



# One REIT

## **Semi-Annual Report** for the 18th Fiscal Period

from March 1, 2022 to August 31, 2022

# To Our Unitholders

## Hirofumi Nabeyama

**Executive Director**  
**One REIT, Inc.**



We would like to express our sincere gratitude for your continued excellent support.

We are pleased to report on the management status of One REIT for the 18th fiscal period (fiscal period ended August 2022).

One REIT conducted leasing activities focused on maintenance and improvement of occupancy rates, such as the flexible setting of new asking rents based on market trends as well as the realization of optimum property management costs that takes into account tenant needs and the characteristics of respective properties. As such, One REIT endeavored to enhance its leasing business revenue.

Furthermore, recognizing the importance of consideration for environment, social and governance issues in real estate investment and management, One REIT has continued to make efforts to reduce environmental impact and realize a sustainable society as its corporate social responsibility. In the 18th fiscal period, One REIT acquired Rank A (Very Good) in CASBEE for Real Estate for Kuramochi Building Daiichi, Shinkawa 1-chome Building and Daido Life Mito Building.

As a result, One REIT's assets as of the end of the fiscal period under review comprised a portfolio totaling 31 properties (total acquisition price: 119,927 million yen; silent partnership equity interest is not included), a total leasable area of 171,867.73 m<sup>2</sup> and an end-of-period occupancy rate of 98.3%.

Concerning distributions, One REIT attempts to include the maximum amount of cash distribution of earnings in deductible expense. In the 18th fiscal period, One REIT decided to distribute 1,911 million yen of unappropriated retained earnings after adding part of the unappropriated earnings internally reserved in or before the previous fiscal period with accrual of gain on sale of real estate, etc. to net income. As a result, One REIT declared distribution per investment unit of 7,120 yen.

We will aim to maximize unitholder value through continued full utilization of sponsor support and pursuit of “continuous growth of distributions” and “disciplined external growth while considering the portfolio and financial structure.”

We appreciate your continued support and patronage.

# Overview of Asset Management

## 1. Change in Management Status and Other Management Results

Fiscal Period		14th fiscal period	15th fiscal period	16th fiscal period	17th fiscal period	18th fiscal period
		From: Mar. 1, 2020 To: Aug. 31, 2020	From: Sep. 1, 2020 To: Feb. 28, 2021	From: Mar. 1, 2021 To: Aug. 31, 2021	From: Sep. 1, 2021 To: Feb. 28, 2022	From: Mar. 1, 2022 To: Aug. 31, 2022
Operating revenue	(million yen)	4,167	4,060	4,889	4,384	4,516
Property-related operating revenue	(million yen)	4,026	4,060	4,008	4,383	4,516
Operating expenses	(million yen)	1,986	2,786	2,011	2,122	2,332
Property-related operating expenses	(million yen)	1,662	1,665	1,633	1,778	1,965
Operating profit	(million yen)	2,181	1,274	2,878	2,262	2,184
Ordinary profit	(million yen)	1,918	1,023	2,613	1,967	1,883
Net income	(million yen)	1,917	1,022	2,612	1,966	1,882
Total assets	(million yen)	111,173	110,403	113,808	130,582	130,821
(Period-on-period comparison)	(%)	(0.1)	(0.7)	+3.1	+14.7	+0.2
Interest-bearing liabilities	(million yen)	50,824	50,824	53,674	61,574	61,574
Net assets	(million yen)	53,263	52,368	53,156	61,322	61,238
(Period-on-period comparison)	(%)	+0.0	(1.7)	+1.5	+15.4	(0.1)
Unitholders' capital <sup>(Note 3)</sup>	(million yen)	51,154	51,154	51,154	59,164	59,164
Total number of investment units issued and outstanding	(units)	239,908	239,908	239,908	268,468	268,468
Net assets per unit	(yen)	222,017	218,284	221,570	228,417	228,102
Total distributions	(million yen)	1,917	1,824	1,810	1,966	1,911
Distribution payout ratio <sup>(Note 4, 6)</sup>	(%)	99.9	118.6	69.2	99.9	101.5
Distribution per unit	(yen)	7,994	7,605	7,546	7,326	7,120
Distribution per unit of earnings	(yen)	7,994	5,057	7,546	7,326	7,120
Distribution per unit in excess of earnings <sup>(Note 5)</sup>	(yen)	—	2,548	—	—	—
Ratio of ordinary profit to total assets <sup>(Note 6)</sup>	(%)	1.7	0.9	2.3	1.6	1.4
(Annualized) <sup>(Note 2)</sup>	(%)	3.4	1.9	4.6	3.2	2.9
Return on equity <sup>(Note 6)</sup>	(%)	3.6	1.9	5.0	3.4	3.1
(Annualized) <sup>(Note 2)</sup>	(%)	7.1	3.9	9.8	6.9	6.1
Equity ratio <sup>(Note 6)</sup>	(%)	47.9	47.4	46.7	47.0	46.8
(Period-on-period variation)		+0.1	(0.5)	(0.7)	+0.3	(0.2)
Loan to value (LTV)	(%)	45.7	46.0	47.2	47.2	47.1
<Reference Information>						
Number of properties at end of period	(properties)	25	25	25	31	31
Total number of tenants at end of period	(tenants)	478	481	489	554	559
Total leasable area at end of period	(m <sup>2</sup> )	157,752.34	157,709.84	152,934.87	171,928.65	171,867.73
Occupancy rate at end of period	(%)	98.8	98.7	99.2	97.6	98.3
Depreciation during period	(million yen)	497	506	504	553	566
Capital expenditures during period	(million yen)	390	570	346	411	423
Leasing NOI <sup>(Note 6)</sup>	(million yen)	2,862	2,900	2,878	3,158	3,118
Leasing NCF <sup>(Note 6)</sup>	(million yen)	2,471	2,330	2,532	2,747	2,694

- (Note 1) The operating periods of One REIT are the six-month periods from March 1 to August 31 and from September 1 to February 28 (29 in leap years) of the following year.
- (Note 2) Annualization is based on 365 days for a year, and calculated by using operating periods of 184 days for 14th fiscal period, 181 days for 15th fiscal period, 184 days for 16th fiscal period, 181 days for 17th fiscal period and 184 days for the 18th fiscal period.
- (Note 3) Unitholders' capital does not take into consideration any change in unitholders' capital with the execution of distribution in excess of earnings from allowance for temporary difference adjustments. The same hereinafter.
- (Note 4) Distribution payout ratio is rounded down to the first decimal place.
- (Note 5) Distribution per unit in excess of earnings for the fiscal period ended February 2021 is from allowance for temporary difference adjustments.
- (Note 6) It is calculated based on the following formula.

Distribution payout ratio	$\text{Total distributions (excluding distribution in excess of earnings)} \div \text{Net income} \times 100$
Ratio of ordinary profit to total assets	$\text{Ordinary profit} \div \{(\text{total assets at beginning of period} + \text{total assets at end of period}) \div 2\} \times 100$
Return on equity	$\text{Net income} \div \{(\text{net assets at beginning of period} + \text{net assets at end of period}) \div 2\} \times 100$
Equity ratio	$\text{Net assets at end of period} \div \text{total assets at end of period} \times 100$
Leasing NOI	$\text{Property-related operating revenue} - \text{property-related operating expenses} + \text{depreciation}$
Leasing NCF	$\text{Leasing NOI} - \text{capital expenditures}$

## 2. Asset Management for 18th Fiscal Period

### 1) Brief History of the Investment Corporation

One REIT has Mizuho REIT Management Co., Ltd. (hereinafter referred to as the “Asset Management Company”) <sup>(Note 1)</sup>, which is a member of the Mizuho Financial Group, as its asset management company, and sets middle-sized office buildings <sup>(Note 2)</sup> as its focal investment target while incorporating other office buildings, etc., aiming to construct a portfolio that both ensures stable income in the medium to long term and exhibits growth potential. Furthermore, One REIT strives for further growth with the aim of maximizing unitholder value under the basic policies of “continuous growth of distributions” and “disciplined external growth while considering the portfolio and financial structure,” alongside obtaining various support in terms of property acquisition, management, and financial aspects from our sponsor, Mizuho Trust & Banking Co., Ltd., which has an abundant track record in the Japanese real estate market.

One REIT was incorporated, pursuant to the Act on Investment Trusts and Investment Corporations (hereinafter the “Investment Trust Act”), on June 25, 2013, with the Asset Management Company as the organizer and listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3290) on October 9, 2013. With public offering, etc. that followed, the total number of investment units issued and outstanding as of the end of the period under review stands at 268,468.

(Note 1) Mizuho Financial Group, Inc., Mizuho Trust & Banking Co., Ltd. and Mizuho Realty One Co., Ltd. (hereinafter referred to as “MONE”) fall within the scope of parent companies of the Asset Management Company. MONE is a wholly owned subsidiary of Mizuho Trust & Banking Co., Ltd., the sponsor, and holds all issued shares of the Asset Management Company and Mizuho Real Estate Management Co., Ltd. (hereinafter referred to as “MREM”). Three companies, namely MONE, the Asset Management Company and MREM, together comprise the MONE Group. MREM is the management company of MONE Group's private real estate fund.

(Note 2) “Middle-sized Office Building” is a category of office building with a total floor area within the range of 3,300 m<sup>2</sup> (approximately 1,000 tsubos) and 33,000 m<sup>2</sup> (approximately 10,000 tsubos).

### 2) Management Results

In the fiscal period under review (fiscal period ended August 2022 (18th fiscal period)), while there was a resurgence of COVID-19 cases with the spread of variants, the economic environment showed signs of picking up, mainly in private consumption, as normalization of economic and social activities progressed. Corporate earnings were improving overall, maintaining a trend of moderate economic recovery.

In the office building leasing market, although there has been a lull in the rise in vacancy rates, the spread of new work styles such as telecommuting, triggered by needs to prevent the spread of COVID-19, is making it more apparent that companies are reviewing their office strategies.

One REIT conducted leasing activities focused on maintaining and enhancing occupancy rates by flexibly setting new advertised rent and such in light of market trends, while working to realize optimal costs in property management by taking into consideration tenant needs and the characteristics of the respective properties in efforts to enhance leasing business revenue. In addition, One REIT continues to make efforts aimed at reducing environmental load and realizing a sustainable society as corporate social responsibility by recognizing the importance of consideration for environment, social, and governance issues in real estate investment management. In the fiscal period ended August 2022, Kuramochi Building Daiichi, Shinkawa 1-chome Building and Daido Life Mito Building received Rank A (Very Good) assessment certification in CASBEE for Real Estate.

As a result, One REIT's portfolio as of the end of the fiscal period ended August 2022 comprised a total of 31 properties (total acquisition price: 119,927 million yen; not including silent partnership equity interest) with a total leasable area of 171,867.73 m<sup>2</sup>, and the occupancy rate as of the end of the fiscal period ended August 2022 was 98.3%.

### 3) Financing

In the fiscal period ended August 2022, there were no new financing or repayment of borrowings.

As a result, as of the end of the fiscal period ended August 2022, the balance of interest-bearing liabilities was 61,574 million yen and the ratio of interest-bearing liabilities to total assets (LTV) was 47.1%.

### 4) Business Performance and Distributions

As a result of the management described above, business performance in the fiscal period ended August 2022 was operating revenue of 4,516 million yen, operating profit of 2,184 million yen, ordinary profit of 1,883 million yen and net income of 1,882 million yen.

One REIT intends for distributions to be in a manner that the maximum amount of distributions of earnings would be included in deductible expenses by application of the special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). For the fiscal period ended August 2022, One REIT decided to distribute 1,911 million yen out of unappropriated retained earnings by adding some of the unappropriated retained earnings internally reserved in or before the previous fiscal period with the accrual of gain on sale of real estate properties and such to net income.

As a result, One REIT declared distribution per investment unit of 7,120 yen.

