



One REIT

Semi-Annual Report for the 19th Fiscal Period

from September 1, 2022 to February 28, 2023

To Our Unitholders

Hirofumi Nabeyama

Executive Director
One REIT, Inc.



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

We are pleased to report on the management status of One REIT for the 19th fiscal period (fiscal period ended February 2023).

One REIT acquired FIELD Kita-Sando (acquisition price: 3,750 million yen) on December 23, 2022, with an aim to realize qualitative improvement of the portfolio, such as progress in tenant diversification, stabilization of revenue base, and decline in average building age of the portfolio.

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

As a result, One REIT's assets as of the end of the fiscal period under review comprised a portfolio totaling 32 properties (total acquisition price: 123,677 million yen; silent partnership equity interest is not included), a total leasable area of 173,678.53 m², and an end-of-period occupancy rate of 97.9%.

Concerning distributions, One REIT attempts to include the maximum amount of cash distribution of earnings in deductible expense. In the 19th fiscal period, One REIT decided to distribute roughly the entire amount of unappropriated retained earnings after deducting the unappropriated earnings internally reserved in or before the previous fiscal period with accrual of gain on sale of real estate, etc. As a result, One REIT declared distribution per investment unit of 6,842 yen.

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

We appreciate your continued support and patronage.

Overview of Asset Management

1. Change in Management Status and Other Management Results

Fiscal Period		15th fiscal period	16th fiscal period	17th fiscal period	18th fiscal period	19th fiscal period
		From: Sep. 1, 2020 To: Feb. 28, 2021	From: Mar. 1, 2021 To: Aug. 31, 2021	From: Sep. 1, 2021 To: Feb. 28, 2022	From: Mar. 1, 2022 To: Aug. 31, 2022	From: Sep. 1, 2022 To: Feb. 28, 2023
Operating revenue	(million yen)	4,060	4,889	4,384	4,516	4,598
Property-related operating revenue	(million yen)	4,060	4,008	4,383	4,516	4,598
Operating expenses	(million yen)	2,786	2,011	2,122	2,332	2,463
Property-related operating expenses	(million yen)	1,665	1,633	1,778	1,965	2,094
Operating profit	(million yen)	1,274	2,878	2,262	2,184	2,134
Ordinary profit	(million yen)	1,023	2,613	1,967	1,883	1,837
Net income	(million yen)	1,022	2,612	1,966	1,882	1,836
Total assets	(million yen)	110,403	113,808	130,582	130,821	134,403
(Period-on-period comparison)	(%)	(0.7)	+3.1	+14.7	+0.2	+2.7
Interest-bearing liabilities	(million yen)	50,824	53,674	61,574	61,574	65,494
Net assets	(million yen)	52,368	53,156	61,322	61,238	61,163
(Period-on-period comparison)	(%)	(1.7)	+1.5	+15.4	(0.1)	(0.1)
Unitholders' capital ^(Note 3)	(million yen)	51,154	51,154	59,164	59,164	59,164
Total number of investment units issued and outstanding	(units)	239,908	239,908	268,468	268,468	268,468
Net assets per unit	(yen)	218,284	221,570	228,417	228,102	227,824
Total distributions	(million yen)	1,824	1,810	1,966	1,911	1,836
Distribution payout ratio ^(Note 4, 6)	(%)	118.6	69.2	99.9	101.5	99.9
Distribution per unit	(yen)	7,605	7,546	7,326	7,120	6,842
Distribution per unit of earnings	(yen)	5,057	7,546	7,326	7,120	6,842
Distribution per unit in excess of earnings ^(Note 5)	(yen)	2,548	—	—	—	—
Ratio of ordinary profit to total assets ^(Note 6)	(%)	0.9	2.3	1.6	1.4	1.4
(Annualized) ^(Note 2)	(%)	1.9	4.6	3.2	2.9	2.8
Return on equity ^(Note 6)	(%)	1.9	5.0	3.4	3.1	3.0
(Annualized) ^(Note 2)	(%)	3.9	9.8	6.9	6.1	6.1
Equity ratio ^(Note 6)	(%)	47.4	46.7	47.0	46.8	45.5
(Period-on-period variation)		(0.5)	(0.7)	+0.3	(0.2)	(1.3)
Loan to value (LTV)	(%)	46.0	47.2	47.2	47.1	48.7
<Reference Information>						
Number of properties at end of period	(properties)	25	25	31	31	32
Total number of tenants at end of period	(tenants)	481	489	554	559	567
Total leasable area at end of period	(m ²)	157,709.84	152,934.87	171,928.65	171,867.73	173,678.53
Occupancy rate at end of period	(%)	98.7	99.2	97.6	98.3	97.9
Depreciation during period	(million yen)	506	504	553	566	589
Capital expenditures during period	(million yen)	570	346	411	423	443
Leasing NOI ^(Note 6)	(million yen)	2,900	2,878	3,158	3,118	3,093
Leasing NCF ^(Note 6)	(million yen)	2,330	2,532	2,747	2,694	2,649

- (Note 1) The operating periods of One REIT are the six-month periods from March 1 to August 31 and from September 1 to February 28 (29 in leap years) of the following year.
- (Note 2) Annualization is based on 365 days for a year, and calculated by using operating periods of 181 days for 15th fiscal period, 184 days for 16th fiscal period, 181 days for 17th fiscal period, 184 days for 18th fiscal period and 181 days for the 19th fiscal period.
- (Note 3) Unitholders' capital does not take into consideration any change in unitholders' capital with the execution of distribution in excess of earnings from allowance for temporary difference adjustments. The same hereinafter.
- (Note 4) Distribution payout ratio is rounded down to the first decimal place.
- (Note 5) Distribution per unit in excess of earnings for the fiscal period ended February 2021 is from allowance for temporary difference adjustments.
- (Note 6) It is calculated based on the following formula.

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

2. Asset Management for 19th Fiscal Period

1) Brief History of the Investment Corporation

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

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

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

(Note 2) “Middle-sized Office Building” is a category of office building with a total floor area within the range of 3,300 m² (approximately 1,000 tsubos) and 33,000 m² (approximately 10,000 tsubos).

2) Management Results

In the fiscal period under review (fiscal period ended February 2023 (19th fiscal period)), the economic environment showed signs of picking up, mainly in private consumption, amid COVID-19 restrictions on economic and social activities easing. Corporate earnings were improving overall, maintaining a trend of moderate economic recovery.

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

One REIT acquired FIELD Kita-Sando (acquisition price: 3,750 million yen) on December 23, 2022. Through this acquisition, One REIT sought qualitative improvement of the portfolio, such as progress in tenant diversification, stabilization of revenue base, decline in the average building age of the portfolio and increase in the percentage of properties in the Tokyo metropolitan area.

Furthermore, One REIT conducted leasing activities focused on maintaining and enhancing occupancy rates by flexibly setting new advertised rent and such in light of market trends, while working to realize optimal costs in property management by taking into consideration tenant needs and the characteristics of the respective properties in efforts to enhance leasing business revenue. In addition, One REIT continues to make efforts aimed at reducing environmental load and realizing a sustainable society as corporate social responsibility by recognizing the importance of consideration for environment, social, and governance issues in real estate investment management.

As a result, One REIT's portfolio as of the end of the fiscal period ended February 2023 comprised a total of 32 properties (total acquisition price: 123,677 million yen; not including silent partnership equity interest) with a total leasable area of 173,678.53 m², and the occupancy rate as of the end of the fiscal period ended February 2023 was 97.9%.

3) Financing

In the fiscal period ended February 2023, One REIT procured 9,000 million yen through syndicated loans arranged by Mizuho Bank, Ltd. on September 7, 2022, and used the funds for contractual repayment of existing borrowings and payment of various related costs. Of this, 8,000 million yen was One REIT's first financing through green loans.

One REIT also procured 3,920 million yen through borrowing from Mizuho Bank, Ltd. on December 23, 2022, and used the funds for the acquisition and ancillary costs of FIELD Kita-Sando.

As a result, as of the end of the fiscal period ended February 2023, the balance of interest-bearing liabilities was 65,494 million yen and the ratio of interest-bearing liabilities to total assets (LTV) was 48.7%.

4) Business Performance and Distributions

As a result of the management described above, business performance in the fiscal period ended February 2023 was operating revenue of 4,598 million yen, operating profit of 2,134 million yen, ordinary profit of 1,837 million yen and net income of 1,836 million yen.

With the intention for distributions to be in a manner that the maximum amount of distributions of earnings would be included in deductible expenses by application of the special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation), One REIT decided to distribute almost the entire amount of unappropriated retained earnings after deducting the amount internally reserved in or before the previous fiscal period with the accrual of gain on sale of real estate properties and such.

As a result, One REIT declared distribution per investment unit of 6,842 yen.

3. Status of Additional Offering

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

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

(Note 1) New investment units were issued through public offering at an issue price of 227,662 yen (paid-in amount: 219,956 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 2) New investment units were issued by way of third-party allotment in line with capital increase through public offering at a paid-in amount of 219,956 yen per unit.

