

Presentation Material

for the Tenth Fiscal Period (Ended August 2018)

October 15, 2018



<http://www.one-reit.com/en>

Securities Code : 3290

(Asset Management Company)

MIZUHO Mizuho REIT Management



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1 Executive Summary



Summary of Overview of Financial Results and Earnings Forecasts

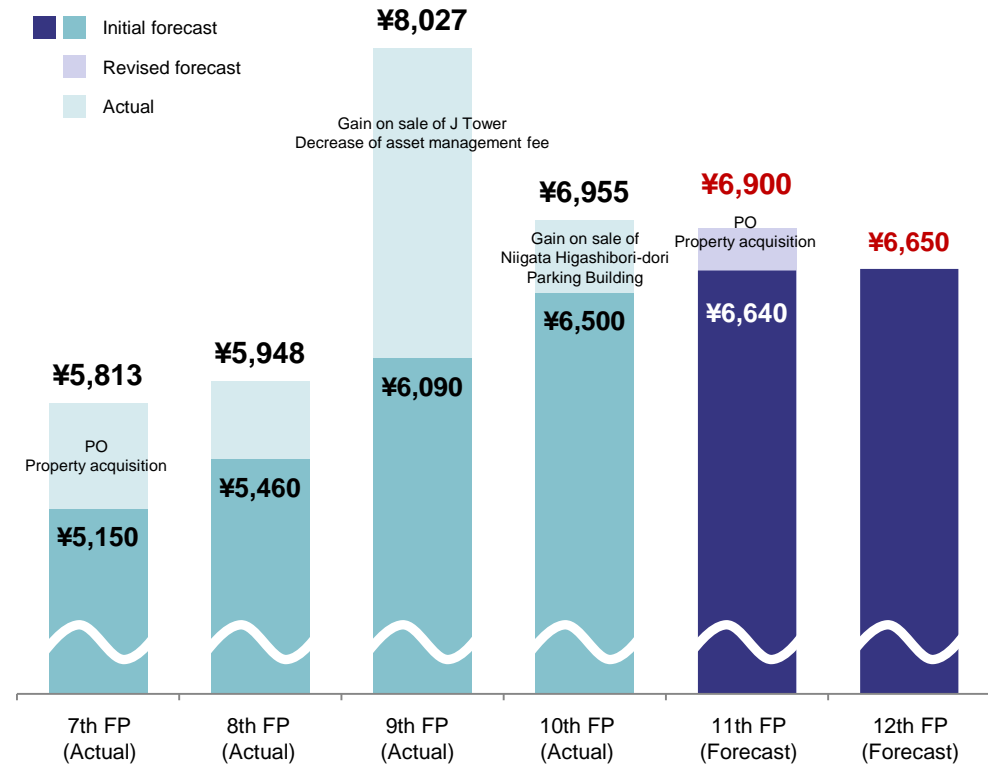
Executive Summary

- Actual dividends per unit for the Tenth Fiscal Period (ended August 2018) was 6,955 yen due to steady internal growth in addition to gain on transfer of Niigata Higashibori-dori Parking Building.
- Forecasted dividends per unit for the Eleventh Fiscal Period (ending February 2019) is expected to be 6,900 yen due to the implementation of public offering (PO) and acquisition of 3 new properties.
- Forecasted dividends per unit for the Twelfth Fiscal Period (ending August 2019) is expected to be 6,650 yen as there will be no effect of fixed asset and city planning tax despite the full-period contribution of the 3 properties newly acquired in the previous period.

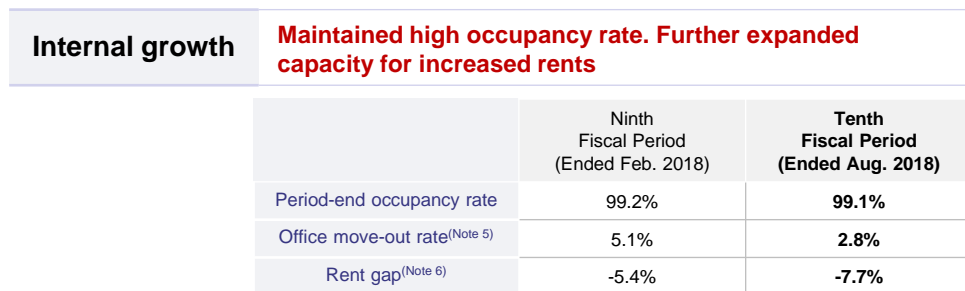
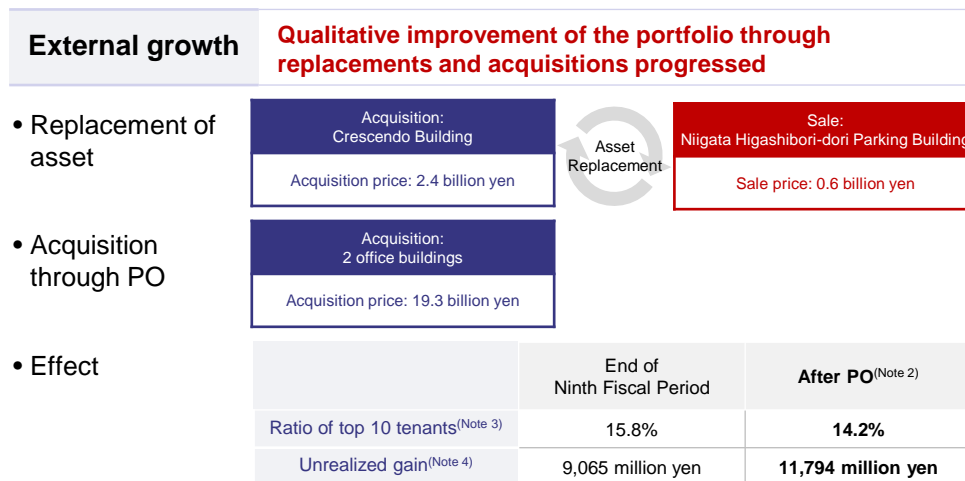
Overview of Financial Results and Earnings Forecasts

	Ninth Fiscal Period (Ended Feb. 2018)	Tenth Fiscal Period (Ended Aug. 2018)	Eleventh Fiscal Period (Ending Feb. 2019)	Twelfth Fiscal Period (Ending Aug. 2019)
(Millions of yen)	Actual	Actual	Forecast	Forecast
Operating revenue	3,868	3,438	3,866	3,957
Operating profit	2,069	1,667	1,925	1,871
Recurring profit	1,682	1,452	1,656	1,596
Net income	1,620	1,405	1,655	1,595
Dividends per unit	¥8,027	¥6,955	¥6,900	¥6,650
	+¥167 (+2.1%)	+¥155 (+2.3%)	+¥260 (+3.9%)	Aim for further improvement
Most recent forecast	¥7,860	¥6,800	¥6,640	
Initial forecast	¥6,090	¥6,500		

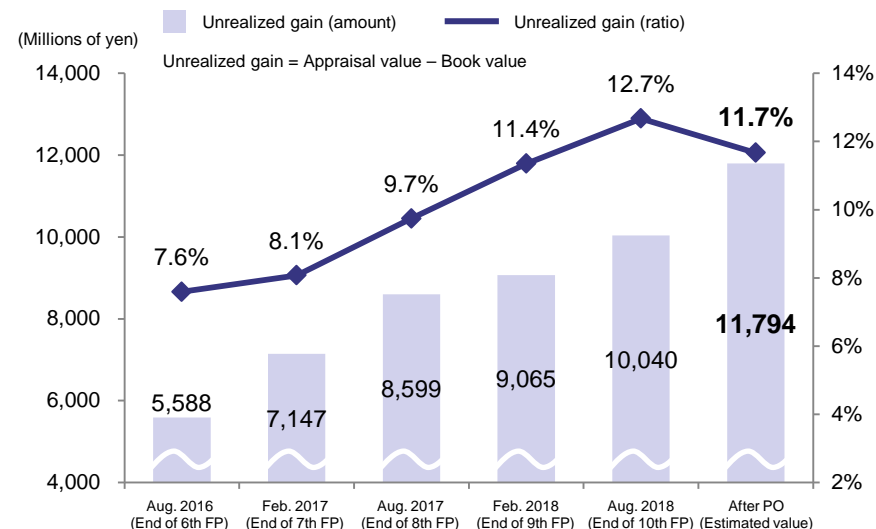
Dividends per Unit^(Note 1)



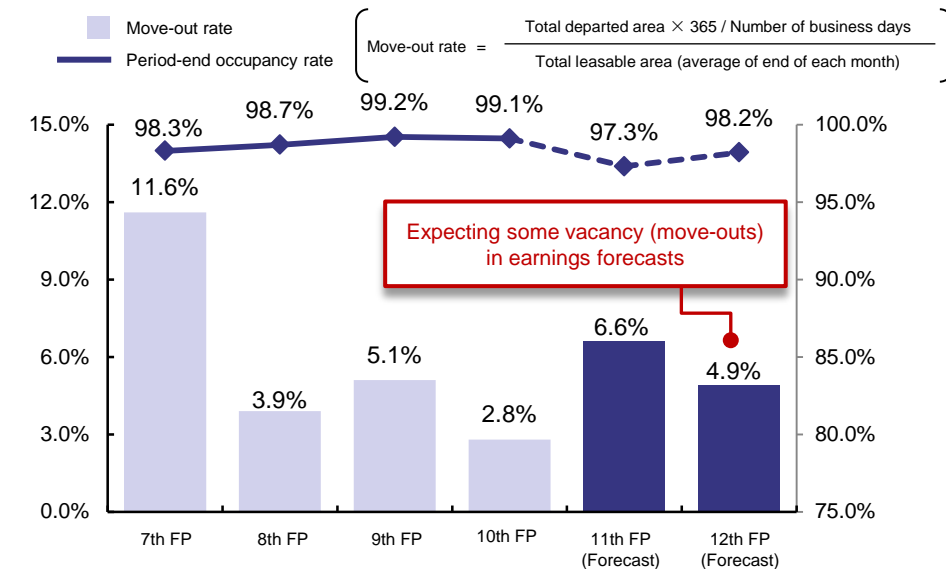
Forecasted dividends per unit are expected to continue to be higher than the initial earnings forecast due to steady internal growth and measures implemented in each period.



Portfolio's Unrealized Gain^(Note 4) and Unrealized Gain Ratio^(Note 4)



Office Move-out Rate and Period-End Occupancy Rate



1 Notes in “Executive Summary”

- (Note 1) Since a 2-for-1 split of investment units was implemented with March 1, 2017 (at the beginning of the fiscal period ended August 2017) as the effective date, amounts of “Dividends per unit” in the fiscal period ended February 2017 are figures after adjusting with the split.
- (Note 2) “PO” indicates the second public offering conducted in September 2018 and “After PO” indicates the status after the acquisition of 3 properties (Tokyo Parkside Building, Higobashi Center Building and Crescendo Building (hereafter the “3 Newly Acquired Properties”)) and borrowing of funds in September 2018. The same applies hereafter in this document.
- (Note 3) Amounts are calculated as the ratio of “Leased floor area (total value)” by the top 10 tenants to the “Total leasable floor area” of the portfolio in each period. “Leased floor area” column shows the floor area indicated in the lease agreements concluded with each tenant effective in each period. Leased floor area for Niigata Higashibori-dori Parking Building, parking spaces and land provided for other uses are not included. “After PO” is calculated based on the information as of the end of August 2018 provided by the sellers of the 3 Newly Acquired Properties in addition to the status of owned assets as of the end of the fiscal period ended August 2018.
- (Note 4) “Unrealized gain” indicates the difference between the total appraisal value and the book value of owned assets as of the end of each period (excluding the properties owned by SPCs in which One REIT invests through silent partnership, preferred equity, etc.; the same follows hereafter). The unrealized gain ratio is calculated using the following formula and is rounded to first decimal place: $\text{Unrealized gain ratio (\%)} = \text{Unrealized gain} \div \text{Book value of assets owned as of the end of the period}$. In “After PO”, unrealized gain (amount) and unrealized gain (ratio) are calculated as the difference between the appraisal value and acquisition price upon property acquisition by assuming the acquisition price of the 3 Newly Acquired Properties as the book value.
- (Note 5) The office move-out rate targets assets classified as offices from among assets owned by One REIT, is calculated using the following formula and is rounded to first decimal place: $\text{Move-out rate (\%)} = (\text{Total departed area in the target operating period} \div \text{Average leasable floor area as of the end of each month during the targeted operating period}) \times 365 \div \text{Number of operating days in the target operating period}$. The same calculation method and display format are applied hereafter in this document.
- (Note 6) For the end of each fiscal period, market rent is the expected new contract office rent unit price for each property assessed by CBRE (if assessed in a range, then the median value), and the rent gap (%) is the rate of divergence between the total monthly rent based on the contracted rents of existing office tenants and the total monthly rent based on market rent. The calculated value (%) is rounded to the first decimal place. The same calculation method and display format are applied hereafter in this document.
- (Note 7) LTV (%) is calculated with the formula $[\text{Period-end balance of interest-bearing debt} / \text{Period-end total assets}]$ and is rounded to the first decimal place. The same applies hereafter in this document.
- (Note 8) “Average interest rate” is calculated by seeking the weighted average at applicable interest rates as of the end of each period according to the balance of interest-bearing debt and is rounded the third decimal place. “After PO” is based on the status as of September 21, 2018. The same calculation method and display format are applied hereafter in this document.
- (Note 9) The fixed-interest borrowing rate (%) is calculated with the formula $[\text{Total amount of interest-bearing debts procured with fixed interest rates in each period} / \text{Total amount of interest-bearing debt in each period}]$ and is rounded to the first decimal place. The total amount of interest-bearing debts procured with fixed interest rates includes the interest-bearing debts for which the borrowing rate was substantially fixed by the interest rate swap. The same calculation method and display format are applied hereafter in this document.
- (Note 10) “Internal reserves” in “After PO” is based on the amount of internal reserves after the payment of dividends in the Tenth Fiscal Period (ended August 2018) and the amount per unit is calculated based on the outstanding number of investment units (239,908 units) after the capital increase through third-party allotment after the PO. The same applies hereafter in this document.

2 Note in “Overview of Financial Results and Earnings Forecasts”

- (Note 1) “NAV per unit” is calculated by dividing the sum of the period-end unitholders' capital and unrealized gain by the period-end outstanding number of investment units and is rounded down to the nearest thousand yen.



2 Overview of Financial Results and Earnings Forecasts



Overview of financial results:

Tenth Fiscal Period (ended August 2018)

Earnings forecasts:

Eleventh Fiscal Period (ending February 2019) and
Twelfth Fiscal Period (ending August 2019)

Comparison with Previous Period and Earnings Forecast

(Millions of yen)	A: Ninth fiscal period (Ended Feb. 2018) Actual	B: Tenth fiscal period (Ended Aug. 2018) Forecast	C: Tenth fiscal period (Ended Aug. 2018) Actual	Comparison with previous period C - A	Comparison with forecast C - B
Operating revenue	3,868	3,242	3,438	-429	+196
Lease business revenue	2,840	2,952	2,950	+110	-2
Other lease business revenue	298	290	315	+17	+25
Gain on sale of real estate, etc.	729	-	172	① -556	① +172
Expenses related to rent business (excludes depreciation)	1,015	1,051	1,063	+47	+12
Leasing NOI	2,122	2,191	2,202	+79	+11
Depreciation	466	441	440	-26	-0
NOI after depreciation	1,655	1,749	1,761	② +106	② +12
General and administrative expenses	315	289	267	③ -48	③ -22
Operating profit	2,069	1,460	1,667	-402	+207
Recurring profit	1,682	1,250	1,452	④ -230	④ +201
Net income	1,620	1,249	1,405	⑤ -214	+156
Amount of internal reserves (each fiscal period)	100	-	89	-11	+89
Dividends per unit	¥8,027	¥6,600	¥6,955	¥1,072 (-13.4%)	¥355 (+5.4%)
LTV	45.8%		46.1%	+0.3%	
NAV per unit ^(Note 1)	¥259,000		¥264,000	+¥5,000	

Equivalent to net assets per unit	approx. ¥211,000	approx. ¥211,000	→ [Estimated value after PO]
Equivalent to unrealized gain per unit	approx. ¥48,000	approx. ¥53,000	

¥262,000

Comparison with Actual Performance of the Ninth Fiscal Period (Ended February 2018) and Tenth Fiscal Period (Ended August 2018)

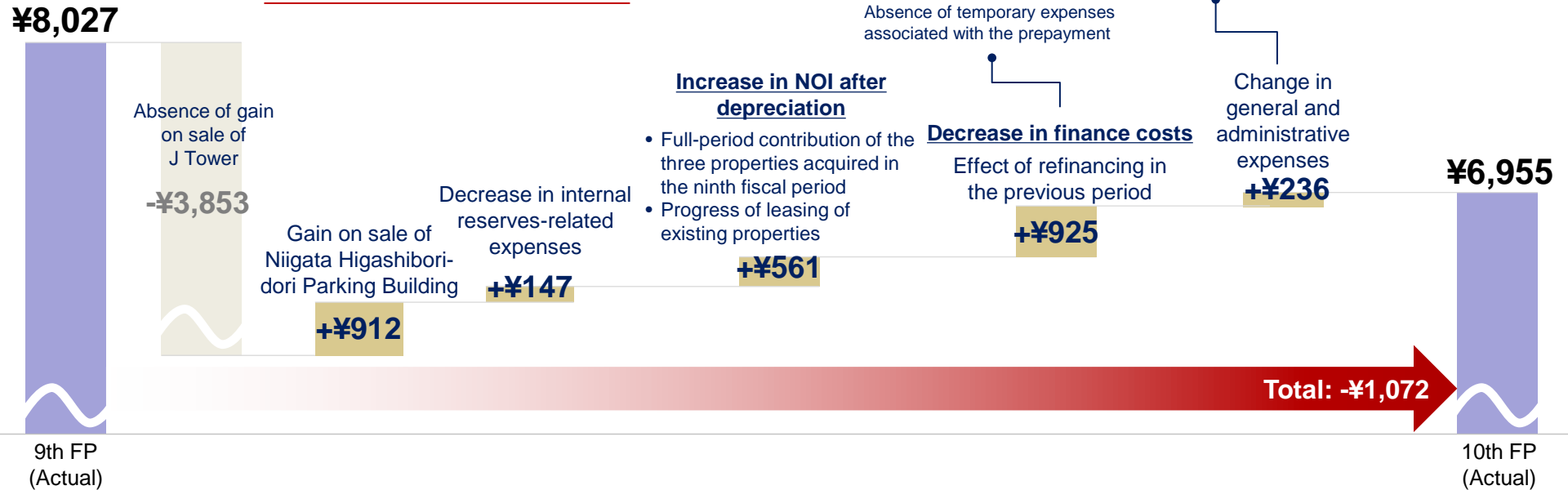
	Amount of Profit Change
① Decrease in gain on sale of real estate, etc.	-556 million yen
② Change in NOI after depreciation	+106 million yen
Full-period contribution of the 3 properties acquired in the Ninth Fiscal Period (Ended February 2018)	+96 million yen
Decrease from sale of J Tower	-49 million yen
Change in existing properties (excluding J Tower and the 3 acquired properties)	+59 million yen
③ Change in general and administrative expenses	+48 million yen
Decrease in taxes and public dues	+25 million yen
Decrease in asset management fee	+19 million yen
④ Change in non-operating income/expenses	+171 million yen
Decrease in finance-related costs	+175 million yen
⑤ Decrease of corporation tax, etc. (internal reserves-related)	+16 million yen

Comparison with Forecast and Actual Performance of the Tenth Fiscal Period (Ended August 2018)

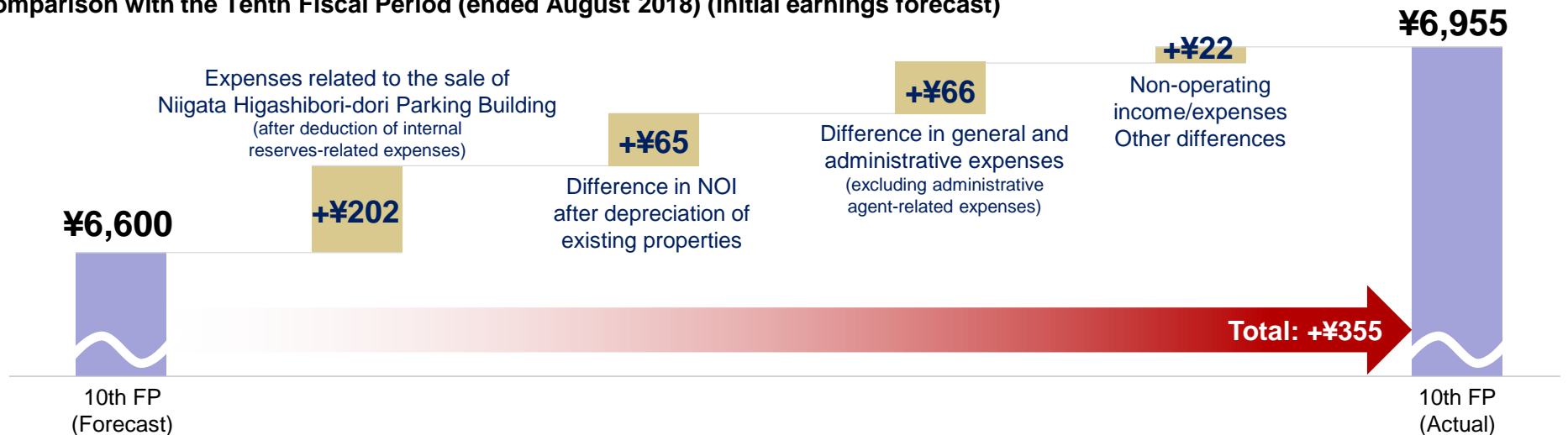
	Amount of Profit Change
① Occurrence of gain on sale of real estate, etc.	+172 million yen
② Difference in NOI after depreciation	+12 million yen
Difference in other revenue	+14 million yen
Difference in utilities revenues and expenses	+11 million yen
Increase in property management fees	-8 million yen
③ Difference in general and administrative expenses	+22 million yen
④ Difference in non-operating expenses	-11 million yen
⑤ Decrease of corporation tax, etc. (internal reserves-related)	-44 million yen

{ (BPS) approx. ¥213,000
(Unrealized gain) approx. ¥49,000

Comparison with Previous Period (9th FP)



Comparison with the Tenth Fiscal Period (ended August 2018) (initial earnings forecast)



- Although sale of real estate, etc. is not expected in the Eleventh Fiscal Period (Ending February 2019), NOI after depreciation increased significantly due to PO and property acquisitions.
- While full-period contribution of properties acquired in the previous period and increase in NOI after depreciation of existing properties are expected in the Twelfth Fiscal Period (ending August 2019), expenses related to PO and property acquisitions in the previous period including the expensing of fixed asset and city planning tax will also increase, and dividends per unit is expected to be 6,650 yen.

