



# One REIT

## **Semi-Annual Report** for the 21st Fiscal Period

from September 1, 2023, to February 29, 2024

# To Our Unitholders

## Hirofumi Nabeyama

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



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

We are pleased to report on the management status of One REIT for the 21st fiscal period ended February 2024.

In the office building leasing market during the fiscal period under review, against the backdrop of the improvement in corporate earnings and recovery of office attendance rate, demand for expansion of leased area by existing tenants, relocation for expansion, etc. gradually improved and the vacancy rates in central Tokyo declined moderately. Although rents continue to be on a downward trend, they have started to increase in some areas, and there have been pauses in rent decline.

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

As a result, One REIT's assets as of the end of the fiscal period under review comprised a portfolio totaling 32 properties (total acquisition price: 123,677 million yen; silent partnership equity interest is not included), a total leasable area of 173,482.14 m<sup>2</sup>, and an end-of-period occupancy rate of 98.7%.

Concerning distributions, One REIT attempts to include the maximum amount of cash distribution of earnings in deductible expense. In the 21st fiscal period, One REIT decided to distribute roughly the entire amount of unappropriated retained earnings after deducting the unappropriated earnings internally reserved in or before the previous fiscal period with accrual of gain on sale of real estate, etc. As a result, One REIT declared distribution per investment unit of 6,691 yen.

In addition, as announced in the press release, "Notice concerning Completion of Additional Acquisition of One REIT's Investment Units by Mizuho Realty One Co., Ltd." dated February 29, 2024, Mizuho Realty One Co., Ltd., the parent company of the Asset Management Company and a wholly owned subsidiary of our sponsor, completed the additional acquisition of One REIT's investment units. Since the additional acquisition will further clarify the supportive stance of our sponsor as well as facilitate aligning the interests of unitholders and the sponsor of One REIT, sponsor support towards the realization of One REIT's medium- to long-term growth is expected.

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

We appreciate your continued support and patronage.

# Overview of Asset Management

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

Fiscal Period		17th fiscal period	18th fiscal period	19th fiscal period	20th fiscal period	21st fiscal period
		From: Sep. 1, 2021 To: Feb. 28, 2022	From: Mar. 1, 2022 To: Aug. 31, 2022	From: Sep. 1, 2022 To: Feb. 28, 2023	From: Mar. 1, 2023 To: Aug. 31, 2023	From: Sep. 1, 2023 To: Feb. 29, 2024
Operating revenue	(million yen)	4,384	4,516	4,598	4,636	4,575
Property-related operating revenue	(million yen)	4,383	4,516	4,598	4,636	4,574
Operating expenses	(million yen)	2,122	2,332	2,463	2,488	2,443
Property-related operating expenses	(million yen)	1,778	1,965	2,094	2,106	2,066
Operating profit	(million yen)	2,262	2,184	2,134	2,147	2,131
Ordinary profit	(million yen)	1,967	1,883	1,837	1,832	1,797
Net income	(million yen)	1,966	1,882	1,836	1,831	1,796
Total assets	(million yen)	130,582	130,821	134,403	134,873	134,718
(Period-on-period comparison)	(%)	+14.7	+0.2	+2.7	+0.3	(0.1)
Interest-bearing liabilities	(million yen)	61,574	61,574	65,494	65,494	65,494
Net assets	(million yen)	61,322	61,238	61,163	61,158	61,123
(Period-on-period comparison)	(%)	+15.4	(0.1)	(0.1)	(0.0)	(0.1)
Unitholders' capital	(million yen)	59,164	59,164	59,164	59,164	59,164
Total number of investment units issued and outstanding	(units)	268,468	268,468	268,468	268,468	268,468
Net assets per unit	(yen)	228,417	228,102	227,824	227,804	227,674
Total distributions	(million yen)	1,966	1,911	1,836	1,831	1,796
Distribution payout ratio <sup>(Note 3, 4)</sup>	(%)	99.9	101.5	99.9	99.9	99.9
Distribution per unit	(yen)	7,326	7,120	6,842	6,821	6,691
Distribution per unit of earnings	(yen)	7,326	7,120	6,842	6,821	6,691
Distribution per unit in excess of earnings	(yen)	—	—	—	—	—
Ratio of ordinary profit to total assets <sup>(Note 4)</sup>	(%)	1.6	1.4	1.4	1.4	1.3
(Annualized) <sup>(Note 2)</sup>	(%)	3.2	2.9	2.8	2.7	2.7
Return on equity <sup>(Note 4)</sup>	(%)	3.4	3.1	3.0	3.0	2.9
(Annualized) <sup>(Note 2)</sup>	(%)	6.9	6.1	6.1	5.9	5.9
Equity ratio <sup>(Note 4)</sup>	(%)	47.0	46.8	45.5	45.3	45.4
(Period-on-period variation)		+0.3	(0.2)	(1.3)	(0.2)	+0.0
Loan to value (LTV)	(%)	47.2	47.1	48.7	48.6	48.6
<Reference Information>						
Number of properties at end of period	(properties)	31	31	32	32	32
Total number of tenants at end of period	(tenants)	554	559	567	572	574
Total leasable area at end of period	(m <sup>2</sup> )	171,928.65	171,867.73	173,678.53	173,544.96	173,482.14
Occupancy rate at end of period	(%)	97.6	98.3	97.9	98.9	98.7
Depreciation during period	(million yen)	553	566	589	609	593
Capital expenditures during period	(million yen)	411	423	443	461	644
Leasing NOI <sup>(Note 4)</sup>	(million yen)	3,158	3,118	3,093	3,138	3,102
Leasing NCF <sup>(Note 4)</sup>	(million yen)	2,747	2,694	2,649	2,677	2,457

- (Note 1) The operating periods of One REIT are the six-month periods from March 1 to August 31 and from September 1 to February 28 (29 in leap years) of the following year.
- (Note 2) Annualization is based on 365 days for a year, and calculated by using operating periods of 181 days for the 17th fiscal period, 184 days for the 18th fiscal period, 181 days for the 19th fiscal period, 184 days for the 20th fiscal period, and 182 days for the 21st fiscal period.
- (Note 3) Distribution payout ratio is rounded down to the first decimal place.
- (Note 4) It is calculated based on the following formula.

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

## 2. Asset Management for 21st Fiscal Period

### 1) Brief History of the Investment Corporation

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

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

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

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

### 2) Management Results

In the fiscal period under review (fiscal period ended February 2024 (21st fiscal period)), the economic environment saw sluggish growth in private consumption due to high prices, but improvement in corporate earnings and expansion in inbound tourism demand. These, among other factors, resulted in maintaining a trend of moderate economic recovery.

In the office building leasing market, against the backdrop of favorable corporate performance and recovery of office attendance rate, demand for expansion of leased area by existing tenants, relocation for expansion, etc. gradually improved and the vacancy rates in central Tokyo declined moderately. Although rents continue to be on a downward trend, they have started to increase in some areas, and there have been pauses in rent decline.

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

As a result, One REIT's portfolio as of the end of the fiscal period ended February 2024 comprised a total of 32 properties (total acquisition price: 123,677 million yen; not including silent partnership equity interest) with a total leasable area of 173,482.14 m<sup>2</sup>, and the occupancy rate as of the end of the fiscal period ended February 2024 was 98.7%.

### 3) Financing

In the fiscal period ended February 2024, One REIT borrowed funds in the amount of 12,920 million yen on September 7, 2023, in order to allocate the funds to part of the repayment of existing borrowings due for repayment on September 7, 2023, and payment of various related costs. Of this, 9,000 million yen was financing through a green loan.

As a result, as of the end of the fiscal period ended February 2024, the balance of interest-bearing liabilities was 65,494 million yen and the ratio of interest-bearing liabilities to total assets (LTV) was 48.6%.

### 4) Business Performance and Distributions

As a result of the management described above, business performance in the fiscal period ended February 2024 was operating revenue of 4,575 million yen, operating profit of 2,131 million yen, ordinary profit of 1,797 million yen, and net income of 1,796 million yen.

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

As a result, One REIT declared distribution per investment unit of 6,691 yen.

### 3. Status of Additional Offering

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

Date	Description	Total number of investment units issued and outstanding (units)		Unitholders' capital (million yen)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
September 22, 2021	Capital increase through public offering	27,200	267,108	7,628	58,783	(Note 1)
October 15, 2021	Capital increase by way of third-party allotment	1,360	268,468	381	59,164	(Note 2)

(Note 1) New investment units were issued through public offering at an issue price of 289,965 yen (paid-in amount: 280,448 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 2) New investment units were issued by way of third-party allotment in line with capital increase through public offering at a paid-in amount of 280,448 yen per unit.

### 4. Cash Distributions

With the intention for distributions to be in a manner that the maximum amount of distributions of earnings would be included in deductible expenses by application of the special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation), One REIT decided to distribute 1,796,319,388 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (268,468 units), at an amount not in excess of unappropriated retained earnings after deducting the amount internally reserved in or before the previous fiscal period with the accrual of gain on sale of real estate properties and such.

As a result, One REIT declared distribution per investment unit of 6,691 yen.