(Note 3) New investment units were issued through public offering at an issue price of 289,965 yen (paid-in amount: 280,448 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 4) New investment units were issued by way of third-party allotment in line with capital increase through public offering at a paid-in amount of 280,448 yen per unit.

4. Cash Distributions

With the intention for distributions to be in a manner that the maximum amount of distributions of earnings would be included in deductible expenses by application of the special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation), One REIT decided to distribute 1,836,858,056 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (268,468 units), at an amount not in excess of unappropriated retained earnings after deducting the amount internally reserved in or before the previous fiscal period with the accrual of gain on sale of real estate properties and such.

As a result, One REIT declared distribution per investment unit of 6,842 yen.

5. Future Management Policy and Challenges to Address

1) Future Investment Environment

The domestic economy is expected to pick up, backed by the reclassification of COVID-19 under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases, among other factors. However, the impact of the Russian invasion of Ukraine and the resulting economic sanctions and such, surging resource prices and fuel costs keeping up the trend of global inflation, and fluctuations in financial and capital markets are among factors that should continue to be watched carefully. In particular, coupled with also the impact of depreciation of the yen from the growing Japan-U.S. interest rate gap, upward pressures on resource prices are rising and future developments in such thus warrant close attention.

In the office building leasing market, close attention needs to be paid to the impact of price rises and other economic fluctuations on tenants and the resulting movements of tenants, in addition to the impact of increase in new supply in the leasing market, reviewing of future offices amid the promotion and increase of remote work and other factors. In the office building transaction market, since there still are many investors both in Japan and abroad who are eager to acquire prime investment properties, transaction prices are expected to remain at a high level. However, it will be important to firmly maintain the attitude of making selective investment while carefully

monitoring the impact of the deteriorating supply-demand balance with the increase in new supply and such in the leasing market, the price rises and other economic fluctuations, and other factors on the real estate market.

2) Future Management Policy and Challenges to Address

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

In order to achieve the growth strategy in both aspects of external growth and internal growth as described above, it is the policy of One REIT to take full advantage of support from Mizuho Trust & Banking Co., Ltd., the sponsor, in addition to utilizing investment expertise and business as well as other resources of the Asset Management Company, MONE and MREM.

(a) External growth

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

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

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

(b) Internal growth

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

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

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

6. Subsequent Material Events

Not applicable.

Status of Assets under Management

1. Asset Composition

Type of asset	Use of asset	Region ^(Note 1)	18th fiscal period (August 31, 2022)		19th fiscal period (February 28, 2023)	
			Total amount held	As a percentage of	Total amount held	As a percentage of
			(million yen) ^(Note 2)	total assets (%) ^(Note 3)	(million yen) ^(Note 2)	total assets (%) ^(Note 3)
Real estate	Office buildings	Tokyo metropolitan area	6,295	4.8	6,239	4.6
	Office buildings subtotal		6,295	4.8	6,239	4.6
Real estate total			6,295	4.8	6,239	4.6
Real estate in trust	Office buildings	Tokyo metropolitan area	75,004	57.3	78,834	58.7
		Ordinance-designated cities, etc.	37,850	28.9	37,848	28.2
	Office buildings subtotal		112,854	86.3	116,683	86.8
Real estate in trust total			112,854	86.3	116,683	86.8
Investment securities ^(Note 4)			16	0.0	16	0.0
Deposits and other assets			11,653	8.9	11,463	8.5
Total assets			130,821	100.0	134,403	100.0

(Note 1) Regions are classified as follows:

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

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

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

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

2. Major Assets Owned by One REIT

The following is an overview of major assets (ten largest properties by book value at end of period) owned by One REIT as of February 28, 2023.

Name of real estate, etc.	Book value (million yen)	Leasable area (m ²)	Leased area (m ²)	Occupancy rate (%)	As a percentage of total property-related operating revenue (%) <small>(Note)</small>	Major use
Tokyo Parkside Building	10,663	12,920.17	12,920.17	100.0	8.0	Office
Daihakata Building	10,611	15,458.26	15,341.40	99.2	9.8	Office
Higobashi Center Building	9,495	15,898.57	15,751.94	99.1	8.3	Office
ONEST Motoyoyogi Square	7,464	7,645.14	7,645.14	100.0	5.3	Office
ONEST Kanda Square	6,239	5,259.25	5,151.26	97.9	3.9	Office
ONEST Hongo Square	5,454	4,461.10	4,461.10	100.0	2.8	Office
Nagoya Fushimi Square Building	4,792	8,417.39	8,417.39	100.0	4.2	Office
ONEST Nishi-Gotanda Square	4,716	4,249.00	4,249.00	100.0	2.8	Office
REID-C Chiba Ekimae Building	4,493	6,067.77	6,067.77	100.0	3.8	Office
ONEST Shin-Osaka Square	4,136	9,429.67	8,092.09	85.8	4.4	Office
Total	68,068	89,806.32	88,097.26	98.1	53.3	

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

3. Itemized Portfolio Assets

1) Itemization of Real Estate, Etc. Portfolio Assets

The following is an overview of the real estate, etc. owned by One REIT as of February 28, 2023.

	Name of real estate, etc.	Location	Type of ownership	Leasable area (m ²)	Appraisal value at end of period (million yen) ^(Note 1)	Book value at end of period (million yen)
OT-2	ONEST Kanda Square	17 Kanda Konyacho, Chiyoda-ku, Tokyo	Real estate	5,259.25	9,310	6,239
OT-3	Tachikawa Nishiki-cho Building	1-8-7 Nishikicho, Tachikawa-shi, Tokyo	Real estate trust beneficiary rights	5,621.33	4,170	3,084
OT-5	ONEST Yokohama Nishiguchi Building	2-6-1 Kitasaiwai, Nishi-ku, Yokohama-shi, Kanagawa Prefecture	Real estate trust beneficiary rights	4,326.68	3,880	3,073
OT-7	ONEST Nakano Building	1-11-2 Arai, Nakano-ku, Tokyo	Real estate trust beneficiary rights	3,116.49	3,440	2,814
OT-9	Minami-Shinagawa JN Building	2-2-13 Minami-Shinagawa, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	6,384.76	2,214	2,103
OT-10	Minami-Shinagawa N Building	2-2-10 Minami-Shinagawa, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	5,476.73	2,470	2,114
OT-11	Minami-Shinagawa J Building	2-2-7 Minami-Shinagawa, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	3,673.61	2,460	1,892
OT-13	Hachioji SIA Building	10-2 Yokoyama-cho, Hachioji-shi, Tokyo	Real estate trust beneficiary rights	2,749.83	857	687
OT-14	ONEST Motoyoyogi Square	30-13 Motoyoyogicho, Shibuya-ku, Tokyo	Real estate trust beneficiary rights	7,645.14	9,080	7,464
OT-15	ONEST Ueno Okachimachi Building	5-15-14 Ueno, Taito-ku, Tokyo	Real estate trust beneficiary rights	2,945.33	3,010	2,759
OT-16	ONEST Omiya Kishiki-cho Building ^(Note 2)	1-23-1 Kishiki-cho, Omiya-ku, Saitama-shi, Saitama Prefecture	Real estate trust beneficiary rights	3,523.56	3,530	3,171
OT-17	ONEST Ikebukuro East Building	3-12-2 Higashi Ikebukuro, Toshima-ku, Tokyo	Real estate trust beneficiary rights	2,677.80	2,290	2,217
OT-18	Crescendo Building	2-3-4 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa Prefecture	Real estate trust beneficiary rights	4,291.36	2,560	2,575
OT-19	Tokyo Parkside Building	5-8-40 Kiba, Koto-ku, Tokyo	Real estate trust beneficiary rights	12,920.17	11,300	10,663
OT-20	ONEST Nishi-Gotanda Square	7-24-5 Nishi-Gotanda, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	4,249.00	5,090	4,716
OT-21	ONEST Hongo Square	1-24-1 Hongo, Bunkyo-ku, Tokyo	Real estate trust beneficiary rights	4,461.10	5,430	5,454
OT-22	ONEST Minami-Otsuka Building	2-37-5 Minami-Otsuka, Toshima-ku, Tokyo	Real estate trust beneficiary rights	4,123.03	3,970	3,913
OT-23	D'sVARIE KANDA BLDG	4 Kanda Nishifukuda-cho, Chiyoda-ku, Tokyo	Real estate trust beneficiary rights	1,698.26	2,160	2,129
OT-24	ONEST Kinshicho Square ^(Note 2)	2-3-7 Kotobashi, Sumida-ku, Tokyo	Real estate trust beneficiary rights	3,910.34	4,380	4,011
OT-25	REID-C Chiba Ekimae Building	1-15-3 Benten, Chuo-ku, Chiba-shi, Chiba Prefecture	Real estate trust beneficiary rights	6,067.77	4,710	4,493