(Millions of yen)	Tenth fiscal period (Ended Aug. 2018) Actual	Eleventh fiscal period (Ending Feb. 2019) Forecast	Comparison with previous period	Twelfth fiscal period (Ending Aug. 2019) Forecast	Comparison with previous period
Operating revenue	3,438	3,866	+427	3,957	+90
Lease business revenue	2,950	3,506	+556	3,579	+72
Other lease business revenue	315	359	+43	378	+18
Gain on sales of real estate, etc.	172	-	-172	-	-
Expenses related to rent business (excludes depreciation)	1,063	1,176	+112	1,250	+74
Leasing NOI	2,202	2,690	+488	2,707	+16
Depreciation	440	488	+48	500	+11
NOI after depreciation	1,761	2,201	+439	2,206	+4
General and administrative expenses	267	276	+9	335	+59
Operating profit	1,667	1,925	+257	1,871	-54
Recurring profit	1,452	1,656	+204	1,596	-60
Net income	1,405	1,655	+249	1,595	-60
Dividends per unit	¥6,955	¥6,900	-¥55 (-0.8%)	¥6,650	-¥250 (-3.6%)
Period-end occupancy rate	99.1%	97.3%	-1.8%	98.2%	+0.9%

Certain amount of
vacancies (move-outs)
anticipated in earnings
forecasts

Comparison with Actual Performance of the Tenth Fiscal Period (Ended August 2018) and Forecast of the Eleventh Fiscal Period (Ending February 2019)

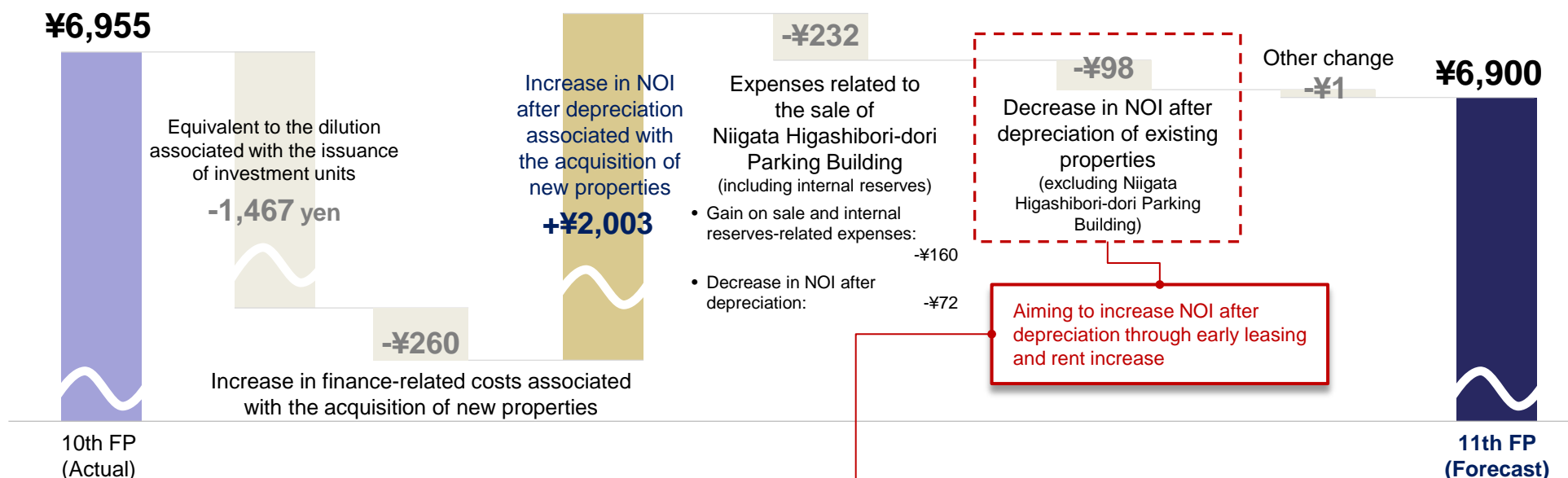
	Amount of Profit Change
1 Decrease in gain on sale of real estate, etc.	-¥172 million
2 Increase in NOI after depreciation	+¥439 million
3 Increase in general and administrative expenses, etc.	-¥9 million
4 Change in non-operating income/expenses	-¥53 million
5 Decrease in Corporation tax, etc.	+¥44 million

Comparison of Forecast for the Eleventh Fiscal Period (Ending February 2019) with Forecast for the Twelfth Fiscal Period (Ending August 2019)

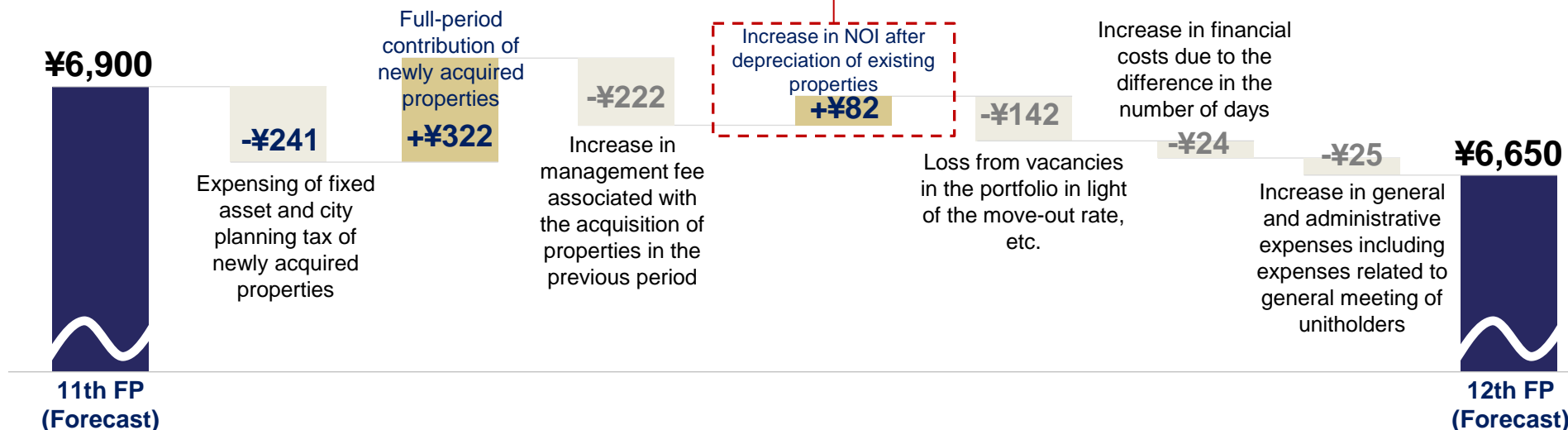
1 Increase in NOI after depreciation	+¥4 million
Full-period contribution of properties acquired in previous period	+¥77 million
Expensing of fixed asset and city planning tax of properties acquired in previous period	-¥57 million
Progress in leasing of existing properties	+¥19 million
Loss from vacancies in light of the move-out rate, etc.	-¥34 million
2 Increase in general and administrative expenses	-¥59 million
Increase in asset management fee associated with the acquisition of properties in the previous period	-¥53 million
Recording of expenses related to general meeting of unitholders	-¥8 million
3 Increase in finance-related costs	-¥5 million

Comparison with Actual Performance of the Tenth Fiscal Period (Ended August 2018) and Forecast of the Eleventh Fiscal Period (Ending February 2019)

Effect of PO +¥276



Comparison with Forecast of the Eleventh Fiscal Period (Ending February 2019) and Forecast of the Twelfth Fiscal Period (Ending August 2019)



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3 Growth Strategy



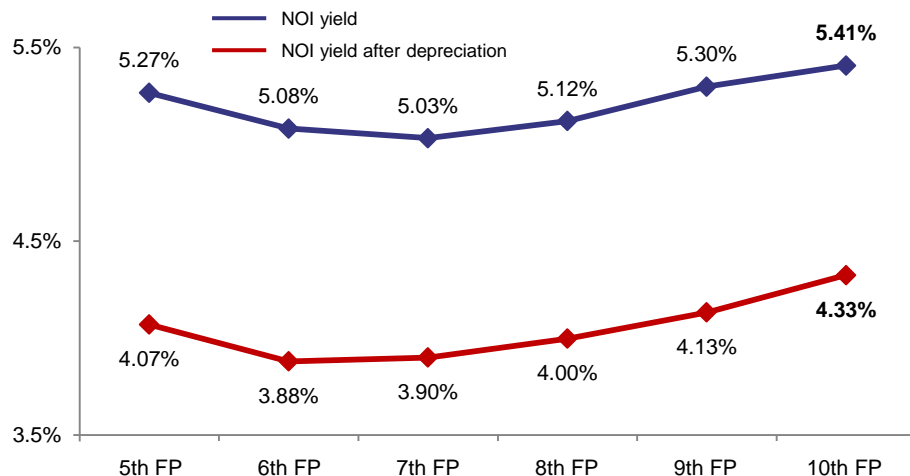
- Qualitative improvement of the portfolio such as the diversification of investment ratio and the mitigation of the degree of concentration of tenants continued with the replacement of assets and acquisition of new properties.

(Millions of yen)

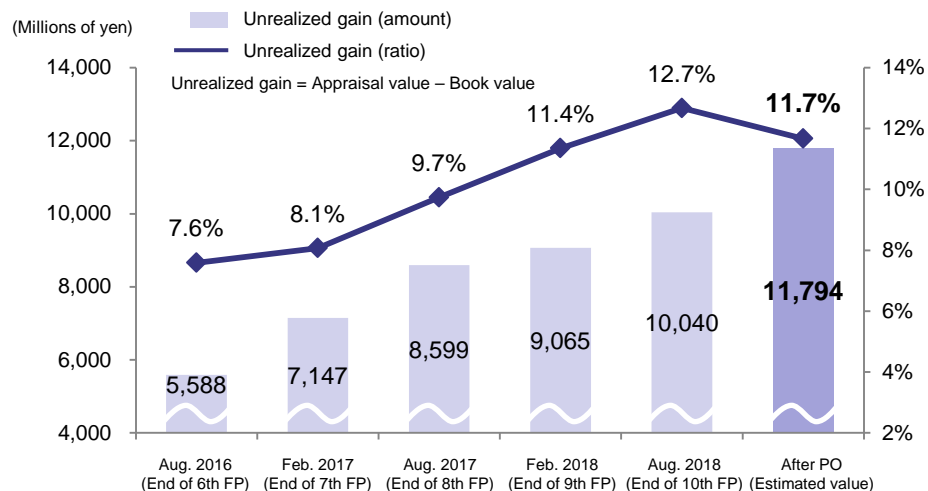
Property type and region	Property name	Location	Acquisition price	Investment ratio	Appraisal value (Note 1)	Unrealized gain	Period-end occupancy rate (Note 2)	Building age (years) (Note 3)	
Office buildings	Tokyo metropolitan area	SIA Kanda Square	Chiyoda Ward, Tokyo	7,350	7.2%	8,760	1,998	99.1%	11.4
		Tachikawa Nishiki-cho Building	Tachikawa City, Tokyo	3,264	3.2%	4,000	720	97.1%	27.3
		CP10 Building	Taito Ward, Tokyo	3,229	3.2%	3,350	202	100.0%	29.5
		Yokohama AP Building	Yokohama City, Kanagawa Prefecture	3,110	3.0%	3,800	675	100.0%	35.3
		Yushima First Genesis Building	Bunkyo Ward, Tokyo	2,751	2.7%	3,160	472	100.0%	27.1
		Miyaji Building	Nakano Ward, Tokyo	2,880	2.8%	3,360	517	100.0%	24.1
		36 Sankyo Building	Shinjuku Ward, Tokyo	2,395	2.3%	2,740	399	100.0%	26.9
		Minami-Shinagawa JN Building	Shinagawa Ward, Tokyo	2,165	2.1%	2,064	-100	100.0%	28.2
		Minami-Shinagawa N Building	Shinagawa Ward, Tokyo	2,292	2.2%	2,310	74	100.0%	24.2
		Minami-Shinagawa J Building	Shinagawa Ward, Tokyo	2,020	2.0%	2,370	418	100.0%	26.2
		MY Atsugi Building	Atsugi City, Kanagawa Prefecture	1,240	1.2%	1,350	183	100.0%	30.0
		Hachioji SIA Building	Hachioji City, Tokyo	730	0.7%	823	128	100.0%	25.0
		Glass City Motoyoyogi	Shibuya Ward, Tokyo	7,500	7.3%	7,970	450	100.0%	26.4
		Okachimachi CY Building	Taito Ward, Tokyo	2,700	2.6%	2,870	84	100.0%	32.3
		Daido Life Omiya Building	Saitama City, Saitama Prefecture	3,000	2.9%	3,120	89	100.0%	26.9
		Yamagami Building	Toshima Ward, Tokyo	2,200	2.2%	2,290	79	85.0%	27.0
		Crescendo Building	Yokohama City, Kanagawa Prefecture	2,466	2.4%	2,500	34	100.0%	31.2
		Tokyo Parkside Building	Koto Ward, Tokyo	10,450	10.2%	11,000	550	100.0%	27.0
		Ordinance-designated cities, etc.	Central Shin-Osaka Building	Osaka City, Osaka Prefecture	4,612	4.5%	5,490	1,146	97.7%
	Karasuma Plaza 21		Kyoto City, Kyoto Prefecture	3,700	3.6%	3,810	-49	97.5%	31.8
	Stoke Building Nagoya		Nagoya City, Aichi Prefecture	2,381	2.3%	2,870	468	100.0%	27.4
	MY Kumamoto Building		Kumamoto City, Kumamoto Prefecture	1,152	1.1%	1,330	225	100.0%	30.9
	Nagoya Fushimi Square Building		Nagoya City, Aichi Prefecture	4,812	4.7%	5,150	296	98.9%	30.8
	Daihakata Building		Fukuoka City, Fukuoka Prefecture	10,650	10.4%	11,500	790	99.9%	43.0
	Higobashi Center Building		Osaka City, Osaka Prefecture	8,930	8.7%	10,100	1,170	98.3%	41.0
Subtotal • Average			97,979	95.8%	108,087	11,027	99.1%		
Retail facility	fab Minami-Osawa	Hachioji City, Tokyo	4,250	4.2%	4,780	766	100.0%	16.8	
Total • Average			102,229	100.0%	112,867	11,794	99.1%	29.1	

- Portfolio yield increased through asset replacement conducted in the Ninth Fiscal Period (Ended February 2018) and Tenth Fiscal Period (Ended August 2018), maintenance of a high occupancy rate and steady rent increase. Also, the appraisal value increased and the portfolio's unrealized gain (amount and ratio) expanded steadily.
- One REIT maintained the percentage of core investment target areas in the portfolio at above 90% by continuing to conduct selective investment.

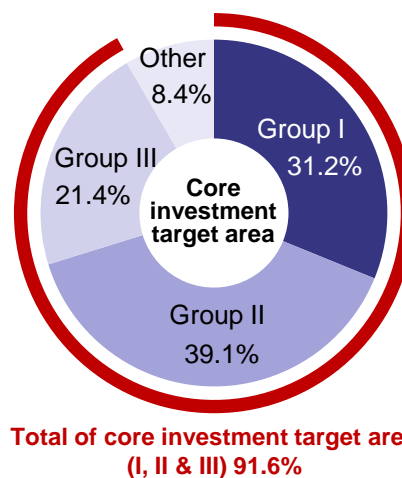
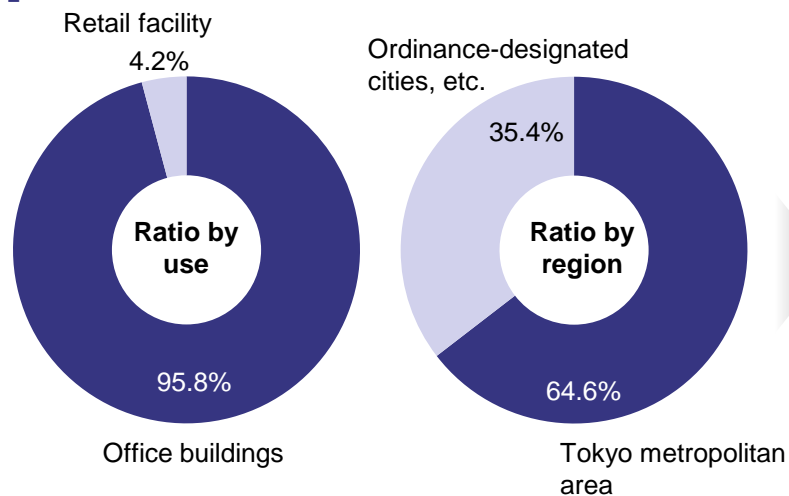
Portfolio Yields (Note 4)



Portfolio's Unrealized Gain and Unrealized Gain Ratio



Investment Ratio (After PO, based on acquisition price)



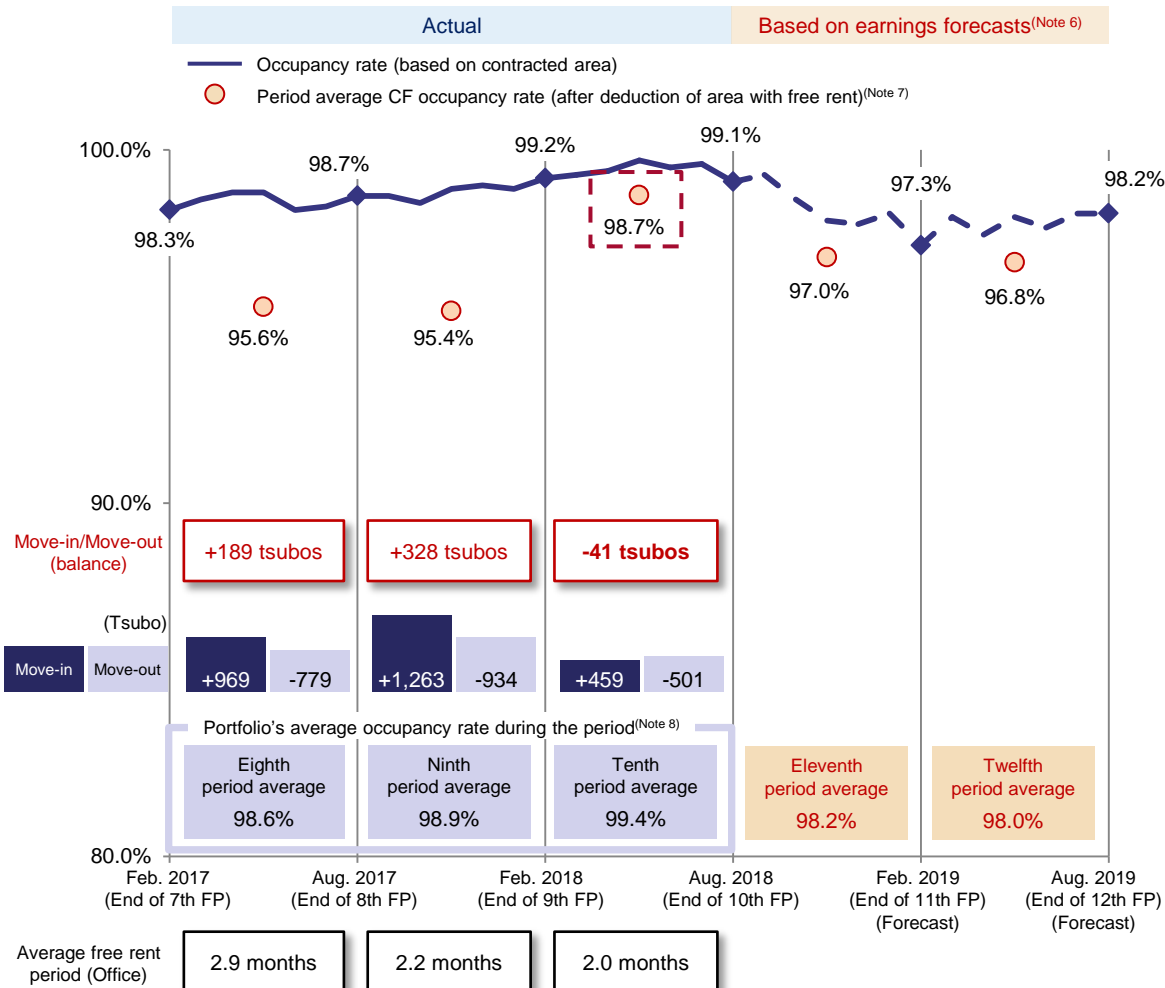
<Components of Core Investment Target Area>

	Tokyo metropolitan area	Ordinance-designated cities, etc.
I	8 central wards of Tokyo*	
II	23 wards of Tokyo (excluding the 8 central wards)	Central areas of Osaka
	Major areas in Yokohama	Central areas of Nagoya
III	Major areas in Kawasaki	Central areas of Fukuoka
	Major areas in Saitama	Central areas of Sapporo
	Major areas in Hachioji, Machida, Tachikawa, Musashino, Chofu and Fuchu	Central areas of Sendai

* The 8 central wards refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya, Toshima, Taito and Shinagawa wards.

