

October 15, 2019

To All Concerned Parties

Name of REIT Issuer

One REIT, Inc.

2-1-3 Nihonbashi, Chuo-ku, Tokyo, Japan

Koji Hashimoto, Executive Director

(TSE Code: 3290)

Contact:

Asset Management Company

Mizuho REIT Management Co., Ltd.

Koji Hashimoto, Chief Executive Officer

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**Notice concerning Asset Transfer (CP10 Building and MY Atsugi Building)  
and Acquisition (Nishi-Gotanda 102 Building)**

One REIT, Inc. (hereinafter referred to as “One REIT”) announced on October 15, 2019, that Mizuho REIT Management Co., Ltd. (hereinafter referred to as the “Asset Management Company”), an asset management company to which One REIT entrusts management of its assets, made a decision to conduct asset transfer and acquisition (hereinafter referred to as the “Transfer” and the “Acquisition,” respectively, and the “Transactions” collectively; the assets subject to the Transfer and the asset subject to the Acquisition are hereinafter referred to as the “Assets to be Transferred” and the “Asset to be Acquired,” respectively).

## 1. Overview of the Transactions

### (1) Overview of the Transfer

1.	Property name (Property No.)	CP10 Building (OT-4)	MY Atsugi Building (OT-12)
2.	Location <sup>(Note 1)</sup>	Taito-ku, Tokyo	Atsugi-shi, Kanagawa
3.	Assets to be transferred	Trust beneficiary rights	
4.	Planned transfer price <sup>(Note 2)</sup>	3,400 million yen	1,360 million yen
5.	Book value <sup>(Note 3)</sup>	3,124 million yen	1,173 million yen
6.	Difference between planned transfer price and book value <sup>(Note 4)</sup>	275 million yen	186 million yen
7.	Appraisal value <sup>(Note 5)</sup>	3,380 million yen	1,390 million yen
8.	Conclusion date of purchase and sale agreement	October 15, 2019	
9.	Planned transfer date	October 17, 2019	March 3, 2020
10.	Buyer	See “4. Overview of the Buyer and the Seller” below	
11.	Settlement method	Lump-sum receipt at the time of delivery	

### (2) Overview of the Acquisition

1.	Property name (Property No.)	Nishi-Gotanda 102 Building (OT-20)
2.	Location <sup>(Note 1)</sup>	Shinagawa-ku, Tokyo
3.	Asset to be acquired	Trust beneficiary rights
4.	Planned acquisition price <sup>(Note 6)</sup>	4,500 million yen
5.	Appraisal value <sup>(Note 5)</sup>	4,970 million yen

6.	Conclusion date of purchase and sale agreement	October 15, 2019
7.	Planned acquisition date	October 31, 2019
8.	Seller	See “4. Overview of the Buyer and the Seller” below
9.	Acquisition funds	Proceeds from the transfer of CP10 Building and cash in hand
10.	Settlement method	Lump-sum payment at the time of delivery

(Note 1) The “Location” column contains the minimum independent administrative district where each property is located.

(Note 2) The “Planned transfer price” column contains the trading value of the Assets to be Transferred (excluding transfer costs, adjusted amount of fixed asset tax and city planning tax, consumption tax, local consumption tax, etc.) described in the purchase and sale agreement of trust beneficiary rights related to the said assets.

(Note 3) As of August 31, 2019.

(Note 4) The figure, calculated for reference purposes only, represents the difference between the planned transfer price and the book value, and differs from the gain or loss on transfer. Furthermore, the figure is rounded down to the nearest million yen.

(Note 5) Appraisal date of the “Appraisal value” is August 31, 2019, for the Assets to be Transferred and September 1, 2019, for the Asset to be Acquired.

(Note 6) The “Planned acquisition price” column contains the trading value of the Asset to be Acquired (excluding equivalent to consumption tax, etc.) described in the purchase and sale agreement of trust beneficiary rights related to the said asset.

## 2. Reason for the Transactions

One REIT’s growth strategy centers on “Continuous growth of dividends” and “Disciplined external growth considering portfolio and financial structure” for further growth in the future. Guided by such growth strategy, One REIT decided to transfer CP10 Building and acquire Nishi-Gotanda 102 Building in October 2019, as well as transfer MY Atsugi Building in March 2020 as asset replacement to improve the quality of its portfolio.

One REIT believes that the Transactions serve as an endeavor to further strengthen the stability of its portfolio and contribute to increasing unitholder value. After the Transactions, the portfolio of One REIT will include 25 properties, increasing the total acquisition price to 102,260 million yen.

Going forward, One REIT will continue its endeavors to enhance the stability and the profitability of its portfolio by utilizing support from the sponsor and support company, with an aim to increase unitholder value and medium-to long-term growth.

