



**One REIT, Inc.**

(TSE Code: 3290)



## Supplement to Series of Press Releases Announced Today

Public offering

Properties  
acquisition

Borrowings

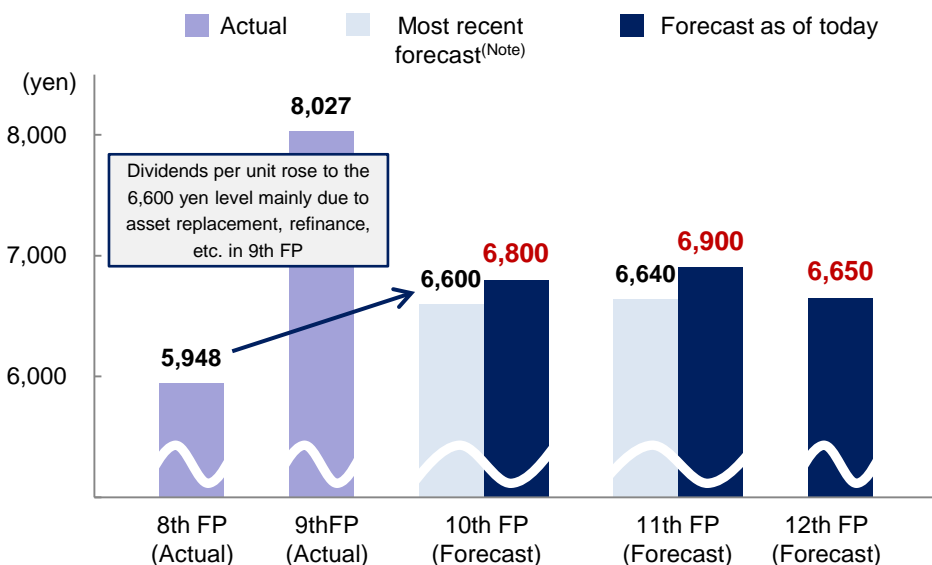
Financial results  
forecast

**September 4, 2018**

Mizuho REIT Management Co., Ltd. (Asset Management Company)

- Prior to the public offering announced today (hereafter the “Public Offering”), One REIT, Inc. (hereafter “One REIT”) transferred Niigata Higashibori-dori Parking Building (in Niigata-shi, Niigata) as of August 30, 2018, and acquired Crescendo Building (in Yokohama-shi, Kanagawa) as of September 3, 2018
- Through the Public Offering and the borrowing of funds announced today (hereafter the “Borrowing”), One REIT plans to acquire Tokyo Parkside Building (in Koto-ku, Tokyo) and Higobashi Center Building (in Osaka-shi, Osaka) as of September 21, 2018
- The following shows the change in forecast dividends per unit from the fiscal period ended August 2018 (10th fiscal period) to the fiscal period ending August 2019 (12th fiscal period) through the above measures and the factors for the change