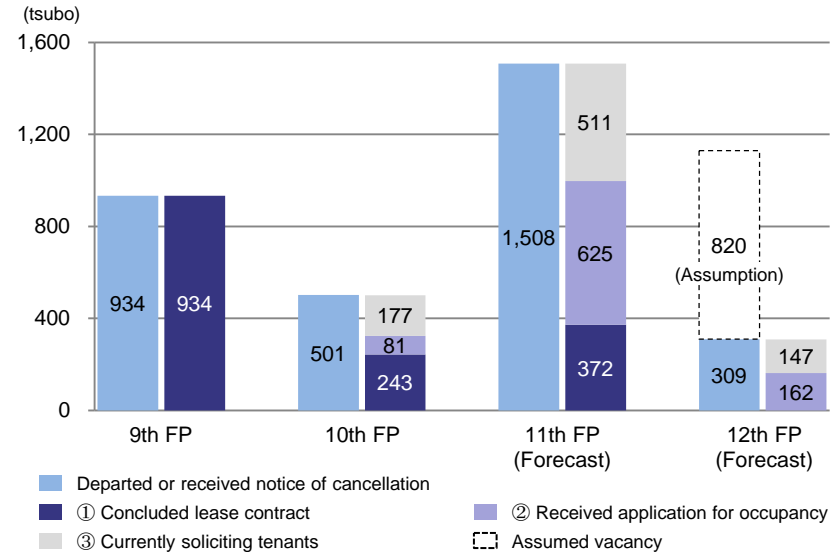
- Period average CF occupancy rate was at the highest level ever as the occupancy rate remained high and there were only a few tenant departures in the Tenth Fiscal Period (ended August 2018) but tenant departure is expected to increase in the Eleventh Fiscal Period (Ending February 2019).
- However, leasing is progressing smoothly as lease contracts for 66% of the area scheduled to be vacated in the Eleventh Fiscal Period (Ending February 2019) have already been concluded and application for occupancy of such area has been received.
- One REIT aims to increase portfolio NOI by focusing on the shortening of vacancy periods and free rent periods associated with tenant replacement and increase in unit rent through leasing activities.

Portfolio Occupancy Rate



Status of Progress in Leasing of Departed Area (Note 5)

(as of October 11, 2018)

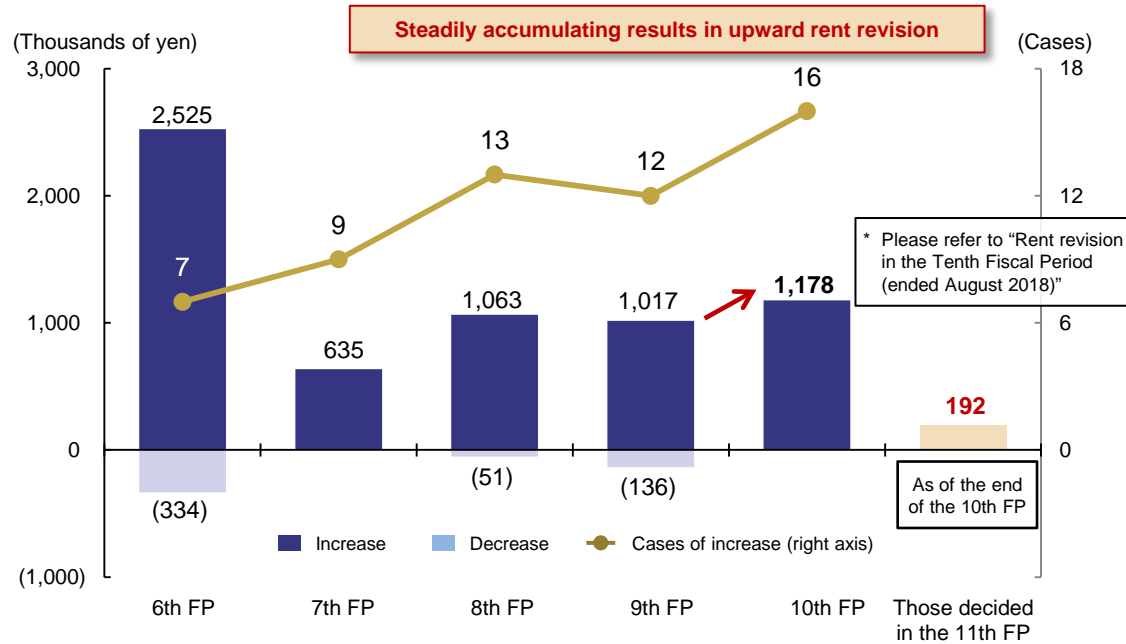


- <①Sections for which lease contacts have already been concluded +
②sections for which application for occupancy have been received>

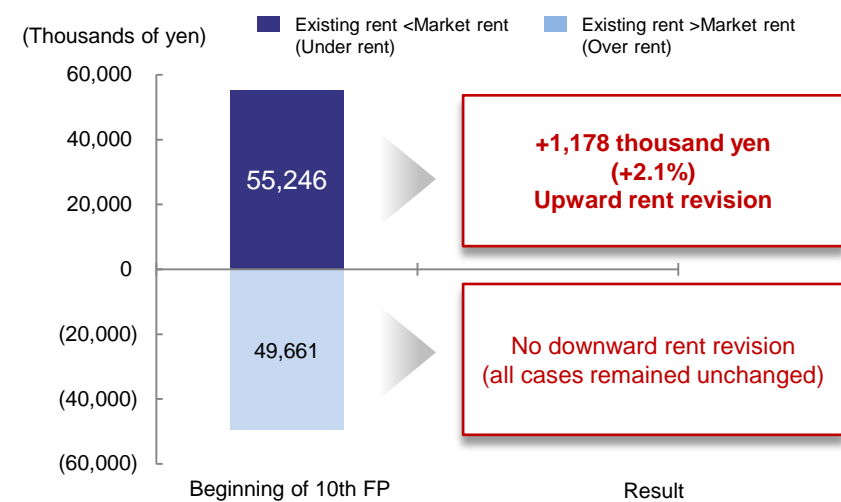
Departure period	Ratio to departed area	Increase rate of average rent unit price
10th FP	64.7%	21.9%
11th FP	66.1%	12.6%
12th FP	52.5%	3.0%

- Rent (based on monthly rent) increased by 15.8% period-on-period, exceeding 1,000 thousand yen for the third consecutive quarter against the backdrop of the favorable office market and no cases of decrease in rent.
- As for the simple average in the past three periods, the amount of rent increase was 1,086 thousand yen, rent increase rate was 11.4% and the ratio of the number of cases of rent increase was 15.0%.

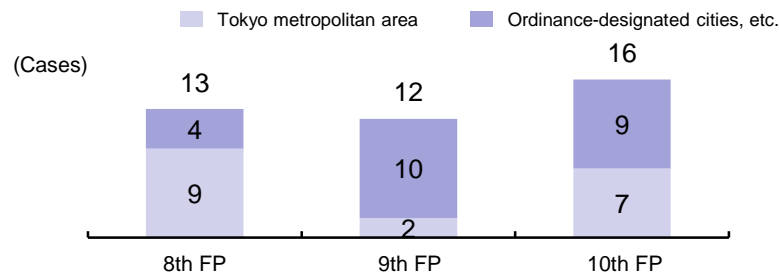
Amount of Change in Revised Rents (Based on monthly rent)



*Rent revision in the Tenth Fiscal Period (ended August 2018)

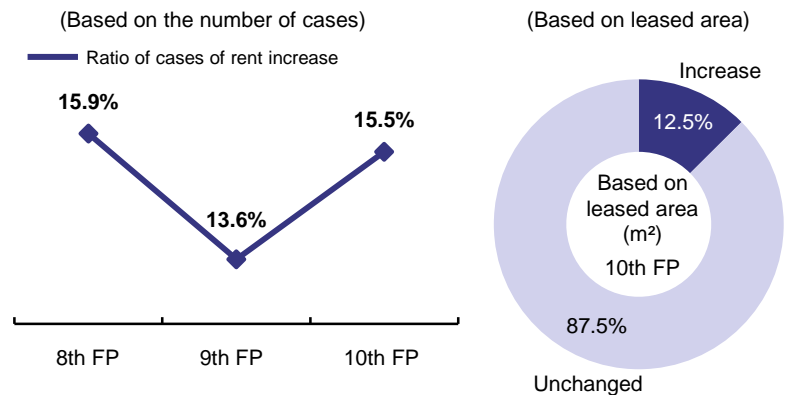


Number of Cases of Rent Increase and Increase Rate



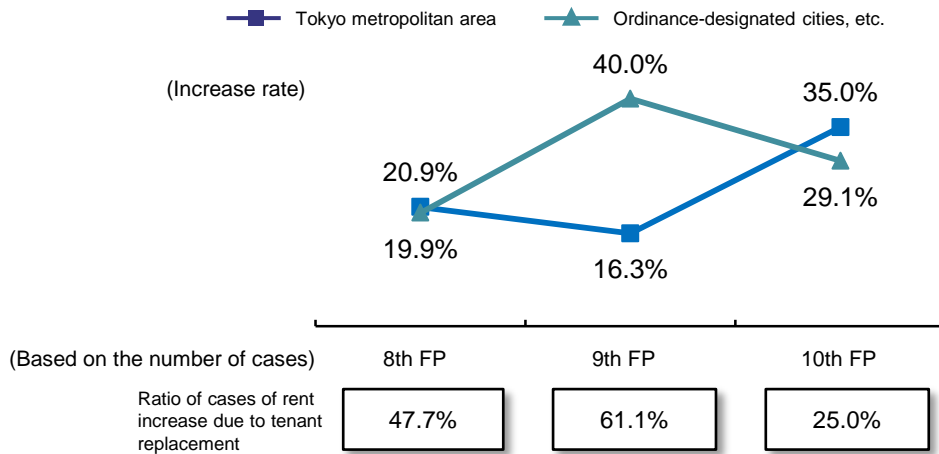
Rent increase rate	13.0%	12.9%	8.4%
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Rent Revision (Ratio of the number of cases and leased area)

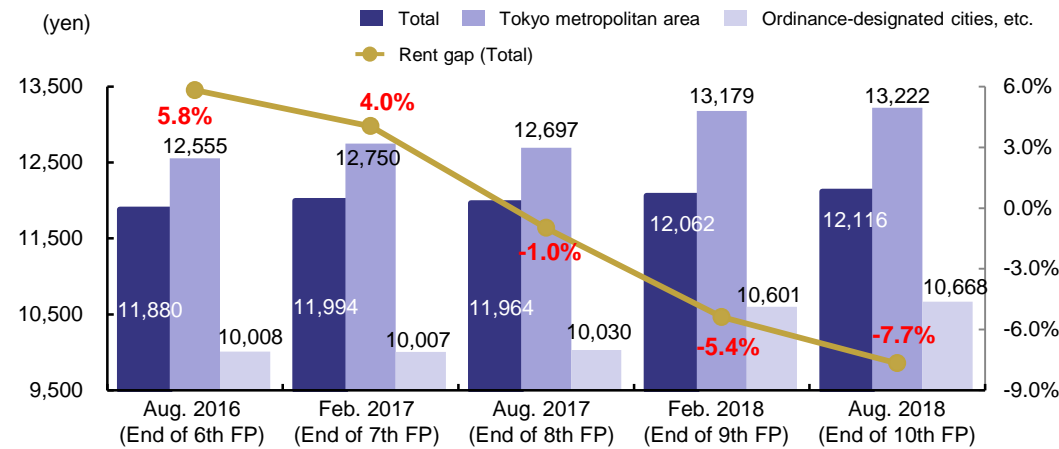


- Expansion of rent gap (contracted rent < market rent) from the Ninth Fiscal Period (Ended February 2018) continued in the Tenth Fiscal Period (Ended August 2018) and is expected to increase in the Eleventh Fiscal Period (Ending February 2019) but One REIT plans to conduct leasing with an aim to increase upward rent revision per unit as well as increase rent upon tenant replacement.
- Tenant departure rent associated with tenant replacement in addition to early refilling.

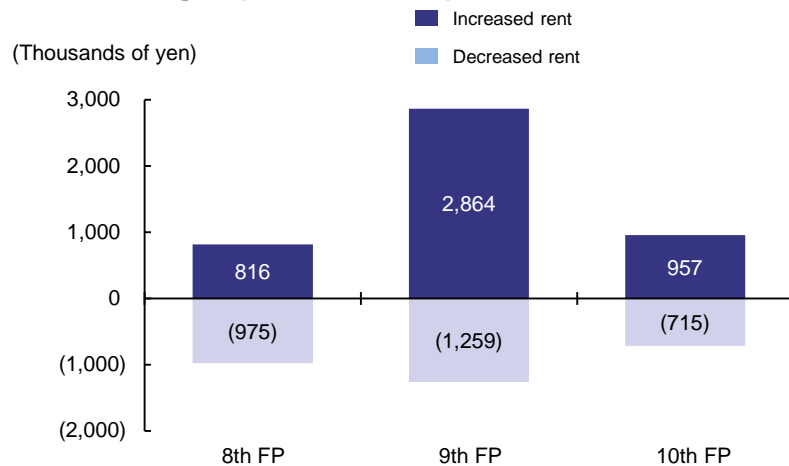
Increase Rate of Unit Rent Upon Tenant Replacement



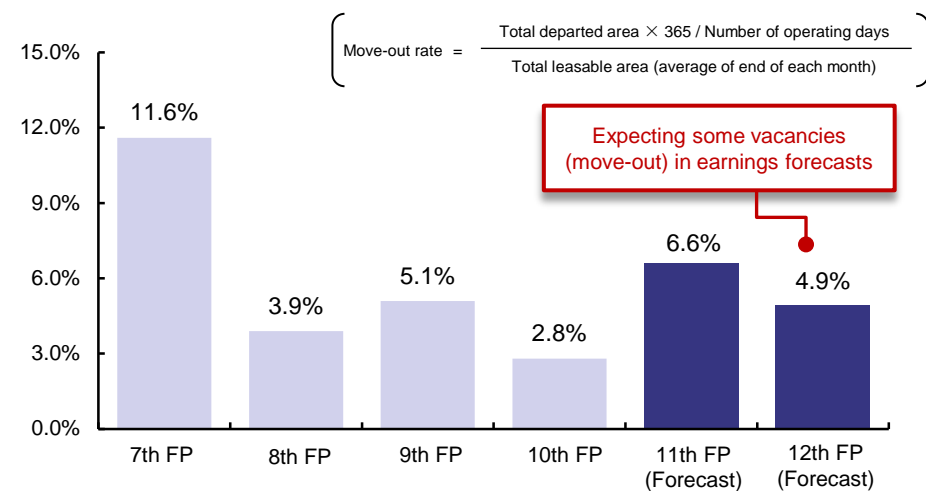
Average Rent^(Note 9) (month/tsubo) and Rent Gap



Amount of Change Upon Tenant Replacement (Based on monthly rent)

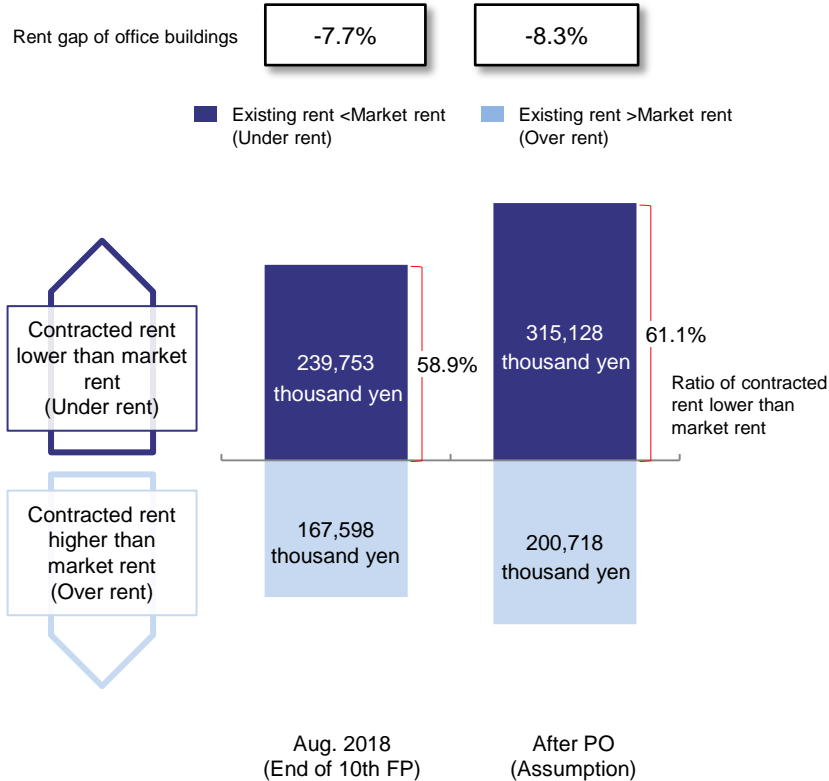


Office Move-out Rate (Annual rate)

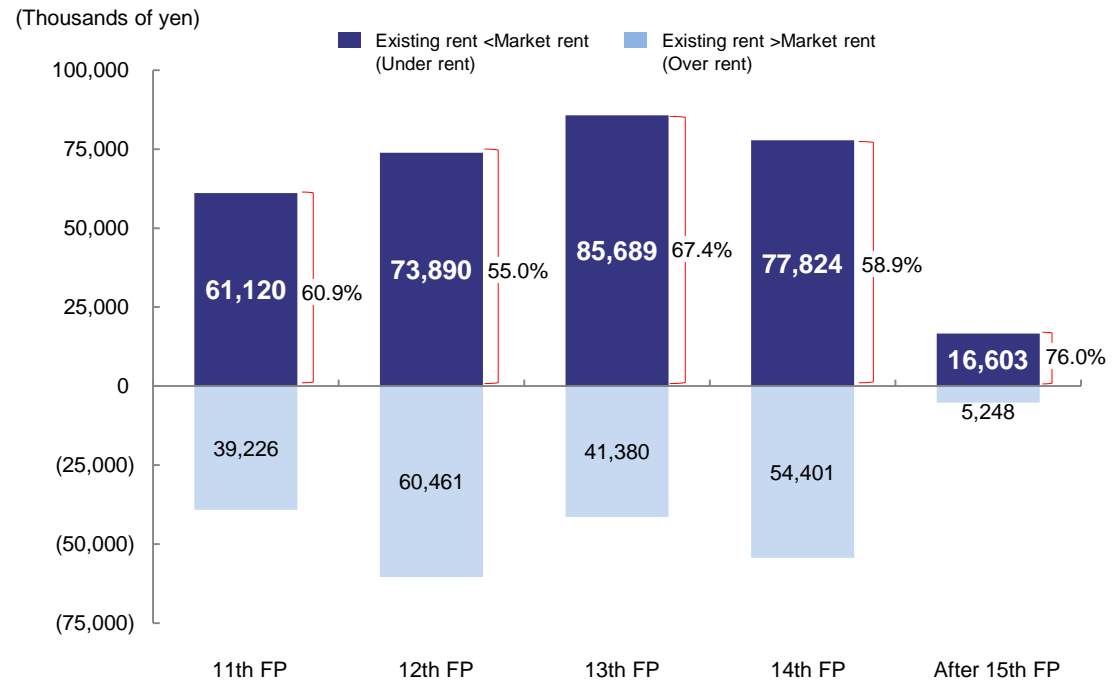


- Contracts concluded at a rent level in which an upturn such as rent increase can be expected increased with the acquisition of 3 new properties in September 2018.
- One REIT focuses on the increase in unit rent including rent increase through tenant replacements by further strengthening the partnership with the PM companies of each property and starting negotiations for rent increase ahead of schedule.

