

Summary of Financial Results for the Fiscal Period Ended August 2020 (REIT)

October 15, 2020

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(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for the Fiscal Period Ended August 2020 (March 1, 2020, to August 31, 2020)

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

Fiscal period	Operating revenue		Operating profit		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended Aug. 2020	4,167	(1.4)	2,181	1.3	1,918	1.4	1,917	1.4
Ended Feb. 2020	4,227	4.5	2,152	10.0	1,892	11.5	1,891	11.5

Fiscal period	Net income per unit	Ratio of net income to equity	Ratio of recurring profit to total assets	Ratio of recurring profit to operating revenue
	yen	%	%	%
Ended Aug. 2020	7,994	3.6	1.7	46.0
Ended Feb. 2020	7,885	3.6	1.7	44.8

(2) Distributions status

Fiscal period	Distribution per unit (excluding distribution in excess of earnings)	Total distributions (excluding distribution in excess of earnings)	Distribution per unit in excess of earnings	Total distributions in excess of earnings	Distribution payout ratio	Ratio of distributions to net assets
	yen	million yen	yen	million yen	%	%
Ended Aug. 2020	7,994	1,917	—	—	99.9	3.6
Ended Feb. 2020	7,889	1,892	—	—	100.0	3.6

(Note) Distribution payout ratio is calculated by the following formula (rounded down to one decimal place).
 Distribution payout ratio = Total distributions (excluding distribution in excess of earnings) ÷ Net income × 100

(3) Financial position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
Ended Aug. 2020	111,173	53,263	47.9	222,017
Ended Feb. 2020	111,266	53,238	47.8	221,912

(4) Status of cash flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Ended Aug. 2020	3,651	(497)	(1,916)	9,487
Ended Feb. 2020	5,363	(4,744)	(2,567)	8,249

2. Forecast of Financial Results for the Fiscal Periods Ending February 2021 (September 1, 2020, to February 28, 2021) and August 2021 (March 1, 2021, to August 31, 2021)

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

Fiscal period	Operating revenue		Operating profit		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ending Feb. 2021	4,064	(2.5)	2,033	(6.8)	1,781	(7.2)	1,780	(7.2)
Ending Aug. 2021	3,992	(1.8)	1,967	(3.2)	1,716	(3.6)	1,715	(3.6)

Fiscal period	Distribution per unit (excluding distribution in excess of earnings)		Distribution per unit in excess of earnings	
	yen		yen	
Ending Feb. 2021	7,420		—	
Ending Aug. 2021	7,150		—	

(Reference) Forecast net income per unit (fiscal period ending February 2021): 7,420 yen

Forecast net income per unit (fiscal period ending August 2021): 7,150 yen

* Other

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

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

(2) Number of investment units issued and outstanding

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

Fiscal period ended August 2020 239,908 units

Fiscal period ended February 2020 239,908 units

- ② Number of own investment units at end of period

Fiscal period ended August 2020 — units

Fiscal period ended February 2020 — units

(Note) For the number of investment units used as the basis for calculating net income per unit, please refer to “Notes on Per Unit Information” on page 25.

* Summary of financial results are exempt from the audit by a certified public accountant or an auditing firm.

* Special note

The management status outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by One REIT. Accordingly, actual management status and other results may differ materially due to a variety of factors. In addition, the forecast is not a guarantee of the amount of distributions. For the assumptions for the forecast of management status, please refer to “Assumptions for the Forecast of Management Status for the Fiscal Periods Ending February 2021 and August 2021” presented on page 7.

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1. Management Status

(1) Management Status

① Overview of the Fiscal Period under Review

(A) Brief History of the Investment Corporation

One REIT has Mizuho REIT Management Co., Ltd. (hereinafter referred to as the “Asset Management Company”) (Note 1), which is a member of the Mizuho Financial Group, as its asset management company, and sets middle-sized office buildings (Note 2) as its focal investment target while incorporating other office buildings and urban retail facilities for the sake of diversified investment, aiming to construct a portfolio that both ensures stable income in the medium to long term and exhibits growth potential. 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.

The Investment Corporation was incorporated, pursuant to the Act on Investment Trusts and Investment Corporations (hereinafter the “Investment Trust Act”), on June 25, 2013, with the Asset Management Company as the organizer and listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3290) on October 9, 2013. With public offering, etc. that followed, the total number of investment units issued and outstanding as of the end of the period under review stands at 239,908.

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

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

(B) Investment Environment and Management Performance

In the fiscal period under review (fiscal period ended August 2020 (14th fiscal period)), the Japanese economy saw dramatically difficult economic situations both domestically and internationally due to the impact of COVID-19, and corporate earnings continued to fall significantly.

In the office building leasing market, the vacancy rate in central Tokyo, which was at a record-low level, turned upward due to the impact of COVID-19, raising concerns over possible decline in the rent level. However, the vacancy rate has remained low with new buildings newly supplied in 2020 being completed with high occupancy rates and such, and thus the supply-demand balance of the office building leasing market continues to be in a favorable state.

One REIT transferred MY Atsugi Building (transfer price: 1,360 million yen) on March 3, 2020, through asset replacement to improve portfolio quality.

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

As a result, One REIT’s portfolio as of the end of the fiscal period ended August 2020 comprised a total of 25 properties (total acquisition price: 102,260 million yen; not including silent partnership equity interest) with a total leasable area of 157,752.34 m², and the occupancy rate as of the end of the fiscal period ended August 2020 was 98.8%.

(C) Overview of Financing

During the fiscal period under review, One REIT issued investment corporation bonds (total issue amount: 3,000 million yen) on August 6, 2020, to diversify repayment dates of interest-bearing liabilities, extend the average borrowing period, and diversify means of fund procurement. One REIT carried out prepayment of existing borrowings of 3,000 million yen on August 31, 2020, using the funds procured through issuance of the said bonds.

As a result, as of August 31, 2020, the balance of interest-bearing liabilities was 50,824 million yen and the ratio of interest-bearing liabilities to total assets (LTV) was 45.7%.

(D) Overview of Business Performance and Distributions

As a result of the management described above, business performance in the fiscal period ended August 31, 2020, was operating revenue of 4,167 million yen, operating profit of 2,181 million yen, recurring profit of 1,918 million yen and net income of 1,917 million yen.

One REIT decided to distribute the amount obtained after deducting in and before the previous fiscal period internal reserves from unappropriated retained earnings in a manner to be eligible for application of the special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation), within the amount which minimized the burden from occurrence of corporate tax and other taxes on unitholders; and declared distribution per investment unit of 7,994 yen.

② Outlook for the Next Fiscal Period

(A) Future Investment Environment

The domestic economy is expected to pick up by balancing prevention of COVID-19 infection and resumption of economic activities going forward. However, resurgence of COVID-19 cases and its prolongation as well as fluctuations in financial and capital markets should continue to be watched carefully.

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

(B) Future Management Policy and Challenges to Address

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

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

(a) External Growth

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

With the Tokyo metropolitan area, which has a relatively large market size and 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 that are locations to prefectural governments and located outside the Tokyo metropolitan area or their equivalent.

(b) Internal Growth

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

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

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

③ Subsequent Material Events

Not applicable.

(Reference Information)

Borrowing of Funds

In order to allocate funds to part of repayment of existing borrowings (balance of borrowings: 11,124 million yen) due for repayment on September 7, 2020, and various related costs, One REIT borrowed funds on September 7, 2020, as follows.

Lenders	Borrowing amount (million yen)	Interest rate	Repayment date	Repayment method	Collateral
Syndicate of lenders arranged by Mizuho Trust & Banking Co., Ltd. and Mizuho Bank, Ltd.	3,000	Floating Rate: base interest rate (JBA one-month Japanese yen TIBOR) +0.300%	September 7, 2022	Lump-sum repayment on the maturity date	Unsecured Unguaranteed
Syndicate of lenders arranged by Mizuho Trust & Banking Co., Ltd. and Mizuho Bank, Ltd.	5,124	Floating Rate: base interest rate (JBA three-month Japanese yen TIBOR) +0.450% (Note 1)	September 7, 2025	Lump-sum repayment on the maturity date	Unsecured Unguaranteed
Syndicate of lenders arranged by Mizuho Trust & Banking Co., Ltd. and Mizuho Bank, Ltd.	3,000	Floating Rate: base interest rate (JBA three-month Japanese yen TIBOR) +0.650% (Note 2)	September 7, 2027	Lump-sum repayment on the maturity date	Unsecured Unguaranteed

(Note 1) Interest rate is effectively fixed at 0.58600% through the interest rate swap.

(Note 2) Interest rate is effectively fixed at 0.82200% through the interest rate swap.

(Reference: Details of existing borrowings repaid)

Lenders	Borrowing amount (million yen)	Interest rate	Drawdown date	Repayment method	Collateral
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Resona Bank, Ltd. The Mie Bank, Ltd. The Bank of Fukuoka, Ltd.	1,975	Fixed interest rate: 0.69593%	September 7, 2016	Lump-sum repayment on the maturity date	Unsecured Unguaranteed
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Shinsei Bank, Limited Resona Bank, Ltd.	8,149	Fixed interest rate: 0.69593%	September 7, 2016	Lump-sum repayment on the maturity date	Unsecured Unguaranteed
Mizuho Trust & Banking Co., Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Ltd. The Mie Bank, Ltd. The Bank of Fukuoka, Ltd.	1,000	Floating Rate: base interest rate (JBA one-month Japanese yen TIBOR) +0.400%	October 25, 2017	Lump-sum repayment on the maturity date	Unsecured Unguaranteed

Assumptions for the Forecast of Management Status for the Fiscal Periods Ending February 2021 and August 2021