### (1) Reason for the Transfer

The Assets to be Transferred have maintained high occupancy rates in recent years and made stable contributions to the revenue of One REIT’s portfolio. On the other hand, room for further income growth is expected to be limited. Therefore, the Asset Management Company decided to conduct the Transfers as it believes striving to acquire assets using the proceeds from the Transfers in the current favorable real estate transaction market would improve the quality of One REIT’s portfolio and contribute to increasing unitholder value.

Moreover, for MY Atsugi Building, although the Planned transfer price is below the appraisal value, the property is located in area where rental demand for offices is limited during a phase of expansion for investment in the real estate transaction market. Giving comprehensive consideration to such facts, the Asset Management Company decided that transferring MY Atsugi Building at this time when the real estate transaction market is favorable and avoiding future risk of decrease in revenue would be desirable.

### (2) Reason for the Acquisition

Multiple train lines are available around the Asset to be Acquired including Gotanda Station on the JR Yamanote Line and Toei Subway Asakusa Line. In addition to excellent access to urban sub-centers such as Shibuya Station and Shinjuku Station on the JR Yamanote Line, it has favorable access to the Tokaido Shinkansen Line and Haneda Airport, boasting transportation convenience over a wide area. Furthermore, it excels in convenience whether commuting by train or car as it is located very close to National Route 1 (Daini Keihin), Tokyo Prefectural Road Route 317 Circular Line 6 (Yamate-dori street), Metropolitan Expressway Central Circular Route and Metropolitan Expressway Route 2 Meguro Line.

On the other hand, the Gotanda area is developing as an area concentrated with IT companies, etc., and offers lower rent than the center of Tokyo as well as excellent access to areas in the vicinity of Shibuya Station. Under such circumstances, the Asset to be Acquired completed introduction of an individual air conditioning system as well as renovation work in its common areas in 2019. In addition, it has the capability to accommodate various leasing needs as its rental rooms enable tenants to determine layouts easily and even divide the space into small lots. As such, the Asset to be Acquired is expected to attract strong demand into the future, and is believed to be a property suitable for holding over the medium to long term.

Furthermore, the Planned acquisition price is 470 million yen below the appraisal value,<sup>(Note)</sup> which led the Asset Management Company to determine the price level as reasonable and decide on the Acquisition.

The Asset to be Acquired falls under the category of assets subject to asset management as provided for under the Articles of Incorporation of One REIT, and the tenants of the property comply with the tenant selection standard described in the “Report on the Management Structure and System of the Issuer, etc. of Real Estate Investment Trust Units and Related Parties” dated May 30, 2019.

(Note) Appraisal date: September 1, 2019

### 3. Details of the Assets to be Transferred and the Asset to be Acquired

Outline of the Assets to be Transferred and the Asset to be Acquired is listed in the table below.

Description on the information provided in each column and the terms used in the table are as follows. The information provided in the table is as of August 31, 2019, unless otherwise stated. Provided, “Trustee” and “Expiration date of trust period” columns for the Asset to be Acquired are the plan at the time of the Acquisition.

- a. The “Planned transfer price” column contains the trading value of the Assets to be Transferred (excluding transfer costs, adjusted amount of fixed asset tax and city planning tax, consumption tax, local consumption tax, etc.) described in the purchase and sale agreement of trust beneficiary rights related to the said assets.
- b. The “Acquisition price” column and the “Planned acquisition price” column contain the trading value of the Assets to be Transferred and the Asset to be Acquired (excluding equivalent to consumption tax, etc.) described in the purchase and sale agreement of trust beneficiary rights related to acquisition of the Assets to be Transferred, and described in the purchase and sale agreement of trust beneficiary rights related to acquisition of the Asset to be Acquired.
- c. The “Planned acquisition date” column contains the planned date when the asset is planned to be acquired by One REIT.
- d. The “Appraisal value” column contains the appraisal value described in the Real Estate Appraisal Report by Daiwa Real Estate Appraisal Co., Ltd. or Chuo Real Estate Appraisal Co., Ltd. with August 31, 2019, being the appraisal date for the Assets to be Transferred. The column contains the appraisal value described in the Real Estate Appraisal Report by Tanizawa Sōgō Appraisal Co., Ltd. with September 1, 2019, being the appraisal date for the Asset to be Acquired.
- e. Explanation of the “Land” column:
  - (i) The “Location” column contains the lot address as stated in the registry. The “(Domicile)” column contains the residential address. In case that the domicile is not available, the column contains the building location as stated in the registry (if there are multiple, then one of the locations.)
  - (ii) The “Area” column contains the parcel area as stated in the registry.
  - (iii) The “Zoning” column contains the zoning category from Article 8, Paragraph 1, Item 1 of the City Planning Act.
  - (iv) The “Building-to-land ratio/Floor-area ratio” column contains the quantitative values (upper limit) stipulated in accordance with the Building Standards Act, City Planning Act and other relevant laws and ordinances.
  - (v) The “Type of ownership” column contains the type of rights retained in trust by the trustee concerning the Assets to be Transferred and Asset to be Acquired.
- f. Explanation of “Building” column:
  - (i) The “Completed” column is the initial completion date as stated in the registry.