### 5. Future Management Policy and Challenges to Address

#### 1) Future Investment Environment

The domestic economy is expected to recover moderately due to factors such as improvement in the employment and income environment and increased inbound tourism demand. However, the associated impact of past global monetary tightening and concern over China's economic uncertainty should continue to be watched carefully. In addition, the impact of price rises, the situation in the Middle East, fluctuations in financial and capital markets and such also continue to warrant close attention.

In the office building leasing market, close attention needs to be paid to the increase in new supply to the leasing market, reviewing of future offices, revisions to office conditions and changes in area preferences due to tenants' promotion of remote work. In addition, the impact of price rises and other economic fluctuations on tenants and the resulting tenant trends require continued monitoring. In the office building transaction market, since there still are many investors both in Japan and abroad who are eager to acquire prime investment properties, transaction prices are expected to remain at a high level. However, it will be important to firmly maintain the attitude of making selective investments while carefully monitoring the impact of the deteriorating supply-demand balance with the increase in new supply and such in the leasing market, the price rises and other economic fluctuations, and other factors on the real estate market.

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

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

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

#### (a) External growth

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

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

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

#### (b) Internal growth

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

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

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

## 6. Subsequent Material Events

Not applicable.



# Status of Assets under Management

## 1. Asset Composition

Type of asset	Use of asset	Region <sup>(Note 1)</sup>	20th fiscal period (August 31, 2023)		21st fiscal period (February 29, 2024)	
			Total amount held	As a percentage of	Total amount held	As a percentage of
			(million yen) <sup>(Note 2)</sup>	total assets (%) <sup>(Note 3)</sup>	(million yen) <sup>(Note 2)</sup>	total assets (%) <sup>(Note 3)</sup>
Real estate	Office buildings	Tokyo metropolitan area	6,174	4.6	6,144	4.6
	Office buildings subtotal		6,174	4.6	6,144	4.6
Real estate total			6,174	4.6	6,144	4.6
Real estate in trust	Office buildings	Tokyo metropolitan area	78,734	58.4	78,626	58.4
		Ordinance-designated cities, etc.	37,863	28.1	38,052	28.2
	Office buildings subtotal		116,598	86.4	116,678	86.6
Real estate in trust total			116,598	86.4	116,678	86.6
Investment securities <sup>(Note 4)</sup>			15	0.0	15	0.0
Deposits and other assets			12,084	9.0	11,880	8.8
Total assets			134,873	100.0	134,718	100.0

(Note 1) Regions are classified as follows:

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

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

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

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

## 2. Major Assets Owned by One REIT

The following is an overview of major assets (ten largest properties by book value at end of period) owned by One REIT as of February 29, 2024.

Name of real estate, etc.	Book value (million yen)	Leasable area (m <sup>2</sup> )	Leased area (m <sup>2</sup> )	Occupancy rate (%)	As a percentage of total property-related operating revenue (%) <small>(Note)</small>	Major use
Daihakata Building	10,623	15,454.51	15,454.51	100.0	10.0	Office
Tokyo Parkside Building	10,607	12,920.17	12,920.17	100.0	7.8	Office
Higobashi Center Building	9,489	15,877.35	15,443.88	97.3	8.2	Office
ONEST Motoyoyogi Square	7,461	7,644.49	7,644.49	100.0	4.9	Office
ONEST Kanda Square	6,144	5,257.13	5,257.13	100.0	4.3	Office
ONEST Hongo Square	5,444	4,454.15	4,454.15	100.0	2.7	Office
Nagoya Fushimi Square Building	4,812	8,414.41	8,414.41	100.0	4.3	Office
ONEST Nishi-Gotanda Square	4,693	4,249.00	4,249.00	100.0	2.8	Office
REID-C Chiba Ekimae Building	4,483	6,068.42	6,068.42	100.0	3.8	Office
ONEST Shin-Osaka Square	4,264	9,430.63	9,430.63	100.0	4.9	Office
Total	68,025	89,770.26	89,336.79	99.5	53.6	

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



### 3. Itemized Portfolio Assets

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

The following is an overview of the real estate, etc. owned by One REIT as of February 29, 2024.

	Name of real estate, etc.	Location	Type of ownership	Leasable area (m <sup>2</sup> )	Appraisal value at end of period (million yen) <sup>(Note)</sup>	Book value at end of period (million yen)
OT-2	ONEST Kanda Square	17 Kanda Konya-cho, Chiyoda-ku, Tokyo	Real estate	5,257.13	9,320	6,144
OT-3	Tachikawa Nishiki-cho Building	1-8-7 Nishiki-cho, Tachikawa-shi, Tokyo	Real estate trust beneficiary rights	5,616.11	4,220	3,042
OT-5	ONEST Yokohama Nishiguchi Building	2-6-1 Kitasaiwai, Nishi-ku, Yokohama-shi, Kanagawa Prefecture	Real estate trust beneficiary rights	4,208.14	3,900	3,055
OT-7	ONEST Nakano Building	1-11-2 Arai, Nakano-ku, Tokyo	Real estate trust beneficiary rights	3,116.49	3,490	2,837
OT-9	Minami-Shinagawa JN Building	2-2-13 Minami-Shinagawa, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	6,384.76	2,344	2,137
OT-10	Minami-Shinagawa N Building	2-2-10 Minami-Shinagawa, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	5,476.73	2,290	2,087
OT-11	Minami-Shinagawa J Building	2-2-7 Minami-Shinagawa, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	3,673.61	2,390	1,865
OT-13	Hachioji SIA Building	10-2 Yokoyama-cho, Hachioji-shi, Tokyo	Real estate trust beneficiary rights	2,749.83	817	692
OT-14	ONEST Motoyoyogi Square	30-13 Motoyoyogi-cho, Shibuya-ku, Tokyo	Real estate trust beneficiary rights	7,644.49	9,090	7,461
OT-15	ONEST Ueno Okachimachi Building	5-15-14 Ueno, Taito-ku, Tokyo	Real estate trust beneficiary rights	2,951.44	3,000	2,774
OT-16	ONEST Omiya Kishiki-cho Building	1-23-1 Kishiki-cho, Omiya-ku, Saitama-shi, Saitama Prefecture	Real estate trust beneficiary rights	3,523.51	3,570	3,154
OT-17	ONEST Ikebukuro East Building	3-12-2 Higashi-Ikebukuro, Toshima-ku, Tokyo	Real estate trust beneficiary rights	2,677.80	2,300	2,202
OT-18	Crescendo Building	2-3-4 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa Prefecture	Real estate trust beneficiary rights	4,260.11	2,620	2,570
OT-19	Tokyo Parkside Building	5-8-40 Kiba, Koto-ku, Tokyo	Real estate trust beneficiary rights	12,920.17	11,200	10,607
OT-20	ONEST Nishi-Gotanda Square	7-24-5 Nishi-Gotanda, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	4,249.00	5,000	4,693
OT-21	ONEST Hongo Square	1-24-1 Hongo, Bunkyo-ku, Tokyo	Real estate trust beneficiary rights	4,454.15	5,330	5,444
OT-22	ONEST Minami-Otsuka Building	2-37-5 Minami-Otsuka, Toshima-ku, Tokyo	Real estate trust beneficiary rights	4,123.03	4,000	3,899
OT-23	ONEST Kanda-Nishifukuda-cho Building	4 Kanda Nishifukuda-cho, Chiyoda-ku, Tokyo	Real estate trust beneficiary rights	1,698.41	2,160	2,145

	Name of real estate, etc.	Location	Type of ownership	Leasable area (m <sup>2</sup> )	Appraisal value at end of period (million yen) <sup>(Note)</sup>	Book value at end of period (million yen)
OT-24	ONEST Kinshicho Square	2-3-7 Kotobashi, Sumida-ku, Tokyo	Real estate trust beneficiary rights	3,910.34	4,380	4,006
OT-25	REID-C Chiba Ekimae Building	1-15-3 Benten, Chuo-ku, Chiba-shi, Chiba Prefecture	Real estate trust beneficiary rights	6,068.42	4,680	4,483
OT-26	Shinkawa 1-chome Building	1-2-14 Shinkawa, Chuo-ku, Tokyo	Real estate trust beneficiary rights	1,528.56	2,100	2,067
OT-27	ONEST Hakozaki Building	31-4 Nihonbashi-Hakozaki-cho, Chuo-ku, Tokyo	Real estate trust beneficiary rights	1,752.93	1,820	1,752
OT-28	ONEST Higashi-Nakano Building	4-6-2 Higashi-Nakano, Nakano-ku, Tokyo	Real estate trust beneficiary rights	2,040.28	1,850	1,766
OT-29	FIELD Kita-Sando	4-4-4 Sendagaya, Shibuya-ku, Tokyo	Real estate trust beneficiary rights	1,873.47	4,010	3,879
OO-1	ONEST Shin-Osaka Square	4-5-36 Miyahara, Yodogawa-ku, Osaka-shi, Osaka Prefecture	Real estate trust beneficiary rights	9,430.63	6,460	4,264
OO-2	ONEST Kyoto Karasuma Square	634 Shichikannon-cho, Karasuma-dori Rokkaku Sagaru, Nakagyo-ku, Kyoto-shi, Kyoto Prefecture	Real estate trust beneficiary rights	8,882.04	4,240	3,865
OO-3	ONEST Nagoya Nishiki Square	1-8-6 Nishiki, Naka-ku, Nagoya-shi, Aichi Prefecture	Real estate trust beneficiary rights	5,801.80	3,440	2,234
OO-4	MY Kumamoto Building	1-7 Hanabata-cho, Chuo-ku, Kumamoto-shi, Kumamoto Prefecture	Real estate trust beneficiary rights	3,755.93	1,330	987
OO-5	Nagoya Fushimi Square Building	1-13-26 Nishiki, Naka-ku, Nagoya-shi, Aichi Prefecture	Real estate trust beneficiary rights	8,414.41	5,590	4,812
OO-6	Daihakata Building	2-20-1 Hakataekimae, Hakata-ku, Fukuoka-shi, Fukuoka Prefecture	Real estate trust beneficiary rights	15,454.51	11,300	10,623
OO-7	Higobashi Center Building	1-9-1 Edobori, Nishi-ku, Osaka-shi, Osaka Prefecture	Real estate trust beneficiary rights	15,877.35	10,600	9,489
OO-8	Daido Life Mito Building	1-1-25 Sakuragawa, Mito-shi, Ibaraki Prefecture	Real estate trust beneficiary rights	3,706.56	1,760	1,774
	Total			173,482.14	140,601	122,823

(Note) Appraisal values of each property is entrusted to The Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., Chuo Real Estate Appraisal Co., Ltd., Japan Real Estate Institute and JLL Morii Valuation & Advisory K.K., and “Appraisal value at end of period” is the value as of February 29, 2024, described in each real estate appraisal report.