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> ➤ Fiscal period ending February 2021 (15th fiscal period) (September 1, 2020, to February 28, 2021) (181 days) ➤ Fiscal period ending August 2021 (16th fiscal period) (March 1, 2021, to August 31, 2021) (184 days)
Assets under management	<ul style="list-style-type: none"> ➤ The real estate and real estate trust beneficiary rights held as of August 31, 2020, total 25 properties. It is assumed that no change in assets under management (acquisition of new properties, disposition of portfolio properties, etc.) will take place through to the end of the fiscal period ending August 2021. ➤ Changes in assets under management may occur from acquisition of new properties, disposition of portfolio properties, etc.
Operating revenue	<ul style="list-style-type: none"> ➤ Operating revenue of the above “Assets under management” is used as an assumption. The calculation of property-related operating revenue assumes that there will be no late or delinquent payments of rent by tenants, given the lease agreements effective as of today, tenant trends, market trends, etc. ➤ Occupancy rate of portfolio (average during the period) based on the above “Assets under management” is assumed to be 99.3% in the fiscal period ending February 2021 and 97.5% in the fiscal period ending August 2021. ➤ Property-related operating revenue is calculated after taking into account a certain degree of decrease due to the impact of COVID-19. ➤ As to operating revenue other than property-related operating revenue, it is assumed that there will be no changes to the properties held as of today and no gain or loss on sale of real estate, etc. is expected.
Operating expenses	<ul style="list-style-type: none"> ➤ Property-related expenses, which are the main component of operating expenses, are estimated to be 1,695 million yen in the fiscal period ending February 2021 and 1,684 million yen in the fiscal period ending August 2021. Expenses other than depreciation are calculated based on historical data, etc. and by reflecting factors causing fluctuations in expenses. <ol style="list-style-type: none"> 1) Property management fees are estimated to be 359 million yen in the fiscal period ending February 2021 and 392 million yen in the fiscal period ending August 2021. 2) Depreciation is calculated using the straight-line method, including ancillary costs, etc. Depreciation is estimated to be 508 million yen in the fiscal period ending February 2021 and 523 million yen in the fiscal period ending August 2021. 3) Fixed asset tax, city planning tax, etc. are estimated to be 321 million yen in the fiscal period ending February 2021 and 320 million yen in the fiscal period ending August 2021. 4) Repair expenses are estimated to be 121 million yen in the fiscal period ending February 2021 and 68 million yen in the fiscal period ending August 2021, based on the repair plan formulated by the Asset Management Company for each property. However, repair expenses may greatly differ from the forecast amount because increased or additional repair expenses may arise due to unforeseeable factors. ➤ Operating expenses other than property-related expenses (asset management fee, asset custody fee, administrative service fees, etc.) are estimated to be 335 million yen in the fiscal period ending February 2021 and 340 million yen in the fiscal period ending August 2021. Among the above, asset management fees of 253 million yen for the fiscal period ending February 2021 and 251 million yen for the fiscal period ending August 2021 are expected.

Item	Assumptions
Non-operating expenses	<ul style="list-style-type: none"> ➤ Interest expenses, interest expenses on investment corporation bonds and borrowing-related expenses are expected to be 241 million yen for the fiscal period ending February 2021 and 240 million yen for the fiscal period ending August 2021. ➤ Amortization of investment unit issuance expenses is expected to be 5 million yen for each the fiscal period ending February 2021 and the fiscal period ending August 2021. ➤ Amortization of investment corporation bond issuance costs is expected to be 3 million yen for each the fiscal period ending February 2021 and the fiscal period ending August 2021.
Interest-bearing liabilities	<ul style="list-style-type: none"> ➤ The balance of interest-bearing liabilities as of August 31, 2020, is 50,824 million yen. ➤ In order to repay existing borrowings of 11,124 million yen due for repayment on September 7, 2020, One REIT borrowed loans of the same amount on September 7, 2020. As a result, the balance of interest-bearing liabilities stands at 50,824 million yen as of today. ➤ In addition to the above, it is assumed that there will be no change in the balance of interest-bearing liabilities (new borrowings, repayment of borrowings, etc.) until the end of the fiscal period ending August 2021.
Investment units	<ul style="list-style-type: none"> ➤ The 239,908 units that are the investment units issued and outstanding as of today is assumed. ➤ It is assumed that there will be no change in the number of investment units due to issuance of new investment units, etc. until the end of the fiscal period ending August 2021.
Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> ➤ Distribution per unit (excluding distribution in excess of earnings) is calculated by assuming the cash distribution policy stipulated in the Articles of Incorporation of One REIT. ➤ Distribution per unit is subject to change due to a variety of factors, including fluctuations in rent revenue caused by change in assets under management, relocation of tenants, etc. or occurrence of unforeseen repairs.
Distribution per unit in excess of earnings	<ul style="list-style-type: none"> ➤ There are no plans at this point in time to distribute cash in excess of earnings. ➤ However, cash distribution in excess of earnings may be made for the purpose of reducing occurrence of corporate tax and other taxes derived from discrepancy between tax and accounting treatment.
Other	<ul style="list-style-type: none"> ➤ It is assumed that there will be no revision of laws and regulations, tax systems, accounting standards, listing rules, rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. ➤ It is assumed that there will be no serious unforeseen change in general economic trends, real estate market conditions, etc.

(2) Investment Risks

Disclosure is omitted because there is no significant change from "Investment Risks" in the securities report (submitted on May 28, 2020).

2. Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	13th fiscal period (As of Feb. 29, 2020)	14th fiscal period (As of Aug. 31, 2020)
Assets		
Current assets		
Cash and deposits	2,033,389	3,214,586
Cash and deposits in trust	6,216,391	6,272,761
Operating accounts receivable	71,097	78,468
Prepaid expenses	160,436	119,490
Income taxes receivable	6	—
Other	396	987
Total current assets	8,481,717	9,686,294
Non-current assets		
Property, plant and equipment		
Buildings	3,617,067	3,617,437
Accumulated depreciation	(818,233)	(882,262)
Buildings, net	2,798,834	2,735,175
Structures	9,644	9,842
Accumulated depreciation	(4,028)	(4,349)
Structures, net	5,616	5,493
Machinery and equipment	62,025	62,025
Accumulated depreciation	(62,025)	(62,025)
Machinery and equipment, net	0	0
Tools, furniture and fixtures	2,710	2,710
Accumulated depreciation	(613)	(843)
Tools, furniture and fixtures, net	2,097	1,867
Land	3,770,347	3,770,347
Construction in progress	—	550
Buildings in trust	28,700,206	28,350,113
Accumulated depreciation	(3,731,508)	(3,985,760)
Buildings in trust, net	24,968,698	24,364,352
Structures in trust	18,881	18,881
Accumulated depreciation	(3,863)	(4,503)
Structures in trust, net	15,018	14,378
Machinery and equipment in trust	185,980	213,381
Accumulated depreciation	(54,707)	(63,719)
Machinery and equipment in trust, net	131,272	149,662
Tools, furniture and fixtures in trust	71,727	84,180
Accumulated depreciation	(33,492)	(37,608)
Tools, furniture and fixtures in trust, net	38,235	46,571
Land in trust	67,388,459	66,762,549
Construction in progress in trust	12,283	13,187
Total property, plant and equipment	99,130,865	97,864,136
Intangible assets		
Leasehold rights in trust	3,278,336	3,278,336
Other	1,843	1,878
Total intangible assets	3,280,180	3,280,215
Investments and other assets		
Investment securities	18,099	18,483
Lease and guarantee deposits	10,960	10,000
Long-term prepaid expenses	302,200	255,026
Deferred tax assets	—	16
Total investments and other assets	331,259	283,526
Total non-current assets	102,742,305	101,427,878

(Unit: thousand yen)

	13th fiscal period (As of Feb. 29, 2020)	14th fiscal period (As of Aug. 31, 2020)
Deferred assets		
Investment unit issuance expenses	16,874	11,249
Investment corporation bond issuance costs	26,035	48,544
Total deferred assets	42,910	59,794
Total assets	111,266,933	111,173,966
Liabilities		
Current liabilities		
Operating accounts payable	195,909	262,066
Current portion of long-term loans payable	14,124,000	11,124,000
Accounts payable - other	535,072	465,052
Accrued expenses	3,122	3,926
Income taxes payable	605	874
Consumption taxes payable	192,053	105,267
Advances received	663,508	678,679
Other	577	—
Total current liabilities	15,714,847	12,639,866
Non-current liabilities		
Investment corporation bonds	3,500,000	6,500,000
Long-term loans payable	33,200,000	33,200,000
Tenant lease and security deposits	287,309	297,333
Tenant lease and security deposits in trust	5,326,212	5,272,899
Total non-current liabilities	42,313,522	45,270,233
Total liabilities	58,028,370	57,910,099
Net assets		
Unitholders' equity		
Unitholders' capital	51,154,926	51,154,926
Surplus		
Unappropriated retained earnings (undisposed loss)	2,083,636	2,108,940
Total surplus	2,083,636	2,108,940
Total unitholders' equity	53,238,562	53,263,867
Total net assets	*1 53,238,562	*1 53,263,867
Total liabilities and net assets	111,266,933	111,173,966

(2) Statement of Income

(Unit: thousand yen)

	13th fiscal period (From: Sep. 1, 2019 To: Feb. 29, 2020)	14th fiscal period (From: Mar. 1, 2020 To: Aug. 31, 2020)
Operating revenue		
Lease business revenue	* ₁ 3,714,599	* ₁ 3,714,724
Other lease business revenue	* ₁ 371,736	* ₁ 311,777
Dividends received	—	340
Gain on sale of real estate, etc.	* ₂ 140,832	* ₂ 141,081
Total operating revenue	4,227,168	4,167,923
Operating expenses		
Expenses related to rent business	* ₁ 1,736,962	* ₁ 1,662,338
Asset management fee	254,637	254,594
Asset custody fee	4,466	4,454
Administrative service fees	19,040	18,627
Directors' compensations	3,876	3,876
Other operating expenses	55,947	42,846
Total operating expenses	2,074,930	1,986,737
Operating profit	2,152,237	2,181,186
Non-operating income		
Interest income	43	46
Insurance income	—	99
Reversal of distribution payable	450	1,852
Settlement money income	233	—
Total non-operating income	727	1,998
Non-operating expenses		
Interest expenses	150,023	151,503
Interest expenses on investment corporation bonds	11,015	12,869
Borrowing related expenses	90,307	89,896
Amortization of investment unit issuance expenses	5,624	5,624
Amortization of investment corporation bond issuance expenses	2,025	2,332
Other	1,526	2,086
Total non-operating expenses	260,522	264,312
Recurring profit	1,892,442	1,918,872
Net income before income taxes	1,892,442	1,918,872
Income taxes – current	605	950
Income taxes – deferred	—	(16)
Total income taxes	605	933
Net income	1,891,837	1,917,938
Profit brought forward	191,799	191,002
Unappropriated retained earnings (undisposed loss)	2,083,636	2,108,940

(3) Statement of Unitholders' Equity

13th fiscal period (September 1, 2019, to February 29, 2020)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	51,154,926	1,886,029	1,886,029	53,040,955	53,040,955
Changes of items during period					
Distribution of surplus		(1,694,230)	(1,694,230)	(1,694,230)	(1,694,230)
Net income		1,891,837	1,891,837	1,891,837	1,891,837
Total changes of items during period	—	197,607	197,607	197,607	197,607
Balance at end of current period	51,154,926	2,083,636	2,083,636	53,238,562	53,238,562