- (ii) The “Construction / Number of floors” column contains the structure and numbers of floors as stated in the registry and may differ from the present state.
- (iii) The “Total floor space” column contains the sum total of the floor areas stated in the registry and may differ from the present state.
- (iv) The “Use” column contains the primary type of use stated in the registry and may differ from the present state.
- (v) The “Type of ownership” column contains the type of rights retained in trust by the trustee concerning the Assets to be Transferred and Asset to be Acquired.
- g. The “PML value” column contains the PML value based on the portfolio earthquake PML appraisal report as of September 2019 by SOMPO Risk Management Inc.
- h. The “PM Company” column contains the property management company to which property management operations are outsourced as of October 15, 2019.
- i. The “Master Lease Company” column contains the master lease company to which the master lease operations are outsourced as of October 15, 2019, or information after the Acquisition, if change in master lease company or termination of such outsource is planned.
- j. The “Total leasable area” column contains the total floor space (in the event that the common areas are leased out, the said areas are included) that can be leased for office and retail in the building concerning the Assets to be Transferred and Asset to be Acquired. The total leasable area does not include the parking lot or land used for other purposes. Total leasable area is not what is stated in the registry, but is calculated based on an area shown in the lease agreement. Therefore, the total leasable area does not necessarily match the total floor space stated in the registry. The data in this column for the Asset to be Acquired is based on information provided by the current owners of the Asset to be Acquired.
- k. The “Leased area” column contains data based on the leased space shown in lease agreements with each tenant from among the total leasable area. The leased area does not include the parking lot or land used for other purposes. The data in this column for the Asset to be Acquired is based on information provided by the current owners of the Asset to be Acquired.
- l. The “Occupancy rate” column contains the figure as a percentage obtained by dividing the leased area by the total leasable area and rounded off to the first decimal place. The data in this column for the Asset to be Acquired is based on information provided by the current owners of the Asset to be Acquired.
- m. The “Total number of tenants” column contains the number of tenants described in the following manner; one tenant per asset is described in case that the tenant takes out a lease on multiple rooms in the same Assets to be Transferred and Asset to be Acquired.
- n. The “Property-related operating revenue” column contains the actual value of the fiscal period ended August 2019.
- o. The “Monthly rent (including common area charges)” column contains the total monthly rent described in a lease agreement with each tenant (including common area charges but excluding usage fees for parking lots and accessory facilities such as warehouse as well as amount equivalent to consumption tax, etc.), rounded down to the nearest thousand yen. The data in this column is based on information provided by the current owners of the Asset to be Acquired. Monthly rent for a tenant that falls into a free rent period as of August 31, 2019, is calculated based on the monthly rent described in the lease agreement.
- p. The “Lease and guarantee deposits” column contains the residual amount of lease and guarantee deposits, etc. (excluding the lease and guarantee deposits, etc. related to parking lots and accessory facilities such as warehouse) of each tenant as of August 31, 2019, described in the lease agreement concluded with each tenant (in case there are amounts for which return is unnecessary, then the amount arrived at after deducting such amount), rounded down to the nearest thousand yen. The data in this column for the Asset to be Acquired is based on information provided by the current owners of the Asset to be Acquired.
- q. The “Special remarks” column contains important issues related to the relationship of rights and the usage, etc. of the Asset to be Acquired, as well as important issues in consideration of the impact on the appraisal value, profitability and liquidity of the Asset to be Acquired.
- r. The “Property Characteristics” column contains information based on the appraisal report, etc. in relation to the Asset to be Acquired that has been prepared by an appraiser and the analysis conducted by the Asset Management

Company. Time on foot from a station in the column is based on the assumption that it takes 1 minute on foot to travel 80 meters of road distance, in accordance with the Fair Competition Code Concerning Representations of Real Estates (Japan Fair Trade Commission Public Notice No. 23). Any fractional numbers are rounded up to the nearest minute.

## (1) Assets to be transferred

## &lt; CP10 Building &gt;

Property name		CP10 Building				
Specified assets category		Trust beneficiary rights				
Trustee		Mitsubishi UFJ Trust and Banking Corporation				
Planned transfer price		3,400 million yen				
Acquisition price		3,229 million yen				
Appraisal value		3,380 million yen				
Appraisal company		Daiwa Real Estate Appraisal Co., Ltd.				
Land	Location	5-59-2, 5-59-3, 5-59-4, 5-60-1, 5-60-2, 5-61-1, 5-61-2, 5-61-4, 5-61-5, 5-61-6, Ueno, Taito-ku, Tokyo				
	(Domicile)	5-8-5 Ueno, Taito-ku, Tokyo				
	Area	807.51 m <sup>2</sup>				
	Type of ownership	Proprietary Ownership				
Building	Completed	March 1989				
	Construction / Number of floors	SRC, B1/7F				
	Total floor space	4,454.05 m <sup>2</sup>				
	Use	Office, retail, parking				
	Type of ownership	Proprietary Ownership				
Lease status						
	Total leasable area	3,495.03 m <sup>2</sup>				
	Leased area	3,495.03 m <sup>2</sup>				
	Occupancy rate	End of August 2017	End of February 2018	End of August 2018	End of February 2019	End of August 2019
		100.0%	100.0%	100.0%	100.0%	100.0%
	Total number of tenants	7				
	Property-related operating revenue	105 million yen				
	Lease and guarantee deposits	148 million yen				

