

September 4, 2018

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.  
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**Notice concerning Acquisition and Leasing of Assets**  
**(Tokyo Parkside Building and Higobashi Center Building)**

One REIT, Inc. (hereafter referred to as “One REIT”) announced that Mizuho REIT Management Co., Ltd. (hereafter referred to as the “Asset Management Company”), an asset management company to which One REIT entrusts management of its assets, today made a decision to acquire and lease the assets described below (hereafter referred to as the “Assets to be Acquired”).

**1. Overview of the Acquisition**

One REIT is planning to acquire the two Assets to be Acquired described below. One REIT will acquire Tokyo Parkside Building by exercising the preferential negotiation rights <sup>(Note 1)</sup> granted by Godo Kaisha (GK) SIA Bridge No.3 as the seller and Higobashi Center Building by exercising the preferential negotiation rights <sup>(Note 1)</sup> granted by IBJ Leasing Company, Limited as the seller.

The acquisition will be made through public offering for the second time after the listing of One REIT. In acquiring the Assets to be Acquired, One REIT utilizes the know-how in real estate management, the management resources, etc. that MONE Group <sup>(Note 2)</sup> has and various supports from Mizuho Trust & Banking Co., Ltd., the sponsor.

(Note1) For more details on the preferential negotiation rights, please refer to the “Notice concerning Obtainment of Preferential Negotiation Rights for Acquisition of a Property (Tokyo Parkside Building)” dated November 15, 2016 and “Notice concerning Obtainment of Preferential Negotiation Rights for Acquisition of a Property (Higobashi Center Building)” dated December 22, 2016.

(Note2) “MONE Group” is comprised of three companies: the Asset Management Company, Mizuho Realty One Co., Ltd., a parent company of the Asset Management Company, and Mizuho Real Estate Management Co., Ltd., a subsidiary of the parent company of the Asset Management Company (hereafter referred to as “MREM”).

Property No.	Property name	Location <sup>(Note1)</sup>	Acquired property	Seller	Anticipated acquisition price (million yen) <sup>(Note2)</sup>
OT-19	Tokyo Parkside Building	Koto-ku, Tokyo	Trust beneficiary interest	GK SIA Bridge No. 3 <sup>(Note3)</sup>	10,450
OO-7	Higobashi Center Building	Osaka-shi, Osaka	Trust beneficiary interest	IBJ Leasing Company, Limited <sup>(Note3)</sup>	8,930
Total (2 properties)					19,380

<Note> This document is an English translation of a press release on acquisition and leasing of assets 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.

- (Note1) The “Location” column contains the minimum independent administrative district where each asset is located.
- (Note2) The “Anticipated acquisition price” column contains the trading value of the Assets to be Acquired (excluding equivalent to consumption tax, etc.) described in the purchase and sale agreement of trust beneficiary interest related to the said assets (hereafter referred to as the “Purchase and Sale Agreement”).
- (Note3) The sellers of the Assets to be Acquired do not fall under the category of “interested persons, etc.” under the Act on Investment Trust and Investment Corporations (hereafter referred to as the “Investment Trusts Act”). However, since they entrust asset management to MREM, a subsidiary of the parent company of the Asset Management Company, they fall under the category of “an interested party” defined in the interested party transaction rules of the Asset Management Company.

- (1) The date of execution of the Purchase and Sale Agreements: September 4, 2018
- (2) Anticipated acquisition date: September 21, 2018<sup>(Note1)</sup>
- (3) The seller: Please refer to “4. Overview of Sellers” below.
- (4) Acquisition funds: Net proceeds of the issuance of the new investment units (public offering) (hereafter referred to as the “Public Offering”) as resolved at the board of directors’ meeting of One REIT held today<sup>(Note 2)</sup>, borrowings<sup>(Note 3)</sup> and cash in hand.
- (5) Settlement method: Lump-sum payment at the time of delivery

(Note1) The “Anticipated acquisition date” is the date One REIT plans to acquire the assets. The “Anticipated acquisition date” may be delayed to any date on or before September 26, 2018 depending on the situation including the payment date of the Public Offering in accordance with the Purchase and Sale Agreements related to the Assets to be Acquired.