14th fiscal period (March 1, 2020, to August 31, 2020)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	51,154,926	2,083,636	2,083,636	53,238,562	53,238,562
Changes of items during period					
Distribution of surplus		(1,892,634)	(1,892,634)	(1,892,634)	(1,892,634)
Net income		1,917,938	1,917,938	1,917,938	1,917,938
Total changes of items during period	—	25,304	25,304	25,304	25,304
Balance at end of current period	51,154,926	2,108,940	2,108,940	53,263,867	53,263,867

(4) Statement of Cash Distributions

(Unit: yen)

	13th fiscal period (From: Sep. 1, 2019 To: Feb. 29, 2020)	14th fiscal period (From: Mar. 1, 2020 To: Aug. 31, 2020)
	Amount	Amount
I. Unappropriated retained earnings	2,083,636,473	2,108,940,742
II. Amount of distributions	1,892,634,212	1,917,824,552
[Amount of distributions per investment unit]	[7,889]	[7,994]
III. Retained earnings carried forward	191,002,261	191,116,190

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 1,892,634,212 yen, which is the integral multiple of the total number of investment units issued and outstanding (239,908 units), after reserving the amount internally reserved in or before the previous fiscal period with the incurrence of gain on sale of real estate, etc., within the amount which minimizes the burden from occurrence of corporate tax and other taxes on unitholders. 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 1,917,824,552 yen, which is the integral multiple of the total number of investment units issued and outstanding (239,908 units), after reserving the amount internally reserved in or before the previous fiscal period with the incurrence of gain on sale of real estate, etc., within the amount which minimizes the burden from occurrence of corporate tax and other taxes on unitholders. One REIT will not engage in the distribution of cash in excess of earnings provided in Article 35, Paragraph 2 of the Articles of Incorporation of One REIT.</p>
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(5) Statement of Cash Flows

(Unit: thousand yen)

	13th fiscal period (From: Sep. 1, 2019 To: Feb. 29, 2020)	14th fiscal period (From: Mar. 1, 2020 To: Aug. 31, 2020)
Cash flows from operating activities		
Net income before income taxes	1,892,442	1,918,872
Depreciation	501,752	498,059
Amortization of investment unit issuance expenses	5,624	5,624
Amortization of investment corporation bond issuance costs	2,025	2,332
Interest income	(43)	(46)
Reversal of distribution payable	(450)	(1,852)
Interest expenses	161,039	164,372
Decrease (increase) in operating accounts receivable	18,919	(7,371)
Decrease (increase) in prepaid expenses	(17,114)	40,946
Decrease in property, plant and equipment in trust due to sale	3,118,882	1,160,891
Increase (decrease) in operating accounts payable	(37,623)	66,157
Increase (decrease) in accounts payable - other	24,244	(6,605)
Increase (decrease) in consumption tax payable	(3,333)	(86,785)
Increase (decrease) in advances received	9,744	15,170
Decrease (increase) in long-term prepaid expenses	(150,250)	47,174
Other, net	(453)	(1,167)
Subtotal	5,525,405	3,815,771
Interest income received	43	46
Interest expenses paid	(161,183)	(163,567)
Income taxes paid	(604)	(674)
Net cash provided by (used in) operating activities	5,363,660	3,651,575
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,171)	(962)
Purchase of property, plant and equipment in trust	(4,892,230)	(454,205)
Purchase of intangible assets	—	(155)
Proceeds from refund of leasehold and guarantee deposits	—	960
Repayments of tenant lease and security deposits	(747)	(770)
Proceeds from tenant lease and security deposits	4,908	10,794
Repayments of tenant lease and security deposits in trust	(273,168)	(201,409)
Proceeds from tenant lease and security deposits in trust	437,160	148,095
Purchase of investment securities	(18,099)	—
Proceeds from redemption of investment securities	—	220
Net cash provided by (used in) investing activities	(4,744,347)	(497,432)
Cash flows from financing activities		
Proceeds from long-term loans payable	13,200,000	—
Repayment of long-term loans payable	(14,074,000)	(3,000,000)
Proceeds from issuance of investment corporation bonds	—	2,975,158
Payment of distribution	(1,693,008)	(1,891,734)
Net cash provided by (used in) financing activities	(2,567,008)	(1,916,575)
Net increase (decrease) in cash and cash equivalents	(1,947,695)	1,237,567
Cash and cash equivalents at beginning of period	10,197,476	8,249,780
Cash and cash equivalents at end of period	*1 8,249,780	*1 9,487,347

(6) Notes on the Going Concern Assumption
Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Standards for valuation and method of valuation of assets	Securities Other securities Non-marketable, available-for-sale securities are stated at cost determined by the moving average method. Concerning silent partnership equity interests, the method of incorporating an equity interest's proportionate amount of the net amount of income (loss) of the silent partnership is adopted.
2. Method of depreciation of non-current assets	① Property, plant and equipment (including trust assets) The straight-line method is adopted. The useful life of core property, plant and equipment is as follows: Buildings 3~59 years Structures 4~40 years Machinery and equipment 5~10 years Tools, furniture and fixtures 4~20 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 expenses Amortized using the straight-line method through to the redemption date.
4. Standards for recognition of revenue and expenses	Accounting for fixed asset tax, etc. Of the tax amount assessed and determined for fixed asset tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held, the method adopted is that the amount corresponding to the relevant calculation period is expensed as expenses related to rent business. The amount equivalent to fixed asset tax, etc. in the fiscal year including the acquisition date when money was paid to the seller as reimbursement upon acquisition of real estate, etc. is included in the cost of acquisition of the relevant real estate, etc. and not recognized as expenses. The amount equivalent to fixed asset tax, etc. included in the cost of acquisition of real estate, etc. in the previous fiscal period was 3,387 thousand yen. No amount equivalent to fixed asset tax, etc. is included in the cost of acquisition of real estate, etc. in the fiscal period under review.
5. Method of Hedge Accounting	① Method of Hedge Accounting Special treatment is applied to interest rate swap transactions since they satisfy the requirements for special treatment. ② Hedging instruments and hedge items Hedging instruments: Interest rate swaps 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 significant 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. The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet. (1) Cash and deposits in trust (2) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust and land in trust; construction in progress in trust (3) Leasehold rights in trust (4) Tenant leasehold and security deposits in trust ② Accounting for consumption tax, etc. Concerning accounting for consumption tax and local consumption tax, these taxes are excluded. Non-deductible consumption tax in the acquisition of assets is included in the cost of acquisition of the respective assets.

(Accounting standards yet to be applied, etc.)

- ・ “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29; announced by Accounting Standards Board of Japan on March 31, 2020)
- ・ “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30; announced by Accounting Standards Board of Japan on March 31, 2020)
- ・ “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19; announced by Accounting Standards Board of Japan on March 31, 2020)

(1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) in the United States jointly developed comprehensive accounting standards concerning revenue recognition and announced the “Revenue from Contracts with Customers” (IFRS 15 in the IASB and Topic 606 in the FASB) in May 2014. Given that IFRS 15 will be applied from a fiscal year starting on and after January 1, 2018, and that Topic 606 will be applied from a fiscal year starting after December 15, 2017, the Accounting Standards Board of Japan (ASBJ) has developed comprehensive accounting standards for revenue recognition and announced them together with the Implementation Guidance.

The basic policy of the ASBJ in developing accounting standards for revenue recognition is to set accounting standards, with the incorporation of the basic principles of IFRS 15 as a starting point, from a standpoint of comparability between financial statements, which is one of the benefits of ensuring consistency with IFRS 15, and to add alternative treatments within the scope that will not harm comparability if there is an item that one should take into account in practices, etc. that have been conducted in Japan.

(2) Planned date of application

To be applied from the beginning of the fiscal period ending February 2022.

(3) Impact of the application of the accounting standards, etc.

The amount of the impact on financial statements from applying “Accounting Standard for Revenue Recognition,” etc. is currently under review.

- ・ “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30; announced by Accounting Standards Board of Japan on July 4, 2019)
- ・ “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10; announced by Accounting Standards Board of Japan on July 4, 2019)
- ・ “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31; announced by Accounting Standards Board of Japan on July 4, 2019)
- ・ “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19; announced by Accounting Standards Board of Japan on March 31, 2020)

(1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) in the United States provide very similar detailed guidance on fair value measurement (IFRS 13 “Fair Value Measurement” in (International Financial Reporting Standards) IFRS and Topic 820 “Fair Value Measurement” of Accounting Standards Codification under U.S. accounting standards). In light of such, the Accounting Standards Board of Japan (ASBJ) announced the “Accounting Standard for Fair Value Measurement,” etc. after working to ensure consistency between Japanese accounting standards and international accounting standards, mainly regarding guidance and disclosure concerning the fair value of financial instruments.

The basic policy of the ASBJ in developing accounting standards for fair value measurement is to incorporate basically all provisions in IFRS 13 from the perspective of enhancing comparability between financial statements of companies in Japan and abroad by using a unified measurement method; and to set other treatments for individual items within the scope that will not materially harm comparability between financial statements, taking into account the practices, etc. that have been conducted in Japan.

(2) Planned date of application

To be applied from the beginning of the fiscal period ending February 2022.

(3) Impact of the application of the accounting standards, etc.

The amount of the impact on financial statements from applying “Accounting Standard for Fair Value Measurement,” etc. is currently under review.

- “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31; announced by Accounting Standards Board of Japan on March 31, 2020)

(1) Overview

Paragraph 125 of International Accounting Standards (IAS) 1 “Presentation of Financial Statements” (“IAS 1”) issued in 2003 by the International Accounting Standards Board (IASB) requires disclosure of the “sources of estimation uncertainty.” Receiving requests to consider requiring disclosure of such as notes in also Japanese GAAP as the information would be highly useful to users of financial statements, ASBJ developed and issued an accounting standard for disclosure of accounting estimates (“the Accounting Standard”).

The basic policy of the ASBJ in developing the Accounting Standard is to not expand on the individual notes, but rather provide the principles (disclosure objectives) and then have the specific content of disclosure determined by entities in light of the disclosure objectives. The provisions of Paragraph 125 of IAS 1 were used as a reference in the development.

(2) Planned date of application

To be applied from the end of the fiscal period ending August 2021.

