

Summary of Financial Results for the Fiscal Period Ended August 2017 (REIT)

October 16, 2017

REIT Issuer: One REIT, Inc. Stock Exchange Listing: Tokyo Stock Exchange
 Securities Code: 3290 URL: <http://www.one-reit.com/en/>
 Representative: (Title) Executive Director (Name) Koji Hashimoto
 Asset Management Company: Simplex REIT Partners Inc.
 Representative: (Title) President and Representative Director (Name) Koji Hashimoto
 Contact: (Title) Head of Finance & Administration (Name) Takeshi Akimoto
 TEL +81-3-3242-7155

Scheduled date of submission of securities report: November 29, 2017
 Scheduled date of commencement of distribution payment: November 20, 2017
 Preparation of supplementary financial results briefing materials: Yes
 Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for the Fiscal Period Ended August 2017 (March 1, 2017 to August 31, 2017)

(1) Management status (% figures are the percentage of increase (decrease) compared with the previous period)

Fiscal period	Operating revenue		Operating profit		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended Aug. 2017	3,483	4.0	1,416	(1.1)	1,126	2.3	1,125	2.3
Ended Feb. 2017	3,349	12.9	1,431	21.6	1,101	26.8	1,100	26.9

Fiscal period	Net income per unit	Ratio of net income to equity	Ratio of recurring profit to total assets	Ratio of recurring profit to operating revenue
	yen	%	%	%
Ended Aug. 2017	5,947	2.7	1.2	32.3
Ended Feb. 2017	5,852	2.9	1.3	32.9

(Note) A 2-for-1 split of investment units was implemented with February 28, 2017 as the record date and March 1, 2017 as the effective date.

Net income per unit is calculated based on the average number of investment units during the relevant fiscal period, assuming the split was implemented at the beginning of the fiscal period ended February 2017.

(2) Distributions status

Fiscal period	Distribution per unit (excluding distribution in excess of earnings)	Total distributions (excluding distribution in excess of earnings)	Distribution per unit in excess of earnings	Total distributions in excess of earnings	Distribution payout ratio	Ratio of distributions to net assets
	yen	million yen	yen	million yen	%	%
Ended Aug. 2017	5,948	1,125	0	0	100.0	2.7
Ended Feb. 2017	11,626	1,100	0	0	100.0	2.6

(Note 1) The main factors for the difference between distribution per unit for the fiscal period ended February 2017 stated in the above table (2) and net income per unit for the fiscal period ended February 2017 stated in the above table (1) are that the net income per unit for the fiscal period ended February 2017 is calculated assuming that the aforementioned 2-for-1 split of investment units was implemented at the beginning of the fiscal period ended February 2017, and that the calculation is based on the average number of investment units during the fiscal period.

(Note 2) Distribution payout ratio is calculated by the following formula (rounded down to one decimal place).

Distribution payout ratio = Total distributions (excluding distribution in excess of earnings) ÷ Net income × 100

(3) Financial position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
Ended Aug. 2017	96,292	41,148	42.7	217,376
Ended Feb. 2017	96,191	41,123	42.8	217,241

(Note) A 2-for-1 split of investment units was implemented with February 28, 2017 as the record date and March 1, 2017 as the effective date.

Net assets per unit is calculated assuming that the split of investment units was implemented at the beginning of the fiscal period ended February 2017.

(4) Status of cash flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Ended Aug. 2017	2,247	(180)	(1,418)	7,492
Ended Feb. 2017	1,138	(14,604)	14,569	6,844

2. Forecast of Financial Results for the Fiscal Period Ending February 2018 (September 1, 2017 to February 28, 2018) and August 2018 (March 1, 2018 to August 31, 2018)

(% figures are the percentage of increase (decrease) compared with the previous period)

Fiscal period	Operating revenue		Operating profit		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ending Feb. 2018	3,848	10.5	2,050	44.8	1,652	46.7	1,588	41.1
Ending Aug. 2018	3,192	(17.0)	1,448	(29.4)	1,231	(25.5)	1,230	(22.5)

Fiscal period	Distribution per unit (excluding distribution in excess of earnings)		Distribution per unit in excess of earnings	
		yen		yen
Ending Feb. 2018		7,860		0
Ending Aug. 2018		6,500		0

(Reference) Forecast net income per unit (fiscal period ending February 2018): 8,391 yen

Forecast net income per unit (fiscal period ending August 2018): 6,500 yen

* Other

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

① Changes in accounting policies accompanying amendments to accounting standards, etc.:	No
② Changes in accounting policies other than ①:	No
③ Changes in accounting estimates:	No
④ Retrospective restatement:	No

(2) Number of investment units issued and outstanding

① Number of investment units issued and outstanding (including own investment units) at end of period

Fiscal period ended August 2017	189,298	units
Fiscal period ended February 2017	94,649	units

② Number of own investment units at end of period

Fiscal period ended August 2017	—	units
Fiscal period ended February 2017	—	units

(Note) For the number of investment units used as the basis for calculating net income per unit, please refer to “Notes on Per Unit Information” on page 27.

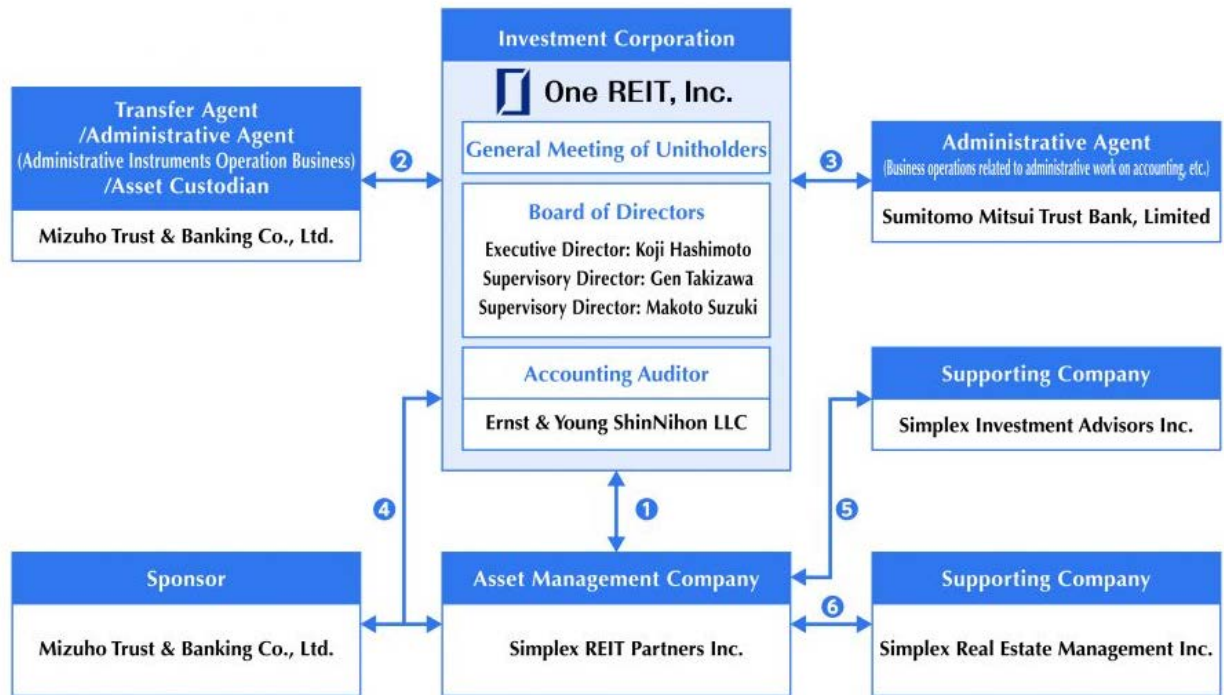
* Presentation of the status of implementation of audit procedures

At the time of disclosure of this summary of financial results, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

* Explanation of the appropriate use of the forecast of management status, and other matters of special note

The management status outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by One REIT. Accordingly, actual management status and other results may differ materially due to a variety of factors. In addition, the forecast is not a guarantee of the amount of distributions. For the assumptions for the forecast of management status, please refer to “Assumptions for the Forecast of Management Status for the Fiscal Periods Ending February 2018 and August 2018” presented on page 12.

1. Associated Corporations of the Investment Corporation
 (1) Structure of One REIT



①	Asset management contract
②	Administrative agency entrustment contract (administrative instruments operation business)/ Transfer agency entrustment contract (administration of unitholder registry) Asset custodian entrustment contract
③	Administrative agency entrustment contract (Business operations related to administrative work on accounting, etc.)
④	Sponsor/support contract
⑤	Business entrustment agreement
⑥	Sponsor/support contract

(Note 1) Simplex Investment Advisors Inc., Mizuho Trust & Banking Co., Ltd. and Mizuho Financial Group, Inc., the three parent companies of the Asset Management Company, fall within the scope of specified associated corporations (as defined in Article 12, Paragraph 3 of Cabinet Office Ordinance on Disclosure of Information, etc. on Regulated Securities (Ordinance of the Ministry of Finance No. 22 of 1993, including subsequent amendments); The same shall apply hereinafter) of One REIT.

Simplex Investment Advisors Inc. is a wholly owned subsidiary of Mizuho Trust & Banking Co., Ltd. Mizuho Financial Group, Inc. is the parent company of Mizuho Trust & Banking Co., Ltd.

(Note 2) The trade names of the Asset Management Company, Simplex Investment Advisors Inc. and Simplex Real Estate Management Inc. are scheduled to be changed to Mizuho REIT Management Co., Ltd., Mizuho Realty One Co., Ltd. and Mizuho Real Estate Management Co., Ltd. as of January 1, 2018.

(2) The operational roles, name and overview of associated business operations of One REIT and the associated corporations of One REIT

Operational role	Name	Overview of associated business operations
Investment Corporation	One REIT, Inc.	Based on its Articles of Incorporation, One REIT manages assets by investing funds, etc. paid by unitholders as investments primarily in real estate and other assets with an aim to secure stable earnings and achieve steady growth of assets under management from the medium- to long-term point of view.
Asset Management Company	Simplex REIT Partners Inc.	The Asset Management Company entered into the asset management contract with One REIT on June 27, 2013. Pursuant to the said agreement, the Asset Management Company, as an asset management company under the Investment Trust Act, will provide the asset management services in accordance with the Articles of Incorporation of One REIT and the Investment Guidelines as an internal rule of the Asset Management Company (Article 198, Paragraph 1 of the Investment Trust Act). Pursuant to the asset management contract, the Asset Management Company provides services related to (1) management of investment assets of One REIT, (2) procurement of funds of One REIT, (3) reporting filings to, or on behalf of the One REIT with respect to the conditions of investment assets and other matters, (4) establishment of the management plan of investment assets, (5) collection, use, storage, etc. of individual numbers and corporate numbers based on the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure (Act No. 27 of 2013, including subsequent amendments, and hereinafter referred to as "Individual Number Act"), (6) other matters entrusted by One REIT from time to time and (7) matters relating or incidental to above items (1) through (6).
Administrative Agent (Business operations related to administrative work on accounting, etc.)	Sumitomo Mitsui Trust Bank, Limited	Sumitomo Mitsui Trust Bank, Limited and One REIT entered into the administrative agency entrustment contract on June 27, 2013 as well as a contract for the amendment of administrative agency entrustment contract, etc. on September 29, 2016. Pursuant to the above administrative agency entrustment contract and contract for the amendment of administrative agency entrustment contract, etc., Sumitomo Mitsui Trust Bank, Limited, as an administrative agent under the Investment Trust Act (Article 117, Items 5 and 6), provides services related to (1) accounts, (2) preparation of accounting books, (3) tax payments and (4) other matters relating or incidental to above items (1) through (3).