(Note2) For more details, please refer to the “Notice concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced as of today.

(Note3) For more details, please refer to the “Notice concerning Borrowing of Funds” separately announced as of today.

## 2. Reasons for the Acquisition and the Leasing

All Assets to be Acquired fall under the category of assets subject to asset management as provided for under the Articles of Incorporation of One REIT. The acquisition was decided as the acquisition of the Assets to be Acquired was judged to contribute to improve the quality of portfolio through tenant diversification and stabilizing the revenue base. For more details on the points of evaluation in acquiring the Assets to be Acquired, please refer to “3. Outline of Assets to be Acquired” below.

Through the acquisition, the portfolio of One REIT will be comprised of 26 properties and the total (anticipated) acquisition price will be enhanced to 102,229 million yen.

Tenants of each asset are suitable to the tenant selection criteria described in the “Report on the Management Structure and System of Issuers, etc. of Real Estate Investment Trust Units and Related Parties” dated May 30, 2018.

## 3. Outline of Assets to be Acquired

Outline of each Asset to be Acquired is listed in the table below.

Descriptions 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 the end of June 2018 unless otherwise stated. Provided, “Trustee” and “Expiration date of trust period” columns are the plan at the time of the acquisition of each Asset to be Acquired.

- a. The “Anticipated acquisition price” column contains the trading value of the Assets to be Acquired (excluding equivalent to consumption tax, etc.) described in the Purchase and Sale Agreements related to the said assets.
- b. The “Appraisal value” column contains the appraisal value described in the Real Estate Appraisal Report by JLL Morii Valuation & Advisory K.K. or The Tanizawa Sogo Appraisal Co., Ltd. based on the appraisal date as of July 1, 2018.
- c. The “Anticipated acquisition date” column contains the anticipated date when the assets are anticipated to be acquired by One REIT.
- d. 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.)

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- (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 Acquired.
- e. 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 Acquired.
- f. The “PML value” column contains the PML value based on the each earthquake PML appraisal report as of July 2018 by SOMPO Risk Management & Health Care Inc.
- g. The “PM Company” column contains the property management company to which the property management operation is outsourced as of today.
- h. The “Master Lease Company” column contains the master lease company to which the master lease operation is outsourced as of today or information after the Acquisition, if change of master lease company or termination of such outsource is anticipated.
- i. The “Total leasable area” column contains the total floor space (in the event that the co-ownership portions are leased out, the area of the said portions is included) that can be leased for office and retail in the building concerning the Assets 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 is based on information provided by the current owners of the Assets to be Acquired.
- j. 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 is based on information provided by the current owner of the Assets to be Acquired.
- k. The “Occupancy rate” column contains the figure as a percentage obtained by dividing the leased area by the total leasable area and rounded to the first decimal place. The data in this column is based on information provided by the current owner of the Assets to be Acquired.
- l. 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 Asset to be Acquired. The data in this column is based on information provided by the current owners of the Assets to be Acquired.
- m. The “Monthly rent (including common area charges)” column contains the total monthly rent described in a lease agreement with each tenant, rounded down to the nearest thousand yen. The data in this column is based on information provided by the current owner of the Assets to be Acquired. Monthly rent for a tenant that falls into a free rent period as of the end of June, 2018 is calculated based on the monthly rent described in the lease agreement.
- n. 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 the end of June, 2018, described in the lease agreement concluded with each tenant provided by the current owner. Amounts are rounded down to the nearest thousand yen (when there is a portion that does not need to be returned, that portion is deducted).
- o. The “Special remarks” column contains important issues related to the relationship of rights and the

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- usage, etc. of the Assets to be Acquired, as well as important issues in consideration of the impact on the appraisal value, profitability and liquidity of the Assets to be Acquired.
- p. The “Property Characteristics” column contains information based on the appraisal report, etc. in relation to the Assets 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 a minute on foot in every 80 meters of road distance, in accordance with the Fair Competition Code Concerning Representations of Real Estates. Any fractional numbers are rounded up to the nearest minute.