- “Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections” (ASBJ Statement No. 24; announced by Accounting Standards Board of Japan on March 31, 2020)

(1) Overview

Recommended to consider enriching the notes for “accounting principles and procedures adopted when there are no clearly relevant accounting standards or other provisions,” ASBJ made the required revisions and issued such as an accounting standard for accounting policy disclosures, accounting changes, and error corrections.

In enriching the notes for “accounting principles and procedures adopted when there are no clearly relevant accounting standards or other provisions,” the provisions of Note 1-2 of the annotations on corporate accounting principles are to be followed in order to not affect the practices to date for when there are clearly relevant accounting standards or other provisions.

(2) Planned date of application

To be applied from the end of the fiscal period ending August 2021.

(8) Notes to the Financial Statements

[Notes to the Balance Sheet]

*1. Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations
(Unit: thousand yen)

	13th fiscal period (As of Feb. 29, 2020)	14th fiscal period (As of Aug. 31, 2020)
	50,000	50,000

[Notes to the Statement of Income]

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

	13th fiscal period (From: Sep. 1, 2019 To: Feb. 29, 2020)	14th fiscal period (From: Mar. 1, 2020 To: Aug. 31, 2020)
(Unit: thousand yen)		
A. Property-related operating revenue		
Lease business revenue		
Rent revenue	2,898,519	2,924,563
Common area charges revenue	621,559	601,421
Parking revenue	169,501	163,583
Other rent revenue	25,019	25,156
Total	3,714,599	3,714,724
Other lease business revenue		
Utilities revenue	330,311	293,195
Other revenue	41,424	18,582
Total	371,736	311,777
Total property-related operating revenue	4,086,335	4,026,502
B. Property-related operating expenses		
Expenses related to rent business		
Property management fees	395,427	375,718
Utilities expenses	349,430	324,990
Taxes and public dues	312,247	321,679
Insurance premiums	6,136	6,135
Repair expenses	120,972	85,219
Trust fees	12,760	12,305
Depreciation	501,639	497,939
Other sundry expenses	38,349	38,349
Total property-related operating expenses	1,736,962	1,662,338
C. Property-related operating income (loss) [A - B]	2,349,372	2,364,164

*2. Breakdown of gain on sale of real estate, etc.

13th fiscal period (September 1, 2019, to February 29, 2020)

(Unit: thousand yen)

CP10 Building

Revenue on sale of real estate, etc.	3,400,000
Cost of sale of real estate, etc.	3,118,882
Other expenses on sale	140,284
Gain on sale of real estate, etc.	140,832

14th fiscal period (March 1, 2020, to August 31, 2020)

(Unit: thousand yen)

MY Atsugi Building

Revenue on sale of real estate, etc.	1,360,000
Cost of sale of real estate, etc.	1,160,891
Other expenses on sale	58,026
Gain on sale of real estate, etc.	141,081

[Notes to the Statement of Unitholders' Equity]

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

	13th fiscal period (From: Sep. 1, 2019 To: Feb. 29, 2020)	14th fiscal period (From: Mar. 1, 2020 To: Aug. 31, 2020)
Total number of investment units authorized	4,000,000 units	4,000,000 units
Total number of investment units issued and outstanding	239,908 units	239,908 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)	
	13th fiscal period (From: Sep. 1, 2019 To: Feb. 29, 2020)	14th fiscal period (From: Mar. 1, 2020 To: Aug. 31, 2020)
Cash and deposits	2,033,389	3,214,586
Cash and deposits in trust	6,216,391	6,272,761
Cash and cash equivalents	8,249,780	9,487,347

[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.

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

Investment securities are 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

The fair value of financial instruments, aside from values based on market price, includes values based on reasonable calculation when there is no market price. Certain assumptions, etc. are adopted in the calculation of the concerned values. Accordingly, there may be cases where the concerned values will vary when different assumptions, etc. are adopted.

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

The following is the carrying amount and fair value as of February 29, 2020, and the amount of difference between these. Please note that the following table does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to (Note 2)).

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	2,033,389	2,033,389	—
(2) Cash and deposits in trust	6,216,391	6,216,391	—
Assets total	8,249,780	8,249,780	—
(3) Current portion of long-term loans payable	14,124,000	14,143,407	19,407
(4) Investment corporation bonds	3,500,000	3,501,500	1,500
(5) Long-term loans payable	33,200,000	33,083,474	(116,525)
Liabilities total	50,824,000	50,728,382	(95,617)
(6) Derivative transactions	—	—	—

The following is the carrying amount and fair value as of August 31, 2020, and the amount of difference between these. Please note that the following table does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to (Note 2)).

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	3,214,586	3,214,586	—
(2) Cash and deposits in trust	6,272,761	6,272,761	—
Assets total	9,487,347	9,487,347	—
(3) Current portion of long-term loans payable	11,124,000	11,124,993	993
(4) Investment corporation bonds	6,500,000	6,469,350	(30,650)
(5) Long-term loans payable	33,200,000	33,259,028	59,028
Liabilities total	50,824,000	50,853,371	29,371
(6) Derivative transactions	—	—	—

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

(1) Cash and deposits; (2) Cash and deposits in trust

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

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

As long-term loans payable with floating interest rates reflect market interest rates within a short period of time, the fair value is thought to be approximately the same as the book value and is thus stated at that book value. For long-term debt with floating interest rate 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.

(4) Investment corporation bonds

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

(6) Derivative transactions

Please refer to “Notes on Derivative Transactions” below.

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

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

(Unit: thousand yen)

Account	13th fiscal period (As of Feb. 29, 2020)	14th fiscal period (As of Aug. 31, 2020)
Investment securities	18,099	18,483
Tenant lease and security deposits	287,309	297,333
Tenant lease and security deposits in trust	5,326,212	5,272,899
Total	5,631,621	5,588,716

(Note 3) Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts

13th fiscal period (As of February 29, 2020)

(Unit: thousand yen)

	Due within 1 year
Cash and deposits	2,033,389
Cash and deposits in trust	6,216,391
Total	8,249,780

14th fiscal period (As of August 31, 2020)

(Unit: thousand yen)

	Due within 1 year
Cash and deposits	3,214,586
Cash and deposits in trust	6,272,761
Total	9,487,347

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

13th fiscal period (As of February 29, 2020)

(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	2,000,000
Long-term loans payable	14,124,000	6,000,000	6,000,000	8,000,000	4,000,000	9,200,000
Total	14,124,000	6,000,000	6,000,000	8,000,000	5,500,000	11,200,000

14th fiscal period (As of August 31, 2020)

(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	3,500,000
Long-term loans payable	11,124,000	6,000,000	6,000,000	8,000,000	4,000,000	9,200,000
Total	11,124,000	6,000,000	6,000,000	9,500,000	5,500,000	12,700,000

[Notes on Derivative Transactions]

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

13th fiscal period (As of February 29, 2020)

Not applicable.

14th fiscal period (As of August 31, 2020)

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.

13th fiscal period (As of February 29, 2020)

(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 fix	Long-term loans payable	31,200,000	31,200,000	(Note)	—

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term loans payable, the fair values of such are shown as included in the fair value in “(5) Long-term loans payable” described in “Notes on Financial Instruments, 2. Matters concerning fair value, etc. of financial instruments” above.

14th fiscal period (As of August 31, 2020)

(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 fix	Long-term loans payable	31,200,000	31,200,000	(Note)	—

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term loans payable, the fair values of such are shown as included in the fair value in “(5) Long-term loans payable” described in “Notes on Financial Instruments, 2. Matters concerning fair value, etc. of financial instruments” above.

[Notes on Related-Party Transactions]

1. Parent company, major corporate unitholder, etc.

13th fiscal period (September 1, 2019, to February 29, 2020)

Not applicable.

14th fiscal period (March 1, 2020, to August 31, 2020)

Not applicable.

2. Associated company, etc.

13th fiscal period (September 1, 2019, to February 29, 2020)

Not applicable.

14th fiscal period (March 1, 2020, to August 31, 2020)

Not applicable.

3. Fellow subsidiary, etc.

13th fiscal period (September 1, 2019, to February 29, 2020)

Not applicable.

14th fiscal period (March 1, 2020, to August 31, 2020)

Not applicable.

4. Director, major individual unitholder, etc.

13th fiscal period (September 1, 2019, to February 29, 2020)

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) (Note 3) (Note 4)	Account item	Balance at end of period (thousand yen) (Note 2) (Note 3) (Note 4)
						Concurrent holding of positions, etc. by directors	Business relationship				
Director and its relatives	Koji Hashimoto	—	—	Executive Director of One REIT and Chief Executive Officer of Mizuho REIT Management Co., Ltd.	—		Executive Director of One REIT and Chief Executive Officer of Mizuho REIT Management Co., Ltd.	Payment of asset management fee to the asset management company	333,727	Accounts payable - other	280,100

(Note 1) Koji Hashimoto conducted the transaction as a representative of a third party (Mizuho REIT Management Co., Ltd.), and the amount of the fee is based on the terms stipulated in the Articles of Incorporation of One REIT.

(Note 2) The asset management fee includes the fee (45,000 thousand yen) for the acquisition of properties and the fee (90 thousand yen) for the acquisition of silent partnership equity interest that were included in the book value of specified assets.

(Note 3) The asset management fee includes the fee (34,000 thousand yen) for the transfer of CP10 Building.

(Note 4) Of the amounts above, the amount of transaction does not include consumption tax, etc., while the balance at the end of the period includes consumption tax, etc.

14th fiscal period (March 1, 2020, to August 31, 2020)

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) (Note 3)	Account item	Balance at end of period (thousand yen) (Note 2) (Note 3)
						Concurrent holding of positions, etc. by directors	Business relationship				
Director and its relatives	Koji Hashimoto	—	—	Executive Director of One REIT and Chief Executive Officer of Mizuho REIT Management Co., Ltd.	—		Executive Director of One REIT and Chief Executive Officer of Mizuho REIT Management Co., Ltd.	Payment of asset management fee to the asset management company	268,194	Accounts payable - other	280,053

(Note 1) Koji Hashimoto conducted the transaction as a representative of a third party (Mizuho REIT Management Co., Ltd.), and the amount of the fee is based on the terms stipulated in the Articles of Incorporation of One REIT.

(Note 2) The asset management fee includes the fee (13,600 thousand yen) for the transfer of MY Atsugi Building.