## 3. Status of Additional Offering

The following is the changes in the total number of investment units issued and outstanding for One REIT and in unitholders' capital for the last five years through the end of the fiscal period under review.

Date	Description	Total number of investment units issued and outstanding (units)		Unitholders' capital (million yen)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
Sep. 20, 2018	Capital increase through public offering	48,200	237,498	10,601	50,624	(Note 1)
Oct. 17, 2018	Capital increase by way of third-party allotment	2,410	239,908	530	51,154	(Note 2)
Sep. 22, 2021	Capital increase through public offering	27,200	267,108	7,628	58,783	(Note 3)
Oct. 15, 2021	Capital increase by way of third-party allotment	1,360	268,468	381	59,164	(Note 4)

- (Note 1) New investment units were issued through public offering at an issue price of 227,662 yen (paid-in amount: 219,956 yen) per unit for the purpose of procuring funds for acquisition of new properties.
- (Note 2) New investment units were issued by way of third-party allotment in line with capital increase through public offering at a paid-in amount of 219,956 yen per unit.
- (Note 3) New investment units were issued through public offering at an issue price of 289,965 yen (paid-in amount: 280,448 yen) per unit for the purpose of procuring funds for acquisition of new properties.
- (Note 4) New investment units were issued by way of third-party allotment in line with capital increase through public offering at a paid-in amount of 280,448 yen per unit.

## 4. Cash Distributions

One REIT intends for distributions to be in a manner that the maximum amount of distributions of earnings would be included in deductible expenses by application of the special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). For the fiscal period ended August 2022, One REIT decided to distribute 1,911,492,160 yen out of unappropriated retained earnings as distribution of earnings by adding some of the unappropriated retained earnings internally reserved in or before the previous fiscal period with the accrual of gain on sale of real estate properties and such to net income.

As a result, One REIT declared distribution per investment unit of 7,120 yen.

## 5. Future Management Policy and Challenges to Address

### 1) Future Investment Environment

The domestic economy is expected to pick up by balancing measures to prevent the spread of COVID-19 and resumption of economic activities going forward. However, resurgence of COVID-19 cases and its prolongation, impact from the Russian invasion of Ukraine and the resulting economic sanctions and such, surging resource prices and fuel costs driving global inflation, and fluctuations in financial and capital markets are among factors that should continue to be watched carefully. In particular, coupled with also the impact of depreciation of the yen from the growing Japan-U.S. interest rate gap, upward pressures on resource prices are rising and future developments in such thus warrant close attention.

In the office building leasing market, close attention needs to be paid to the impact of COVID-19, as well as price rises and other economic fluctuations, on tenants and the resulting movements of tenants, such as cutback of office expenses in line with deterioration of business results and reviewing of future offices amid the promotion and increase of remote work among corporate tenants. In the office building transaction market, since there still are many investors both in Japan and abroad who are eager to acquire prime investment properties, transaction prices are expected to remain at a high level. However, it will be important to firmly maintain the attitude of making selective investment while carefully monitoring the impact of COVID-19 and other factors on the trends of the real estate market.

### 2) Future Management Policy and Challenges to Address

One REIT strives to grow while obtaining various support in terms of property acquisition, management and financial aspects from our sponsor, Mizuho Trust & Banking Co., Ltd., which has an abundant track record in the Japanese real estate market, and aims to maximize unitholder value. One REIT will seek to maintain and increase the value of assets under management through operation and management aimed at maximizing competitiveness (internal growth) as well as improve the portfolio quality by continuing to conduct selective investment (external growth) to achieve stable growth over the medium to long term.

In order to achieve the growth strategy in both aspects of external growth and internal growth as described above, it is the policy of One REIT to take full advantage of support from Mizuho Trust & Banking Co., Ltd.,

the sponsor, in addition to utilizing investment expertise and business as well as other resources of the Asset Management Company, MONE and MREM.

### (a) External growth

One REIT aims to expand asset size while maintaining and enhancing the portfolio quality by conducting investment having assessed the location, building specifications, tenant attributes, etc. of individual properties, based on the policy to build a portfolio with middle-sized office buildings as the core investment target while also incorporating other office buildings, etc.

With the Tokyo metropolitan area, which has a relatively large market size and holds abundant acquisition opportunity, as the primary investment target region and also targeting ordinance-designated cities and core regional cities equivalent to ordinance-designated cities <sup>(Note)</sup> (hereinafter collectively referred to as “ordinance-designated cities, etc.”) which offer the prospect of a degree of rental demand, One REIT will seek to build a portfolio that diversifies investment to regional areas as well. By formulating main investment target areas and degree of importance for each region in the Tokyo metropolitan area and in ordinance-designated cities, etc., investment areas are carefully selected and, furthermore, suitability of location is scrutinized in each investment area in terms of convenience of transportation, ability to attract tenants, etc.

(Note) “Core regional cities” refers to non-ordinance-designated cities located outside the Tokyo metropolitan area that are the location of a prefectural government (prefectural capitals) or their equivalent.

### (b) Internal growth

One REIT will seek to maintain and increase occupancy rates and increase leasing business revenue by taking the following initiatives.

- ◆ Strengthening collaboration with property management companies and brokers
- ◆ Building and strengthening tenant relations
- ◆ Negotiating for upward rent revisions to meet the market trends
- ◆ Maintaining and enhancing property value through utilization of strategic CAPEX (capital expenditure) <sup>(Note)</sup>
- ◆ Reducing operation/management costs by reviewing current contracts
- ◆ Strengthening ESG (environment, society and governance) initiatives for which there is strong demand from society

(Note) “Strategic CAPEX (capital expenditure)” refers to implementing capital expenditures for renovation work, introduction of individual air-conditioning systems, improvement of building visibility through renovating entrance areas and other work for maintaining and enhancing property value based on long-term perspectives, in a timely and appropriate manner while taking priority level and other factors into consideration.

## 6. Subsequent Material Events

Not applicable.



# Status of Assets under Management

## 1. Asset Composition

Type of asse	Use of asset	Region <sup>(Note 1)</sup>	17th fiscal period (February 28, 2022)		18th fiscal period (August 31, 2022)	
			Total amount held	As a percentage of	Total amount held	As a percentage of
			(million yen) <sup>(Note 2)</sup>	total assets (%) <sup>(Note 3)</sup>	(million yen) <sup>(Note 2)</sup>	total assets (%) <sup>(Note 3)</sup>
Real estate	Office buildings	Tokyo metropolitan area	6,350	4.9	6,295	4.8
	Office buildings subtotal		6,350	4.9	6,295	4.8
Real estate total			6,350	4.9	6,295	4.8
Real estate in trust	Office buildings	Tokyo metropolitan area	75,024	57.5	75,004	57.3
		Ordinance-designated cities, etc.	37,922	29.0	37,850	28.9
	Office buildings subtotal		112,946	86.5	112,854	86.3
Real estate in trust total			112,946	86.5	112,854	86.3
Investment securities <sup>(Note 4)</sup>			17	0.0	16	0.0
Deposits and other assets			11,267	8.6	11,653	8.9
Total assets			130,582	100.0	130,821	100.0

(Note 1) Regions are classified as follows:

- 1) The Tokyo metropolitan area refers to Tokyo, Kanagawa, Saitama, and Chiba prefectures.
- 2) Ordinance-designated cities and core regional cities are collectively referred to as “ordinance-designated cities, etc.” “Ordinance-designated cities” refers to ordinance-designated cities located outside the Tokyo metropolitan area. “Core regional cities” refers to non-ordinance-designated cities located outside the Tokyo metropolitan area that are the location of a prefectural government (prefectural capitals) or their equivalent.

(Note 2) “Total amount held” is the carrying amount (book value less depreciation in the case of real estate and real estate in trust).

(Note 3) “As a percentage of total assets” is rounded to the first decimal place.

(Note 4) “Investment securities” is the silent partnership equity interest pertaining to a silent partnership having Kagurazaka Kogyo GK as the operator.

## 2. Major Assets Owned by One REIT

The following is an overview of major assets (ten largest properties by book value at end of period) owned by One REIT as of August 31, 2022.

Name of real estate, etc.	Book value (million yen)	Leasable area (m <sup>2</sup> )	Leased area (m <sup>2</sup> )	Occupancy rate (%)	As a percentage of total property-related operating revenue (%) <small>(Note)</small>	Major use
Tokyo Parkside Building	10,684	12,920.17	12,920.17	100.0	7.7	Office
Daihakata Building	10,624	15,458.26	15,399.76	99.6	9.8	Office
Higobashi Center Building	9,460	15,901.79	15,901.79	100.0	8.4	Office
ONEST Motoyoyogi Square	7,496	7,645.14	7,645.14	100.0	5.2	Office
ONEST Kanda Square	6,295	5,259.46	5,259.46	100.0	4.5	Office
ONEST Hongo Square	5,463	4,461.10	4,461.10	100.0	2.7	Office
Nagoya Fushimi Square Building	4,810	8,421.46	8,352.31	99.2	4.2	Office
ONEST Nishi-Gotanda Square	4,728	4,249.00	4,249.00	100.0	2.7	Office
REID-C Chiba Ekimae Building	4,493	6,067.77	6,067.77	100.0	3.7	Office
ONEST Shin-Osaka Square	4,153	9,422.49	8,976.63	95.3	4.9	Office
Total	68,210	89,806.64	89,233.13	99.4	53.8	

(Note) “As a percentage of total property-related operating revenue” is calculated by rounding to the first decimal place.



### 3. Itemized Portfolio Assets

#### 1) Itemization of Real Estate, Etc. Portfolio Assets

The following is an overview of the real estate, etc. owned by One REIT as of August 31, 2022.

	Name of real estate, etc.	Location	Type of ownership	Leasable area (m <sup>2</sup> )	Appraisal value at end of period (million yen) <sup>(Note 1)</sup>	Book value at end of period (million yen)
OT-2	ONEST Kanda Square	17 Kanda Konyacho, Chiyoda-ku, Tokyo	Real estate	5,259.46	9,310	6,295
OT-3	Tachikawa Nishiki-cho Building	1-8-7 Nishikicho, Tachikawa-shi, Tokyo	Real estate trust beneficiary rights	5,621.32	4,170	3,109
OT-5	ONEST Yokohama Nishiguchi Building	2-6-1 Kitasaiwai, Nishi-ku, Yokohama-shi, Kanagawa Prefecture	Real estate trust beneficiary rights	4,326.68	3,880	3,063
OT-7	ONEST Nakano Building	1-11-2 Arai, Nakano-ku, Tokyo	Real estate trust beneficiary rights	3,116.49	3,430	2,824
OT-9	Minami-Shinagawa JN Building	2-2-13 Minami-Shinagawa, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	6,390.33	2,214	2,118
OT-10	Minami-Shinagawa N Building	2-2-10 Minami-Shinagawa, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	5,476.73	2,470	2,129
OT-11	Minami-Shinagawa J Building	2-2-7 Minami-Shinagawa, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	3,673.61	2,460	1,902
OT-13	Hachioji SIA Building	10-2 Yokoyama-cho, Hachioji-shi, Tokyo	Real estate trust beneficiary rights	2,749.83	869	680
OT-14	ONEST Motoyoyogi Square	30-13 Motoyoyogicho, Shibuya-ku, Tokyo	Real estate trust beneficiary rights	7,645.14	9,080	7,496
OT-15	ONEST Ueno Okachimachi Building	5-15-14 Ueno, Taito-ku, Tokyo	Real estate trust beneficiary rights	2,945.33	3,010	2,764
OT-16	Daido Life Omiya Building	1-23-1 Kishiki-cho, Omiya-ku, Saitama-shi, Saitama Prefecture	Real estate trust beneficiary rights	3,523.56	3,260	3,127
OT-17	ONEST Ikebukuro East Building	3-12-2 Higashi Ikebukuro, Toshima-ku, Tokyo	Real estate trust beneficiary rights	2,677.80	2,370	2,217
OT-18	Crescendo Building	2-3-4 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa Prefecture	Real estate trust beneficiary rights	4,355.08	2,570	2,580
OT-19	Tokyo Parkside Building	5-8-40 Kiba Koto-ku, Tokyo	Real estate trust beneficiary rights	12,920.17	11,300	10,684
OT-20	ONEST Nishi-Gotanda Square	7-24-5 Nishi-Gotanda, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	4,249.00	5,110	4,728
OT-21	ONEST Hongo Square	1-24-1 Hongo, Bunkyo-ku, Tokyo	Real estate trust beneficiary rights	4,461.10	5,440	5,463
OT-22	ONEST Minami-Otsuka Building	2-37-5 Minami-Otsuka, Toshima-ku, Tokyo	Real estate trust beneficiary rights	4,123.03	3,960	3,918
OT-23	D'sVARIE KANDA BLDG	4 Kanda Nishifukuda-cho, Chiyoda-ku, Tokyo	Real estate trust beneficiary rights	1,698.26	2,160	2,132
OT-24	Kuramochi Building Daiichi	2-3-7 Kotobashi Sumida-ku, Tokyo	Real estate trust beneficiary rights	3,899.79	4,450	3,993
OT-25	REID-C Chiba Ekimae Building	1-15-3 Benten, Chuo-ku, Chiba-shi, Chiba Prefecture	Real estate trust beneficiary rights	6,067.77	4,750	4,493