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① Tokyo Parkside Building

Property name		Tokyo Parkside Building
Specified assets category		Trust beneficiary interests
Trustee		Sumitomo Mitsui Trust Bank, Limited.
Expiration date of trust period		September 30, 2028
Anticipated acquisition price		10,450 million yen
Appraisal value		11,000 million yen
Appraisal company		JLL Morii Valuation & Advisory K.K.
Anticipated acquisition date		September 21, 2018 <sup>(Note1)</sup>
Land	Location	5-13-68 Kiba Koto-ku, Tokyo
	(Domicile)	5-8-40 Kiba Koto-ku, Tokyo
	Area	3,200.00 m <sup>2</sup>
	Zoning	Semi-industrial district
	Building-to-land ratio / Floor-area ratio	60%/439.97% <sup>(Note2)</sup>
	Type of ownership	Proprietary ownership
Building	Completed	September 1991
	Construction / Number of floors	SR / SRC with flat roof, B1/14F
	Total floor space	18,881.34m <sup>2</sup>
	Use	Office
	Type of ownership	Proprietary Ownership
Collateral		None
PML		4.79%
PM company		MS Building Support Co., Ltd.
Master lease company		None
Lease status		
	Total leasable area	12,920.17m <sup>2</sup>
	Leased area	12,920.17m <sup>2</sup>
	Occupancy rate	100.0%
	Total number of tenants	15
	Monthly rent (including common area charges)	51,127 thousand yen
	Lease and guarantee deposits	479,936 thousand yen
Special remarks		<ul style="list-style-type: none"> <li>The Property and the buildings located in the adjacent site to the south of the Property have been granted Tokyo's comprehensive design permission based on Article 59-2, Paragraph 1 of the Building Standards Act, and single housing complex certification, together with neighboring buildings, under the provisions of Article 86, Paragraph 1 of the said Act. Under the amendment memorandum on the basic agreement entered into among the trustee of the Property, the beneficiary, and the management association consisting of all unit owners of the adjacent site and the buildings located in the adjacent site, it is required to conduct prior consultation and obtain prior written consent of all parties related to the basic agreement when renovating or expanding the Property or the buildings located in the adjacent site. Furthermore, other parties related to the basic agreement shall not reject, withhold or delay such consent unreasonably. One REIT plans to take over such agreement.</li> </ul>

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(Note 2) The maximum floor-area ratio has been eased for the Property in accordance with the overall design system

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under Article 59-2 of the Building Standards Act.

<b>Property Characteristics</b>	
<ul style="list-style-type: none"> <li>• An office building located about 2-minute walk from Kiba Station on the Tokyo Metro Tozai Line and about 7-minute ride or four stops on the Line to the Otemachi area, one of Tokyo's central business districts, and very near to a highway ramp of the Metropolitan Expressway. Providing high convenience in both access to central Tokyo and use of cars</li> <li>• Offering good access to central Tokyo, the Property can expect steady office demand from affiliated companies and back-offices of financial institutions and major companies, as well as middle-size companies</li> <li>• Having a standard floor area of around 300 tsubo, individual air-conditioning system and ceiling height of 2,600 mm, it is equipped with specifications which can exert high competitiveness in the area</li> <li>• Renewal work at common area was completed, and stable demand from tenants is expected going forward</li> </ul>	

