling financial instruments

One REIT procures funds through issuance of investment units, borrowings from financial institutions or issuance of investment corporation bonds, etc. upon acquisition of new assets under management, etc.

One REIT limits derivative transactions to those for investing funds for the purpose of hedging the risk of fluctuations in interest rates on borrowings, etc. and other risks.

## (2) Description of financial instruments and associated risks, and risk management structure

The use of the funds from borrowings and issuance of investment corporation bonds are primarily as funds for acquisition of assets under management, repayment of debt, etc. Concerning the liquidity risk and interest rate fluctuation risk associated with such financing, One REIT manages and limits the concerned risks by diversifying the lending financial institutions, as well as considering and implementing effective use of surplus funds, procurement of funds from the capital market through issuance of investment units, etc. and other various procurement of funds.

In addition, borrowings with floating interest rates are exposed to the risk of the interest rate payable rising. One REIT manages the concerned risk by adjusting the ratio of borrowings with floating interest rates (ratio of the balance of borrowings with floating interest rates to the amount of borrowings in total) depending on the financial environment, etc., as well as making derivative transactions (interest-rate swap transactions, etc.) available as a hedging instrument for hedging the risk of floating interest rates rising and converting the interest expenses to fixed interest rates.

Deposits are those for investing One REIT's surplus funds and are exposed to the credit risk of, for example, failure of the financial institutions that are holding the deposits, but One REIT exercises prudence by limiting the deposit period to short term, taking security and liquidity into consideration and taking the market environment and status of cash flows fully into account.

Leasehold and guarantee deposits received are deposits from tenants and are exposed to the risk of return of the deposits to tenants due to tenants moving out of properties. One REIT limits the concerned risk by setting aside an amount in the range that will not hinder the return of deposits.

Investment securities are equity investments in silent partnerships and are exposed to the credit risk of the issuer, risk of fluctuation in the value, etc. of real estate, etc. and risk of fluctuation in interest rates.

## (3) Supplementary explanation on matters concerning fair value, etc. of financial instruments

Certain assumptions, etc. are adopted in the calculation of financial instruments. Accordingly, there may be cases where the concerned values will vary when different assumptions, etc. are adopted.

## 2. Matters concerning fair value, etc. of financial instruments

The following is the carrying amount and fair value as of August 31, 2021, and the amount of difference between these. Please note that the following table does not include silent partnership equity interests (Note 2). In addition, as "Cash and deposits" and "Cash and deposits in trust" are cash and settled within a short period of time, the fair value is approximately the same as the book value, and thus notes are omitted.

	(Unit: thousand yen)		
	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term borrowings	6,000,000	6,000,366	366
(2) Investment corporation bonds	6,500,000	6,498,850	(1,150)
(3) Long-term borrowings	41,174,000	41,428,868	254,868
Liabilities total	53,674,000	53,928,085	254,085
(6) Derivative transactions	—	—	—

The following is the carrying amount and fair value as of February 28, 2022, and the amount of difference between these. Please note that the following table does not include silent partnership equity interests (Note 2). In addition, as “Cash and deposits” and “Cash and deposits in trust” are cash and settled within a short period of time, the fair value is approximately the same as the book value, and thus notes are omitted.

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term borrowings	9,000,000	9,009,468	9,468
(2) Investment corporation bonds	9,500,000	9,478,100	(21,900)
(3) Long-term borrowings	43,074,000	43,216,613	142,613
(4) Leasehold and guarantee deposits received	383,192	373,901	(9,290)
(5) Leasehold and guarantee deposits received in trust	5,727,539	5,202,693	(524,846)
Liabilities total	67,684,732	67,280,776	(403,956)
(6) Derivative transactions	—	—	—

(Note 1) Method of calculating the fair value of financial instruments and matters concerning derivative transactions

(1) Current portion of long-term borrowings; (3) Long-term borrowings

As long-term borrowings with floating interest rates reflect market interest rates within a short period of time, the fair value is thought to be approximately the same as the book value and is thus stated at that book value. For long-term borrowings with floating interest rates to which special treatment for interest rate swaps is applied (please refer to “Notes on Derivative Transactions” below) and those with fixed interest rate, the fair value is calculated by discounting the sum of principal and interest at an interest rate assumed in a case where a similar loan is taken out corresponding to the remaining period.

(2) Investment corporation bonds

Figures are calculated based on the Reference Statistical Prices [Yields] for OTC Bond Transactions prepared by Japan Securities Dealers Association.

(4) Leasehold and guarantee deposits received, (5) Leasehold and guarantee deposits received in trust

For leasehold and guarantee deposits received and leasehold and guarantee deposits received in trust, the fair value is calculated based on the present value of their future cash flows discounted at an interest rate that takes into account the period until the due date and credit risk.

(6) Derivative transactions

Please refer to “Notes on Derivative Transactions” below.

(Note 2) Silent partnership equity interests

For silent partnership equity interests, the fair value is calculated with application of the treatment stipulated in Paragraph 27 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued on July 4, 2019). No notes are provided on matters prescribed in Paragraph 4 (1) of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19 issued on March 31, 2020).

The balance sheet amounts for investments in partnerships, etc. to which this treatment is applied are as follows.

Carrying amount (Unit: thousand yen)

Category	16th fiscal period (As of Aug. 31, 2021)	17th fiscal period (As of Feb. 28, 2022)
Investment securities	38,548	17,664
Total	38,548	17,664

(Note 3) Amount of repayment of long-term borrowings and other interest-bearing liabilities scheduled to be due after the date of settlement of accounts  
16th fiscal period (As of Aug. 31, 2021)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Investment corporation bonds	—	—	1,500,000	1,500,000	—	3,500,000
Long-term borrowings	6,000,000	9,000,000	8,000,000	4,000,000	7,974,000	12,200,000
Total	6,000,000	9,000,000	9,500,000	5,500,000	7,974,000	15,700,000

17th fiscal period (As of Feb. 28, 2022)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Investment corporation bonds	—	—	1,500,000	1,500,000	—	6,500,000
Long-term borrowings	9,000,000	8,000,000	10,000,000	7,974,000	9,200,000	7,900,000
Total	9,000,000	8,000,000	11,500,000	9,474,000	9,200,000	14,400,000

[Notes on Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied:

16th fiscal period (As of Aug. 31, 2021)

Not applicable.

17th fiscal period (As of Feb. 28, 2022)

Not applicable.

2. Derivative transactions to which hedge accounting is applied:

Contract amount or amount equivalent to principal specified in the contract on the settlement date of each hedge accounting method is as follows.

16th fiscal period (As of Aug. 31, 2021)

(Unit: thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value calculation method
				Due after one year		
Special treatment for interest rate swaps	Interest rate swap transactions Receive floating / Pay fixed	Long-term borrowings	39,324,000	33,324,000	(Note)	—

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term borrowings, the fair values of such are shown as included in the fair value in “(1) Current portion of long-term borrowings” and “(3) Long-term borrowings” described in “Notes on Financial Instruments, 2. Matters concerning fair value, etc. of financial instruments” above.

17th fiscal period (As of Feb. 28, 2022)

(Unit: thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value calculation method
				Due after one year		
Special treatment for interest rate swaps	Interest rate swap transactions Receive floating / Pay fixed	Long-term borrowings	33,324,000	27,324,000	(Note)	—

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term borrowings, the fair values of such are shown as included in the fair value in “(1) Current portion of long-term borrowings” and “(3) Long-term borrowings” described in “Notes on Financial Instruments, 2. Matters concerning fair value, etc. of financial instruments” above.

[Notes on Related-Party Transactions]

1. Parent company, major corporate unitholder, etc.  
16th fiscal period (March 1, 2021, to August 31, 2021)  
Not applicable.

17th fiscal period (September 1, 2021, to February 28, 2022)  
Not applicable.

2. Associated company, etc.  
16th fiscal period (March 1, 2021, to August 31, 2021)  
Not applicable.

17th fiscal period (September 1, 2021, to February 28, 2022)  
Not applicable.

3. Fellow subsidiary, etc.  
16th fiscal period (March 1, 2021, to August 31, 2021)  
Not applicable.

17th fiscal period (September 1, 2021, to February 28, 2022)

Type	Name of company or person	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party (%)	Description of relationship		Description of transaction (Note 1)	Amount of transaction (thousand yen) (Note 2) (Note 3) (Note 4)	Account item	Balance at end of period (thousand yen) (Note 2) (Note 3) (Note 4)
						Concurrent holding of positions, etc. by directors	Business relationship				
Companies holding more than half of voting rights in major unitholders	Mizuho REIT Management Co., Ltd. (subsidiary of Mizuho Realty One Co., Ltd.)	Chiyoda Ward, Tokyo	50,000	Investment Management Business	—	Concurrent directors: 1	Entrustment of asset management operations	Payment of asset management fees	370,344	Accounts payable - other	290,900

(Note 1) Transaction conditions and policies for determining transaction conditions, etc.