< MY Atsugi Building >

Property name		MY Atsugi Building				
Specified assets category		Trust beneficiary rights				
Trustee		Mitsubishi UFJ Trust and Banking Corporation				
Planned transfer price		1,360 million yen				
Acquisition price		1,240 million yen				
Appraisal value		1,390 million yen				
Appraisal company		Chuo Real Estate Appraisal Co., Ltd.				
Land	Location	3-703-3, 3-704-2, 3-704-3, 3-705-5, 3-706-4, 3-706-5, 3-706-6, Nakacho, Atsugi-shi, Kanagawa Prefecture				
	(Domicile)	3-11-18 Nakacho, Atsugi-shi, Kanagawa Prefecture				
	Area	1,028.39 m <sup>2</sup>				
	Type of ownership	Proprietary Ownership				
Building	Completed	September 1988				
	Construction / Number of floors	RC/SRC; 8F				
	Total floor space	5,040.07 m <sup>2</sup>				
	Use	Office				
	Type of ownership	Proprietary Ownership				
Lease status						
	Total leasable area	3,857.74 m <sup>2</sup>				
	Leased area	3,744.41 m <sup>2</sup>				
	Occupancy rate	End of August 2017	End of February 2018	End of August 2018	End of February 2019	End of August 2019
		100.0%	95.8%	100.0%	97.1%	97.1%
	Total number of tenants	24				
	Property-related operating revenue	62 million yen				
	Lease and guarantee deposits	84 million yen				

## (2) Details of the Asset to be Acquired &lt; Nishi-Gotanda 102 Building &gt;

Property name		Nishi-Gotanda 102 Building
Specified assets category		Trust beneficiary rights
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Expiration date of trust period		October 31, 2029
Planned acquisition price		4,500 million yen
Planned acquisition date		October 31, 2019
Appraisal value		4,970 million yen
Appraisal company		Tanizawa Sōgō Appraisal Co., Ltd.
Land	Location	7-24-3, 7-24-4, 7-24-5, 7-24-6, 7-24-7, 7-24-15, 7-24-16, 7-24-17, 7-24-18, 7-24-19, 7-24-20, 7-24-21, 7-24-23, 7-24-24, Nishi-Gotanda, Shinagawa-ku, Tokyo
	(Domicile)	7-24-5 Nishi-Gotanda, Shinagawa-ku, Tokyo
	Area	914.97 m <sup>2</sup>
	Zoning	Commercial district
	Building-to-land ratio / Floor-area ratio	80%/700%
	Type of ownership	Proprietary Ownership
Building	Completed	January 1988
	Construction / Number of floors	SRC with flat roof, B1/8F
	Total floor space	6,706.79 m <sup>2</sup>
	Use	Office, parking lot
	Type of ownership	Proprietary Ownership
Collateral		None
PML		6.43%
PM Company		Building Management & Strategy Inc.
Master Lease Company		None
Lease status		
	Total leasable area	4,350.47 m <sup>2</sup>
	Leased area	4,350.47 m <sup>2</sup>
	Occupancy rate	100.0%
	Total number of tenants	11
	Monthly rent (including common area charges)	17,709 thousand yen
	Lease and guarantee deposits	165,058 thousand yen
Special remarks		None

Property Characteristics	
<ul style="list-style-type: none"> <li>An office building with excellent visibility located along Nakahara Kaido Street and within ten minutes walking distance from Gotanda Station on the JR Yamanote Line and Toei Subway Asakusa Line. Multiple train lines are available around the property including the JR Yamanote Line, Tokyu Ikegami Line and Toei Asakusa Line. It has excellent access not only to urban sub-centers but also the Tokaido Shinkansen Line and Haneda Airport, boasting transportation convenience over a wide area. Furthermore, it excels in convenience whether commuting by train or car, as it is located very close to National Route 1 (Daini Keihin), Tokyo Prefectural Road Route 317 Circular Line 6 (Yamate-dori Street), Metropolitan Expressway Central Circular Route and Metropolitan Expressway Route 2 Meguro Line.</li> <li>The rent level in the Gotanda area is rather low despite the area having certain traffic convenience and its development into an area concentrated with IT companies, etc. in recent years, especially given the excellent access to areas in the vicinity of Shibuya Station it offers.</li> <li>Approximately 170 tsubo of exclusive area is secured per floor. Furthermore, the property has the capability to accommodate various tenant needs as its rental rooms enable tenants to determine layouts easily and even divide the space into small lots. Moreover, an individual air conditioning system has been introduced and renovation work in the common areas has been completed.</li> </ul>	



#### 4. Overview of the Buyer and the Seller

##### (1) Overview of the Buyer

The buyer is a domestic *godo kaisha* but is otherwise undisclosed as no consent has been obtained from the buyer regarding disclosure of its name, etc. Furthermore, neither One REIT nor the Asset Management Company have any capital, personnel and business relationships to note with the buyer as of October 15, 2019. Moreover, the buyer does not fall within the scope of the related parties of One REIT or the Asset Management Company.