② Higobashi Center Building

Property name		Higobashi Center Building
Specified assets category		Trust beneficiary interests
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Expiration date of trust period		September 30, 2028
Anticipated acquisition price		8,930 million yen
Appraisal value		10,100 million yen
Appraisal company		The Tanizawa Sogo Appraisal Co., Ltd.
Anticipated acquisition date		September 21, 2018 <sup>(Note1)</sup>
Land	Location	1-91 Edobori Nishi-ku, Osaka-shi, Osaka
	(Domicile)	1-9-1 Edobori Nishi-ku, Osaka-shi, Osaka
	Area	2,844.26m <sup>2</sup>
	Zoning	Commercial district
	Building-to-land ratio / Floor-area ratio	100%/860% <sup>(Note2)</sup>
	Type of ownership	Proprietary ownership
Building	Completed	September 1977
	Construction / Number of floors	SRC / RC / SR with flat roof, B2/18F
	Total floor space	24,556.71m <sup>2</sup>
	Use	Office, retail
	Type of ownership	Proprietary ownership
Collateral		None
PML		4.69%
PM company		Building Management & Strategy Inc.
Master lease company		None
Lease status		
	Total leasable area	15,940.39m <sup>2</sup>
	Leased area	15,556.82m <sup>2</sup>
	Occupancy rate	97.6%
	Total number of tenants	64
	Monthly rent (including common area charges)	51,406 thousand yen
	Lease and guarantee deposits	459,711 thousand yen
Special remarks		The Property was built in September 1977, and was designed and constructed in accordance with the former Building Standards Act. Therefore, it does not comply with some of the provisions of the current Building Standards Act in terms of earthquake resistance, etc. However, acquired High-rise

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	building structure rating, and in the report "Earthquake Resistance of Higobashi Center Building" by Obayashi Corporation dated March 28, 2005, its view was that "the Property is judged to have earthquake resistance equivalent to that of buildings constructed under the current Standards for Earthquake Resistant Design (amended in 1981)."
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(Note 2) The maximum floor-area ratio has been eased for the Property in accordance with the overall design system under Article 59-2 of the Building Standards Act.

<b>Property Characteristics</b>
<ul style="list-style-type: none"> <li>• About 1-minute walk from Higobashi Station on the Osaka Metro Yotsubashi Line and about 5-minute walk from Yodoyabashi Station on the Osaka Metro Midosuji Line. The Property has superior access to central area of Osaka City and main transport hubs</li> <li>• A symbolic property with excellent visibility located close to the Nakanoshima and Yodoyabashi areas, the center of Osaka's business district</li> <li>• Well-diversified tenant composition based on a floor place that enables flexible space separation from about 20 tsubo at minimum to about 260 tsubo at maximum, from which stable cash flow can be expected</li> <li>• Having individual air-conditioning system (central air conditioning type system used in combination), common areas that went through large-scale renewal, etc., the Property is equipped with high competitiveness in the area</li> </ul>

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#### 4. Overview of the Seller

##### ① Tokyo Parkside Building

Name	GK SIA Bridge No. 3	
Location	Inside Sakura Horwath & Co. 1-11, Kanda Jimbocho, Chiyoda-ku, Tokyo	
Position / Name of representative	General Incorporated Association SIA Bridge Office Manager Takao Ando	
Nature of business	1. Acquisition, holding and disposition of real estate 2. Leasing and management of real estate 3. Acquisition, holding and disposition of real estate trust beneficiary interests	
Stated capital	200 thousand yen	
Date of establishment	March 11, 2014	
Net assets	295,668 yen (as of March 31, 2018)	
Total assets	11,215 million yen (as of March 31, 2018)	
Large shareholder and shareholding ratio	General Incorporated Association SIA Bridge	100%
Relationship with the One REIT or the Asset Management Company		
Capital relations	There is no capital relationship to be stated with One REIT or the Asset Management Company. In addition, there is no capital relationship to be specially noted between associated persons or associated companies of One REIT or the Asset Management Company and associated persons or associated companies of the concerned company.	
Personnel relations	There is no personal relationship to be stated with One REIT or the Asset Management Company. In addition, there is no personnel relationship to be specially noted between associated persons or associated companies of One REIT or the Asset Management Company and associated persons or associated companies of the concerned company.	
Business relations	There is no business relationship to be stated with One REIT or the Asset Management Company. MREM, a subsidiary of the parent company of the Asset Management Company, has been entrusted with the asset management operations of the concerned company.	
Circumstances applicable to related parties	The concerned company does not fall under the category of a related party. However, the concerned company is an interested party as set forth in the internal rule concerning trading with interested party of the Asset Management Company.	