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

[Notes on Tax-Effect Accounting]

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

	(Unit: thousand yen)	
	13th fiscal period (As of Feb. 29, 2020)	14th fiscal period (As of Aug. 31, 2020)
Deferred tax assets		
Non-deductible accrued enterprise tax	—	16
Total deferred tax assets	—	16
Net deferred tax assets	—	16

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

	(Unit: %)	
	13th fiscal period (As of Feb. 29, 2020)	14th fiscal period (As of Aug. 31, 2020)
Statutory tax rate	31.51	31.46
[Adjustments]		
Deductible distributions payable	(31.51)	(31.44)
Other	0.03	0.03
Effective income tax rate after application of tax-effect accounting	0.03	0.05

[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)	
	13th fiscal period (From: Sep. 1, 2019 To: Feb. 29, 2020)	14th fiscal period (From: Mar. 1, 2020 To: Aug. 31, 2020)
Carrying amount		
Balance at beginning of period	100,986,740	102,409,202
Amount of increase (decrease) during period	1,422,461	(1,266,729)
Balance at end of period	102,409,202	101,142,472
Fair value at end of period	118,890,000	117,719,000

(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 13th fiscal period, the amount of increase is mainly attributable to acquisition of ONEST Nishi-Gotanda Square (4,690,581 thousand yen) and capital expenditures (340,118 thousand yen), while the amount of decrease is mainly attributable to transfer of CP10 Building (3,118,882 thousand yen) and depreciation (501,639 thousand yen). Of the amount of increase (decrease) in investment and rental properties during the 14th fiscal period, the amount of increase is mainly attributable to capital expenditures (390,647 thousand yen), while the amount of decrease is mainly attributable to transfer of MY Atsugi Building (1,160,891 thousand yen) and depreciation (497,939 thousand yen).

(Note 3) Fair value at the end of the period is the appraisal value by an outside real estate appraiser. However, the fair value at the end of the 13th fiscal period for MY Atsugi Building is the transfer price.

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

[Notes on Segment Information, Etc.]

1. Segment Information

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

2. Related Information

13th fiscal period (September 1, 2019, to February 29, 2020)

(1) Information for each product and service

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

(2) Information for each region

① Net sales

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

② Property, plant and equipment

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

(3) Information for each major customer

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

14th fiscal period (March 1, 2020, to August 31, 2020)

(1) Information for each product and service

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

(2) Information for each region

① Net sales

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

② Property, plant and equipment

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

(3) Information for each major customer

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

[Notes on Per Unit Information]

	13th fiscal period (From: Sep. 1, 2019 To: Feb. 29, 2020)	14th fiscal period (From: Mar. 1, 2020 To: Aug. 31, 2020)
Net assets per unit	221,912 yen	222,017 yen
Net income per unit	7,885 yen	7,994 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.

	13th fiscal period (From: Sep. 1, 2019 To: Feb. 29, 2020)	14th fiscal period (From: Mar. 1, 2020 To: Aug. 31, 2020)
Net income	1,891,837 thousand yen	1,917,938 thousand yen
Amount not attributable to common unitholders	— thousand yen	— thousand yen
Net income attributable to common investment units	1,891,837 thousand yen	1,917,938 thousand yen
Average number of investment units during period	239,908 units	239,908 units

[Notes on Significant Subsequent Events]

Not applicable.

[Omission of Disclosure]

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

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

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

Date	Description	Total number of investment units issued and outstanding (units)		Unitholders' capital (million yen)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
June 25, 2013	Incorporation through private placement	400	400	200	200	(Note 1)
Oct. 8, 2013	Capital increase through public offering	74,700	75,100	32,438	32,638	(Note 2)
Sep. 6, 2016	Capital increase through public offering	18,900	94,000	7,139	39,777	(Note 3)
Oct. 5, 2016	Capital increase through third-party allotment	649	94,649	245	40,022	(Note 4)
Mar. 1, 2017	Spilt of Investment units	94,649	189,298	—	40,022	(Note 5)
Sep. 20, 2018	Capital increase through public offering	48,200	237,498	10,601	50,624	(Note 6)
Oct. 17, 2018	Capital increase through third-party allotment	2,410	239,908	530	51,154	(Note 7)

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

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

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

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

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

(Note 6) New investment units were issued through public offering at an issue price of 227,662 yen (paid-in amount: 219,956 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 7) New investment units were issued through third-party allotment in line with capital increase through public offering at a paid-in amount of 219,956 yen per unit.

3. Reference Information

(1) Information on Price of Assets under Management, etc.

1) Asset Composition

17 Asset Composition						
Type of asset	Use of asset	Region (Note 1)	13th fiscal period (As of Feb. 29, 2020)		14th fiscal period (As of Aug. 31, 2020)	
			Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate	Office buildings	Tokyo metropolitan area	6,576	5.9	6,513	5.9
	Office buildings subtotal		6,576	5.9	6,513	5.9
Real estate total			6,576	5.9	6,513	5.9
Real estate in trust	Office buildings	Tokyo metropolitan area	55,745	50.1	54,604	49.1
		Ordinance-designated cities, etc.	36,121	32.5	36,045	32.4
	Office buildings subtotal		91,866	82.6	90,649	81.5
	Retail facilities	Tokyo metropolitan area	3,965	3.6	3,979	3.6
		Retail facilities subtotal		3,965	3.6	3,979
	Real estate in trust total			95,832	86.1	94,629
Investment securities (Note 4)			18	0.0	18	0.0
Deposits and other assets			8,839	7.9	10,013	9.0
Total assets			111,266	100.0	111,173	100.0

(Note 1) Regions are classified as follows:

① The Tokyo metropolitan area refers to Tokyo, Kanagawa, Saitama, and Chiba prefectures.

② Ordinance-designated cities and major regional cities are together referred to as “ordinance-designated cities, etc.”
“Ordinance-designated cities” refers to ordinance-designated cities located outside the Tokyo metropolitan area.
“Major regional cities” refers to non-ordinance-designated cities located outside the Tokyo metropolitan area that are the location of a prefectural government (prefectural capitals) or their equivalent.

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

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

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

2) Portfolio Diversification

Diversification by region

Region	Number of properties	Acquisition price (million yen)	Share (%)
Tokyo metropolitan area	18	66,023	64.6
Ordinance-designated cities, etc.	7	36,237	35.4
Total	25	102,260	100.0

Diversification by asset type

Use	Number of properties	Acquisition price (million yen)	Share (%)
Office buildings	24	98,010	95.8
Retail facility	1	4,250	4.2
Total	25	102,260	100.0

3) Period-End Value of Portfolio Real Estate

Property no.	Property name	Appraisal company (Note 2)	Acquisition price (million yen) (Note 1)	Carrying amount (million yen)	Appraisal value (million yen) (Note 2)	Overview of appraisal report (Note 2)					
						Income approach					Cost approach
						Indicated value by direct cap method (million yen)	Cap rate (%)	Indicated value by DCF method (million yen)	Discount rate (%)	Terminal cap rate (%)	Indicated value by cost approach (million yen)
OT-2	ONEST Kanda Square	The Tanizawa Sogo Appraisal Co., Ltd.	7,350	6,513	9,120	9,290	3.5	9,040	3.6	3.7	9,140
OT-3	Tachikawa Nishiki-cho Building	Daiwa Real Estate Appraisal Co., Ltd.	3,264	3,186	4,150	4,170	4.4	4,140	4.2	4.6	2,700
OT-5	ONEST Yokohama Nishiguchi Building	Daiwa Real Estate Appraisal Co., Ltd.	3,110	3,108	3,830	3,790	4.2	3,850	4.0	4.4	3,190
OT-6	Yushima First Genesis Building	Daiwa Real Estate Appraisal Co., Ltd.	2,751	2,660	3,210	3,250	4.0	3,190	3.8	4.2	2,050
OT-7	ONEST Nakano Building	Daiwa Real Estate Appraisal Co., Ltd.	2,880	2,846	3,400	3,390	4.3	3,410	4.1	4.5	2,610
OT-8	36 Sankyo Building	Daiwa Real Estate Appraisal Co., Ltd.	2,395	2,310	2,770	2,800	4.1	2,760	3.9	4.3	2,120
OT-9	Minami-Shinagawa JN Building	Daiwa Real Estate Appraisal Co., Ltd.	2,165	2,132	2,134	2,190	4.3	2,130	4.1	4.5	2,220
OT-10	Minami-Shinagawa N Building	Daiwa Real Estate Appraisal Co., Ltd.	2,292	2,183	2,420	2,480	4.5	2,390	4.3	4.7	2,310
OT-11	Minami-Shinagawa J Building	Daiwa Real Estate Appraisal Co., Ltd.	2,020	1,926	2,440	2,450	4.5	2,440	4.3	4.7	1,490
OT-13	Hachioji SIA Building	Chuo Real Estate Appraisal Co., Ltd.	730	676	865	885	5.1	857	4.9	5.3	697
OT-14	ONEST Motoyoyogi Square	Japan Real Estate Institute	7,500	7,591	8,580	8,640	3.9	8,510	3.6	4.1	8,410
OT-15	ONEST Ueno Okachimachi Building	Japan Real Estate Institute	2,700	2,775	2,950	2,960	3.9	2,940	3.6	4.0	2,970
OT-16	Daido Life Omiya Building	Chuo Real Estate Appraisal Co., Ltd.	3,000	3,099	3,250	3,280	4.6	3,240	4.4	4.8	2,320
OT-17	ONEST Ikebukuro East Building	Daiwa Real Estate Appraisal Co., Ltd.	2,200	2,234	2,360	2,390	4.1	2,340	3.9	4.3	2,090
OT-18	Crescendo Building	Chuo Real Estate Appraisal Co., Ltd.	2,466	2,574	2,540	2,600	4.6	2,510	4.4	4.8	1,600
OT-19	Tokyo Parkside Building	JLL Morii Valuation & Advisory K.K.	10,450	10,541	11,300	11,400	4.2	11,400	3.9	4.4	9,370
OT-20	ONEST Nishi-Gotanda Square (Note 3)	The Tanizawa Sogo Appraisal Co., Ltd.	4,500	4,754	5,130	5,360	3.8	5,030	3.8	3.9	5,130
OO-1	ONEST Shin-Osaka Square (Note 3)	Daiwa Real Estate Appraisal Co., Ltd.	4,612	4,267	6,290	6,280	4.3	6,290	4.1	4.5	3,040
OO-2	Karasuma Plaza 21	Daiwa Real Estate Appraisal Co., Ltd.	3,700	3,867	4,000	3,970	4.6	4,010	4.4	4.8	9,060
OO-3	ONEST Nagoya Nishiki Square	Daiwa Real Estate Appraisal Co., Ltd.	2,381	2,333	3,550	3,500	4.6	3,570	4.4	4.8	2,450
OO-4	MY Kumamoto Building	Chuo Real Estate Appraisal Co., Ltd.	1,152	1,071	1,300	1,290	6.0	1,310	5.8	6.2	1,000
OO-5	Nagoya Fushimi Square Building	Daiwa Real Estate Appraisal Co., Ltd.	4,812	4,824	5,220	5,300	4.5	5,180	4.3	4.7	6,530
OO-6	Daihakata Building	JLL Morii Valuation & Advisory K.K.	10,650	10,683	11,800	11,800	4.3	11,800	4.1	4.5	17,200
OO-7	Higobashi Center Building	The Tanizawa Sogo Appraisal Co., Ltd.	8,930	8,998	10,300	10,400	4.1	10,300	4.2	4.3	12,500
R-1	fab Minami-Osawa	Japan Real Estate Institute	4,250	3,979	4,810	4,870	4.7	4,750	4.5	4.9	2,450
Total			102,260	101,142	117,719	118,735	—	117,387	—	—	114,647

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

(Note 2) The effective date of the appraisal (date of value) is the last day of August 2020.