## Change in dividends per unit (actual and forecast)

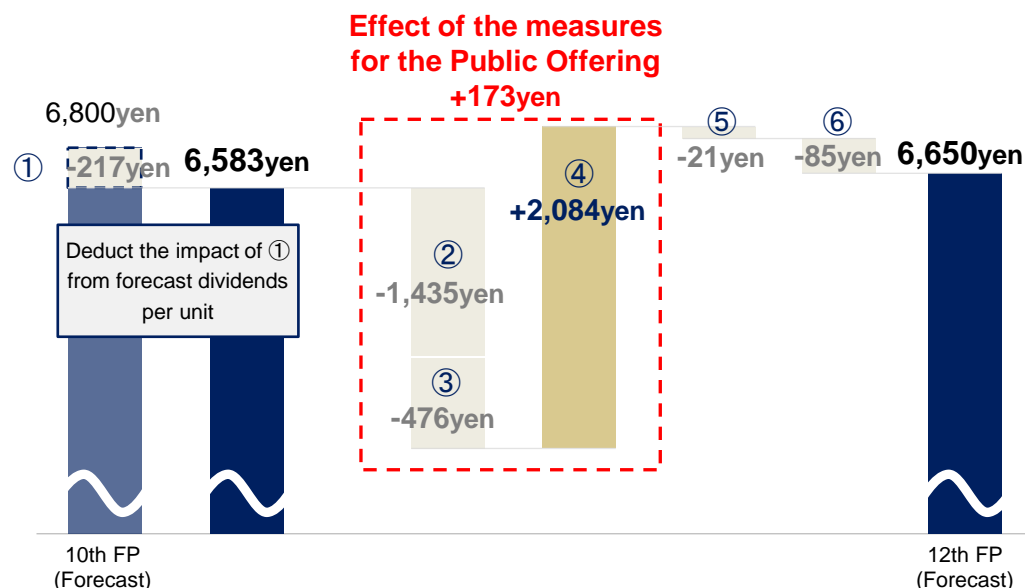


(Note) Forecasts announced on April 16, 2018

## Factors for change in 10th FP and 11th FP

10th FP	<ul style="list-style-type: none"> <li>Gain on transfer and internal reserves through transfer of Niigata Higashibori-dori Parking Building</li> </ul>
11th FP	<ul style="list-style-type: none"> <li>Acquisition of Crescendo Building (as of September 3, 2018)</li> <li>Planned acquisition of Tokyo Parkside Building and Higobashi Center Building (as of September 21, 2018)</li> <li>The Public Offering and the Borrowing</li> </ul>

## Factors for change in forecast dividends per unit: Comparison between 10th FP and 12th FP



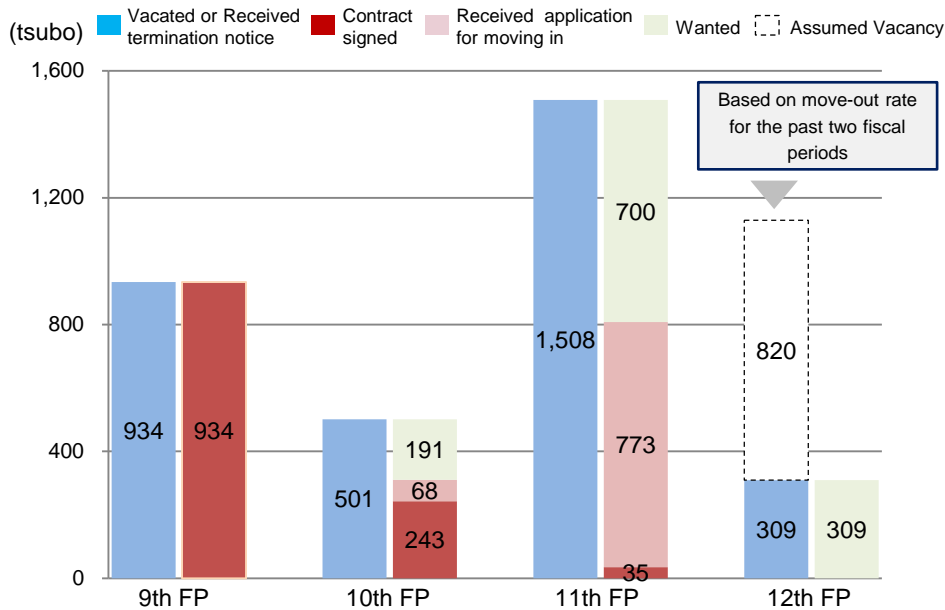
## Details of the factors for change

- ① Impact of transfer of Niigata Higashibori-dori Parking Building (decrease in gain on transfer and NOI after depreciation, and absence of internal reserves)
  - ② Impact of increase in the number of investment units
  - ③ Increase in asset management fees and non-operating expenses (financial costs and investment unit issuance expenses)
  - ④ Increase in NOI after depreciation due to acquisition of three properties (Crescendo Building, Tokyo Parkside Building and Higobashi Center Building)
  - ⑤ Others (change in general and administrative expenses and non-operating expenses)
  - ⑥ Decrease in NOI after depreciation of the existing portfolio (including assumed vacancy loss, etc.)
- ⇒ Refer to the next page