The amount of asset management fees is based on the terms and conditions set forth in the Articles of Incorporation of One REIT.

(Note 2) Of the amounts above, the amount of transaction does not include consumption taxes, while the balance at the end of the period includes consumption taxes.

(Note 3) The asset management fees include the fee (105,890 thousand yen) for the acquisition of properties that was included in the book value of specified assets.

(Note 4) Due to a change in major unitholders, Mizuho REIT Management Co., Ltd. became a related party on September 22, 2021. The amount of transaction shows the total amount of transactions during the fiscal period ended February 2022, including those conducted by Executive Director of One REIT, Hirofumi Nabeyama, on behalf of a third party (Mizuho REIT Management Co., Ltd.). The balance at end of period shows the balance as of the end of the fiscal period ended February 2022.

4. Director, major individual unitholder, etc.  
16th fiscal period (March 1, 2021, to August 31, 2021)

Type	Name of company or person	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party (%)	Description of relationship		Description of transaction (Note 1)	Amount of transaction (thousand yen) (Note 2) (Note 3) (Note 4)	Account item	Balance at end of period (thousand yen) (Note 2) (Note 3) (Note 4)
						Concurrent holding of positions, etc. by directors	Business relationship				
Director and its relatives	Hirofumi Nabeyama	—	—	Executive Director of One REIT and Chief Executive Officer of Mizuho REIT Management Co., Ltd.	—	Executive Director of One REIT and Chief Executive Officer of Mizuho REIT Management Co., Ltd.	Executive Director of One REIT and Chief Executive Officer of Mizuho REIT Management Co., Ltd.	Payment of asset management fee to the asset management company	448,040	Accounts payable - other	285,538

(Note 1) Hirofumi Nabeyama conducted the transaction as a representative of a third party (Mizuho REIT Management Co., Ltd.), and the amount of the fee is based on the terms stipulated in the Articles of Incorporation of One REIT. The term of office of Executive Director Koji Hashimoto expired on May 31, 2021, and Hirofumi Nabeyama was appointed as Executive Director at the General Meeting of Unitholders held on May 25, 2021, and assumed the position on June 1, 2021. In addition, Koji Hashimoto retired from Chief Executive Officer of Mizuho REIT Management Co., Ltd. on June 23, 2021, and Hirofumi Nabeyama assumed the position on the same date.

(Note 2) The asset management fees include the fee (94,560 thousand yen) for the acquisition of properties that was included in the book value of specified assets.

(Note 3) The asset management fees include the fee (93,900 thousand yen) for the transfer of Yushima First Genesis Building, 36 Sankyo Building and fab Minami-Osawa.

(Note 4) Of the amounts above, the amount of transaction does not include consumption taxes, while the balance at the end of the period includes consumption taxes.

17th fiscal period (September 1, 2021, to February 28, 2022)

Transactions conducted by Hirofumi Nabeyama, Executive Director of One REIT as a representative of a third party (Mizuho REIT Management Co., Ltd.) are as described in the transactions with Mizuho REIT Management Co., Ltd. in "3. Fellow subsidiary, etc." above.

Note that Executive Director Hirofumi Nabeyama holds no investment units of One REIT as of February 28, 2022.

[Notes on Tax-Effect Accounting]

1. Breakdown of main causes for occurrence of deferred tax assets and deferred tax liabilities

(Unit: thousand yen)

	16th fiscal period (As of Aug. 31, 2021)	17th fiscal period (As of Feb. 28, 2022)
Deferred tax assets		
Non-deductible accrued enterprise tax	11	17
Total deferred tax assets	11	17
Net deferred tax assets	11	17

2. Breakdown of major components that caused significant differences between the statutory tax rate and the effective income tax rate after application of tax-effect accounting

(Unit: %)

	16th fiscal period (As of Aug. 31, 2021)	17th fiscal period (As of Feb. 28, 2022)
Statutory tax rate	31.46	31.46
[Adjustments]		
Deductible distributions payable	(21.79)	(31.44)
Increase in valuation reserve	(9.66)	—
Other	0.02	0.03
Effective income tax rate after application of tax-effect accounting	0.03	0.05



## [Notes on Investment and Rental Properties]

One REIT owns investment and rental properties mainly in the Tokyo metropolitan area and also in ordinance-designated cities or their equivalent for the purpose of earning revenue from leasing.

The following are the carrying amount, amount of increase (decrease) during the period and fair value of these investment and rental properties.

(Unit: thousand yen)

	16th fiscal period ( From: Mar. 1, 2021 To: Aug. 31, 2021 )	17th fiscal period ( From: Sep. 1, 2021 To: Feb. 28, 2022 )
Carrying amount		
Balance at beginning of period	100,394,388	103,673,678
Amount of increase (decrease) during period	3,279,289	15,623,177
Balance at end of period	103,673,678	119,296,855
Fair value at end of period	119,049,000	136,361,000

(Note 1) Carrying amount is the amount of the cost of acquisition, less accumulated depreciation.

(Note 2) Of the amount of increase (decrease) in investment and rental properties during the 16th fiscal period, the amount of increase is mainly attributable to acquisition of D'sVARIE HONGO BLDG, MSB-21 Minami-Otsuka Building and D'sVARIE KANDA BLDG (11,549,596 thousand yen) and capital expenditures (346,745 thousand yen), while the amount of decrease is mainly attributable to transfer of Yushima First Genesis Building, 36 Sankyo Building and fab Minami-Osawa (8,119,378 thousand yen) and depreciation (504,043 thousand yen). In addition, of the amount of increase (decrease) in investment and rental properties during the 17th fiscal period, the amount of increase is mainly attributable to acquisition of Kuramochi Building Daiichi, REID-C Chiba Ekimae Building, Shinkawa 1-chome Building, Hakozaki 314 Building, Aperto Higashi-Nakano Building, and Daido Life Mito Building (15,761,704 thousand yen) and capital expenditures (411,124 thousand yen), while the amount of decrease is mainly attributable to depreciation (553,432 thousand yen).

(Note 3) Fair value at the end of the period is the appraisal value by an outside real estate appraiser.

The income (loss) for investment and rental properties is as presented in "Notes to Statements of Income" earlier in this document.

## [Notes on Revenue Recognition]

- Breakdown of revenue arising from contracts with customers  
17th fiscal period (September 1, 2021, to February 28, 2022)

(Unit: thousand yen)

	Revenue arising from contracts with customers (Note)	Net sales to external customers
Sale of real estate properties	—	—
Utilities revenue	316,519	316,519
Other	—	4,066,978
Total	316,519	4,383,497

(Note) Leasing business revenue and other revenue subject to the Accounting Standard for Lease Transactions, ASBJ Statement No. 13, is not included in "Revenue arising from contracts with customers" because the Accounting Standard for Revenue Recognition does not apply to this revenue. Revenue arising from contracts with customers mainly includes revenues from sale of real estate properties and utilities.

- Explanation of revenue arising from contracts with customers  
17th fiscal period (September 1, 2021, to February 28, 2022)

This is as provided in "Notes on Matters Concerning Significant Accounting Policies."

3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from these contracts, and the amount and timing of revenue expected to be recognized in subsequent periods from contracts with customers that exist at the end of the current reporting period

(1) Balance of contract assets and contract liabilities, etc.

(Unit: thousand yen)

	17th fiscal period ( From: Sep. 1, 2021 To: Feb. 28, 2022 )
Receivables arising from contracts with customers (balance at beginning of period)	75,711
Receivables arising from contracts with customers (balance at end of period)	76,583
Contract assets (Balance at beginning of period)	—
Contract assets (Balance at end of period)	—
Contract liabilities (Balance at beginning of period)	—
Contract liabilities (Balance at end of period)	—

(2) Transaction price allocated to remaining performance obligations

For utilities revenue, One REIT recognizes revenues at the amount it has the right to charge in accordance with Paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition, due to the right One REIT has to receive from the customer the amount of consideration that directly corresponds to the value to the customer, the lessee, for the portion of performance completed by the end of the period. Therefore, the provisions of Paragraph 80-22(2) of the Accounting Standard for Revenue Recognition are applied, and the transaction price allocated to the remaining performance obligations has not been included in the notes.

[Notes on Segment Information, Etc.]