	Name of real estate, etc.	Location	Type of ownership	Leasable area (m ²)	Appraisal value at end of period (million yen) (Note 1)	Book value at end of period (million yen)
OT-26	Shinkawa 1-chome Building	1-2-14 Shinkawa, Chuo-ku, Tokyo	Real estate trust beneficiary rights	1,528.56	2,100	2,067
OT-27	ONEST Hakozaki Building (Note 2)	31-4 Nihonbashi-Hakozakicho, Chuo-ku, Tokyo	Real estate trust beneficiary rights	1,752.93	1,820	1,757
OT-28	ONEST Higashi-Nakano Building (Note 2)	4-6-2 Higashi-Nakano, Nakano-ku, Tokyo	Real estate trust beneficiary rights	2,040.28	1,790	1,759
OT-29	FIELD Kita-Sando	4-4-4 Sendagaya, Shibuya-ku, Tokyo	Real estate trust beneficiary rights	1,873.47	4,010	3,907
OO-1	ONEST Shin-Osaka Square	4-5-36 Miyahara, Yodogawa-ku, Osaka-shi, Osaka Prefecture	Real estate trust beneficiary rights	9,429.67	6,340	4,136
OO-2	Karasuma Plaza 21	634 Shichikannon-cho, Karasuma-dori Rokkaku Sagaru, Nakagyo-ku, Kyoto-shi, Kyoto Prefecture	Real estate trust beneficiary rights	8,893.59	4,240	3,815
OO-3	ONEST Nagoya Nishiki Square	1-8-6 Nishiki, Naka-ku, Nagoya-shi, Aichi Prefecture	Real estate trust beneficiary rights	5,801.80	3,580	2,225
OO-4	MY Kumamoto Building	1-7 Hanabata-cho, Chuo-ku, Kumamoto-shi, Kumamoto Prefecture	Real estate trust beneficiary rights	3,755.94	1,320	1,008
OO-5	Nagoya Fushimi Square Building	1-13-26 Nishiki, Naka-ku, Nagoya-shi, Aichi Prefecture	Real estate trust beneficiary rights	8,417.39	5,460	4,792
OO-6	Daihakata Building	2-20-1 Hakataekimae, Hakata-ku, Fukuoka-shi, Fukuoka Prefecture	Real estate trust beneficiary rights	15,458.26	11,300	10,611
OO-7	Higobashi Center Building	1-9-1 Edobori, Nishi-ku, Osaka-shi, Osaka Prefecture	Real estate trust beneficiary rights	15,898.57	10,400	9,495
OO-8	Daido Life Mito Building	1-1-25, Sakuragawa, Mito-shi, Ibaraki Prefecture	Real estate trust beneficiary rights	3,706.53	1,760	1,762
	Total			173,678.53	140,431	122,922

(Note 1) Appraisal values of each property is entrusted to The Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., Chuo Real Estate Appraisal Co., Ltd., Japan Real Estate Institute and JLL Morii Valuation & Advisory K.K., and “Appraisal value at end of period” is the value as of February 28, 2023, described in each real estate appraisal report.

(Note 2) Property names have been changed as follows. The same applies hereinafter.

Property no.	New property name	Old property name	Date of change
OT-16	ONEST Omiya Kishiki-cho Building	Daido Life Omiya Building	November 1, 2022
OT-27	ONEST Hakozaki Building	Hakozaki 314 Building	
OT-28	ONEST Higashi-Nakano Building	Aperto Higashi-Nakano Building	
OT-24	ONEST Kinshicho Square	Kuramochi Building Daiichi	February 1, 2023

Status of Assets under Management

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

Name of real estate, etc.		18th fiscal period (March 1, 2022, to August 31, 2022)				19th fiscal period (September 1, 2022, to February 28, 2023)			
		Total number of tenants [as of end of period] (tenants)	Occupancy rate [as of end of period] (%)	Property- related operat- ing revenue [during period] (million yen)	As a percentage of total proper- ty-related operat- ing revenue (%) ^(Note)	Total number of tenants [as of end of period] (tenants)	Occupancy rate [as of end of period] (%)	Property- related operat- ing revenue [during period] (million yen)	As a percentage of total proper- ty-related operat- ing revenue (%) ^(Note)
OT-2	ONEST Kanda Square	30	100.0	203	4.5	28	97.9	177	3.9
OT-3	Tachikawa Nishiki-cho Building	19	84.6	123	2.7	23	100.0	142	3.1
OT-5	ONEST Yokohama Nishiguchi Building	10	100.0	137	3.1	10	100.0	129	2.8
OT-7	ONEST Nakano Building	7	100.0	116	2.6	7	100.0	116	2.5
OT-9	Minami-Shinagawa JN Building	20	100.0	138	3.1	20	97.0	138	3.0
OT-10	Minami-Shinagawa N Building	18	100.0	114	2.5	18	100.0	116	2.5
OT-11	Minami-Shinagawa J Building	13	100.0	98	2.2	14	100.0	105	2.3
OT-13	Hachioji SIA Building	14	100.0	45	1.0	14	100.0	47	1.0
OT-14	ONEST Motoyoyogi Square	9	100.0	235	5.2	9	100.0	245	5.3
OT-15	ONEST Ueno Okachimachi Building	12	100.0	92	2.0	12	100.0	92	2.0
OT-16	ONEST Omiya Kishiki-cho Building	15	85.4	127	2.8	19	100.0	127	2.8
OT-17	ONEST Ikebukuro East Building	7	100.0	74	1.7	7	100.0	73	1.6
OT-18	Crescendo Building	30	100.0	93	2.1	30	100.0	89	1.9
OT-19	Tokyo Parkside Building	14	100.0	346	7.7	14	100.0	369	8.0
OT-20	ONEST Nishi-Gotanda Square	12	100.0	123	2.7	12	100.0	127	2.8
OT-21	ONEST Hongo Square	7	100.0	121	2.7	7	100.0	128	2.8
OT-22	ONEST Minami-Otsuka Building	14	100.0	114	2.5	14	100.0	114	2.5
OT-23	D'sVARIE KANDA BLDG	8	100.0	51	1.1	8	100.0	52	1.1
OT-24	ONEST Kinshicho Square	7	88.4	87	1.9	7	86.6	89	2.0
OT-25	REID-C Chiba Ekimae Building	17	100.0	168	3.7	17	100.0	174	3.8
OT-26	Shinkawa 1-chome Building	12	83.1	43	1.0	11	70.5	40	0.9
OT-27	ONEST Hakozaki Building	5	100.0	49	1.1	5	100.0	51	1.1
OT-28	ONEST Higashi-Nakano Building	8	100.0	51	1.1	7	89.7	56	1.2
OT-29	FIELD Kita-Sando	—	—	—	—	5	100.0	34	0.7
OO-1	ONEST Shin-Osaka Square	26	95.3	220	4.9	25	85.8	200	4.4
OO-2	Karasuma Plaza 21	12	100.0	222	4.9	12	100.0	224	4.9
OO-3	ONEST Nagoya Nishiki Square	5	100.0	152	3.4	5	100.0	155	3.4
OO-4	MY Kumamoto Building	19	100.0	79	1.8	19	100.0	79	1.7
OO-5	Nagoya Fushimi Square Building	45	99.2	190	4.2	45	100.0	195	4.2
OO-6	Daihakata Building	63	99.6	441	9.8	62	99.2	449	9.8
OO-7	Higobashi Center Building	63	100.0	380	8.4	64	99.1	381	8.3
OO-8	Daido Life Mito Building	18	94.0	70	1.6	17	87.0	67	1.5
Total		559	98.3	4,516	100.0	567	97.9	4,598	100.0

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

2) Itemization of Securities Portfolio Assets

The following is an overview of the securities owned by One REIT as of February 28, 2023.

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

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

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

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

The following is the status of contract amount, etc. and fair value of specified transactions by One REIT as of February 28, 2023.

Term	Type	Contract amount, etc. (million yen)		Fair value (million yen) ^(Note 2)
		^(Note 1)	Due after one year	
Transaction other than market transaction	Interest rate swap transactions (payable fixed interest rates and receivable floating interest rates)	27,324	21,324	–
Total		27,324	21,324	–

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

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

5. Status of Other Assets

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

6. Status of Assets Owned by Counties and Regions

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

Capital Expenditures of Owned Real Estate

1. Schedule of Capital Expenditures

The following is the major capital expenditures arising from renovation work, etc. planned for the 20th fiscal period (ending August 2023) for real estate and real estate in trust for real estate trust beneficiary rights held by One REIT. As a result, a portion of the expected cost of work may be classified under expenses in fiscal accounting.