Status of Contracted Rent and Market Rent



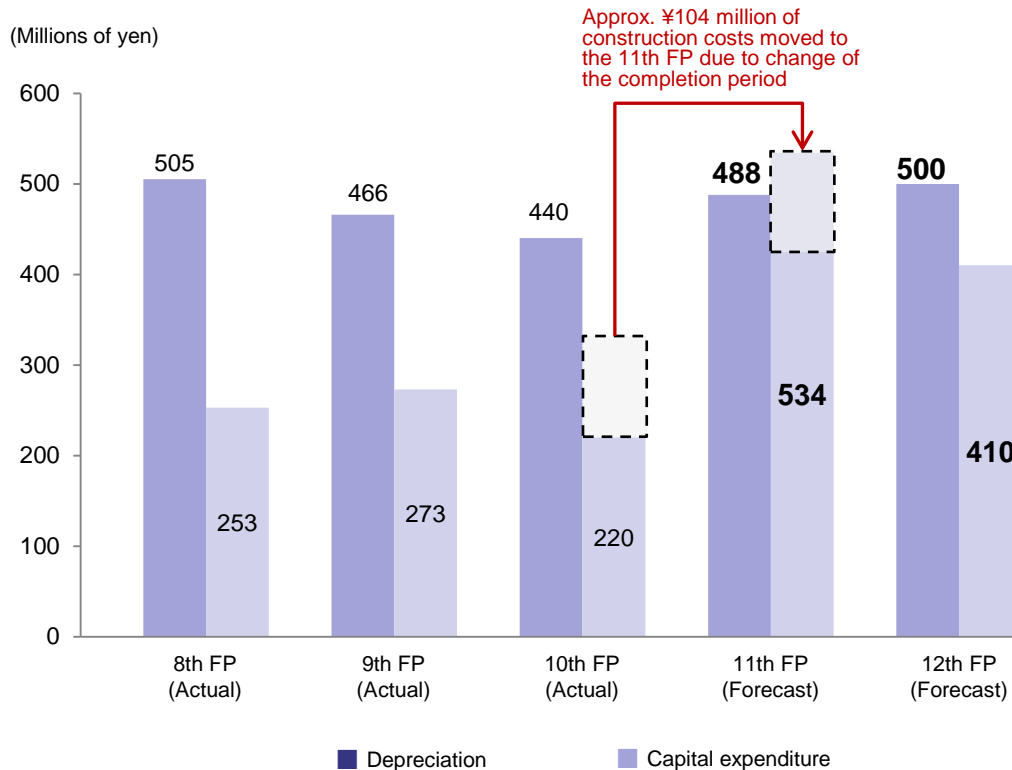
Status of Distribution by Period of Expiry of Contracts (Assumption after PO)



- In principle, One REIT has a policy to maintain the amount of its capital expenditure within a range of 80% to 90% of depreciation in each period, however in the Eleventh Fiscal Period (Ending February 2019), this will significantly exceed the designated amount as capital expenditure originally scheduled to be conducted in the previous period will be conducted in the period.
- Capital expenditure is composed of value enhancement work for improving the competitiveness of each property and facility renewal work due to aging, and One REIT plans to assess the management status and cost effectiveness of each property and systematically implement both construction works by setting priorities.

Depreciation and Capital Expenditure

(Millions of yen)



• Breakdown of Capital Expenditure in the Eleventh Fiscal Period (ending February 2019)

Items on construction work	Amount of budget (Millions of yen)	Ratio
Value enhancement work	173	32.4%
Other than value enhancement work	361	67.6%
Total	534	100.0%

• Breakdown of Capital Expenditure in the Twelfth Fiscal Period (ending August 2019)

Items on construction work	Amount of budget (Millions of yen)	Ratio
Value enhancement work	73	17.9%
Other than value enhancement work	336	82.1%
Total	410	100.0%

- One REIT plans to assess the management status and cost effectiveness of each property and systematically implement value enhancement work by setting priorities. The following value enhancement work will be implemented for the meanwhile.

Major Value Enhancement Plans^(Note 10)



Yushima First Genesis Building



Miyaji Building



Glass City Motoyoyogi



Okachimachi CY Building



Karasuma Plaza 21



Yamagami Building

11th FP

Scheduled to be renovated

Renovations
2-3F ELV hall

Comfort Convenience

Introduction of
contactless IC card

Safety Convenience

Around 1F entrance
• Renewal of sign

Comfort Convenience

Renovation of
7F common space

Comfort Convenience

Individual air conditioning at 1F

Comfort Convenience

Renovation of entrance
(including fixtures and fittings)
on 2F

Comfort Convenience

Individual air conditioning 4/4
(Scheduled to be completed in the 11th FP)

Comfort Convenience

* Considering effective utilization
of excessive rooftop space
through individualization

Renovations of
around 1F entrance and
3F common space

Comfort Convenience

Introduction of
contactless IC card

Safety Convenience

12th FP

Scheduled to be renovated

Renovation of elevator hall,
WC and kitchenette on 6-7F

Comfort Convenience

Individual air conditioning at 5F

Comfort Convenience

Renovation of
8F common space

Comfort Convenience

Change of Property Name (schedule)

- One REIT is scheduled to change the names of 7 buildings to those with “ONEST” as of March 1, 2019 by comprehensively taking into account the progress in value enhancement work of common space, air conditioner, etc. and the occupancy situation.
- One REIT plans to continue to systematically implement value enhancement work and sequentially change the building name.

(Building name and image)

ONEST □□ビル
ONEST □□□□□BLDG

- One REIT newly acquired assessment certifications in “CASBEE for Real Estate” for 6 properties in August 2018. In addition, it participated in GRESB Real Estate Assessment this year.

Acquisition of Assessment Certification in “CASBEE for Real Estate”



- The following 6 properties owned by One REIT acquired “Rank A (Very Good)” for their energy saving performance, water consumption, traffic convenience and other factors.
- One REIT will continue to promote the acquisition of assessment certification including those for newly acquired assets.

Properties which acquired “Rank A” this time



Tachikawa Nishiki-cho
Building



Hachioji SIA Building



Yamagami Building



Yushima First Genesis
Building



Daido Life Omiya
Building



Nagoya Fushimi Square
Building

Properties which acquired CASBEE certification



- Property name: SIA Kanda Square
- Acquisition period: April 2014
- Rating: Rank A

Obtained “Green Star” in GRESB Real Estate Assessment



- One REIT was evaluated in terms of its efforts on environmental consideration and sustainability, including the establishment of an internal system for consideration on sustainability and the acquisition of environmental certifications, and acquired the “Green Star” assessment.
- One REIT was granted “2 Stars” in “GRESB Rating,” which represents relative assessment based on overall GRESB score.
- One REIT will handle various issues to continuously acquire “Green Star” and improve its “GRESB Rating” from the next fiscal year onward.

Efforts for Qualitative Improvement of the Portfolio Through Replacement and Acquisition

External Growth
Strategy

- Asset size reached 100 billion yen, the initial target, with the acquisition of 2 properties by conducting asset replacements for two consecutive periods and public offering for the first time in two years.
- One REIT realized the expansion of asset size while implementing qualitative improvement of the portfolio such as tenant diversification, locational improvement and increase in NOI yield after depreciation of portfolio.

Overview of Asset Replacement

(Implemented August and September 2018)

- Progress in tenant diversification
- Locational improvement
- Achievement of unrealized gains



Niigata Higashibori-dori
Parking Building



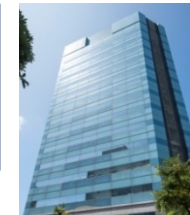
Crescendo Building

	Sale	Acquisition
	Niigata Higashibori-dori Parking Building	Crescendo Building
Use	Retail facilities	Office building
Location	Niigata City, Niigata Prefecture (Ordinance-designated cities, etc.)	Yokohama City, Kanagawa Prefecture (Tokyo metropolitan area)
Sale/ Acquisition Price	¥620 million	¥2,466 million
Number of tenants ^(Note 11)	1	31
Form of rights	Building with leasehold rights	Ownership

Overview of Public Offering and Acquired Properties

Offering method	Domestic offering
Issuance resolution date	Tuesday, September 4, 2018
Pricing date	Wednesday, September 12, 2018
Number of new investment units issued	50,610 units (Including third-party allotment)
Issue price	¥227,662
Issue value	¥219,956
Total amount procured	¥11,131 million yen (Including third-party allotment)

- Acquired the largest properties in Tokyo and Osaka at a level exceeding the yield of the existing portfolio



Tokyo Parkside
Building



Higobashi Center
Building

	Acquisition	
	Tokyo Parkside Building	Higobashi Center Building
Use	Office building	Office building
Location	Koto Ward, Tokyo	Osaka City, Osaka Prefecture
Acquisition Price	¥10,450 million	¥8,930 million
Number of tenants ^(Note 12)	15	64
NOI yield after depreciation	4.48%	4.82%

Effect of Replacement and Property Acquisition on Portfolio

Asset size		Ratio of top 10 tenants		Walking distance from station (Average)		NOI yield after depreciation of portfolio	
Feb. 2018 (End of 9th FP)	After PO	Feb. 2018 (End of 9th FP)	After PO	Feb. 2018 (End of 9th FP)	After PO	9th FP	12th FP (forecast)
¥80.8 billion	¥102.2 billion	15.8%	14.2%	5.3 minutes	4.5 minutes	4.13%	4.28%

Efforts for Qualitative Improvement of the Portfolio Through Replacement and Acquisition

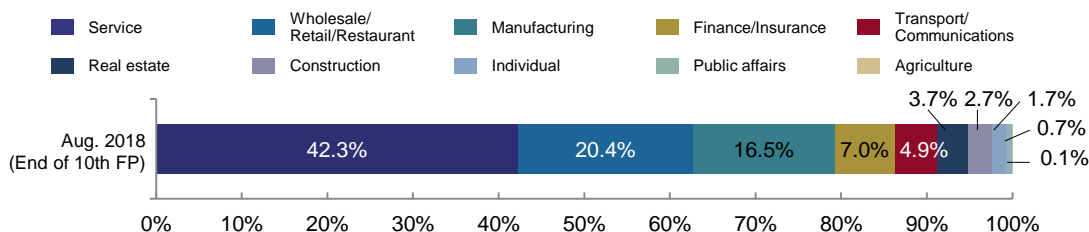
External Growth
Strategy

- The ratio of top 10 tenants after the public offering decreased from 15.8% at the end of the Ninth Fiscal Period (ended February 2018) to 14.2%. Stabilization of portfolio is progressing steadily with the expansion of asset size.
- The average leased area of office tenants is 91 tsubos and the ratio of tenants occupying less than 200 tsubos is 88.6% (based on the number of cases). One REIT built a portfolio with a high degree of dispersion centering on small-scale tenants.

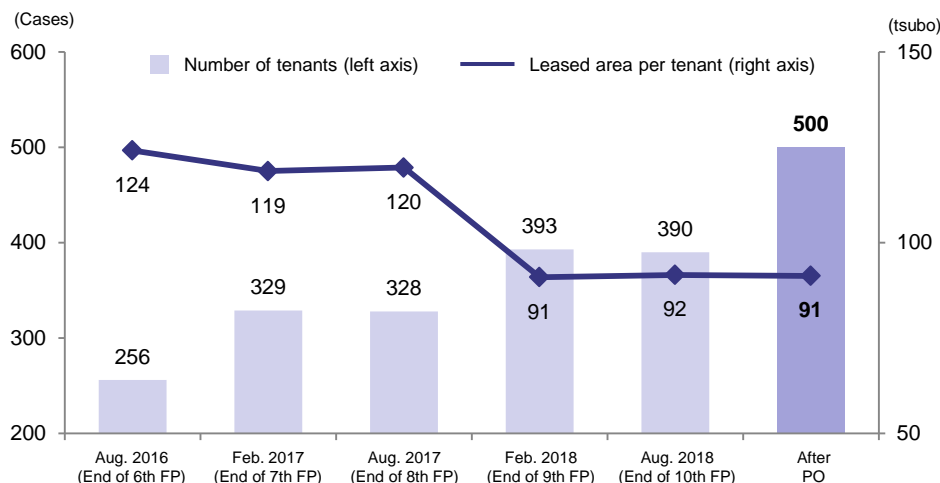
Status of Top Tenants After Acquisition of New Properties (After PO)

	Name of tenant	Leased floor area (Tsubo) (Note 13)	% of total leasable floor area (Note 14)	Property occupied
1	TOHO Cinemas, Ltd.	1,731.84	3.6%	fab Minami-Osawa
2	Nakanihon Engineering Consultants Co., Ltd.	917.52	1.9%	Stoke Building Nagoya
3	TDS Co, Ltd.	703.08	1.4%	36 Sankyo Building
4	Original Engineering Consultants Co., Ltd.	591.31	1.2%	Glass City Motoyoyogi
5	(undisclosed) ^(Note 15) Business type: information system-related	587.14	1.2%	Tokyo Parkside Building
6	(undisclosed) ^(Note 15) Business type: information system-related	483.53	1.0%	Tokyo Parkside Building
7	(undisclosed) ^(Note 15) Business type: general incorporated foundation	480.17	1.0%	Tokyo Parkside Building
8	(undisclosed) ^(Note 15) Business type: automobile related company	475.72	1.0%	Glass City Motoyoyogi
9	(undisclosed) ^(Note 15) Business type: retail-related	465.68	1.0%	Central Shin-Osaka Building Higobashi Center Building
10	Toshiba Lighting & Technology Corporation	459.62	0.9%	Minami-Shinagawa JN Building
Total of top 10 tenants		6,895.61	14.2%	(Reference) End of the 9th FP: 15.8%

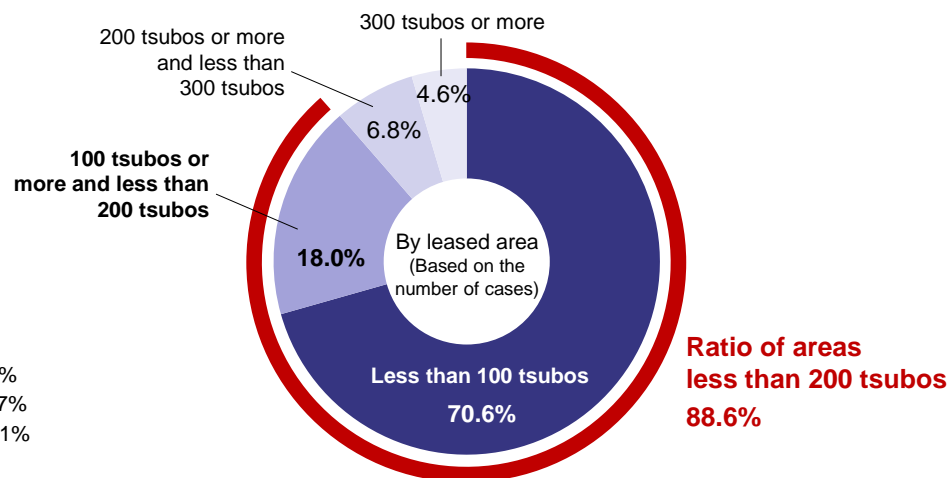
Status of Distribution of Tenants by Business Type (Based on leased area, offices, after PO)



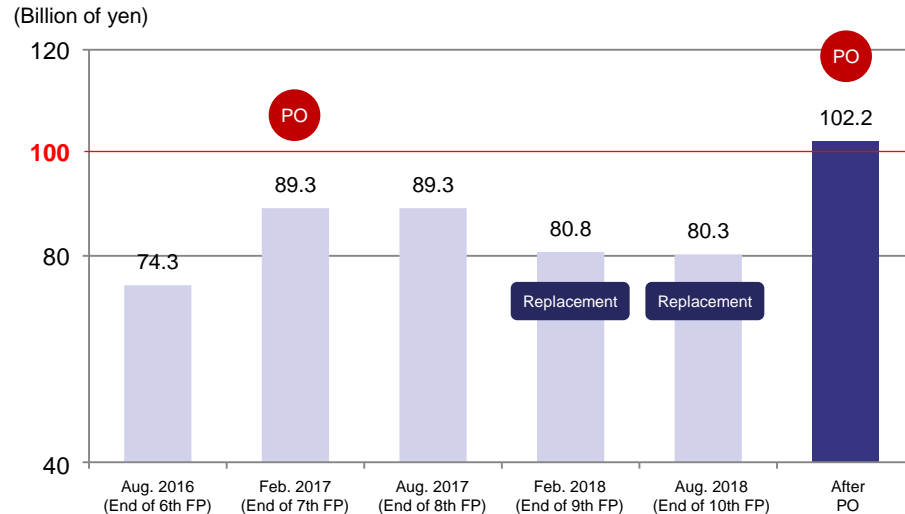
Number of Tenants and Leased Area per Tenant (Offices)



Status of Distribution of Tenants by Leased Area (Offices, after PO)



- One REIT plans to continue to conduct selective investment based on the current situation of the real estate market and realize external growth while returning profits to unitholders by achieving unrealized gain associated with asset replacement.
- One REIT aims to acquire new properties by utilizing the wide customer base of Mizuho Trust & Banking Co., Ltd., the sponsor, and the Asset Management Company Group's unique network.



Efforts made until now

- One REIT secured a pipeline for 7 properties worth 42.7 billion yen in 2016. It acquired the properties through POs and asset replacement.
- One REIT achieved an asset size of 100 billion yen, the initial target, while implementing qualitative improvement of the portfolio such as tenant diversification and increase in yield by utilizing pipeline properties. (Also contributed to the improvement of liquidity)

Setting the next issues through dialogue with market at roadshow presentation

Efforts Based on Dialogue with Market

Continue to implement qualitative improvement of portfolio based on asset replacement

- ✓ Focusing again on “location” and “area” and maintaining the stance of “selective investment.”
- ✓ Aiming to acquire properties by being aware of the rejuvenation of aged buildings as the average building age of portfolio became 29.1 years after the PO.
- ✓ Also deliberating a method to sell properties over multiple operating periods when selling properties.
- ✓ Also deliberating the use of leverage by taking into consideration the level of cash flow when deliberating asset replacement.
- ✓ Intending to raise NAV while returning profits to unitholders by achieving unrealized gain associated with asset replacements.

Average building age

Average building age of portfolio: **29.1 years**

Investment area ratio

Tokyo metropolitan area ratio: **64.6%**

Asset size

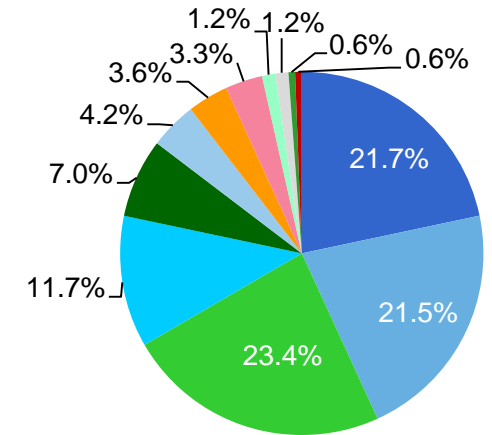
Next Target: **¥200 billion (Mid-term target)**

- The number of lenders increased to 12 with the addition of 4 new lenders upon implementing new borrowings (11 billion yen) associated with public offering and property acquisition.
- One REIT established a well-balanced stable lender formation centering on 3 megabank groups.

Summary of Interest-Bearing Debt (After PO)

Balance of borrowings	Average interest rate	Fixed-interest borrowings rate
51,198 million yen	0.589%	82.4%
Average procured years	Average remaining period ^(Note 16)	Status of external credit ratings [JCR]
3.70 years	2.45 years	Single A (Stable)

Balance of Borrowings by Lender (After PO)



Debt Financing Conducted in September 2018

(Millions of yen)				
Number of years	Type	Borrowing amount	Applied interest rate	Use
1 year	Floating	2,700	0.298%	Acquisition funds of Crescendo Building
1 year	Floating	300	0.298%	Consumption tax loan
5 years	Floating	2,000	0.498%	Acquisition funds of Tokyo Parkside Building and Higobashi Center Building
5 years	Fixed	6,000	0.672%	
Total/Average		11,000	0.538%	

Deliberation of extension of period including issuance of investment corporation bonds

Internal Reserve

Internal reserves (Balance)
Per unit: approx. 791 yen (Total: approx. 189.0 million yen)

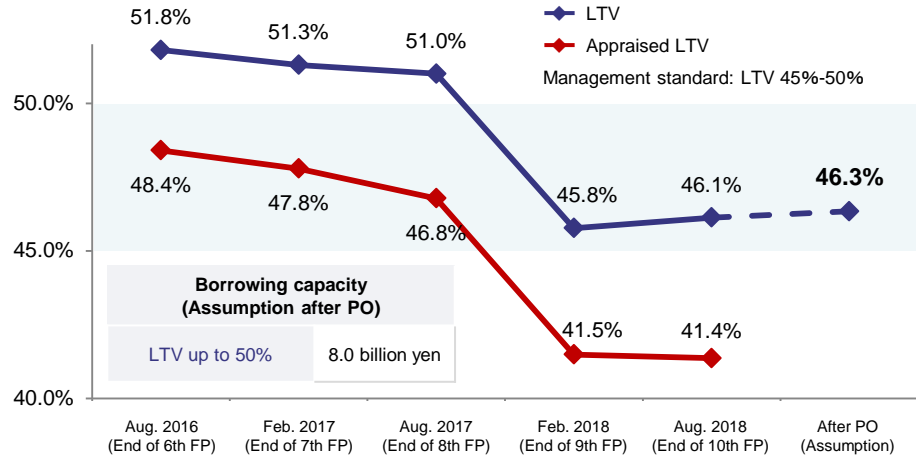
Deliberation of utilization in cases where temporary losses arise and for leveling of dividends

(Millions of yen)	
Mizuho Trust & Banking Co., Ltd.	11,098
Mizuho Bank, Ltd.	11,000
Sumitomo Mitsui Banking Corporation	12,000
Shinsei Bank, Limited	6,000
Resona Bank, Limited	3,600
Aozora Bank, Ltd.	2,150
The Bank of Fukuoka, Ltd.	1,850
The Mie Bank, Ltd.	1,700
The Nishi-Nippon City Bank, Ltd.	600
The Chugoku Bank, Ltd.	600
The Bank of Kyoto, Ltd.	300
Nippon Life Insurance Company	300
Total	51,198

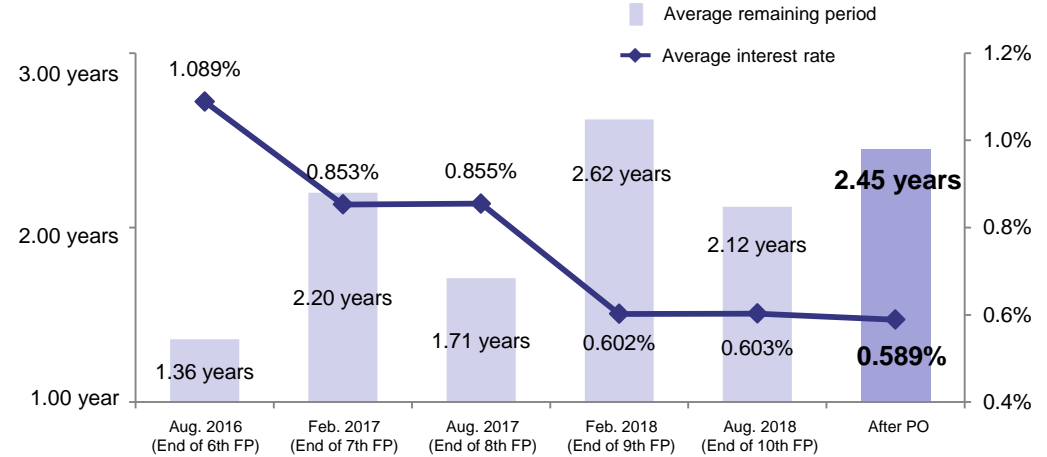
New lenders

- LTV (against total assets) is planned to be operated in the 45-50% range. Borrowing capacity with LTV up to 50% is expected to be approximately 8 billion yen after the PO.
- Some borrowings were implemented by applying a floating interest rate in order to secure a certain level of financial flexibility.