1. Segment information

Segment information is omitted because One REIT operates a single segment, which is the real estate leasing business.

2. Related information

16th fiscal period (March 1, 2021, to August 31, 2021)

(1) Information for each product and service

Information for each product and service is omitted because net sales to external customers of a single product/service category are more than 90% of the operating revenue on the statement of income.

(2) Information for each region

① Net sales

Information for each region is omitted because net sales to external customers in Japan are more than 90% of the operating revenue on the statement of income.

② Property, plant and equipment

Information for each region is omitted because the amount of property, plant and equipment located in Japan is more than 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information for each major customer

(Unit: thousand yen)

Name of customer or person	Operating revenue	Name of related segment
Not disclosed (Note)	879,917	Real estate leasing business

(Note) The customer is a Japanese limited liability corporation but is otherwise undisclosed as no consent has been obtained from the buyer for disclosure of its name, etc.  
Furthermore, the customer does not fall under the category of a related party of One REIT.

17th fiscal period (September 1, 2021, to February 28, 2022)

(1) Information for each product and service

Information for each product and service is omitted because net sales to external customers of a single product/service category are more than 90% of the operating revenue on the statement of income.

(2) Information for each region

① Net sales

Information for each region is omitted because net sales to external customers in Japan are more than 90% of the operating revenue on the statement of income.

② Property, plant and equipment

Information for each region is omitted because the amount of property, plant and equipment located in Japan is more than 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information for each major customer

Information for each major customer is omitted because net sales to a single external customer are less than 10% of the operating revenue on the statement of income.

[Notes on Per Unit Information]

	16th fiscal period ( From: Mar. 1, 2021 To: Aug. 31, 2021 )	17th fiscal period ( From: Sep. 1, 2021 To: Feb. 28, 2022 )
Net assets per unit	221,570 yen	228,417 yen
Net income per unit	10,890 yen	7,423 yen

(Note 1) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units during the period. The diluted net income per unit is not stated because there are no diluted investment units.

(Note 2) The following is the basis for calculating net income per unit.

	16th fiscal period ( From: Mar. 1, 2021 To: Aug. 31, 2021 )	17th fiscal period ( From: Sep. 1, 2021 To: Feb. 28, 2022 )
Net income	2,612,702 thousand yen	1,966,978 thousand yen
Amount not attributable to common unitholders	— thousand yen	— thousand yen
Net income attributable to common investment units	2,612,702 thousand yen	1,966,978 thousand yen
Average number of investment units during period	239,908 units	264,981 units

[Notes on Significant Subsequent Events]

Not applicable.

[Omission of Disclosure]

Disclosure of notes on lease transactions, securities, retirement benefits, share of profit (loss) of entities accounted for using the equity method, etc. and asset retirement obligations is omitted because there is thought to be no large necessity for disclosure in the summary of financial results.

## (10) Increase (Decrease) in Total Number of Investment Units Issued and Outstanding

The following is the changes in the total number of investment units issued and outstanding for One REIT and in unitholders' capital for the last five years through the end of the fiscal period under review.

Date	Description	Total number of investment units issued and outstanding (Units)		Unitholders' capital (million yen) (Note 1)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
March 1, 2017	Spilt of investment units	94,649	189,298	—	40,022	(Note 2)
September 20, 2018	Capital increase through public offering	48,200	237,498	10,601	50,624	(Note 3)
October 17, 2018	Capital increase by way of third-party allotment	2,410	239,908	530	51,154	(Note 4)
September 22, 2021	Capital increase through public offering	27,200	267,108	7,628	58,783	(Note 5)
October 15, 2021	Capital increase by way of third-party allotment	1,360	268,468	381	59,164	(Note 6)

(Note 1) Unitholders' capital does not take into consideration any change in unitholders' capital with the execution of distribution in excess of earnings from allowance for temporary difference adjustments.

(Note 2) One REIT implemented a 2-for-1 split of investment units with February 28, 2017, as the record date and March 1, 2017, as the effective date.

(Note 3) New investment units were issued through public offering at an issue price of 227,662 yen (paid-in amount: 219,956 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 4) New investment units were issued by way of third-party allotment in line with capital increase through public offering at a paid-in amount of 219,956 yen per unit.

(Note 5) New investment units were issued through public offering at an issue price of 289,965 yen (paid-in amount: 280,448 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 6) New investment units were issued by way of third-party allotment in line with capital increase through public offering at a paid-in amount of 280,448 yen per unit.

## 3. Reference Information

## (1) Information on Price of Assets Under Management, Etc.

## 1) Asset composition

Type of asset	Use of asset	Region (Note 1)	16th fiscal period (As of Aug. 31, 2021)		17th fiscal period (As of Feb. 28, 2022)	
			Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate	Office buildings	Tokyo metropolitan area	6,405	5.6	6,350	4.9
	Office buildings subtotal		6,405	5.6	6,350	4.9
Real estate total			6,405	5.6	6,350	4.9
Real estate in trust	Office buildings	Tokyo metropolitan area	61,019	53.6	75,024	57.5
		Ordinance-designated cities, etc.	36,248	31.9	37,922	29.0
	Office buildings subtotal		97,268	85.5	112,946	86.5
Real estate in trust total			97,268	85.5	112,946	86.5
Investment securities (Note 4)			38	0.0	17	0.0
Deposits and other assets			10,095	8.9	11,267	8.6
Total assets			113,808	100.0	130,582	100.0

(Note 1) Regions are classified as follows:

- ① The Tokyo metropolitan area refers to Tokyo, Kanagawa, Saitama, and Chiba prefectures.
- ② Ordinance-designated cities and core regional cities are collectively referred to as “ordinance-designated cities, etc.” “Ordinance-designated cities” refers to ordinance-designated cities located outside the Tokyo metropolitan area. “Core regional cities” refers to non-ordinance-designated cities located outside the Tokyo metropolitan area that are the location of a prefectural government (prefectural capitals) or their equivalent.

(Note 2) “Total amount held” is the carrying amount (book value less depreciation in the case of real estate and real estate in trust).

(Note 3) “As a percentage of total assets” is rounded to one decimal place.

(Note 4) “Investment securities” is the silent partnership equity interest pertaining to a silent partnership having Kagurazaka Kogyo GK as the operator and the silent partnership equity interest pertaining to a silent partnership having ONE Bridge Fund S GK as the operator in the case of the 16th fiscal period, and the silent partnership equity interest pertaining to a silent partnership having Kagurazaka Kogyo GK as the operator in the case of the 17th fiscal period.

## 2) Portfolio diversification

## Diversification by region

Region	Number of properties	Acquisition price (million yen)	Share (%)
Tokyo metropolitan area	23	82,040	68.4
Ordinance-designated cities, etc.	8	37,887	31.6
Total	31	119,927	100.0

## Diversification by asset type

Use	Number of properties	Acquisition price (million yen)	Share (%)
Office buildings	31	119,927	100.0
Total	31	119,927	100.0