##### (2) Overview of the Seller

The seller is a domestic *godo kaisha* but is otherwise undisclosed as no consent has been obtained from the seller for disclosure of its name, etc. Furthermore, neither One REIT nor the Asset Management Company have any capital, personnel and business relationships to note with the seller as of October 15, 2019. Moreover, the seller does not fall within the scope of the related parties of One REIT or the Asset Management Company.

#### 5. Overview of Brokerage

##### (1) Overview of Brokerage in the Transfer

Name	Mizuho Trust & Banking Co., Ltd.
Head office address	1-2-1, Yaesu, Chuo-ku, Tokyo
Position / Name of representative	Tetsuo Iimori, President & CEO
Nature of business	Trust services, banking services
Stated capital	247.3 billion yen (June 30, 2019)
Date of establishment	May 9, 1925
Relationship with the One REIT or the Asset Management Company	
Capital relations	The concerned company owns 22,530 investment units of One REIT (9.39% of total number of investment units issued and outstanding) through the Asset Management Company's parent company, which is a wholly-owned subsidiary of the concerned company, and indirectly owns all of the issued shares of the Asset Management Company.
Personnel relations	A staff of the concerned company is serving as Executive Director of One REIT and Representative Director of the Asset Management Company. In addition, five staff of the concerned company are serving as Directors of the Asset Management Company (including the Representative Director of the Asset Management Company).
Business relations	The concerned company concluded a sponsor support agreement with One REIT and the Asset Management Company. The concerned company is also a transfer agent, administrative agent (business operations related to administrative work on accounting, etc. and business operations related to the operation of the administrative instruments) and asset custodian of One REIT, as well as trustee for some of the properties owned by One REIT.
Circumstances applicable to related parties	The concerned company does not fall under the category of a related parties of One REIT. However, the concerned company falls within the scope of the parent company of the Asset Management Company.
Brokerage fee	142.9 million yen (excluding consumption tax)

(2) Overview of Brokerage in the Acquisition

Name	Mizuho Trust & Banking Co., Ltd.
Head office address	1-2-1, Yaesu, Chuo-ku, Tokyo
Position / Name of representative	Tetsuo Iimori, President & CEO
Nature of business	Trust services, banking services
Stated capital	247.3 billion yen (June 30, 2019)
Date of establishment	May 9, 1925
Relationship with the One REIT or the Asset Management Company	
Capital relations	The concerned company owns 22,530 investment units of One REIT (9.39% of total number of investment units issued and outstanding) through the Asset Management Company's parent company, which is a wholly-owned subsidiary of the concerned company, and indirectly owns all of the issued shares of the Asset Management Company.
Personnel relations	A staff of the concerned company is serving as Executive Director of One REIT and Representative Director of the Asset Management Company. In addition, five staff of the concerned company are serving as Directors of the Asset Management Company (including the Representative Director of the Asset Management Company).
Business relations	The concerned company concluded a sponsor support agreement with One REIT and the Asset Management Company. The concerned company is also a transfer agent, administrative agent (business operations related to administrative work on accounting, etc. and business operations related to the operation of the administrative instruments) and asset custodian of One REIT, as well as trustee for some of the properties owned by One REIT.
Circumstances applicable to related parties	The concerned company does not fall under the category of a related parties of One REIT. However, the concerned company falls within the scope of the parent company of the Asset Management Company.
Brokerage fee	135 million yen (excluding consumption tax)

**6. Transaction with Interested Persons, etc.**

(1) Transaction with interested persons, etc. pertaining to the Transfer

Neither of the buyer fall under the category of “interested persons, etc.” defined in the “Act on Investment Trusts and Investment Corporations (hereafter referred to as the “Investment Trusts Act”)” or “an interested party” defined in the internal regulation concerning trading with an interested party of the Asset Management Company.

The conclusion of a brokerage agreement mentioned above falls under the category of a transaction with “interested persons, etc.” defined in the Investment Trusts Act and a “transaction with an interested party” defined in the internal regulations concerning trading with an interested party of the Asset Management Company, and thus the decision is made after predetermined procedures being taken in accordance with the internal rules and regulations of One REIT and the Asset Management Company.

(2) Transaction with interested persons, etc. pertaining to the Acquisition

The seller falls under the category of neither “interested persons, etc.” defined in the Investment Trust Act nor “an interested party” defined in the internal regulation concerning trading with an interested party of the Asset Management Company.

