

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.
Koji Hashimoto, Chief Executive Officer
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Notice concerning Issuance of New Investment Units and Secondary Offering of Investment Units

One REIT, Inc. (hereafter referred to as “One REIT”) announced that it has resolved at the board of directors’ meeting today to issue new investment units and conduct a secondary offering as follows:

1. Issuance of New Investment Units through Public Offering (Primary Offering)

- (1) Number of investment units to be offered: 48,200 units
- (2) Paid-in amount (Issue value) : To be determined
The paid-in amount (issue value) shall be determined at the board of directors’ meeting to be held on a date between September 12, 2018 (Wednesday) and September 14, 2018 (Friday) (hereafter referred to as the “Pricing Date”). The paid-in amount (issue value) is the amount that One REIT will receive from the underwriters stated in (6) below as the amount of payment per new investment unit of One REIT (hereafter referred to as the “Investment Units”).
- (3) Total paid-in amount (Issue value) : To be determined
- (4) Issue price (Offer price) : To be determined
The issue price (offer price) shall be determined on the Pricing Date, based on the provisional pricing range which is obtained by multiplying the closing price at the Tokyo Stock Exchange, Inc. (hereafter referred to as “TSE”) on the Pricing Date (if the closing price is not quoted on such date, the closing price on the immediately preceding date) by 0.90-1.00 (fraction below one yen shall be rounded down), while taking into consideration the demand conditions and other factors.
- (5) Total issue amount (Offer price) : To be determined
- (6) Offering method : A primary offering in which all investment units of the

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primary offering shall be purchased and underwritten by Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc. and Daiwa Securities Co. Ltd. (the three companies collectively hereafter referred to as the “Joint Lead Managers” or “Underwriters”)

- (7) Underwriting agreement : The Underwriters shall pay the total paid-in amount (issue value) to One REIT on the payment date stated in (10) below. The difference between the total issue amount (offer price) and the total paid-in amount (issue value) in the primary offering will be the proceeds of the Underwriters. One REIT shall not pay an underwriting fee to the Underwriters.
- (8) Application unit : One unit or more in multiples of one unit
- (9) Application period : From the business day immediately following the Pricing Date to the second business day immediately following the Pricing Date.
- (10) Payment date : One of the dates from September 20, 2018 (Thursday) to September 25, 2018 (Tuesday). This date shall be five business days immediately following the Pricing Date.
- (11) Transfer date : The business day immediately following the payment date stated in (10) above
- (12) The paid-in amount (issue value), issue price (offer price) and other items necessary for the issuance of the new investment units shall be determined at a future board of directors’ meeting.
- (13) Each of the items above shall be subject to the condition that the securities registration statement filed in accordance with the Financial Instruments and Exchange Act takes effect.

2. Secondary Offering of Investment Units (Secondary Offering through Over-Allotment) (See <reference>1. below)

- (1) Number of investment units to be sold : 2,410 units
The above number of investment units to be sold indicates the maximum number of investment units of the secondary offering through over-allotment conducted by Mizuho Securities Co., Ltd. as the lead administrative manager for the primary offering, aside from the primary offering, taking into consideration the demand conditions and other factors. There may be cases where this number is reduced or over-allotment itself does not take place at all depending on the demand conditions and other factors. The number of investment units to be sold shall be determined at the board of directors’ meeting to be held on the Pricing Date taking into consideration the demand conditions and other factors of the primary offering.
- (2) Seller : Mizuho Securities Co., Ltd.
- (3) Selling price : To be determined
The selling price shall be determined at the board of directors’ meeting to be held on the Pricing Date, and shall be the same as the issue price (offer price) of the primary offering
- (4) Total selling price : To be determined
- (5) Selling method : Aside from the primary offering, taking into consideration the demand conditions and other factors of the primary offering, Mizuho Securities Co., Ltd. as the lead administrative manager for the primary offering, shall conduct a secondary offering of Investment Units to be borrowed from Mizuho Realty One Co., Ltd. (hereafter referred to as “Mizuho Realty One”), the unitholder of One REIT, with 2,410 units

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set as the maximum number (hereafter referred to as the “Borrowed Investment Units”).