## Status of Assets under Management

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

Name of real estate, etc.	20th fiscal period (March 1, 2023, to August 31, 2023)				21st fiscal period (September 1, 2023, to February 29, 2024)			
	Total number of tenants [as of end of period] (tenants)	Occupancy rate [as of end of period] (%)	Property-related operating revenue [during period] (million yen)	As a percentage of total property-related operating revenue (%) <sup>(Note)</sup>	Total number of tenants [as of end of period] (tenants)	Occupancy rate [as of end of period] (%)	Property-related operating revenue [during period] (million yen)	As a percentage of total property-related operating revenue (%) <sup>(Note)</sup>
OT-2 ONEST Kanda Square	27	97.3	195	4.2	30	100.0	195	4.3
OT-3 Tachikawa Nishiki-cho Building	23	100.0	150	3.2	21	98.4	147	3.2
OT-5 ONEST Yokohama Nishiguchi Building	11	100.0	122	2.6	11	100.0	125	2.7
OT-7 ONEST Nakano Building	7	100.0	115	2.5	7	100.0	114	2.5
OT-9 Minami-Shinagawa JN Building	21	100.0	132	2.9	21	91.4	120	2.6
OT-10 Minami-Shinagawa N Building	18	100.0	117	2.5	18	100.0	115	2.5
OT-11 Minami-Shinagawa J Building	13	100.0	100	2.2	13	100.0	98	2.1
OT-13 Hachioji SIA Building	14	100.0	46	1.0	14	100.0	46	1.0
OT-14 ONEST Motoyoyogi Square	9	87.2	237	5.1	10	100.0	222	4.9
OT-15 ONEST Ueno Okachimachi Building	11	100.0	90	2.0	11	100.0	89	2.0
OT-16 ONEST Omiya Kishiki-cho Building	18	96.1	116	2.5	19	100.0	114	2.5
OT-17 ONEST Ikebukuro East Building	7	100.0	75	1.6	7	100.0	74	1.6
OT-18 Crescendo Building	31	100.0	92	2.0	30	100.0	90	2.0
OT-19 Tokyo Parkside Building	14	100.0	367	7.9	15	100.0	357	7.8
OT-20 ONEST Nishi-Gotanda Square	12	100.0	129	2.8	12	100.0	127	2.8
OT-21 ONEST Hongo Square	7	100.0	129	2.8	7	100.0	124	2.7
OT-22 ONEST Minami-Otsuka Building	14	100.0	113	2.4	14	100.0	112	2.5
OT-23 ONEST Kanda-Nishifukuda-cho Building	8	100.0	51	1.1	8	100.0	51	1.1
OT-24 ONEST Kinshicho Square	8	100.0	85	1.9	8	100.0	87	1.9
OT-25 REID-C Chiba Ekimae Building	17	100.0	174	3.8	17	100.0	173	3.8
OT-26 Shinkawa 1-chome Building	13	87.4	39	0.8	14	100.0	40	0.9
OT-27 ONEST Hakozaiki Building	5	100.0	50	1.1	5	100.0	49	1.1
OT-28 ONEST Higashi-Nakano Building	8	100.0	47	1.0	8	100.0	50	1.1
OT-29 FIELD Kita-Sando	5	100.0	87	1.9	5	100.0	87	1.9
OO-1 ONEST Shin-Osaka Square	28	100.0	205	4.4	28	100.0	224	4.9
OO-2 ONEST Kyoto Karasuma Square	12	100.0	222	4.8	11	90.5	207	4.5
OO-3 ONEST Nagoya Nishiki Square	5	100.0	153	3.3	5	100.0	151	3.3
OO-4 MY Kumamoto Building	19	100.0	79	1.7	19	100.0	78	1.7
OO-5 Nagoya Fushimi Square Building	44	98.6	194	4.2	44	100.0	195	4.3
OO-6 Daihakata Building	62	99.9	456	9.8	62	100.0	455	10.0
OO-7 Higobashi Center Building	64	100.0	385	8.3	62	97.3	375	8.2
OO-8 Daido Life Mito Building	17	92.4	67	1.5	18	90.9	68	1.5
Total	572	98.9	4,636	100.0	574	98.7	4,574	100.0

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

## 2) Itemization of Securities Portfolio Assets

The following is an overview of the securities owned by One REIT as of February 29, 2024.

Name of asset	Type of asset	Amount	Book value (million yen)		Appraisal value (million yen) <sup>(Note 1)</sup>		Valuation profit and loss (million yen)	Note
			Unit price	Amount	Unit price	Amount		
Silent partnership equity interest with Kagurazaka Kogyo GK as the operator <sup>(Note 2)</sup>	Silent partnership equity interests	–	–	15	–	15	–	–
Total		–	–	15	–	15	–	–

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

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

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

The following is the status of contract amount, etc. and fair value of specified transactions by One REIT as of February 29, 2024.

Term	Type	Contract amount, etc. (million yen) <sup>(Note 1)</sup>		Fair value (million yen) <sup>(Note 2)</sup>
		Due after one year		
Transaction other than market transaction	Interest rate swap transactions (payable fixed interest rates and receivable floating interest rates)	21,324	17,324	—
Total		21,324	17,324	

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

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

## 5. Status of Other Assets

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

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

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

# Capital Expenditures of Owned Real Estate

## 1. Schedule of Capital Expenditures

The following is the major capital expenditures arising from renovation work, etc. planned for the 22nd fiscal period (ending August 2024) for real estate and real estate in trust for real estate trust beneficiary rights held by One REIT. As a result, a portion of the expected cost of work may be classified under expenses in fiscal accounting.

Name of real estate, etc.	Location	Purpose	Scheduled period	Expected cost of work (thousand yen)		
				Total amount	Amount of payment during period	Amount already paid
MY Kumamoto Building	Kumamoto City, Kumamoto	Upgrading of pivot windows (south side) (phase one of two-phase work)	From: Jun. 1, 2024 To: Aug. 31, 2024	60,600	–	–
Higobashi Center Building	Osaka City, Osaka	Renovation of extra-high-voltage substation (phase two of nine-phase work)	From: May 31, 2024 To: Aug. 31, 2024	50,815	–	–
Tachikawa Nishiki-cho Building	Tachikawa City, Tokyo	Upgrading of elevators	From: Feb. 23, 2024 To: March 29, 2024	36,259	–	–
Minami-Shinagawa JN Building	Shinagawa Ward, Tokyo	Upgrading of elevators (phase two of two-phase work)	From: Jun. 30, 2024 To: Aug. 31, 2024	30,502	–	–
ONEST Kyoto Karasuma Square	Kyoto City, Kyoto	Replacement of main chains at No. 4 multistory parking (phase four of four-phase work)	From: Jun. 1, 2024 To: Aug. 15, 2024	29,290	–	–
Nagoya Fushimi Square Building	Nagoya City, Aichi	Upgrading of elevators (phase two of two-phase work)	From: Jul. 1, 2024 To: Jul. 31, 2024	28,405	–	–
Daihakata Building	Fukuoka City, Fukuoka	Upgrading of escalators	From: May 30, 2024 To: Aug. 30, 2024	20,250	–	–
Hachioji SIA Building	Hachioji City, Tokyo	Renovation of external wall (north side)	From: May 28, 2024 To: Aug. 28, 2024	18,180	–	–
Higobashi Center Building	Osaka City, Osaka	Upgrading of packaged air-conditioner (individual air-conditioning system) (phase one of ten-phase work)	From: Jan. 15, 2024 To: May 31, 2024	18,180	–	–
ONEST Nakano Building	Nakano Ward, Tokyo	Renovation of external wall (north side) (phase two of four-phase work)	From: Mar. 1, 2024 To: Apr. 30, 2024	13,837	–	–
REID-C Chiba Ekimae Building	Chiba City, Chiba	Upgrading of automatic control equipment (phase five of eight-phase work)	From: Jul. 31, 2024 To: Aug. 31, 2024	10,150	–	–
Shinkawa 1-chome Building	Chuo Ward, Tokyo	Renovation of external wall	From: Mar. 30, 2024 To: Jun. 30, 2024	10,150	–	–
ONEST Yokohama Nishiguchi Building	Yokohama City, Kanagawa	Exchange of Lossnay parts (phase one of three-phase work)	From: Mar. 30, 2024 To: Jun. 30, 2024	10,100	–	–
ONEST Minami-Otsuka Building	Toshima Ward, Tokyo	Renovation of external walls (phase one of three-phase work)	From: Mar. 1, 2024 To: Apr. 26, 2024	10,100	–	–
ONEST Shin-Osaka Square	Osaka City, Osaka	Upgrading of water reservoir tank and elevated water tank parts	From: Apr. 30, 2024 To: July 31, 2024	10,100	–	–
ONEST Nakano Building	Nakano Ward, Tokyo	Partial upgrading of packaged air-conditioning system (phase three of four-phase work)	From: Feb. 29, 2024 To: May 31, 2024	10,048	–	–