The conclusion of a brokerage agreement mentioned above falls under the category of a transaction with “interested persons, etc.” defined in the Investment Trusts Act and a “transaction with an interested party” defined in the internal regulations concerning trading with an interested party of the Asset Management Company, and thus the decision is made after predetermined procedures being taken in accordance with the internal rules and regulations of One REIT and the Asset Management Company.

## 7. Matters related to forward commitment, etc. (Note)

Since the planned transfer date for the Transfer of “My Atsugi Building” is scheduled to be March 3, 2020, one month or more after the signing date of a purchase and sale agreement, the Transfer falls under the category of forward commitment, etc. by an investment corporation specified in “Comprehensive Supervisorial Guidelines for Financial Instruments Business Operators” provided by the Financial Services Agency.

In case the seller needs to implement promised matters of the seller, legal inspection, work for correction, repair work, etc. (hereafter referred to as the “Repair Work, etc.”) by the planned acquisition date under the concerned Transfer but fails to complete the concerned Repair Work, etc. in substance reasonably satisfactory to the buyer by the planned acquisition date, or the document proving such completion is not submitted to the buyer, and One REIT or the buyer breaches any obligation under the purchase and sale agreement and such obligation is not fulfilled or the breach of such obligation is not remedied, even though the other party has given a notice after determining a considerable period, either party may terminate such agreement and demand payment in the amount equivalent to 10% of the planned acquisition price of the beneficiary rights as a penalty charge (excluding the amount equivalent to the consumption tax). However, One REIT is the seller and has no fund procurement risk or other concerns with regard to the implementation of the transfer agreement. Accordingly, it is unlikely One REIT will become liable for the damage compensation and a material impact being made on its financial conditions, etc.

(Note) “Forward commitment, etc.” means a purchase and sale agreement binding for transactions, with respect to which the settlement and delivery take place one month or more after the signing date of agreement or other similar agreements.

## 8. Schedule of Transfer and Acquisition

### (1) Schedule of Transfer

#### < CP10 Building >

Decision date for transfer	October 15, 2019
The conclusion of purchase and sale agreement	October 15, 2019
Receipt date	October 17, 2019 (scheduled) <sup>(Note)</sup>
Asset transfer date	October 17, 2019 (scheduled)

(Note) The proceeds from the Transfer will be used as acquisition funds for the Acquisition.

#### < MY Atsugi Building >

Decision date for transfer	October 15, 2019
The conclusion date of purchase and sale agreement	October 15, 2019
Receipt date	March 3, 2020 (scheduled) <sup>(Note)</sup>
Asset transfer date	March 3, 2020 (scheduled)

(Note) The proceeds from the Transfer will be held as cash in hand.

### (2) Schedule of Acquisition

Decision date for acquisition	October 15, 2019
The conclusion date of purchase and sale agreement	October 15, 2019
Payment date	October 31, 2019 (scheduled) <sup>(Note)</sup>
Asset acquisition date	October 31, 2019 (scheduled)

(Note) The proceeds from the transfer of CP10 Building and cash in hand are scheduled to be used as acquisition funds for the Acquisition.

## 9. Outlook of Financial Results

For more details on the business outlook of One REIT including the effects of the Transactions in the fiscal period ending February 2020 (13th Fiscal Period: September 1, 2019 to February 29, 2020) and the fiscal period ending August 2020 (14th Fiscal Period: March 1, 2020 to August 31, 2020), please refer to “Summary of Financial Results for the Fiscal Period Ended August 2019 (REIT),” dated October 15, 2019.

## 10. Overview of Appraisal Report

### (1) CP10 Building

Overview of Appraisal Report	
Appraisal value	3,380,000,000 yen
Appraisal company	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal date	August 31, 2019

(yen)

Item	Content	Overview, etc.
Income approach value	3,380,000,000	Decided focusing on the income approach value based on the discount cash flow method, while relating the income approach value based on the direct capitalization method
Value based on direct capitalization method	3,410,000,000	
Operating revenue	207,523,721	
Maximum gross operating revenue	218,982,864	Assessed new rent by taking into account the rent based on the current lease agreement, etc. and the rent level of similar properties, etc.
Vacancy loss, etc.	11,459,143	Assessed occupancy rate (vacancy rate) that is stable over the medium to long term, etc. by taking into account the actual occupancy of target and similar properties, future market forecasts, etc.
Operating expenses	50,882,796	
Maintenance expenses	9,402,000	Assessed by taking into account historical data and the expense level of similar properties, etc. based on the current BM agreement terms and conditions
Utility expenses	20,298,816	Assessed by taking into account the expense level of similar properties, etc. based on historical data
Repair expenses	2,239,167	Recorded the annual average amount of the estimated repairing expenses in the engineering report
PM fees	3,097,632	Assessed by taking into account historical data and the expense level of similar properties, etc. based on the current PM agreement terms and conditions
Tenant solicitation expenses, etc.	1,515,447	New monthly rent for 1.0 months
Taxes and public dues	13,475,200	The most recent actual amount
Non-life insurance fees	229,487	The most recent actual amount
Other expenses	625,047	Road exclusive-use fees and discretionary reserves (recorded the amount assessed by using actual amounts in the prior years, etc. as reference)
Net operating income	156,640,925	
Gain on management of income from lump-sum payment	1,444,167	Assessed investment returns at the assumed yield of 1.0%
Capital expenditures	18,412,808	Recorded annual average amount of the of the estimated renewal expenses in the engineering report after verifying the amount by comparing it with the level of renewal expenses of similar properties
Net income	139,672,284	
Capitalization Rate	4.1%	Assessed by taking into account the property's unique characteristics such as location, building specifications and relationship of rights by using investment yield on transaction of similar properties, etc. as reference
Value based on the DCF Method	3,370,000,000	
Discount rate	3.9%	
Terminal capitalization rate	4.3%	
Cost method value	1,890,000,000	
Land ratio	84.4%	
Building ratio	15.6%	