- (6) Application unit : One unit or more in multiples of one unit
- (7) Application period : The same as the application period of the primary offering
- (8) Transfer date : The same as the transfer date of the primary offering
- (9) The number of investment units to be sold, selling price and other items necessary for this secondary offering of investment units shall be determined at future board of directors’ meeting.
- (10) When the primary offering is suspended, the secondary offering through over-allotment shall also be suspended.
- (11) Each of the items above shall be subject to the condition that the securities registration statement filed in accordance with the Financial Instruments and Exchange Act takes effect.

3. Issuance of New Investment Units by Way of Third-Party Allotment (See<reference>1. below)

- (1) Number of investment units to be offered : 2,410 units
- (2) Paid-in amount (issue value) : To be determined
The paid-in amount (issue value) shall be determined at the board of directors’ meeting to be held on the Pricing Date, and shall be the same as the paid-in amount (issue value) of the primary offering.
- (3) Total paid-in amount (issue value) : To be determined
- (4) Allottee : Mizuho Securities Co., Ltd.
- (5) Application unit : One unit or more in multiples of one unit
- (6) Application period (Application date) : October 16, 2018 (Tuesday)
- (7) Payment date: October 17, 2018 (Wednesday)
- (8) If some or all of the investment units are not applied by the end of the application period (application date) stated in (6) above, the issuance of those units not applied shall be cancelled.
- (9) The paid-in amount (issue value) and other items necessary for this issuance of the new investment units by way of third-party allotment (hereafter referred to as the “Third-party Allotment”) shall be determined at a future board of directors’ meeting.
- (10) When the primary offering is suspended, the issuance of new investment units by way of the Third-party Allotment shall also be suspended.
- (11) Each of the items above shall be subject to the condition that the securities registration statement filed in accordance with the Financial Instruments and Exchange Act takes effect.

<Reference >

1. About the Secondary Offering through Over-Allotment, etc.

Upon the primary offering, taking into consideration the demand conditions and other factors of the primary offering, there may be cases where Mizuho Securities Co., Ltd. conducts, aside from the primary offering, a secondary offering of Investment Units to be borrowed from Mizuho Realty One, the unitholder of One REIT, with 2,410 units set as the maximum number (secondary offering through over-allotment). The number of investment units to be sold in the secondary offering through over-allotment is the maximum number of investment units to be sold, and there may be cases where the number is reduced or the secondary offering through over-allotment itself does not take place at all depending on the demand conditions and other factors.

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In relation to the secondary offering through over-allotment, One REIT has resolved at the board of directors' meeting held on September 4, 2018 (Tuesday) to issue new investment units by way of the Third-party Allotment for 2,410 units of Investment Units to Mizuho Securities Co., Ltd. as the allottee and with October 17, 2018 (Wednesday) as the payment date in order for Mizuho Securities Co., Ltd. to acquire Investment Units necessary to return the Borrowed Investment Units. One REIT has granted Mizuho Securities Co., Ltd. the right to acquire the additional Investment Units through Third-party Allotment up to 2,410 units (hereafter referred to as the "Greenshoe Option") in order to return the Borrowed Investment Units with expiration date of October 12, 2018 (Friday).

In order to return the Borrowed Investment Units, there may be cases where Mizuho Securities Co., Ltd. also purchases Investment Units up to the number of investment units of the secondary offering through over-allotment on the TSE (hereafter referred to as the "Syndicate Cover Transaction") during the period from the day following the end of the application period of the primary offering and secondary offering through over-allotment until October 12, 2018 (Friday) (hereafter referred to as the "Syndicate Cover Transaction Period"). All of Investment Units purchased by Mizuho Securities Co., Ltd. through the Syndicate Cover Transaction will be used to return the Borrowed Investment Units. During the Syndicate Cover Transaction Period, there may be cases where Mizuho Securities Co., Ltd. does not conduct the Syndicate Cover Transaction at all or ends the Syndicate Cover Transaction with a number of investment units that is less than the number of investment units of the secondary offering through over-allotment, at its own discretion.

Furthermore, Mizuho Securities Co., Ltd. may conduct a stabilizing transaction in relation to the primary offering and secondary offering through over-allotment. All or a part of Investment Units purchased through such stabilizing transaction may be used to return the Borrowed Investment Units.