	Name of real estate, etc.	Location	Type of ownership	Leasable area (m <sup>2</sup> )	Appraisal value at end of period (million yen) <sup>(Note 1)</sup>	Book value at end of period (million yen)
OT-26	Shinkawa 1-chome Building	1-2-14 Shinkawa, Chuo-ku, Tokyo	Real estate trust beneficiary rights	1,526.39	2,130	2,069
OT-27	Hakozaki 314 Building	31-4 Nihonbashi-Hakozakicho, Chuo-ku, Tokyo	Real estate trust beneficiary rights	1,752.93	1,820	1,759
OT-28	Aperto Higashi-Nakano Building	4-6-2 Higashi-Nakano, Nakano-ku, Tokyo	Real estate trust beneficiary rights	2,040.28	1,780	1,744
OO-1	ONEST Shin-Osaka Square	4-5-36 Miyahara, Yodogawa-ku, Osaka-shi, Osaka Prefecture	Real estate trust beneficiary rights	9,422.49	6,340	4,153
OO-2	Karasuma Plaza 21	634 Shichikannon-cho, Karasuma-dori Rokkaku Sagaru, Nakagyo-ku, Kyoto-shi, Kyoto Prefecture	Real estate trust beneficiary rights	8,893.59	4,240	3,812
OO-3	ONEST Nagoya Nishiki Square	1-8-6 Nishiki, Naka-ku, Nagoya-shi, Aichi Prefecture	Real estate trust beneficiary rights	5,801.80	3,580	2,247
OO-4	MY Kumamoto Building	1-7 Hanabata-cho, Chuo-ku, Kumamoto-shi, Kumamoto Prefecture	Real estate trust beneficiary rights	3,755.94	1,330	1,020
OO-5	Nagoya Fushimi Square Building	1-13-26 Nishiki, Naka-ku, Nagoya-shi, Aichi Prefecture	Real estate trust beneficiary rights	8,421.46	5,460	4,810
OO-6	Daihakata Building	2-20-1 Hakataekimae, Hakata-ku, Fukuoka-shi, Fukuoka Prefecture	Real estate trust beneficiary rights	15,458.26	12,100	10,624
OO-7	Higobashi Center Building	1-9-1 Edobori, Nishi-ku, Osaka-shi, Osaka Prefecture	Real estate trust beneficiary rights	15,901.79	10,400	9,460
OO-8	Daido Life Mito Building	1-1-25, Sakuragawa, Mito-shi, Ibaraki Prefecture	Real estate trust beneficiary rights	3,712.32	1,760	1,722
		Total		171,867.73	137,203	119,150

(Note) Appraisal values of each property is entrusted to The Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., Chuo Real Estate Appraisal Co., Ltd., Japan Real Estate Institute and JLL Morii Valuation & Advisory K.K., and “Appraisal value at end of period” is the value as of August 31, 2022, described in each real estate appraisal report.

## Status of Assets under Management

The following is the status of leasing of real estate, etc. owned by One REIT.

Name of real estate, etc.		17th fiscal period (September 1, 2021, to February 28, 2022)				18th fiscal period (March 1, 2022, to August 31, 2022)			
		Total number of tenants	Occupancy rate	Property-related operating revenue	As a percentage of total property-related operating revenue	Total number of tenants	Occupancy rate	Property-related operating revenue	As a percentage of total property-related operating revenue
		[as of end of period] (tenants)	[as of end of period] (%)	[during period] (million yen)	(%) <sup>(Note 1)</sup>	[as of end of period] (tenants)	[as of end of period] (%)	[during period] (million yen)	(%) <sup>(Note 1)</sup>
OT-2	ONEST Kanda Square	30	100.0	204	4.7	30	100.0	203	4.5
OT-3	Tachikawa Nishiki-cho Building	19	84.6	137	3.1	19	84.6	123	2.7
OT-5	ONEST Yokohama Nishiguchi Building	10	100.0	136	3.1	10	100.0	137	3.1
OT-7	ONEST Nakano Building	7	100.0	114	2.6	7	100.0	116	2.6
OT-9	Minami-Shinagawa JN Building	20	100.0	133	3.1	20	100.0	138	3.1
OT-10	Minami-Shinagawa N Building	18	95.9	108	2.5	18	100.0	114	2.5
OT-11	Minami-Shinagawa J Building	13	100.0	89	2.0	13	100.0	98	2.2
OT-13	Hachioji SIA Building	13	97.1	43	1.0	14	100.0	45	1.0
OT-14	ONEST Motoyoyogi Square	8	96.6	245	5.6	9	100.0	235	5.2
OT-15	ONEST Ueno Okachimachi Building	12	100.0	89	2.0	12	100.0	92	2.0
OT-16	Daido Life Omiya Building	15	100.0	117	2.7	15	85.4	127	2.8
OT-17	ONEST Ikebukuro East Building	7	100.0	73	1.7	7	100.0	74	1.7
OT-18	Crescendo Building	30	100.0	91	2.1	30	100.0	93	2.1
OT-19	Tokyo Parkside Building	14	100.0	377	8.6	14	100.0	346	7.7
OT-20	ONEST Nishi-Gotanda Square	11	95.3	112	2.6	12	100.0	123	2.7
OT-21	ONEST Hongo Square	6	86.5	129	3.0	7	100.0	121	2.7
OT-22	ONEST Minami-Otsuka Building	14	100.0	111	2.5	14	100.0	114	2.5
OT-23	D'sVARIE KANDA BLDG	8	100.0	44	1.0	8	100.0	51	1.1
OT-24	Kuramochi Building Daiichi	6	74.9	72	1.6	7	88.4	87	1.9
OT-25	REID-C Chiba Ekimae Building	15	93.0	138	3.2	17	100.0	168	3.7
OT-26	Shinkawa 1-chome Building	13	85.3	36	0.8	12	83.1	43	1.0
OT-27	Hakozaki 314 Building	5	100.0	42	1.0	5	100.0	49	1.1
OT-28	Aperto Higashi-Nakano Building	8	100.0	38	0.9	8	100.0	51	1.1
OO-1	ONEST Shin-Osaka Square	28	100.0	213	4.9	26	95.3	220	4.9
OO-2	Karasuma Plaza 21	12	100.0	218	5.0	12	100.0	222	4.9
OO-3	ONEST Nagoya Nishiki Square	5	100.0	146	3.4	5	100.0	152	3.4
OO-4	MY Kumamoto Building	18	98.1	75	1.7	19	100.0	79	1.8
OO-5	Nagoya Fushimi Square Building	45	100.0	193	4.4	45	99.2	190	4.2
OO-6	Daihakata Building	65	100.0	418	9.6	63	99.6	441	9.8
OO-7	Higobashi Center Building	62	99.5	364	8.3	63	100.0	380	8.4
OO-8	Daido Life Mito Building	17	96.8	62	1.4	18	94.0	70	1.6
Total		554	97.6	4,383	100.0	559	98.3	4,516	100.0

(Note) "As a percentage of total property-related operating revenue" is calculated by rounding to the first decimal place.

## 2) Itemization of Securities Portfolio Assets

The following is an overview of the securities owned by One REIT as of August 31, 2022.

Name of asset	Type of asset	Amount	Book value (million yen)		Appraisal value (million yen) <sup>(Note 1)</sup>		Valuation profit and loss (million yen)	Note
			Unit price	Amount	Unit price	Amount		
Silent partnership equity interest with Kagurazaka Kogyo GK as the operator <sup>(Note 2)</sup>	Silent partnership equity interests	–	–	16	–	16	–	–
Total		–	–	16	–	16	–	–

(Note 1) “Appraisal value” is book value.

(Note 2) Assets under management is a real estate trust beneficiary rights in trust assets of Kagurazaka Plaza Building.

## 4. Status of Contract Amount, Etc. and Fair Value of Specified Transactions

The following is the status of contract amount, etc. and fair value of specified transactions by One REIT as of August 31, 2022.

Term	Type	Contract amount, etc. (million yen)		Fair value (million yen) <sup>(Note 2)</sup>
		<sup>(Note 1)</sup>	Due after one year	
Transaction other than market transaction	Interest rate swap transactions (payable fixed interest rates and receivable floating interest rates)	33,324	27,324	–
Total		33,324	27,324	–

(Note 1) Contract amount, etc. of interest swap agreement are based on notional principal.

(Note 2) Fair value is omitted as the transaction meets the requirements for special treatment of the financial instruments accounting standards.

## 5. Status of Other Assets

Real estate, trust beneficiary rights in trust assets mainly of real estate, etc. is included in “3. Itemized Portfolio Assets” above. There are no additional specified assets that are main investment targets of One REIT other than those listed in “3. Itemized Portfolio Assets” above.

## 6. Status of Assets Owned by Counties and Regions

One REIT do not own assets in countries and regions other than Japan.

# Capital Expenditures of Owned Real Estate

## 1. Schedule of Capital Expenditures

The following is the major capital expenditures arising from renovation work, etc. planned for the 19th fiscal period (ending February 2023) for real estate and real estate in trust for real estate trust beneficiary rights held by One REIT. As a result, a portion of the expected cost of work may be classified under expenses in fiscal accounting.