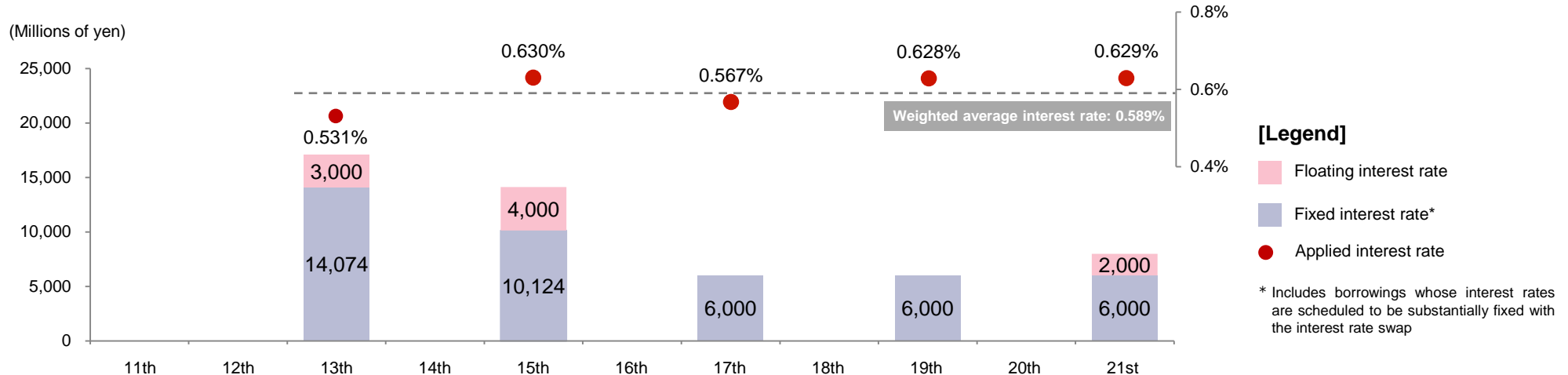
LTV (Ratio of Interest-Bearing Liabilities to Total Assets) and Appraised LTV (Note 17)



Average Interest Rate / Average Remaining Period



Diversification of Repayment Periods and Borrowing Interest Rate (After PO)



Measures and Effects Until Now

- Continuously implementing measures contributing to the increase in dividends in each period since the Eighth fiscal period (Ended August 2017)

	Main measures	Impact on dividends per unit	
Eighth fiscal period (Ended August 2017)	<ul style="list-style-type: none"> Change of name of investment corporation Decrease of asset management fee, etc. 	Increase due to decrease of asset management fee	: +¥253 (After the 9th FP)
Ninth fiscal period (Ended February 2018)	<ul style="list-style-type: none"> Sale of J Tower and acquisition of 3 properties (Daihakata Building, Daido Life Omiya Building and Yamagami Building) Repayment of borrowings (8.8 billion yen), strategic refinancing (16 billion yen) 	Effect of asset replacements, etc.	: +¥1,937 (Comparison with initial earnings forecast)
		Effect of repayment and refinancing	: +¥608 (After the 10th FP)
Tenth fiscal period (Ended August 2018)	<ul style="list-style-type: none"> Sale of Niigata Higashibori-dori Parking Building Acquisition of Crescendo Building 	Increase due to gain on sale of Niigata Higashibori-dori Parking Building	: +¥202
Eleventh fiscal period (Ending February 2019)	<ul style="list-style-type: none"> Second public offering Acquisition of Tokyo Parkside Building and Higobashi Center Building 	Effect of property acquisition and capital increase	: +¥260 (Comparison with initial earnings forecast)

Future Operation Policy

- One REIT plans to continuously implement measures contributing to the increase in dividends and investment unit price while improving the issues on the portfolio based on dialogue with market (investors)

Basic strategy and focal challenges from the 11th FP

- Sustainable growth of dividends**
- Disciplined external growth taking into consideration portfolio and financial structure**

1. Qualitative improvement of the portfolio

Investment area ratio, building age, etc.

2. Efforts for improving market value

Investment unit price (compared to NAV), liquidity, dividends, etc.

3. Expanding asset size

To achieve an asset size of 200 billion yen over the medium term

Internal Growth

- Maintenance of high occupancy rate
- Continuous efforts on upward rent revision
- Rent increase associated with tenant replacement, etc.

External Growth

- Aiming to continue conducting “selective investments” and expand the asset size while implementing qualitative improvement of portfolio through asset replacements
- Aiming to raise NAV while returning profits to unitholders by achieving unrealized gains associated with asset replacements

Financial Strategy

- Widely and flexibly deliberating various measures in accordance with market trend
⇒ Improvement of issuer rating, issuance of investment corporation bonds, etc.

3 Notes in Growth Strategy

- (Note 1) Appraisal value with the end of the 10th FP as the appraisal date is indicated for properties owned as of the end of the 10th FP and the appraisal value with July 1, 2018 as the appraisal date is indicated for the 3 Newly Acquired Properties.
- (Note 2) Occupancy rate as of the end of the 10th FP is indicated for properties owned as of the end of the 10th FP and the occupancy rate based on the information as of the end of August 2018 provided by each seller is indicated for the 3 Newly Acquired Properties. In the "Total·Average" column, the weighted average of the above occupancy rates are indicated.
- (Note 3) "Building age" indicates the number of years elapsed from the completion of owned assets to September 21, 2018, the acquisition (settlement) date of Tokyo Parkside Building and Higobashi Center Building. In the "Total·Average" column, the weighted average of the building age of owned assets is calculated based on acquisition price.
- (Note 4) Yields are based on acquisition price, are annualized according to the number of operating days in each operating period and are rounded to the first decimal place. The same calculation method and display format are applied hereafter in this document.
- (Note 5) The departed area for the 11th FP and 12th FP are based on the earnings forecast as of the date of this document and may differ from the actual departed area.
- ((Note 6) Occupancy rates based on earnings forecast are calculated based on the assumptions of the earnings forecast and may vary due to the progress in leasing, new move-out of tenants and other factors.
- (Note 7) Period average CF occupancy rate is calculated with the following formula and is rounded to the first decimal place:

$$\text{Period average CF occupancy rate (\%)} = (\text{Sum of total leased floor area at end of each month} - \text{Area subject to free rent in target operating period}) / \text{Sum of total leasable floor area at end of each month}$$
- (Note8) The average occupancy rate during the period (%) is calculated with the following formula and is rounded to the first decimal place:

$$\text{Sum of total leased floor area at end of each month} / \text{Sum of total leasable floor area at end of each month}$$
- (Note 9) "Average rent" is calculated by dividing the sum of each tenant's monthly rent and the common space charges indicated in their lease agreements by the leased floor space and does not include floor area in which lease agreements are yet to begin or where lease agreements are not yet concluded.
- (Note10) The plan is as of the date of this document and the content of construction work may be changed or cancelled due to revision of plan in the future and other factors.
- (Note11) For Niigata Higashibori-dori Parking Building the status as of August 31, 2018 is indicated while for Crescendo Building the status as of the end of August 2018 based on the information provided by the seller is indicated.
- (Note12) All figures indicate the status as of the end of August 2018 based on the information provided by each seller.
- (Note13) The "Leased floor area" column shows the floor area indicated in the lease agreements with each tenant effective as of the end of the ninth period. Leased floor area for Niigata Higashibori-dori Parking Building, parking spaces and land provided for other uses are not included. The figures for the 3 Newly Acquired Properties are calculated based on the information as of the end of August 2018 provided by each seller.
- (Note14) The "% of total leasable floor area" column shows each tenant's percentage of the total leasable floor area of all the assets One REIT owns and is rounded to the first decimal place. The figures for the 3 Newly Acquired Properties are calculated based on the information as of the end of August 2018 provided by each seller.
- (Note15) The information is undisclosed as consent for disclosure has not been obtained from either of the tenants.
- (Note16) The average remaining period is calculated by seeking the weighted average of remaining period as of the end of each period according to the balance of interest-bearing debt and is rounded down to the second decimal place.
- (Note17) Appraised LTV is calculated with the following formula and is rounded to the first decimal place:

$$\text{Appraised LTV (\%)} = \text{Period-end balance of interest-bearing debt} / (\text{Period-end total assets} + \text{Unrealized gain})$$



4 Appendix

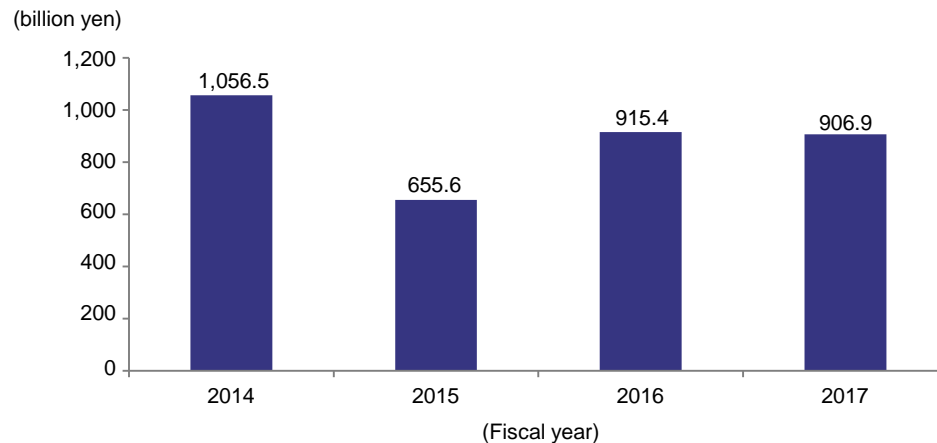


- Mizuho Trust & Banking provides diverse solutions for real estate businesses such as real estate brokerage, real estate asset management, and financial advisory, and has a reputation as one of the strongest players in the Japanese real estate market.

Overview of Mizuho Trust & Banking Co., Ltd.

Name	Mizuho Trust & Banking Co., Ltd.
Address	1-2-1 Yaesu, Chuo-ku, Tokyo
Representative	Tetsuo Iimori, President & CEO
Line of Business	Trust services, banking services
Established	May 9, 1925
Large shareholder and shareholding ratio	Mizuho Financial Group, Inc.: 100% (excluding treasury stock)

Real Estate Brokerage Business



Overview of support by Mizuho Trust & Banking Co., Ltd.

External growth support

Internal growth support

- ▶ Share information about assets in the market that meets One REIT's investment strategy
⇒ Increase AUM and improve portfolio quality
- ▶ Provide know-how about bridge fund
⇒ Future pipeline of asset acquisition
- ▶ Advise and support on asset acquisition and asset management, support on planning of leasing strategy
⇒ Acquire AM know-how and improve portfolio profitability
- ▶ Provide information about potential tenant
⇒ Maintain and improve occupancy rate
- ▶ Provide information about real estate market update
⇒ Improve investment strategy

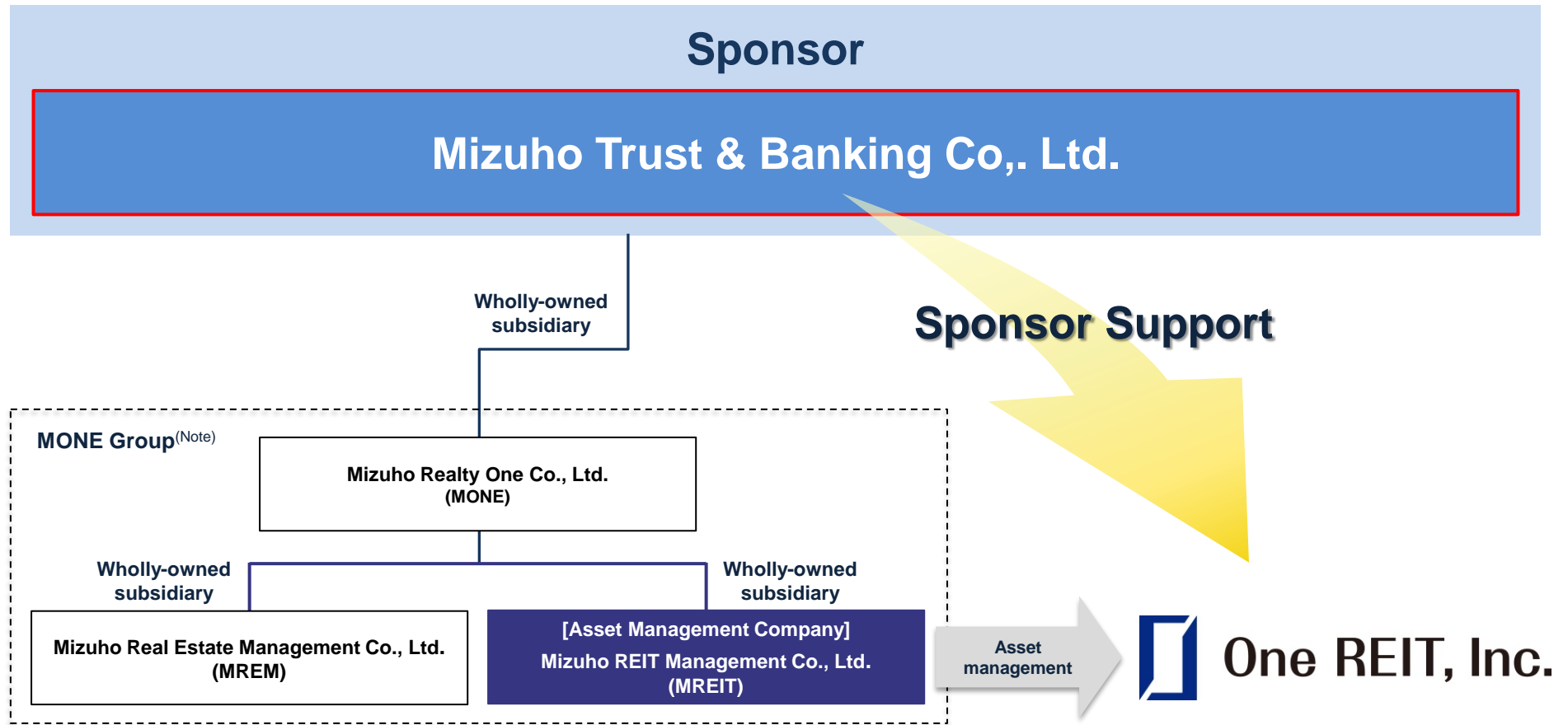
Financial strategy support

- ▶ Advise on financing structure such as ① debt financing, ② formation of syndicate banks
⇒ Improve financial structure and strengthening bank formation
- ▶ Advise and support about financing
⇒ Improve financial stability

Other support

- ▶ Same-boat investment
⇒ Share interests with unitholders
- ▶ Cooperative structure of sending experienced directors and employees to pursue investment management
⇒ Build an effective structure for growth of One REIT

- Aim to achieve sustainable and stable growth by utilizing sponsor support from Mizuho Trust & Banking



(Note) Mizuho REIT Management Co., Ltd. (the Asset Management Company), Mizuho Realty One Co., Ltd. and Mizuho Real Estate Management Co., Ltd. are collectively referred to as the MONE Group.



	Mizuho Real Estate Management Co., Ltd. (MREM)	Mizuho Realty One Co., Ltd. (MONE)	Mizuho REIT Management Co., Ltd. (MREIT)
Line of business	Real estate investment advisory services for investors in Japan and abroad	Administration of subsidiaries	Management of the Investment Corporation's assets
Established	September 10, 2007	October 28, 2015	July 1, 2005
Capital	¥100 million	¥100 million	¥50 million
Representative	Masao Sasahara, President and Representative Director	Masao Sasahara, President and Representative Director	Koji Hashimoto, President and Representative Director
Address of head office	Urbannet Nihonbashi 2-chome Building 4th Floor, 2-1-3 Nihonbashi, Chuo-ku, Tokyo	Urbannet Nihonbashi 2-chome Building 4th Floor, 2-1-3 Nihonbashi, Chuo-ku, Tokyo	Urbannet Nihonbashi 2-chome Building 4th Floor, 2-1-3 Nihonbashi, Chuo-ku, Tokyo
No. of directors/employees	41 (as of October 1, 2018) ^(Note)	24 (as of October 1, 2018) ^(Note)	30 (as of October 1, 2018) ^(Note)
Membership	Japan Investment Advisors Association		The Investment Trusts Association, Japan
Licenses, etc.	1. Financial Instruments Business Operator (Type II Financial Instruments Business; Investment Advisory and Agency Business; Investment Management Business): Kanto Financial Bureau (Kinsho) No.1915		1. Real Estate Brokerage License: Issued by the Governor of Tokyo (3), No.84787 2. Financial Instruments Business Operator (Investment Management Business): Kanto Financial Bureau (Kinsho) No.342 3. License No. 46 issued by the Minister of Land, Infrastructure, Transport and Tourism (Trading Agency Etc., License)

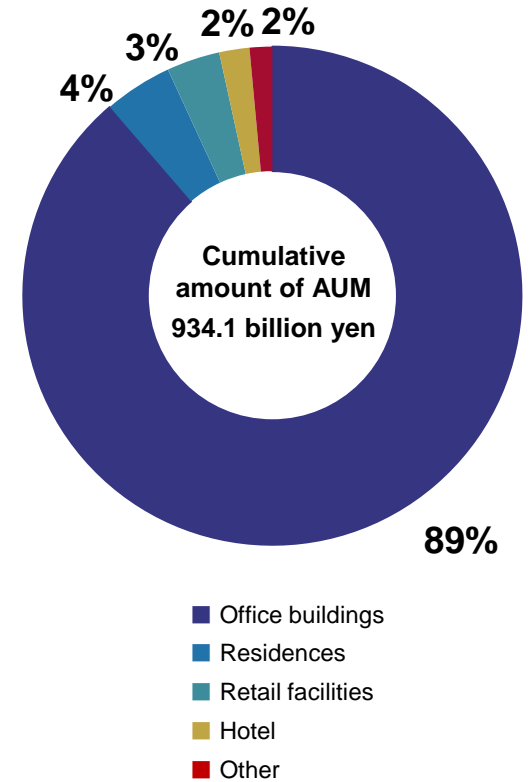
(Note) Includes full time auditors, contracted employees and employees on postings from other companies, and excludes outside directors and temporary staff. Includes members holding concurrent positions among MONE Group companies.

- Real estate investment and fund management record with asset size of over 930 billion yen since its founding in 2002

History

2002	June	Nikko Cordial Securities Inc. (at the time) and Simplex Holdings Inc. establish Simplex Investment Advisors Inc. (former SIA) to offer real estate investment advisory services
2005	June	Former SIA listed on Tokyo Stock Exchange Mothers market
	July	Simplex REIT Partners Inc. (SRP; currently Mizuho REIT Management Co., Ltd.) established for entry in the J-REIT market
2007	September	Simplex Real Estate Management Inc. (SRM; currently Mizuho Real Estate Management Co., Ltd.) established for the purpose of splitting up real estate investment advisory services
	November	Takeover bid of former SIA shares by the Aetos Group and Goldman Sachs Group completed
2011	February	Financial base strengthened through public offering with the Aetos Group's underwriting and long-term refinancing with financial institutions; the Aetos Group acquires the Goldman Sachs Group's former SIA shares at the same time, becoming the sole shareholder
2013	October	SIA REIT (currently One REIT, Inc.) listed on the J-REIT section of the Tokyo Stock Exchange
2015	December	Mizuho Trust & Banking acquired all of the shares of SRM and SRP through its subsidiary Simplex Investment Advisors Inc. (SIA; currently Mizuho Realty One Co., Ltd.) ^(Note 1)
2018	January	Trade name of SRP was changed to Mizuho REIT Management Co., Ltd.

Fund Formations and Management (cumulative)^{(Note 2), (Note 3)}



(Note 1) The trade name is the same as the former SIA but they are different companies.

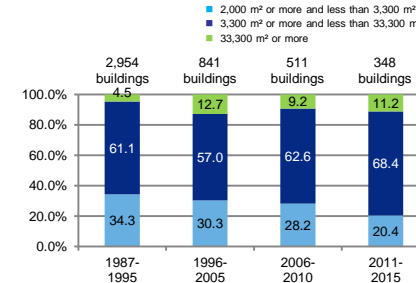
(Note 2) Indicates fund formation and management records in MONE Group (includes Simplex Investment Advisors Inc. which seceded from the sponsor of One REIT on November 30, 2015) which was invested in by investors other than MONE Group from the establishment in 2002 through the end of March 2018. The figures are calculated from the cumulative amount of acquisition prices as of the end of March 2018.

(Note 3) Includes funds that have ended and have refunded equity interests.