## 2. Capital Expenditures during the Fiscal Period

The following is the summary of properties which had major work that constitutes capital expenditures implemented during the fiscal period under review (the fiscal period ended February 2024). Capital expenditures for the fiscal period under review amounted to 644,932 thousand yen for the entire portfolio; and when combined with 183,634 thousand yen recorded under repair expenses, the total amount of work implemented comes to 828,567 thousand yen.

Name of real estate, etc.	Location	Purpose	Period	Cost of work (thousand yen)
ONEST Shin-Osaka Square	Osaka City, Osaka	Upgrading of elevators (phase two of three-phase work)	From: Sep. 1, 2023 To: Feb. 27, 2024	92,236
Daihakata Building	Fukuoka City, Fukuoka	Upgrading of power monitoring panel	From: May 22, 2023 To: Jan. 11, 2024	61,351
Nagoya Fushimi Square Building	Nagoya City, Aichi	Upgrading of elevators (phase one of two-phase work)	From: Sep. 15, 2023 To: Dec. 1, 2023	54,040
ONEST Nagoya Nishiki Square	Nagoya City, Aichi	Upgrading of elevators	From: Oct. 1, 2023 To: Dec. 1, 2023	50,282
Minami-Shinagawa JN Building	Shinagawa Ward, Tokyo	Upgrading of elevators (phase one of two-phase work)	From: Oct. 30, 2023 To: Jan. 31, 2024	50,060
ONEST Kyoto Karasuma Square	Kyoto City, Kyoto	Renovation of external wall stone cladding; Renovation of entrance approach (phase two of two-phase work)	From: Mar. 1, 2023 To: Sep. 21, 2023	20,959
Higobashi Center Building	Osaka City, Osaka	Upgrading of air handling unit (2nd basement floor electrical room system)	From: Sep. 1, 2023 To: Feb. 2, 2024	17,321
Daido Life Mito Building	Mito City, Ibaraki	Renovation of external wall (north side) (phase four of four-phase work)	From: Oct. 31, 2023 To: Dec. 18, 2023	14,695
ONEST Nakano Building	Nakano Ward, Tokyo	Exterior wall repair work (east side) (phase one of four-phase work)	From: Nov. 29, 2023 To: Feb. 27, 2024	12,017
REID-C Chiba Ekimae Building	Chiba City, Chiba	Upgrading of automatic control equipment (phase four of eight-phase work)	From: Jul. 1, 2023 To: Jan. 16, 2024	10,703
Crescendo Building	Yokohama City, Kanagawa	Upgrading of emergency lighting	From: Oct. 31, 2023 To: Feb. 19, 2024	10,016
		Others		251,247
		Total		644,932

# Status of Acquisition and Sales during the Fiscal Period

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

Not applicable.

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

Not applicable.

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

Not applicable.

## 4. Status of Transactions with Interested Persons

### 1) Status of Transactions

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

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

Term	Total paid fees (A)	Breakdown of transactions with interested persons		As a percentage of total amount (B/A) (Note 1)
		Paid parties	Paid amount (B)	
Property management fees	417 million yen	Mizuho Bank, Ltd.	0 million yen	0.2%
Trust fees	20 million yen	Mizuho Trust & Banking Co., Ltd.	2 million yen	12.3%
Asset custody fees	5 million yen	Mizuho Trust & Banking Co., Ltd.	5 million yen	100.0%
Administrative service fees	21 million yen	Mizuho Trust & Banking Co., Ltd.	21 million yen	100.0%
Other operating expenses	53 million yen	Mizuho Bank, Ltd.	0 million yen	1.3%
		Mizuho Trust & Banking Co., Ltd.	0 million yen	0.0%
Other non-operating expenses	2 million yen	Mizuho Bank, Ltd.	0 million yen	3.1%

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

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

Mizuho Bank, Ltd.	90 million yen
Mizuho Trust & Banking Co., Ltd.	3 million yen

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

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



# Balance Sheet

(Unit: thousand yen)

	20th fiscal period (Aug. 31, 2023)	21st fiscal period (Feb. 29, 2024)
Assets		
Current assets		
Cash and deposits	4,103,291	3,910,929
Cash and deposits in trust	7,409,045	7,280,994
Operating accounts receivable	117,530	89,625
Prepaid expenses	154,930	206,189
Other	758	686
Total current assets	11,785,557	11,488,425
Non-current assets		
Property, plant and equipment		
Buildings	3,660,817	3,663,505
Accumulated depreciation	(1,268,952)	(1,302,488)
Buildings, net	2,391,865	2,361,017
Structures	9,842	9,842
Accumulated depreciation	(6,287)	(6,610)
Structures, net	3,555	3,232
Machinery and equipment	65,383	65,383
Accumulated depreciation	(62,677)	(62,845)
Machinery and equipment, net	2,706	2,538
Tools, furniture and fixtures	10,008	11,410
Accumulated depreciation	(3,510)	(4,385)
Tools, furniture and fixtures, net	6,498	7,024
Land	3,770,347	3,770,347
Buildings in trust	32,529,596	33,123,098
Accumulated depreciation	(6,040,371)	(6,571,743)
Buildings in trust, net	26,489,224	26,551,355
Structures in trust	59,511	61,358
Accumulated depreciation	(10,100)	(12,175)
Structures in trust, net	49,410	49,183
Machinery and equipment in trust	390,754	427,579
Accumulated depreciation	(155,458)	(175,302)
Machinery and equipment in trust, net	235,296	252,276
Tools, furniture and fixtures in trust	107,264	114,723
Accumulated depreciation	(62,161)	(67,760)
Tools, furniture and fixtures in trust, net	45,103	46,963
Land in trust	86,489,239	86,489,239
Construction in progress in trust	11,593	11,578
Total property, plant and equipment	119,494,841	119,544,757
Intangible assets		
Land leasehold interests in trust	3,278,336	3,278,336
Other	7,615	6,688
Total intangible assets	3,285,952	3,285,025
Investments and other assets		
Investment securities	15,954	15,602
Lease and guarantee deposits	10,300	10,300
Long-term prepaid expenses	226,764	329,958
Deferred tax assets	16	14
Total investments and other assets	253,035	355,876
Total non-current assets	123,033,829	123,185,659
Deferred assets		
Investment unit issuance expenses	9,006	4,503
Investment corporation bond issuance costs	45,184	40,124
Total deferred assets	54,190	44,627
Total assets	134,873,577	134,718,711

(Unit: thousand yen)

	20th fiscal period (Aug. 31, 2023)	21st fiscal period (Feb. 29, 2024)
Liabilities		
Current liabilities		
Operating accounts payable	339,069	257,127
Short-term borrowings	4,920,000	1,000,000
Current portion of investment corporation bonds	1,500,000	1,500,000
Current portion of long-term borrowings	8,000,000	10,000,000
Accounts payable – other	644,757	589,945
Accrued expenses	6,188	5,921
Income taxes payable	938	848
Accrued consumption taxes	162,308	48,871
Advances received	753,447	775,109
Other	316	1,300
Total current liabilities	16,327,025	14,179,123
Non-current liabilities		
Investment corporation bonds	8,000,000	8,000,000
Long-term borrowings	43,074,000	44,994,000
Leasehold and guarantee deposits received	283,102	282,784
Leasehold and guarantee deposits received in trust	6,031,259	6,139,443
Total non-current liabilities	57,388,362	59,416,228
Total liabilities	73,715,388	73,595,352
Net assets		
Unitholders' equity		
Unitholders' capital	59,164,521	59,164,521
Surplus		
Unappropriated retained earnings (undisposed loss)	1,993,668	1,958,838
Total surplus	1,993,668	1,958,838
Total unitholders' equity	61,158,189	61,123,359
Total net assets	*1 61,158,189	61,123,359
Total liabilities and net assets	134,873,577	134,718,711

# Statement of Income and Retained Earnings

(Unit: thousand yen)