Name of real estate, etc.	Location	Purpose	Scheduled period	Expected cost of work (thousand yen)		
				Total amount	Amount of payment during period	Amount already paid
Karasuma Plaza 21	Kyoto City, Kyoto	Replacement of main chain at No. 3 multistory parking (phase III of four-phase work)	From: Dec. 1, 2022 To: Feb. 28, 2023	27,775	—	—
Daido Life Mito Building	Mito City, Ibaraki	Upgrading of elevator control system	From: Nov. 1, 2022 To: Jan. 31, 2023	26,310	—	—
Daido Life Omiya Building	Saitama City, Saitama	Renovation of common space on 2nd and 3rd floors (two floors)	From: Sep. 1, 2022 To: Oct. 31, 2022	24,694	—	—
Higobashi Center Building	Osaka City, Osaka	Upgrading of packaged air-conditioner (individual air-conditioning system) (phase VIII of eight-phase work)	From: Dec. 1, 2022 To: Feb. 28, 2023	22,220	—	—
ONEST Yokohama Nishiguchi Building	Yokohama City, Kanagawa	Renovation of external wall (north side)	From: Sep. 21, 2022 To: Dec. 20, 2022	18,685	—	—
REID-C Chiba Ekimae Building	Chiba City, Chiba	Upgrade of automatic control equipment (phase II of eight-phase work)	From: Dec. 1, 2022 To: Feb. 28, 2023	16,210	—	—
Higobashi Center Building	Osaka City, Osaka	Upgrading of disaster prevention system (phase III of three-phase work)	From: Nov. 1, 2022 To: Jan. 31, 2023	15,958	—	—
Shinkawa 1-chome Building	Chuo Ward, Tokyo	Maintenance of leasing room	From: Nov. 1, 2022 To: Jan. 31, 2023	15,200	—	—
Kuramochi Building Daiichi	Sumida Ward, Tokyo	Upgrading of emergency power generator	From: Sep. 24, 2022 To: Dec. 23, 2022	11,059	—	—
Kuramochi Building Daiichi	Sumida Ward, Tokyo	Maintenance of leasing room	From: Nov. 21, 2022 To: Feb. 20, 2023	10,150	—	—
Daido Life Mito Building	Mito City, Ibaraki	Upgrading of air-conditioning system (phase III of three-phase work)	From: Dec. 1, 2022 To: Feb. 28, 2023	10,150	—	—
Higobashi Center Building	Osaka City, Osaka	Upgrading of cooling tower (phase I of two-phase work)	From: Dec. 1, 2022 To: Feb. 28, 2023	10,100	—	—

## 2. Capital Expenditures during the Fiscal Period

The following is the summary of properties which had major work that constitutes capital expenditures implemented during the fiscal period under review (the fiscal period ended August 2022). Capital expenditures for the fiscal period under review amounted to 423,766 thousand yen for the entire portfolio; and when combined with 107,941 thousand yen recorded under repair expenses, the total amount of work implemented comes to 531,708 thousand yen.

Name of real estate, etc.	Location	Purpose	Period	Cost of work (thousand yen)
Tokyo Parkside Building	Koto Ward, Tokyo	Renewal of No. 3 and No. 4 passenger elevators (phase II of two-phase work)	From: Jun. 10, 2022 To: Aug. 15, 2022	72,214
Higobashi Center Building	Osaka City, Osaka	Renewal of public open space	From: Mar. 1, 2022 To: Jul. 27, 2022	26,651
Daihakata Building	Fukuoka City, Fukuoka	Upgrading of No. 1 boiler	From: Jun. 28, 2022 To: Aug. 12, 2022	25,758
Higobashi Center Building	Osaka City, Osaka	Upgrading of packaged air-conditioner (individual air-conditioning system) (phase VIII of eight-phase work)	From: Apr. 29, 2022 To: May 15, 2022	25,064
Crescendo Building	Yokohama City, Kanagawa	Upgrading of hot- and chilled water generator	From: Apr. 30, 2022 To: May 31, 2022	24,630
Hakozaki 314 Building	Chuo Ward, Tokyo	Renewal of 1st floor entrance, gate, and signage	From: Jun. 1, 2022 To: Jul. 29, 2022	19,526
REID-C Chiba Ekimae Building	Chiba City, Chiba	Upgrade of automatic control equipment (phase I of eight-phase work)	From: Mar. 1, 2022 To: Jul. 22, 2022	19,395
Daido Life Omiya Building	Saitama City, Saitama	Renovation of common space of eighth floor	From: Jul. 4, 2022 To: Jul. 29, 2022	12,404
Aperto Higashi-Nakano Building	Nakano Ward, Tokyo	Beautification of entrance hall	From: Jul. 27, 2022 To: Aug. 29, 2022	10,543
Higobashi Center Building	Osaka City, Osaka	Upgrading of disaster prevention system (phase III of three-phase work)	From: Jun. 1, 2022 To: Aug. 16, 2022	10,066
		Others		177,509
		Total		423,766

# Status of Acquisition and Sales during the Fiscal Period

## 1. Status of Acquisition and Sales of Real Estate and Asset-Backed Securities, Etc. Infrastructure Assets and Infrastructure-Related Assets

Not applicable.

## 2. Status of Acquisition and Sales of Other Assets, Etc.

Not applicable.

## 3. Survey on Values of Specified Assets, Etc.

Not applicable.

## 4. Status of Transactions with Interested Persons

### 1) Status of Transactions

There are no acquisitions or sales of specified assets with interested persons.

### 2) Amount of Paid Fees, Etc.

Term	Total paid fees (A)	Breakdown of transactions with interested persons		As a percentage of total amount (B/A) (Note 1)
		Paid parties	Paid amount (B)	
Property management fees	435 million yen	Mizuho Bank, Ltd.	0 million yen	0.2%
Trust fees	15 million yen	Mizuho Trust & Banking Co., Ltd.	2 million yen	16.3%
Asset custody fees	5 million yen	Mizuho Trust & Banking Co., Ltd.	5 million yen	100.0%
Administrative service fees	21 million yen	Mizuho Trust & Banking Co., Ltd.	21 million yen	100.0%
Other operating expenses	48 million yen	Mizuho Bank, Ltd.	0 million yen	1.4%
		Mizuho Trust & Banking Co., Ltd.	0 million yen	0.0%
Other non-operating expenses	2 million yen	Mizuho Bank, Ltd.	0 million yen	3.1%

(Note 1) "As a percentage of total amount" is calculated by rounding to the first decimal place.

(Note 2) The following is the paid fees appropriated as assets and not handled as expenses paid to interested persons other than the paid fees, etc. above.  
Mizuho Bank, Ltd. 3 million yen

## 5. Status of Transactions with the Asset Management Company Regarding Concurrent Work Conducted by the Asset Management Company, Etc.

One REIT's Asset Management Company (Mizuho REIT Management Co., Ltd.) does not concurrently conduct any of the class 1 financial instruments transaction business, class 2 financial instruments transaction business, land and building transaction business, or real estate syndication business, and has no such transactions with One REIT.



# Balance Sheet

(Unit: thousand yen)

	17th fiscal period (Feb. 28, 2022)	18th fiscal period (Aug. 31, 2022)
Assets		
Current assets		
Cash and deposits	3,263,960	3,933,890
Cash and deposits in trust	6,957,579	7,074,088
Operating accounts receivable	77,163	110,254
Prepaid expenses	194,062	168,225
Income taxes receivable	51	7
Consumption taxes receivable	319,110	–
Other	942	936
Total current assets	10,812,870	11,287,403
Non-current assets		
Property, plant and equipment		
Buildings	3,645,780	3,650,209
Accumulated depreciation	(1,074,776)	(1,139,279)
Buildings, net	2,571,004	2,510,929
Structures	9,842	9,842
Accumulated depreciation	(5,318)	(5,641)
Structures, net	4,524	4,201
Machinery and equipment	64,275	65,383
Accumulated depreciation	(62,201)	(62,341)
Machinery and equipment, net	2,074	3,042
Tools, furniture and fixtures	3,744	9,207
Accumulated depreciation	(1,634)	(2,009)
Tools, furniture and fixtures, net	2,110	7,198
Land	3,770,347	3,770,347
Buildings in trust	30,558,226	30,939,365
Accumulated depreciation	(4,544,305)	(5,023,506)
Buildings in trust, net	26,013,921	25,915,858
Structures in trust	25,511	51,003
Accumulated depreciation	(5,275)	(6,407)
Structures in trust, net	20,236	44,596
Machinery and equipment in trust	328,717	330,447
Accumulated depreciation	(103,133)	(119,588)
Machinery and equipment in trust, net	225,584	210,859
Tools, furniture and fixtures in trust	85,280	89,295
Accumulated depreciation	(46,968)	(51,434)
Tools, furniture and fixtures in trust, net	38,311	37,860
Land in trust	83,357,166	83,357,166
Construction in progress in trust	13,237	10,266
Total property, plant and equipment	116,018,519	115,872,327
Intangible assets		
Land leasehold interests in trust	3,278,336	3,278,336
Other	2,054	1,874
Total intangible assets	3,280,391	3,280,211
Investments and other assets		
Investment securities	17,664	16,910
Leasehold and guarantee deposits	10,300	10,300
Long-term prepaid expenses	359,683	280,530
Deferred tax assets	17	–
Total investments and other assets	387,665	307,741
Total non-current assets	119,686,576	119,460,280
Deferred assets		
Investment unit issuance expenses	22,515	18,012
Investment corporation bond issuance costs	60,366	55,305
Total deferred assets	82,881	73,318
Total assets	130,582,328	130,821,001

## Balance Sheet

(Unit: thousand yen)

	17th fiscal period (Feb. 28, 2022)	18th fiscal period (Aug. 31, 2022)
Liabilities		
Current liabilities		
Operating accounts payable	187,896	295,218
Current portion of long-term borrowings	9,000,000	9,000,000
Accounts payable - other	587,505	513,006
Accrued expenses	5,650	6,133
Income taxes payable	714	605
Accrued consumption taxes	42,304	269,081
Advances received	740,917	738,234
Other	9,936	442
Total current liabilities	10,574,924	10,822,721
Non-current liabilities		
Investment corporation bonds	9,500,000	9,500,000
Long-term borrowings	43,074,000	43,074,000
Leasehold and guarantee deposits received	383,192	385,588
Leasehold and guarantee deposits received in trust	5,727,539	5,800,399
Total non-current liabilities	58,684,732	58,759,987
Total liabilities	69,259,656	69,582,709
Net assets		
Unitholders' equity		
Unitholders' capital	59,164,521	59,164,521
Surplus		
Unappropriated retained earnings (undisposed loss)	2,158,150	2,073,771
Total surplus	2,158,150	2,073,771
Total unitholders' equity	61,322,671	61,238,292
Total net assets	*1 61,322,671	61,238,292
Total liabilities and net assets	130,582,328	130,821,001

# Statement of Income and Retained Earnings

(Unit: thousand yen)

		17th fiscal period (From: Sep. 1, 2021 To: Feb. 28, 2022)	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)
Operating revenue			
Leasing business revenue	*1	4,032,431	4,097,595
Other leasing business revenue	*1	351,066	419,132
Dividend income		652	–
Total operating revenue		4,384,150	4,516,728
Operating expenses			
Expenses related to leasing business	*1	1,778,699	1,965,009
Asset management fees		264,454	287,964
Asset custody fees		4,534	5,063
Administrative service fees		18,985	21,534
Directors' compensations		3,876	3,876
Other operating expenses		51,575	48,715
Total operating expenses		2,122,125	2,332,163
Operating profit		2,262,024	2,184,564
Non-operating income			
Interest income		50	51
Insurance claim income		–	606
Reversal of distributions payable		698	775
Interest on tax refund		–	550
Subsidy income		–	504
Total non-operating income		749	2,487
Non-operating expenses			
Interest expenses		159,296	159,446
Interest expenses on investment corporation bonds		23,385	33,808
Financing fees		101,246	98,872
Amortization of investment unit issuance expenses		4,503	4,503
Amortization of investment corporation bond issuance costs		4,266	5,060
Other		2,132	2,321
Total non-operating expenses		294,829	304,011
Ordinary profit		1,967,944	1,883,039
Net income before income taxes		1,967,944	1,883,039
Income taxes – current		971	605
Income taxes – deferred		(6)	17
Total income taxes		965	622
Net income		1,966,978	1,882,417
Retained earnings brought forward		191,171	191,353
Unappropriated retained earnings (undisposed loss)		2,158,150	2,073,771

# Statement of Changes in Net Assets

17th fiscal period (September 1, 2021, to February 28, 2022)

(Unit: thousand yen)

	Unitholders' equity			
	Unitholders' capital			
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net
		Allowance for temporary difference adjustments	Total deduction from unitholders' capital	
Balance at beginning of period	51,154,926	(611,285)	(611,285)	50,543,640
Changes during period				
Issuance of new investment units	8,009,594			8,009,594
Dividends of surplus				
Reversal of allowance for temporary difference adjustments		611,285	611,285	611,285
Net income				
Total changes during period	8,009,594	611,285	611,285	8,620,880
Balance at end of period	59,164,521	—	—	59,164,521

(Unit: thousand yen)