1 Portfolio Focusing on Middle-sized Office Buildings^(Note) as Core Investment Target

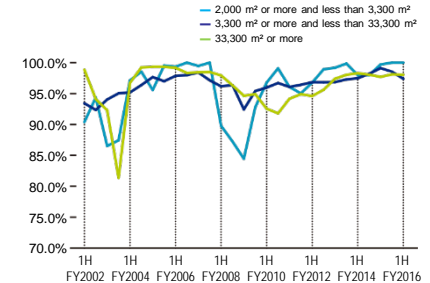
- A large number of middle-sized office buildings, the core investment target of One REIT, are located in the 23 wards of Tokyo, and One REIT believes that such buildings have a relatively large market scale and hold abundant acquisition opportunity.
- Middle-sized office buildings maintain a stable occupancy rate over the medium to long term. One REIT believes that middle-sized office buildings are an asset class in which stable profits can be expected and capable of sufficiently utilizing the knowledge and experience of the Asset Management Company, and has set such buildings as a core investment target.

Number of Housing Starts by Scale
(23 wards of Tokyo)



(Source) Created by the Asset Management Company based on the material created by Urban Research Institute Corporation based on the "Tokyo Metropolitan Government Annual Statistics Report on Construction."

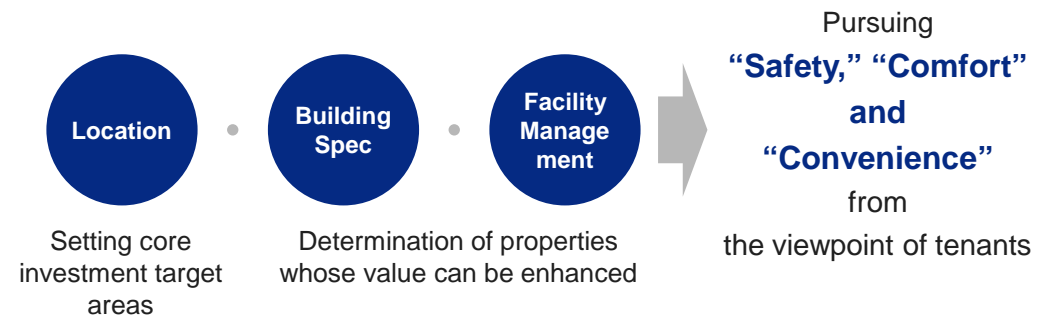
Stable occupancy rate over the medium term



(Source) Created by the Asset Management Company based on the material created by Urban Research Institute Corporation based on "ReiTREDA."

2 Pursuit of Essential Values of Real Estate—"Location" and "Building Specification"

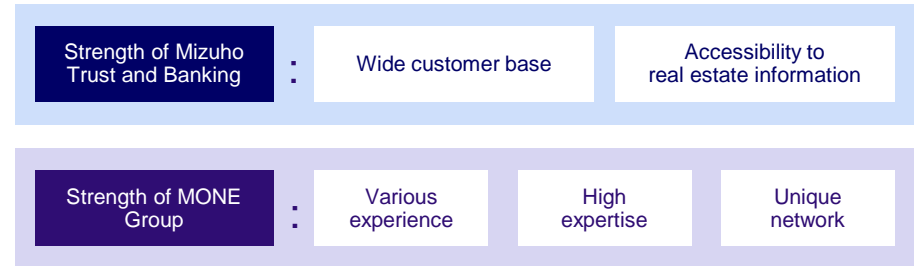
- One REIT believes that most of the essential values of real estate are dependent on "location" and "building specification (functionality, design, etc.)"
- One REIT will invest in carefully selected properties with high building specification situated at locations with high tenant needs and pursue the maintenance and improvement of building specifications over the long term with an aim to create buildings chosen by tenants by taking into consideration "safety," "comfort" and "convenience" from the viewpoint of tenants.



(Note) Middle-sized Office is a category of office building with a total floor area within the range of 3,300 m² (approximately 1,000 tsubo) to 33,000 m² (approximately 10,000 tsubo) as well as medium or medium- to large-scale office buildings with certain specifications that satisfy the needs of tenants

3 Utilization of Abundant and High-quality Property Information Obtained by Utilizing the Strength of Sponsors

- One REIT utilizes Mizuho Trust & Banking's wide customer base, information network and unique accessibility to real estate information as well as MONE Group's various experience on real estate investment and management, high expertise and unique network.
- One REIT aims to form a high-quality portfolio by widely obtaining high-quality information at an early stage from the viewpoint of properties and accuracy of sales and lead it to the acquisition of properties against the backdrop of response to various needs for utilization and sales of real estate.



4 Construction of stable financial base and strict internal control and risk management system under financial sponsors

- Building a stable financial base with a lender formation centering on Mizuho Trust & Banking, the sponsor, and Mizuho Bank, Ltd.
- Managing conflict-of-interest transactions, information, etc. based on strict rules utilizing know-how at financial institutions.

Efforts on conflict-of-interest transactions

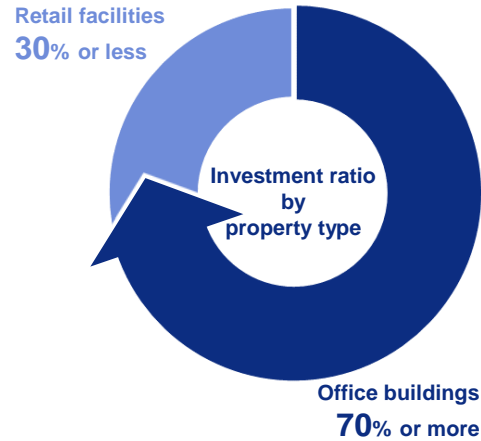
- ✓ Under the interested parties transaction rules, the Asset Management Company will define interested parties^(Note) broader than what is determined as interested parties by the Act on Investment Trusts and Investment Corporations as well as the Order for Enforcement of the Act on Investment Trusts and Investment Corporations

(Note)

- ① The Asset Management Company or directors/employees of the Asset Management Company
- ② The Asset Management Company's shareholders
- ③ Interested parties, etc., determined by the Order for Enforcement of the Act on Investment Trusts and Investment Corporations, other than ① and ②
- ④ Corporations to which those who correspond to ① or ③ conduct the majority of investments, silent partnership of equity investments, or preferred equity investments.
- ⑤ Corporations that have contracted asset management operations to those who correspond to ① through ③
- ⑥ Corporations in which executives of the Asset Management Company also hold an executive position

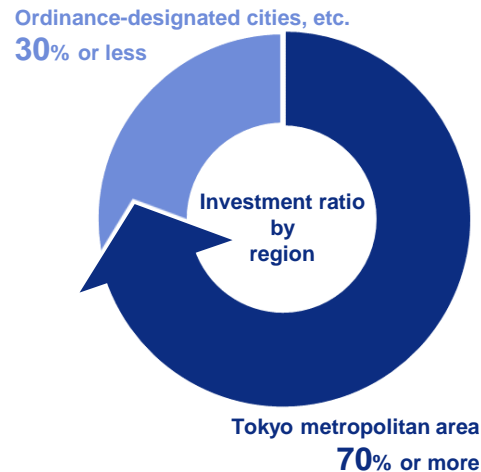
Investment ratio by property type^(Note 1)

We will build a portfolio intending to diversify the investment target by considering Middle-sized Office^(Note 2) as the core investment target and also incorporating office buildings other than Middle-sized Office as well as urban retail facilities.

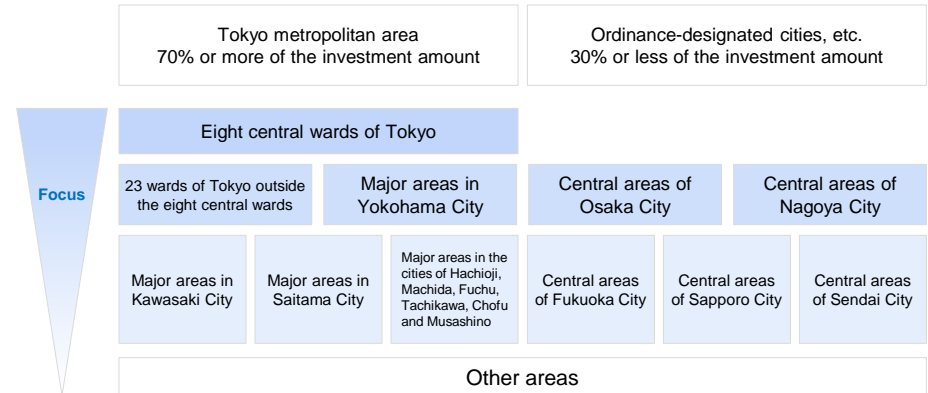


Investment Ratio by Area^(Note 1)

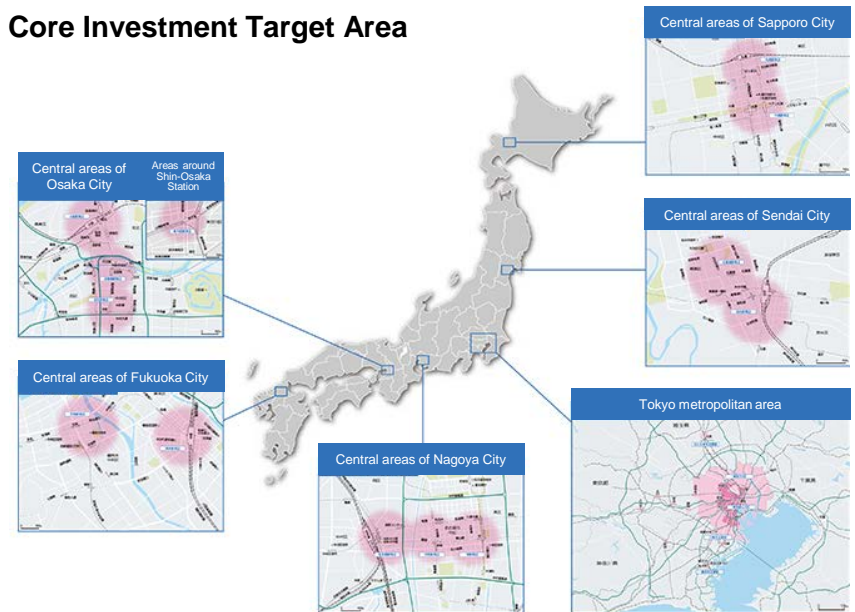
We intend to build a portfolio considering regional diversification by including ordinance-designated cities or their equivalent where certain rental demand is expected in the investment target while focusing on investments in the Tokyo metropolitan area where stability is expected.



Investment area



Core Investment Target Area



(Note 1) Investment ratio is based on acquisition price and consumption tax and other expenses related to acquisitions are excluded. Moreover, ratios may temporarily differ from the abovementioned percentage as a result of acquisition or sale of real-estate related assets.

(Note 2) "Middle-sized office" refers to medium or medium-large scale office buildings whose total floor area is within the range of 3,300 m² (approximately 1,000 tsubo) to 33,000 m² (approximately 10,000 tsubo) and with certain specifications that satisfy the needs of tenants.

Basic Stance

Managing financial products with the “idea of manufacturing”

Creating Value, and More

What is the “idea of manufacturing?”

- Deciding and realizing policies based on accumulated experience and teamwork by viewing and considering things from the viewpoint of external appearance, functionality, interior, facilities, usage, cost and many other positions by not only devoting efforts to manufacturing but also aiming to be appreciated by people engaged in manufacturing.
- Creating not only visible values but also real estate that bring about powerful impressions, trust and appreciation.

The concept behind “and More”

- To not just simply increase the value of properties and gain satisfaction of tenants but also create “values” for people related to the scheme, real estate market and investors through sufficient consideration.
- Through these efforts, we believe that we can build a long-term relationship with people related to the scheme, contribute to the real estate market and maximize unitholder value.

Our thoughts in “One”

One REIT aims to maximize unitholder value by understanding the value within the corporate philosophy of “No. 1 credibility” “No. 1 service provision” and “No. 1 group capability” set by Mizuho Financial Group to which the sponsor (Mizuho Trust & Banking Co., Ltd.) belongs as universal, and sharing value in “One” between One REIT, the Asset Management Company and sponsor.

In addition, in naming our company as “One REIT Investment Corporation,” we reflected the idea of being “Unique,” or the “Only One” in the J-REIT market where competition is intensifying

Significance of Logo



The two curving lines shaping the mark represent a square scale, which is an important tool of temple and shrine carpenters and derived from One REIT’s basic stance on the “idea of manufacturing.” The two square scales facing one another resemble “real estate” and “finance” and show that “real estate” and “finance” are integrated elements.






In addition, the slit from the lower left to the upper right shows “continuous growth and development” and expresses One REIT will to contribute not only to the sustainable growth of unitholder value but also to sound growth and development of the real estate market by providing added value to various stakeholders including society through One REIT’s asset management based on the “idea of manufacturing.”

Disclosure of Policy for Consideration of Sustainability

The policy for consideration of sustainability was disclosed on One REIT's website
<http://www.one-reit.com/ja/environment/index.html>

1. Promotion of energy saving	We will promote operation that saves electrical power and which makes energy use effective, plan to introduce facilities that contribute to energy saving and contribute to the real estate sector's reduction of energy use and greenhouse gas emissions.
2. Promotion of effective use of resources	We will promote operational efforts related to saving water and reducing waste and contribute to a recycling-oriented society.
3. Compliance	We will observe laws and regulations concerning environment, society and governance while appropriately managing the risks such as from changes in regulations.
4. Cooperation with parties within and outside the company	We will continue to educate our employees as well as cooperate with related parties in a way that promotes environmental consideration in order to execute the policy for sustainability.
5. Disclosure of information	We will make efforts to disclose our policy concerning sustainability and status of activities to investors and other related parties.

Environment

Acquisition of Environment-Related Assessment and Certification	Energy-Saving Efforts	Other Efforts in Operation and Management						
<p>Acquisition of Assessment Certification in "CASBEE for Real Estate"</p>  <p>Acquired "Rank A (Very Good)" for 6 properties in August 2018</p>	<p>Promotion of energy saving in updates of air conditioning-related equipment</p> <table border="1"> <thead> <tr> <th>Name of Property</th><th>energy-saving effects</th><th>Effects of reduction^(Note)</th></tr> </thead> <tbody> <tr> <td>Karasuma Plaza 21</td><td> <ul style="list-style-type: none"> Reduction of CO₂ emissions, etc. Reduction of water consumption </td><td>Approx. 22% reduction per year</td></tr> </tbody> </table> <p>(Note) The reduction of energy costs indicated is that which is estimated by the Asset Management Company and may differ from the actual rate of reduction.</p>	Name of Property	energy-saving effects	Effects of reduction ^(Note)	Karasuma Plaza 21	<ul style="list-style-type: none"> Reduction of CO₂ emissions, etc. Reduction of water consumption 	Approx. 22% reduction per year	<p>Introduction of paperless meeting system</p> <ul style="list-style-type: none"> The paperless meeting system used by Mizuho Trust & Banking, one of the sponsors, was introduced for the meetings of One REIT and the Asset Management Company, thereby promoting conservation of resources.
Name of Property	energy-saving effects	Effects of reduction ^(Note)						
Karasuma Plaza 21	<ul style="list-style-type: none"> Reduction of CO₂ emissions, etc. Reduction of water consumption 	Approx. 22% reduction per year						
<p>Acquisition of GRESB Real Estate Assessment</p>  <p>Acquired the "Green Star" assessment for being highly evaluated in the 2018 GRESB Real Estate Assessment</p>	<p>Promoting installation of LED lighting in common spaces</p> <ul style="list-style-type: none"> 1F parking lot of fab Minami-Osawa Common spaces of Stoke Building Nagoya 	<p>Efforts concerning printing (paper and ink)</p> <ul style="list-style-type: none"> Used environmentally-friendly paper and ink for the asset management report distributed to unitholders 						

Social

Efforts in Personnel Training (Human Resources Development)

- In the Mizuho Realty One Group (MONE Group) in which the Asset Management Company belongs, the personnel/management base, including the employment and education of professional personnel, is being enhanced for the sophistication of management and provision of high added value to customers.
- As part of these efforts, professional personnel with advanced certificates that are useful for the MONE Group are being employed and support is given to employees for their education and acquisition of certificates.
- With regards to the status of efforts of the Asset Management Company aimed at implementing customer-based business operating including the sophistication of management through personnel training, we promptly disclosed “Status of Medium-Term Implementation of Fiscal 2017 Action Plan on the Implementation of Fiduciary Duty at Mizuho REIT Management Co., Ltd.” on the website of the Asset Management Company.
<https://www.mizuho-reit.co.jp/interim-report-on-the-progress-of-the-fy2017-action-plan-initiatives-for-the-fulfillment-of-mizuho-reit-management-co-ltd-s-fiduciary-duties/>

Number of Major Qualified Persons in the MONE Group^(Note 1)

Real estate transaction agent (real estate notary)	43	Certified public accountant	3
ARES certified master	19	Securities analyst	3
First-class architect	8	First-class construction work operation and management engineer	3
Building administrator	5	Facility manager	2
Real estate appraiser	4	Besides the above there are other employees qualified in real estate and finance	
Energy manager	4		

(Note 1) The status as of March 31, 2018 is indicated.
For details of qualified persons please visit the MONE Group's website:
<https://www.mizuho-realtyone.co.jp/en/group/#about01>

Governance

Construction of a System that Aims to Align with Unitholder Interest

Sponsors' funding of One REIT

- Mizuho Realty One Co., Ltd., a sponsor, holds 22,530 units in One REIT (9.4% of outstanding number of investment units)^(Note 2).
- The investment units have continually been held without them being sold.

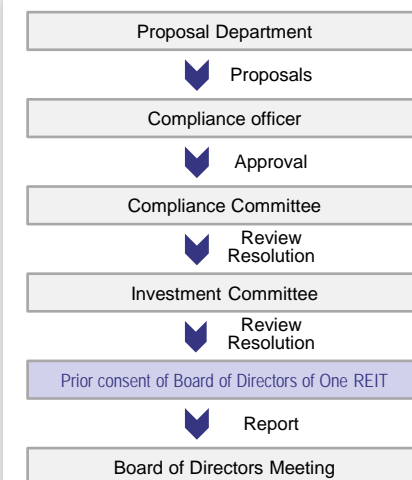
Introduction of Cumulative Investment Unit Investment Program

- The Cumulative Investment Unit Investment Program was started in November 2014 with the aim of deepening awareness among executives and staff of the MONE Group of the sustained growth of One REIT.

Aim to align the interest of unitholders to the interest of sponsors and employees

Decision-Making Process that Contributes to the Protection of Unitholder Interest

- When an issue pertains to a transaction with an interested party, prior consent from One REIT's Board of Directors must be obtained in addition to resolutions by the Compliance Committee and the Investment Committee.
- In light of the fact that the Asset Management Company is a member of a financial institution group, the same rule is applied not only for issues of acquisition and sale of assets but also of borrowing of funds and underwriting of investment units.



(Note 2) The ownership ratio is calculated based on the number of investment units issued and outstanding (239,908 units) reflecting the capital increase through third-party allotment conducted on October 17, 2018 (Wed).

Balance Sheet

Appendix

(Thousands of yen)

	Ninth fiscal period (Ended February 2018)	Tenth fiscal period (Ended August 2018)
Assets		
Cash and deposits	3,181,010	2,719,168
Cash and deposits in trust	4,255,076	4,347,568
Operating accounts receivable	57,587	83,973
Prepaid expenses	172,792	164,168
Deferred tax assets	192	190
Accounts receivable - other	-	400,009
Other	1,022	4,238
Total current assets	7,667,682	7,719,318
Property, plant and equipment		
Buildings	3,046,983	2,983,164
Structures	6,888	6,570
Machinery and equipment	7,245	1,043
Tools, furniture and fixtures	572	515
Land	3,770,347	3,770,347
Buildings in trust	22,754,512	22,264,465
Structures in trust	6,105	5,880
Machinery and equipment in trust	92,523	104,755
Tools, furniture and fixtures in trust	39,752	36,471
Land in trust	46,775,017	46,775,017
Total property, plant and equipment	76,499,949	75,948,232
Intangible assets		
Leasehold rights in trust	3,369,076	3,278,336
Other	664	2,385
Total intangible assets	3,369,740	3,280,722
Investments and other assets		
Lease and guarantee deposits	16,150	10,960
Long-term prepaid expenses	248,901	170,699
Total investments and other assets	265,051	181,659
Total noncurrent assets	80,134,741	79,410,614
Investment unit issuance expenses	20,646	13,764
Total deferred assets	20,646	13,764
Total assets	87,823,069	87,143,697

	Ninth fiscal period (Ended February 2018)	Tenth fiscal period (Ended August 2018)
Liabilities		
Operating accounts payable	160,803	237,790
Accounts payable - other	468,246	336,921
Accrued expenses	663	664
Income taxes payable	62,990	46,151
Consumption taxes payable	616,823	120,528
Advances received	518,333	526,607
Other	138	105
Total current liabilities	1,827,998	1,268,770
Long-term loans payable	40,198,000	40,198,000
Tenant lease and security deposits	263,485	263,854
Tenant lease and security deposits in trust	3,890,610	3,883,609
Total non-current liabilities	44,352,096	44,345,464
Total liabilities	46,180,094	45,614,234

	Ninth fiscal period (Ended February 2018)	Tenth fiscal period (Ended August 2018)
Net assets		
Unitholders' capital	40,022,953	40,022,953
Surplus		
Unappropriated retained earnings (undisposed loss)	1,620,022	1,506,508
Total surplus	1,620,022	1,506,508
Total unitholders' equity	41,642,975	41,529,462
Total net assets	41,642,975	41,529,462
Total liabilities and net assets	87,823,069	87,143,697

(Note) Amounts are rounded down to the nearest thousand yen.