##### ② Higobashi Center Building

Name	IBJ Leasing Company, Limited	
Location	1-2-6 Toranomon Minato-ku, Tokyo	
Position / Name of representative	President and CEO Hiroshi Motoyama	
Nature of business	General leasing business	
Stated capital	17,874 million yen (as of March 31, 2018)	
Date of establishment	December 1, 1969	
Net assets	122,653 million yen(as of March 31, 2018)	
Total assets	1,508,685 million yen(as of March 31, 2018)	
Large shareholder and shareholding ratio	The Dai-ichi Life Insurance Company, Limited	6.87%
	Nissan Motor Co.,Ltd. Retirement Benefit Trust Account, with the trustee being Mizuho Trust & Banking Co., Ltd. and re-trustee Trust & Custody Services Bank, Ltd.	4.10%
	Trust & Custody Service Bank, Ltd.	
	Mizuho Bank, Ltd.	3.81%
Relationship with the One REIT or the Asset Management Company		

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Capital relations	There is no capital relationship to be stated with One REIT or the Asset Management Company. In addition, there is no capital relationship to be specially noted between associated persons or associated companies of One REIT or the Asset Management Company and associated persons or associated companies of the concerned company.
Personnel relations	There is no personal relationship to be stated with One REIT or the Asset Management Company. In addition, there is no personnel relationship to be specially noted between associated persons or associated companies of One REIT or the Asset Management Company and associated persons or associated companies of the concerned company.
Business relations	There is no business relationship to be stated with One REIT or the Asset Management Company. MREM, a subsidiary of the parent company of the Asset Management Company, has been entrusted with the asset management operations of the concerned company.
Circumstances applicable to related parties	The concerned company does not fall under the category of a related party. However, the concerned company is an interested party as set forth in the internal rule concerning trading with interested party of the Asset Management Company.

#### 5. Status of Owner, etc.

The sellers of the Assets to be Acquired do not fall under the category of “interested persons, etc.” under the Investment Trust Act. However, since they entrust asset management to MREM, a subsidiary of the parent company of the Asset Management Company, they fall under the category of “an interested party” as defined in the interested party transaction rule of the Asset Management Company. As a consequence, prescribed procedure has been taken in One REIT and the Asset Management Company in accordance with the said internal rule when it concluded the Purchase and Sale Agreements.

The status of the owner, etc. is as follows.

- ① name of the company/person, ② relationship with the person with a special vested interest, ③ background/reason for the acquisition, ④ acquisition price, ⑤ acquisition period

Property name Current owner/	Property name Current owner/	Property name Current owner/
Tokyo Parkside Building	① GK SIA Bridge No. 3 ② MREM, a subsidiary of the parent company of the Asset Management Company, has been entrusted with the asset management operations. ③ For the purpose of investment ④ Omitted as the property is owned for more than a year ⑤ November 15, 2016	Person does not have special interest.
Higobashi Center Building	① IBJ Leasing Company, Limited. ② MREM, a subsidiary of the parent company of the Asset Management Company, has been entrusted with the asset management operations. ③ For the purpose of investment ④ Omitted as the property is owned for more than a year ⑤ December 22, 2016	Person does not have special interest.

#### 6. Outline of Brokerage

There is no brokerage related to the Assets to be Acquired

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**7. Settlement method**

The proceeds of the Public Offering and Borrowings will be utilized for acquiring these two Assets to be Acquired, which will be paid when the transfer process completes.