	Unitholders' equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	2,612,802	2,612,802	53,156,443	53,156,443
Changes during period				
Issuance of new investment units			8,009,594	8,009,594
Dividends of surplus	(1,810,345)	(1,810,345)	(1,810,345)	(1,810,345)
Reversal of allowance for temporary difference adjustments	(611,285)	(611,285)	—	—
Net income	1,966,978	1,966,978	1,966,978	1,966,978
Total changes during period	(454,652)	(454,652)	8,166,227	8,166,227
Balance at end of period	2,158,150	2,158,150	61,322,671	61,322,671

18th fiscal period (March 1, 2022, to August 31, 2022)

(Unit: thousand yen)

	Unitholders' equity			Total unithold- ers' equity	Total net assets
	Unitholders' capital	Surplus			
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	59,164,521	2,158,150	2,158,150	61,322,671	61,322,671
Changes during period					
Dividends of surplus		(1,966,796)	(1,966,796)	(1,966,796)	(1,966,796)
Net income		1,882,417	1,882,417	1,882,417	1,882,417
Total changes during period	–	(84,379)	(84,379)	(84,379)	(84,379)
Balance at end of period	59,164,521	2,073,771	2,073,771	61,238,292	61,238,292

# Statement of Cash Distributions

(Unit: yen)

Item	Fiscal Period	17th fiscal period	18th fiscal period
		(From: Sep. 1, 2021 To: Feb. 28, 2022)	(From: Mar. 1, 2022 To: Aug. 31, 2022)
I. Unappropriated retained earnings		2,158,150,331	2,073,771,115
II. Amount of distributions		1,966,796,568	1,911,492,160
[Amount of distributions per investment unit]		[7,326]	[7,120]
III. Retained earnings carried forward		191,353,763	162,278,955
Method of calculating the amount of distributions	<p>Pursuant to the distribution policy provided in Article 35, Paragraph 1, Item 2 of the Articles of Incorporation of One REIT, the amount of distributions shall be in excess of an amount equivalent to 90% of the amount of earnings available for distribution of One REIT provided in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings.</p> <p>Based on such policy, One REIT decided to pay out distributions of earnings of 1,966,796,568 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (268,468 units) out of the remaining amount after deducting the amount internally reserved in or before the previous fiscal period with the accrual of gain on sale of real estate properties and such from unappropriated retained earnings. One REIT will not engage in the distribution of cash in excess of earnings provided in Article 35, Paragraph 2 of the Articles of Incorporation of One REIT.</p> <p>Pursuant to the distribution policy provided in Article 35, Paragraph 1, Item 2 of the Articles of Incorporation of One REIT, the amount of distributions shall be in excess of an amount equivalent to 90% of the amount of earnings available for distribution of One REIT provided in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings.</p> <p>Based on such policy, One REIT decided to pay out distributions of earnings of 1,911,492,160 yen by adding some of the unappropriated retained earnings internally reserved in or before the previous fiscal period with the accrual of gain on sale of real estate properties and such to net income. One REIT will not engage in the distribution of cash in excess of earnings provided in Article 35, Paragraph 2 of the Articles of Incorporation of One REIT.</p>		

# Statement of Cash Flows

(Unit: thousand yen)

	17th fiscal period (From: Sep. 1, 2021 To: Feb. 28, 2022)	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)
Cash flows from operating activities		
Net income before income taxes	1,967,944	1,883,039
Depreciation	553,602	566,775
Amortization of investment unit issuance expenses	4,503	4,503
Amortization of investment corporation bond issuance costs	4,266	5,060
Interest income	(50)	(51)
Reversal of distributions payable	(698)	(775)
Interest expenses	182,681	193,254
Decrease (increase) in operating accounts receivable	(1,452)	(33,090)
Decrease (increase) in consumption taxes receivable	(319,110)	319,110
Decrease (increase) in prepaid expenses	(36,286)	25,837
Increase (decrease) in operating accounts payable	(25,818)	107,322
Increase (decrease) in accounts payable - other	17,060	14,229
Increase (decrease) in accrued consumption taxes	(67,594)	226,776
Increase (decrease) in advances received	73,743	(2,683)
Decrease (increase) in long-term prepaid expenses	(51,718)	79,152
Other	(14,109)	(9,492)
Subtotal	2,286,962	3,378,970
Interest received	50	51
Interest paid	(180,861)	(192,771)
Income taxes paid	(999)	(670)
Cash flows from operating activities	2,105,151	3,185,580
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,782)	(14,884)
Purchase of property, plant and equipment in trust	(16,018,628)	(493,246)
Purchase of intangible assets	(588)	—
Refund of leasehold and guarantee deposits received	(288)	(99,179)
Proceeds from leasehold and guarantee deposits received	88,990	101,575
Refund of leasehold and guarantee deposits received in trust	(235,862)	(223,784)
Proceeds from leasehold and guarantee deposits received in trust	718,842	296,643
Proceeds from redemption of investment securities	20,058	753
Cash flows from investing activities	(15,432,257)	(432,122)
Cash flows from financing activities		
Proceeds from short-term borrowings	3,000,000	—
Repayments of short-term borrowings	(3,000,000)	—
Proceeds from long-term borrowings	10,900,000	—
Repayments of long-term borrowings	(6,000,000)	—
Proceeds from issuance of investment corporation bonds	2,976,173	—
Proceeds from issuance of investment units	7,982,576	—
Distributions paid	(1,810,766)	(1,967,018)
Cash flows from financing activities	14,047,983	(1,967,018)
Net increase (decrease) in cash and cash equivalents	720,877	786,439
Cash and cash equivalents at beginning of period	9,500,662	10,221,539
Cash and cash equivalents at end of period	*1 10,221,539	11,007,978

# Notes to Financial Statements

## Basis of Presentation of Financial Statements

One REIT maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the Investment Trust Act, the Financial Instruments and Exchange Act and the relevant laws and regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. The accompanying financial statements are a translation of the financial statements, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of One REIT filed with the Kanto Local Finance Bureau. As permitted under the Japanese Financial Instruments and Exchange Act, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying financial statements do not necessarily agree with the sum of the individual amounts. One REIT does not prepare consolidated financial statements as it has no subsidiaries.

## Notes to Significant Accounting Policies

### 1. Standards for valuation and method of valuation of assets

#### Securities

##### Other securities

Stocks and others without a quoted market price

Cost determined by the moving average method is adopted.

Silent partnership equity interests

The method of incorporating an equity interest’s proportionate amount of the net amount of income (loss) of the silent partnership is adopted.

### 2. Method of depreciation of non-current assets

#### 1) Property, plant and equipment (including trust assets)

The straight-line method is adopted.

The useful life of core property, plant and equipment is as follows:

Buildings	3~59 years
Structures	4~40 years
Machinery and equipment	5~10 years
Tools, furniture and fixtures	3~15 years

#### 2) Intangible assets

The straight-line method is adopted.

#### 3) Long-term prepaid expenses

The straight-line method is adopted.

### 3. Accounting for deferred assets

#### 1) Investment unit issuance expenses

Amortized using the straight-line method over 3 years.

#### 2) Investment corporation bond issuance costs

Amortized using the straight-line method through to the redemption date.



### 4. Standards for recognition of revenue and expenses

#### 1) Accounting for property tax, etc.

Of the tax amount assessed and determined for property tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held, the method adopted is that the amount corresponding to the relevant calculation period is expensed as expenses related to leasing business.

The amount equivalent to property tax, etc. in the fiscal year including the acquisition date when money was paid to the seller as reimbursement upon acquisition of real estate, etc. is included in the cost of acquisition of the relevant real estate, etc. and not recognized as expenses. The amount equivalent to property tax, etc. included in the cost of acquisition of real estate property was 17,539 thousand yen in the 17th fiscal period. No amount equivalent to property tax, etc. was included in the cost of acquisition of real estate property in the 18th fiscal period.

#### 2) Standards for recognition of revenue

- Sale of real estate properties

For sale of real estate properties, revenue is recognized when the customer, the buyer, obtains control of the real estate and other assets as a result of fulfilling the delivery obligations stipulated in the real estate property sale agreement. In the statement of income and retained earnings, “Gain on sale of real estate properties” or “Loss on sale of real estate properties” is presented as the amount of “Revenue on sale of real estate properties,” the amount paid for the real estate properties, less “Cost of sale of real estate properties,” which is the book value of real estate properties sold, and “Other expenses on sale,” which are expenses directly related to sale.

- Utilities revenue

Utilities revenue is recognized as revenue in accordance with the supply of electricity and other services to the lessee (customer), in accordance with the real estate property lease agreement and related agreements.

For utilities revenue deemed as revenue for which One REIT is an agent, One REIT recognizes as revenues net amount received as charges for electricity and other services supplied by the relevant third party provider, less the amount paid to said provider.

### 5. Hedge accounting method

#### 1) Hedge accounting method

Special treatment is applied to interest rate swap transactions since they satisfy the requirements for special treatment.

#### 2) Hedging instruments and hedge items

Hedging instrument: Interest rate swap transactions

Hedged items: Interest on borrowings

#### 3) Hedging policy

One REIT conducts derivative transactions for hedging risks provided for in the Articles of Incorporation pursuant to the financing policy stipulated in the Asset Management Guideline.

#### 4) Method of assessing hedge effectiveness

Since interest rate swap transactions satisfy the requirements for special treatment, assessment of hedge effectiveness is omitted.

### 6. Scope of funds in the statement of cash flows

The funds (cash and cash equivalents) in the statement of cash flows consist of cash on hand and cash in trust;

deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.

## 7. Other matters serving as the basis for preparing financial statements

### 1) Accounting for trust beneficiary rights in real estate, etc.

Concerning trust beneficiary rights in real estate, etc. held, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses from the trust assets are recognized in the relevant account item of the balance sheet and statement of income and retained earnings.

The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet.

- (1) Cash and deposits in trust
- (2) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust and land in trust; construction in progress in trust
- (3) Land leasehold interests in trust
- (4) Leasehold and guarantee deposits received in trust

### 2) Accounting for non-deductible consumption taxes

Non-deductible consumption taxes in the acquisition of assets is included in the cost of acquisition of the respective assets.

## Notes to the Balance Sheet

### \*1. Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: thousand yen)

17th fiscal period (As of Feb. 28, 2022)	18th fiscal period (As of Aug. 31, 2022)
50,000	50,000

### \*2. Allowance for temporary difference adjustments

#### 17th fiscal period (September 1, 2021, to February 28, 2022)

##### 1. Reason for provision and reversal, related assets, etc., initial amount and amount of provision

(Unit: thousand yen)

Related assets, etc.	Occurred event	Initial amount	Balance at beginning of period	Provision amount during period	Reversal amount during period	Balance at end of period	Reason for reversal
Land in trust, etc.	Incurrence of impairment losses	611,285	611,285	—	(611,285)	—	Sale of properties with impairment losses

##### 2. Specific method of reversal

Reversal of the corresponding amount was made at the time of sale of the property.

#### 18th fiscal period (March 1, 2022, to August 31, 2022)

Not applicable.