(Thousands of yen)

	Ninth fiscal period (Ended February 2018)	Tenth fiscal period (Ended August 2018)
Lease business revenue	2,840,097	2,950,171
Other lease business revenue	298,590	315,965
Gain on sale of real estate, etc.	729,365	172,705
Total operating revenue	3,868,054	3,438,842
Expenses related to rent business	1,482,826	1,504,200
Asset management fee	216,659	197,601
Asset custody fee	3,966	3,661
Administrative service fees	17,989	7,845
Directors' compensations	3,876	3,876
Other operating expenses	72,965	54,023
Total operating expenses	1,798,283	1,771,208
Operating profit	2,069,771	1,667,633
Interest income	44	33
Insurance income	-	1,788
Reversal of dividends payable	1,119	1,342
Subsidy income	-	3,000
Other	5	100
Total non-operating income	1,168	6,265
Interest expenses	142,858	122,031
Borrowing related expenses	235,553	81,221
Amortization of investment unit issuance expenses	6,882	6,882
Other	2,756	11,624
Total non-operating expenses	388,051	221,758
Recurring profit	1,682,888	1,452,139
Net income before income taxes	1,682,888	1,452,139
Income taxes - current	63,050	46,156
Income taxes - deferred	-178	1
Total income taxes	62,871	46,158
Net income	1,620,016	1,405,981
Profit brought forward	5	100,527
Unappropriated retained earnings (undisposed loss)	1,620,022	1,506,508

(Note) Amounts are rounded down to the nearest thousand yen.

Occupancy Rate

Property type and region	Property No.	Property name	Sixth fiscal period	Seventh fiscal period	Eighth fiscal period	Ninth fiscal period	Tenth fiscal period						
			End of Aug. 2016	End of Feb. 2017	End of Aug. 2017	End of Feb. 2018	End of Mar. 2018	End of Apr. 2018	End of May 2018	End of June 2018	End of July 2018	End of Aug. 2018	
Office buildings	Tokyo metropolitan area	OT-1	J Tower	82.0%	99.8%	99.8%							
		OT-2	SIA Kanda Square	100.0%	100.0%	85.2%	100.0%	100.0%	99.2%	99.2%	98.4%	100.0%	99.1%
		OT-3	Tachikawa Nishiki-cho Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	97.1%	97.1%	97.1%
		OT-4	CP10 Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-5	Yokohama AP Building	87.0%	88.0%	93.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-6	Yushima First Genesis Building	96.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-7	Miyaji Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-8	36 Sankyo Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-9	Minami-Shinagawa JN Building	95.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-10	Minami-Shinagawa N Building	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	100.0%	100.0%
		OT-11	Minami-Shinagawa J Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-12	MY Atsugi Building	92.8%	87.2%	100.0%	95.8%	95.8%	98.8%	98.8%	98.8%	98.8%	100.0%
		OT-13	Hachioji SIA Building	93.9%	90.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-14	Glass City Motoyoyogi		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-15	Okachimachi CY Building		88.1%	100.0%	92.1%	92.1%	92.1%	100.0%	100.0%	100.0%	100.0%
		OT-16	Daido Life Omiya Building				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-17	Yamagami Building				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	85.0%
	Average occupancy rate			90.9%	98.1%	98.6%	99.2%	99.2%	99.3%	99.7%	99.3%	99.7%	99.1%
	Ordinance-designated cities, etc.	OO-1	Central Shin-Osaka Building	100.0%	95.3%	97.6%	97.7%	97.7%	97.7%	97.7%	97.7%	97.7%	97.7%
		OO-2	Karasuma Plaza 21	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	97.5%
		OO-3	Stoke Building Nagoya	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OO-4	MY Kumamoto Building	100.0%	95.5%	95.8%	95.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OO-5	Nagoya Fushimi Square Building		99.2%	97.4%	98.7%	98.7%	98.7%	100.0%	100.0%	98.9%	98.9%
		OO-6	Daihakata Building				100.0%	99.6%	100.0%	100.0%	100.0%	99.9%	99.9%
	Average occupancy rate			100.0%	98.1%	98.4%	99.1%	99.2%	99.4%	99.6%	99.6%	99.4%	98.9%
Average occupancy rate			93.1%	98.1%	98.6%	99.1%	99.2%	99.3%	99.6%	99.4%	99.5%	99.0%	
Retail facilities	R-1	fab Minami-Osawa	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	R-2	Niigata Higashibori-dori Parking building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
	Average occupancy rate			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Overall average occupancy rate				94.0%	98.3%	98.7%	99.2%	99.3%	99.4%	99.7%	99.5%	99.6%	99.1%

(As of August 31, 2018 (the end of the tenth fiscal period))

Property Name	OT-2 SIA Kanda Square	OT-3 Tachikawa Nishiki-cho Building	OT-4 CP10 Building	OT-5 Yokohama AP Building	OT-6 Yushima First Genesis Building
					
Location	Chiyoda Ward, Tokyo	Tachikawa City, Tokyo	Taito Ward, Tokyo	Yokohama City, Kanagawa Prefecture	Bunkyo Ward, Tokyo
Nearest Station	Kanda Station on JR Line	Tachikawa Station on JR Line	Okachimachi Station on JR Line	Yokohama Station on JR Line	Hongo 3-chome Station on Tokyo Metro Line
Completed	April 2007	June 1991	March 1989	May 1983	August 1991
Acquisition Price	¥7,350 million	¥3,264 million	¥3,229 million	¥3,110 million	¥2,751 million
Appraisal Value	¥8,760 million	¥4,000 million	¥3,350 million	¥3,800 million	¥3,160million
Structure	SRC	SRC	SRC	RC	SRC
Number of Floors	10F	8F	B1/7F	B1/8F	B1/7F
Total Floor Area	7,145.42 m ²	8,026.84 m ²	4,454.05 m ²	5,648.65 m ²	5,048.99 m ²
Total Leasable Area	5,261.34 m ²	5,629.89 m ²	3,506.66 m ²	4,326.68 m ²	2,965.49 m ²
PML	6.06%	4.51%	3.51%	10.17%	7.00%
Occupancy Rate	99.1%	97.1%	100.0%	100.0%	100.0%
Number of Tenants	29	19	7	10	6


(As of August 31, 2018 (the end of the tenth fiscal period))

Property Name	OT-7 Miyaji Building	OT-8 36 Sankyo Building	OT-9 Minami-Shinagawa JN Building	OT-10 Minami-Shinagawa N Building	OT-11 Minami-Shinagawa J Building
					
Location	Nakano Ward, Tokyo	Shinjuku Ward, Tokyo	Shinagawa Ward, Tokyo	Shinagawa Ward, Tokyo	Shinagawa Ward, Tokyo
Nearest Station	Nakano Station on JR Line	Iidabashi Station on JR Line	Aomono Yokocho Station on Keikyu Line	Aomono Yokocho Station on Keikyu Line	Aomono Yokocho Station on Keikyu Line
Completed	August 1994	October 1991	July 1990	July 1994	July 1992
Acquisition Price	¥2,880 million	¥2,395 million	¥2,165 million	¥2,292 million	¥2,020 million
Appraisal Value	¥3,360 million	¥2,740 million	¥2,064 million	¥2,310 million	¥2,370 million
Structure	S/SRC	RC	SRC	SRC	SRC
Number of Floors	B1/7F	B2/4F	B2/10F	B2/10F	B1/10F
Total Floor Area	4,316.75 m ²	4,687.65 m ²	9,621.66 m ²	8,570.72 m ²	5,529.02 m ²
Total Leasable Area	3,116.49 m ²	3,724.17 m ²	6,390.33 m ²	5,476.73 m ²	3,673.61 m ²
PML	3.04%	8.85%	5.57%	5.50%	3.70%
Occupancy Rate	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Tenants	7	3	20	19	10

(As of August 31, 2018 (the end of the tenth fiscal period))




Property Name	OT-12 MY Atsugi Building	OT-13 Hachioji SIA Building	OT-14 Glass City Motoyoyogi	OT-15 Okachimachi CY Building	OT-16 Daido Life Omiya Building
					
Location	Atsugi City, Kanagawa Prefecture	Hachioji City, Tokyo	Shibuya Ward, Tokyo	Taito Ward, Tokyo	Saitama City, Saitama Prefecture
Nearest Station	Hon-Atsugi Station on Odakyu Line	Hachioji Station on JR Line	Yoyogi-Hachiman Station on Odakyu Line	Naka-Okachimachi Station on Tokyo Metro Line	Omiya Station on JR Line
Completed	September 1988	September 1993	April 1992	May 1986	October 1991
Acquisition Price	¥1,240 million	¥730 million	¥7,500 million	¥2,700 million	¥3,000 million
Appraisal Value	¥1,350 million	¥823 million	¥7,970 million	¥2,870 million	¥3,120 million
Structure	RC/SRC	SRC	SRC/RC	SRC	SRC
Number of Floors	8F	9F	B2/8F	B1/9F	8F
Total Floor Area	5,040.07 m ²	3,920.36 m ²	10,695.54 m ²	4,369.49 m ²	6,155.16 m ²
Total Leasable Area	3,855.84 m ²	2,750.70 m ²	7,643.63 m ²	2,943.07 m ²	3,574.03 m ²
PML	7.69%	4.53%	7.70%	6.04%	4.72%
Occupancy Rate	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Tenants	24	14	10	14	15

(As of August 31, 2018 (the end of the tenth fiscal period))

Property Name	OT-17 Yamagami Building	OO-1 Central Shin-Osaka Building	OO-2 Karasuma Plaza 21	OO-3 Stoke Building Nagoya	OO-4 MY Kumamoto Building
					
Location	Toshima Ward, Tokyo	Osaka City, Osaka Prefecture	Kyoto City, Kyoto Prefecture	Nagoya City, Aichi Prefecture	Kumamoto City, Kumamoto Prefecture
Nearest Station	Ikebukuro Station on JR Line	Shin-Osaka Station on JR Line	Karasuma Station on Hankyu Line	Fushimi Station on Nagoya City Subway Line	Kumamoto Tram Kumamoto Castle/ City Hall Tram Stop
Completed	September 1991	June 1992	November 1986	April 1991	October 1987
Acquisition Price	¥2,200 million	¥4,612 million	¥3,700 million	¥2,381 million	¥1,152 million
Appraisal Value	¥2,290 million	¥5,490 million	¥3,810 million	¥2,870 million	¥1,330 million
Structure	SRC/RC	S	SRC	S/SRC	S/RC
Number of Floors	B2/8F	B1/12F	B1/8F	B1/8F	9F
Total Floor Area	3,503.13 m ²	13,624.65 m ²	11,998.02 m ²	8,147.56 m ²	4,980.96 m ²
Total Leasable Area	2,677.80 m ²	9,410.65 m ²	8,890.42 m ²	5,801.80 m ²	3,755.53 m ²
PML	6.14%	12.72%	5.18%	13.58%	5.08%
Occupancy Rate	85.0%	97.7%	97.5%	100.0%	100.0%
Number of Tenants	6	27	11	5	17

Overview of Individual Properties (5)

(As of August 31, 2018 (the end of the tenth fiscal period))

Property Name	OO-5 Nagoya Fushimi Square Building	OO-6 Daihakata Building	R-1 fab Minami-Osawa
			
Location	Nagoya City, Aichi Prefecture	Fukuoka City, Fukuoka Prefecture	Hachioji City, Tokyo
Nearest Station	Fushimi Station on Nagoya City Subway Line	Gion Station on the Subway Kuko Line	Minami-Osawa Station on Keio Line
Completed	November 1987	August 1975	December 2001
Acquisition Price	¥4,812 million	¥10,650 million	¥4,250 million
Appraisal Value	¥5,150 million	¥11,500 million	¥4,780 million
Structure	SRC	S/RC	S
Number of Floors	B2/13F	B3/14F	7F
Total Floor Area	12,995.90 m ²	30,427.88 m ²	9,140.30 m ²
Total Leasable Area	8,418.94 m ²	15,430.32 m ²	8,409.23 m ²
PML	6.20%	1.08%	3.03%
Occupancy Rate	98.9%	99.9%	100.0%
Number of Tenants	48	69	14

Lease Business Revenue and Expenditure by Property (1)

Property number	OT-2	OT-3	OT-4	OT-5	OT-6	OT-7	OT-8	OT-9	OT-10	OT-11
Property name	SIA Kanda Square	Tachikawa Nishiki-cho Building	CP10 Building	Yokohama AP Building	Yushima First Genesis Building	Miyaji Building	36 Sankyo Building	Minami-Shinagawa JN Building	Minami-Shinagawa N Building	Minami-Shinagawa J Building
① Total property-related operating revenue (Thousands of yen)	195,917	148,307	111,652	131,668	99,746	115,471	89,385	129,409	105,164	100,579
Lease business revenue	184,378	140,797	97,489	118,511	91,389	105,095	78,507	121,028	96,573	92,334
Other lease business revenue	11,538	7,510	14,163	13,157	8,357	10,376	10,878	8,380	8,590	8,245
② Total property-related operating expenses (Thousands of yen)	38,862	42,098	24,095	44,037	29,680	27,477	26,119	73,560	42,313	32,281
Property management fees	12,845	14,565	6,625	8,987	7,462	7,706	6,135	16,522	7,590	5,548
Utilities expenses	10,478	9,869	9,708	7,709	5,976	7,884	8,477	24,046	9,271	7,925
Taxes and public dues	8,537	10,772	6,829	10,366	8,197	7,782	7,547	9,655	9,213	5,673
Insurance premiums	196	205	106	134	121	108	101	232	201	128
Repair expenses	6,804	6,183	324	12,796	7,422	3,496	3,357	6,440	3,244	3,762
Other expenses	-	500	500	4,042	500	500	500	16,662	12,790	9,241
③ Leasing NOI (=①-②) (Thousands of yen)	157,054	106,209	87,557	87,630	70,065	87,994	63,265	55,849	62,851	68,298
④ Depreciation (Thousands of yen)	70,396	25,901	15,666	12,191	13,667	10,753	8,462	17,691	15,278	12,518
⑤ Lease business profit (=③-④) (Thousands of yen)	86,658	80,307	71,891	75,439	56,398	77,241	54,802	38,158	47,572	55,779
⑥ Capital expenditures (Thousands of yen)	-	700	9,541	42,447	2,639	432	2,030	1,928	-	-
⑦ Leasing NCF (=⑤-⑥) (Thousands of yen)	157,054	105,509	78,015	45,183	67,426	87,562	61,235	53,921	62,851	68,298

(Note) Amounts are rounded down to the nearest thousand yen.

Lease Business Revenue and Expenditure by Property (2)

Property number	OT-12	OT-13	OT-14	OT-15	OT-16	OT-17	OO-1	OO-2	OO-3	OO-3
Property name	MY Atsugi Building	Hachioji SIA Building	Glass City Motoyoyogi	Okachimachi CY Building	Daido Life Omiya Building	Yamagami Building	Central Shin-Osaka Building	Karasuma Plaza 21	Stoke Building Nagoya	MY Kumamoto Building
① Total property-related operating revenue (Thousands of yen)	64,956	49,216	237,789	82,668	112,759	74,410	202,748	199,022	126,091	75,539
Lease business revenue	57,470	44,308	214,841	78,193	103,802	62,981	178,910	185,618	107,647	68,197
Other lease business revenue	7,485	4,908	22,948	4,474	8,956	11,428	23,838	13,404	18,444	7,342
② Total property-related operating expenses (Thousands of yen)	23,452	21,062	52,703	31,953	25,509	16,296	64,807	73,746	37,645	24,613
Property management fees	8,653	9,278	14,809	7,341	9,334	6,003	20,293	28,585	10,792	9,161
Utilities expenses	7,956	6,030	18,684	7,619	8,018	3,622	22,277	17,972	12,028	7,099
Taxes and public dues	4,805	4,543	15,955	7,141	6,751	4,525	15,670	24,083	9,667	4,772
Insurance premiums	126	87	302	114	155	87	294	292	189	128
Repair expenses	1,410	623	2,551	9,235	799	1,557	5,772	2,312	4,467	2,950
Other expenses	500	500	400	500	450	500	500	500	500	500
③ Leasing NOI (=①-②) (Thousands of yen)	41,503	28,153	185,086	50,714	87,250	58,113	137,940	125,276	88,445	50,926
④ Depreciation (Thousands of yen)	12,995	5,239	22,430	6,433	8,807	5,741	33,490	22,422	21,102	13,126
⑤ Lease business profit (=③-④) (Thousands of yen)	28,508	22,913	162,656	44,281	78,442	52,371	104,450	102,853	67,343	37,799
⑥ Capital expenditures (Thousands of yen)	430	375	17,486	31,954	18,055	800	3,187	340	9,298	2,692
⑦ Leasing NCF (=⑤-⑥) (Thousands of yen)	41,073	27,778	167,599	18,759	69,195	57,313	134,753	124,936	79,147	48,234

(Note) Amounts are rounded down to the nearest thousand yen.

Lease Business Revenue and Expenditure by Property (3)

Property number	OO-5	OO-6	R-1	R-2	
Property name	Nagoya Fushimi Square Building	Daihakata Building	fab Minami-Osawa	Niigata Higashibori-dori Parking Building	Total
① Total property-related operating revenue (Thousands of yen)	175,978	407,140			3,266,136
Lease business revenue	164,690	373,085			2,950,171
Other lease business revenue	11,287	34,055			315,965
② Total property-related operating expenses (Thousands of yen)	53,744	166,818			1,063,794
Property management fees	17,378	52,601	(undisclosed)	(undisclosed)	312,192
Utilities expenses	15,172	55,706			320,035
Taxes and public dues	16,788	45,414			254,826
Insurance premiums	365	719			4,670
Repair expenses	3,539	11,726			109,567
Other expenses	500	650			62,502
③ Leasing NOI (=①-②) (Thousands of yen)	122,233	240,322	118,073	21,524	2,202,341
④ Depreciation (Thousands of yen)	18,144	30,698	32,955	4,289	440,405
⑤ Lease business profit (=③-④) (Thousands of yen)	104,088	209,624	85,117	17,235	1,761,935
⑥ Capital expenditures (Thousands of yen)	35,412	32,968	2,335	5,115	220,169
⑦ Leasing NCF (=⑤-⑥) (Thousands of yen)	86,820	207,353	115,737	16,408	1,982,172

(Note 1) Amounts are rounded down to the nearest thousand yen.

(Note 2) ① Property-related operating revenue and ② Property-related operating expenses of fab Minami-Osawa and Niigata Higashibori-dori Parking Building are undisclosed due to unavoidable circumstances including a lack of tenant consent for the disclosure of property-related operating revenue.

(Note 3) Niigata Higashibori-dori Parking Building was transferred as of August 30, 2018

- Aims to form and promote brand strategies and create optimum added value for tenants and unitholders

Brand name

ONEST

(“ONE” (uniqueness, oneness) + “BEST” (greatest)) × “HONEST”

One REIT intends to contribute to the improvement and development of existing building stock by defining specifications to realize “safety,” “comfort” and “convenience” for tenants under the name “ONEST” as well as spreading it widely throughout the market.

“ONEST” Specifications

- “Safety” To provide safety and security to ONEST buildings
⇒ Securing safety and having an environmentally-friendly and detailed building management system.
- “Comfort” To provide beauty and comfort to ONEST buildings.
⇒ Having excellent design and comfortable office space.
- “Convenience” To make ONEST buildings more convenient
⇒ Having high functionality and convenience in buildings .