(Note 3) Property names were changed as follows on October 1, 2020. The same applies hereinafter.

Property no.	New property name	Former property name
OT-20	ONEST Nishi-Gotanda Square	Nishi-Gotanda 102 Building
OO-1	ONEST Shin-Osaka Square	Central Shin-Osaka Building

4) Overview of Portfolio Real Estate

Property no.	Property name	Asset type	Location	Construction and number of floors	Completed (YYYY/MM)	Type of ownership	Total leasable area	PML value
OT-2	ONEST Kanda Square	Office building	Chiyoda-ku, Tokyo	SRC 10F	2007/04	Real estate	5,261.34	6.06%
OT-3	Tachikawa Nishiki-cho Building	Office building	Tachikawa-shi, Tokyo	SRC 8F	1991/06	Real estate trust beneficiary rights	5,629.48	4.51%
OT-5	ONEST Yokohama Nishiguchi Building	Office building	Yokohama-shi, Kanagawa	RC B1/8F	1983/05	Real estate trust beneficiary rights	4,326.68	10.17%
OT-6	Yushima First Genesis Building	Office building	Bunkyo-ku, Tokyo	SRC B1/7F	1991/08	Real estate trust beneficiary rights	2,950.22	7.00%
OT-7	ONEST Nakano Building	Office building	Nakano-ku, Tokyo	S/SRC B1/7F	1994/08	Real estate trust beneficiary rights	3,116.49	3.04%
OT-8	36 Sankyo Building	Office building	Shinjuku-ku, Tokyo	RC B2/4F	1991/10	Real estate trust beneficiary rights	3,724.17	8.85%
OT-9	Minami-Shinagawa JN Building	Office building	Shinagawa-ku, Tokyo	SRC B2/10F	1990/07	Real estate trust beneficiary rights	6,390.33	5.57%
OT-10	Minami-Shinagawa N Building	Office building	Shinagawa-ku, Tokyo	SRC B2/10F	1994/07	Real estate trust beneficiary rights	5,476.73	5.50%
OT-11	Minami-Shinagawa J Building	Office building	Shinagawa-ku, Tokyo	SRC B1/10F	1992/07	Real estate trust beneficiary rights	3,673.61	3.70%
OT-13	Hachioji SIA Building	Office building	Hachioji-shi, Tokyo	SRC 9F	1993/09	Real estate trust beneficiary rights	2,750.63	4.53%
OT-14	ONEST Motoyoyogi Square	Office building	Shibuya-ku, Tokyo	SRC/RC B2/8F	1992/04	Real estate trust beneficiary rights	7,644.40	7.70%
OT-15	ONEST Ueno Okachimachi Building	Office building	Taito-ku, Tokyo	SRC B1/9F	1986/05	Real estate trust beneficiary rights	2,943.07	6.04%
OT-16	Daido Life Omiya Building	Office building	Saitama-shi, Saitama	SRC 8F	1991/10	Real estate trust beneficiary rights	3,574.03	4.72%
OT-17	ONEST Ikebukuro East Building	Office building	Toshima-ku, Tokyo	SRC/RC B2/8F	1991/09	Real estate trust beneficiary rights	2,677.80	6.14%
OT-18	Crescendo Building	Office building	Yokohama-shi, Kanagawa	SRC B1/9F	1987/07	Real estate trust beneficiary rights	4,376.46	4.58%
OT-19	Tokyo Parkside Building	Office building	Koto-ku, Tokyo	S/SRC B1/14F	1991/09	Real estate trust beneficiary rights	12,920.17	4.79%
OT-20	ONEST Nishi-Gotanda Square	Office building	Shinagawa-ku, Tokyo	SRC B1/8F	1988/01	Real estate trust beneficiary rights	4,249.38	6.43%
OO-1	ONEST Shin-Osaka Square	Office building	Osaka-shi, Osaka	S B1/12F	1992/06	Real estate trust beneficiary rights	9,418.89	12.72%
OO-2	Karasuma Plaza 21	Office building	Kyoto-shi, Kyoto	SRC B1/8F	1986/11	Real estate trust beneficiary rights	8,893.59	5.18%
OO-3	ONEST Nagoya Nishiki Square	Office building	Nagoya-shi, Aichi	S/SRC B1/8F	1991/04	Real estate trust beneficiary rights	5,801.80	13.58%
OO-4	MY Kumamoto Building	Office building	Kumamoto-shi, Kumamoto	S/RC 9F	1987/10	Real estate trust beneficiary rights	3,755.94	5.08%
OO-5	Nagoya Fushimi Square Building	Office building	Nagoya-shi, Aichi	SRC B2/13F	1987/11	Real estate trust beneficiary rights	8,422.41	6.20%
OO-6	Daihakata Building	Office building	Fukuoka-shi, Fukuoka	S/RC B3/14F	1975/08	Real estate trust beneficiary rights	15,430.32	1.08%
OO-7	Higobashi Center Building	Office building	Osaka-shi, Osaka	SRC/RC/S B2/18F	1977/09	Real estate trust beneficiary rights	15,935.17	4.69%
R-1	fab Minami-Osawa	Retail facility	Hachioji-shi, Tokyo	S 7F	2001/12	Real estate trust beneficiary rights	8,409.23	3.03%

5) Status of Revenue of Each Property

Property no.		OT-2	OT-3	OT-5	OT-6
Property name		ONEST Kanda Square	Tachikawa Nishiki-cho Building	ONEST Yokohama Nishiguchi Building	Yushima First Genesis Building
Acquisition date		October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013
Acquisition	Acquisition price (million yen)	7,350	3,264	3,110	2,751
	Composition ratio (%)	7.2	3.2	3.0	2.7
	Carrying amount (million yen)	6,513	3,186	3,108	2,660
	Value at end of period (million yen)	9,120	4,150	3,830	3,210
	Composition ratio (%)	7.7	3.5	3.3	2.7
Leasing	Total number of tenants	29	19	10	5
	Total leasable area (m ²)	5,261.34	5,629.48	4,326.68	2,950.22
	Leased area (m ²)	5,261.34	5,629.48	4,326.68	2,632.96
	Occupancy rate	100.0%	100.0%	100.0%	89.2%
Operating income (loss)	Number of days under management	184	184	184	184
	① Property-related operating revenue (thousand yen)	208,325	150,551	133,526	90,386
	Lease business revenue	199,089	143,914	121,664	83,671
	Other lease business revenue	9,236	6,636	11,861	6,714
	② Property-related operating expenses (thousand yen)	35,225	35,290	30,132	25,005
	Property management fees	13,324	14,725	9,065	7,229
	Utilities expenses	8,971	8,485	6,247	4,843
	Taxes and public dues	8,725	10,921	10,511	8,397
	Insurance premiums	214	227	148	133
	Repair expenses	3,988	430	3,659	3,900
	Other	—	500	500	500
	③ Leasing NOI (thousand yen)	173,100	115,261	103,393	65,381
	④ Depreciation (thousand yen)	64,580	26,207	13,715	14,026
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	108,519	89,053	89,678	51,354
	⑥ Capital expenditures (thousand yen)	567	1,733	4,767	16,774
	⑦ Leasing NCF [③-⑥] (thousand yen)	172,532	113,528	98,626	48,607

Property no.		OT-7	OT-8	OT-9	OT-10
Property name		ONEST Nakano Building	36 Sankyo Building	Minami-Shinagawa JN Building	Minami-Shinagawa N Building
Acquisition date		October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013
Acquisition	Acquisition price (million yen)	2,880	2,395	2,165	2,292
	Composition ratio (%)	2.8	2.3	2.1	2.2
	Carrying amount (million yen)	2,846	2,310	2,132	2,183
	Value at end of period (million yen)	3,400	2,770	2,134	2,420
	Composition ratio (%)	2.9	2.4	1.8	2.1
Leasing	Total number of tenants	7	3	20	19
	Total leasable area (m ²)	3,116.49	3,724.17	6,390.33	5,476.73
	Leased area (m ²)	3,116.49	3,724.17	6,390.33	5,476.73
	Occupancy rate	100.0%	100.0%	100.0%	100.0%
Operating income (loss)	Number of days under management	184	184	184	184
	① Property-related operating revenue (thousand yen)	114,778	84,255	133,036	111,748
	Lease business revenue	105,182	77,088	125,191	103,832
	Other lease business revenue	9,595	7,167	7,844	7,915
	② Property-related operating expenses (thousand yen)	26,167	20,115	70,696	38,309
	Property management fees	7,842	5,442	16,748	7,141
	Utilities expenses	6,909	5,709	20,537	7,429
	Taxes and public dues	7,826	7,535	9,598	9,178
	Insurance premiums	119	113	247	215
	Repair expenses	2,969	814	6,773	912
	Other	500	500	16,790	13,431
	③ Leasing NOI (thousand yen)	88,610	64,139	62,339	73,439
	④ Depreciation (thousand yen)	11,621	8,729	18,361	15,696
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	76,988	55,410	43,978	57,742
	⑥ Capital expenditures (thousand yen)	4,351	1,855	16,962	290
	⑦ Leasing NCF [③-⑥] (thousand yen)	84,259	62,284	45,376	73,149