## 3) Period-End Value of Portfolio Real Estate

Property no.	Property name	Appraisal company (Note 2)	Acquisition price (million yen) (Note 1)	Carrying amount (million yen)	Appraisal value (million yen) (Note 2)	Overview of appraisal report (Note 2)					
						Income approach					Cost approach
						Indicated value by direct cap method (million yen)	Cap rate (%)	Indicated value by DCF method (million yen)	Discount rate (%)	Terminal cap rate (%)	Indicated value by cost approach (million yen)
OT-2	ONEST Kanda Square	The Tanizawa Sogo Appraisal Co., Ltd.	7,350	6,350	9,120	9,330	3.5	9,030	3.6	3.7	8,860
OT-3	Tachikawa Nishiki-cho Building	Daiwa Real Estate Appraisal Co., Ltd.	3,264	3,129	4,170	4,230	4.4	4,140	4.2	4.6	2,560
OT-5	ONEST Yokohama Nishiguchi Building	Daiwa Real Estate Appraisal Co., Ltd.	3,110	3,075	3,880	3,840	4.2	3,890	4.0	4.4	3,290
OT-7	ONEST Nakano Building	Daiwa Real Estate Appraisal Co., Ltd.	2,880	2,836	3,430	3,420	4.3	3,430	4.1	4.5	2,570
OT-9	Minami-Shinagawa JN Building	Daiwa Real Estate Appraisal Co., Ltd.	2,165	2,138	2,214	2,290	4.3	2,200	4.1	4.5	2,070
OT-10	Minami-Shinagawa N Building	Daiwa Real Estate Appraisal Co., Ltd.	2,292	2,142	2,460	2,540	4.5	2,430	4.3	4.7	2,170
OT-11	Minami-Shinagawa J Building	Daiwa Real Estate Appraisal Co., Ltd.	2,020	1,914	2,460	2,490	4.5	2,440	4.3	4.7	1,400
OT-13	Hachioji SIA Building	Chuo Real Estate Appraisal Co., Ltd.	730	686	867	877	5.1	863	4.9	5.3	667
OT-14	ONEST Motoyoyogi Square	Japan Real Estate Institute	7,500	7,521	8,950	8,970	3.9	8,930	3.6	4.0	8,540
OT-15	ONEST Ueno Okachimachi Building	Japan Real Estate Institute	2,700	2,768	2,960	2,990	3.7	2,930	3.5	3.8	3,000
OT-16	Daido Life Omiya Building	Chuo Real Estate Appraisal Co., Ltd.	3,000	3,119	3,250	3,300	4.6	3,230	4.4	4.8	2,260
OT-17	ONEST Ikebukuro East Building	Daiwa Real Estate Appraisal Co., Ltd.	2,200	2,221	2,370	2,400	4.1	2,350	3.9	4.3	2,000
OT-18	Crescendo Building	Chuo Real Estate Appraisal Co., Ltd.	2,466	2,556	2,550	2,610	4.6	2,530	4.4	4.8	1,610
OT-19	Tokyo Parkside Building	JLL Morii Valuation & Advisory K.K.	10,450	10,629	11,300	11,400	4.2	11,300	3.9	4.4	9,320
OT-20	ONEST Nishi-Gotanda Square	The Tanizawa Sogo Appraisal Co., Ltd.	4,500	4,738	5,110	5,380	3.8	4,990	3.8	3.9	5,050
OT-21	ONEST Hongo Square (Note 3)	The Tanizawa Sogo Appraisal Co., Ltd.	5,406	5,472	5,440	5,740	3.7	5,310	3.7	3.8	5,320
OT-22	ONEST Minami-Otsuka Building (Note 3)	Chuo Real Estate Appraisal Co., Ltd.	3,900	3,924	3,950	4,080	3.9	3,900	3.7	4.1	2,470
OT-23	D'sVARIE KANDA BLDG	The Tanizawa Sogo Appraisal Co., Ltd.	2,100	2,136	2,140	2,230	3.5	2,100	3.5	3.6	1,990
OT-24	Kuramochi Building Daiichi	Chuo Real Estate Appraisal Co., Ltd.	3,951	3,991	4,450	4,590	3.7	4,390	3.5	3.9	2,390
OT-25	REID-C Chiba Ekimae Building	The Tanizawa Sogo Appraisal Co., Ltd.	4,475	4,485	4,610	4,640	4.3	4,600	4.3	4.5	4,360
OT-26	Shinkawa 1-chome Building	Chuo Real Estate Appraisal Co., Ltd.	2,100	2,069	2,130	2,210	3.6	2,090	3.4	3.8	1,150
OT-27	Hakozaki 314 Building	Chuo Real Estate Appraisal Co., Ltd.	1,771	1,734	1,820	1,890	3.8	1,790	3.6	4.0	1,210
OT-28	Aperto Higashi-Nakano Building	Daiwa Real Estate Appraisal Co., Ltd.	1,710	1,729	1,780	1,860	4.2	1,750	4.0	4.4	1,010
OO-1	ONEST Shin-Osaka Square	Daiwa Real Estate Appraisal Co., Ltd.	4,612	4,172	6,340	6,350	4.3	6,340	4.1	4.5	2,940
OO-2	Karasuma Plaza 21	Daiwa Real Estate Appraisal Co., Ltd.	3,700	3,840	4,090	4,010	4.6	4,130	4.4	4.8	8,810
OO-3	ONEST Nagoya Nishiki Square	Daiwa Real Estate Appraisal Co., Ltd.	2,381	2,269	3,580	3,540	4.6	3,600	4.4	4.8	2,390

Property no.	Property name	Appraisal company (Note 2)	Acquisition price (million yen) (Note 1)	Carrying amount (million yen)	Appraisal value (million yen) (Note 2)	Overview of appraisal report (Note 2)					
						Income approach					Cost approach
						Indicated value by direct cap method (million yen)	Cap rate (%)	Indicated value by DCF method (million yen)	Discount rate (%)	Terminal cap rate (%)	Indicated value by cost approach (million yen)
OO-4	MY Kumamoto Building	Chuo Real Estate Appraisal Co., Ltd.	1,152	1,034	1,320	1,300	6.0	1,330	5.8	6.2	965
OO-5	Nagoya Fushimi Square Building	Daiwa Real Estate Appraisal Co., Ltd.	4,812	4,829	5,460	5,560	4.5	5,410	4.3	4.7	6,580
OO-6	Daihakata Building	JLL Morii Valuation & Advisory K.K.	10,650	10,627	12,000	11,800	4.2	12,100	4.0	4.4	17,100
OO-7	Higobashi Center Building	The Tanizawa Sogo Appraisal Co., Ltd.	8,930	9,423	10,400	10,600	4.1	10,300	4.2	4.3	11,800
OO-8	Daido Life Mito Building	The Tanizawa Sogo Appraisal Co., Ltd.	1,650	1,724	1,760	1,800	4.9	1,740	4.9	5.0	1,650
Total			119,927	119,296	136,361	138,267	—	135,563	—	—	127,502

(Note 1) "Acquisition price" is the amount excluding transaction intermediary fees, taxes and public dues and other various expenses required for the acquisition of the relevant real estate (transaction amount stated in the sale and purchase contract, etc.).

(Note 2) The effective date of the appraisal (date of value) is the last day of February 2022.

(Note 3) Property names have been changed as follows. The same applies hereafter.

Property no.	New property name	Old property name	Date of change
OT-21	ONEST Hongo Square	D'sVARIE HONGO BLDG	April 1, 2022
OT-22	ONEST Minami-Otsuka Building	MSB-21 Minami-Otsuka Building	February 1, 2022