In such a case, for the number of investment units obtained by deducting the number of investment units purchased through the stabilizing transaction and Syndicate Cover Transaction and appropriated for the return of the Borrowed Investment Units from the number of investment units of the secondary offering through over-allotment, Mizuho Securities Co., Ltd. intends to exercise the Greenshoe Option to accept the allotment of the Third-party Allotment and acquire the Investment Units. Thus, there may be cases where there is no application for the investment units of the Third-party Allotment, in whole or in part. As a result, there may be cases where the final number of investment units of the Third-party Allotment is reduced by that extent or the issuance itself does not take place at all due to forfeiture.

Whether the secondary offering through over-allotment takes place or not, and the number of investment units of the secondary offering through over-allotment if the secondary offering through over-allotment takes place, will be determined on the Pricing Date. If the secondary offering through over-allotment does not take place, the foregoing borrowing of Investment Units from Mizuho Realty One, the unitholder of One REIT, by Mizuho Securities Co., Ltd. stated above does not take place. Accordingly, Mizuho Securities Co., Ltd. does not accept and does not apply for the Third-party Allotment, and the issuance of new investment units by way of the Third-party Allotment itself does not take place at all due to forfeiture. Moreover, the Syndicate Cover Transaction on the TSE does not take place, either.

The foregoing transactions will be conducted by Mizuho Securities Co., Ltd. upon consultation with SMBC Nikko Securities Inc. and Daiwa Securities Co. Ltd.

2. Changes in Total Number of Investment Units Issued After the Issuance of New Investment Units

Total number of outstanding investment units	189,298 units	
Increase in number of investment units through the primary offering	48,200 units	
Total number of outstanding investment units after the primary offering	237,498 units	
Increase in number of investment units by way of the Third-party Allotment	2,410 units	(Note)
Total number of outstanding investment units after the Third-party Allotment	239,908 units	(Note)

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(Note) The number of investment units in the case where the Mizuho Securities Co., Ltd. applies all of new investment units to be issued by way of the Third-party Allotment and issuance of those investment units does take place.

3. Purpose and Reason for Issuance

One REIT's growth strategy centers on "Continuous growth of dividends" and "Disciplined external growth considering portfolio and financial structure." Guided by such growth strategy, One REIT transferred Niigata Higashibori-dori Parking Building on August 30, 2018 and acquired Crescendo Building on September 3, 2018^(Note 1), aiming to stabilize earning base through diversification of tenants. One REIT has decided to issue the new investment units to seek further strengthening its stability in earning base by acquiring new specified assets^(Note 2), while taking into account the market trends, the distribution level, the loan to value (LTV) ratio and other factors to ensure financial stability.

(Note1) For more details of the transfer of Niigata Higashibori-dori Parking Building and the acquisition of Crescendo Building, please refer to the press release "Notice concerning Asset Transfer (Niigata Higashibori-dori Parking Building) and Acquisition (Crescendo Building)" dated July 20, 2018.

(Note2) As defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations. The same shall apply hereafter. For the details of the specified assets to be acquired, please refer to the "Notice Concerning Acquisition and Leasing of Assets (Tokyo Parkside Building and Higobashi Center Building)" announced as of today.

4. Amount of Funds to be Procured, Use of Proceeds and Scheduled Expenditure Date

(1) Amount of funds to be procured (estimated net balance One REIT will receive)
12,075,000,000yen (maximum)

(Note) The amount is the total sum of anticipated proceeds from the issuance of new investment units by way of the primary offering (11,500,000,000yen) and maximum anticipated proceeds from the issuance of new Investment Units by way of Third-party Allotment (575,000,000yen). Further, the above figures represent estimated amounts calculated based on the closing price of Investment Units for ordinary trading on the TSE on August 21, 2018 (Tuesday).

(2) Specific use of proceeds to be procured and scheduled time of the expenditure
The proceeds from the issuance of new investment units by way of the primary offering are scheduled to be used as part of funds for acquiring assets to be acquired as stated in "Notice Concerning Acquisition and Leasing of Assets (Tokyo Parkside Building and Higobashi Center Building)" announced as of today. Furthermore, the proceeds from the issuance of new investment units by way of the Third-party Allotment will be kept as cash on hand and be deposited in financial institutions until the outlay, and are scheduled to be used for part of future acquisition funds of specified assets or part of repayment of borrowings in the future.