**8. Schedule of Acquisition**

Decision date for acquisition	September 4, 2018
Date of execution of Purchase and Sale Agreements	September 4, 2018
Payment date	September 21, 2018 (Scheduled) <sup>(Note)</sup>
Asset transfer date	September 21, 2018 (Scheduled) <sup>(Note)</sup>

(Note) The “Payment date” and the “Asset transfer date” may be delayed to any date on or before September 26, 2018, depending on the situation including the payment date of the Public Offering in accordance with the Purchase and Sale Agreements.

**9. Outlook for Financial Results**

For the outlook of financial results of One REIT after the acquisition of the Assets to be Acquired in the fiscal period ending February 2019 (11th Fiscal Period: September 1, 2018 to February 28, 2019) and the fiscal period ending August 2019 (12th Fiscal Period: March 1, 2019 to August 31, 2019), please refer to the “Notice concerning Revisions to Forecast of Financial Results and Cash Distribution for the Fiscal Period Ending February 2019 (11th Fiscal Period) and Forecast of Financial Results and Cash Distribution for the Fiscal Period Ending August 2019 (12th Fiscal Period)” separately announced today.

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## 10. Overview of Appraisal Report

### ① Tokyo Parkside Building

Overview of Appraisal Report	
Appraised value	11,000,000,000 yen
Appraisal company	JLL Morii Valuation & Advisory K.K.
Appraisal date	July 1, 2018

Item	Content	Overview, etc.
Income approach value	11,000,000,000	Estimated by treating equally the value calculated using the direct capitalization method and the value calculated using the discounted cash flow method
Value based on direct capitalization method	11,200,000,000	
Operating revenue	679,003,000	
Maximum gross operating revenue	714,443,000	Assessed rents that are stable over the medium- to long-term, etc. based on current terms and conditions, etc.
Vacancy loss etc.	35,440,000	Assessed by taking into account normal vacancy rates and property-specific factors of the property
Operating expenses	184,198,000	
Maintenance expenses	39,625,000	Assessed based on actual amounts by reference to the level of similar properties
Utility expenses	83,835,000	Assessed based on actual amounts by reference to the level of similar properties
Repair expenses	12,223,000	Recorded 30% of the levelled amount after judging the estimate in the engineering report to be appropriate
PM fees	6,944,000	Assessed by reference to the level of similar properties
Tenant solicitation expenses, etc.	8,222,000	New monthly rent for 1.5 months
Taxes and public dues	32,290,000	Assessed based on actual amounts while considering fluctuation rates, age depreciation, etc.
Non-life insurance fees	1,059,000	Recorded the amount in the presented material after judging it to be appropriate
Other expenses	0	
Net operating income	494,805,000	
Gain on management of income from lump-sum payment	4,194,000	Assessed by multiplying the amount obtained by subtracting vacancy portion equivalent amount from the amount of guarantee deposits at full occupancy, etc., by 1.0% yield
Capital expenditures	28,520,000	Recorded 70% of the levelled amount after judging the estimate in the engineering report to be appropriate
Net income	470,479,000	
Capitalization Rate	4.2%	Assessed the discount rate by adding revenue and principal fluctuation risks
Value based on the DCF Method	10,900,000,000	
Discount rate	3.9%	Assessed by considering risk factors involved in locality and individuality of the property while taking into account market trends, etc.
Terminal capitalization rate	4.4%	Assessed based on the capitalization rate considering risks of future uncertainties, etc.
Cost method value	9,050,000,000	
Land ratio	82.3%	
Building ratio	17.7%	

Other items considered by appraiser upon appraisal	None
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② Higobashi Center Building

Overview of Appraisal Report	
Appraised value	10,100,000,000 yen
Appraisal company	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal date	July 1, 2018