Property no.		OT-11	OT-13	OT-14	OT-15
Property name		Minami-Shinagawa J Building	Hachioji SIA Building	ONEST Motoyoyogi Square	ONEST Ueno Okachimachi Building
Acquisition date		October 10, 2013	October 10, 2013	September 7, 2016	September 7, 2016
Acquisition	Acquisition price (million yen)	2,020	730	7,500	2,700
	Composition ratio (%)	2.0	0.7	7.3	2.6
	Carrying amount (million yen)	1,926	676	7,591	2,775
	Value at end of period (million yen)	2,440	865	8,580	2,950
	Composition ratio (%)	2.1	0.7	7.3	2.5
Leasing	Total number of tenants	12	12	9	13
	Total leasable area (m ²)	3,673.61	2,750.63	7,644.40	2,943.07
	Leased area (m ²)	3,673.61	2,750.63	7,644.40	2,943.07
	Occupancy rate	100.0%	100.0%	100.0%	100.0%
Operating income (loss)	Number of days under management	184	184	184	184
	① Property-related operating revenue (thousand yen)	102,796	43,025	242,853	90,622
	Lease business revenue	95,337	39,091	231,772	85,798
	Other lease business revenue	7,458	3,934	11,080	4,823
	② Property-related operating expenses (thousand yen)	29,339	19,788	47,259	21,911
	Property management fees	5,694	7,031	16,410	6,856
	Utilities expenses	6,900	4,882	13,274	6,081
	Taxes and public dues	5,658	4,534	16,234	7,218
	Insurance premiums	137	96	309	116
	Repair expenses	1,321	2,743	630	1,139
	Other	9,627	500	400	500
	③ Leasing NOI (thousand yen)	73,457	23,236	195,594	68,710
	④ Depreciation (thousand yen)	12,918	5,293	28,614	8,290
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	60,538	17,943	166,979	60,420
	⑥ Capital expenditures (thousand yen)	10,241	2,323	1,117	3,039
	⑦ Leasing NCF [③-⑥] (thousand yen)	63,215	20,912	194,476	65,670

Property no.		OT-16	OT-17	OT-18	OT-19
Property name		Daido Life Omiya Building	ONEST Ikebukuro East Building	Crescendo Building	Tokyo Parkside Building
Acquisition date		October 25, 2017	October 25, 2017	September 3, 2018	September 21, 2018
Acquisition	Acquisition price (million yen)	3,000	2,200	2,466	10,450
	Composition ratio (%)	2.9	2.2	2.4	10.2
	Carrying amount (million yen)	3,099	2,234	2,574	10,541
	Value at end of period (million yen)	3,250	2,360	2,540	11,300
	Composition ratio (%)	2.8	2.0	2.2	9.6
Leasing	Total number of tenants	15	7	30	13
	Total leasable area (m ²)	3,574.03	2,677.80	4,376.46	12,920.17
	Leased area (m ²)	3,574.03	2,677.80	4,376.46	11,949.68
	Occupancy rate	100.0%	100.0%	100.0%	92.5%
Operating income (loss)	Number of days under management	184	184	184	184
	① Property-related operating revenue (thousand yen)	113,084	69,575	87,339	363,321
	Lease business revenue	105,212	64,411	75,748	327,868
	Other lease business revenue	7,872	5,163	11,591	35,452
	② Property-related operating expenses (thousand yen)	26,005	14,659	29,267	87,794
	Property management fees	9,810	6,010	10,286	29,555
	Utilities expenses	6,115	3,059	9,335	34,904
	Taxes and public dues	6,911	4,740	7,312	19,154
	Insurance premiums	159	89	135	506
	Repair expenses	2,557	259	1,697	3,023
	Other	450	500	500	650
	③ Leasing NOI (thousand yen)	87,079	54,915	58,072	275,526
	④ Depreciation (thousand yen)	12,584	7,121	7,683	27,915
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	74,494	47,794	50,389	247,610
	⑥ Capital expenditures (thousand yen)	37,716	—	19,128	50,367
	⑦ Leasing NCF [③-⑥] (thousand yen)	49,362	54,915	38,944	225,159

Property no.		OT-20	OO-1	OO-2	OO-3
Property name		ONEST Nishi-Gotanda Square	ONEST Shin-Osaka Square	Karasuma Plaza 21	ONEST Nagoya Nishiki Square
Acquisition date		October 31, 2019	October 10, 2013	October 10, 2013	October 10, 2013
Acquisition	Acquisition price (million yen)	4,500	4,612	3,700	2,381
	Composition ratio (%)	4.4	4.5	3.6	2.3
	Carrying amount (million yen)	4,754	4,267	3,867	2,333
	Value at end of period (million yen)	5,130	6,290	4,000	3,550
	Composition ratio (%)	4.4	5.3	3.4	3.0
Leasing	Total number of tenants	10	28	12	5
	Total leasable area (m ²)	4,249.38	9,418.89	8,893.59	5,801.80
	Leased area (m ²)	4,185.84	9,418.89	8,893.59	5,801.80
	Occupancy rate	98.5%	100.0%	100.0%	100.0%
Operating income (loss)	Number of days under management	184	184	184	184
	① Property-related operating revenue (thousand yen)	117,827	214,476	206,775	134,440
	Lease business revenue	114,200	192,546	195,185	117,872
	Other lease business revenue	3,626	21,929	11,589	16,567
	② Property-related operating expenses (thousand yen)	39,597	64,040	73,472	33,456
	Property management fees	15,459	19,383	27,641	10,456
	Utilities expenses	5,651	19,674	13,262	9,899
	Taxes and public dues	10,028	15,642	26,657	10,199
	Insurance premiums	217	328	328	210
	Repair expenses	7,739	8,510	5,083	2,189
	Other	500	500	500	500
	③ Leasing NOI (thousand yen)	78,230	150,435	133,302	100,984
	④ Depreciation (thousand yen)	10,011	35,072	25,550	22,080
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	68,219	115,363	107,752	78,903
	⑥ Capital expenditures (thousand yen)	81,195	19,826	28,036	7,439
	⑦ Leasing NCF [③-⑥] (thousand yen)	(2,965)	130,609	105,265	93,545

Property no.		OO-4	OO-5	OO-6	OO-7
Property name		MY Kumamoto Building	Nagoya Fushimi Square Building	Daihakata Building	Higobashi Center Building
Acquisition date		October 10, 2013	September 7, 2016	October 25, 2017	September 21, 2018
Acquisition	Acquisition price (million yen)	1,152	4,812	10,650	8,930
	Composition ratio (%)	1.1	4.7	10.4	8.7
	Carrying amount (million yen)	1,071	4,824	10,683	8,998
	Value at end of period (million yen)	1,300	5,220	11,800	10,300
	Composition ratio (%)	1.1	4.4	10.0	8.7
Leasing	Total number of tenants	18	46	63	59
	Total leasable area (m ²)	3,755.94	8,422.41	15,430.32	15,935.17
	Leased area (m ²)	3,676.40	8,422.41	15,157.47	15,740.78
	Occupancy rate	97.9%	100.0%	98.2%	98.8%
Operating income (loss)	Number of days under management	184	184	184	184
	① Property-related operating revenue (thousand yen)	74,841	189,817	407,612	367,369
	Lease business revenue	68,770	179,062	382,025	335,562
	Other lease business revenue	6,070	10,755	25,587	31,807
	② Property-related operating expenses (thousand yen)	21,778	51,179	146,742	116,046
	Property management fees	8,433	16,145	46,576	34,559
	Utilities expenses	6,917	12,033	41,262	38,802
	Taxes and public dues	4,744	17,811	51,455	32,945
	Insurance premiums	134	373	738	629
	Repair expenses	1,048	4,316	6,058	8,459
	Other	500	500	650	650
	③ Leasing NOI (thousand yen)	53,063	138,637	260,870	251,323
	④ Depreciation (thousand yen)	13,757	20,922	34,714	25,637
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	39,306	117,714	226,156	225,685
	⑥ Capital expenditures (thousand yen)	837	7,232	7,797	29,101
	⑦ Leasing NCF [③-⑥] (thousand yen)	52,225	131,404	253,073	222,221

Property no.		R-1	OT-12	Total
Property name		fab Minami-Osawa	MY Atsugi Building (Note)	
Acquisition date		October 10, 2013	October 10, 2013	—
Acquisition	Acquisition price (million yen)	4,250	—	102,260
	Composition ratio (%)	4.2	—	100.0
	Carrying amount (million yen)	3,979	—	101,142
	Value at end of period (million yen)	4,810	—	117,719
	Composition ratio (%)	4.1	—	100.0
Leasing	Total number of tenants	14	—	478
	Total leasable area (m ²)	8,409.23	—	157,752.34
	Leased area (m ²)	8,409.23	—	155,854.27
	Occupancy rate	100.0%	—	98.8%
Operating income (loss)	Number of days under management	184	2	—
	① Property-related operating revenue (thousand yen)	173,436	677	4,026,502
	Lease business revenue	144,030	592	3,714,724
	Other lease business revenue	29,406	85	311,777
	② Property-related operating expenses (thousand yen)	60,867	251	1,164,398
	Property management fees	23,783	104	375,718
	Utilities expenses	23,725	72	324,990
	Taxes and public dues	7,679	52	321,679
	Insurance premiums	187	16	6,135
	Repair expenses	4,991	—	85,219
	Other	500	5	50,654
	③ Leasing NOI (thousand yen)	112,568	426	2,862,103
	④ Depreciation (thousand yen)	24,485	2,346	497,939
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	88,083	(1,920)	2,364,164
	⑥ Capital expenditures (thousand yen)	37,942	—	390,647
	⑦ Leasing NCF [③-⑥] (thousand yen)	74,626	426	2,471,455

(Note) MY Atsugi Building was sold on March 3, 2020.

(2) Status of Capital Expenditures

1) Schedule of Capital Expenditures

The following is the major capital expenditures arising from renovation work, etc. planned for the 15th fiscal period (ending February 2021) for real estate and real estate in trust for real estate trust beneficiary rights held by One REIT. Part of the expected cost of work may be categorized under expenses in accounting in the end.