Name of real estate, etc.	Location	Purpose	Scheduled period	Expected cost of work (thousand yen)		
				Total amount	Amount of payment during period	Amount already paid
Karasuma Plaza 21	Kyoto City, Kyoto	Renovation of external wall stone cladding; Renovation of entrance approach	From: May 16, 2023 To: Aug. 15, 2023	97,263	—	—
ONEST Shin-Osaka Square	Osaka City, Osaka	Renewal of elevator control system (phase one of four-phase work)	From: Jun. 1, 2023 To: Aug. 31, 2023	50,500	—	—
ONEST Motoyoyogi Square	Shibuya Ward, Tokyo	Upgrading of passenger elevators (three units)	From: Apr. 21, 2023 To: Jul. 20, 2023	50,298	—	—
Daido Life Mito Building	Mito City, Ibaraki	Renovation of external wall (south side) (phase three of four-phase work)	From: May 1, 2023 To: Jul. 31, 2023	19,492	—	—
D'sVARIE KANDA BLDG	Chiyoda Ward, Tokyo	Renovation of external wall	From: Jun. 1, 2023 To: Aug. 31, 2023	17,220	—	—
Karasuma Plaza 21	Kyoto City, Kyoto	Maintenance of leasing room (support two-way escape on 5th floor)	From: May 26, 2023 To: Aug. 25, 2023	15,150	—	—
Minami-Shinagawa JN Building	Shinagawa Ward, Tokyo	Centrifugal chiller overhaul and parts replacement (R-2)	From: Nov. 7, 2022 To: May 31, 2023	13,433	—	—
Hachioji SIA Building	Hachioji City, Tokyo	Renovation of external walls (east side and west side in part)	From: Apr. 1, 2023 To: Jun. 30, 2023	12,120	—	—
Higobashi Center Building	Osaka City, Osaka	Upgrading of cooling tower (phase two of two-phase work)	From: Mar. 1, 2023 To: Apr. 30, 2023	10,706	—	—
ONEST Nakano Building	Nakano Ward, Tokyo	Partial upgrading of packaged air-conditioning system (phase one of four-phase work)	From: Apr. 1, 2023 To: Jun. 30, 2023	10,605	—	—
Tokyo Parkside Building	Koto Ward, Tokyo	Upgrading of operating and emergency lighting DC power supply (accumulator and rectifier)	From: Mar. 18, 2023 To: Mar. 19, 2023	10,150	—	—
ONEST Higashi-Nakano Building	Nakano Ward, Tokyo	Upgrading of elevator control system (phase two of two-phase work)	From: Feb. 19, 2023 To: Mar. 8, 2023	10,150	—	—
ONEST Nakano Building	Nakano Ward, Tokyo	Upgrading of car elevator (upgrading of control system)	From: Jun. 1, 2023 To: Aug. 31, 2023	10,100	—	—

2. Capital Expenditures during the Fiscal Period

The following is the summary of properties which had major work that constitutes capital expenditures implemented during the fiscal period under review (the fiscal period ended February 2023). Capital expenditures for the fiscal period under review amounted to 443,715 thousand yen for the entire portfolio; and when combined with 160,747 thousand yen recorded under repair expenses, the total amount of work implemented comes to 604,463 thousand yen.

Name of real estate, etc.	Location	Purpose	Period	Cost of work (thousand yen)
Karasuma Plaza 21	Kyoto City, Kyoto	Replacement of main chain at No. 3 multistory parking (phase three of four-phase work)	From: Dec. 12, 2022 To: Jan. 10, 2023	26,568
Daido Life Mito Building	Mito City, Ibaraki	Upgrading of elevator control system	From: Nov. 14, 2022 To: Jan. 30, 2023	26,245
ONEST Omiya Kishiki-cho Building	Saitama City, Saitama	Renovation of common space on 2nd and 3rd floors (two floors)	From: Oct. 1, 2022 To: Nov. 1, 2022	25,957
Higobashi Center Building	Osaka City, Osaka	Upgrading of packaged air-conditioner (individual air-conditioning system) (phase eight of eight-phase work)	From: Nov. 1, 2022 To: Dec. 20, 2022	20,601
ONEST Yokohama Nishiguchi Building	Yokohama City, Kanagawa	Renovation of external wall (north side)	From: Sep. 20, 2022 To: Jan. 20, 2023	17,564
REID-C Chiba Ekimae Building	Chiba City, Chiba	Upgrade of automatic control equipment (phase two of eight-phase work)	From: Mar. 1, 2022 To: Feb. 14, 2023	16,159
Higobashi Center Building	Osaka City, Osaka	Upgrading of disaster prevention system (phase three of three-phase work)	From: Jul. 1, 2022 To: Sep. 8, 2022	15,753
ONEST Kinshicho Square	Sumida Ward, Tokyo	Upgrading of emergency power generator	From: Jan. 17, 2023 To: Jan. 31, 2023	11,059
		Others		283,805
		Total		443,715

Status of Acquisition and Sales during the Fiscal Period

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

Type of asset	Name of real estate, etc.	Acquisition		Transfer date	Transfer		
		Acquisition date	Acquisition price (million yen) ^(Note)		Transfer price (million yen)	Book value (million yen)	Gain or loss on sale (million yen)
Trust beneficiary rights	FIELD Kita-Sando	December 23, 2022	3,750	—	—	—	—
Total		—	3,750	—	—	—	—

(Note) “Acquisition price” is the amount excluding transaction intermediary fees, taxes and public dues and other various expenses required for the acquisition of the relevant real estate, etc. (transaction amount stated in the sale and purchase contract, etc.).

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

Not applicable.

3. Survey on Values of Specified Assets, Etc.

Acquisition or transfer	Type of asset	Name of real estate, etc.	Transaction date	Acquisition price or transfer price (million yen) ^(Note 1)	Real estate appraisal value (million yen)	Real estate appraisal agency	Effective date of the appraisal
Acquisition	Trust beneficiary rights	FIELD Kita-Sando	December 23, 2022	3,750	4,000	Daiwa Real Estate Appraisal Co., Ltd.	October 31, 2022

(Note 1) “Acquisition price or transfer price” is the amount excluding transaction intermediary fees, taxes and public dues and other various expenses required for the acquisition or transfer of the relevant real estate, etc. (transaction amount stated in the sale and purchase contract, etc.).

(Note 2) The above appraisal is carried out by applying “Real Estate Appraisal Standards, Specific Thesis Chapter 3: Appraisal on Prices of Real Estate Subject to Securitization.”

4. Status of Transactions with Interested Persons

1) Status of Transactions

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

2) Amount of Paid Fees, Etc.

Term	Total paid fees (A)	Breakdown of transactions with interested persons		As a percentage of total amount (B/A) (Note 1)
		Paid parties	Paid amount (B)	
Property management fees	417 million yen	Mizuho Bank, Ltd.	0 million yen	0.2%
Trust fees	15 million yen	Mizuho Trust & Banking Co., Ltd.	2 million yen	16.1%
Asset custody fees	5 million yen	Mizuho Trust & Banking Co., Ltd.	5 million yen	100.0%
Administrative service fees	21 million yen	Mizuho Trust & Banking Co., Ltd.	21 million yen	100.0%
Other operating expenses	50 million yen	Mizuho Bank, Ltd.	0 million yen	1.4%
		Mizuho Trust & Banking Co., Ltd.	0 million yen	0.0%
Other non-operating expenses	2 million yen	Mizuho Bank, Ltd.	0 million yen	3.0%

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

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

Mizuho Trust & Banking Co., Ltd.	5 million yen
Mizuho Bank, Ltd.	56 million yen

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

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

Balance Sheet

(Unit: thousand yen)

	18th fiscal period (Aug. 31, 2022)	19th fiscal period (Feb. 28, 2023)
Assets		
Current assets		
Cash and deposits	3,933,890	3,639,284
Cash and deposits in trust	7,074,088	7,073,942
Operating accounts receivable	110,254	111,526
Prepaid expenses	168,225	190,038
Income taxes receivable	7	–
Consumption taxes receivable	–	67,033
Other	936	1,030
Total current assets	11,287,403	11,082,856
Non-current assets		
Property, plant and equipment		
Buildings	3,650,209	3,660,105
Accumulated depreciation	(1,139,279)	(1,204,037)
Buildings, net	2,510,929	2,456,067
Structures	9,842	9,842
Accumulated depreciation	(5,641)	(5,964)
Structures, net	4,201	3,878
Machinery and equipment	65,383	65,383
Accumulated depreciation	(62,341)	(62,509)
Machinery and equipment, net	3,042	2,874
Tools, furniture and fixtures	9,207	9,207
Accumulated depreciation	(2,009)	(2,747)
Tools, furniture and fixtures, net	7,198	6,459
Land	3,770,347	3,770,347
Buildings in trust	30,939,365	32,096,911
Accumulated depreciation	(5,023,506)	(5,523,168)
Buildings in trust, net	25,915,858	26,573,743
Structures in trust	51,003	55,962
Accumulated depreciation	(6,407)	(8,172)
Structures in trust, net	44,596	47,789
Machinery and equipment in trust	330,447	370,699
Accumulated depreciation	(119,588)	(136,741)
Machinery and equipment in trust, net	210,859	233,958
Tools, furniture and fixtures in trust	89,295	103,561
Accumulated depreciation	(51,434)	(56,636)
Tools, furniture and fixtures in trust, net	37,860	46,925
Land in trust	83,357,166	86,489,239
Construction in progress in trust	10,266	13,335
Total property, plant and equipment	115,872,327	119,644,621
Intangible assets		
Land leasehold interests in trust	3,278,336	3,278,336
Other	1,874	8,542
Total intangible assets	3,280,211	3,286,879
Investments and other assets		
Investment securities	16,910	16,585
Leasehold and guarantee deposits	10,300	10,300
Long-term prepaid expenses	280,530	298,330
Deferred tax assets	–	14
Total investments and other assets	307,741	325,230
Total non-current assets	119,460,280	123,256,730
Deferred assets		
Investment unit issuance expenses	18,012	13,509
Investment corporation bond issuance costs	55,305	50,245
Total deferred assets	73,318	63,754
Total assets	130,821,001	134,403,341