Item	Content	Overview, etc.
Income approach value	10,100,000,000	Determined by testing by the direct deoxidizing method using the value indicated by the DCF method.
Value based on direct capitalization method	10,400,000,000	
Operating revenue	718,368,406	
Maximum gross operating revenue	757,252,533	Assessed current market rent based on a comparison with the rent level of rental cases, etc. and current leasing and rental status
Vacancy loss etc.	38,884,127	Assessed as the levelled mid- to long-term vacancy rate
Operating expenses	240,350,872	
Maintenance expenses	53,238,379	Assessed based on management service contract, etc.
Utility expenses	89,980,358	Assessed based on income and expenditure results, etc.
Repair expenses	18,175,000	Assessed by allocating the figure based on the engineering report and similar cases to repair expenses (30%) and capital expenditures (70%)
PM fees	7,808,348	Assessed based on PM business proposal materials
Tenant solicitation expenses, etc.	5,082,081	Assumed that 10 percent of tenants are replaced per year
Taxes and public dues	61,158,400	Recorded based on the most recent materials on taxation
Non-life insurance fees	1,316,464	Recorded based on the materials on insurance premiums. No earthquake insurance
Other expenses	3,591,842	Assessed based on income and expenditure results, etc.
Net operating income	478,017,534	
Gain on management of income from lump-sum payment	5,233,583	Assessed by multiplying lump-sum payment balance by investment yield
Capital expenditures	47,255,000	Assessed by allocating the figure based on the engineering report and similar cases to repair expenses (30%) and capital expenditures (70%)
Net income	435,996,117	
Capitalization Rate	4.2%	Assessed based on a comparison with transaction yields while taking into account forecast of future fluctuations
Value based on the DCF Method	10,000,000,000	
Discount rate	4.3%	Assessed by adding individual risks to a base yield of the property
Terminal capitalization rate	4.4%	Assessed by adding future uncertainties to the capitalization rate
Cost method value	11,300,000,000	
Land ratio	87.5%	
Building ratio	12.5%	

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 Assets to be Acquired

Reference Information 2: List of Portfolio (after the acquisition of the Assets to be Acquired)

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

### ① Tokyo Parkside Building



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② Higobashi Center Building



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## Reference Information 2: List of Portfolio (after the acquisition of the Assets to be Acquired)

Category	Property No.	Property name	Location (Note 1)	(Anticipated) Acquisition price (million yen)(Note 2)	Investment ratio (%) (Note 3)
Office	OT-2	SIA 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	3,229	3.2
	OT-5	Yokohama AP Building	Yokohama-shi,Kanagawa	3,110	3.0
	OT-6	Yushima First Genesis Building	Bunkyo-ku, Tokyo	2,751	2.7
	OT-7	Miyaji 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	1,240	1.2
	OT-13	Hachioji SIA Building	Hachioji-shi, Tokyo	730	0.7
	OT-14	Glass City Motoyoyogi	Shibuya-ku, Tokyo	7,500	7.3
	OT-15	Okachimachi CY Building	Taito-ku, Tokyo	2,700	2.6
	OT-16	Daido Life Omiya Building	Saitama-shi, Saitama	3,000	2.9
	OT-17	Yamagami 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
	Office	OO-1	Central Shin-Osaka Building	Osaka-shi, Osaka	4,612
OO-2		Karasuma Plaza 21	Kyoto-shi, Kyoto	3,700	3.6
OO-3		Stoke Building Nagoya	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 (25 properties)			97,979	95.8	
Retail	R-1	fab Minami-Osawa	Hachioji-shi, Tokyo	4,250	4.2
	Subtotal (1 property)			4,250	4.2
Total (26 properties)			102,229	100.0	

(Note1) The “Location” column contains the minimum independent administrative district where each asset is located.

(Note2) The “(Anticipated) Acquisition price” column shows the acquisition price (excluding equivalent to consumption tax, etc.) described in the purchase and sale agreements of real estate or trust beneficiary interest in real estate related to acquired assets, and of the Purchase and Sale Agreements related to the Assets to be Acquired.

(Note3) “Investment ratio” is calculated as a percentage of the (anticipated) acquisition price of each asset to the aggregate (anticipated) acquisition price of One REIT’s assets, and rounded to the first decimal place.

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