Operational role	Name	Overview of associated business operations
Administrative Agent (Transfer Agent)	Mizuho Trust & Banking Co., Ltd.	<p>Mizuho Trust & Banking Co., Ltd. entered into the administrative agency entrustment contract with One REIT on September 29, 2016. Pursuant to the above administrative agency entrustment contract, Mizuho Trust & Banking Co., Ltd., as an administrative agent under the Investment Trust Act (Article 117, Items 4 to 6), provides services related to (1) administration of the unitholders' registry, (2) temporary work concerning consolidation of investment units, split of investment units, issuance of investment units, merger, etc. (3) administration of mailing general meeting of unitholders convocation notifications, resolutions notifications, associated general meeting of unitholders reference documents, etc., as well as management of return histories, preparation, reception and collection of voting forms and reception assistance for general meetings of unitholders, (4) administration of calculation and payment of moneys distributed to unitholders, (5) administration of preparation, management and keeping of new investment unit option registry, (6) temporary work such as administration of issuance of new investment unit options, (7) administration of issuance of One REIT's investment units as a result of execution of new investment unit options and administration of payment of redemption fractions as a result of execution of new investment unit options, (8) administration of elimination of own investment units and own new investment unit options, (9) administration of issuance of various certificates concerning the unitholder registry and new investment unit option registry (in this column these will be collectively referred to as the "unitholder registry, etc.") (10) administration of organization and storage of documents and unsent mail attributable to One REIT that are used for processing entrusted administration, (11) administration of sending notifications, reports, etc. to unitholders, etc., (12) administration of preparation of investment unit statistics materials which One REIT needs due to laws and regulations or administrative agency entrustment contract, (13) administration of reception of requests by unitholders to exercise rights and other requests of unitholders, (14) administration of reception of total unitholder notifications, etc., (15) verification of One REIT's total outstanding investment units managed by the transfer agent with One REIT's total transferred investment units, etc. as notified by transfer institutions (transfer institutions as stipulated in Article 2 Paragraph 2 of the Act on Book-Entry Transfer of Corporate Bonds and Shares; the same follows in this column), (16) administration of commission of One REIT's exercising information provision claim rights (claim as stipulated in Article 227 of the Act on Book-Entry Transfer of Corporate Bonds and Shares), (17) administration of transfer institutions' commission of notification to individual unitholders (notification as stipulated in Article 154 Paragraph 3 of the Act on Book-Entry Transfer of Corporate Bonds and Shares which is applied in Article 228 Paragraph 1 of the same act) to One REIT, (18) administration concerning the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (Act No. 27 of 2013; includes subsequent amendments), (19) agency for payment of stamp tax, etc. concerning entrustment administration in (1) to (18) above, (20) administration incidental to entrustment administration in (1) to (19) above, (21) responding to verification concerning (1) to (20) above and (22) administration other than (1) to (21) above stipulated through negotiation between One REIT and the transfer agent, from May 24, 2017,</p>

Operational role	Name	Overview of associated business operations
Administrative Agreement Agent (Administration of investments operation business)	Mizuho Trust & Banking Co., Ltd.	Mizuho Trust & Banking Co., Ltd. entered into the administrative agency entrustment contract with One REIT on September 29, 2016. Pursuant to the above administrative agency entrustment contract, Mizuho Trust & Banking Co., Ltd. as an administrative agent under the Investment Trust Act (Article 117, Item 4), provides services related to (1) operations of the administrative instruments of One REIT (meetings of Board of Directors and general meetings of unitholders) and (2) other matters based on or incidental to (1) that are set forth in the administrative rules set forth upon separate agreement with One REIT.
Asset Custodian	Mizuho Trust & Banking Co., Ltd.	Mizuho Trust & Banking Co., Ltd. entered into the asset custodian entrustment contract with One REIT on May 31, 2017. Pursuant to the above asset custodian entrustment contract, Mitsubishi Trust & Banking Co., Ltd., as an asset custodian under the Investment Trust Act (Article 208, Paragraph 1), provides services related to (1) custody of assets and (2) other matters relating or incidental to above (1), from September 1, 2017.
Sponsor/ Specified Associated Corporation (Parent Company of the Asset Management Company)	Mizuho Trust & Banking Co., Ltd.	Mizuho Trust & Banking Co., Ltd. is the parent company of Simplex Investment Advisors Inc., which is the parent company of the Asset Management Company. It entered into the sponsor support contract with One REIT and the Asset Management Company on November 30, 2015. Pursuant to the above contract, the sponsor has agreed to (1) provide information on property sales which are considered to comply with the investment criteria of One REIT, (2) provide, etc. know-how on bridge funds, etc., (3) provide information on candidate tenants, (4) advisory service on property acquisition and management, (5) advise on loans for One REIT, or the establishment of financial structures such as formation of loan syndicates, etc., (6) provide advice and be entrusted with auxiliary work concerning One REIT's financing related work, (7) provide information on real estate transactions and the rental market as well as on the financial market and exchange views on such information, (8) work to have its subsidiary hold and continue to hold One REIT's investment units (same-boat investment) and (9) cooperate in securing human resources and the dispatch of personnel.
Supporting Company/ Specified Associated Corporation (Parent Company of the Asset Management Company)	Simplex Investment Advisors Inc.	Simplex Investment Advisors Inc. is the parent company of the Asset Management Company. It is also a wholly owned subsidiary of Mizuho Trust & Banking Co., Ltd., the sponsor. It entered into the business entrustment contract concerning facility management with the Asset Management Company on February 1, 2016. Pursuant to the above contract, Simplex Investment Advisors Inc. has agreed to provide services related to (1) exercising rights to give directions to property managers concerning management of real estate, etc. by proxy, or advisory service or auxiliary work concerning directions by proxy, (2) advisory service or auxiliary work concerning discussions/assessment for repair work of real estate, etc., and advisory service concerning placement of orders for repair work, etc. or placement of orders by agent, (3) advisory service or auxiliary work for drawing up medium- to long-term repair plans concerning repair work, etc., (4) advisory service or auxiliary work concerning due diligence including survey/analysis of real estate, etc., and (5) other matters relating or incidental to above (1) to (4).
Specified Associated Corporation (Parent Company of the Asset Management Company)	Mizuho Financial Group, Inc.	Mizuho Financial Group, Inc. is the parent company of Mizuho Trust & Banking Co., Ltd.

(3) The role and name and overview of business operations of main associated parties of One REIT other than the above

Operational role	Name	Overview of associated business operations
Supporting Company	Simplex Real Estate Management Inc.	Simplex Real Estate Management Inc. entered into the sponsor support contract with the Asset Management Company on August 15, 2013. Pursuant to the above contract, the supporting company has agreed to (1) preferentially provide information obtained from third parties on sales of real estate, etc. subject for acquisition, (2) provide information on sales of real estate, etc. subject for acquisition by companies, etc. which own real estate, etc. for which the supporting company provides asset management service, when such companies intend to sell the real estate, etc., before activities to sell to third parties begins, (3) provide auxiliary work, advisory service, etc. concerning management, leasing, conversion, renovation, development, etc. of real estate, etc., (4) provide cooperation in temporarily owning real estate, etc. in funds and others that are formed by the supporting company, on the premise of transfer of such to One REIT (warehousing service), (5) arrange property acquisitions such as due diligence and adjustment of acquisition process, and (6) provide market information on transactions and developments of real estate, etc. and information on the leasing market of real estate, etc., and exchange views/information.

2. Management Policy and Management Status

(1) Management Policy

Disclosure is omitted because there is no significant change from “Investment Policy,” “Investment Targets” and “Distribution Policy” in the securities report (submitted on May 30, 2017).

(2) Management Status

① Overview of the Fiscal Period under Review

(A) Brief History of the Investment Corporation

One REIT has Simplex REIT Partners Inc. (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 and urban retail facilities for the sake of diversified investment, aiming to construct a portfolio that both ensures stable income in the medium to long term and exhibits growth potential. One REIT strives to grow with various supports in terms of property management, acquisitions, and financial aspects from its sponsor, Mizuho Trust & Banking Co., Ltd., one of the top players in the Japanese real estate market, and aims to maximize unitholder value.

The Investment Corporation 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. During the fiscal period ended August 2017, a 2-for-1 split of investment units was implemented with February 28, 2017 as the record date and March 1, 2017 as the effective date, making the total number of investment units issued and outstanding as of the end of the period 189,298.

Also, based on the sponsor support agreement concluded with Mizuho Trust & Banking Co., Ltd. on November 30, 2015, a new system was launched with Mizuho Trust & Banking Co., Ltd. as the new sponsor on December 29, 2015 and the Investment Corporation’s trade name was changed to One REIT Inc. on June 1, 2017.

(Note 1) Mizuho Financial Group, Inc., Mizuho Trust & Banking Co., Ltd. and Simplex Investment Advisors Inc. (hereafter referred to as “SIA”) fall within the scope of parent companies of the Asset Management Company. SIA is a wholly owned subsidiary of Mizuho Trust & Banking Co., Ltd., the sponsor, and holds all issued shares of the Asset Management Company and Simplex Real Estate Management Inc. (hereinafter referred to as “SRM”). Three companies, namely SIA, the Asset Management Company and SRM, together comprise the SIA Group. SRM is a management company of real estate private funds of the SIA Group.

(Note 2) “Middle-sized Office” 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).

(B) Investment Environment and Management Performance

During the fiscal period under review, the Japanese economy saw an ongoing gradual recovery trend due to improvements in corporate earnings and the employment and income environment with the backdrop of continued quantitative and qualitative monetary easing policies by the Bank of Japan.

In the office building leasing market, the supply/demand environment continued to be tight given forward-looking demand from companies for increasing floor space, relocating for expansion, etc., and the rent level continued to rise.

The Asset Management Company made a partial amendment to its asset management guidelines on May 19, 2017, clarifying its stance of selective investment by making middle-sized office buildings the core investment target and making the Tokyo metropolitan area and ordinance-designated cities the core investment target areas.

Furthermore, One REIT worked on negotiations for upward rent revisions in line with the market trends, while working to realize optimal costs in property management, by taking into account tenant needs and characteristics of the respective properties. As such, One REIT endeavored to maintain and improve the occupancy rate of the portfolio and enhance leasing business revenues.

As a result, One REIT's assets at the end of the fiscal period ended August 2017 was a portfolio of assets totaling 22 properties (acquisition price total: 89,359 million yen, not including silent partnership equity interest), total leasable area of 148,828.24 m² and the occupancy rate at the end of the fiscal period ended August 2017 was 98.7%. (Reference)

In an effort to realize selective investment in the core investment target areas, One REIT transferred J Tower on October 6, 2017 and concluded a transfer agreement for the acquisition of three properties; Daihakata Building, Daido Life Omiya Building and Yamagami Building (total scheduled acquisition price: 15,850 million yen), on October 11, 2017.

(C) Overview of Financing

During the period under review One REIT made no borrowings and made partial repayment and contractual repayment of borrowings through refund of consumption tax concerning the assets acquired in the fiscal period ended February 2017 (7th fiscal period).

As a result, as of August 31, 2017, the balance of outstanding borrowings was 49,065 million yen and the ratio of interest-bearing liabilities to total assets (LTV) was 51.0%.

(D) Overview of Business Performance and Distributions

As a result of the management described above, business performance in the fiscal period ended August 31, 2017 was operating revenue of 3,483 million yen, operating profit of 1,416 million yen, recurring profit of 1,126 million yen and net income of 1,125 million yen.

Concerning distributions, in view of distributing almost the entire amount of unappropriated retained earnings to be eligible for application of the special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation), One REIT declared distribution per investment unit of 5,948 yen.

② Outlook for the Next Fiscal Period

(A) Future Investment Environment

The Japanese economy ahead is likely to require careful attention to the rising uncertainties in overseas economies as well as fluctuations in capital markets, such as the financial policies of the U.S. and Europe, heightened geopolitical risks regarding North Korea, and economic change in China and other emerging economies, while assessing the effects of various policies.