		20th fiscal period (From: Mar. 1, 2023 To: Aug. 31, 2023)	21st fiscal period (From: Sep. 1, 2023 To: Feb. 29, 2024)
Operating revenue			
Leasing business revenue	*1	4,188,066	4,179,382
Other leasing business revenue	*1	448,126	395,407
Dividend income		17	275
Total operating revenue		4,636,210	4,575,065
Operating expenses			
Expenses related to leasing business	*1	2,106,797	2,066,131
Asset management fees		293,831	293,398
Asset custody fees		5,183	5,198
Administrative service fees		21,320	21,482
Directors' compensations		3,876	3,876
Other operating expenses		57,617	53,315
Total operating expenses		2,488,627	2,443,402
Operating profit		2,147,583	2,131,662
Non-operating income			
Interest income		53	54
Insurance claim income		–	538
Reversal of distributions payable		364	484
Interest on tax refund		96	–
Sponsorship money income		–	1,100
Total non-operating income		514	2,177
Non-operating expenses			
Interest expenses		169,691	188,853
Interest expenses on investment corporation bonds		33,872	32,936
Financing fees		100,337	102,860
Amortization of investment unit issuance expenses		4,503	4,503
Amortization of investment corporation bond issuance costs		5,060	5,060
Other		2,321	2,321
Total non-operating expenses		315,786	336,535
Ordinary profit		1,832,311	1,797,304
Net income before income taxes		1,832,311	1,797,304
Income taxes – current		949	912
Income taxes – deferred		(2)	1
Total income taxes		947	914
Net income		1,831,363	1,796,390
Retained earnings brought forward		162,304	162,447
Unappropriated retained earnings (undisposed loss)		1,993,668	1,958,838

# Statement of Changes in Net Assets

## 20th fiscal period (March 1, 2023, to August 31, 2023)

(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 period	59,164,521	1,999,162	1,999,162	61,163,683	61,163,683
Changes during period					
Dividends of surplus		(1,836,858)	(1,836,858)	(1,836,858)	(1,836,858)
Net income		1,831,363	1,831,363	1,831,363	1,831,363
Total changes during period	—	(5,494)	(5,494)	(5,494)	(5,494)
Balance at end of period	59,164,521	1,993,668	1,993,668	61,158,189	61,158,189

## 21st fiscal period (September 1, 2023, to February 29, 2024)

(Unit: thousand yen)

	Unitholders' equity				
	Unitholders' capital	Surplus		Total unitholders' equity	Total net assets
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	59,164,521	1,993,668	1,993,668	61,158,189	61,158,189
Changes during period					
Dividends of surplus		(1,831,220)	(1,831,220)	(1,831,220)	(1,831,220)
Net income		1,796,390	1,796,390	1,796,390	1,796,390
Total changes during period	—	(34,829)	(34,829)	(34,829)	(34,829)
Balance at end of period	59,164,521	1,958,838	1,958,838	61,123,359	61,123,359

# Statement of Cash Distributions

(Unit: yen)

Item	Fiscal Period	20th fiscal period	21st fiscal period
		(From: Mar. 1, 2023 To: Aug. 31, 2023)	(From: Sep. 1, 2023 To: Feb. 29, 2024)
I. Unappropriated retained earnings		1,993,668,039	1,958,838,048
II. Amount of distribution		1,831,220,228	1,796,319,388
	[Amount of distributions per investment unit]	[6,821]	[6,691]
III. Retained earnings carried forward		162,447,811	162,518,660
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 1,831,220,228 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (268,468 units) out of the remaining amount after deducting the amount internally reserved in or before the previous fiscal period with the accrual of gain on sale of real estate properties and such from unappropriated retained earnings. One REIT will not engage in the distribution of cash in excess of earnings provided in Article 35, Paragraph 2 of the Articles of Incorporation of One REIT.</p>	<p>Pursuant to the distribution policy provided in Article 35, Paragraph 1, Item 2 of the Articles of Incorporation of One REIT, the amount of distributions shall be in excess of an amount equivalent to 90% of the amount of earnings available for distribution of One REIT provided in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings.</p> <p>Based on such policy, One REIT decided to pay out distributions of earnings of 1,796,319,388 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (268,468 units) out of the remaining amount after deducting the amount internally reserved in or before the previous fiscal period with the accrual of gain on sale of real estate properties and such from unappropriated retained earnings. One REIT will not engage in the distribution of cash in excess of earnings provided in Article 35, Paragraph 2 of the Articles of Incorporation of One REIT.</p>

# Statement of Cash Flows

(Unit: thousand yen)

	20th fiscal period (From: Mar. 1, 2023 To: Aug. 31, 2023)	21st fiscal period (From: Sep. 1, 2023 To: Feb. 29, 2024)
Cash flows from operating activities		
Net income before income taxes	1,832,311	1,797,304
Depreciation	610,700	594,844
Amortization of investment unit issuance expenses	4,503	4,503
Amortization of investment corporation bond issuance costs	5,060	5,060
Interest income	(53)	(54)
Reversal of distributions payable	(364)	(484)
Interest expenses	203,564	221,790
Decrease (increase) in operating accounts receivable	(6,004)	27,905
Decrease (increase) in consumption taxes receivable	67,033	—
Decrease (increase) in prepaid expenses	35,107	(51,258)
Increase (decrease) in operating accounts payable	100,206	(81,941)
Increase (decrease) in accounts payable - other	23,579	(11,086)
Increase (decrease) in accrued consumption taxes	117,456	(113,437)
Increase (decrease) in advances received	(10,810)	21,662
Decrease (increase) in long-term prepaid expenses	71,566	(103,194)
Other	(1,919)	2,140
Subtotal	3,051,935	2,313,753
Interest received	53	54
Interest paid	(203,017)	(222,057)
Income taxes paid	(911)	(1,002)
Net cash provided by (used in) operating activities	2,848,060	2,090,748
Cash flows from investing activities		
Purchase of property, plant and equipment	(944)	(4,381)
Purchase of property, plant and equipment in trust	(302,722)	(684,569)
Refund of leasehold and guarantee deposits received	(425)	(892)
Proceeds from leasehold and guarantee deposits received	457	574
Refund of leasehold and guarantee deposits received in trust	(157,631)	(110,662)
Proceeds from leasehold and guarantee deposits received in trust	248,665	218,846
Proceeds from redemption of investment securities	630	351
Net cash provided by (used in) investing activities	(211,970)	(580,732)
Cash flows from financing activities		
Proceeds from short-term borrowings	—	1,000,000
Repayments of short-term borrowings	—	(4,920,000)
Proceeds from long-term borrowings	—	11,920,000
Repayments of long-term borrowings	—	(8,000,000)
Distributions paid	(1,836,980)	(1,830,428)
Net cash provided by (used in) financing activities	(1,836,980)	(1,830,428)
Net increase (decrease) in cash and cash equivalents	799,109	(320,413)
Cash and cash equivalents at beginning of period	10,713,227	11,512,337
Cash and cash equivalents at end of period	*1 11,512,337	11,191,924

# Notes to Financial Statements

## Basis of Presentation of Financial Statements

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

## Notes to Significant Accounting Policies

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

#### Securities

##### Other securities

Stocks and others without a quoted market price

Cost determined by the moving average method is adopted.

Silent partnership equity interests

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

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

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

The straight-line method is adopted.

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

Buildings	3~59 years
Structures	4~45 years
Machinery and equipment	5~10 years
Tools, furniture and fixtures	3~15 years

#### 2) Intangible assets

The straight-line method is adopted.

#### 3) Long-term prepaid expenses

The straight-line method is adopted.

### 3. Accounting for deferred assets

#### 1) Investment unit issuance expenses

Amortized using the straight-line method over 3 years.

#### 2) Investment corporation bond issuance costs

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



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

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

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

The amount equivalent to property tax, etc. in the fiscal year including the acquisition date when money was paid to the seller as reimbursement upon acquisition of real estate, etc. is included in the cost of acquisition of the relevant real estate, etc. and not recognized as expenses. No amount equivalent to property tax, etc. was included in the cost of acquisition of real estate property in the 20th fiscal period or the 21st fiscal period.

### **2) Standards for recognition of revenue**

- **Sale of real estate properties**

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

- **Utilities revenue**

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

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

## **5. Hedge accounting method**

### **1) Hedge accounting method**

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

### **2) Hedging instruments and hedge items**

Hedging instrument: Interest rate swap transactions

Hedged items: Interest on borrowings

### **3) Hedging policy**

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

### **4) Method of assessing hedge effectiveness**

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

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

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

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

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

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

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

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

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

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

## Notes to the Balance Sheet

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

(Unit: thousand yen)

20th fiscal period (As of Aug. 31, 2023)	21st fiscal period (As of Feb. 29, 2024)
50,000	50,000

## Notes to the Statement of Income and Retained Earnings

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

(Unit: thousand yen)

	20th fiscal period (From: Mar. 1, 2023 To: Aug. 31, 2023)	21st fiscal period (From: Sep. 1, 2023 To: Feb. 29, 2024)
A. Property-related operating revenue		
Leasing business revenue		
Rent revenue	3,439,854	3,455,252
Common area charges revenue	550,004	527,133
Parking revenue	172,032	171,248
Other rent revenue	26,176	25,748
Total	4,188,066	4,179,382
Other leasing business revenue		
Utilities revenue	426,739	381,095
Other revenue	21,387	14,312
Total	448,126	395,407
Total property-related operating revenue	4,636,193	4,574,790
B. Property-related operating expenses		
Expenses related to leasing business		
Property management fees	426,074	417,111
Utilities expenses	476,040	416,706
Taxes and public dues	382,883	382,761
Insurance premiums	8,517	11,352
Repair expenses	148,776	183,634
Trust fees	15,800	20,400
Depreciation	609,542	593,917
Other sundry expenses	39,163	40,247
Total property-related operating expenses	2,106,797	2,066,131
C. Property-related operating income (loss) [A–B]	2,529,395	2,508,658