(Unit: thousand yen)

	18th fiscal period (Aug. 31, 2022)	19th fiscal period (Feb. 28, 2023)
Liabilities		
Current liabilities		
Operating accounts payable	295,218	238,862
Short-term borrowings	—	4,920,000
Current portion of long-term borrowings	9,000,000	8,000,000
Accounts payable - other	513,006	465,569
Accrued expenses	6,133	5,641
Income taxes payable	605	899
Accrued consumption taxes	269,081	44,852
Advances received	738,234	764,257
Other	442	2,276
Total current liabilities	10,822,721	14,442,361
Non-current liabilities		
Investment corporation bonds	9,500,000	9,500,000
Long-term borrowings	43,074,000	43,074,000
Leasehold and guarantee deposits received	385,588	283,070
Leasehold and guarantee deposits received in trust	5,800,399	5,940,225
Total non-current liabilities	58,759,987	58,797,296
Total liabilities	69,582,709	73,239,657
Net assets		
Unitholders' equity		
Unitholders' capital	59,164,521	59,164,521
Surplus		
Unappropriated retained earnings (undisposed loss)	2,073,771	1,999,162
Total surplus	2,073,771	1,999,162
Total unitholders' equity	61,238,292	61,163,683
Total net assets	*1 61,238,292	61,163,683
Total liabilities and net assets	130,821,001	134,403,341

Statement of Income and Retained Earnings

(Unit: thousand yen)

		18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)	19th fiscal period (From: Sep. 1, 2022 To: Feb. 28, 2023)
Operating revenue			
Leasing business revenue	*1	4,097,595	4,098,273
Other leasing business revenue	*1	419,132	500,165
Total operating revenue		4,516,728	4,598,438
Operating expenses			
Expenses related to leasing business	*1	1,965,009	2,094,567
Asset management fees		287,964	287,366
Asset custody fees		5,063	5,070
Administrative service fees		21,534	21,709
Directors' compensations		3,876	3,876
Other operating expenses		48,715	50,990
Total operating expenses		2,332,163	2,463,580
Operating profit		2,184,564	2,134,857
Non-operating income			
Interest income		51	52
Insurance claim income		606	4,851
Reversal of distributions payable		775	658
Interest on tax refund		550	—
Subsidy income		504	—
Sponsorship money income		—	4,600
Total non-operating income		2,487	10,162
Non-operating expenses			
Interest expenses		159,446	163,147
Interest expenses on investment corporation bonds		33,808	32,777
Financing fees		98,872	99,383
Amortization of investment unit issuance expenses		4,503	4,503
Amortization of investment corporation bond issuance costs		5,060	5,060
Other		2,321	2,371
Total non-operating expenses		304,011	307,243
Ordinary profit		1,883,039	1,837,776
Net income before income taxes		1,883,039	1,837,776
Income taxes – current		605	907
Income taxes – deferred		17	(14)
Total income taxes		622	893
Net income		1,882,417	1,836,883
Retained earnings brought forward		191,353	162,278
Unappropriated retained earnings (undisposed loss)		2,073,771	1,999,162

Statement of Changes in Net Assets

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

(Unit: thousand yen)

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

19th fiscal period (September 1, 2022, to February 28, 2023)

(Unit: thousand yen)

	Unitholders' equity				
	Unitholders' capital	Surplus		Total unitholders' equity	Total net assets
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	59,164,521	2,073,771	2,073,771	61,238,292	61,238,292
Changes during period					
Dividends of surplus		(1,911,492)	(1,911,492)	(1,911,492)	(1,911,492)
Net income		1,836,883	1,836,883	1,836,883	1,836,883
Total changes during period	—	(74,608)	(74,608)	(74,608)	(74,608)
Balance at end of period	59,164,521	1,999,162	1,999,162	61,163,683	61,163,683

Statement of Cash Distributions

(Unit: yen)

Item	Fiscal Period	18th fiscal period	19th fiscal period
		(From: Mar. 1, 2022 To: Aug. 31, 2022)	(From: Sep. 1, 2022 To: Feb. 28, 2023)
I. Unappropriated retained earnings		2,073,771,115	1,999,162,542
II. Amount of distributions		1,911,492,160	1,836,858,056
[Amount of distributions per investment unit]		[7,120]	[6,842]
III. Retained earnings carried forward		162,278,955	162,304,486
Method of calculating the amount of distributions		<p>Pursuant to the distribution policy provided in Article 35, Paragraph 1, Item 2 of the Articles of Incorporation of One REIT, the amount of distributions shall be in excess of an amount equivalent to 90% of the amount of earnings available for distribution of One REIT provided in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings.</p> <p>Based on such policy, One REIT decided to pay out distributions of earnings of 1,911,492,160 yen by adding some of the unappropriated retained earnings internally reserved in or before the previous fiscal period with the accrual of gain on sale of real estate properties and such to net income. One REIT will not engage in the distribution of cash in excess of earnings provided in Article 35, Paragraph 2 of the Articles of Incorporation of One REIT.</p>	<p>Pursuant to the distribution policy provided in Article 35, Paragraph 1, Item 2 of the Articles of Incorporation of One REIT, the amount of distributions shall be in excess of an amount equivalent to 90% of the amount of earnings available for distribution of One REIT provided in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings.</p> <p>Based on such policy, One REIT decided to pay out distributions of earnings of 1,836,858,056 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (268,468 units) out of the remaining amount after deducting the amount internally reserved in or before the previous fiscal period with the accrual of gain on sale of real estate properties and such from unappropriated retained earnings. One REIT will not engage in the distribution of cash in excess of earnings provided in Article 35, Paragraph 2 of the Articles of Incorporation of One REIT.</p>

Statement of Cash Flows

(Unit: thousand yen)

	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)	19th fiscal period (From: Sep. 1, 2022 To: Feb. 28, 2023)
Cash flows from operating activities		
Net income before income taxes	1,883,039	1,837,776
Depreciation	566,775	590,570
Amortization of investment unit issuance expenses	4,503	4,503
Amortization of investment corporation bond issuance costs	5,060	5,060
Interest income	(51)	(52)
Reversal of distributions payable	(775)	(658)
Interest expenses	193,254	195,924
Decrease (increase) in operating accounts receivable	(33,090)	(1,272)
Decrease (increase) in consumption taxes receivable	319,110	(67,033)
Decrease (increase) in prepaid expenses	25,837	(21,812)
Increase (decrease) in operating accounts payable	107,322	(56,355)
Increase (decrease) in accounts payable - other	14,229	(1,142)
Increase (decrease) in accrued consumption taxes	226,776	(224,228)
Increase (decrease) in advances received	(2,683)	26,023
Decrease (increase) in long-term prepaid expenses	79,152	(17,799)
Other	(9,492)	(68)
Subtotal	3,378,970	2,269,435
Interest received	51	52
Interest paid	(192,771)	(196,416)
Income taxes paid	(670)	(605)
Cash flows from operating activities	3,185,580	2,072,466
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,884)	(15,059)
Purchase of property, plant and equipment in trust	(493,246)	(4,391,188)
Purchase of intangible assets	–	(7,470)
Refund of leasehold and guarantee deposits received	(99,179)	(102,565)
Proceeds from leasehold and guarantee deposits received	101,575	48
Refund of leasehold and guarantee deposits received in trust	(223,784)	(213,553)
Proceeds from leasehold and guarantee deposits received in trust	296,643	353,560
Proceeds from redemption of investment securities	753	325
Cash flows from investing activities	(432,122)	(4,375,904)
Cash flows from financing activities		
Proceeds from short-term borrowings	–	4,920,000
Proceeds from long-term borrowings	–	8,000,000
Repayments of long-term borrowings	–	(9,000,000)
Distributions paid	(1,967,018)	(1,911,313)
Cash flows from financing activities	(1,967,018)	2,008,686
Net increase (decrease) in cash and cash equivalents	786,439	(294,751)
Cash and cash equivalents at beginning of period	10,221,539	11,007,978
Cash and cash equivalents at end of period	*1 11,007,978	10,713,227

Notes to Financial Statements

Basis of Presentation of Financial Statements

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

Notes to Significant Accounting Policies

1. Standards for valuation and method of valuation of assets

Securities

Other securities

Stocks and others without a quoted market price

Cost determined by the moving average method is adopted.

Silent partnership equity interests

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

2. Method of depreciation of non-current assets

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

The straight-line method is adopted.

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

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

2) Intangible assets

The straight-line method is adopted.

3) Long-term prepaid expenses

The straight-line method is adopted.

3. Accounting for deferred assets

1) Investment unit issuance expenses

Amortized using the straight-line method over 3 years.