## 4) Overview of Portfolio Real Estate

Property no.	Property name	Asset type	Location	Construction and number of floors	Completed (YYYY/MM)	Type of ownership	Total leasable area	PML value
OT-2	ONEST Kanda Square	Office buildings	Chiyoda Ward, Tokyo	SRC 10F	2007/04	Real estate	5,259.62	4.4%
OT-3	Tachikawa Nishiki-cho Building	Office buildings	Tachikawa City, Tokyo	SRC 8F	1991/06	Real estate trust beneficiary rights	5,622.39	5.0%
OT-5	ONEST Yokohama Nishiguchi Building	Office buildings	Yokohama City, Kanagawa	RC B1/8F	1983/05	Real estate trust beneficiary rights	4,326.68	8.6%
OT-7	ONEST Nakano Building	Office buildings	Nakano Ward, Tokyo	S/SRC B1/7F	1994/08	Real estate trust beneficiary rights	3,116.49	4.9%
OT-9	Minami-Shinagawa JN Building	Office buildings	Shinagawa Ward, Tokyo	SRC B2/10F	1990/07	Real estate trust beneficiary rights	6,390.33	5.8%
OT-10	Minami-Shinagawa N Building	Office buildings	Shinagawa Ward, Tokyo	SRC B2/10F	1994/07	Real estate trust beneficiary rights	5,476.73	5.7%
OT-11	Minami-Shinagawa J Building	Office buildings	Shinagawa Ward, Tokyo	SRC B1/10F	1992/07	Real estate trust beneficiary rights	3,673.62	5.1%
OT-13	Hachioji SIA Building	Office buildings	Hachioji City, Tokyo	SRC 9F	1993/09	Real estate trust beneficiary rights	2,749.83	3.5%
OT-14	ONEST Motoyoyogi Square	Office buildings	Shibuya Ward, Tokyo	SRC/RC B2/8F	1992/04	Real estate trust beneficiary rights	7,645.14	6.4%
OT-15	ONEST Ueno Okachimachi Building	Office buildings	Taito Ward, Tokyo	SRC B1/9F	1986/05	Real estate trust beneficiary rights	2,945.33	7.5%
OT-16	Daido Life Omiya Building	Office buildings	Saitama City, Saitama	SRC 8F	1991/10	Real estate trust beneficiary rights	3,574.03	5.7%
OT-17	ONEST Ikebukuro East Building	Office buildings	Toshima Ward, Tokyo	SRC/RC B2/8F	1991/09	Real estate trust beneficiary rights	2,677.80	8.5%
OT-18	Crescendo Building	Office buildings	Yokohama City, Kanagawa	SRC B1/9F	1987/07	Real estate trust beneficiary rights	4,355.08	8.1%
OT-19	Tokyo Parkside Building	Office buildings	Koto Ward, Tokyo	S/SRC B1/14F	1991/09	Real estate trust beneficiary rights	12,920.17	6.2%
OT-20	ONEST Nishi-Gotanda Square	Office buildings	Shinagawa Ward, Tokyo	SRC B1/8F	1988/01	Real estate trust beneficiary rights	4,249.00	6.7%
OT-21	ONEST Hongo Square	Office buildings	Bunkyo Ward, Tokyo	SRC 8F	1987/12	Real estate trust beneficiary rights	4,461.10	6.6%
OT-22	ONEST Minami-Otsuka Building	Office buildings	Toshima Ward, Tokyo	RC B2/12F	1991/04	Real estate trust beneficiary rights	4,123.03	0.5%
OT-23	D'sVARIE KANDA BLDG	Office buildings	Chiyoda Ward, Tokyo	SRC/RC 8F	1996/02	Real estate trust beneficiary rights	1,698.26	6.5%
OT-24	Kuramochi Building Daiichi	Office buildings	Sumida Ward, Tokyo	S B1/9F	1992/04	Real estate trust beneficiary rights	3,899.79	7.6%
OT-25	REID-C Chiba Ekimae Building	Office buildings	Chiba City, Chiba	SRC/S B1/8F	1997/09	Real estate trust beneficiary rights	6,067.77	6.7%
OT-26	Shinkawa 1-chome Building	Office buildings	Chuo Ward, Tokyo	RC B3/8F	1989/12	Real estate trust beneficiary rights	1,536.18	9.0%
OT-27	Hakozaki 314 Building	Office buildings	Chuo Ward, Tokyo	SRC 9F	1991/03	Real estate trust beneficiary rights	1,752.93	8.0%
OT-28	Aperto Higashi-Nakano Building	Office buildings	Nakano Ward, Tokyo	S 10F	1994/04	Real estate trust beneficiary rights	2,040.28	5.1%
OO-1	ONEST Shin-Osaka Square	Office buildings	Osaka City, Osaka	S B1/12F	1992/06	Real estate trust beneficiary rights	9,420.69	2.6%
OO-2	Karasuma Plaza 21	Office buildings	Kyoto City, Kyoto	SRC B1/8F	1986/11	Real estate trust beneficiary rights	8,893.59	1.1%
OO-3	ONEST Nagoya Nishiki Square	Office buildings	Nagoya City, Aichi	S/SRC B1/8F	1991/04	Real estate trust beneficiary rights	5,801.80	6.9%
OO-4	MY Kumamoto Building	Office buildings	Kumamoto City, Kumamoto	S/RC 9F	1987/10	Real estate trust beneficiary rights	3,755.94	0.9%
OO-5	Nagoya Fushimi Square Building	Office buildings	Nagoya City, Aichi	SRC B2/13F	1987/11	Real estate trust beneficiary rights	8,421.46	2.8%
OO-6	Daihakata Building	Office buildings	Fukuoka City, Fukuoka	S/RC B3/14F	1975/08	Real estate trust beneficiary rights	15,458.26	Less than 0.1%
OO-7	Higobashi Center Building	Office buildings	Osaka City, Osaka	SRC/RC/S B2/18F	1977/09	Real estate trust beneficiary rights	15,903.01	2.9%
OO-8	Daido Life Mito Building	Office buildings	Mito City, Ibaraki	S/RC B1/10F	1989/12	Real estate trust beneficiary rights	3,712.32	4.6%



## 5) Status of Revenue of Each Property

Property no.	OT-2	OT-3	OT-5	OT-7	
Property name	ONEST Kanda Square	Tachikawa Nishiki-cho Building	ONEST Yokohama Nishiguchi Building	ONEST Nakano Building	
Acquisition date	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	
Acquisition price	Acquisition price (million yen)	7,350	3,264	3,110	2,880
	Composition ratio (%)	6.1	2.7	2.6	2.4
	Carrying amount (million yen)	6,350	3,129	3,075	2,836
	Value at end of period (million yen)	9,120	4,170	3,880	3,430
	Composition ratio (%)	6.7	3.1	2.8	2.5
Leasing	Total number of tenants	30	19	10	7
	Total leasable area (m <sup>2</sup> )	5,259.62	5,622.39	4,326.68	3,116.49
	Leased area (m <sup>2</sup> )	5,259.62	4,755.77	4,326.68	3,116.49
	Occupancy rate	100.0%	84.6%	100.0%	100.0%
Operating income (loss)	Number of days under management	181	181	181	181
	① Property-related operating revenue (thousand yen)	204,223	137,260	136,605	114,906
	Leasing business revenue	193,943	131,193	123,608	105,498
	Other leasing business revenue	10,279	6,066	12,997	9,408
	② Property-related operating expenses (thousand yen)	37,901	41,753	28,109	26,314
	Property management fees	17,137	16,286	8,822	7,712
	Utilities expenses	8,924	9,049	7,176	7,091
	Taxes and public dues	8,590	10,854	10,466	7,736
	Insurance premiums	252	272	175	139
	Repair expenses	2,997	4,788	969	3,134
	Other	—	500	500	500
	③ Leasing NOI (thousand yen)	166,321	95,507	108,496	88,592
	④ Depreciation (thousand yen)	64,987	26,575	14,079	12,297
	⑤ Property-related operating income (loss) [(③)-(④)] (thousand yen)	101,334	68,931	94,416	76,295
	⑥ Capital expenditures (thousand yen)	9,756	16,950	1,520	18,548
⑦ Leasing NCF [(③)-(⑥)] (thousand yen)	156,565	78,556	106,976	70,044	

Property no.	OT-9	OT-10	OT-11	OT-13
Property name	Minami-Shinagawa JN Building	Minami-Shinagawa N Building	Minami-Shinagawa J Building	Hachioji SIA Building
Acquisition date	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013
Acquisition price	Acquisition price (million yen)	2,165	2,292	2,020
	Composition ratio (%)	1.8	1.9	1.7
	Carrying amount (million yen)	2,138	2,142	1,914
	Value at end of period (million yen)	2,214	2,460	2,460
	Composition ratio (%)	1.6	1.8	1.8
Leasing	Total number of tenants	20	18	13
	Total leasable area (m <sup>2</sup> )	6,390.33	5,476.73	3,673.62
	Leased area (m <sup>2</sup> )	6,390.33	5,251.30	3,673.62
	Occupancy rate	100.0%	95.9%	100.0%
Operating income (loss)	Number of days under management	181	181	181
	① Property-related operating revenue (thousand yen)	133,988	108,326	89,459
	Leasing business revenue	125,489	101,740	82,944
	Other leasing business revenue	8,499	6,585	6,515
	② Property-related operating expenses (thousand yen)	70,408	38,276	29,702
	Property management fees	16,573	6,943	6,240
	Utilities expenses	21,518	7,583	6,513
	Taxes and public dues	9,574	9,163	5,643
	Insurance premiums	298	261	163
	Repair expenses	5,652	894	1,513
	Other	16,790	13,431	9,627
	③ Leasing NOI (thousand yen)	63,580	70,049	59,756
	④ Depreciation (thousand yen)	20,054	15,599	13,210
	⑤ Property-related operating income (loss) [(③)-(④)] (thousand yen)	43,525	54,450	46,546
	⑥ Capital expenditures (thousand yen)	9,854	2,123	3,344
⑦ Leasing NCF [(③)-(⑥)] (thousand yen)	53,726	67,925	56,412	

Property no.	OT-14	OT-15	OT-16	OT-17
Property name	ONEST Motoyoyogi Square	ONEST Ueno Okachimachi Building	Daido Life Omiya Building	ONEST Ikebukuro East Building
Acquisition date	September 7, 2016	September 7, 2016	October 25, 2017	October 25, 2017
Acquisition price	Acquisition price (million yen)	7,500	2,700	3,000
	Composition ratio (%)	6.3	2.3	2.5
	Carrying amount (million yen)	7,521	2,768	3,119
	Value at end of period (million yen)	8,950	2,960	3,250
	Composition ratio (%)	6.6	2.2	2.4
Leasing	Total number of tenants	8	12	15
	Total leasable area (m <sup>2</sup> )	7,645.14	2,945.33	3,574.03
	Leased area (m <sup>2</sup> )	7,384.26	2,945.33	3,574.03
	Occupancy rate	96.6%	100.0%	100.0%
Operating income (loss)	Number of days under management	181	181	181
	① Property-related operating revenue (thousand yen)	245,339	89,075	117,073
	Leasing business revenue	233,301	84,634	108,760
	Other leasing business revenue	12,037	4,440	8,313
	② Property-related operating expenses (thousand yen)	46,943	22,628	25,724
	Property management fees	13,836	6,680	9,088
	Utilities expenses	14,459	6,896	6,822
	Taxes and public dues	16,211	7,199	6,957
	Insurance premiums	369	138	204
	Repair expenses	1,666	1,214	2,200
	Other	400	500	450
	③ Leasing NOI (thousand yen)	198,396	66,446	91,348
	④ Depreciation (thousand yen)	29,500	8,924	15,429
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	168,896	57,521	75,919
	⑥ Capital expenditures (thousand yen)	3,368	8,458	13,846
⑦ Leasing NCF [③-⑥] (thousand yen)	195,027	57,988	77,502	

