

December 21, 2022

To All Concerned Parties

Name of REIT Issuer
 One REIT, Inc.
 2-1-3 Nihonbashi, Chuo-ku, Tokyo, Japan
 Hirofumi Nabeyama, Executive Director
 (TSE Code: 3290)
 Contact:
 Asset Management Company
 Mizuho REIT Management Co., Ltd.
 Hirofumi Nabeyama, Chief Executive Officer
 Contact Person: Takeshi Akimoto,
 Executive Officer Finance & Administration Division
 TEL:+81-3-5220-3804

Notice concerning Revisions to Forecast of Financial Results and Cash Distribution for the Fiscal Periods Ending February 2023 (19th Fiscal Period) and August 2023 (20th Fiscal Period)

One REIT, Inc. (hereinafter referred to as “One REIT”) announced that it decided to revise the forecast of financial results and cash distribution for the fiscal periods ending February 2023 (19th fiscal period: September 1, 2022, to February 28, 2023) and August 2023 (20th fiscal period: March 1, 2023, to August 31, 2023) announced in “Summary of Financial Results for the Fiscal Period Ended August 2022 (REIT)” dated October 17, 2022, as described below.

1. Revisions to Forecast of Financial Results and Cash Distribution for the Fiscal Period Ending February 2023 (19th Fiscal Period: September 1, 2022 to February 28, 2023)

	Operating revenue	Operating profit	Recurring profit	Net income	Distribution per unit (excluding distribution in excess of earnings)	Distribution per unit in excess of earnings
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)	(yen)
Previously released forecast (A)	4,514	2,078	1,773	1,772	6,600	—
Revised forecast (B)	4,569	2,090	1,786	1,785	6,650	—
Change (B-A)	55	12	13	13	50	—
Percentage of change	1.2%	0.6%	0.7%	0.7%	0.8%	—

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

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

(Note2) Forecast number of investment units issued and outstanding at the end of the fiscal period ending February 2023: 268,468 units.

The forecast number of investment units issued and outstanding at the end of the fiscal period related to the revisions to the forecast of financial results and cash distribution for the fiscal period ending February 2023 (19th fiscal period) is calculated based on the assumptions described in the “Investment units” column in “<Reference> Revised Assumptions for the Forecast of Financial Results and Cash Distribution for the Fiscal Periods Ending February 2023 (19th Fiscal Period) and August 2023 (20th Fiscal Period)” below.

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

2. Revisions to Forecast of Financial Results and Cash Distribution for the Fiscal Period Ending August 2023 (20th Fiscal Period: March 1, 2023 to August 31, 2023)

	Operating revenue (million yen)	Operating profit (million yen)	Recurring profit (million yen)	Net income (million yen)	Distribution per unit (excluding distribution in excess of earnings) (yen)	Distribution per unit in excess of earnings (yen)
Previously released forecast (A)	4,535	1,927	1,619	1,618	6,030	—
Revised forecast (B)	4,661	1,969	1,644	1,643	6,120	—
Change (B-A)	125	41	24	24	90	—
Percentage of change	2.8%	2.1%	1.5%	1.5%	1.5%	—

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

(Note2) Forecast number of investment units issued and outstanding at the end of the fiscal period ending August 2023: 268,468 units

The forecast number of investment units issued and outstanding at the end of the fiscal period related to the forecast of financial results and cash distribution for the fiscal period ending August 2023 (20th fiscal period) is calculated based on the assumptions described in the “Investment units” column in “<Reference> Revised Assumptions for the Forecast of Financial Results and Cash Distribution for the Fiscal Periods Ending February 2023 (19th Fiscal Period) and August 2023 (20th Fiscal Period)” below.

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

3. Reason for Revision

One REIT has decided to acquire a new specified asset (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including all subsequent revisions)) described in “Notice concerning Acquisition of Asset (FIELD Kita-Sando)” announced today. As a result, the assumptions for the forecast of financial results and cash distribution for the fiscal periods ending February 2023 (19th fiscal period) and August 2023 (20th fiscal period) announced in “Summary of Financial Results for the Fiscal Period Ended August 2022 (REIT)” dated October 17, 2022, have changed and thus the forecast is being revised.

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

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

<Reference>

Revised Assumptions for the Forecast of Financial Results and Cash Distribution for the Fiscal Periods Ending February 2023 (19th Fiscal Period) and August 2023 (20th Fiscal Period)

Item	Assumptions
Calculation period	<ul style="list-style-type: none">➤ Fiscal period ending February 2023 (19th fiscal period) (September 1, 2022, to February 28, 2023) (181 days)➤ Fiscal period ending August 2023 (20th fiscal period) (March 1, 2023, to August 31, 2023) (184 days)
Assets under management	<ul style="list-style-type: none">➤ It is assumed that, in addition to a total of 31 properties of the real estate and real estate trust beneficiary rights held as of today (hereinafter referred to as the “Assets Acquired”), “FIELD Kita-Sando” (hereinafter referred to as the “Asset to be Acquired”) will be acquired on December 23, 2022, and no change in assets under management (acquisition of new properties, disposition of portfolio properties, etc.) other than the acquisition of the Asset to be Acquired will take place through the end of the fiscal period ending August 2023.➤ Changes in assets under management may actually occur from change of the acquisition date of the Asset to be Acquired, acquisition of new properties other than the Asset to be Acquired, disposition of portfolio properties, etc.➤ For more details on the Asset to be Acquired, please refer to “Notice concerning Acquisition of Asset (FIELD Kita-Sando)” announced today.
Operating revenue	<ul style="list-style-type: none">➤ Operating revenue of the above “Assets under management” is used as an assumption. The calculation of property-related operating revenue for the Assets Acquired assumes that there will be no late or delinquent payments of rent by tenants, given the lease agreements effective as of today, tenant trends, market trends, etc. The calculation of property-related operating revenue for the Asset to be Acquired assumes that there will be no late or delinquent payments of rent by tenants, given the information provided by the current owner and such of the Asset to be Acquired, the lease agreements to be effective as of the planned acquisition date of the Asset to be Acquired, market trends, etc.➤ Property-related operating revenue is calculated after taking into account a certain degree of decrease due to the impact of COVID-19.➤ As to operating revenue other than property-related operating revenue, it is assumed that there will be no changes to the properties held as of today and no gain or loss on sale of real estate properties is factored in.