2) Investment corporation bond issuance costs

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

4. Standards for recognition of revenue and expenses

1) Accounting for property tax, etc.

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

The amount equivalent to property tax, etc. in the fiscal year including the acquisition date when money was paid to the seller as reimbursement upon acquisition of real estate, etc. is included in the cost of acquisition of the relevant real estate, etc. and not recognized as expenses. No amount equivalent to property tax, etc. was included in the cost of acquisition of real estate property in the 18th fiscal period. The amount equivalent to property tax, etc. included in the cost of acquisition of real estate property was 385 thousand yen in the 19th fiscal period.

2) Standards for recognition of revenue

- **Sale of real estate properties**

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

- **Utilities revenue**

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

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

5. Hedge accounting method

1) Hedge accounting method

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

2) Hedging instruments and hedge items

Hedging instrument: Interest rate swap transactions

Hedged items: Interest on borrowings

3) Hedging policy

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

4) Method of assessing hedge effectiveness

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

6. Scope of funds in the statement of cash flows

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

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

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

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

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

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

2) Accounting for non-deductible consumption taxes

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

Notes to the Balance Sheet

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

(Unit: thousand yen)

18th fiscal period (As of Aug. 31, 2022)	19th fiscal period (As of Feb. 28, 2023)
50,000	50,000

Notes to the Statement of Income and Retained Earnings

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

(Unit: thousand yen)

	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)	19th fiscal period (From: Sep. 1, 2022 To: Feb. 28, 2023)
A. Property-related operating revenue		
Leasing business revenue		
Rent revenue	3,317,867	3,342,495
Common area charges revenue	582,234	562,212
Parking revenue	171,069	169,070
Other rent revenue	26,423	24,495
Total	4,097,595	4,098,273
Other leasing business revenue		
Utilities revenue	387,170	436,712
Other revenue	31,962	63,452
Total	419,132	500,165
Total property-related operating revenue	4,516,728	4,598,438
B. Property-related operating expenses		
Expenses related to leasing business		
Property management fees	435,388	417,700
Utilities expenses	435,338	506,179
Taxes and public dues	356,812	357,159
Insurance premiums	8,604	8,361
Repair expenses	107,941	160,747
Trust fees	15,300	15,486
Depreciation	566,595	589,768
Other sundry expenses	39,027	39,163
Total property-related operating expenses	1,965,009	2,094,567
C. Property-related operating income (loss) [A – B]	2,551,718	2,503,871

Notes to the Statement of Changes in Net Assets

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

	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)	19th fiscal period (From: Sep. 1, 2022 To: Feb. 28, 2023)
Total number of investment units authorized	4,000,000 units	4,000,000 units
Total number of investment units issued and outstanding	268,468 units	268,468 units

Notes to the Statement of Cash Flows

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

(Unit: thousand yen)

	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)	19th fiscal period (From: Sep. 1, 2022 To: Feb. 28, 2023)
Cash and deposits	3,933,890	3,639,284
Cash and deposits in trust	7,074,088	7,073,942
Cash and cash equivalents	11,007,978	10,713,227

Notes on Lease Transactions

Operating leases (as lessor)

Future minimum lease revenues

(Unit: thousand yen)

Term	18th fiscal period (As of Aug. 31, 2022)	19th fiscal period (As of Feb. 28, 2023)
Due within 1 year	310,817	302,463
Due after 1 year	366,006	301,759
Total	676,824	604,222

Notes on Financial Instruments

1. Matters concerning status of financial instruments

(1) Policy for handling financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

(Unit: thousand yen)

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

The following is the carrying amount and fair value as of February 28, 2023, and the amount of difference between these. Please note that the following table does not include silent partnership equity interests ^(Note 2). In addition, as "Cash and deposits," "Cash and deposits in trust" and "Short-term borrowings" are cash and settled within a short period of time, the fair value is approximately the same as the book value, and thus notes are omitted.

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term borrowings	8,000,000	8,011,058	11,058
(2) Investment corporation bonds	9,500,000	9,295,700	(204,300)
(3) Long-term borrowings	43,074,000	42,852,074	(221,925)
(4) Leasehold and guarantee deposits received	283,070	242,673	(40,397)
(5) Leasehold and guarantee deposits received in trust	5,940,225	5,090,110	(850,114)
Liabilities total	66,797,296	65,491,617	(1,305,678)
(6) Derivative transactions	—	—	—

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

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

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

(2) Investment corporation bonds

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

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

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

(6) Derivative transactions

Please refer to “Notes on Derivative Transactions” below.

(Note 2) Silent partnership equity interests

For silent partnership equity interests, the fair value is calculated with application of the treatment stipulated in Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued on June 17, 2021). No notes are provided on matters prescribed in Paragraph 4 (1) of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19 issued on March 31, 2020).

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

Carrying amount

(Unit: thousand yen)

Term	18th fiscal period (As of Aug. 31, 2022)	19th fiscal period (As of Feb. 28, 2023)
Investment securities	16,910	16,585
Total	16,910	16,585

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

18th fiscal period (August 31, 2022)

(Unit: thousand yen)

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

19th fiscal period (February 28, 2023)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Investment corporation bonds	–	1,500,000	1,500,000	–	–	6,500,000
Long-term borrowings	8,000,000	10,000,000	9,974,000	9,200,000	13,900,000	–
Total	8,000,000	11,500,000	11,474,000	9,200,000	13,900,000	6,500,000

Notes on Securities

18th fiscal period (August 31, 2022)

Not applicable.

19th fiscal period (February 28, 2023)

Not applicable.

Notes on Derivative Transactions

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

18th fiscal period (August 31, 2022)

Not applicable.

19th fiscal period (February 28, 2023)

Not applicable.

2. Derivative transactions to which hedge accounting is applied:

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

18th fiscal period (August 31, 2022)

(Unit: thousand yen)

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

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

19th fiscal period (February 28, 2023)

(Unit: thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value calculation method
				Due after one year		
Special treatment for interest rate swaps	Interest rate swap transactions Receive floating / Pay fixed	Long-term borrowings	27,324,000	21,324,000	(Note)	—

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

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

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

Not applicable.

19th fiscal period (September 1, 2022, to February 28, 2023)

Not applicable.

Notes on Related-Party Transactions

1. Parent company, major corporate unitholder, etc.

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

Not applicable.

19th fiscal period (September 1, 2022, to February 28, 2023)

Not applicable.

2. Associated company, etc.

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

Not applicable.

19th fiscal period (September 1, 2022, to February 28, 2023)

Not applicable.

3. Fellow subsidiary, etc.

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

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

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

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

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

19th fiscal period (September 1, 2022, to February 28, 2023)

Type	Name of company or person	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party (%)	Description of relationship Concurrent holding of positions, etc. by directors	Business relationship	Description of transaction (Note 1)	Amount of transaction (thousand yen) (Note 2) (Note 3)	Account item	Balance at end of period (thousand yen) (Note 2)
Companies holding more than half of voting rights in major unitholders	Mizuho REIT Management Co., Ltd. (subsidiary of Mizuho Realty One Co., Ltd.)	Chiyoda Ward, Tokyo	50,000	Investment Management Business	—	Concurrent holding of positions, etc. by directors: 1 person	Entrustment of asset management operation	Payment of asset management fees	324,866	Accounts payable - other	316,102

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

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

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

(Note 3) The asset management fees include the fee (37,500 thousand yen) for the acquisition of properties that was included in the book value of specified assets.

4. Director, major individual unitholder, etc.

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

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

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

19th fiscal period (September 1, 2022, to February 28, 2023)

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

Note that Executive Director Hirofumi Nabeyama holds no investment units of One REIT as of February 28, 2023.

Notes on Tax-Effect Accounting

1. Breakdown of main causes for occurrence of deferred tax assets and deferred tax liabilities

(Unit: thousand yen)

	18th fiscal period (As of Aug. 31, 2022)	19th fiscal period (As of Feb. 28, 2023)
Deferred tax assets		
Non-deductible accrued enterprise tax	—	14
Total deferred tax assets	—	14
Net deferred tax assets	—	14

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

(Unit: %)

	18th fiscal period (As of Aug. 31, 2022)	19th fiscal period (As of Feb. 28, 2023)
Effective statutory tax rate	31.46	31.46
[Adjustments]		
Deductible distributions payable	(31.46)	(31.44)
Others	0.03	0.03
Income tax rate after application of tax-effect accounting	0.03	0.05

Notes on Asset Retirement Obligations

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

Not applicable.

19th fiscal period (September 1, 2022, to February 28, 2023)

Not applicable.

Notes on Investment and Rental Properties

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

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

(Unit: thousand yen)

	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)	19th fiscal period (From: Sep. 1, 2022 To: Feb. 28, 2023)
Carrying amount		
Balance at beginning of period	119,296,855	119,150,663
Amount of increase (decrease) during period	(146,192)	3,772,293
Balance at end of period	119,150,663	122,922,957
Fair value at end of period	137,203,000	140,431,000

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

(Note 2) Of the amount of increase (decrease) in investment and rental properties during the 18th fiscal period, the amount of increase is mainly attributable to capital expenditures (423,766 thousand yen), while the amount of decrease is mainly attributable to depreciation (566,595 thousand yen). Of the amount of increase (decrease) in investment and rental properties during the 19th fiscal period, the amount of increase is mainly attributable to acquisition of FIELD Kita-Sando (3,915,200 thousand yen) and capital expenditures (443,715 thousand yen), while the amount of decrease is mainly attributable to depreciation (589,768 thousand yen).