Property no.	OT-18	OT-19	OT-20	OT-21
Property name	Crescendo Building	Tokyo Parkside Building	ONEST Nishi-Gotanda Square	ONEST Hongo Square
Acquisition date	September 3, 2018	September 21, 2018	October 31, 2019	March 30, 2021
Acquisition price	Acquisition price (million yen)	2,466	10,450	4,500
	Composition ratio (%)	2.1	8.7	3.8
	Carrying amount (million yen)	2,556	10,629	4,738
	Value at end of period (million yen)	2,550	11,300	5,110
	Composition ratio (%)	1.9	8.3	3.7
Leasing	Total number of tenants	30	14	11
	Total leasable area (m <sup>2</sup> )	4,355.08	12,920.17	4,249.00
	Leased area (m <sup>2</sup> )	4,355.08	12,920.17	4,047.60
	Occupancy rate	100.0%	100.0%	95.3%
Operating income (loss)	Number of days under management	181	181	181
	① Property-related operating revenue (thousand yen)	91,376	377,715	112,769
	Leasing business revenue	79,509	344,815	100,125
	Other leasing business revenue	11,867	32,899	12,644
	② Property-related operating expenses (thousand yen)	28,983	92,994	28,788
	Property management fees	10,264	30,851	8,724
	Utilities expenses	9,700	33,432	8,673
	Taxes and public dues	7,307	18,684	10,144
	Insurance premiums	176	656	269
	Repair expenses	1,035	8,719	477
	Other	500	650	500
	③ Leasing NOI (thousand yen)	62,393	284,721	83,981
	④ Depreciation (thousand yen)	8,363	32,584	11,871
	⑤ Property-related operating income (loss) [(③)-(④)] (thousand yen)	54,029	252,136	72,109
	⑥ Capital expenditures (thousand yen)	399	124,673	5,800
	⑦ Leasing NCF [(③)-(⑥)] (thousand yen)	61,993	160,047	78,180

Property no.	OT-22	OT-23	OT-24	OT-25	
Property name	ONEST Minami-Otsuka Building	D'sVARIE KANDA BLDG	Kuramochi Building Daiichi	REID-C Chiba Ekimae Building	
Acquisition date	March 30, 2021	March 30, 2021	September 24, 2021	September 24, 2021	
Acquisition price	Acquisition price (million yen)	3,900	2,100	3,951	4,475
	Composition ratio (%)	3.3	1.8	3.3	3.7
	Carrying amount (million yen)	3,924	2,136	3,991	4,485
	Value at end of period (million yen)	3,950	2,140	4,450	4,610
	Composition ratio (%)	2.9	1.6	3.3	3.4
Leasing	Total number of tenants	14	8	6	15
	Total leasable area (m <sup>2</sup> )	4,123.03	1,698.26	3,899.79	6,067.77
	Leased area (m <sup>2</sup> )	4,123.03	1,698.26	2,920.72	5,645.68
	Occupancy rate	100.0%	100.0%	74.9%	93.0%
Operating income (loss)	Number of days under management	181	181	158	158
	① Property-related operating revenue (thousand yen)	111,635	44,458	72,281	138,094
	Leasing business revenue	104,605	41,147	64,355	122,866
	Other leasing business revenue	7,029	3,310	7,926	15,228
	② Property-related operating expenses (thousand yen)	21,739	7,624	14,314	32,489
	Property management fees	9,784	3,736	7,153	16,373
	Utilities expenses	8,449	2,281	5,109	13,474
	Taxes and public dues	—	—	4	—
	Insurance premiums	192	61	135	303
	Repair expenses	2,813	1,045	1,475	1,901
	Other	500	500	436	436
	③ Leasing NOI (thousand yen)	89,896	36,833	57,966	105,605
	④ Depreciation (thousand yen)	9,465	3,868	6,810	16,944
	⑤ Property-related operating income (loss) [(③)-(④)] (thousand yen)	80,430	32,964	51,156	88,661
	⑥ Capital expenditures (thousand yen)	—	5,172	5,890	2,415
⑦ Leasing NCF [(③)-(⑥)] (thousand yen)	89,896	31,660	52,076	103,189	

Property no.	OT-26	OT-27	OT-28	OO-1	
Property name	Shinkawa 1-chome Building	Hakozaki 314 Building	Aperto Higashi-Nakano Building	ONEST Shin-Osaka Square	
Acquisition date	September 24, 2021	September 24, 2021	September 24, 2021	October 10, 2013	
Acquisition price	Acquisition price (million yen)	2,100	1,771	1,710	4,612
	Composition ratio (%)	1.8	1.5	1.4	3.8
	Carrying amount (million yen)	2,069	1,734	1,729	4,172
	Value at end of period (million yen)	2,130	1,820	1,780	6,340
	Composition ratio (%)	1.6	1.3	1.3	4.6
Leasing	Total number of tenants	13	5	8	28
	Total leasable area (m <sup>2</sup> )	1,536.18	1,752.93	2,040.28	9,420.69
	Leased area (m <sup>2</sup> )	1,309.78	1,752.93	2,040.28	9,420.69
	Occupancy rate	85.3%	100.0%	100.0%	100.0%
Operating income (loss)	Number of days under management	158	158	158	181
	① Property-related operating revenue (thousand yen)	36,730	42,465	38,621	213,467
	Leasing business revenue	33,104	36,781	32,657	192,554
	Other leasing business revenue	3,626	5,683	5,963	20,913
	② Property-related operating expenses (thousand yen)	12,176	10,453	10,173	61,856
	Property management fees	6,968	4,715	3,794	19,245
	Utilities expenses	3,792	4,949	4,254	20,145
	Taxes and public dues	0	—	—	15,324
	Insurance premiums	79	74	62	394
	Repair expenses	899	278	1,626	6,247
	Other	436	436	436	500
	③ Leasing NOI (thousand yen)	24,554	32,011	28,447	151,610
	④ Depreciation (thousand yen)	3,360	2,507	4,397	35,279
	⑤ Property-related operating income (loss) [(③)-(④)] (thousand yen)	21,193	29,504	24,050	116,331
	⑥ Capital expenditures (thousand yen)	—	—	2,358	2,625
⑦ Leasing NCF [(③)-(⑥)] (thousand yen)	24,554	32,011	26,089	148,985	

Property no.	OO-2	OO-3	OO-4	OO-5	
Property name	Karasuma Plaza 21	ONEST Nagoya Nishiki Square	MY Kumamoto Building	Nagoya Fushimi Square Building	
Acquisition date	October 10, 2013	October 10, 2013	October 10, 2013	September 7, 2016	
Acquisition price	Acquisition price (million yen)	3,700	2,381	1,152	4,812
	Composition ratio (%)	3.1	2.0	1.0	4.0
	Carrying amount (million yen)	3,840	2,269	1,034	4,829
	Value at end of period (million yen)	4,090	3,580	1,320	5,460
	Composition ratio (%)	3.0	2.6	1.0	4.0
Leasing	Total number of tenants	12	5	18	45
	Total leasable area (m <sup>2</sup> )	8,893.59	5,801.80	3,755.94	8,421.46
	Leased area (m <sup>2</sup> )	8,893.59	5,801.80	3,685.71	8,421.46
	Occupancy rate	100.0%	100.0%	98.1%	100.0%
Operating income (loss)	Number of days under management	181	181	181	181
	① Property-related operating revenue (thousand yen)	218,578	146,981	75,885	193,109
	Leasing business revenue	205,423	130,388	69,633	178,010
	Other leasing business revenue	13,155	16,593	6,251	15,098
	② Property-related operating expenses (thousand yen)	72,629	33,868	21,876	51,751
	Property management fees	27,271	10,556	8,733	16,986
	Utilities expenses	15,109	10,814	6,859	12,758
	Taxes and public dues	26,763	9,937	5,027	17,810
	Insurance premiums	395	255	162	454
	Repair expenses	2,590	1,804	593	3,240
	Other	500	500	500	500
	③ Leasing NOI (thousand yen)	145,948	113,113	54,008	141,358
	④ Depreciation (thousand yen)	29,118	22,191	13,855	22,114
	⑤ Property-related operating income (loss) [(③)-(④)] (thousand yen)	116,829	90,922	40,152	119,243
	⑥ Capital expenditures (thousand yen)	1,565	292	660	26,516
⑦ Leasing NCF [(③)-(⑥)] (thousand yen)	144,382	112,821	53,348	114,841	