## Notes to the Statement of Income and Retained Earnings

## \*1. Breakdown of property-related operating income (loss)

(Unit: thousand yen)

	17th fiscal period (From: Sep. 1, 2021 To: Feb. 28, 2022)	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)
A. Property-related operating revenue		
Leasing business revenue		
Rent revenue	3,251,686	3,317,867
Common area charges revenue	587,612	582,234
Parking revenue	168,842	171,069
Other rent revenue	24,290	26,423
Total	4,032,431	4,097,595
Other leasing business revenue		
Utilities revenue	316,519	387,170
Other revenue	34,546	31,962
Total	351,066	419,132
Total property-related operating revenue	4,383,497	4,516,728
B. Property-related operating expenses		
Expenses related to leasing business		
Property management fees	412,557	435,388
Utilities expenses	359,885	435,338
Taxes and public dues	295,064	356,812
Insurance premiums	8,345	8,604
Repair expenses	96,146	107,941
Trust fees	14,917	15,300
Depreciation	553,432	566,595
Other sundry expenses	38,349	39,027
Total property-related operating expenses	1,778,699	1,965,009
C. Property-related operating income (loss) [A – B]	2,604,798	2,551,718

## Notes to the Statement of Changes in Net Assets

## 1. Total number of investment units authorized, and total number of investment units issued and outstanding

	17th fiscal period (From: Sep. 1, 2021 To: Feb. 28, 2022)	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)
Total number of investment units authorized	4,000,000 units	4,000,000 units
Total number of investment units issued and outstanding	268,468 units	268,468 units

## Notes to the Statement of Cash Flows

### \*1. Reconciliation of cash and cash equivalents at end of period to the amount of balance sheet accounts

(Unit: thousand yen)

	17th fiscal period (From: Sep. 1, 2021 To: Feb. 28, 2022)	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)
Cash and deposits	3,263,960	3,933,890
Cash and deposits in trust	6,957,579	7,074,088
Cash and cash equivalents	10,221,539	11,007,978

## Notes on Lease Transactions

### Operating leases (as lessor)

#### Future minimum lease revenues

(Unit: thousand yen)

Term	17th fiscal period (As of Feb. 28, 2022)	18th fiscal period (As of Aug. 31, 2022)
Due within 1 year	238,697	310,817
Due after 1 year	315,535	366,006
Total	554,233	676,824

## Notes on Financial Instruments

### 1. Matters concerning status of financial instruments

#### (1) Policy for handling financial instruments

One REIT procures funds through issuance of investment units, borrowings from financial institutions or issuance of investment corporation bonds, etc. upon acquisition of new assets, etc.

One REIT limits derivative transactions to those for investing funds for the purpose of hedging the risk of fluctuations in interest rates on borrowings, etc. and other risks.

#### (2) Description of financial instruments and associated risks, and risk management structure

The use of the funds from borrowings and issuance of investment corporation bonds are primarily as funds for acquisition of assets, repayment of debt, etc. Concerning the liquidity risk and interest rate fluctuation risk associated with such financing, One REIT manages and limits the concerned risks by diversifying the lending financial institutions, as well as considering and implementing effective use of surplus funds, procurement of funds from the capital market through issuance of investment units, etc. and other various procurement of funds.

In addition, borrowings with floating interest rates are exposed to the risk of the interest rate payable rising. One REIT manages the concerned risk by adjusting the ratio of borrowings with floating interest rates (ratio of the balance of borrowings with floating interest rates to the amount of borrowings in total) depending on the financial environment, etc., as well as making derivative transactions (interest rate swap transactions, etc.) available as a hedging instrument for hedging the risk of floating interest rates rising and converting the interest expenses to fixed interest rates.

Deposits are those for investing One REIT's surplus funds and are exposed to the credit risk of, for example, failure of the financial institutions that are holding the deposits, but One REIT exercises prudence by limiting the deposit period to short term, taking security and liquidity into consideration and taking the market environment and status of cash flows fully into account.

Leasehold and guarantee deposits received are deposits from tenants and are exposed to the risk of return of the deposits to tenants due to tenants moving out of properties. One REIT limits the concerned risk by setting aside an amount in the range that will not hinder the return of deposits.

Investment securities are equity investments in silent partnerships and are exposed to the credit risk of the issuer, risk of fluctuation in the value, etc. of real estate, etc. and risk of fluctuation in interest rates.

### (3) Supplementary explanation on matters concerning fair value, etc. of financial instruments

Certain assumptions, etc. are adopted in the calculation of financial instruments. Accordingly, there may be cases where the concerned values will vary when different assumptions, etc. are adopted.

## 2. Matters concerning fair value, etc. of financial instruments

The following is the carrying amount and fair value as of February 28, 2022, and the amount of difference between these. Please note that the following table does not include silent partnership equity interests <sup>(Note 2)</sup>. In addition, as "Cash and deposits" and "Cash and deposits in trust" are cash and settled within a short period of time, the fair value is approximately the same as the book value, and thus notes are omitted.

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term borrowings	9,000,000	9,009,468	9,468
(2) Investment corporation bonds	9,500,000	9,478,100	(21,900)
(3) Long-term borrowings	43,074,000	43,216,613	142,613
(4) Leasehold and guarantee deposits received	383,192	373,901	(9,290)
(5) Leasehold and guarantee deposits received in trust	5,727,539	5,202,693	(524,846)
Liabilities total	67,684,732	67,280,776	(403,956)
(6) Derivative transactions	—	—	—

The following is the carrying amount and fair value as of August 31, 2022, and the amount of difference between these. Please note that the following table does not include silent partnership equity interests <sup>(Note 2)</sup>. In addition, as "Cash and deposits" and "Cash and deposits in trust" are cash and settled within a short period of time, the fair value is approximately the same as the book value, and thus notes are omitted.

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term borrowings	9,000,000	9,000,466	466
(2) Investment corporation bonds	9,500,000	9,435,350	(64,650)
(3) Long-term borrowings	43,074,000	43,069,725	(4,274)
(4) Leasehold and guarantee deposits received	385,588	362,461	(23,127)
(5) Leasehold and guarantee deposits received in trust	5,800,399	5,198,388	(602,010)
Liabilities total	67,759,987	67,066,391	(693,596)
(6) Derivative transactions	—	—	—

(Note 1) Method of calculating the fair value of financial instruments and matters concerning derivative transactions

(1) Current portion of long-term borrowings; (3) Long-term borrowings

As long-term borrowings with floating interest rates reflect market interest rates within a short period of time, the fair value is thought to be approximately the same as the book value and is thus stated at that book value. For long-term debt with floating interest rates to which special treatment for interest rate swaps is applied (please refer to “Notes on Derivative Transactions” below) and those with fixed interest rate, the fair value is calculated by discounting the sum of principal and interest at an interest rate assumed in a case where a similar loan is taken out corresponding to the remaining period.

(2) Investment corporation bonds

Figures are calculated based on the Reference Statistical Prices [Yields] for OTC Bond Transactions prepared by Japan Securities Dealers Association.

(4) Leasehold and guarantee deposits received; (5) Leasehold and guarantee deposits received in trust

For leasehold and guarantee deposits received and leasehold and guarantee deposits received in trust, the fair value is calculated based on the present value of their future cash flows discounted at an interest rate that takes into account the period until the due date and credit risk.

(6) Derivative transactions

Please refer to “Notes on Derivative Transactions” below.

(Note 2) Silent partnership equity interests

For silent partnership equity interests, the fair value is calculated with application of the treatment stipulated in Paragraph 27 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued on July 4, 2019). No notes are provided on matters prescribed in Paragraph 4 (1) of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19 issued on March 31, 2020).

The balance sheet amounts for investments in partnerships, etc. to which this treatment is applied are as follows.

Carrying amount

(Unit: thousand yen)

Term	17th fiscal period (As of Feb. 28, 2022)	18th fiscal period (As of Aug. 31, 2022)
Investment securities	17,664	16,910
Total	17,664	16,910

(Note 3) Amount of repayment of long-term borrowings and other interest-bearing liabilities scheduled to be due after the date of settlement of accounts

17th fiscal period (February 28, 2022)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Investment corporation bonds	—	—	1,500,000	1,500,000	—	6,500,000
Long-term borrowings	9,000,000	8,000,000	10,000,000	7,974,000	9,200,000	7,900,000
Total	9,000,000	8,000,000	11,500,000	9,474,000	9,200,000	14,400,000

18th fiscal period (August 31, 2022)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Investment corporation bonds	—	1,500,000	1,500,000	—	—	6,500,000
Long-term borrowings	9,000,000	8,000,000	10,000,000	7,974,000	9,200,000	7,900,000
Total	9,000,000	9,500,000	11,500,000	7,974,000	9,200,000	14,400,000

## Notes on Securities

### 17th fiscal period (February 28, 2022)

Not applicable.

### 18th fiscal period (August 31, 2022)

Not applicable.

## Notes on Derivative Transactions

### 1. Derivative transactions to which hedge accounting is not applied:

#### 17th fiscal period (February 28, 2022)

Not applicable.

#### 18th fiscal period (August 31, 2022)

Not applicable.

### 2. Derivative transactions to which hedge accounting is applied:

Contract amount or amount equivalent to principal specified in the contract on the settlement date of each hedge accounting method is as follows.

#### 17th fiscal period (February 28, 2022)

(Unit: thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value calculation method
				Due after one year		
Special treatment for interest rate swaps	Interest rate swap transactions Receive floating / Pay fixed	Long-term borrowings	33,324,000	27,324,000	(Note)	—

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term borrowings, the fair values of such are shown as included in the fair value in “(1) Current portion of long-term borrowings” and “(3) Long-term borrowings” described in “Notes on Financial Instruments, 2. Matters concerning fair value, etc. of financial instruments” above.

#### 18th fiscal period (August 31, 2022)

(Unit: thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value calculation method
				Due after one year		
Special treatment for interest rate swaps	Interest rate swap transactions Receive floating / Pay fixed	Long-term borrowings	33,324,000	27,324,000	(Note)	—

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term borrowings, the fair values of such are shown as included in the fair value in “(1) Current portion of long-term borrowings” and “(3) Long-term borrowings” described in “Notes on Financial Instruments, 2. Matters concerning fair value, etc. of financial instruments” above.

## Notes on Share of Profit or Loss of Entities Accounted for Using Equity Method

### 17th fiscal period (September 1, 2021, to February 28, 2022)

Not applicable.

### 18th fiscal period (March 1, 2022, to August 31, 2022)

Not applicable.



## Notes on Related-Party Transactions

### 1. Parent company, major corporate unitholder, etc.

#### 17th fiscal period (September 1, 2021, to February 28, 2022)

Not applicable.

#### 18th fiscal period (March 1, 2022, to August 31, 2022)

Not applicable.

### 2. Associated company, etc.

#### 17th fiscal period (September 1, 2021, to February 28, 2022)

Not applicable.

#### 18th fiscal period (March 1, 2022, to August 31, 2022)

Not applicable.

### 3. Fellow subsidiary, etc.

#### 17th fiscal period (September 1, 2021, to February 28, 2022)

Type	Name of company or person	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party (%)	Description of relationship Concurrent holding of positions, etc. by directors	Description of transaction (Note 1)	Amount of transaction (thousand yen) (Note 2) (Note 3) (Note 4)	Account item	Balance at end of period (thousand yen) (Note 2) (Note 3) (Note 4)
Companies holding more than half of voting rights in major unitholders	Mizuho REIT Management Co., Ltd. (subsidiary of Mizuho Realty One Co., Ltd.)	Chiyoda Ward, Tokyo	50,000	Investment Management Business	—	Concurrent holding of positions, etc. by directors: 1 person	Entrustment of asset management operation Payment of asset management fees	370,344	Accounts payable - other	290,900

(Note 1) Transaction conditions and policies for determining transaction conditions, etc.

The amount of asset management fees is based on the terms and conditions set forth in the Articles of Incorporation of One REIT.

(Note 2) Of the amounts above, the amount of transaction does not include consumption taxes, while the balance at the end of the period includes consumption taxes.

(Note 3) The asset management fees include the fee (105,890 thousand yen) for the acquisition of properties that was included in the book value of specified assets.

(Note 4) Due to a change in major unitholders, Mizuho REIT Management Co., Ltd. became a related party on September 22, 2021. The amount of transaction shows the total amount of transactions during the fiscal period ended February 2022, including those conducted by Executive Director of One REIT, Hirofumi Nabeyama, on behalf of a third party (Mizuho REIT Management Co., Ltd.). The balance at end of period shows the balance as of the end of the fiscal period ended February 2022.