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

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

Notes on Revenue Recognition

1. Breakdown of revenue from contracts with customers

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

(Unit: thousand yen)

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

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

19th fiscal period (September 1, 2022, to February 28, 2023)

(Unit: thousand yen)

	Receivables from contracts with customers ^(Note)	Net sales to external customers
Sale of real estate properties	—	—
Utilities revenue	436,712	436,712
Others	—	4,161,726
Total	436,712	4,598,438

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

2. Explanation of revenue from contracts with customers**18th fiscal period (March 1, 2022, to August 31, 2022)**

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

19th fiscal period (September 1, 2022, to February 28, 2023)

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

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

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

(Unit: thousand yen)

	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)	19th fiscal period (From: Sep. 1, 2022 To: Feb. 28, 2023)
Receivables from contracts with customers (balance at beginning of period)	76,583	110,254
Receivables from contracts with customers (balance at end of period)	110,254	109,764
Contract assets (balance at beginning of period)	—	—
Contract assets (balance at end of period)	—	—
Contract liabilities (balance at beginning of period)	—	—
Contract liabilities (balance at end of period)	—	—

(2) Transaction price allocated to remaining performance obligations

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

Notes on Segment Information, etc.

1. Segment information

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

2. Related information

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

(1) Information for each product and service

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

(2) Information for each region

1) Net Sales

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

2) Property, plant and equipment

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

(3) Information for each major customer

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

19th fiscal period (September 1, 2022, to February 28, 2023)

(1) Information for each product and service

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

(2) Information for each region

1) Net Sales

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

2) Property, plant and equipment

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

(3) Information for each major customer

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

Notes on Per Unit Information

	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)	19th fiscal period (From: Sep. 1, 2022 To: Feb. 28, 2023)
Net assets per unit	228,102 yen	227,824 yen
Net income per unit	7,011 yen	6,842 yen

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

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

	18th fiscal period (From: Mar. 1, 2022 To: Aug. 31, 2022)	19th fiscal period (From: Sep. 1, 2022 To: Feb. 28, 2023)
Net income (thousand yen)	1,882,417	1,836,883
Amount not attributable to common unitholders (thousand yen)	—	—
Net income attributable to common investment units (thousand yen)	1,882,417	1,836,883
Average number of investment units during period (units)	268,468	268,468

Notes on Significant Subsequent Events

Not applicable.

Supplementary Schedules

A. Schedule of securities

(1) Stocks

Not applicable.

(2) Securities other than stocks

(Unit: thousand yen)

Type	Name of security	Total face value	Book value	Accrued interest	Prepaid accrued interest	Valuation amount (Note 1)	Valuation gain or loss	Note
Silent partnership equity interests	Silent partnership equity interest with Kagurazaka Kogyo GK as the operator (Note 2)	—	16,585	—	—	16,585	—	—
Total		—	16,585	—	—	16,585	—	—

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

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

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

Term	Type	Contract amount, etc. (thousand yen) (Note 1)		Fair value (Note 2)
			Due after one year	
Transaction other than market transaction	Interest rate swap transactions Receive floating / Pay fixed	27,324,000	21,324,000	—
Total		27,324,000	21,324,000	—

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

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

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

(Unit: thousand yen)

Type of asset	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Accumulated depreciation or accumulated amortization	Amount of amortization during period	Net balance at end of period	Remarks
(Property, plant and equipment)								
Buildings	3,650,209	9,896	—	3,660,105	1,204,037	64,757	2,456,067	—
Structures	9,842	—	—	9,842	5,964	322	3,878	—
Machinery and equipment	65,383	—	—	65,383	62,509	167	2,874	—
Tools, furniture and fixtures	9,207	—	—	9,207	2,747	738	6,459	—
Land	3,770,347	—	—	3,770,347	—	—	3,770,347	—
Buildings in trust	30,939,365	1,157,546	—	32,096,911	5,523,168	499,661	26,573,743	(Note)
Structures in trust	51,003	4,958	—	55,962	8,172	1,765	47,789	—
Machinery and equipment in trust	330,447	40,252	—	370,699	136,741	17,152	233,958	—
Tools, furniture and fixtures in trust	89,295	14,265	—	103,561	56,636	5,201	46,925	—
Land in trust	83,357,166	3,132,073	—	86,489,239	—	—	86,489,239	(Note)
Construction in progress in trust	10,266	5,695	2,625	13,335	—	—	13,335	—
Subtotal	122,282,536	4,364,688	2,625	126,644,598	6,999,977	589,768	119,644,621	—
(Intangible assets)								
Land leasehold interests in trust	3,278,336	—	—	3,278,336	—	—	3,278,336	—
Others	5,962	7,470	—	13,432	4,889	802	8,542	—
Subtotal	3,284,298	7,470	—	3,291,769	4,889	802	3,286,879	—
Total	125,566,834	4,372,158	2,625	129,936,367	7,004,867	590,570	122,931,500	—

(Note) The increase in buildings in trust and land in trust during the period is mainly attributable to the acquisition of FIELD Kita-Sando.

D. Schedule of other specified assets

Not applicable.

E. Schedule of investment corporation bonds

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

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

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

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

(Unit: thousand yen)

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

F. Schedule of borrowings

Term	Lenders	Balance at beginning of period (thousand yen)	Amount of increase during period (thousand yen)	Amount of decrease during period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (Note 1)	Repayment date	Use	Remarks
Short-term borrowings	Mizuho Trust & Banking Co., Ltd.	—	500,000	—	500,000	0.25856%	Sep. 7, 2023	(Note 4)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	—	500,000	—	500,000				
	Mizuho Bank, Ltd.	—	3,920,000	—	3,920,000	0.25395%	Sep. 7, 2023	(Note 3)	
	Subtotal	—	4,920,000	—	4,920,000				

Term	Lenders	Balance at beginning of period (thousand yen)	Amount of increase during period (thousand yen)	Amount of decrease during period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (Note 1)	Repayment date	Use	Remarks
Current portion of long-term borrowings	Mizuho Trust & Banking Co., Ltd.	182,500	—	182,500	—	0.62750% (Note 2)	Sep. 7, 2022	(Note 3)	
	Mizuho Bank, Ltd.	182,500	—	182,500	—				
	Sumitomo Mitsui Banking Corporation	3,750,000	—	3,750,000	—				
	Aozora Bank, Ltd.	562,500	—	562,500	—				
	Resona Bank, Limited	567,500	—	567,500	—				
	San ju San Bank, Ltd.	380,000	—	380,000	—				
	The Bank of Fukuoka, Ltd.	375,000	—	375,000	—	0.37091% (Note 2)	Sep. 7, 2022	(Note 4)	
	Mizuho Trust & Banking Co., Ltd.	890,000	—	890,000	—				
	Mizuho Bank, Ltd.	890,000	—	890,000	—				
	Sumitomo Mitsui Banking Corporation	340,000	—	340,000	—				
	SBI Shinsei Bank, Limited	550,000	—	550,000	—				
	Resona Bank, Limited	150,000	—	150,000	—				
	The Bank of Fukuoka, Ltd.	180,000	—	180,000	—	0.51223% (Note 2)	Sep. 7, 2023	(Note 3)	Unsecured/ Unguaranteed
	Mizuho Trust & Banking Co., Ltd.	—	275,000	—	275,000				
	Mizuho Bank, Ltd.	—	275,000	—	275,000				
	Sumitomo Mitsui Banking Corporation	—	250,000	—	250,000				
	SBI Shinsei Bank, Limited	—	250,000	—	250,000				
	Resona Bank, Limited	—	175,000	—	175,000				
	Aozora Bank, Ltd.	—	162,500	—	162,500				
	The Bank of Fukuoka, Ltd.	—	162,500	—	162,500				
	The Nishi-Nippon City Bank, Ltd.	—	150,000	—	150,000				
	The Chugoku Bank, Ltd.	—	150,000	—	150,000				
	The Bank of Kyoto, Ltd.	—	75,000	—	75,000				
	Nippon Life Insurance Company	—	75,000	—	75,000				
	Mizuho Trust & Banking Co., Ltd.	—	825,000	—	825,000	0.67200% (Note 2)	Sep. 7, 2023	(Note 3)	
	Mizuho Bank, Ltd.	—	825,000	—	825,000				
	Sumitomo Mitsui Banking Corporation	—	750,000	—	750,000				
	SBI Shinsei Bank, Limited	—	750,000	—	750,000				
	Resona Bank, Limited	—	525,000	—	525,000				
	Aozora Bank, Ltd.	—	487,500	—	487,500				
	The Bank of Fukuoka, Ltd.	—	487,500	—	487,500				
	The Nishi-Nippon City Bank, Ltd.	—	450,000	—	450,000				
	The Chugoku Bank, Ltd.	—	450,000	—	450,000				
	The Bank of Kyoto, Ltd.	—	225,000	—	225,000				
	Nippon Life Insurance Company	—	225,000	—	225,000				
	Subtotal	9,000,000	8,000,000	9,000,000	8,000,000				