In the office building leasing market, although the tight supply/demand balance of offices is expected to continue, prospects of corporate earnings, rising cost-awareness among companies and such should be carefully watched. In the office building transaction market, transaction prices are expected to remain high, backed by a favorable environment for procuring funds, and it is believed that firmly maintaining a stance of selective investment will be important.

(B) Future Management Policy and Challenges to Address

One REIT strives to grow while gaining various supports in terms of property management, acquisitions, and financial aspects from our sponsor, Mizuho Trust & Banking Co., Ltd., one of the top players in the Japanese real estate market, and aims to maximize unitholder value. With the aim of achieving stable growth over the medium to long term, One REIT will seek to expand asset size by acquiring competitive assets (external growth) and maintain and increase the asset value of assets under management by operating and managing them to maximize their competitiveness (internal growth).

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 and the rest of the SIA Group.

(a) External Growth

Based on the policy to build a portfolio with middle-sized office buildings as the core investment target while also incorporating other office buildings and urban retail facilities for the sake of diversified investment, One REIT will aim 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.

With the Tokyo metropolitan area, which has a relatively large market size and offers the prospect of stable rental demand over the medium to long term, as the primary investment target region and also targeting 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 core investment target areas and their level of focus each in the Tokyo metropolitan area (Note 1) and in ordinance-designated cities, etc. (Note 2), 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 1) "Tokyo metropolitan area" refers to Tokyo, Kanagawa, Saitama and Chiba prefectures.

(Note 2) Ordinance-designated cities and major regional cities equivalent to ordinance-designated cities are collectively referred to as "ordinance-designated cities or their equivalent." "Ordinance-designated cities" refers to ordinance-designated cities located outside the Tokyo metropolitan area. "Major

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 lease business revenue by taking the following initiatives.

- ◆ Strengthen collaboration with property management companies and brokers
- ◆ Build and strengthen tenant relations
- ◆ Negotiate for upward rent revisions to meet the market trends
- ◆ Maintain and enhance property value through appropriate investment
- ◆ Reduce operation/management costs by reviewing current contracts
- ◆ Strengthen environmental initiatives for which there is strong demand from society

③ Subsequent Material Events

Asset Transfer and Acquisition

In an effort to realize selective investment in the core investment target areas, One REIT transferred J Tower on October 6, 2017 and concluded a transfer agreement for the acquisition of three properties; Daihakata Building, Daido Life Omiya Building and Yamagami Building, on October 11, 2017.

(A) Asset Transfer

One REIT transferred the following assets on October 6, 2017. Gain on sale of real estate, etc. of approx. 700 million yen is expected to be recorded for the 9th fiscal period ending February 2018 as a result of the said transfer.

J Tower

Location	Fuchu-shi, Tokyo
Type of asset	Trust beneficiary rights
Transfer price (Note 1)	25,220 million yen
Buyer	Not disclosed (Note 2)
Conclusion date of transfer agreement	September 22, 2017
Transfer date	October 6, 2017

(Note 1) Transfer price excludes transfer costs, adjusted amount of fixed asset tax and city planning tax, consumption tax, local consumption tax, etc.

(Note 2) The buyer is a domestic godo kaisha but is otherwise undisclosed as no consent has been obtained from the buyer for disclosure of its name, etc. The buyer falls under the category of neither “interested persons, etc.” defined in the Investment Trusts Act nor “interested party” defined in the internal regulations concerning trading with an interested party of the Asset Management Company.

(B) Asset Acquisition

One REIT concluded a transfer agreement concerning the acquisition of real estate trust beneficiary rights (3 properties with a total acquisition price of 15,850 million yen) on October 11, 2017.

Daihakata Building

Location	Fukuoka-shi, Fukuoka
Type of asset	Trust beneficiary rights
Planned acquisition price (Note)	10,650 million yen
Seller	GK SIA Bridge No. 2
Conclusion date of transfer agreement	October 11, 2017
Planned acquisition date	October 25, 2017

Daido Life Omiya Building

Location	Saitama-shi, Saitama
Type of asset	Trust beneficiary rights
Planned acquisition date (Note)	3,000 million yen
Seller	IBJ Leasing Co., Ltd.
Conclusion date of transfer agreement	October 11, 2017
Planned acquisition date	October 25, 2017

Yamagami Building

Location	Toshima-ku, Tokyo
Type of asset	Trust beneficiary rights
Planned acquisition date (Note)	2,200 million yen
Seller	IBJ Leasing Co., Ltd.
Conclusion date of transfer agreement	October 11, 2017
Planned acquisition date	October 25, 2017

(Note) Acquisition price excludes transfer costs, adjusted amount of fixed asset tax and city planning tax, consumption tax, local consumption tax, etc.

(Reference Information)

Prepayment of Existing Borrowings and Borrowings of Funds

① Prepayment of Existing Borrowings

It was resolved at One REIT's Board of Directors meeting held on October 11, 2017 to implement early repayment of the following borrowings as of October 25, 2017 by utilizing cash on hand generated through the asset transfer indicated in "Asset Transfer and Acquisition: (A) Asset Transfer" above in order to increase the efficiency of fund management

Lenders	Balance of borrowing before prepayment (millions of yen)	Balance of borrowing after prepayment (millions of yen)	Interest rate	Drawdown date	Maturity date	Collateral
Sumitomo Mitsui Banking Corporation	6,421	—	Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.80%	October 10, 2013	October 10, 2018	Unsecured and Unguaranteed
The Mie Bank, Ltd.						
Aozora Bank, Ltd.						
Sumitomo Mitsui Banking Corporation	6,609	—	1.38226% (fixed rate)	October 10, 2013	October 10, 2018	Unsecured and Unguaranteed
Kansai Urban Banking Corporation						
Sumitomo Mitsui Banking Corporation	2,955	—	1.35961% (fixed rate)	October 10, 2014	October 13, 2020	Unsecured and Unguaranteed
The Mie Bank, Ltd.						

② Borrowing of Funds

It was resolved at One REIT's Board of Directors meeting held on October 11, 2017 to implement the following borrowings as of October 25, 2017 in order to allot the funds to the funds for acquiring the assets indicated in "Asset Transfer and Acquisition: (B) Asset Acquisition" above and to ancillary costs.

Lenders	Borrowing amount (millions of yen)	Interest rate	Repayment date	Repayment method	Collateral
Syndicate of lenders arranged by Mizuho Trust & Banking Co., Ltd. and Mizuho Bank, Ltd.	4,000	Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.40%	September 7, 2020	Bullet repayment	Unsecured and Unguaranteed
Syndicate of lenders arranged by Mizuho Trust & Banking Co., Ltd. and Mizuho Bank, Ltd.	6,000	Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.45% (Note)	September 7, 2021	Bullet repayment	Unsecured and Unguaranteed
Syndicate of lenders arranged by Mizuho Trust & Banking Co., Ltd. and Mizuho Bank, Ltd.	6,000	Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.50% (Note)	September 7, 2022	Bullet repayment	Unsecured and Unguaranteed

(Note) Interest rates are scheduled to be substantially fixed through interest rate swaps.

Assumptions for the Forecast of Management Status for the Fiscal Periods Ending February 2018 and August 2018

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> ➤ Fiscal period ending February 2018 (9th fiscal period) (September 1, 2017 to February 28, 2018) (181 days) ➤ Fiscal period ending August 2018 (10th fiscal period) (March 1, 2018 to August 31, 2018) (184 days)
Assets under management	<ul style="list-style-type: none"> ➤ Assets to be Acquired With regard to the real estate and real estate trust beneficiary rights held as of August 31, 2017 totaling 22 properties, One REIT has transferred “J Tower” as of October 6, 2017. One REIT has also decided to acquire three properties (Daihakata Building, Daido Life Omiya Building and Yamagami Building) (hereafter referred to as the “Assets to be Acquired”) on October 25, 2017. Except for the above properties, it is assumed that no changes in assets under management (acquisition of new properties, disposition of portfolio properties, etc.) will take place. ➤ Changes in assets under management may occur from changes in the acquisition date of the Assets to be Acquired, acquisition of new properties other than the Assets to be Acquired, disposition of portfolio properties, etc.
Operating revenue	<ul style="list-style-type: none"> ➤ Operating revenue of the above “assets under management” is used as an assumption. The calculation of property-related operating revenue of acquired assets assumes that there will be no late or delinquent payments of rent by tenants, given the lease agreements effective as of today, tenant trends, market trends, etc. The calculation of the property-related operating revenue of the Assets to be Acquired take into consideration the information provided by the trust beneficiary of each property, the scheduled lease agreements to be in effect on the scheduled acquisition date of the Assets to be Acquired, market trends, etc. and assume that there are no arrears or non-payments of rent by tenants. ➤ One REIT has transferred “J Tower” as of October 6, 2017 and is expected to record 724 million yen of gain on sale of real estate, etc. in the fiscal period ending February 2018. ➤ Dividends to be received of 0 million yen for the fiscal period ending February 2018 are expected from the silent partnership equity interests.

<p>Operating expenses</p>	<ul style="list-style-type: none"> ➤ Property-related expenses, which are the main component of operating expenses, are estimated to be 1,500 million yen in the fiscal period ending February 2018 and 1,469 million yen in the fiscal period ending August 2018. Regarding expenses other than depreciation, those for acquired assets are calculated based on actual results, etc. and those for the Assets to be Acquired are calculated based on historical data provided by the current owners, etc., reflecting factors causing fluctuations in expenses. <ol style="list-style-type: none"> 1) Property management fees are estimated to be 339 million yen in the fiscal period ending February 2018 and 316 million yen in the fiscal period ending August 2018. 2) Depreciation is calculated using the straight-line method, including ancillary costs, etc. Depreciation is estimated to be 468 million yen in the fiscal period ending February 2018 and 444 million yen in the fiscal period ending August 2018. 3) Fixed asset tax, city planning tax, etc. are estimated to be 206 million yen in the fiscal period ending February 2018 and 246 million yen in the fiscal period ending August 2018. While transactions of real estate, etc. generally calculate fixed asset tax, city planning tax, etc. by the distribution of time with the original owner and settles these after the acquisition, in the case of One REIT the equivalent of the settlement amount will be included in the acquisition cost and so expenses will not be recorded in the period of acquisition. As such, expenses of fixed income tax and city planning tax for the Assets to be Acquired will be recorded from the period ending August 2018. The total fixed asset tax, city planning tax, etc. that are estimated to be included in the acquisition cost of the Assets to be Acquired is 19 million yen. 4) Repair expenses are recognized in the amount deemed necessary based on the repair plan formulated by the asset management company (Simplex REIT Partners Inc.) for each property. However, repair expenses may greatly differ from the forecast amount because increased or additional repair expenses may arise due to unforeseeable factors. ➤ Operating expenses other than property-related expenses (asset management fee, asset custody fee, administrative service fees, etc.) are estimated to be 297 million yen in the fiscal period ending February 2018 and 274 million yen in the fiscal period ending August 2018. Among the above, asset management fees of 216 million yen for the fiscal period ending February 2018 and 196 million yen for the fiscal period ending August 2018 are expected.
<p>Non-operating expenses</p>	<ul style="list-style-type: none"> ➤ Interest expenses and borrowing related expenses are expected to be 389 million yen for the fiscal period ending February 2018 (including the 72 million yen of break funding costs from the early repayment of existing borrowings) and 209 million yen for the fiscal period ending August 2018. ➤ Amortization of investment unit issuance expenses is expected to be 6 million yen for each of the fiscal period ending February 2018 and ending August 2018.
<p>Borrowings</p>	<ul style="list-style-type: none"> ➤ The balance of total outstanding borrowings as of August 31, 2017 is 49,065 million yen. ➤ One REIT implemented scheduled payment of a total of 8,882 million yen of existing borrowings on October 10, 2017 through cash on hand generated through the transfer of J Tower. ➤ It has been determined that One REIT will borrow a total of 16,000 million yen to be partially allotted to funds for the acquisition of the Assets to be Acquired and ancillary costs as well as make early repayments for a total of 15,985 million yen of existing borrowings through cash on hand generated through the transfer of J Tower, on October 25, 2017.
<p>Investment units</p>	<ul style="list-style-type: none"> ➤ The 189,298 units that are the investment units issued and outstanding as of today is assumed. ➤ It is assumed that there will be no change in the number of investment units due to issuance of new investment units, etc. until the end of the fiscal period ending August 2018.