## Vacated area (actual and forecast) and progress of leasing

- The number of tenants moving out is expected to be small in the fiscal period ended August 2018 compared to previous periods, while it is expected to increase in the fiscal period ending February 2019 (based on advanced termination notices received)
- Of the area to be vacated in the fiscal period ending February 2019 (total as of August 31, 2018: 1,508 tsubo), application for moving in, etc. have been submitted for 773 tsubo (equivalent to 51.2%). New leasing is progressing well in this way, however, NOI after depreciation of the existing portfolio (including assumed vacancy loss, etc.) is expected to decrease in the fiscal period ending August 2019 due to down time and free rent as a result of tenant replacement and increase in brokerage fee and other expenses

### Progress of leasing vs the vacated area (as of August 31, 2018)\*



\*The above graph indicates the status of the existing portfolio excluding Crescendo Building, Tokyo Parkside Building and Higobashi Center Building

### Reason for move-out of 11 tenants (1,000 tsubo or more) in and after 9th FP

Consolidation (7 tenants)	<ul style="list-style-type: none"> <li>Consolidation of stores, discontinuation of diversification, consolidation following the merger, relocation to the neighborhood of office of parent company, etc.</li> </ul>
Other (4 tenants)	<ul style="list-style-type: none"> <li>Increase in floor space with expanding operations, reduction in rent burden in response to earnings deterioration, termination of temporary use, and avoiding rent increase.</li> </ul>

Leave-time	Progress of leasing
9th FP	<ul style="list-style-type: none"> <li>New lease agreements have been concluded for all vacated spaces</li> </ul>
10th FP	<ul style="list-style-type: none"> <li>New lease agreements have been concluded for 7 out of 12 vacated spaces (floor area basis: 48.5%). Application for moving in has been separately submitted for 1 space</li> <li>The leasing spaces (including the spaces for which application for moving in, etc. have been submitted) are reflected in earnings forecast by individually setting vacancy period, free rent period, unit rent, etc. in consideration of each property's competitiveness and progress of leasing (the same shall apply hereinafter)</li> </ul>
11th FP	<ul style="list-style-type: none"> <li>The total vacated area is 1,508 tsubo (19 spaces) based on advanced termination notices received</li> <li>The area to be vacated is three times as large as that for the previous fiscal period, however, application for moving in, etc. have been submitted for 51.2% of the total area to be vacated (9 spaces)</li> </ul>
12th FP	<ul style="list-style-type: none"> <li>Estimated by applying certain move-out rate based on actual results for the past two fiscal periods, and certain vacancy period and free rent period have been set on leasing spaces</li> <li>Refilling of assumed vacancy is reflected in earnings forecast by uniformly applying certain vacancy period, free rent period and average unit rent of the portfolio</li> </ul>

(Note) Application for moving in, etc. are not legally binding and move-in has not been determined. If the basic terms and conditions are acceptable for One REIT as a lessor, it will advance negotiations on details of the agreement. However, the terms and conditions may change or application for moving in may be cancelled in the process of negotiation.

- Since most of the properties were fully occupied in the fiscal period ended August 2018, the tenant needs for increase in floor space and consolidation were not satisfied, and thus move-out is expected to increase in the fiscal period ending February 2019. However, refilling of the spaces to be vacated is progressing well because application for moving in has been submitted for the purpose of increase in floor within the property or consolidation
- One REIT will focus on increasing portfolio NOI by shortening (assumed) vacancy period and free rent period as a result of tenant replacement through leasing activities, as well as raising unit rent

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Asset Management Company: Mizuho REIT Management Co., Ltd.

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<b>Contact</b>	Mizuho REIT Management Co., Ltd. (Asset Management Company) Finance & Administration Division
<b>Telephone</b>	+81-3-3242-7155
<b>Operating Hours</b>	9:00 a.m. – 5:30 p.m. (Closed Saturdays, Sundays, holidays, and company holidays)
<b>Website</b>	<a href="http://www.one-reit.com/en/">http://www.one-reit.com/en/</a>