Supplementary Schedules

Term	Lenders	Balance at beginning of period (thousand yen)	Amount of increase during period (thousand yen)	Amount of decrease during period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (Note 1)	Repayment date	Use	Remarks
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	275,000	—	275,000	—	0.51223%	Sep. 7, 2023	(Note 3)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	275,000	—	275,000	—				
	Sumitomo Mitsui Banking Corporation	250,000	—	250,000	—				
	SBI Shinsei Bank, Limited	250,000	—	250,000	—				
	Resona Bank, Limited	175,000	—	175,000	—				
	Aozora Bank, Ltd.	162,500	—	162,500	—				
	The Bank of Fukuoka, Ltd.	162,500	—	162,500	—				
	The Nishi-Nippon City Bank, Ltd.	150,000	—	150,000	—				
	The Chugoku Bank, Ltd.	150,000	—	150,000	—				
	The Bank of Kyoto, Ltd.	75,000	—	75,000	—				
	Nippon Life Insurance Company	75,000	—	75,000	—				
	Mizuho Trust & Banking Co., Ltd.	825,000	—	825,000	—	0.67200% (Note 2)	Sep. 7, 2023		
	Mizuho Bank, Ltd.	825,000	—	825,000	—				
	Sumitomo Mitsui Banking Corporation	750,000	—	750,000	—				
	SBI Shinsei Bank, Limited	750,000	—	750,000	—				
	Resona Bank, Limited	525,000	—	525,000	—				
	Aozora Bank, Ltd.	487,500	—	487,500	—				
	The Bank of Fukuoka, Ltd.	487,500	—	487,500	—				
	The Nishi-Nippon City Bank, Ltd.	450,000	—	450,000	—				
	The Chugoku Bank, Ltd.	450,000	—	450,000	—				
	The Bank of Kyoto, Ltd.	225,000	—	225,000	—				
	Nippon Life Insurance Company	225,000	—	225,000	—				
	Mizuho Trust & Banking Co., Ltd.	837,500	—	—	837,500	0.51000% (Note 2)	Sep. 7, 2024		
	Mizuho Bank, Ltd.	837,500	—	—	837,500				
	Sumitomo Mitsui Banking Corporation	375,000	—	—	375,000				
	SBI Shinsei Bank, Limited	1,500,000	—	—	1,500,000				
	Resona Bank, Limited	450,000	—	—	450,000				
	Mizuho Trust & Banking Co., Ltd.	2,050,000	—	—	2,050,000	0.75000% (Note 2)	Sep. 7, 2026	(Note 4)	
	Mizuho Bank, Ltd.	2,050,000	—	—	2,050,000				
	Sumitomo Mitsui Banking Corporation	375,000	—	—	375,000				
	SBI Shinsei Bank, Limited	1,500,000	—	—	1,500,000				
	Resona Bank, Limited	450,000	—	—	450,000				
	The Bank of Fukuoka, Ltd.	150,000	—	—	150,000				
	San ju San Bank, Ltd.	525,000	—	—	525,000				
	The Nishi-Nippon City Bank, Ltd.	700,000	—	—	700,000				
	The Bank of Kyoto, Ltd.	700,000	—	—	700,000				
	Nippon Life Insurance Company	700,000	—	—	700,000				

Term	Lenders	Balance at beginning of period (thousand yen)	Amount of increase during period (thousand yen)	Amount of decrease during period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (Note 1)	Repayment date	Use	Remarks
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	1,494,000	—	—	1,494,000	0.58600% (Note 2)	Sep. 7, 2025	(Note 4)	
	Mizuho Bank, Ltd.	1,450,000	—	—	1,450,000				
	Sumitomo Mitsui Banking Corporation	680,000	—	—	680,000				
	SBI Shinsei Bank, Limited	900,000	—	—	900,000				
	Resona Bank, Limited	325,000	—	—	325,000				
	Aozora Bank, Ltd.	275,000	—	—	275,000				
	Mizuho Trust & Banking Co., Ltd.	740,000	—	—	740,000	0.82200% (Note 2)	Sep. 7, 2027		
	Mizuho Bank, Ltd.	735,000	—	—	735,000				
	Sumitomo Mitsui Banking Corporation	300,000	—	—	300,000				
	SBI Shinsei Bank, Limited	550,000	—	—	550,000				
	Resona Bank, Limited	160,000	—	—	160,000				
	Aozora Bank, Ltd.	100,000	—	—	100,000				
	San ju San Bank, Ltd.	415,000	—	—	415,000	0.55971%	Sep. 7, 2025	(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	425,000	—	—	425,000				
	Mizuho Bank, Ltd.	425,000	—	—	425,000				
	SBI Shinsei Bank, Limited	400,000	—	—	400,000				
	Resona Bank, Limited	200,000	—	—	200,000				
	Aozora Bank, Ltd.	400,000	—	—	400,000				
	The Bank of Yokohama, Ltd.	1,000,000	—	—	1,000,000	0.40532%	Sep. 7, 2024	(Note 4)	Unsecured/ Unguaranteed
	Mizuho Trust & Banking Co., Ltd.	372,500	—	—	372,500				
	Mizuho Bank, Ltd.	372,500	—	—	372,500				
	Sumitomo Mitsui Banking Corporation	3,750,000	—	—	3,750,000				
	Resona Bank, Limited	567,500	—	—	567,500				
	Aozora Bank, Ltd.	562,500	—	—	562,500				
	The Bank of Fukuoka, Ltd.	375,000	—	—	375,000	0.65422%	Sep. 7, 2027	(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	250,000	—	—	250,000				
	Mizuho Bank, Ltd.	250,000	—	—	250,000				
	Aozora Bank, Ltd.	250,000	—	—	250,000				
	SBI Shinsei Bank, Limited	250,000	—	—	250,000				
	Resona Bank, Limited	250,000	—	—	250,000				
	The Bank of Yokohama, Ltd.	500,000	—	—	500,000				
	The Nishi-Nippon City Bank, Ltd.	250,000	—	—	250,000				
	The Bank of Kyoto, Ltd.	150,000	—	—	150,000				
	The Dai-Ichi Life Insurance Company, Limited	800,000	—	—	800,000				
	Daishi Hokuetsu Bank, Ltd.	500,000	—	—	500,000				
	The 77 Bank, Ltd.	400,000	—	—	400,000				
	The Chiba Bank, Ltd.	400,000	—	—	400,000				
	The Higo Bank, Ltd.	400,000	—	—	400,000				
	The Shizuoka Bank, Ltd.	250,000	—	—	250,000				

Supplementary Schedules

Term	Lenders	Balance at beginning of period (thousand yen)	Amount of increase during period (thousand yen)	Amount of decrease during period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (Note 1)	Repayment date	Use	Remarks
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	—	390,000	—	390,000	0.40856%	Sep. 7, 2025	(Note 4)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	—	390,000	—	390,000				
	Sumitomo Mitsui Banking Corporation	—	340,000	—	340,000				
	SBI Shinsei Bank, Limited	—	550,000	—	550,000				
	Resona Bank, Limited	—	150,000	—	150,000				
	The Bank of Fukuoka, Ltd.	—	180,000	—	180,000	0.79750%	Sep. 7, 2027		
	Mizuho Trust & Banking Co., Ltd.	—	182,500	—	182,500				
	Mizuho Bank, Ltd.	—	182,500	—	182,500				
	Sumitomo Mitsui Banking Corporation	—	3,750,000	—	3,750,000				
	Resona Bank, Limited	—	567,500	—	567,500				
	Aozora Bank, Ltd.	—	562,500	—	562,500				
	The Bank of Fukuoka, Ltd.	—	375,000	—	375,000				
	San ju San Bank, Ltd.	—	380,000	—	380,000				
	Subtotal	43,074,000	8,000,000	8,000,000	43,074,000				
Total	52,074,000	20,920,000	17,000,000	55,994,000					

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

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

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

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

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

(Unit: thousand yen)

	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years
Long-term borrowings	10,000,000	9,974,000	9,200,000	13,900,000

Independent Auditor's Report

Independent Auditor's Report

The Board of Directors
One REIT, Inc.

Opinion

We have audited the accompanying financial statements of One REIT, Inc. (the Company), which comprise the balance sheet as at February 28, 2023, and the statements of income and retained earnings, changes in net assets, cash distribution, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2023, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Other Information

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

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

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

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

We have nothing to report in this regard.

Responsibilities of Management and Supervisory Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Ernst & Young ShinNihon LLC
Tokyo, Japan

July 7, 2023

月 本 洋 一

Yoichi Tsukimoto
Designated Engagement Partner
Certified Public Accountant

井 上 裕 人

Hiroto Inoue
Designated Engagement Partner
Certified Public Accountant

One REIT, Inc.

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