<p>Distribution per unit</p>	<ul style="list-style-type: none"> ➤ Distribution per unit (excluding distribution in excess of earnings) is calculated by assuming the cash distribution policy stipulated in the Articles of Incorporation of One REIT. ➤ Distribution per unit is subject to change due to a variety of factors, including fluctuations in rent revenue caused by change in assets under management, relocation of tenants, etc. or occurrence of unforeseen repairs. ➤ 100 million yen of voluntary reserves is expected to be recorded and internally retained based on the assumption that conduit requirements will be fulfilled with regard to 724 million yen of gain on sale of real estate, etc. accruing from the transfer of “J Tower” described in “operating revenue” above, which is expected in the fiscal period ending February 2018. The actual voluntary reserves may differ. One REIT has a policy to use internal reserves to alleviate the negative impact on distributions upon temporary decrease in income and incurrence of expenses in managements in the fiscal period ending August 2018 (10th fiscal period) onwards. 63 million yen of tax expenses such as corporate tax, etc. are expected to be incurred through the internal reserves in the fiscal period ending February 2018.
<p>Distribution per unit in excess of earnings</p>	<ul style="list-style-type: none"> ➤ There are no plans at this time to distribute cash in excess of earnings. ➤ However, cash distribution in excess of earnings may be made for the purpose of reducing occurrence of corporate tax and other taxes derived from discrepancy between tax and accounting treatment.
<p>Other</p>	<ul style="list-style-type: none"> ➤ It is assumed that there will be no revision of laws and regulations, tax systems, accounting standards, listing rules, rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. ➤ It is assumed that there will be no serious unforeseen change in general economic trends, real estate market conditions, etc.

(3) Investment Risks

Disclosure is omitted because there is no significant change from “Investment Risks” in the securities report (submitted on May 30, 2017).

3. Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	7th fiscal period (As of Feb. 28, 2017)	8th fiscal period (As of Aug. 31, 2017)
Assets		
Current assets		
Cash and deposits	2,488,507	2,984,162
Cash and deposits in trust	4,356,071	4,508,322
Operating accounts receivable	69,360	105,156
Prepaid expenses	196,480	192,807
Deferred tax assets	13	13
Income taxes receivable	231	-
Consumption taxes receivable	249,057	-
Accounts receivable - other	6,787	39,507
Other	-	95
Total current assets	7,366,510	7,830,064
Non-current assets		
Property, plant and equipment		
Buildings	3,607,811	3,608,334
Accumulated depreciation	(434,933)	(498,718)
Buildings, net	3,172,877	3,109,615
Structures	9,644	9,644
Accumulated depreciation	(2,120)	(2,438)
Structures, net	7,524	7,206
Machinery and equipment	62,025	62,025
Accumulated depreciation	(42,374)	(48,577)
Machinery and equipment, net	19,650	13,448
Tools, furniture and fixtures	-	276
Accumulated depreciation	-	(5)
Tools, furniture and fixtures, net	-	270
Land	3,770,347	3,770,347
Buildings in trust	33,140,701	33,367,300
Accumulated depreciation	(2,485,013)	(2,905,726)
Buildings in trust, net	30,655,687	30,461,574
Structures in trust	41,831	41,831
Accumulated depreciation	(6,238)	(7,715)
Structures in trust, net	35,592	34,115
Machinery and equipment in trust	118,848	137,064
Accumulated depreciation	(20,302)	(26,735)
Machinery and equipment in trust, net	98,546	110,329
Tools, furniture and fixtures in trust	82,260	90,309
Accumulated depreciation	(20,706)	(27,641)
Tools, furniture and fixtures in trust, net	61,554	62,667
Land in trust	47,334,817	47,334,817
Construction in progress in trust	180	-
Total property, plant and equipment	85,156,780	84,904,392
Intangible assets		
Leasehold rights in trust	3,369,076	3,369,076
Other	2,342	1,976
Total intangible assets	3,371,418	3,371,052
Investments and other assets		
Investment securities	10,193	10,193
Lease and guarantee deposits	16,330	16,210
Long-term prepaid expenses	235,843	133,510
Total investments and other assets	262,366	159,913
Total non-current assets	88,790,565	88,435,358

(Unit: thousand yen)

	7th fiscal period (As of Feb. 28, 2017)	8th fiscal period (As of Aug. 31, 2017)
Deferred assets		
Investment unit issuance expenses	34,410	27,528
Total deferred assets	34,410	27,528
Total assets	96,191,486	96,292,951
Liabilities		
Current liabilities		
Operating accounts payable	188,209	246,119
Short-term loans payable	255,000	-
Current portion of long-term loans payable	8,946,550	24,867,940
Accounts payable - other	377,911	512,027
Accrued expenses	78,303	80,302
Income taxes payable	684	793
Consumption taxes payable	21,981	159,517
Advances received	529,161	591,910
Other	676	361
Total current liabilities	10,398,480	26,458,972
Non-current liabilities		
Long-term loans payable	40,183,000	24,198,000
Tenant lease and security deposits	275,530	248,177
Tenant lease and security deposits in trust	4,211,112	4,238,898
Total non-current liabilities	44,669,642	28,685,076
Total liabilities	55,068,122	55,144,048
Net assets		
Unitholders' equity		
Unitholders' capital	40,022,953	40,022,953
Surplus		
Unappropriated retained earnings (undisposed loss)	1,100,410	1,125,949
Total surplus	1,100,410	1,125,949
Total unitholders' equity	41,123,363	41,148,903
Total net assets	*1 41,123,363	*1 41,148,903
Total liabilities and net assets	96,191,486	96,292,951

(2) Statement of Income

(Unit: thousand yen)

	7th fiscal period (From: Sep. 1, 2016 To: Feb. 28, 2017)	8th fiscal period (From: Mar. 1, 2017 To: Aug. 31, 2017)
Operating revenue		
Lease business revenue	*1 3,019,618	*1 3,108,977
Other lease business revenue	*1 328,767	*1 373,980
Dividends received	700	388
Total operating revenue	3,349,087	3,483,347
Operating expenses		
Expenses related to rent business	*1 1,630,040	*1 1,682,371
Asset management fee	219,240	264,526
Asset custody fee	3,471	4,126
Administrative service fees	22,208	49,813
Directors' compensations	3,876	3,876
Other operating expenses	38,777	62,220
Total operating expenses	1,917,614	2,066,934
Operating profit	1,431,473	1,416,412
Non-operating income		
Insurance income	30	34
Interest on refund	-	2,961
Reversal of distribution payable	-	1,301
Compensation income	5,792	30,296
Other	-	774
Total non-operating income	5,823	35,368
Non-operating expenses		
Interest expenses	209,338	211,848
Borrowing related expenses	117,546	102,993
Amortization of investment unit issuance expenses	6,882	6,882
Other	2,291	3,250
Total non-operating expenses	336,058	324,973
Recurring profit	1,101,237	1,126,806
Net income before income taxes	1,101,237	1,126,806
Income taxes – current	873	878
Income taxes – deferred	0	(0)
Total income taxes	873	878
Net income	1,100,363	1,125,928
Profit brought forward	46	21
Unappropriated retained earnings (undisposed loss)	1,100,410	1,125,949

(3) Statement of Unitholders' Equity

7th fiscal period (September 1, 2016 to February 28, 2017)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	32,638,475	867,376	867,376	33,505,851	33,505,851
Changes of items during period					
Issuance of new investment units	7,384,478			7,384,478	7,384,478
Distribution of surplus		(867,329)	(867,329)	(867,329)	(867,329)
Net income		1,100,363	1,100,363	1,100,363	1,100,363
Total changes of items during period	7,384,478	233,033	233,033	7,617,512	7,617,512
Balance at end of current period	40,022,953	1,100,410	1,100,410	41,123,363	41,123,363

8th fiscal period (March 1, 2017 to August 31, 2017)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	40,022,953	1,100,410	1,100,410	41,123,363	41,123,363
Changes of items during period					
Distribution of surplus		(1,100,389)	(1,100,389)	(1,100,389)	(1,100,389)
Net income		1,125,928	1,125,928	1,125,928	1,125,928
Total changes of items during period	-	25,539	25,539	25,539	25,539
Balance at end of current period	40,022,953	1,125,949	1,125,949	41,148,903	41,148,903

(4) Statement of Cash Distributions

(Unit: yen)

	7th fiscal period From: Sep. 1, 2016 To: Feb. 28, 2017	8th fiscal period From: Mar. 1, 2017 To: Aug. 31, 2017
	Amount	Amount
I. Unappropriated retained earnings	1,100,410,509	1,125,949,807
II. Amount of distributions	1,100,389,274	1,125,944,504
[Amount of distributions per investment unit]	[11,626]	[5,948]
III. Retained earnings carried forward	21,235	5,303

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 1,100,389,274 yen, which is the largest integral multiple of the number of investment units issued and outstanding (94,649 units) in an amount not in excess of unappropriated retained earnings. One REIT will not engage in the distribution of cash in excess of earnings provided in Article 35, Paragraph 2 of the Articles of Incorporation of One REIT.</p>	<p>Pursuant to the distribution policy provided in Article 35, Paragraph 1, Item 2 of the Articles of Incorporation of One REIT, the amount of distributions shall be in excess of an amount equivalent to 90% of the amount of earnings available for distribution of One REIT provided in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings.</p> <p>Based on such policy, One REIT decided to pay out distributions of earnings of 1,125,944,504 yen, which is the largest integral multiple of the number of investment units issued and outstanding (189,298 units) in an amount not in excess of 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>
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(5) Statement of Cash Flows

(Unit: thousand yen)

	7th fiscal period (From: Sep. 1, 2016 To: Feb. 28, 2017)	8th fiscal period (From: Mar. 1, 2017 To: Aug. 31, 2017)
Cash flows from operating activities		
Net income before income taxes	1,101,237	1,126,806
Depreciation	499,204	506,237
Amortization of investment unit issuance expenses	6,882	6,882
Interest income	(30)	(34)
Reversal of distribution payable	-	(1,301)
Interest expenses	209,338	211,848
Decrease (increase) in operating accounts receivable	14,162	(35,795)
Decrease (increase) in accounts receivable-other	(6,255)	(32,720)
Decrease (increase) in consumption taxes refund receivable	(249,057)	249,057
Decrease (increase) in prepaid expenses	(74,645)	3,673
Increase (decrease) in operating accounts payable	(8,516)	57,909
Increase (decrease) in accounts payable - other	214	63,330
Increase (decrease) in consumption tax payable	(20,612)	137,535
Increase (decrease) in advances received	83,152	62,749
Decrease (increase) in long-term prepaid expenses	(141,423)	102,332
Other, net	(930)	(410)
Subtotal	1,412,720	2,458,103
Interest income received	30	34
Interest expenses paid	(273,263)	(209,850)
Income taxes paid	(693)	(537)
Net cash provided by (used in) operating activities	1,138,794	2,247,749
Cash flows from investing activities		
Purchase of property, plant and equipment	(495)	(522)
Purchase of property, plant and equipment in trust	(15,382,188)	(180,972)
Purchase of intangible assets in trust	(3,428)	-
Proceeds from collection of lease and guarantee deposits	-	120
Repayments of tenant lease and security deposits	(835)	(28,137)
Proceeds from tenant lease and security deposits	760	785
Repayments of tenant lease and security deposits in trust	(205,988)	(84,382)
Proceeds from tenant lease and security deposits in trust	938,558	112,168
Proceeds from redemption of investment securities	49,072	-
Net cash provided by (used in) investing activities	(14,604,545)	(180,942)
Cash flows from financing activities		
Proceeds from short-term loans payable	255,000	-
Repayment of short-term loans payable	(1,455,470)	(255,000)
Proceeds from long-term loans payable	24,198,000	-
Repayment of long-term loans payable	(14,906,110)	(63,610)
Proceeds from issuance of investment units	7,343,185	-
Payment of distribution	(865,542)	(1,100,291)
Net cash provided by (used in) financing activities	14,569,062	(1,418,901)
Net increase (decrease) in cash and cash equivalents	1,103,312	647,905
Cash and cash equivalents at beginning of period	5,741,267	6,844,579
Cash and cash equivalents at end of period	*1 6,844,579	*1 7,492,485