## Notes to the Statement of Changes in Net Assets

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

	20th fiscal period (From: Mar. 1, 2023 To: Aug. 31, 2023)	21st fiscal period (From: Sep. 1, 2023 To: Feb. 29, 2024)
Total number of investment units authorized	4,000,000 units	4,000,000 units
Total number of investment units issued and outstanding	268,468 units	268,468 units

## Notes to the Statement of Cash Flows

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

(Unit: thousand yen)

	20th fiscal period (From: Mar. 1, 2023 To: Aug. 31, 2023)	21st fiscal period (From: Sep. 1, 2023 To: Feb. 29, 2024)
Cash and deposits	4,103,291	3,910,929
Cash and deposits in trust	7,409,045	7,280,994
Cash and cash equivalents	11,512,337	11,191,924

## Notes on Lease Transactions

### Operating leases (as lessor)

#### Future minimum lease revenues

(Unit: thousand yen)

Term	20th fiscal period (As of Aug. 31, 2023)	21st fiscal period (As of Feb. 29, 2024)
Due within 1 year	243,979	254,625
Due after 1 year	200,505	228,761
Total	444,484	483,386

## Notes on Financial Instruments

### 1. Matters concerning status of financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

The following is the carrying amount and fair value as of August 31, 2023, and the amount of difference between these. Please note that the following table does not include silent partnership equity interests <sup>(Note 2)</sup>. In addition, as “Cash and deposits,” “Cash and deposits in trust” and “Short-term borrowings” are cash and settled within a short period of time, the fair value is approximately the same as the book value, and thus notes are omitted.

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of investment corporation bonds	1,500,000	1,498,350	(1,650)
(2) Current portion of long-term borrowings	8,000,000	8,000,662	662
(3) Investment corporation bonds	8,000,000	7,830,250	(169,750)
(4) Long-term borrowings	43,074,000	42,992,014	(81,985)
(5) Leasehold and guarantee deposits received	283,102	236,162	(46,939)
(6) Leasehold and guarantee deposits received in trust	6,031,259	5,166,849	(864,410)
Liabilities total	66,888,362	65,724,289	(1,164,073)
(7) Derivative transactions	—	—	—

The following is the carrying amount and fair value as of February 29, 2024, and the amount of difference between these. Please note that the following table does not include silent partnership equity interests <sup>(Note 2)</sup>. In addition, as “Cash and deposits,” “Cash and deposits in trust” and “Short-term borrowings” are cash and settled within a short period of time, the fair value is approximately the same as the book value, and thus notes are omitted.

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of investment corporation bonds	1,500,000	1,499,100	(900)
(2) Current portion of long-term borrowings	10,000,000	10,003,583	3,583
(3) Investment corporation bonds	8,000,000	7,811,550	(188,450)
(4) Long-term borrowings	44,994,000	44,872,770	(121,229)
(5) Leasehold and guarantee deposits received	282,784	243,324	(39,460)
(6) Leasehold and guarantee deposits received in trust	6,139,443	5,393,123	(746,320)
Liabilities total	70,916,228	69,823,452	(1,092,775)
(7) Derivative transactions	—	—	—

## Notes to Financial Statements

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

(1) Current portion of investment corporation bonds; (3) Investment corporation bonds

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

(2) Current portion of long-term borrowings; (4) Long-term borrowings

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

(5) Leasehold and guarantee deposits received; (6) Leasehold and guarantee deposits received in trust

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

(7) Derivative transactions

Please refer to “Notes on Derivative Transactions” below.

(Note 2) Silent partnership equity interests

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

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

Carrying amount

(Unit: thousand yen)

Term	20th fiscal period (As of Aug. 31, 2023)	21st fiscal period (As of Feb. 29, 2024)
Investment securities	15,954	15,602
Total	15,954	15,602

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

20th fiscal period (August 31, 2023)

(Unit: thousand yen)

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

21st fiscal period (February 29, 2024)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Investment corporation bonds	1,500,000	1,500,000	—	—	—	6,500,000
Long-term borrowings	10,000,000	9,974,000	12,120,000	13,900,000	9,000,000	—
Total	11,500,000	11,474,000	12,120,000	13,900,000	9,000,000	6,500,000

## Notes on Securities

### 20th fiscal period (August 31, 2023)

Not applicable.

### 21st fiscal period (February 29, 2024)

Not applicable.

## Notes on Derivative Transactions

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

#### 20th fiscal period (August 31, 2023)

Not applicable.

#### 21st fiscal period (February 29, 2024)

Not applicable.

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

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

#### 20th fiscal period (August 31, 2023)

(Unit: thousand yen)

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

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term borrowings, the fair values of such are shown as included in the fair value in “(2) Current portion of long-term borrowings” and “(4) Long-term borrowings” described in “Notes on Financial Instruments, 2. Matters concerning fair value, etc. of financial instruments” above.

#### 21st fiscal period (February 29, 2024)

(Unit: thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value calculation method
				Due after one year		
Special treatment for interest rate swaps	Interest rate swap transactions Receive floating / Pay fixed	Long-term borrowings	21,324,000	17,324,000	(Note)	—

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term borrowings, the fair values of such are shown as included in the fair value in “(2) Current portion of long-term borrowings” and “(4) Long-term borrowings” described in “Notes on Financial Instruments, 2. Matters concerning fair value, etc. of financial instruments” above.

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

### 20th fiscal period (March 1, 2023, to August 31, 2023)

Not applicable.

### 21st fiscal period (September 1, 2023, to February 29, 2024)

Not applicable.



## Notes on Related-Party Transactions

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

#### 20th fiscal period (March 1, 2023, to August 31, 2023)

Not applicable.

#### 21st fiscal period (September 1, 2023, to February 29, 2024)

Not applicable.

### 2. Associated company, etc.

#### 20th fiscal period (March 1, 2023, to August 31, 2023)

Not applicable.

#### 21st fiscal period (September 1, 2023, to February 29, 2024)

Not applicable.

### 3. Fellow subsidiary, etc.

#### 20th fiscal period (March 1, 2023, to August 31, 2023)

Type	Name of company or person	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party (%)	Description of relationship		Description of transaction (Note 1)	Amount of transaction (thousand yen) (Note 2)	Account item	Balance at end of period (thousand yen) (Note 2)
						Concurrent holding of positions, etc. by directors	Business relationship				
Companies with more than half of voting rights held by major unitholders	Mizuho REIT Management Co., Ltd. (subsidiary of Mizuho Realty One Co., Ltd.)	Chiyoda Ward, Tokyo	50,000	Investment Management Business	—	Concurrent holding of positions, etc. by directors: 1 person	Entrustment of asset management operation	Payment of asset management fees	293,831	Accounts payable – other	323,214

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

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

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

#### 21st fiscal period (September 1, 2023, to February 29, 2024)

Type	Name of company or person	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party (%)	Description of relationship		Description of transaction (Note 1)	Amount of transaction (thousand yen) (Note 2)	Account item	Balance at end of period (thousand yen) (Note 2)
						Concurrent holding of positions, etc. by directors	Business relationship				
Companies with more than half of voting rights held by major unitholders	Mizuho REIT Management Co., Ltd. (subsidiary of Mizuho Realty One Co., Ltd.)	Chiyoda Ward, Tokyo	50,000	Investment Management Business	—	Concurrent holding of positions, etc. by directors: 1 person	Entrustment of asset management operation	Payment of asset management fees	293,398	Accounts payable – other	322,738

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

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

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

#### 4. Director, major individual unitholder, etc.

##### 20th fiscal period (March 1, 2023, to August 31, 2023)

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

Note that Executive Director Hirofumi Nabeyama holds no investment units of One REIT as of August 31, 2023.

##### 21st fiscal period (September 1, 2023, to February 29, 2024)

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

Note that Executive Director Hirofumi Nabeyama holds no investment units of One REIT as of February 29, 2024.

## Notes on Tax-Effect Accounting

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

(Unit: thousand yen)

	20th fiscal period (As of Aug. 31, 2023)	21st fiscal period (As of Feb. 29, 2024)
Deferred tax assets		
Non-deductible accrued enterprise tax	16	14
Total deferred tax assets	16	14
Net deferred tax assets	16	14

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

(Unit: %)

	20th fiscal period (As of Aug. 31, 2023)	21st fiscal period (As of Feb. 29, 2024)
Effective statutory tax rate	31.46	31.46
[Adjustments]		
Deductible distributions payable	(31.44)	(31.44)
Others	0.03	0.03
Income tax rate after application of tax-effect accounting	0.05	0.05

## Notes on Asset Retirement Obligations

##### 20th fiscal period (March 1, 2023, to August 31, 2023)

Not applicable.

##### 21st fiscal period (September 1, 2023, to February 29, 2024)

Not applicable.