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

Operating expenses	<p>➤ Property-related expenses, which are the main component of operating expenses, are estimated to be 1,515 million yen in the fiscal period ending February 2023 and 1,685 million yen in the fiscal period ending August 2023. Regarding expenses other than depreciation, those for the Assets Acquired are calculated based on historical data and those for the Asset to be Acquired are calculated based on historical data provided by the current owner and such, and by reflecting factors causing fluctuations in expenses.</p> <ol style="list-style-type: none"> 1) Property management fees are estimated to be 426 million yen in the fiscal period ending February 2023 and 413 million yen in the fiscal period ending August 2023. 2) Depreciation is calculated using the straight-line method, including ancillary costs, etc. Depreciation is estimated to be 586 million yen in the fiscal period ending February 2023 and 605 million yen in the fiscal period ending August 2023. 3) Fixed asset tax, city planning tax, etc. are estimated to be 355 million yen in the fiscal period ending February 2023 and 377 million yen in the fiscal period ending August 2023. While fixed asset tax, city planning tax, etc. are calculated on a pro-rata basis with the current owner and reimbursed at the time of acquisition upon transactions of real estate, etc. in general, the amount equivalent to the reimbursement is included in the cost of acquisition and thus not expensed in the period of acquisition at One REIT. Accordingly, fixed asset tax, city planning tax, etc. for the Asset to be Acquired will be expensed from the fiscal period ending August 2023 onwards. The total amount of fixed asset tax, city planning tax, etc. that will be included in the cost of acquisition of the Asset to be Acquired is estimated to be 0 million yen. 4) Repair expenses are estimated to be 114 million yen in the fiscal period ending February 2023 and 124 million yen in the fiscal period ending August 2023, based on the repair plan formulated by the asset management company (Mizuho REIT Management Co., Ltd.) 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. <p>➤ Operating expenses other than property-related expenses (asset management fees, asset custody fees, administrative service fees, etc.) are estimated to be 376 million yen in the fiscal period ending February 2023 and 400 million yen in the fiscal period ending August 2023.</p> <p>Among the above, asset management fees of 285 million yen for the fiscal period ending February 2023 and 291 million yen for the fiscal period ending August 2023 are expected.</p>
Non-operating expenses	<p>➤ Interest expenses, interest expenses on investment corporation bonds and financing fees are expected to be 297 million yen for the fiscal period ending February 2023 and 309 million yen for the fiscal period ending August 2023.</p> <p>➤ Amortization of investment unit issuance expenses is expected to be recorded at 4 million yen for each of the fiscal period ending February 2023 and the fiscal period ending August 2023.</p> <p>➤ Amortization of investment corporation bond issuance costs is expected to be 5 million yen for each of the fiscal period ending February 2023 and the fiscal period ending August 2023.</p>

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

Interest-bearing debts	<ul style="list-style-type: none"> ➤ One REIT has a total amount of 61,574 million yen as the balance of interest-bearing liabilities as of today. It is assumed that One REIT will borrow 3,920 million yen on December 23, 2022 (hereinafter referred to as the “Borrowing”), to use as part of funds for the acquisition and ancillary costs of the Asset to be Acquired and, as a result, the balance of interest-bearing liabilities will stand at 65,494 million yen as of December 23, 2022 (for more details on the Borrowing, please refer to “Notice concerning Borrowing of Funds” announced today). ➤ 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 August 2023.
Investment units	<ul style="list-style-type: none"> ➤ 268,468 units that are the investment units issued and outstanding as of today are assumed. ➤ 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 August 2023.
Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> ➤ Distribution per unit (excluding distribution in excess of earnings) is calculated by assuming the cash distribution policy stipulated in the Articles of Incorporation of One REIT. ➤ Distribution per unit (excluding distribution in excess of earnings) is subject to change due to a variety of factors, including fluctuations in rent revenue caused by change in assets under management, relocation of tenants, etc. or occurrence of unforeseen repairs.
Distribution per unit in excess of earnings	<ul style="list-style-type: none"> ➤ There are no plans at this point in time to distribute cash in excess of earnings. ➤ However, cash distribution in excess of earnings may be made for the purpose of reducing incidence of corporate tax and other taxes derived from discrepancy between tax and accounting treatment.
Other	<ul style="list-style-type: none"> ➤ It is assumed that there will be no revision of laws and regulations, tax systems, accounting standards, listing rules, rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. ➤ It is assumed that there will be no serious unforeseen change in general economic trends, real estate market conditions, etc.

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