Other items considered by appraiser upon appraisal	None
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(2) MY Atsugi Building

Overview of Appraisal Report		
Appraisal value	1,390,000,000 yen	
Appraisal company	Chuo Real Estate Appraisal Co., Ltd.	
Appraisal date	August 31, 2019	

(yen)

Item	Content	Overview, etc.
Income approach value	1,390,000,000	Decided focusing on the income approach value based on the discount cash flow method, while relating the income approach value based on the direct capitalization method
Value based on direct capitalization method	1,490,000,000	
Operating revenue	136,202,000	
Maximum gross operating revenue	146,230,000	Assessed by taking into account the current rent, etc.
Vacancy loss, etc.	10,028,000	Assessed occupancy rate (vacancy rate) that is stable over the medium to long term, etc. by taking into account the actual occupancy of similar properties, future market forecasts, etc.
Operating expenses	45,927,000	
Maintenance expenses	13,425,000	Assessed by taking into account historical data and the expense level of similar properties, etc. based on the current BM agreement terms and conditions
Utility expenses	15,068,000	Assessed by taking into account the expense level of similar properties, etc. based on historical data
Repair expenses	3,294,000	Recorded the annual average amount of the estimated repairing expenses in the engineering report
PM fees	3,018,000	Recorded the sum of PM fees and CM fees
Tenant solicitation expenses, etc.	1,194,000	Recorded the sum of brokerage fee, etc., and advertising cost and renewal fee
Taxes and public dues	9,595,000	The most recent actual amount
Non-life insurance fees	261,000	The most recent actual amount
Other expenses	72,000	USEN broadcast service fee
Net operating income	90,275,000	
Gain on management of income from lump-sum payment	742,000	Assessed investment returns at the assumed yield of 1.0%
Capital expenditures	7,760,000	Recorded the annual average amount of the estimated renewal expenses in the engineering report on the assumption that large-scale repair expenses, facility renewal expenses, etc. expected to be incurred in the future are leveled per year and recorded
Net income	83,257,000	
Capitalization Rate	5.6%	Assessed by taking into account the property's unique characteristics such as location, building specifications and relationship of rights by using investment yield on transaction of similar properties, etc. as reference
Value based on the DCF Method	1,350,000,000	
Discount rate	5.4%	
Terminal capitalization rate	5.8%	
Cost method value	939,000,000	
Land ratio	62.2%	
Building ratio	37.8%	

Other items considered by appraiser upon appraisal	None
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### (3) Nishi-Gotanda 102 Building

Overview of Appraisal Report	
Appraisal value	4,970,000,000 yen
Appraisal company	Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	September 1, 2019

(yen)

Item	Content	Overview, etc.
Income approach value	4,970,000,000	Decided by using the income approach value based on the discount cash flow method as the standard and verifying the value through the direct capitalization method
Value based on direct capitalization method	5,250,000,000	
Operating revenue	276,621,068	
Maximum gross operating revenue	292,795,214	Assessed market rent by comparing characteristics of the property with rental cases, etc. and taking into consideration the demand for the retail store as the property's 1st floor has excellent visibility
Vacancy loss, etc.	16,174,146	Assessed based on leveled mid- to long-term vacancy rate that corresponds to the market rent
Operating expenses	64,502,262	
Maintenance expenses	14,105,081	Based on building management service contract, income and expenditure results, etc.
Utility expenses	15,672,312	Based on indicated income and expenditure results, etc.
Repair expenses	6,050,000	Assessed by allocating the figure based on the engineering report and similar cases to repair expenses (30%) and capital expenditures (70%)
PM fees	3,218,062	Assessed based on PM business quotation
Tenant solicitation expenses, etc.	2,309,683	Assumed that 10% of tenants are replaced per year
Taxes and public dues	19,941,500	Recorded based on the most recent materials on taxation
Non-life insurance fees	439,413	Recorded based on the quotation on insurance premiums. No earthquake insurance
Other expenses	2,766,211	Based on indicated income and expenditure results, etc.
Net operating income	212,118,806	
Gain on management of income from lump-sum payment	2,194,199	Assessed by multiplying lump-sum payment balance by investment yield
Capital expenditures	12,100,000	Assessed by allocating the figure based on the engineering report and similar cases to repair expenses (30%) and capital expenditures (70%)
Net income	202,213,005	
Capitalization Rate	3.8%	Assessed based on a comparison with multiple transaction yields while taking into consideration the forecast of future fluctuations
Value based on the DCF Method	4,850,000,000	
Discount rate	3.8%	Assessed by adding individual risks to a base yield of the standard property
Terminal capitalization rate	3.9%	Assessed by adding future uncertainties to the capitalization rate
Cost method value	5,100,000,000	
Land ratio	87.3%	
Building ratio	12.7%	