## Notes on Investment and Rental Properties

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

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

(Unit: thousand yen)

	20th fiscal period (From: Mar. 1, 2023 To: Aug. 31, 2023)	21st fiscal period (From: Sep. 1, 2023 To: Feb. 29, 2024)
Carrying amount		
Balance at beginning of period	122,922,957	122,773,178
Amount of increase (decrease) during period	(149,779)	49,915
Balance at end of period	122,773,178	122,823,094
Fair value at end of period	140,366,000	140,601,000

(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 20th fiscal period, the amount of increase is mainly attributable to capital expenditures (461,505 thousand yen), while the amount of decrease is mainly attributable to depreciation (609,542 thousand yen). Of the amount of increase (decrease) in investment and rental properties during the 21st fiscal period, the amount of increase is mainly attributable to capital expenditures (644,932 thousand yen), while the amount of decrease is mainly attributable to depreciation (593,917 thousand yen).

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

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

## Notes on Revenue Recognition

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

#### 20th fiscal period (March 1, 2023, to August 31, 2023)

(Unit: thousand yen)

	Revenue from contracts with customers <sup>(Note)</sup>	Net sales to external customers
Sale of real estate properties	—	—
Utilities revenue	426,739	426,739
Others	—	4,209,453
Total	426,739	4,636,193

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

**21st fiscal period (September 1, 2023, to February 29, 2024)**

(Unit: thousand yen)

	Revenue from contracts with customers <sup>(Note)</sup>	Net sales to external customers
Sale of real estate properties	—	—
Utilities revenue	381,095	381,095
Others	—	4,193,695
Total	381,095	4,574,790

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

**2. Explanation of revenue from contracts with customers****20th fiscal period (March 1, 2023, to August 31, 2023)**

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

**21st fiscal period (September 1, 2023, to February 29, 2024)**

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

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

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

(Unit: thousand yen)

	20th fiscal period (From: Mar. 1, 2023 To: Aug. 31, 2023)	21st fiscal period (From: Sep. 1, 2023 To: Feb. 29, 2024)
Receivables from contracts with customers (balance at beginning of period)	109,764	116,535
Receivables from contracts with customers (balance at end of period)	116,535	88,348
Contract assets (balance at beginning of period)	—	—
Contract assets (balance at end of period)	—	—
Contract liabilities (balance at beginning of period)	—	—
Contract liabilities (balance at end of period)	—	—

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

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

### Notes on Segment Information, etc.

#### 1. Segment information

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

#### 2. Related information

##### 20th fiscal period (March 1, 2023, to August 31, 2023)

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

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

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

##### 1) Net Sales

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

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

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

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

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

##### 21st fiscal period (September 1, 2023, to February 29, 2024)

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

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

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

##### 1) Net Sales

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

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

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

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

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

## Notes on Per Unit Information

	<b>20th fiscal period</b> (From: Mar. 1, 2023 To: Aug. 31, 2023)	<b>21st fiscal period</b> (From: Sep. 1, 2023 To: Feb. 29, 2024)
Net assets per unit	227,804 yen	227,674 yen
Net income per unit	6,821 yen	6,691 yen

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

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

	<b>20th fiscal period</b> (From: Mar. 1, 2023 To: Aug. 31, 2023)	<b>21st fiscal period</b> (From: Sep. 1, 2023 To: Feb. 29, 2024)
Net income (thousand yen)	1,831,363	1,796,390
Amount not attributable to common unitholders (thousand yen)	—	—
Net income attributable to common investment units (thousand yen)	1,831,363	1,796,390
Average number of investment units during period (units)	268,468	268,468

## Notes on Significant Subsequent Events

Not applicable.

# Supplementary Schedules

## A. Schedule of securities

### (1) Stocks

Not applicable.

### (2) Securities other than stocks

(Unit: thousand yen)

Type	Name of security	Total face value	Book value	Accrued interest	Prepaid accrued interest	Valuation amount (Note 1)	Valuation gain or loss	Note
Silent partnership equity interests	Silent partnership equity interest with Kagurazaka Kogyo GK as the operator <sup>(Note 2)</sup>	—	15,602	—	—	15,602	—	—
Total		—	15,602	—	—	15,602	—	—

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

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

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

Term	Type	Contract amount, etc. (thousand yen) <sup>(Note 1)</sup>		Fair value <sup>(Note 2)</sup>
			Due after one year	
Transaction other than market transaction	Interest rate swap transactions Receive floating / Pay fixed	21,324,000	17,324,000	—
Total		21,324,000	17,324,000	—

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

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



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

(Unit: thousand yen)

Type of asset	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Accumulated depreciation or accumulated amortization	Amount of amortization during period	Net balance at end of period	Remarks
(Property, plant and equipment)								
Buildings	3,660,817	3,022	335	3,663,505	1,302,488	33,571	2,361,017	—
Structures	9,842	—	—	9,842	6,610	322	3,232	—
Machinery and equipment	65,383	—	—	65,383	62,845	167	2,538	—
Tools, furniture and fixtures	10,008	1,401	—	11,410	4,385	874	7,024	—
Land	3,770,347	—	—	3,770,347	—	—	3,770,347	—
Buildings in trust	32,529,596	594,377	875	33,123,098	6,571,743	531,461	26,551,355	—
Structures in trust	59,511	1,846	—	61,358	12,175	2,074	49,183	—
Machinery and equipment in trust	390,754	36,825	—	427,579	175,302	19,844	252,276	—
Tools, furniture and fixtures in trust	107,264	7,459	—	114,723	67,760	5,599	46,963	—
Land in trust	86,489,239	—	—	86,489,239	—	—	86,489,239	—
Construction in progress in trust	11,593	2,255	2,270	11,578	—	—	11,578	—
Subtotal	127,104,361	647,188	3,480	127,748,068	8,203,310	593,917	119,544,757	—
(Intangible assets)								
Land leasehold interests in trust	3,278,336	—	—	3,278,336	—	—	3,278,336	—
Others	13,432	—	—	13,432	6,743	927	6,688	—
Subtotal	3,291,769	—	—	3,291,769	6,743	927	3,285,025	—
Total	130,396,130	647,188	3,480	131,039,837	8,210,054	594,844	122,829,782	—

## D. Schedule of other specified assets

Not applicable.

## E. Schedule of investment corporation bonds

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

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

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

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

(Unit: thousand yen)

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

## F. Schedule of borrowings

Term	Lenders	Balance at beginning of period (thousand yen)	Amount of increase during period (thousand yen)	Amount of decrease during period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (Note 1)	Repayment date	Use	Remarks
Short-term borrowings	Mizuho Trust & Banking Co., Ltd.	500,000	—	500,000	—	0.27074%	Sep. 7, 2023	(Note 4)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	500,000	—	500,000	—				
	Mizuho Bank, Ltd.	3,920,000	—	3,920,000	—	0.27074%	Sep. 7, 2023	(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	—	500,000	—	500,000	0.26152%	Sep. 7, 2024	(Note 4)	
	Mizuho Bank, Ltd.	—	500,000	—	500,000				
	Subtotal	4,920,000	1,000,000	4,920,000	1,000,000				
Current portion of long-term borrowings	Mizuho Trust & Banking Co., Ltd.	275,000	—	275,000	—	0.49679%	Sep. 7, 2023	(Note 3)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	275,000	—	275,000	—				
	Sumitomo Mitsui Banking Corporation	250,000	—	250,000	—				
	SBI Shinsei Bank, Limited	250,000	—	250,000	—				
	Resona Bank, Limited	175,000	—	175,000	—				
	Aozora Bank, Ltd.	162,500	—	162,500	—				
	The Bank of Fukuoka, Ltd.	162,500	—	162,500	—				
	The Nishi-Nippon City Bank, Ltd.	150,000	—	150,000	—				
	The Chugoku Bank, Ltd.	150,000	—	150,000	—				
	The Bank of Kyoto, Ltd.	75,000	—	75,000	—				
	Nippon Life Insurance Company	75,000	—	75,000	—				
	Mizuho Trust & Banking Co., Ltd.	825,000	—	825,000	—	0.67200% (Note 2)	Sep. 7, 2023		
	Mizuho Bank, Ltd.	825,000	—	825,000	—				
	Sumitomo Mitsui Banking Corporation	750,000	—	750,000	—				
	SBI Shinsei Bank, Limited	750,000	—	750,000	—				
	Resona Bank, Limited	525,000	—	525,000	—				
	Aozora Bank, Ltd.	487,500	—	487,500	—				
	The Bank of Fukuoka, Ltd.	487,500	—	487,500	—				
	The Nishi-Nippon City Bank, Ltd.	450,000	—	450,000	—				
	The Chugoku Bank, Ltd.	450,000	—	450,000	—				
	The Bank of Kyoto, Ltd.	225,000	—	225,000	—				
	Nippon Life Insurance Company	225,000	—	225,000	—				
Mizuho Trust & Banking Co., Ltd.	—	837,500	—	837,500	0.51000% (Note 2)	Sep. 7, 2024	(Note 4)		
Mizuho Bank, Ltd.	—	837,500	—	837,500					
Sumitomo Mitsui Banking Corporation	—	375,000	—	375,000					
SBI Shinsei Bank, Limited	—	1,500,000	—	1,500,000					
Resona Bank, Limited	—	450,000	—	450,000					