5. Designated Purchaser

None

6. Future outlook

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)" announced today.

7. Financial Results and Equity Finance Status during the Three Most Recent Fiscal Periods

(1) Financial results during the three most recent fiscal periods

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	Fiscal period ended February 2017	Fiscal period ended August 2017	Fiscal period ended February 2018
Net income per unit ^(Note1)	5,852 yen	5,947 yen	8,558 yen
Distribution per unit	11,626 yen	5,948 yen	8,027 yen
Distribution payout ratio ^(Note2)	100.0 %	100.0 %	93.7 %
Net assets per unit ^(Note1)	217,241 yen	217,376 yen	219,986 yen

(Note1) Since a 2-for-1 split of investment units was implemented with February 28, 2017 as the record date and March 1, 2017 as the effective date of the split, “Net income per unit” and “Net assets per unit” for the fiscal period ended February 2017 are calculated assuming the split was implemented at the beginning of the fiscal period ended February 2017.

(Note2) Distribution payout ratio is calculated by the following formula (rounded down to the first decimal place).
Distribution payout ratio = Total distributions (excluding distribution in excess of earning) ÷ Net income × 100

(2) Status of recent investment unit price

① Status during the three most recent fiscal periods

	Fiscal period ended August 2017	Fiscal period ended February 2018	Fiscal period ended August 2018
Opening price	193,100 yen	212,100 yen	243,100 yen
Highest price	224,000 yen	258,500 yen	260,500 yen
Lowest price	175,400 yen	200,600 yen	232,400 yen
Closing price	214,800 yen	246,500 yen	247,700 yen

(Note) The opening price, highest price and lowest price are based on the closing price of the Investment Units in regular trading at the TSE.

② Status in the last six-month

	April 2018	May	June	July	August	September (Note2)
Opening price	242,300 yen	246,800 yen	249,900 yen	256,400 yen	259,500 yen	246,900 yen
Highest price	249,700 yen	251,300 yen	257,900 yen	260,500 yen	259,500 yen	246,900 yen
Lowest price	241,400 yen	244,600 yen	249,900 yen	255,600 yen	247,700 yen	246,900 yen
Closing price	249,700 yen	251,100 yen	257,900 yen	259,100 yen	247,700 yen	246,900 yen

(Note1) The opening price, highest price and lowest price are based on the closing price of the Investment Units in regular trading at the TSE.

(Note2) Investment unit price for September 2018 is the price on September 3, 2018.

③ Investment unit price on the business day preceding issuance resolution date

	September 3, 2018
Opening price	247,300 yen
Highest price	248,000 yen
Lowest price	246,600 yen
Closing price	246,900 yen

(3) Status of equity finance conducted during the most recent three fiscal periods

None

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8. Lock up

- ① With reference to the primary offering, Mizuho Realty One, the unitholder of One REIT, has agreed with the Joint Lead Managers not to sell, pledge as collateral, lend or dispose in any manner of the Investment Units for a period of 180 days after the payment date of the primary offering of the Investment Units without written approval of the Joint Lead Managers in advance. (This excludes lending of investment units in connection with the secondary offering through over-allotment and certain other situations.)

In this case, the Joint Lead Managers have the right to waive all or part of the above restrictions or shorten the restriction period at its discretion.

- ② With reference to the primary offering, One REIT has agreed with the Joint Lead Managers not to conduct further issuance of Investment Units, etc. for a period of 90 days after the payment date of the primary offering of the Investment Units without written approval of the Joint Lead Managers in advance. (This excludes primary offering, secondary offering through over-allotment, issuance of new investment units by way of the Third-party Allotment and issuance of investment units pursuant to splits of investment units.)

In this case, the Joint Lead Managers have the right to waive all or part of the above restrictions or shorten the restriction period at its discretion

9. Transaction with interested persons, etc.

The Underwriting Agreement with Mizuho Securities Co., Ltd. one of the Underwriters, falls under the category of a “transaction with an interested party” defined in the internal rules concerning trading with an interested party of Mizuho REIT Management Co., Ltd. (hereafter referred to as the “Asset Management Company”), and the decision is made after taking predetermined procedures in accordance with the internal rules of the Asset Management Company.

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

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