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
Higobashi Center Building	Osaka-shi, Osaka	Renovation of external wall (Phase I of two-phase work)	From: May 1, 2020 To: January 28, 2021	151,500	—	—
Higobashi Center Building	Osaka-shi, Osaka	Renovation of external wall (Phase II of two-phase work)	From: November 1, 2020 To: January 31, 2021	151,500	—	—
Tokyo Parkside Building	Koto-ku, Tokyo	Upgrading of air-conditioning system on the 14th floor	From: August 30, 2020 To: November 30, 2020	21,765	—	—
Karasuma Plaza 21	Kyoto-shi, Kyoto	Expenses for responding to tenants	From: July 1, 2020 To: September 30, 2020	20,200	—	—
Karasuma Plaza 21	Kyoto-shi, Kyoto	Replacement of chain guide rail at No. 2 multistory parking	From: December 1, 2020 To: February 28, 2021	20,144	—	—
Higobashi Center Building	Osaka-shi, Osaka	Upgrading of air-handling unit (systems for management-related offices/hallway and EV halls on the B1 to 2nd floors)	From: August 11, 2020 To: November 10, 2020	19,695	—	—
Higobashi Center Building	Osaka-shi, Osaka	Upgrading of packaged air-conditioner (individual air-conditioning system) (Phase IV of eight-phase work)	From: July 21, 2020 To: October 20, 2020	19,089	—	—
Nagoya Fushimi Square Building	Nagoya-shi, Aichi	Renovation of external wall (south side)	From: June 16, 2020 To: September 15, 2020	17,372	—	—
Daido Life Omiya Building	Saitama-shi, Saitama	Repair of parts with C-level finding (requiring correction/improvement) at No. 1 and 2 automated parking facilities	From: November 1, 2020 To: January 31, 2021	17,337	—	—
Tokyo Parkside Building	Koto-ku, Tokyo	Upgrading of panel (Phase II of two-phase work) and replacement of detectors for automatic fire alarm system	From: September 1, 2020 To: November 30, 2020	15,200	—	—
Minami-Shinagawa JN Building	Shinagawa-ku, Tokyo	External wall repair to qualify as a specified building (north side)	From: December 1, 2020 To: February 28, 2021	13,231	—	—

2) Capital Expenditures during the Fiscal Period

The following is the summary of properties which had major work that constitutes capital expenditures implemented during the fiscal period under review (the fiscal period ended August 2020). Capital expenditures for the fiscal period under review amounted to 390,647 thousand yen for the entire portfolio; and when combined with 85,219 thousand yen recorded under repair expenses, the total amount of work implemented comes to 475,867 thousand yen.

Name of real estate, etc.	Location	Purpose	Period	Cost of work (thousand yen)
ONEST Nishi-Gotanda Square	Shinagawa-ku, Tokyo	Renovation of external wall	From: February 27, 2020 To: May 28, 2020	35,244
ONEST Nishi-Gotanda Square	Shinagawa-ku, Tokyo	Renewal of the 1st floor	From: June 20, 2020 To: August 31, 2020	27,318
Karasuma Plaza 21	Kyoto-shi, Kyoto	Replacement of main chain at No. 1 multistory parking (Phase I of four-phase work)	From: June 29, 2020 To: July 27, 2020	26,663
Tokyo Parkside Building	Koto-ku, Tokyo	Upgrading of air-conditioning system on the 13th floor	From: June 1, 2020 To: July 21, 2020	24,451
fab Minami-Osawa	Hachioji-shi, Tokyo	Upgrading of fire alarm system	From: February 10, 2020 To: June 30, 2020	22,790
Daido Life Omiya Building	Saitama-shi, Saitama	Renewal of elevator control system	From: May 10, 2020 To: June 25, 2020	18,920
ONEST Shin-Osaka Square	Osaka-shi, Osaka	Upgrading of security system	From: December 20, 2019 To: March 31, 2020	17,978
Daido Life Omiya Building	Saitama-shi, Saitama	Upgrading of air-conditioning system on the 6th and 7th floors	From: August 1, 2020 To: August 31, 2020	17,442
Crescendo Building	Yokohama-shi, Kanagawa	Renovation of elevator	From: June 15, 2020 To: July 31, 2020	17,012
Higobashi Center Building	Osaka-shi, Osaka	Upgrading of packaged air-conditioner (individual air-conditioning system) (Phase III of eight-phase work)	From: July 4, 2020 To: August 21, 2020	16,142
Tokyo Parkside Building	Koto-ku, Tokyo	Upgrading of panel (Phase I of two-phase work) and replacement of receiver for automatic fire alarm system	From: June 1, 2020 To: August 31, 2020	15,200
Higobashi Center Building	Osaka-shi, Osaka	Upgrading of air handling unit (northern system on the 18th floor)	From: March 1, 2020 To: April 14, 2020	12,315
Minami-Shinagawa JN Building	Shinagawa-ku, Tokyo	External wall repair to qualify as a specified building (south side)	From: May 9, 2020 To: August 17, 2020	10,361
Others				128,807
Total				390,647

(3) Borrowing Status

The following is the status of borrowing of funds from each financial institution as of August 31, 2020.

The following is the status of borrowing of funds from each financial institution as of August 31, 2020.									
	Term	Drawdown date	Balance at beginning of period	Balance at end of period	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
	Lenders		(thousand yen)	(thousand yen)					
Current portion of long-term borrowings	Mizuho Trust & Banking Co., Ltd.	Sep. 7, 2016	400,000	400,000	0.69593	Sep. 7, 2020	Lump-sum repayment on the maturity date	(Note 2)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		400,000	400,000					
	Sumitomo Mitsui Banking Corporation		250,000	250,000					
	Shinsei Bank Limited		500,000	500,000					
	Resona Bank, Limited		200,000	200,000					
	The Mie Bank, Ltd.		175,000	175,000					
	The Bank of Fukuoka, Ltd.		50,000	50,000					
	Mizuho Trust & Banking Co., Ltd.	Sep. 7, 2016	3,199,000	3,199,000	0.69593	Sep. 7, 2020	Lump-sum repayment on the maturity date	(Note 3)	
	Mizuho Bank, Ltd.		3,150,000	3,150,000					
	Shinsei Bank Limited		1,500,000	1,500,000					
	Resona Bank, Limited		300,000	300,000					
	Mizuho Trust & Banking Co., Ltd.	Oct. 25, 2017	135,000	33,750	0.46258	Sep. 7, 2020 (Note 4)	(Note 4)	(Note 2)	
	Mizuho Bank, Ltd.		135,000	33,750					
	Sumitomo Mitsui Banking Corporation		2,500,000	625,000					
	Aozora Bank, Ltd.		375,000	93,750					
	Resona Bank, Limited		365,000	91,250					
	The Mie Bank, Ltd.		240,000	60,000					
	The Bank of Fukuoka, Ltd.		250,000	62,500					
	Total			14,124,000	11,124,000				
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	Oct. 25, 2017	182,500	182,500	0.56720 (Note 5)	Sep. 7, 2021	Lump-sum repayment on the maturity date	(Note 2)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		182,500	182,500					
	Sumitomo Mitsui Banking Corporation		3,750,000	3,750,000					
	Aozora Bank, Ltd.		562,500	562,500					
	Resona Bank, Limited		567,500	567,500					
	The Mie Bank, Ltd.		380,000	380,000					
	The Bank of Fukuoka, Ltd.		375,000	375,000					
	Mizuho Trust & Banking Co., Ltd.	Oct. 25, 2017	182,500	182,500	0.62750 (Note 5)	Sep. 7, 2022	Lump-sum repayment on the maturity date		
	Mizuho Bank, Ltd.		182,500	182,500					
	Sumitomo Mitsui Banking Corporation		3,750,000	3,750,000					
	Aozora Bank, Ltd.		562,500	562,500					
	Resona Bank, Limited		567,500	567,500					
	The Mie Bank, Ltd.		380,000	380,000					
	The Bank of Fukuoka, Ltd.		375,000	375,000					
	Mizuho Trust & Banking Co., Ltd.	Sep. 21, 2018	275,000	275,000	0.51253	Sep. 7, 2023	Lump-sum repayment on the maturity date		
	Mizuho Bank, Ltd.		275,000	275,000					
	Sumitomo Mitsui Banking Corporation		250,000	250,000					
	Shinsei Bank Limited		250,000	250,000					
	Resona Bank, Limited		175,000	175,000					
Aozora Bank, Ltd.	162,500		162,500						
The Bank of Fukuoka, Ltd.	162,500		162,500						
The Nishi-Nippon City Bank, Ltd.	150,000		150,000						

	Term	Drawdown date	Balance at beginning of period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
	Lenders								
Long-term borrowings	The Chugoku Bank, Limited	Sep. 21, 2018	150,000	150,000	0.51253	Sep. 7, 2023	Lump-sum repayment on the maturity date	(Note 2)	Unsecured Unguaranteed
	Bank of Kyoto, Ltd.		75,000	75,000					
	Nippon Life Insurance Company		75,000	75,000					
	Mizuho Trust & Banking Co., Ltd.	Sep. 21, 2018	825,000	825,000	0.67200 (Note 5)	Sep. 7, 2023	Lump-sum repayment on the maturity date	(Note 2)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		825,000	825,000					
	Sumitomo Mitsui Banking Corporation		750,000	750,000					
	Shinsei Bank Limited		750,000	750,000					
	Resona Bank, Limited		525,000	525,000					
	Aozora Bank, Ltd.		487,500	487,500					
	The Bank of Fukuoka, Ltd.		487,500	487,500					
	The Nishi-Nippon City Bank, Ltd.		450,000	450,000					
	The Chugoku Bank, Limited		450,000	450,000					
	Bank of Kyoto, Ltd.		225,000	225,000					
	Nippon Life Insurance Company		225,000	225,000					
	Mizuho Trust & Banking Co., Ltd.	Sep. 9, 2019	837,500	837,500	0.51000 (Note 5)	Sep. 7, 2024	Lump-sum repayment on the maturity date	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		837,500	837,500					
	Sumitomo Mitsui Banking Corporation		375,000	375,000					
	Shinsei Bank Limited		1,500,000	1,500,000					
	Resona Bank, Limited		450,000	450,000					
	Mizuho Trust & Banking Co., Ltd.	Sep. 9, 2019	2,050,000	2,050,000	0.75000 (Note 5)	Sep. 7, 2026	Lump-sum repayment on the maturity date	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		2,050,000	2,050,000					
	Sumitomo Mitsui Banking Corporation		375,000	375,000					
	Shinsei Bank Limited		1,500,000	1,500,000					
	Resona Bank, Limited		450,000	450,000					
	The Bank of Fukuoka, Ltd.		150,000	150,000					
	The Mie Bank, Ltd.		525,000	525,000					
	The Nishi-Nippon City Bank, Ltd.		700,000	700,000					
	Bank of Kyoto, Ltd.		700,000	700,000					
	Nippon Life Insurance Company		700,000	700,000					
	Subtotal		33,200,000	33,200,000					
	Total		47,324,000	44,324,000					

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

(Note 2) 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 3) The funds are allotted to part of the funds for repaying existing borrowings.

(Note 4) Part of the principal (3,000,000 thousand yen) was prepaid on August 31, 2020, and the remaining balance of principal was repaid on September 7, 2020.

(Note 5) 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.