Management System

AM: Asset manager

Specification management

Asset Management Company:
Investment & Asset Management Division I

Adopted an effective specification capable of maintaining competitiveness in comparison with competitive properties

&

FM: facility manager

Cost management

MONE:
Facility Management Division
Implementing appropriate cost management while maintaining functionality and design

Achieved both “improvement of tenant satisfaction” and “maximization of unitholder value” through constant collaboration and response by the asset manager striving to accurately grasp the needs of tenants in a timely manner and the facility manager with special knowledge on buildings

List of Appraisal Values | As of August 31, 2018 (End of the Tenth Fiscal Period)

Appendix

Property number	Property name	Acquisition price (Millions of yen)	End of tenth fiscal period (ended Aug. 2018)						A: End of ninth fiscal period (ended Feb. 2018)	
			Appraisal value (Millions of yen)		Direct cap rate		Book value (Millions of yen)	Unrealized gain (loss) (Millions of yen)	Appraisal value (Millions of yen)	Direct cap rate
				Difference from end of previous period		Difference from end of previous period				
OT-2	SIA Kanda Square	7,350	8,760	30	3.5%	-0.1%	6,761	1,998	8,730	3.6%
OT-3	Tachikawa Nishiki-cho Building	3,264	4,000	0	4.5%	-0.1%	3,279	720	4,000	4.6%
OT-4	CP10 Building	3,229	3,350	-70	4.1%	-0.1%	3,147	202	3,420	4.2%
OT-5	Yokohama AP Building	3,110	3,800	10	4.3%	-0.1%	3,124	675	3,790	4.4%
OT-6	Yushima First Genesis Building	2,751	3,160	40	4.1%	-0.1%	2,687	472	3,120	4.2%
OT-7	Miyaji Building	2,880	3,360	110	4.4%	-0.1%	2,842	517	3,250	4.5%
OT-8	36 Sankyo Building	2,395	2,740	0	4.2%	-0.1%	2,340	399	2,740	4.3%
OT-9	Minami-Shinagawa JN Building	2,165	2,064	-70	4.4%	-0.1%	2,164	-100	2,134	4.5%
OT-10	Minami-Shinagawa N Building	2,292	2,310	0	4.6%	-0.1%	2,235	74	2,310	4.7%
OT-11	Minami-Shinagawa J Building	2,020	2,370	130	4.6%	-0.1%	1,951	418	2,240	4.7%
OT-12	MY Atsugi Building	1,240	1,350	30	5.6%	-0.1%	1,166	183	1,320	5.7%
OT-13	Hachioji SIA Building	730	823	3	5.2%	-0.1%	694	128	820	5.3%
OT-14	Glass City Motoyoyogi	7,500	7,970	110	4.2%	-0.1%	7,519	450	7,860	4.3%
OT-15	Okachimachi CY Building	2,700	2,870	20	4.1%	-0.2%	2,785	84	2,850	4.3%
OT-16	Daido Life Omiya Building	3,000	3,120	70	4.7%	-0.1%	3,030	89	3,050	4.8%
OT-17	Yamagami Building	2,200	2,290	40	4.2%	-0.1%	2,210	79	2,250	4.3%
OO-1	Central Shin-Osaka Building	4,612	5,490	140	4.4%	-0.1%	4,343	1,146	5,350	4.5%
OO-2	Karasuma Plaza 21	3,700	3,810	20	4.7%	-0.1%	3,859	-49	3,790	4.8%
OO-3	Stoke Building Nagoya	2,381	2,870	60	4.7%	-0.1%	2,401	468	2,810	4.8%
OO-4	MY Kumamoto Building	1,152	1,330	20	6.0%	-0.1%	1,104	225	1,310	6.1%
OO-5	Nagoya Fushimi Square Building	4,812	5,150	130	4.6%	-0.1%	4,853	296	5,020	4.7%
OO-6	Daihakata Building	10,650	11,500	100	4.4%	-0.1%	10,709	790	11,400	4.5%
R-1	fab Minami-Osawa	4,250	4,780	20	4.7%	-0.1%	4,013	766	4,760	4.8%
Total		80,383	89,267	943	-	-	79,226	10,040	88,324	-

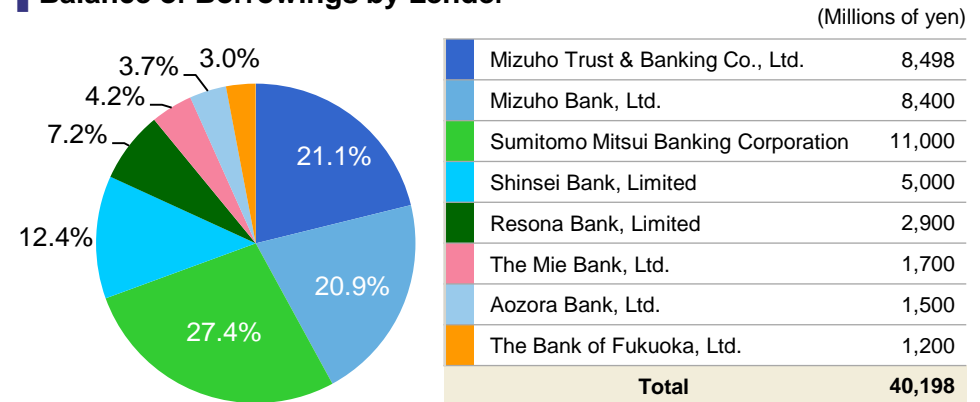
(Note) Amounts are rounded down to the nearest million yen.

Balance of Borrowings by Repayment Date

Lenders	Balance (Millions of yen)	Interest rate (Fixed/floating)	Repayment date
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Resona Bank, Limited The Mie Bank, Ltd. The Bank of Fukuoka, Ltd.	5,925	0.58096% (Fixed)	September 7, 2019
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Shinsei Bank, Limited Resona Bank, Limited	8,149	0.58096% (Fixed)	September 7, 2019
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Resona Bank, Limited The Mie Bank, Ltd. The Bank of Fukuoka, Ltd.	1,975	0.69593% (Fixed)	September 7, 2020
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Shinsei Bank, Limited Resona Bank, Limited	8,149	0.69593% (Fixed)	September 7, 2020
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Resona Bank, Limited Aozora Bank, Ltd. The Mie Bank, Ltd. The Bank of Fukuoka, Ltd.	4,000	0.46455% (Floating)	September 7, 2020

Lenders	Balance (Millions of yen)	Interest rate (Fixed/floating)	Repayment date
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Resona Bank, Limited Aozora Bank, Ltd. The Mie Bank, Ltd. The Bank of Fukuoka, Ltd.	6,000	0.56720% (Fixed) ^(Note 1)	September 7, 2021
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Resona Bank, Limited Aozora Bank, Ltd. The Mie Bank, Ltd. The Bank of Fukuoka, Ltd.	6,000	0.62750% (Fixed) ^(Note 1)	September 7, 2022
Total	40,198		

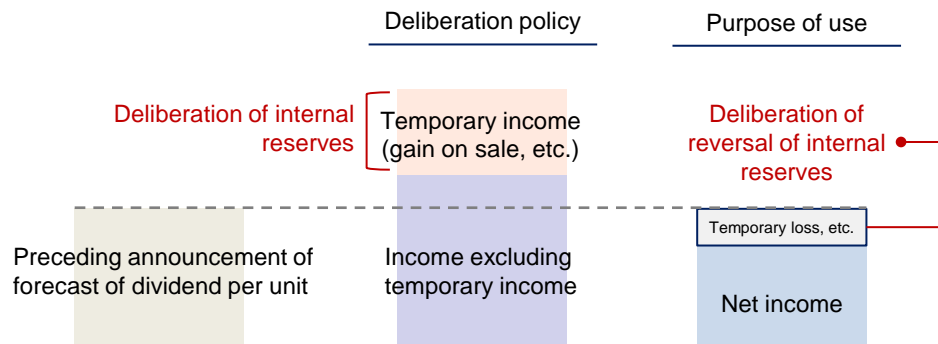
Balance of Borrowings by Lender



(Note 1) Borrowings for which interest rates will be substantially fixed through the interest rate swap are also indicated as “fixed,” and the interest rate arrived at after substantial fixing through the interest rate swap is indicated.

(Note 2) Amounts are rounded down to the nearest million yen.

Internal Reserves



Deliberation Policy of Internal Reserves

- Deliberating internal reserves within the range of not falling below the forecast figures of dividends per unit announced immediately before when temporary income such as gain on sale of real estate, etc. are generated

Purpose of Use of Internal Reserves

One REIT has a policy to utilize internal reserves to stabilize dividends or secure a certain level of dividends. Stabilization of dividends indicates cases when dividends are expected to fall below the forecast due to the following events, etc.

- Occurrence of loss on sale of real estate, etc. and loss caused by the impairment of owned assets
- Dilution of dividends per unit associated with the issuance of investment units
- In case sufficient rental revenue cannot be secured due to agile property acquisitions such as acquisition of properties during the period
- Occurrence of expenses and loss due to other disasters and sudden events, etc.

Asset Management Fee Scheme

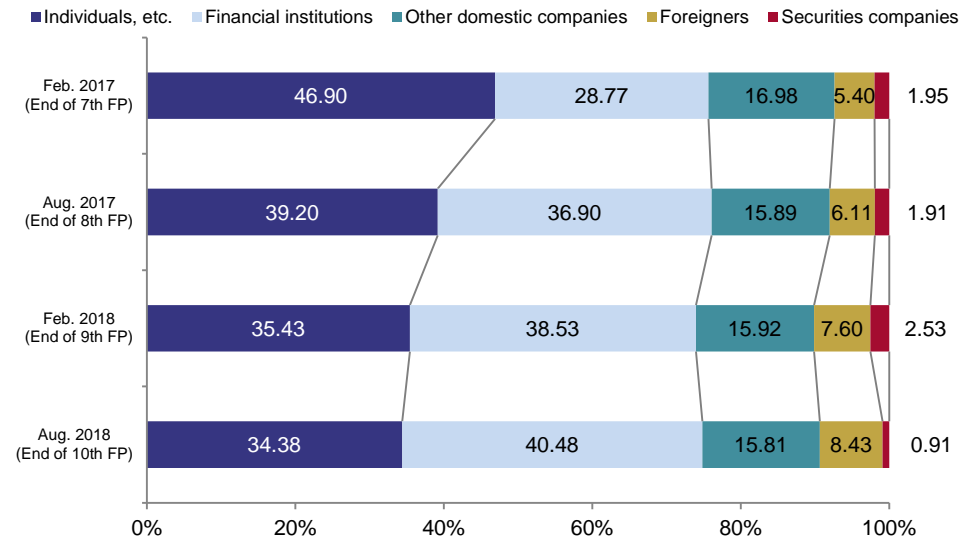
		Calculation method	Maximum
Management fees	1	Total assets × 0.35% × (Number of months in the fiscal period / 12)	Total assets × 0.45% (annual rate)
	2	NOI ^(Note) × 5.5%	
Acquisition fees		Acquisition price × 1.0% (Transactions with interested parties: Acquisition price × 0.5%)	
Transfer fees		Transfer price × 1.0% (Transactions with interested parties: Transfer price × 0.5%)	

(Note) NOI is the amount arrived at after deducting property-related expenses (excluding depreciation and loss on retirement of noncurrent assets) from the total of the fiscal period's lease business revenues and silent partnership dividends during the operating period.

Number of Unitholders and Investment Units by Unitholder Type

	End of the tenth fiscal period (as of Aug. 31, 2018)			
	Number of unitholders	Percentage (Note)	Number of investment units	Percentage (Note)
Individuals, etc.	9,167	96.67%	65,078	34.38%
Financial institutions	28	0.30%	76,633	40.48%
Other domestic companies	177	1.87%	29,921	15.81%
Foreigners	90	0.95%	15,952	8.43%
Securities companies	21	0.22%	1,714	0.91%
Total	9,483	100.00%	189,298	100.00%

Investment Unit Ratios



(Note) Percentages are rounded to the second decimal place.

Main Unitholders

Main unitholders	Number of investment units	Percentage ^(Note)
The Master Trust Bank of Japan, Ltd. (Trust Acct.)	37,927	20.04%
Mizuho Realty One Co., Ltd.	22,530	11.90%
Japan Trustee Services Bank, Ltd. (Trust Acct.)	12,719	6.72%
The Nomura Trust and Banking Co., Ltd. (Trust Acct.)	9,630	5.09%
Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	3,189	1.68%
Kinki Sangyo Credit Union	2,650	1.40%
Japan Trustee Services Bank, Ltd. (Trust Acct. 9)	2,580	1.36%
DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	2,062	1.09%
NOMURA BANK (LUXEMBOURG) S.A.	2,000	1.06%
Ueda Yagi Tanshi Co., Ltd.	1,774	0.94%
Total	97,061	51.27%

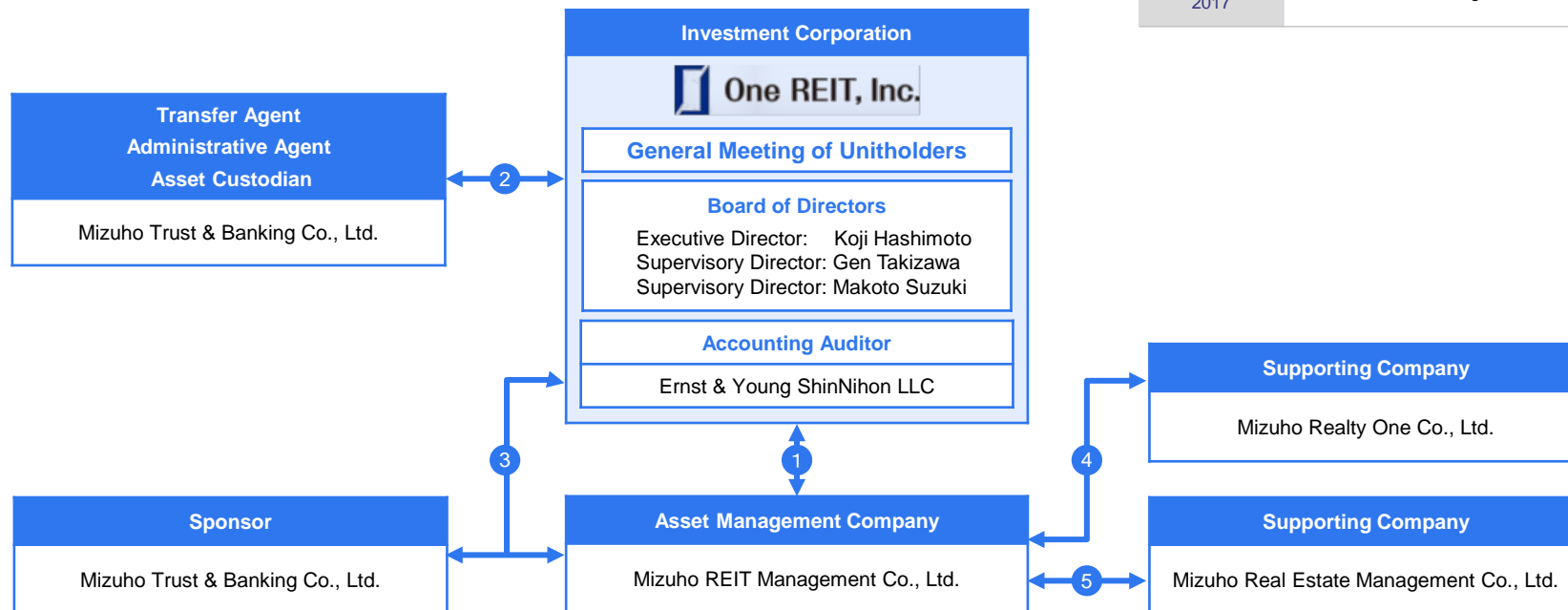
- 1 Asset management contract
- 2 Administrative Agreement(Administration of investment units) / Administrative agency entrustment / Asset custodian entrustment
- 3 Sponsor/support contract
- 4 Business entrustment agreement
- 5 Sponsor/support contract

Profile

Name of Investment Company	One REIT, Inc.
Establishment	June 25, 2013
Representative	Koji Hashimoto, Executive Director
Headquarter Address	2-1-3 Nihonbashi, Chuo-ku, Tokyo

History

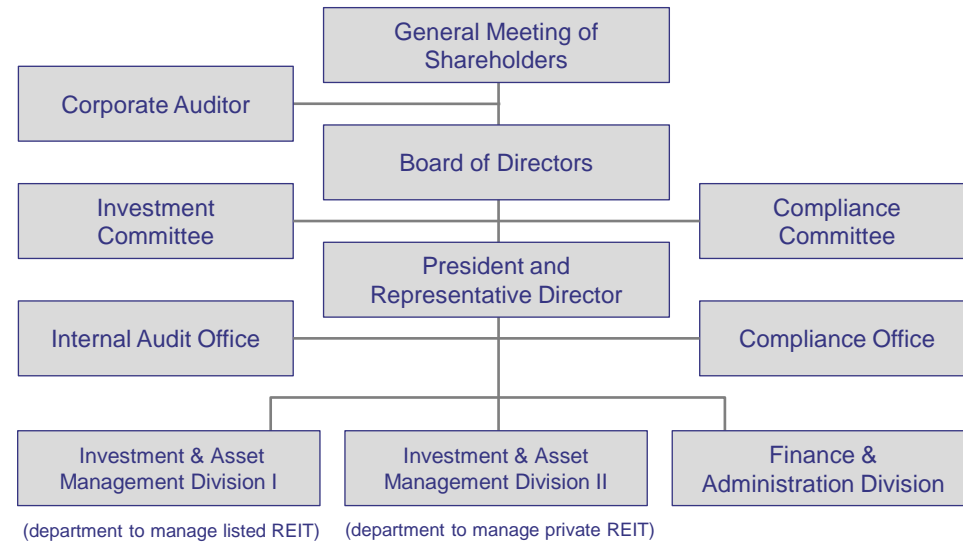
June 20, 2013	Notification of incorporation of SIA REIT by the organizer (Simplex REIT Partners Inc.; currently Mizuho REIT Management Co., Ltd.) pursuant to Article 69 of the Investment Trusts Act
June 25, 2013	Registration of incorporation pursuant to Article 166 of the Investment Trusts Act, SIA REIT incorporated
July 8, 2013	Application for registration pursuant to Article 188 of the Investment Trusts Act
July 23, 2013	Registration approved by the Prime Minister pursuant to Article 189 of the Investment Trusts Act (Director General of the Kanto Local Finance Bureau Registration No. 85)
October 9, 2013	Listed on the real estate securities market of the Tokyo Stock Exchange
December 29, 2015	Transitioned to a system with Mizuho Trust & Banking as the sponsor
June 1, 2017	Trade name was changed from SIA REIT, Inc. to One REIT, Inc.



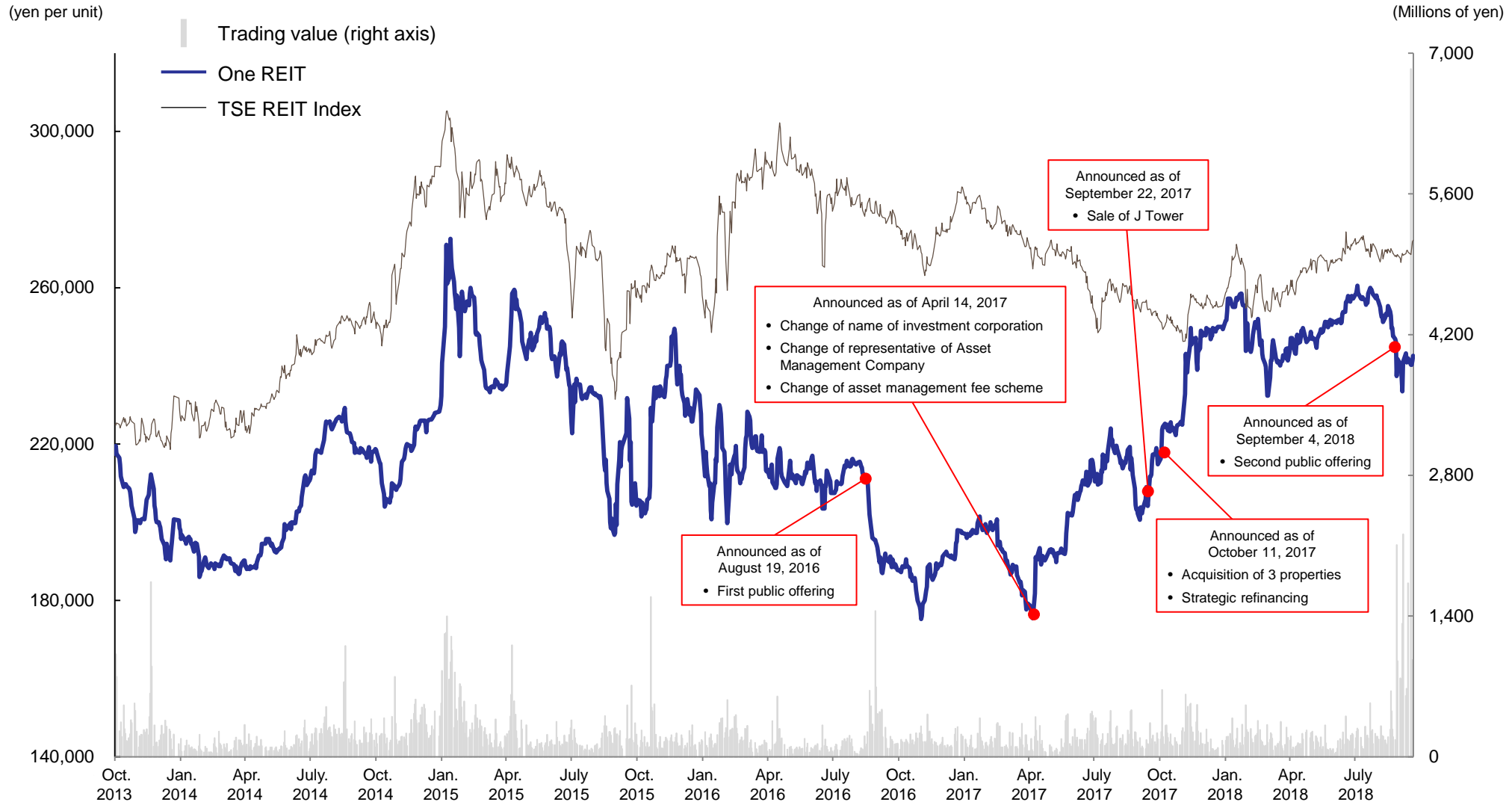


Name	Mizuho REIT Management Co., Ltd.
Established	July 1, 2005
Capital	¥50 million
Representative	Koji Hashimoto, President and Representative Director
Address of head office	Urbannet Nihonbashi 2-chome Building 4th Floor, 2-1-3 Nihonbashi, Chuo-ku, Tokyo
No. of directors/employees	30 (As of October 1, 2018) ^(Note)
Shareholder	Mizuho Realty One Co., Ltd. (100%)
Membership	The Investment Trusts Association, Japan
Licenses, etc.	Investment Management Business: Director General of Kanto Local Finance Bureau (Financial Instruments) Registration No. 342 Building Lots and Buildings Transaction Business: Governor of Tokyo (3) Registration No. 84787 Trading Agency Etc. License: Minister of Land, Infrastructure, Transport and Tourism License No. 46

Organization



(Note) Includes full-time auditors, contract employees, and employees on postings from other companies. Does not include outside directors or temporary staff. Includes members holding concurrent positions among MONE Group companies.



(Note 1) It indicates changes from October 9, 2013 (the day One REIT listed) to September 28, 2018.

(Note 2) The closing price of the TSE REIT Index on October 9, 2013 of 1,467.30 points is converted to One REIT's offer price at its point of listing of 225,000 yen (after considering 2-for-1 split) and the relative performance of One REIT's investment unit price (closing price) is compared.

Disclaimer

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

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Financial Instruments Business Operator; Member, The Investment Trusts Association, Japan**