Property no.	OO-6	OO-7	OO-8	Total	
Property name	Daihakata Building	Higobashi Center Building	Daido Life Mito Building		
Acquisition date	October 25, 2017	September 21, 2018	September 24, 2021	—	
Acquisition price	Acquisition price (million yen)	10,650	8,930	1,650	119,927
	Composition ratio (%)	8.9	7.4	1.4	100.0
	Carrying amount (million yen)	10,627	9,423	1,724	119,296
	Value at end of period (million yen)	12,000	10,400	1,760	136,361
	Composition ratio (%)	8.8	7.6	1.3	100.0
Leasing	Total number of tenants	65	62	17	554
	Total leasable area (m <sup>2</sup> )	15,458.26	15,903.01	3,712.32	171,928.65
	Leased area (m <sup>2</sup> )	15,458.26	15,824.85	3,595.12	167,801.74
	Occupancy rate	100.0%	99.5%	96.8%	97.6%
Operating income (loss)	Number of days under management	181	181	158	—
	① Property-related operating revenue (thousand yen)	418,709	364,837	62,676	4,383,497
	Leasing business revenue	390,790	333,773	58,315	4,032,431
	Other leasing business revenue	27,918	31,064	4,360	351,066
	② Property-related operating expenses (thousand yen)	154,176	121,250	13,425	1,225,267
	Property management fees	49,233	34,327	7,787	412,557
	Utilities expenses	42,937	39,148	4,797	359,885
	Taxes and public dues	51,168	31,213	—	295,064
	Insurance premiums	959	820	187	8,345
	Repair expenses	9,227	15,091	217	96,146
	Other	650	650	436	53,267
	③ Leasing NOI (thousand yen)	264,532	243,586	49,250	3,158,230
	④ Depreciation (thousand yen)	36,651	38,480	12,404	553,432
	⑤ Property-related operating income (loss) [(③)-(④)] (thousand yen)	227,881	205,106	36,846	2,604,798
	⑥ Capital expenditures (thousand yen)	6,298	106,480	9,258	411,124
⑦ Leasing NCF [(③)-(⑥)] (thousand yen)	258,233	137,106	39,991	2,747,106	



## (2) Status of Capital Expenditures

## 1) Schedule of Capital Expenditures

The following is the major capital expenditures arising from renovation work, etc. planned for the 18th fiscal period (ending August 2022) for real estate and real estate in trust for real estate trust beneficiary rights held by One REIT. As a result, a portion of the expected cost of work may be classified under expenses in fiscal accounting.

Name of real estate, etc.	Location	Purpose	Scheduled period	Expected cost of work (thousand yen)		
				Total amount	Amount of payment during period	Amount already paid
Tokyo Parkside Building	Koto Ward, Tokyo	Renewal of No. 3 and No. 4 passenger elevators (phase II of two-phase work)	From: June 1, 2022 To: August 31, 2022	72,214	—	—
Higobashi Center Building	Osaka City, Osaka	Renewal of public open space	From: April 1, 2022 To: June 30, 2022	30,249	—	—
Daihakata Building	Fukuoka City, Fukuoka	Upgrading of No. 1 boiler	From: May 20, 2022 To: August 19, 2022	30,249	—	—
Higobashi Center Building	Osaka City, Osaka	Upgrading of packaged air-conditioner (individual air-conditioning system) (phase VII of eight-phase work)	From: April 1, 2022 To: June 30, 2022	27,775	—	—
Crescendo Building	Yokohama City, Kanagawa	Upgrading of hot- and chilled water generator	From: March 1, 2022 To: May 31, 2022	27,320	—	—
Hakozaki 314 Building	Chuo Ward, Tokyo	Renewal of 1st floor entrance, gate, and signage	From: June 1, 2022 To: August 31, 2022	26,310	—	—
REID-C Chiba Ekimae Building	Chiba City, Chiba	Upgrade of automatic control equipment (phase I of eight-phase work)	From: June 1, 2022 To: August 31, 2022	19,543	—	—
Nagoya Fushimi Square Building	Nagoya City, Aichi	Renovation of conference rooms of second floor	From: May 1, 2022 To: July 31, 2022	18,180	—	—
Daido Life Omiya Building	Saitama City, Saitama	Renovation of common space of eighth floor	From: May 21, 2022 To: August 20, 2022	15,200	—	—
Aperto Higashi-Nakano Building	Nakano Ward, Tokyo	Beautification of entrance hall	From: June 1, 2022 To: August 31, 2022	12,675	—	—
Higobashi Center Building	Osaka City, Osaka	Upgrading of air-handling unit (systems for leasing room portion on the second floor)	From: April 1, 2022 To: June 30, 2022	10,908	—	—
Hakozaki 314 Building	Chuo Ward, Tokyo	Renewal of common space of base floor	From: June 1, 2022 To: August 31, 2022	10,150	—	—
ONEST Motoyoyogi Square	Shibuya Ward, Tokyo	Division of leasing room portion on the first floor	From: May 1, 2022 To: July 30, 2022	10,100	—	—
Higobashi Center Building	Osaka City, Osaka	Upgrading of disaster prevention system (phase II of three-phase work)	From: May 1, 2022 To: July 31, 2022	10,048	—	—

## 2) Capital Expenditures during the Fiscal Period

The following is the summary of properties which had major work that constitutes capital expenditures implemented during the fiscal period under review (the fiscal period ended February 2022). Capital expenditures for the fiscal period under review amounted to 411,124 thousand yen for the entire portfolio; and when combined with 96,146 thousand yen recorded under repair expenses, the total amount of work implemented comes to 507,270 thousand yen.

Name of real estate, etc.	Location	Purpose	Period	Cost of work (thousand yen)
Tokyo Parkside Building	Koto Ward, Tokyo	Renewal of No. 1 and No. 2 passenger elevators (phase I of two-phase work)	From: December 1, 2021 To: February 23, 2022	86,405
Higobashi Center Building	Osaka City, Osaka	Upgrading of disaster prevention system (phase I of three-phase work)	From: January 10, 2022 To: February 24, 2022	29,170
Higobashi Center Building	Osaka City, Osaka	Upgrading of tenant security system	From: January 5, 2022 To: February 24, 2022	28,583
Tokyo Parkside Building	Koto Ward, Tokyo	Renewal of cargo elevator	From: December 1, 2021 To: December 24, 2021	19,240
Higobashi Center Building	Osaka City, Osaka	Upgrading of packaged air-conditioner (individual air-conditioning system) (Phase VI of eight-phase work)	From: August 1, 2021 To: October 13, 2021	17,759
ONEST Hongo Square	Bunkyo Ward, Tokyo	Renovation of common space of third floor	From: December 15, 2021 To: February 24, 2022	17,322
Nagoya Fushimi Square Building	Nagoya City, Aichi	Renovation of external wall (east side)	From: November 1, 2021 To: January 26, 2022	15,425
Higobashi Center Building	Osaka City, Osaka	Upgrading of air-handling unit (systems for north leasing room portion on the first and second floors)	From: November 1, 2021 To: February 17, 2022	12,942
Others				184,275
Total				411,124

(3) Borrowing Status

The following is the status of borrowing of funds from each financial institution as of February 28, 2022.