**18th fiscal period (March 1, 2022, to August 31, 2022)**

Type	Name of company or person	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party (%)	Description of relationship		Description of transaction (Note 1)	Amount of transaction (thousand yen) (Note 2)	Account item	Balance at end of period (thousand yen) (Note 2)
						Concurrent holding of positions, etc. by directors	Business relationship				
Companies holding more than half of voting rights in major unitholders	Mizuho REIT Management Co., Ltd. (subsidiary of Mizuho Realty One Co., Ltd.)	Chiyoda Ward, Tokyo	50,000	Investment Management Business	—	Concurrent holding of positions, etc. by directors: 1 person	Entrustment of asset management operation	Payment of asset management fees	287,964	Accounts payable - other	316,761

(Note 1) Transaction conditions and policies for determining transaction conditions, etc.

The amount of asset management fees is based on the terms and conditions set forth in the Articles of Incorporation of One REIT.

(Note 2) Of the amounts above, the amount of transaction does not include consumption taxes, while the balance at the end of the period includes consumption taxes.

**4. Director, major individual unitholder, etc.****17th fiscal period (September 1, 2021, to February 28, 2022)**

Transactions conducted by Hirofumi Nabeyama, Executive Director of One REIT as a representative of a third party (Mizuho REIT Management Co., Ltd.) are as described in the transactions with Mizuho REIT Management Co., Ltd. in “3. Fellow subsidiary, etc.” above.

Note that Executive Director Hirofumi Nabeyama holds no investment units of One REIT as of February 28, 2022.

**18th fiscal period (March 1, 2022, to August 31, 2022)**

Transactions conducted by Hirofumi Nabeyama, Executive Director of One REIT as a representative of a third party (Mizuho REIT Management Co., Ltd.) are as described in the transactions with Mizuho REIT Management Co., Ltd. in “3. Fellow subsidiary, etc.” above.

Note that Executive Director Hirofumi Nabeyama holds no investment units of One REIT as of August 31, 2022.

**Notes on Tax-Effect Accounting****1. Breakdown of main causes for occurrence of deferred tax assets and deferred tax liabilities**

(Unit: thousand yen)

	17th fiscal period (As of Feb. 28, 2022)	18th fiscal period (As of Aug. 31, 2022)
Deferred tax assets		
Non-deductible accrued enterprise tax	17	—
Total deferred tax assets	17	—
Net deferred tax assets	17	—

## 2. Breakdown of major components that caused significant differences between the effective statutory tax rate and the income tax rate after application of tax-effect accounting

(Unit: %)

	17th fiscal period (As of Feb. 28, 2022)	18th fiscal period (As of Aug. 31, 2022)
Effective statutory tax rate	31.46	31.46
[Adjustments]		
Deductible distributions payable	(31.44)	(31.46)
Others	0.03	0.03
Income tax rate after application of tax-effect accounting	0.05	0.03

## Notes on Asset Retirement Obligations

### 17th fiscal period (September 1, 2021, to February 28, 2022)

Not applicable.

### 18th fiscal period (March 1, 2022, to August 31, 2022)

Not applicable.

## Notes on Investment and Rental Properties

One REIT owns investment and rental properties mainly in the Tokyo metropolitan area and also in ordinance-designated cities or their equivalent for the purpose of earning revenue from leasing.

The following are the carrying amount, amount of increase (decrease) during the period and fair value of these investment and rental properties.

(Unit: thousand yen)

	17th fiscal period (From: Sep. 1, 2021 To: Feb. 28, 2022)	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)
Carrying amount		
Balance at beginning of period	103,673,678	119,296,855
Amount of increase (decrease) during period	15,623,177	(146,192)
Balance at end of period	119,296,855	119,150,663
Fair value at end of period	136,361,000	137,203,000

(Note 1) Carrying amount is the amount of the cost of acquisition, less accumulated depreciation.

(Note 2) Of the amount of increase (decrease) in investment and rental properties during the 17th fiscal period, the amount of increase is mainly attributable to acquisition of Kuramochi Building Daiichi, REID-C Chiba Ekimae Building, Shinkawa 1-chome Building, ONEST Hakozaiki Building, ONEST Higashi-Nakano Building, and Daido Life Mito Building (15,761,704 thousand yen) and capital expenditures (411,124 thousand yen), while the amount of decrease is mainly attributable to depreciation (553,432 thousand yen). In addition, of the amount of increase (decrease) in investment and rental properties during the 18th fiscal period, the amount of increase is mainly attributable to capital expenditures (423,766 thousand yen), while the amount of decrease is mainly attributable to depreciation (566,595 thousand yen).

(Note 3) Fair value at the end of the period is the appraisal value by an outside real estate appraiser.

The income (loss) for investment and rental properties is as presented in “Notes to the Statement of Income and Retained Earnings” earlier in this document.

## Notes on Revenue Recognition

### 1. Breakdown of revenue from contracts with customers

#### 17th fiscal period (September 1, 2021, to February 28, 2022)

(Unit: thousand yen)

	Receivables from contracts with customers <sup>(Note)</sup>	Net sales to external customers
Sale of real estate properties	–	–
Utilities revenue	316,519	316,519
Others	–	4,066,978
Total	316,519	4,383,497

(Note) Leasing business revenue and other revenue subject to the Accounting Standard for Lease Transactions, ASBJ Statement No. 13, is not included in “Receivables from contracts with customers” because the Accounting Standard for Revenue Recognition does not apply to this revenue. Receivables from contracts with customers mainly includes revenues from sale of real estate properties and utilities.

#### 18th fiscal period (March 1, 2022, to August 31, 2022)

(Unit: thousand yen)

	Receivables from contracts with customers <sup>(Note)</sup>	Net sales to external customers
Sale of real estate properties	–	–
Utilities revenue	387,170	387,170
Others	–	4,129,557
Total	387,170	4,516,728

(Note) Leasing business revenue and other revenue subject to the Accounting Standard for Lease Transactions, ASBJ Statement No. 13, is not included in “Receivables from contracts with customers” because the Accounting Standard for Revenue Recognition does not apply to this revenue. Receivables from contracts with customers mainly includes revenues from sale of real estate properties and utilities.

### 2. Explanation of revenue from contracts with customers

#### 17th fiscal period (September 1, 2021, to February 28, 2022)

This is as provided in “Notes to Significant Accounting Policies.”

#### 18th fiscal period (March 1, 2022, to August 31, 2022)

This is as provided in “Notes to Significant Accounting Policies.”

### 3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from these contracts, and the amount and timing of revenue expected to be recognized in subsequent periods from contracts with customers that exist at the end of the current reporting period

#### (1) Balance of contract assets and contract liabilities, etc.

(Unit: thousand yen)

	17th fiscal period (From: Sep. 1, 2021 To: Feb. 28, 2022)	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)
Receivables from contracts with customers (balance at beginning of period)	75,711	76,583
Receivables from contracts with customers (balance at end of period)	76,583	110,254
Contract assets (balance at beginning of period)	–	–
Contract assets (balance at end of period)	–	–
Contract liabilities (balance at beginning of period)	–	–
Contract liabilities (balance at end of period)	–	–

## **(2) Transaction price allocated to remaining performance obligations**

For utilities revenue, One REIT recognizes revenues at the amount it has the right to charge in accordance with Paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition, due to the right One REIT has to receive from the customer the amount of consideration that directly corresponds to the value to the customer, the lessee, for the portion of performance completed by the end of the period. Therefore, the provisions of Paragraph 80-22(2) of the Accounting Standard for Revenue Recognition are applied, and the transaction price allocated to the remaining performance obligations has not been included in the notes.

## **Notes on Segment Information, etc.**

### **1. Segment information**

Segment information is omitted because One REIT operates a single segment, which is the real estate leasing business.

### **2. Related information**

#### **17th fiscal period (September 1, 2021, to February 28, 2022)**

##### **(1) Information for each product and service**

Information for each product and service is omitted because net sales to external customers of a single product/service category are more than 90% of the operating revenue on the statement of income and retained earnings.

##### **(2) Information for each region**

###### **1) Net Sales**

Information for each region is omitted because net sales to external customers in Japan are more than 90% of the operating revenue on the statement of income and retained earnings.

###### **2) Property, plant and equipment**

Information for each region is omitted because the amount of property, plant and equipment located in Japan is more than 90% of the amount of property, plant and equipment on the balance sheet.

##### **(3) Information for each major customer**

Information for each major customer is omitted because net sales to a single external customer are less than 10% of the operating revenue on the statement of income and retained earnings.

#### **18th fiscal period (March 1, 2022, to August 31, 2022)**

##### **(1) Information for each product and service**

Information for each product and service is omitted because net sales to external customers of a single product/service category are more than 90% of the operating revenue on the statement of income and retained earnings.

##### **(2) Information for each region**

###### **1) Net Sales**

Information for each region is omitted because net sales to external customers in Japan are more than 90% of the operating revenue on the statement of income and retained earnings.

###### **2) Property, plant and equipment**

Information for each region is omitted because the amount of property, plant and equipment located in Japan is more than 90% of the amount of property, plant and equipment on the balance sheet.

##### **(3) Information for each major customer**

Information for each major customer is omitted because net sales to a single external customer are less than 10% of the operating revenue on the statement of income and retained earnings.

## Notes on Per Unit Information

	<b>17th fiscal period</b> (From: Sep. 1, 2021 To: Feb. 28, 2022)	<b>18th fiscal period</b> (From: Mar. 1, 2022 To: Aug. 31, 2022)
Net assets per unit	228,417 yen	228,102 yen
Net income per unit	7,423 yen	7,011 yen

(Note 1) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units during the period. The diluted net income per unit is not stated because there are no diluted investment units.

(Note 2) The following is the basis for calculating net income per unit.

	<b>17th fiscal period</b> (From: Sep. 1, 2021 To: Feb. 28, 2022)	<b>18th fiscal period</b> (From: Mar. 1, 2022 To: Aug. 31, 2022)
Net income (thousand yen)	1,966,978	1,882,417
Amount not attributable to common unitholders (thousand yen)	—	—
Net income attributable to common investment units (thousand yen)	1,966,978	1,882,417
Average number of investment units during period (units)	264,981	268,468

## Notes on Significant Subsequent Events

Not applicable.

# Supplementary Schedules

## A. Schedule of securities

### (1) Stocks

Not applicable.

### (2) Securities other than stocks

(Unit: thousand yen)

Type	Name of security	Total face value	Book value	Accrued interest	Prepaid accrued interest	Valuation amount (Note 1)	Valuation gain or loss	Note
Silent partnership equity interests	Silent partnership equity interest with Kagurazaka Kogyo GK as the operator <sup>(Note 2)</sup>	—	16,910	—	—	16,910	—	—
Total		—	16,910	—	—	16,910	—	—

(Note 1) “Valuation amount” is book value.

(Note 2) Assets under management is a real estate trust beneficiary right in Kagurazaka Plaza Building as trust assets.

## B. Contracted amount, etc. and fair value of derivative transactions and forward exchange transactions

Term	Type	Contract amount, etc. (thousand yen) <sup>(Note 1)</sup>		Fair value <sup>(Note 2)</sup>
			Due after one year	
Transaction other than market transaction	Interest rate swap transactions Receive floating / Pay fixed	33,324,000	27,324,000	—
Total		33,324,000	27,324,000	—

(Note 1) Contract amount, etc. of interest rate swap transactions are based on notional principal.

(Note 2) Fair value is omitted as the transaction meets the requirements for special treatment of the financial instruments accounting standards.