(6) Notes on the Going Concern Assumption

Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Basis and Method of Valuation of Assets	<p>Securities</p> <p>Other securities</p> <p>Non-marketable securities</p> <p>The moving average method is employed as the cost method.</p> <p>Concerning silent partnership equity interests, the method of incorporating the amount equivalent to the equity for the portion that corresponds to the net gain or loss of the silent partnership is employed.</p>								
2. Method of depreciation of non-current assets	<p>① Property, plant and equipment (including trust assets)</p> <p>The straight-line method is adopted.</p> <p>The useful life of core property, plant and equipment is as follows:</p> <table border="0" data-bbox="662 593 1061 705"> <tr> <td>Buildings</td> <td>5~59 years</td> </tr> <tr> <td>Structures</td> <td>4~20 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>5~10 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td>3~20 years</td> </tr> </table> <p>② Intangible assets</p> <p>The straight-line method is adopted.</p> <p>③ Long-term prepaid expenses</p> <p>The straight-line method is adopted.</p>	Buildings	5~59 years	Structures	4~20 years	Machinery and equipment	5~10 years	Tools, furniture and fixtures	3~20 years
Buildings	5~59 years								
Structures	4~20 years								
Machinery and equipment	5~10 years								
Tools, furniture and fixtures	3~20 years								
3. Accounting for deferred assets	<p>Investment unit issuance expenses</p> <p>Amortized using the straight-line method over 3 years.</p>								
4. Standards for recognition of revenue and expenses	<p>Accounting for fixed asset tax, etc.</p> <p>Of the tax amount assessed and determined for fixed asset 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 rent business.</p> <p>The amount equivalent to fixed asset 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.</p>								
5. Scope of funds in the statement of cash flows	<p>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.</p>								
6. Other significant matters serving as the basis for preparing financial statements	<p>① Accounting for trust beneficiary rights in real estate, etc.</p> <p>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.</p> <p>The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet.</p> <ol style="list-style-type: none"> (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 (3) Leasehold rights in trust (4) Tenant leasehold and security deposits in trust <p>② Accounting for consumption tax, etc.</p> <p>Concerning accounting for consumption tax and local consumption tax, these taxes are excluded. Non-deductible consumption tax in the acquisition of assets is included in the cost of acquisition of the respective asset.</p>								

(8) Notes to the Financial Statements

[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)	
	7th fiscal period (As of Feb. 28, 2017)	8th fiscal period (As of Aug. 31, 2017)
	50,000	50,000

[Notes to the Statement of Income]

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

	(Unit: thousand yen)	
	7th fiscal period (From: Sep. 1, 2016 To: Feb. 28, 2017)	8th fiscal period (From: Mar. 1, 2017 To: Aug. 31, 2017)
A. Property-related operating revenue		
Lease business revenue		
Rent revenue	2,288,467	2,405,576
Common area charges revenue	569,318	536,481
Parking revenue	136,912	137,807
Other rent revenue	24,920	29,111
Total	3,019,618	3,108,977
Other lease business revenue		
Utilities revenue	315,709	359,892
Other revenue	13,057	14,088
Total	328,767	373,980
Total property-related operating revenue	3,348,386	3,482,958
B. Property-related operating expenses		
Expenses related to rent business		
Property management fees	340,095	339,145
Utilities expenses	381,375	431,010
Taxes and public dues	221,040	259,599
Insurance premiums	5,017	5,135
Repair expenses	103,716	84,232
Trust fees	10,352	10,400
Depreciation	498,838	505,870
Other sundry expenses	69,606	46,976
Total property-related operating expenses	1,630,040	1,682,371
C. Property-related operating income (loss) [A– B]	1,718,345	1,800,586

[Notes to the Statement of Unitholders' Equity]

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

	7th fiscal period (From: Sep. 1, 2016 To: Feb. 28, 2017)	8th fiscal period (From: Mar. 1, 2017 To: Aug. 31, 2017)
Total number of investment units authorized	2,000,000 units	4,000,000 units
Total number of investment units issued and outstanding	94,649 units	189,298 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)	
	7th fiscal period (From: Sep. 1, 2016 To: Feb. 28, 2017)	8th fiscal period (From: Mar. 1, 2017 To: Aug. 31, 2017)
Cash and deposits	2,488,507	2,984,162
Cash and deposits in trust	4,356,071	4,508,322
Cash and cash equivalents	6,844,579	7,492,485

[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 uses of the funds from borrowings are primarily funds for acquisition of assets under management, repayment of existing borrowings, 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.

Tenant leasehold and security deposits 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 silent partnership interests, which are exposed to credit risk of the issuer and risk of fluctuation of value of real estate, etc. and risk of fluctuation of interest rates.

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

The fair value of financial instruments, aside from values based on market price, includes values based on reasonable calculation when there is no market price. Certain assumptions, etc. are adopted in the calculation of the concerned values. 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 are the carrying amount and fair value as of February 28, 2017, and the amount of difference between these. Please note that the following table does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to (Note 2)).

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	2,488,507	2,488,507	—
(2) Cash and deposits in trust	4,356,071	4,356,071	—
Assets total	6,844,579	6,844,579	—
(3) Short-term loans payable	255,000	255,000	—
(4) Current portion of long-term loans payable	8,946,550	8,996,003	49,453
(5) Long-term loans payable	40,183,000	40,443,554	260,554
Liabilities total	49,384,550	49,694,558	310,008

The following are the carrying amount and fair value as of August 31, 2017, and the amount of difference between these. Please note that the following table does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to (Note 2)).

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	2,984,162	2,984,162	—
(2) Cash and deposits in trust	4,508,322	4,508,322	—
Assets total	7,492,485	7,492,485	—
(4) Current portion of long-term loans payable	24,867,940	24,964,850	96,910
(5) Long-term loans payable	24,198,000	24,212,279	14,279
Liabilities total	49,065,940	49,177,129	111,189

(Note 1) Method of calculating the fair value of financial instruments

(1) Cash and deposits; (2) Cash and deposits in trust; (3) Short-term loans payable

As these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

(4) Current portion of long-term loans payable; (5) Long-term loans payable

As long-term loans payable 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. In addition, the fair value of long-term loans payable with fixed interest rates is calculated based on the method of calculating by discounting the sum total amount of principal and interest by the interest rate that is estimated as being applicable in the event of a similar new drawdown.

(Note 2) Financial instruments for which discerning of fair value is recognized to be extremely difficult

Because no quoted market price is available for investment securities and it is recognized to be extremely difficult to determine the fair value, they are excluded from fair value evaluation. Tenant lease and security deposits and tenant lease and security deposits in trust are not subject to valuation at fair value because discerning of the fair value is recognized to be extremely difficult as cash flows cannot be reasonably estimated due to there being no market price and difficulty of calculating the actual deposit period from when lessees move in to when they move out. The following is the carrying amount for each of investment securities, tenant lease and security deposits and tenant lease and security deposits in trust.

(Unit: thousand yen)

Account	7th fiscal period (As of Feb. 28, 2017)	8th fiscal period (As of Aug. 31, 2017)
Investment securities	10,193	10,193
Tenant lease and security deposits	275,530	248,177
Tenant lease and security deposits in trust	4,211,112	4,238,898
Total	4,496,835	4,497,269

(Note 3) Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts
7th fiscal period (As of February 28, 2017)

(Unit: thousand yen)

	Due within 1 year
Cash and deposits	2,488,507
Cash and deposits in trust	4,356,071
Total	6,844,579

8th fiscal period (As of August 31, 2017)

(Unit: thousand yen)

	Due within 1 year
Cash and deposits	2,984,162
Cash and deposits in trust	4,508,322
Total	7,492,485

(Note 4) Amount of repayment of long-term loans payable and other interest-bearing liabilities scheduled to be due
after the date of settlement of accounts

7th fiscal period (As of February 28, 2017)

(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
Short-term loans payable	255,000	—	—	—	—	—
Long-term loans payable	8,946,550	13,045,000	14,089,000	13,049,000	—	—
Total	9,201,550	13,045,000	14,089,000	13,049,000	—	—

8th fiscal period (As of August 31, 2017)

(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
Long-term loans payable	24,867,940	—	14,074,000	10,124,000	—	—
Total	24,867,940	—	14,074,000	10,124,000	—	—

[Notes on Related-Party Transactions]

1. Parent company, major corporate unitholder, etc.
7th fiscal period (September 1, 2016 to February 28, 2017)
Not applicable.

8th fiscal period (March 1, 2017 to August 31, 2017)
Not applicable.

2. Associated company, etc.
7th fiscal period (September 1, 2016 to February 28, 2017)
Not applicable.

8th fiscal period (March 1, 2017 to August 31, 2017)
Not applicable.

3. Fellow subsidiary, etc.
7th fiscal period (September 1, 2016 to February 28, 2017)

Type	Name of company, etc.	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party	Description of relationship		Description of transaction (Note 1)	Amount of transaction (thousand yen) (Note 2) (Note 3)	Account item	Balance at end of period (thousand yen) (Note 2) (Note 3)
						Concurrent holding of positions, etc. by directors	Business relationship				
Company of which major unitholders (corporates) hold a majority of voting rights	Simplex REIT Partners Inc. (subsidiary of Simplex Investment Advisors Inc.)	Chuo-ku, Tokyo	50,000	Investment management business	—	Concurrent holding of positions by directors 1 person	Entrustment with asset management business operations	Payment of asset management fee	307,800	Accounts payable - other	236,779

(Note 1) Transaction terms and conditions, and policy on deciding on transaction terms and conditions, etc.

1. The asset management fee is based on the terms and conditions provided in the Articles of Incorporation of One REIT.

(Note 2) The asset management fee includes the fee (88,560 thousand yen) for the acquisition of properties which was included in the book value of specified assets.

(Note 3) Of the amounts above, the amount of transaction does not include consumption tax, etc., while the balance at the end of the period includes consumption tax, etc.

8th fiscal period (March 1, 2017 to August 31, 2017)

Type	Name of company, etc.	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party	Description of relationship		Description of transaction (Note 1)	Amount of transaction (thousand yen) (Note 2)	Account item	Balance at end of period (thousand yen) (Note 2)
						Concurrent holding of positions, etc. by directors	Business relationship				
Company of which major unitholders (corporates) hold a majority of voting rights	Simplex REIT Partners Inc. (subsidiary of Simplex Investment Advisors Inc.)	Chuo-ku, Tokyo	50,000	Investment management business	—	Concurrent holding of positions by directors 1 person	Entrustment with asset management business operations	Payment of asset management fee	264,526	Accounts payable - other	285,688

(Note 1) Transaction terms and conditions, and policy on deciding on transaction terms and conditions, etc.