	Term	Drawdown date	Balance at beginning of period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
	Lenders								
Current portion of long-term borrowings	Mizuho Trust & Banking Co., Ltd.	Oct. 25, 2017	182,500	—	0.56720 (Note 4)	Sep. 7, 2021	Lump-sum repayment on the maturity date	(Note 2)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		182,500	—					
	Sumitomo Mitsui Banking Corporation		3,750,000	—					
	Aozora Bank, Ltd.		562,500	—					
	Resona Bank, Limited		567,500	—					
	San ju San Bank, Ltd.		380,000	—					
	The Bank of Fukuoka, Ltd.		375,000	—					
	Mizuho Trust & Banking Co., Ltd.	Oct. 25, 2017	—	182,500	0.62750 (Note 4)	Sep. 7, 2022	Lump-sum repayment on the maturity date		
	Mizuho Bank, Ltd.		—	182,500					
	Sumitomo Mitsui Banking Corporation		—	3,750,000					
	Aozora Bank, Ltd.		—	562,500					
	Resona Bank, Limited		—	567,500					
	San ju San Bank, Ltd.		—	380,000					
	The Bank of Fukuoka, Ltd.		—	375,000					
	Mizuho Trust & Banking Co., Ltd.	Sep. 7, 2020	—	890,000	0.38042	Sep. 7, 2022	Lump-sum repayment on the maturity date	(Note 3)	
	Mizuho Bank, Ltd.		—	890,000					
	Sumitomo Mitsui Banking Corporation		—	340,000					
	Shinsei Bank, Limited		—	550,000					
	Resona Bank, Limited		—	150,000					
The Bank of Fukuoka, Ltd.	—		180,000						
Subtotal			6,000,000	9,000,000					
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	Oct. 25, 2017	182,500	—	0.62750 (Note 4)	Sep. 7, 2022	Lump-sum repayment on the maturity date	(Note 2)	
	Mizuho Bank, Ltd.		182,500	—					
	Sumitomo Mitsui Banking Corporation		3,750,000	—					
	Aozora Bank, Ltd.		562,500	—					
	Resona Bank, Limited		567,500	—					
	San ju San Bank, Ltd.		380,000	—					
	The Bank of Fukuoka, Ltd.		375,000	—					
	Mizuho Trust & Banking Co., Ltd.	Sep. 21, 2018	275,000	275,000	0.53042	Sep. 7, 2023	Lump-sum repayment on the maturity date		
	Mizuho Bank, Ltd.		275,000	275,000					
	Sumitomo Mitsui Banking Corporation		250,000	250,000					
	Shinsei Bank, Limited		250,000	250,000					
	Resona Bank, Limited		175,000	175,000					
	Aozora Bank, Ltd.		162,500	162,500					
	The Bank of Fukuoka, Ltd.		162,500	162,500					
	The Nishi-Nippon City Bank, Ltd.		150,000	150,000					
	The Chugoku Bank, Ltd.		150,000	150,000					
	The Bank of Kyoto, Ltd.		75,000	75,000					
	Nippon Life Insurance Company	75,000	75,000						
	Mizuho Trust & Banking Co., Ltd.	Sep. 21, 2018	825,000	825,000	0.67200 (Note 4)	Sep. 7, 2023	Lump-sum repayment on the maturity date		
	Mizuho Bank, Ltd.		825,000	825,000					
	Sumitomo Mitsui Banking Corporation		750,000	750,000					
	Shinsei Bank, Limited		750,000	750,000					
	Resona Bank, Limited		525,000	525,000					
	Aozora Bank, Ltd.		487,500	487,500					
	The Bank of Fukuoka, Ltd.		487,500	487,500					
	The Nishi-Nippon City Bank, Ltd.		450,000	450,000					
	The Chugoku Bank, Ltd.		450,000	450,000					
The Bank of Kyoto, Ltd.	225,000		225,000						
Nippon Life Insurance Company	225,000	225,000							

	Term	Drawdown date	Balance at beginning of period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
	Lenders								
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	Sep. 9, 2019	837,500	837,500	0.51000 (Note 4)	Sep. 7, 2024	Lump-sum repayment on the maturity date	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		837,500	837,500					
	Sumitomo Mitsui Banking Corporation		375,000	375,000					
	Shinsei Bank, Limited		1,500,000	1,500,000					
	Resona Bank, Limited		450,000	450,000					
	Mizuho Trust & Banking Co., Ltd.	Sep. 9, 2019	2,050,000	2,050,000	0.75000 (Note 4)	Sep. 7, 2026	Lump-sum repayment on the maturity date		
	Mizuho Bank, Ltd.		2,050,000	2,050,000					
	Sumitomo Mitsui Banking Corporation		375,000	375,000					
	Shinsei Bank, Limited		1,500,000	1,500,000					
	Resona Bank, Limited		450,000	450,000					
	The Bank of Fukuoka, Ltd.		150,000	150,000					
	San ju San Bank, Ltd.		525,000	525,000					
	The Nishi-Nippon City Bank, Ltd.		700,000	700,000					
	The Bank of Kyoto, Ltd.		700,000	700,000					
	Nippon Life Insurance Company		700,000	700,000					
	Mizuho Trust & Banking Co., Ltd.	Sep. 7, 2020	890,000	—	0.38042	Sep. 7, 2022	Lump-sum repayment on the maturity date		
	Mizuho Bank, Ltd.		890,000	—					
	Sumitomo Mitsui Banking Corporation		340,000	—					
	Shinsei Bank, Limited		550,000	—					
	Resona Bank, Limited		150,000	—					
	The Bank of Fukuoka, Ltd.	180,000	—						
	Mizuho Trust & Banking Co., Ltd.	Sep. 7, 2020	1,494,000	1,494,000	0.58600 (Note 4)	Sep. 7, 2025	Lump-sum repayment on the maturity date		
	Mizuho Bank, Ltd.		1,450,000	1,450,000					
	Sumitomo Mitsui Banking Corporation		680,000	680,000					
	Shinsei Bank, Limited		900,000	900,000					
	Resona Bank, Limited		325,000	325,000					
	Aozora Bank, Ltd.	275,000	275,000						
	Mizuho Trust & Banking Co., Ltd.	Sep. 7, 2020	740,000	740,000	0.82200 (Note 4)	Sep. 7, 2027	Lump-sum repayment on the maturity date		
	Mizuho Bank, Ltd.		735,000	735,000					
	Sumitomo Mitsui Banking Corporation		300,000	300,000					
	Shinsei Bank, Limited		550,000	550,000					
	Resona Bank, Limited		160,000	160,000					
Aozora Bank, Ltd.	100,000		100,000						
San ju San Bank, Ltd.	415,000		415,000						
Mizuho Trust & Banking Co., Ltd.	Mar. 30, 2021	425,000	425,000	0.55971	Sep. 7, 2025	Lump-sum repayment on the maturity date			
Mizuho Bank, Ltd.		425,000	425,000						
Shinsei Bank, Limited		400,000	400,000						
Resona Bank, Limited		200,000	200,000						
Aozora Bank, Ltd.		400,000	400,000						
The Bank of Yokohama, Ltd.	1,000,000	1,000,000							
Mizuho Trust & Banking Co., Ltd.	Sep. 7, 2021	—	372,500	0.40532	Sep. 7, 2024	Lump-sum repayment on the maturity date			
Mizuho Bank, Ltd.		—	372,500						
Sumitomo Mitsui Banking Corporation		—	3,750,000						
Resona Bank, Limited		—	567,500						
Aozora Bank, Ltd.		—	562,500						
The Bank of Fukuoka, Ltd.		—	375,000						
Mizuho Trust & Banking Co., Ltd.	Sep. 24, 2021	—	250,000	0.65422	Sep. 7, 2027	Lump-sum repayment on the maturity date			
Mizuho Bank, Ltd.		—	250,000						
Aozora Bank, Ltd.		—	250,000						
Shinsei Bank, Limited		—	250,000						
Resona Bank, Limited		—	250,000						
The Bank of Yokohama, Ltd.		—	500,000						
The Nishi-Nippon City Bank, Ltd.		—	250,000						
The Bank of Kyoto, Ltd.	—	150,000							

	Term	Drawdown date	Balance at beginning of period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
	Lenders								
Long-term borrowings	The Dai-ichi Life Insurance Company, Limited	Sep. 24, 2021	—	800,000	0.65422	Sep. 7, 2027	Lump-sum repayment on the maturity date	(Note 2)	Unsecured Unguaranteed
	Daishi Hokuetsu Bank, Ltd.		—	500,000					
	The 77 Bank, Ltd.		—	400,000					
	The Chiba Bank, Ltd.		—	400,000					
	The Higo Bank, Ltd.		—	400,000					
	The Shizuoka Bank, Ltd.		—	250,000					
Subtotal			41,174,000	43,074,000					
Total			47,174,000	52,074,000					

(Note 1) Average interest rate is the borrowing interest rate for the respective loan agreement (weighted average of balance during the period), rounded to five decimal places.

(Note 2) The intended use of the funds is for allocation to part of the funds for acquisition of real estate trust beneficiary rights, as well as related costs.

(Note 3) The funds are allotted to part of the funds for repaying existing borrowings.

(Note 4) Interest rate swap transactions have been conducted to avoid interest rate fluctuation risk, and the indicated interest rates take into consideration the effect of such transactions.