**C. Schedule of property, plant and equipment and intangible assets**

(Unit: thousand yen)

Type of asset	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Accumulated depreciation or accumulated amortization	Amount of amortization during period	Net balance at end of period	Remarks
(Property, plant and equipment)								
Buildings	3,645,780	4,428	—	3,650,209	1,139,279	64,503	2,510,929	—
Structures	9,842	—	—	9,842	5,641	322	4,201	—
Machinery and equipment	64,275	1,107	—	65,383	62,341	140	3,042	—
Tools, furniture and fixtures	3,744	5,462	—	9,207	2,009	374	7,198	—
Land	3,770,347	—	—	3,770,347	—	—	3,770,347	—
Buildings in trust	30,558,226	381,138	—	30,939,365	5,023,506	479,201	25,915,858	—
Structures in trust	25,511	25,491	—	51,003	6,407	1,131	44,596	—
Machinery and equipment in trust	328,717	1,729	—	330,447	119,588	16,455	210,859	—
Tools, furniture and fixtures in trust	85,280	4,015	—	89,295	51,434	4,466	37,860	—
Land in trust	83,357,166	—	—	83,357,166	—	—	83,357,166	—
Construction in progress in trust	13,237	573	3,545	10,266	—	—	10,266	—
Subtotal	121,862,132	423,948	3,545	122,282,536	6,410,208	566,595	115,872,327	—
(Intangible assets)								
Land leasehold interests in trust	3,278,336	—	—	3,278,336	—	—	3,278,336	—
Others	5,962	—	—	5,962	4,087	180	1,874	—
Subtotal	3,284,298	—	—	3,284,298	4,087	180	3,280,211	—
Total	125,146,431	423,948	3,545	125,566,834	6,414,296	566,775	119,152,538	—

**D. Schedule of other specified assets**

Not applicable.

## E. Schedule of investment corporation bonds

Name of bonds	Issue date	Balance at beginning of period (thousand yen)	Amount of decrease during period (thousand yen)	Balance at end of period (thousand yen)	Interest rate (%)	Maturity date	Use	Collateral
1st Unsecured Investment Corporation Bonds	August 5, 2019	1,500,000	—	1,500,000	0.400	August 5, 2024		
2nd Unsecured Investment Corporation Bonds	August 5, 2019	2,000,000	—	2,000,000	0.820	August 3, 2029		
3rd Unsecured Investment Corporation Bonds	August 6, 2020	1,500,000	—	1,500,000	0.530	August 6, 2025	(Note 1)	Unsecured (Note 2)
4th Unsecured Investment Corporation Bonds	August 6, 2020	1,500,000	—	1,500,000	0.860	August 6, 2030		
5th Unsecured Investment Corporation Bonds (Green bonds)	January 27, 2022	3,000,000	—	3,000,000	0.780	January 27, 2032		
Total		9,500,000	—	9,500,000				

(Note 1) The funds are allotted to funds for repaying borrowings.

(Note 2) These are equipped with pari passu conditions among specified investment corporation bonds.

(Note 3) Amounts of investment corporation bonds to be redeemed every year within five years after the date of the balance sheets are as follows.

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years
Investment corporation bonds	—	1,500,000	1,500,000	—	—

## F. Schedule of borrowings

Term	Lenders	Balance at beginning of period (thousand yen)	Amount of increase during period (thousand yen)	Amount of decrease during period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (Note 1)	Repayment date	Use	Remarks
Current portion of long-term borrowings	Mizuho Trust & Banking Co., Ltd.	182,500	—	—	182,500	0.62750% (Note 2)	Sep. 7, 2022	(Note 3)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	182,500	—	—	182,500				
	Sumitomo Mitsui Banking Corporation	3,750,000	—	—	3,750,000				
	Aozora Bank, Ltd.	562,500	—	—	562,500				
	Resona Bank, Limited	567,500	—	—	567,500				
	San ju San Bank, Ltd.	380,000	—	—	380,000				
	The Bank of Fukuoka, Ltd.	375,000	—	—	375,000	0.37817% Sep. 7, 2022	(Note 4)	(Note 4)	
	Mizuho Trust & Banking Co., Ltd.	890,000	—	—	890,000				
	Mizuho Bank, Ltd.	890,000	—	—	890,000				
	Sumitomo Mitsui Banking Corporation	340,000	—	—	340,000				
	Shinsei Bank, Limited	550,000	—	—	550,000				
	Resona Bank, Limited	150,000	—	—	150,000				
	The Bank of Fukuoka, Ltd.	180,000	—	—	180,000				
	Subtotal	9,000,000	—	—	9,000,000				
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	275,000	—	—	275,000	0.52817% Sep. 7, 2023			Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	275,000	—	—	275,000				
	Sumitomo Mitsui Banking Corporation	250,000	—	—	250,000				
	Shinsei Bank, Limited	250,000	—	—	250,000				
	Resona Bank, Limited	175,000	—	—	175,000				
	Aozora Bank, Ltd.	162,500	—	—	162,500				
	The Bank of Fukuoka, Ltd.	162,500	—	—	162,500				
	The Nishi-Nippon City Bank, Ltd.	150,000	—	—	150,000	0.67200% (Note 2)	Sep. 7, 2023	(Note 3)	
	The Chugoku Bank, Ltd.	150,000	—	—	150,000				
	The Bank of Kyoto, Ltd.	75,000	—	—	75,000				
	Nippon Life Insurance Company	75,000	—	—	75,000				
	Mizuho Trust & Banking Co., Ltd.	825,000	—	—	825,000				
	Mizuho Bank, Ltd.	825,000	—	—	825,000				
	Sumitomo Mitsui Banking Corporation	750,000	—	—	750,000				
	Shinsei Bank, Limited	750,000	—	—	750,000				
	Resona Bank, Limited	525,000	—	—	525,000				
	Aozora Bank, Ltd.	487,500	—	—	487,500				
	The Bank of Fukuoka, Ltd.	487,500	—	—	487,500				
	The Nishi-Nippon City Bank, Ltd.	450,000	—	—	450,000				
	The Chugoku Bank, Ltd.	450,000	—	—	450,000				
	The Bank of Kyoto, Ltd.	225,000	—	—	225,000				
	Nippon Life Insurance Company	225,000	—	—	225,000				

Term	Lenders	Balance at beginning of period (thousand yen)	Amount of increase during period (thousand yen)	Amount of decrease during period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (Note 1)	Repayment date	Use	Remarks
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	837,500	—	—	837,500	0.51000% (Note 2)	Sep. 7, 2024	(Note 4)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	837,500	—	—	837,500				
	Sumitomo Mitsui Banking Corporation	375,000	—	—	375,000				
	Shinsei Bank, Limited	1,500,000	—	—	1,500,000				
	Resona Bank, Limited	450,000	—	—	450,000				
	Mizuho Trust & Banking Co., Ltd.	2,050,000	—	—	2,050,000	0.75000% (Note 2)	Sep. 7, 2026		
	Mizuho Bank, Ltd.	2,050,000	—	—	2,050,000				
	Sumitomo Mitsui Banking Corporation	375,000	—	—	375,000				
	Shinsei Bank, Limited	1,500,000	—	—	1,500,000				
	Resona Bank, Limited	450,000	—	—	450,000				
	The Bank of Fukuoka, Ltd.	150,000	—	—	150,000				
	San ju San Bank, Ltd.	525,000	—	—	525,000				
	The Nishi-Nippon City Bank, Ltd.	700,000	—	—	700,000				
	The Bank of Kyoto, Ltd.	700,000	—	—	700,000				
	Nippon Life Insurance Company	700,000	—	—	700,000				
	Mizuho Trust & Banking Co., Ltd.	1,494,000	—	—	1,494,000	0.58600% (Note 2)	Sep. 7, 2025		
	Mizuho Bank, Ltd.	1,450,000	—	—	1,450,000				
	Sumitomo Mitsui Banking Corporation	680,000	—	—	680,000				
	Shinsei Bank, Limited	900,000	—	—	900,000				
	Resona Bank, Limited	325,000	—	—	325,000				
	Aozora Bank, Ltd.	275,000	—	—	275,000				
	Mizuho Trust & Banking Co., Ltd.	740,000	—	—	740,000				
	Mizuho Bank, Ltd.	735,000	—	—	735,000	0.82200% (Note 2)	Sep. 7, 2027		
	Sumitomo Mitsui Banking Corporation	300,000	—	—	300,000				
	Shinsei Bank, Limited	550,000	—	—	550,000				
	Resona Bank, Limited	160,000	—	—	160,000				
	Aozora Bank, Ltd.	100,000	—	—	100,000				
	San ju San Bank, Ltd.	415,000	—	—	415,000				
	Mizuho Trust & Banking Co., Ltd.	425,000	—	—	425,000			0.55971% (Note 3)	
	Mizuho Bank, Ltd.	425,000	—	—	425,000				
	Shinsei Bank, Limited	400,000	—	—	400,000				
	Resona Bank, Limited	200,000	—	—	200,000				
	Aozora Bank, Ltd.	400,000	—	—	400,000				
	The Bank of Yokohama, Ltd.	1,000,000	—	—	1,000,000				

## Supplementary Schedules

Term	Lenders	Balance at beginning of period (thousand yen)	Amount of increase during period (thousand yen)	Amount of decrease during period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (Note 1)	Repayment date	Use	Remarks
	Mizuho Trust & Banking Co., Ltd.	372,500	—	—	372,500				
	Mizuho Bank, Ltd.	372,500	—	—	372,500				
	Sumitomo Mitsui Banking Corporation	3,750,000	—	—	3,750,000	0.40532%	Sep. 7, 2024	(Note 4)	
	Resona Bank, Limited	567,500	—	—	567,500				
	Aozora Bank, Ltd.	562,500	—	—	562,500				
	The Bank of Fukuoka, Ltd.	375,000	—	—	375,000				
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	250,000	—	—	250,000				
	Mizuho Bank, Ltd.	250,000	—	—	250,000				
	Aozora Bank, Ltd.	250,000	—	—	250,000				
	Shinsei Bank, Limited	250,000	—	—	250,000				Unsecured/ Unguaranteed
	Resona Bank, Limited	250,000	—	—	250,000				
	The Bank of Yokohama, Ltd.	500,000	—	—	500,000				
	The Nishi-Nippon City Bank, Ltd.	250,000	—	—	250,000	0.65422%	Sep. 7, 2027	(Note 3)	
	The Bank of Kyoto, Ltd.	150,000	—	—	150,000				
	The Dai-Ichi Life Insurance Company, Limited	800,000	—	—	800,000				
	Daishi Hokuetsu Bank, Ltd.	500,000	—	—	500,000				
	The 77 Bank, Ltd.	400,000	—	—	400,000				
	The Chiba Bank, Ltd.	400,000	—	—	400,000				
	The Higo Bank, Ltd.	400,000	—	—	400,000				
	The Shizuoka Bank, Ltd.	250,000	—	—	250,000				
	Subtotal	43,074,000	—	—	43,074,000				
	Total	52,074,000	—	—	52,074,000				

(Note 1) Average interest rate is the borrowing interest rate for the respective loan agreement (weighted average of balance during the period), rounded to the fifth decimal place.

(Note 2) Interest rate swap transactions have been conducted to avoid interest rate fluctuation risk, and the indicated interest rates take into consideration the effect of such transactions.

(Note 3) The intended use of the funds is for allocation to part of the funds for acquisition of real estate trust beneficiary rights, as well as related costs.

(Note 4) The funds are allotted to part of the funds for repaying existing borrowings.

(Note 5) The total amounts of long-term borrowings (excluding the current portion of long-term borrowings) to be repaid every year within five years after the date of the balance sheets are as follows.

(Unit: thousand yen)

	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years
Long-term borrowings	8,000,000	10,000,000	7,974,000	9,200,000

# Independent Auditor's Report

## Independent Auditor's Report

The Board of Directors  
One REIT, Inc.

### Opinion

We have audited the accompanying financial statements of One REIT, Inc. (the Company), which comprise the balance sheet as at August 31, 2022, and the statements of income and retained earnings, changes in net assets, cash distribution, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2022, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The other information comprises the information included in the Semi-Annual Report that contains audited financial statements but does not include the financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Supervisory Directors responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Supervisory Director for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Supervisory Director is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

January 12, 2023

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Yoichi Tsukimoto  
Designated Engagement Partner  
Certified Public Accountant

井 上 裕 人

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Hiroto Inoue  
Designated Engagement Partner  
Certified Public Accountant



**One REIT, Inc.**

<https://one-reit.com/en/>