1. The asset management fee is based on the terms and conditions provided in the Articles of Incorporation of One REIT.

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

4. Director, major individual unitholder, etc.

7th fiscal period (September 1, 2016 to February 28, 2017)

The transaction conducted by One REIT Executive Director Hiroyuki Katsuno as representative of a third party (Simplex REIT Partners Inc.) is as stated as a transaction with Simplex REIT Partners Inc. presented in "3. Fellow subsidiary, etc." above.

Furthermore, Executive Director Hiroyuki Katsuno owns nine units (rounded down to the nearest unit) of One REIT's investment units as of February 28, 2017 by utilizing a cumulative investment unit investment program.

8th fiscal period (March 1, 2017 to August 31, 2017)

The transaction conducted by One REIT Executive Director Koji Hashimoto as representative of a third party (Simplex REIT Partners Inc.) is as stated as a transaction with Simplex REIT Partners Inc. presented in "3. Fellow subsidiary, etc." above.

The term of office of Executive Director Hiroyuki Katsuno expired as of May 31, 2017 and Koji Hashimoto assumed the post of Executive Director on June 1, 2017 after being elected at the general meeting of unitholders held on May 23, 2017. Hiroyuki Katsuno also retired as President and Representative Director of Simplex REIT Partners on June 28, 2017 and Koji Hashimoto assumed the post of President and Representative Director on the same day.

As of August 31, 2017, Koji Hashimoto does not own investment units of One REIT.

[Notes on Tax-Effect Accounting]

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

	(Unit: thousand yen)	
	7th fiscal period (As of Feb. 28, 2017)	8th fiscal period (As of Aug. 31, 2017)
Deferred tax assets		
Non-deductible accrued enterprise tax	13	13
Total deferred tax assets	13	13
Net deferred tax assets	13	13

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

	(Unit: %)	
	7th fiscal period (As of Feb. 28, 2017)	8th fiscal period (As of Aug. 31, 2017)
Statutory tax rate	31.74	31.74
[Adjustments]		
Deductible distributions payable	(31.72)	(31.72)
Other	0.05	0.05
Effective income tax rate after application of tax-effect accounting	0.08	0.08

[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)	
	7th fiscal period (From: Sep. 1, 2016 To: Feb. 28, 2017)	8th fiscal period (From: Mar. 1, 2017 To: Aug. 31, 2017)
Carrying amount		
Balance at beginning of period	73,601,995	88,525,856
Amount of increase (decrease) during period	14,923,860	(252,387)
Balance at end of period	88,525,856	88,273,468
Fair value at end of period	95,673,000	96,893,000

(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 7th fiscal period, the amount of increase is mainly attributable to the acquisition of Glass City Motoyoyogi and two other properties (15,144,121 thousand yen) and capital expenditure (280,123 thousand yen) while the amount of decrease is mainly attributable to depreciation (498,838 thousand yen).

Moreover, of the amount of increase (decrease) in investment and rental properties during the 8th fiscal period, the amount of increase is mainly attributable to capital expenditure (253,663 thousand yen) while the amount of decrease is mainly attributable to depreciation (505,870 thousand yen).

(Note 3) Fair value at the end of the period is the appraisal value by an outside real estate appraiser. However, for the fair value of J Tower at the end of the fiscal period under review, the transfer value as transferred on October 6, 2017 is indicated.

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

[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

7th fiscal period (September 1, 2016 to February 28, 2017)

(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.

(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.

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.

8th fiscal period (March 1, 2017 to August 31, 2017)

(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.

(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.

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.

[Notes on Per Unit Information]

	7th fiscal period (From: Sep. 1, 2016 To: Feb. 28, 2017)	8th fiscal period (From: Mar. 1, 2017 To: Aug. 31, 2017)
Net assets per unit	217,241 yen	217,376 yen
Net income per unit	5,852 yen	5,947 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) A 2-for-1 split of investment units was implemented with February 28, 2017 as the record date and March 1, 2017 as the effective date. Net assets per unit and net income per unit are calculated assuming that the split of investment units was implemented at the beginning of the previous fiscal period.

(Note 3) The following is the basis for calculating net income per unit.

	7th fiscal period (From: Sep. 1, 2016 To: Feb. 28, 2017)	8th fiscal period (From: Mar. 1, 2017 To: Aug. 31, 2017)
Net income	1,100,363 thousand yen	1,125,928 thousand yen
Amount not attributable to common unitholders	— thousand yen	— thousand yen
Net income attributable to common investment units	1,100,363 thousand yen	1,125,928 thousand yen
Average number of investment units during period	188,010 units	189,298 units

[Notes on Significant Subsequent Events]

Asset Transfer and Acquisition

In an effort to realize selective investment in the core investment target areas, One REIT transferred J Tower on October 6, 2017 and concluded a transfer agreement for the acquisition of three properties; Daihakata Building, Daido Life Omiya Building and Yamagami Building, on October 11, 2017.

① Asset Transfer

One REIT transferred the following assets on October 6, 2017. Gain on sale of real estate, etc. of approx. 700 million yen is expected to be recorded for the 9th fiscal period ending February 2018 as a result of the said transfers.

J Tower

Location	Fuchu-shi, Tokyo
Type of asset	Trust beneficiary rights
Transfer price (Note 1)	25,220 million yen
Buyer	Not disclosed (Note 2)
Conclusion date of transfer agreement	September 22, 2017
Transfer date	October 6, 2017

(Note 1) Transfer price excludes transfer costs, adjusted amount of fixed asset tax and city planning tax, consumption tax, local consumption tax, etc.

(Note 2) The buyer is a domestic godo kaisha but is otherwise undisclosed as no consent has been obtained from the buyer for disclosure of its name, etc. The buyer falls under the category of neither “interested persons, etc.” defined in the Investment Trust Act nor “interested party” defined in the internal regulations concerning trading with an interested party of the Asset Management Company.

② Asset Acquisition

One REIT concluded a transfer agreement concerning the acquisition of real estate trust beneficiary rights (3 properties with a total acquisition price of 15,850 million yen) on October 11, 2017.

Daihakata Building

Location	Fukuoka-shi, Fukuoka
Type of asset	Trust beneficiary rights
Planned acquisition date (Note)	10,650 million yen
Seller	GK SIA Bridge No. 2
Conclusion date of transfer agreement	October 11, 2017
Planned acquisition date	October 25, 2017

Daido Life Omiya Building

Location	Saitama-shi, Saitama
Type of asset	Trust beneficiary rights
Planned acquisition date (Note)	3,000 million yen
Seller	IBJ Leasing Co., Ltd.
Conclusion date of transfer agreement	October 11, 2017
Planned acquisition date	October 25, 2017

Yamagami Building

Location	Toshima-ku, Tokyo
Type of asset	Trust beneficiary rights
Planned acquisition date (Note)	2,200 million yen
Seller	IBJ Leasing Co., Ltd.
Conclusion date of transfer agreement	October 11, 2017
Planned acquisition date	October 25, 2017

(Note) Acquisition price excludes transfer costs, adjusted amount of fixed asset tax and city planning tax, consumption tax, local consumption tax, etc.

[Omission of Disclosure]

Disclosure of notes on lease transactions, securities, derivative transactions, retirement benefits, share of profit (loss) of entities accounted for using the equity method, etc. and asset retirement obligations is omitted because there is thought to be no large necessity for disclosure in the summary of financial results.

(9) Increase (Decrease) in Number of Investment Units Issued and Outstanding

The following is the changes in the total number of investment units issued and outstanding since One REIT's incorporation and in unitholders' capital.

Date	Description	Number of investment units issued and outstanding (units)		Unitholders' capital (million yen)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
June 25, 2013	Incorporation through private placement	400	400	200	200	(Note 1)
Oct. 8, 2013	Capital increase through public offering	74,700	75,100	32,438	32,638	(Note 2)
Sept. 6, 2016	Capital increase through public offering	18,900	94,000	7,139	39,777	(Note 3)
Oct. 5, 2016	Capital increase through third-party allotment	649	94,649	245	40,022	(Note 4)
Mar. 1, 2017	Spilt of Investment units	94,649	189,298	—	40,022	(Note 5)

(Note 1) Upon the incorporation of One REIT, investment units were issued for which the issue amount paid in to One REIT (paid-in amount) was 500,000 yen per unit.

(Note 2) New investment units were issued through public offering at an issue price of 450,000 yen (paid-in amount: 434,250 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 3) New investment units were issued through public offering at an issue price of 390,975 yen (paid-in amount: 377,742 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 4) New investment units were issued through third-party allotment in line with capital increase through public offering at a paid-in amount of 377,742 yen per unit.

(Note 5) One REIT implemented a 2-for-1 split of investment units with February 28, 2017 as the record date and March 1, 2017 as the effective date.

4. Changes in Directors

Changes in Directors are disclosed upon finalization of the details.

5. Reference Information

(1) Asset Composition

Type of asset	Use of asset	Region (Note 1)	7th fiscal period (As of Feb. 28, 2017)		8th fiscal period (As of Aug. 31, 2017)	
			Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate	Office buildings	Tokyo metropolitan area	6,970	7.2	6,900	7.2
	Office buildings subtotal		6,970	7.2	6,900	7.2
Real estate total			6,970	7.2	6,900	7.2
Real estate in trust	Office buildings	Tokyo metropolitan area	60,456	62.8	60,301	62.6
		Ordinance-designated cities, etc.	16,571	17.2	16,580	17.2
	Office buildings subtotal		77,028	80.1	76,881	79.8
	Retail facilities	Tokyo metropolitan area	4,101	4.3	4,069	4.2
		Ordinance-designated cities, etc.	426	0.4	422	0.4
	Retail facilities subtotal		4,527	4.7	4,491	4.7
Real estate in trust total			81,555	84.8	81,372	84.5
Investment securities (Note 4)			10	0.0	10	0.0
Deposits and other assets			7,655	8.0	8,009	8.3
Total assets			96,191	100.0	96,292	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 major regional cities are together referred to as “ordinance-designated cities, etc.” “Ordinance-designated cities” refers to ordinance-designated cities located outside the Tokyo metropolitan area. “Major 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 one decimal place.

(Note 4) “Investment Securities” refers to silent partnership equity interest holding GK SIA Bridge No. 2 as the operator.