Other items considered by appraiser upon appraisal	None
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One REIT corporate website: <http://www.one-reit.com/en/>

< Attached Materials >

Reference Information 1: Photo and Map of the Asset to be Acquired

Reference Information 2: List of Portfolio (after the Transactions)

Reference Information 1: Photo and Map of the Asset to be Acquired



## Reference Information 2: List of Portfolio (after the Transactions)

Category	Property No	Property name	Location <sup>(Note 1)</sup>	(Planned) Acquisition price (million yen) <sup>(Note 2)</sup>	Investment ratio (%) <sup>(Note 3)</sup>
Office	OT-2	ONEST Kanda Square	Chiyoda-ku, Tokyo	7,350	7.2
	OT-3	Tachikawa Nishiki-cho Building	Tachikawa-shi, Tokyo	3,264	3.2
	OT-4	CP10 Building	Taito-ku, Tokyo	-	
	OT-5	ONEST Yokohama Nishiguchi Building	Yokohama-shi, Kanagawa	3,110	3.0
	OT-6	Yushima First Genesis Building	Bunkyo-ku, Tokyo	2,751	2.7
	OT-7	ONEST Nakano Building	Nakano-ku, Tokyo	2,880	2.8
	OT-8	36 Sankyo Building	Shinjuku-ku, Tokyo	2,395	2.3
	OT-9	Minami-Shinagawa JN Building	Shinagawa-ku, Tokyo	2,165	2.1
	OT-10	Minami-Shinagawa N Building	Shinagawa-ku, Tokyo	2,292	2.2
	OT-11	Minami-Shinagawa J Building	Shinagawa-ku, Tokyo	2,020	2.0
	OT-12	MY Atsugi Building	Atsugi-shi, Kanagawa	-	-
	OT-13	Hachioji SIA Building	Hachioji-shi, Tokyo	730	0.7
	OT-14	ONEST Motoyoyogi Square	Shibuya-ku, Tokyo	7,500	7.3
	OT-15	ONEST Ueno Okachimachi Building	Taito-ku, Tokyo	2,700	2.6
	OT-16	Daido Life Omiya Building	Saitama-shi, Saitama	3,000	2.9
	OT-17	ONEST Ikebukuro East Building	Toshima-ku, Tokyo	2,200	2.2
	OT-18	Crescendo Building	Yokohama-shi, Kanagawa	2,466	2.4
	OT-19	Tokyo Parkside Building	Koto-ku, Tokyo	10,450	10.2
	OT-20	Nishi-Gotanda 102 Building	Shinagawa-ku, Tokyo	4,500	4.4
	OO-1	Central Shin-Osaka Building	Osaka-shi, Osaka	4,612	4.5
	OO-2	Karasuma Plaza 21	Kyoto-shi, Kyoto	3,700	3.6
	OO-3	ONEST Nagoya Nishiki Square	Nagoya-shi, Aichi	2,381	2.3
	OO-4	MY Kumamoto Building	Kumamoto-shi, Kumamoto	1,152	1.1
	OO-5	Nagoya Fushimi Square Building	Nagoya-shi, Aichi	4,812	4.7
OO-6	Daihakata Building	Fukuoka-shi, Fukuoka	10,650	10.4	
OO-7	Higobashi Center Building	Osaka-shi, Osaka	8,930	8.7	
Subtotal (24 properties)				98,010	95.8
Retail	R-1	fab Minami-Osawa	Hachioji-shi, Tokyo	4,250	4.2
	Subtotal (1 property)			4,250	4.2
Total (25 properties)				102,260	100.0

(Note 1) The “Location” column contains the minimum independent administrative district where each property is located.

(Note 2) “(Planned) Acquisition price” column shows the acquisition price (excluding amount equivalent to consumption tax, etc.) described in the purchase and sale agreements of real estate or trust beneficiary rights in real estate related to acquired assets.

(Note 3) “Investment ratio” column shows figure calculated as a percentage of the (planned) acquisition price of each asset to the aggregate (planned) acquisition price of assets, and rounded to the first decimal place.