## Supplementary Schedules

Term	Lenders	Balance at beginning of period (thousand yen)	Amount of increase during period (thousand yen)	Amount of decrease during period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (Note 1)	Repayment date	Use	Remarks	
Current portion of long-term borrowings	Mizuho Trust & Banking Co., Ltd.	—	372,500	—	372,500	0.40532%	Sep. 7, 2024	(Note 4)	Unsecured/ Unguaranteed	
	Mizuho Bank, Ltd.	—	372,500	—	372,500					
	Sumitomo Mitsui Banking Corporation	—	3,750,000	—	3,750,000					
	Resona Bank, Limited	—	567,500	—	567,500					
	Aozora Bank, Ltd.	—	562,500	—	562,500					
	The Bank of Fukuoka, Ltd.	—	375,000	—	375,000					
	Subtotal	8,000,000	10,000,000	8,000,000	10,000,000					
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	837,500	—	837,500	—	0.51000% (Note 2)	Sep. 7, 2024	(Note 4)	Unsecured/ Unguaranteed	
	Mizuho Bank, Ltd.	837,500	—	837,500	—					
	Sumitomo Mitsui Banking Corporation	375,000	—	375,000	—					
	SBI Shinsei Bank, Limited	1,500,000	—	1,500,000	—					
	Resona Bank, Limited	450,000	—	450,000	—					
	Mizuho Trust & Banking Co., Ltd.	2,050,000	—	—	2,050,000	0.75000% (Note 2)	Sep. 7, 2026			
	Mizuho Bank, Ltd.	2,050,000	—	—	2,050,000					
	Sumitomo Mitsui Banking Corporation	375,000	—	—	375,000					
	SBI Shinsei Bank, Limited	1,500,000	—	—	1,500,000					
	Resona Bank, Limited	450,000	—	—	450,000					
	The Bank of Fukuoka, Ltd.	150,000	—	—	150,000					
	San ju San Bank, Ltd.	525,000	—	—	525,000					
	The Nishi-Nippon City Bank, Ltd.	700,000	—	—	700,000					
	The Bank of Kyoto, Ltd.	700,000	—	—	700,000					
	Nippon Life Insurance Company	700,000	—	—	700,000					
	Mizuho Trust & Banking Co., Ltd.	1,494,000	—	—	1,494,000	0.58600% (Note 2)	Sep. 7, 2025			
	Mizuho Bank, Ltd.	1,450,000	—	—	1,450,000					
	Sumitomo Mitsui Banking Corporation	680,000	—	—	680,000					
	SBI Shinsei Bank, Limited	900,000	—	—	900,000					
	Resona Bank, Limited	325,000	—	—	325,000					
	Aozora Bank, Ltd.	275,000	—	—	275,000	0.82200% (Note 2)	Sep. 7, 2027			
	Mizuho Trust & Banking Co., Ltd.	740,000	—	—	740,000					
	Mizuho Bank, Ltd.	735,000	—	—	735,000					
	Sumitomo Mitsui Banking Corporation	300,000	—	—	300,000					
	SBI Shinsei Bank, Limited	550,000	—	—	550,000					
	Resona Bank, Limited	160,000	—	—	160,000					
	Aozora Bank, Ltd.	100,000	—	—	100,000					
	San ju San Bank, Ltd.	415,000	—	—	415,000					

Term	Lenders	Balance at beginning of period (thousand yen)	Amount of increase during period (thousand yen)	Amount of decrease during period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (Note 1)	Repayment date	Use	Remarks
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	425,000	—	—	425,000	0.55971%	Sep. 7, 2025	(Note 3)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	425,000	—	—	425,000				
	SBI Shinsei Bank, Limited	400,000	—	—	400,000				
	Resona Bank, Limited	200,000	—	—	200,000				
	Aozora Bank, Ltd.	400,000	—	—	400,000				
	The Bank of Yokohama, Ltd.	1,000,000	—	—	1,000,000				
	Mizuho Trust & Banking Co., Ltd.	372,500	—	372,500	—	0.40532%	Sep. 7, 2024	(Note 4)	
	Mizuho Bank, Ltd.	372,500	—	372,500	—				
	Sumitomo Mitsui Banking Corporation	3,750,000	—	3,750,000	—				
	Resona Bank, Limited	567,500	—	567,500	—				
	Aozora Bank, Ltd.	562,500	—	562,500	—				
	The Bank of Fukuoka, Ltd.	375,000	—	375,000	—				
	Mizuho Trust & Banking Co., Ltd.	250,000	—	—	250,000	0.65422%	Sep. 7, 2027	(Note 3)	
	Mizuho Bank, Ltd.	250,000	—	—	250,000				
	Aozora Bank, Ltd.	250,000	—	—	250,000				
	SBI Shinsei Bank, Limited	250,000	—	—	250,000				
	Resona Bank, Limited	250,000	—	—	250,000				
	The Bank of Yokohama, Ltd.	500,000	—	—	500,000				
	The Nishi-Nippon City Bank, Ltd.	250,000	—	—	250,000				
	The Bank of Kyoto, Ltd.	150,000	—	—	150,000				
	The Dai-Ichi Life Insurance Company, Limited	800,000	—	—	800,000				
	Daishi Hokuetsu Bank, Ltd.	500,000	—	—	500,000				
	The 77 Bank, Ltd.	400,000	—	—	400,000				
	The Chiba Bank, Ltd.	400,000	—	—	400,000				
	The Higo Bank, Ltd.	400,000	—	—	400,000				
	The Shizuoka Bank, Ltd.	250,000	—	—	250,000				
	Mizuho Trust & Banking Co., Ltd.	390,000	—	—	390,000	0.42132%	Sep. 7, 2025	(Note 4)	
	Mizuho Bank, Ltd.	390,000	—	—	390,000				
	Sumitomo Mitsui Banking Corporation	340,000	—	—	340,000				
	SBI Shinsei Bank, Limited	550,000	—	—	550,000				
	Resona Bank, Limited	150,000	—	—	150,000				
	The Bank of Fukuoka, Ltd.	180,000	—	—	180,000				
	Mizuho Trust & Banking Co., Ltd.	182,500	—	—	182,500	0.79750%	Sep. 7, 2027		
	Mizuho Bank, Ltd.	182,500	—	—	182,500				
	Sumitomo Mitsui Banking Corporation	3,750,000	—	—	3,750,000				
	Resona Bank, Limited	567,500	—	—	567,500				
	Aozora Bank, Ltd.	562,500	—	—	562,500				
	The Bank of Fukuoka, Ltd.	375,000	—	—	375,000				
	San ju San Bank, Ltd.	380,000	—	—	380,000				

## Supplementary Schedules

Term	Lenders	Balance at beginning of period (thousand yen)	Amount of increase during period (thousand yen)	Amount of decrease during period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (Note 1)	Repayment date	Use	Remarks
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	—	485,000	—	485,000	0.41193%	Sep. 7, 2026		
	Mizuho Bank, Ltd.	—	485,000	—	485,000				
	The Bank of Fukuoka, Ltd.	—	1,150,000	—	1,150,000				
	The Nishi-Nippon City Bank, Ltd.	—	300,000	—	300,000				
	The Chugoku Bank, Ltd.	—	300,000	—	300,000				
	Daishi Hokuetsu Bank, Ltd.	—	200,000	—	200,000				
	Mizuho Bank, Ltd.	—	220,000	—	220,000	1.03250%	Sep. 7, 2028	(Note 4)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	—	1,000,000	—	1,000,000				
	SBI Shinsei Bank, Limited	—	1,500,000	—	1,500,000				
	Resona Bank, Limited	—	980,000	—	980,000				
	Aozora Bank, Ltd.	—	1,000,000	—	1,000,000				
	The Nishi-Nippon City Bank, Ltd.	—	700,000	—	700,000				
	The Bank of Kyoto, Ltd.	—	800,000	—	800,000				
	Nippon Life Insurance Company	—	300,000	—	300,000				
	The Chugoku Bank, Ltd.	—	600,000	—	600,000				
	Daishi Hokuetsu Bank, Ltd.	—	300,000	—	300,000				
	The 77 Bank, Ltd.	—	600,000	—	600,000				
	The Chiba Bank, Ltd.	—	500,000	—	500,000				
	The Hiroshima Bank, Ltd.	—	500,000	—	500,000				
	Subtotal	43,074,000	11,920,000	10,000,000	44,994,000				
	Total	55,994,000	22,920,000	22,920,000	55,994,000				

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

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

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

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

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

(Unit: thousand yen)

	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years
Long-term borrowings	9,974,000	12,120,000	13,900,000	9,000,000

# Independent Auditor's Report

## Independent Auditor's Report

The Board of Directors  
One REIT, Inc.

### The Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of One REIT, Inc. (the Company), which comprise the balance sheet as at February 29, 2024, and the statements of income and retained earnings, changes in net assets, cash distribution, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2024, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

#### Basis for Opinion

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

#### Other Information

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

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

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

#### **Fee-related Information**

The fees for the audits of the financial statements of One REIT, Inc. provided by us and other EY member firms are 12 million yen for the six-month period ended February 29, 2024, and there are no fees for other services for the six-month period ended February 29, 2024.

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

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

Ernst & Young ShinNihon LLC  
Tokyo, Japan

July 9, 2024

月 本 洋 一

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Yoichi Tsukimoto  
Designated Engagement Partner  
Certified Public Accountant

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Masahiro Fujimori  
Designated Engagement Partner  
Certified Public Accountant

**One REIT, Inc.**

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