(2) Portfolio Diversification

Diversification by region

Region	Number of properties	Acquisition price (million yen)	Share (%)
Tokyo metropolitan area	16	72,270	80.9
Ordinance-designated cities, etc.	6	17,089	19.1
Total	22	89,359	100.0

Diversification by asset type

Use	Number of properties	Acquisition price (million yen)	Share (%)
Office buildings	20	84,677	94.8
Retail facilities	2	4,682	5.2
Total	22	89,359	100.0

(3) Period-End Value of Portfolio Real Estate

Property no.	Property name	Appraisal company	Acquisition price (million yen)	Carrying amount (million yen)	Appraisal value (million yen)	Overview of appraisal report					
						Income approach					Cost approach
						Indicated value by direct cap method (million yen)	Cap rate (%)	Indicated value by DCF method (million yen)	Discount rate (%)	Terminal cap rate (%)	Indicated value by cost approach (million yen)
OT-1	J Tower (Note 3)	The Tanizawa Sogo Appraisal Co., Ltd.	24,394	24,200	25,200	26,200	4.7	24,800	4.7	4.9	18,100
OT-2	SIA Kanda Square	The Tanizawa Sogo Appraisal Co., Ltd.	7,350	6,900	8,590	8,770	3.7	8,510	3.8	3.9	8,060
OT-3	Tachikawa Nishiki-cho Building	Daiwa Real Estate Appraisal Co., Ltd.	3,264	3,323	3,970	3,980	4.6	3,960	4.4	4.8	2,480
OT-4	CP10 Building	Daiwa Real Estate Appraisal Co., Ltd.	3,229	3,168	3,410	3,430	4.2	3,400	4.0	4.4	1,510
OT-5	Yokohama AP Building	Daiwa Real Estate Appraisal Co., Ltd.	3,110	3,109	3,690	3,700	4.4	3,690	4.2	4.6	2,440
OT-6	Yushima First Genesis Building	Daiwa Real Estate Appraisal Co., Ltd.	2,751	2,707	3,100	3,150	4.2	3,080	4.0	4.4	1,780
OT-7	Miyaji Building	Daiwa Real Estate Appraisal Co., Ltd.	2,880	2,857	3,250	3,240	4.5	3,260	4.3	4.7	2,070
OT-8	36 Sankyo Building	Daiwa Real Estate Appraisal Co., Ltd.	2,395	2,355	2,730	2,760	4.3	2,710	4.1	4.5	1,890
OT-9	Minami-Shinagawa JN Building	Daiwa Real Estate Appraisal Co., Ltd.	2,165	2,177	2,094	2,160	4.5	2,090	4.3	4.7	2,120
OT-10	Minami-Shinagawa N Building	Daiwa Real Estate Appraisal Co., Ltd.	2,292	2,255	2,280	2,370	4.7	2,240	4.5	4.9	2,180
OT-11	Minami-Shinagawa J Building	Daiwa Real Estate Appraisal Co., Ltd.	2,020	1,976	2,230	2,240	4.7	2,220	4.5	4.9	1,400
OT-12	MY Atsugi Building	Chuo Real Estate Appraisal Co., Ltd.	1,240	1,186	1,320	1,450	5.7	1,320	5.5	5.9	923
OT-13	Hachioji SIA Building	Chuo Real Estate Appraisal Co., Ltd.	730	704	816	851	5.3	816	5.1	5.5	709
OT-14	Glass City Motoyoyogi	Japan Real Estate Institute	7,500	7,546	7,860	7,900	4.3	7,820	4.0	4.4	7,670
OT-15	Okachimachi CY Building	Japan Real Estate Institute	2,700	2,733	2,850	2,870	4.3	2,820	4.0	4.4	2,450
OO-1	Central Shin-Osaka Building	Daiwa Real Estate Appraisal Co., Ltd.	4,612	4,407	5,280	5,250	4.5	5,290	4.3	4.7	2,430
OO-2	Karasuma Plaza 21	Daiwa Real Estate Appraisal Co., Ltd.	3,700	3,833	3,780	3,720	4.8	3,810	4.6	5.0	6,980
OO-3	Stoke Building Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	2,381	2,381	2,770	2,730	4.8	2,790	4.6	5.0	1,580
OO-4	MY Kumamoto Building	Chuo Real Estate Appraisal Co., Ltd.	1,152	1,128	1,290	1,320	6.1	1,290	5.9	6.3	899
OO-5	Nagoya Fushimi Square Building	Daiwa Real Estate Appraisal Co., Ltd.	4,812	4,829	5,020	5,190	4.7	4,950	4.5	4.9	4,980
R-1	fab Minami-Osawa	Japan Real Estate Institute	4,250	4,069	4,740	4,790	4.9	4,680	4.7	5.1	2,280
R-2	Niigata Higashibori-dori Parking Building	Chuo Real Estate Appraisal Co., Ltd.	432	422	603	599	6.6	603	6.3	6.9	298
Total			89,359	88,273	96,873	98,670	-	96,149	-	-	75,229

(Note 1) "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 (transaction amount stated in the sale and purchase contract, etc.).

(Note 2) The effective date of the appraisal (date of value) is the last day of August 2017.

(Note 3) J Tower was sold as of October 6, 2017. The same follows.

(4) Overview of Portfolio Real Estate

Property no.	Property name	Asset type	Location	Construction and number of floors	Completed (YYYY/MM)	Type of ownership	Total leasable area	PML value
OT-1	J Tower	Office building	Fuchu-shi, Tokyo	S/RC/SRC B2/18F	1992/03	Real estate trust beneficiary rights	34,165.51	2.80%
OT-2	SIA Kanda Square	Office building	Chiyoda-ku, Tokyo	SRC 10F	2007/04	Real estate	5,259.78	6.06%
OT-3	Tachikawa Nishiki-cho Building	Office building	Tachikawa-shi, Tokyo	SRC 8F	1991/06	Real estate trust beneficiary rights	5,629.89	4.51%
OT-4	CP10 Building	Office building	Taito-ku, Tokyo	SRC B1/7F	1989/03	Real estate trust beneficiary rights	3,506.66	3.51%
OT-5	Yokohama AP Building	Office building	Yokohama-shi, Kanagawa	RC B1/8F	1983/05	Real estate trust beneficiary rights	4,326.69	10.17%
OT-6	Yushima First Genesis Building	Office building	Bunkyo-ku, Tokyo	SRC B1/7F	1991/08	Real estate trust beneficiary rights	2,965.49	7.00%
OT-7	Miyaji Building	Office building	Nakano-ku, Tokyo	S/SRC B1/7F	1994/08	Real estate trust beneficiary rights	3,116.49	3.04%
OT-8	36 Sankyo Building	Office building	Shinjuku-ku, Tokyo	RC B2/4F	1991/10	Real estate trust beneficiary rights	3,724.17	8.85%
OT-9	Minami-Shinagawa JN Building	Office building	Shinagawa-ku, Tokyo	SRC B2/10F	1990/07	Real estate trust beneficiary rights	6,390.33	5.57%
OT-10	Minami-Shinagawa N Building	Office building	Shinagawa-ku, Tokyo	SRC B2/10F	1994/07	Real estate trust beneficiary rights	5,476.73	5.50%
OT-11	Minami-Shinagawa J Building	Office building	Shinagawa-ku, Tokyo	SRC B1/10F	1992/07	Real estate trust beneficiary rights	3,673.61	3.70%
OT-12	MY Atsugi Building	Office building	Atsugi-shi, Kanagawa	RC/SRC 8F	1988/09	Real estate trust beneficiary rights	3,853.99	7.69%
OT-13	Hachioji SIA Building	Office building	Hachioji-shi, Tokyo	SRC 9F	1993/09	Real estate trust beneficiary rights	2,750.70	4.53%
OT-14	Glass City Motoyoyogi	Office building	Shibuya-ku, Tokyo	SRC/RC B2/8F	1992/04	Real estate trust beneficiary rights	7,643.63	7.70%
OT-15	Okachimachi CY Building	Office building	Taito-ku, Tokyo	SRC B1/9F	1986/05	Real estate trust beneficiary rights	2,940.00	6.04%
OO-1	Central Shin-Osaka Building	Office building	Osaka-shi, Osaka	S B1/12F	1992/06	Real estate trust beneficiary rights	9,405.26	12.72%
OO-2	Karasuma Plaza 21	Office building	Kyoto-shi, Kyoto	SRC B1/8F	1986/11	Real estate trust beneficiary rights	8,890.42	5.18%
OO-3	Stoke Building Nagoya	Office building	Nagoya-shi, Aichi	S/SRC B1/8F	1991/04	Real estate trust beneficiary rights	5,801.80	13.58%
OO-4	MY Kumamoto Building	Office building	Kumamoto-shi, Kumamoto	S/RC 9F	1987/10	Real estate trust beneficiary rights	3,754.45	5.08%
OO-5	Nagoya Fushimi Square Building	Office building	Nagoya-shi, Aichi	SRC B2/13F	1987/11	Real estate trust beneficiary rights	8,417.51	6.20%
R-1	fab Minami-Osawa	Retail facility	Hachioji-shi, Tokyo	S 7F	2001/12	Real estate trust beneficiary rights	8,409.23	3.03%
R-2	Niigata Higashibori-dori Parking Building	Retail facility	Niigata-shi, Niigata	S 10F	1993/03	Real estate trust beneficiary rights	8,725.90	6.08%

(5) Status of Revenue of Each Property

Property no.	OT-1	OT-2	OT-3	OT-4	OT-5	OT-6	OT-7	
Property name	J Tower	SIA Kanda Square	Tachikawa Nishiki-cho Building	CP10 Building	Yokohama AP Building	Yushima First Genesis Building	Miyaji Building	
Acquisition date	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	
Acquisition	Acquisition price (million yen)	24,394	7,350	3,264	3,229	3,110	2,751	2,880
	Composition ratio (%)	27.3	8.2	3.7	3.6	3.5	3.1	3.2
	Carrying amount (million yen)	24,200	6,900	3,323	3,168	3,109	2,707	2,857
	Value at end of period (million yen)	25,200	8,590	3,970	3,410	3,690	3,100	3,250
	Composition ratio (%)	26.0	8.9	4.1	3.5	3.8	3.2	3.4
Leasing	Total number of tenants	31	26	20	7	10	6	7
	Total leasable area (m ²)	34,165.51	5,259.78	5,629.89	3,506.66	4,326.69	2,965.49	3,116.49
	Leased area (m ²)	34,081.81	4,482.89	5,629.89	3,506.66	4,033.27	2,965.49	3,116.49
	Occupancy rate	99.8%	85.2%	100.0%	100.0%	93.2%	100.0%	100.0%
Operating income (loss)	Number of days under management	184	184	184	184	184	184	184
	① Property-related operating revenue (thousand yen)	876,713	195,308	148,220	108,375	116,673	82,569	115,604
	Lease business revenue	761,514	183,887	140,944	94,641	102,879	76,034	105,353
	Other lease business revenue	115,198	11,420	7,275	13,733	13,794	6,534	10,251
	② Property-related operating expenses (thousand yen)	351,409	34,710	37,718	27,282	33,571	22,471	25,418
	Property management fees	89,972	13,577	14,857	9,049	10,139	7,230	8,017
	Utilities expenses	179,647	9,558	9,847	9,397	8,046	6,070	7,525
	Taxes and public dues	65,668	8,354	10,421	6,718	9,646	7,904	7,661
	Insurance premiums	1,405	203	209	109	137	123	110
	Repair expenses	14,214	3,015	1,882	1,508	5,102	643	1,604
	Other	500	—	500	500	500	500	500
	③ Leasing NOI (thousand yen)	525,304	160,597	110,501	81,092	83,101	60,097	90,186
	④ Depreciation (thousand yen)	127,284	70,311	24,808	15,547	11,354	13,217	10,562
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	398,020	90,286	85,693	65,544	71,747	46,880	79,623
⑥ Capital expenditures (thousand yen)	36,922	798	15,566	950	35,368	2,855	2,171	
⑦ Leasing NCF [③-⑥] (thousand yen)	488,382	159,798	94,935	80,142	47,733	57,242	88,014	

Property no.	OT-8	OT-9	OT-10	OT-11	OT-12	OT-13	OT-14	
Property name	36 Sankyo Building	Minami-Shinagawa JN Building	Minami-Shinagawa N Building	Minami-Shinagawa J Building	MY Atsugi Building	Hachioji SIA Building	Glass City Motoyoyogi	
Acquisition date	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	September 7, 2016	
Acquisition	Acquisition price (million yen)	2,395	2,165	2,292	2,020	1,240	730	7,500
	Composition ratio (%)	2.7	2.4	2.6	2.3	1.4	0.8	8.4
	Carrying amount (million yen)	2,355	2,177	2,255	1,976	1,186	704	7,546
	Value at end of period (million yen)	2,730	2,094	2,280	2,230	1,320	816	7,860
	Composition ratio (%)	2.8	2.2	2.4	2.3	1.4	0.8	8.1
Leasing	Total number of tenants	3	20	18	10	23	14	10
	Total leasable area (m ²)	3,724.17	6,390.33	5,476.73	3,673.61	3,853.99	2,750.70	7,643.63
	Leased area (m ²)	3,724.17	6,390.33	5,332.20	3,673.61	3,853.99	2,750.70	7,643.63
	Occupancy rate	100.0%	100.0%	97.4%	100.0%	100.0%	100.0%	100.0%
Operating income (loss)	Number of days under management	184	184	184	184	184	184	184
	① Property-related operating revenue (thousand yen)	87,415	129,092	98,699	99,674	60,846	48,157	235,742
	Lease business revenue	76,813	120,998	90,081	91,475	55,634	43,664	213,372
	Other lease business revenue	10,601	8,093	8,617	8,198	5,212	4,493	22,369
	② Property-related operating expenses (thousand yen)	24,711	70,637	40,689	30,697	31,461	23,867	53,103
	Property management fees	5,493	16,585	7,031	5,355	10,190	9,706	13,945
	Utilities expenses	8,044	23,527	8,672	7,508	7,607	5,800	18,103
	Taxes and public dues	7,455	9,623	9,157	5,662	4,804	4,549	15,412
	Insurance premiums	103	236	206	130	128	88	299
	Repair expenses	3,115	4,640	2,831	2,798	8,231	3,222	4,940
	Other	500	16,024	12,790	9,241	500	500	400
	③ Leasing NOI (thousand yen)	62,703	58,454	58,009	68,976	29,385	24,289	182,639
	④ Depreciation (thousand yen)	8,396	16,665	14,511	12,345	12,611	5,237	21,752
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	54,307	41,788	43,497	56,630	16,773	19,052	160,886
⑥ Capital expenditures (thousand yen)	1,561	6,190	5,652	2,881	4,784	—	21,400	
⑦ Leasing NCF [③-⑥] (thousand yen)	61,142	52,264	52,357	66,095	24,600	24,289	161,238	

Property no.	OT-15	OO-1	OO-2	OO-3	OO-4	OO-5	R-1		
Property name	Okachimachi CY Building	Central Shin-Osaka Building	Karasuma Plaza 21	Stoke Building Nagoya	MY Kumamoto Building	Nagoya Fushumi Square Building	fab Minami-Osawa (Note)		
Acquisition date	September 7, 2016	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	September 7, 2016	October 10, 2013		
Acquisition	Acquisition price (million yen)	2,700	4,612	3,700	2,381	1,152	4,812	4,250	
	Composition ratio (%)	3.0	5.2	4.1	2.7	1.3	5.4	4.8	
	Carrying amount (million yen)	2,733	4,407	3,833	2,381	1,128	4,829	4,069	
	Value at end of period (million yen)	2,850	5,280	3,780	2,770	1,290	5,020	4,740	
	Composition ratio (%)	2.9	5.5	3.9	2.9	1.3	5.2	4.9	
Leasing	Total number of tenants	14	27	12	5	18	47	14	
	Total leasable area (m ²)	2,940.00	9,405.26	8,890.42	5,801.80	3,754.45	8,417.51	8,409.23	
	Leased area (m ²)	2,940.00	9,184.13	8,890.42	5,801.80	3,598.08	8,198.91	8,409.23	
	Occupancy rate	100.0%	97.6%	100.0%	100.0%	95.8%	97.4%	100.0%	
Operating income (loss)	Number of days under management	184	184	184	184	184	184	184	
	① Property-related operating revenue (thousand yen)	83,681	190,510	197,906	125,648	70,948	175,202	(undisclosed)	
	Lease business revenue	79,531	166,722	182,015	107,587	65,387	162,862		
	Other lease business revenue	4,149	23,787	15,891	18,061	5,561	12,340		
	② Property-related operating expenses (thousand yen)	25,363	64,537	78,537	37,514	23,285	51,144		
	Property management fees	8,123	22,502	29,207	9,661	8,739	17,044		
	Utilities expenses	7,002	21,329	21,662	11,622	7,388	15,233		
	Taxes and public dues	6,780	16,144	22,702	9,710	4,758	16,093		
	Insurance premiums	113	298	295	191	130	363		
	Repair expenses	2,841	3,763	4,169	5,827	1,767	1,909		
	Other	500	500	500	500	500	500		
	③ Leasing NOI (thousand yen)	58,318	125,972	119,368	88,134	47,663	124,057		126,625
	④ Depreciation (thousand yen)	5,063	33,441	18,084	19,417	12,902	15,634		32,540
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	53,254	92,530	101,284	68,717	34,760	108,423		94,085
⑥ Capital expenditures (thousand yen)	7,983	2,723	72,996	21,427	4,620	6,312	497		
⑦ Leasing NCF [③-⑥] (thousand yen)	50,334	123,249	46,372	66,706	43,042	117,745	126,128		

(Note) ① Property-related operating revenue and ② Property-related operating expenses of fab Minami-Osawa have not been disclosed because consent for disclosure of property-related operating revenue has not been obtained from the tenants.

Property no.	R-2	Total		
Property name	Niigata Higashibori-dori Parking Building (Note)			
Acquisition date	October 10, 2013			
Acquisition	Acquisition price (million yen)	432	89,359	
	Composition ratio (%)	0.5	100.0	
	Carrying amount (million yen)	422	88,273	
	Value at end of period (million yen)	603	96,873	
	Composition ratio (%)	0.6	100.0	
Leasing	Total number of tenants	1	343	
	Total leasable area (m ²)	8,725.90	148,828.24	
	Leased area (m ²)	8,725.90	146,933.60	
	Occupancy rate	100.0%	98.7%	
Operating income (loss)	Number of days under management	184	—	
	① Property-related operating revenue (thousand yen)	(undisclosed)	3,482,958	
	Lease business revenue		3,108,977	
	Other lease business revenue		373,980	
	② Property-related operating expenses (thousand yen)		1,176,500	
	Property management fees		339,145	
	Utilities expenses		431,010	
	Taxes and public dues		259,599	
	Insurance premiums		5,135	
	Repair expenses		84,232	
	Other		57,376	
	③ Leasing NOI (thousand yen)		20,975	2,306,457
	④ Depreciation (thousand yen)		4,179	505,870
	⑤ Property-related operating income (loss) [③-④] (thousand yen)		16,796	1,800,586
⑥ Capital expenditures (thousand yen)	—		253,663	
⑦ Leasing NCF [③-⑥] (thousand yen)	20,975	2,052,793		

(Note) ① Property-related operating revenue and ② Property-related operating expenses of Niigata Higashibori-dori Parking Building have not been disclosed because consent for disclosure of property-related operating revenue has not been obtained from the tenants.

(6) Borrowing Status

The following is the status of borrowing of funds from each financial institution as of August 31, 2017.

	Term		Drawdown date	Balance at beginning of period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks		
	Lenders											
Short-term borrowings	Mizuho Trust & Banking Co., Ltd.		Sep. 7, 2016	127,500	—	0.28000	Sep. 7, 2017 (Note 2)	(Note 2)	(Note 3)	Unsecured Unguaranteed		
	Mizuho Bank, Ltd.			127,500	—							
Subtotal				255,000	—							
Long-term borrowings	Sumitomo Mitsui Banking Corporation		Oct. 10, 2013	4,525,750	4,513,875	0.83000	Oct. 10, 2018 (Note 4)	(Note 4)	(Note 5)	Unsecured Unguaranteed		
	The Mie Bank, Ltd.			979,000	976,500							
	Aozora Bank, Ltd.			950,000	947,500							
	Sumitomo Mitsui Banking Corporation		Oct. 10, 2013	5,663,750	5,649,375	1.38226	Oct. 10, 2018 (Note 4)	(Note 4)	(Note 5)			
	Kansai Urban Banking Corporation			979,000	976,500							
	Sumitomo Mitsui Banking Corporation		Oct. 10, 2014	1,485,000	1,481,250	1.08473	Oct. 10, 2017 (Note 6)	(Note 6)	(Note 9)			
	Aozora Bank, Ltd.			990,000	987,500							
	Resona Bank, Limited			1,980,000	1,975,000							
	ORIX Bank Corporation			990,000	987,500							
	Sumitomo Mitsui Banking Corporation		Oct. 10, 2014	1,980,000	1,975,000	1.35961	Oct. 13, 2020 (Note 7)	(Note 7)	(Note 9)			
	The Mie Bank, Ltd.			990,000	987,500							
	Sumitomo Mitsui Banking Corporation		Oct. 13, 2015	449,935	448,795	0.68000	Oct. 10, 2017 (Note 8)	(Note 8)	(Note 9)			
	Aozora Bank, Ltd.			995,000	992,500							
	The Bank of Fukuoka, Ltd.			979,115	976,645							
	The Mie Bank, Ltd.			597,000	595,500							
	ORIX Bank Corporation			398,000	397,000							
	Mizuho Trust & Banking Co., Ltd.		Sep. 7, 2016	1,200,000	1,200,000	0.58096	Sep. 7, 2019	Bullet repayment	(Note 3)			
	Mizuho Bank, Ltd.			1,200,000	1,200,000							
	Sumitomo Mitsui Banking Corporation			750,000	750,000							
	Shinsei Bank Limited			1,500,000	1,500,000							
	Resona Bank, Limited			600,000	600,000							
	The Mie Bank, Ltd.			525,000	525,000							
	The Bank of Fukuoka, Ltd.			150,000	150,000							
	Mizuho Trust & Banking Co., Ltd.		Sep. 7, 2016	400,000	400,000	0.69593	Sep. 7, 2020	Bullet repayment	(Note 3)			
	Mizuho Bank, Ltd.			400,000	400,000							
	Sumitomo Mitsui Banking Corporation			250,000	250,000							
	Shinsei Bank Limited			500,000	500,000							
Resona Bank, Limited		200,000		200,000								
The Mie Bank, Ltd.		175,000		175,000								
The Bank of Fukuoka, Ltd.		50,000		50,000								
Mizuho Trust & Banking Co., Ltd.		3,199,000		3,199,000	0.58096					Sep. 7, 2019	Bullet repayment	(Note 9)
Mizuho Bank, Ltd.		3,150,000		3,150,000								
Shinsei Bank Limited		1,500,000		1,500,000								
Resona Bank, Limited		300,000	300,000									

	Term	Drawdown date	Balance at beginning of period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
	Lenders								
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	Sep. 7, 2016	3,199,000	3,199,000	0.69593	Sep. 7, 2020	Bullet repayment	(Note 9)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		3,150,000	3,150,000					
	Shinsei Bank Limited		1,500,000	1,500,000					
	Resona Bank, Limited		300,000	300,000					
	Subtotal		49,129,550	49,065,940					
	Total		49,384,550	49,065,940					

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

(Note 2) The entire amount is prepaid on June 30 2017.

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

(Note 4) Repayment of the principal in installments, with the first repayment on April 10, 2014 and subsequent repayments (16,875 thousand yen) on each of the 10th of every April and October thereafter, until repayment of the remaining balance of principal on October 10, 2018. Note that it was resolved at One REIT's Board of Directors meeting held on October 11, 2017 that early repayment will be implemented as of October 25, 2017.

(Note 5) The intended use of the funds is to allocate the funds to part of the funds for acquisition of real estate and real estate trust beneficiary rights, as well as related costs.

(Note 6) Repayment of the principal in installments, with the first repayment on April 10, 2015 and subsequent repayments (13,750 thousand yen) on each of the 10th of every April and October thereafter, until repayment of the remaining balance of principal on October 10, 2017.

(Note 7) Repayment of the principal in installments, with the first repayment on April 10, 2015 and subsequent repayments (7,500 thousand yen) on each of the 10th of every April and October thereafter, until repayment of the remaining balance of principal on October 13, 2020. Note that it was resolved at One REIT's Board of Directors meeting held on October 11, 2017 that early repayment will be implemented as of October 25, 2017.

(Note 8) Repayment of the principal in installments, with the first repayment on April 10, 2016 and subsequent repayments (8,610 thousand yen) on each of the 10th of every April and October thereafter, until repayment of the remaining balance of principal on October 10, 2017.

(Note 9) The funds are allotted to part of the funds for repaying existing borrowings.