

Global One Real Estate Investment Corp.

Summary of Financial Results for the Six-Month Period Ended March 2022

19 May 2022

REIT Issuer:	Global One Real Estate Investment Corp.
Stock Exchange Listing:	Tokyo Stock Exchange
Securities code:	8958
Website:	https://www.go-reit.co.jp/en/
Representative:	Akio Uchida, Executive Director
Asset Manager:	Global Alliance Realty Co., Ltd.
Representative:	Kenji Kojo, President
Contact:	Gen Yamazaki, General Manager REIT Finance Department Tel: +81-3-3262-1494
Scheduled date for filing of securities report:	29 June 2022
Scheduled date for dividends payments:	15 June 2022
Explanatory material to be prepared:	Yes
Analyst meeting to be convened:	Yes

- Amounts of less than one million yen are rounded down.

1. Financial summary for the six-month period ended March 2022 (1 October 2021 – 31 March 2022)

(1) Earning Position

(Percentages indicate rate of change from previous six-month period)

	Operating revenue		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six-month period ended March 2022	5,655	-1.8	2,644	-3.5	2,255	-4.2	2,254	-4.2
Six-month period ended Sept 2021	5,759	1.2	2,740	0.1	2,353	0.1	2,352	0.1

	Net income per unit	Ratio of net income to net assets	Ordinary profit to total assets	Ordinary profit to operating revenue
	Yen	%	%	%
Six-month period ended March 2022	2,358	2.3	1.1	39.9
Six-month period ended Sept 2021	2,446	2.4	1.2	40.9

(Note) Net income per unit is calculated by dividing net income by the weighted average number of investment units based on the number of days (961,884 units for the six-month period ended September 2021 and 955,998 units for the six-month period ended March 2022).

(2) Dividend distributions

	Dividend per unit (excluding dividends in excess of profit)	Total dividends (excluding dividends in excess of profit)	Dividend in excess of profit per unit	Total dividends in excess of profit
	Yen	Million yen	Yen	Million yen
Six-month period ended March 2022	2,411	2,288	—	—
Six-month period ended Sept 2021	2,446	2,352	—	—
	Payout ratio	Dividend ratio to net assets		
	%	%		
Six-month period ended March 2022	101.5	2.4		
Six-month period ended Sept 2021	100.0	2.4		

(*1) Payout ratio is calculated using the following formula:

$$\text{Payout ratio} = \text{Total dividends (excluding dividends in excess of profit)} / \text{Net income} \times 100$$

(*2) Dividend for the six-month period ended March 2022 is calculated by adding reversal of reserve for reduction entry (33 million yen) to unappropriated retained earnings, and dividing the amount by the number of investment units issued.

(3) Financial position

	Total assets	Net assets	Net assets to total assets	Net assets per unit
	Million yen	Million yen	%	Yen
Six-month period ended March 2022	198,819	95,208	47.9	100,325
Six-month period ended Sept 2021	200,776	96,806	48.2	100,642

(4) Cash flows

	CF from operating activities	CF from investing activities	CF from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Six-month period ended March 2022	3,084	525	-4,177	9,726
Six-month period ended Sept 2021	3,349	-442	-2,369	10,292

2. Earnings forecasts for the six-month period ending September 2022 (1 April 2022 – 30 September 2022) and earnings forecasts for the six-month period ending March 2023 (1 October 2022 – 31 March 2023)

(Percentages indicate rate of change from previous six-month period)

	Operating revenue		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six-month period ending Sept 2022	5,674	0.3	2,691	1.8	2,304	2.2	2,302	2.1
Six-month period ending March 2023	5,564	-1.9	2,617	-2.7	2,230	-3.2	2,229	-3.2

	Dividend per unit (excluding dividends in excess of profit)		Dividend in excess of profit per unit	
	Yen		Yen	
Six-month period ending Sept 2022	2,426		—	
Six-month period ending March 2023	(*)2,400		—	
(Reference)			Six-month period ending Sept 2022	Six-month period ending March 2023
Projected net income per unit			2,426 yen	2,349 yen

(*) Dividend per unit is calculated on the premise that the distribution will be made by applying net income plus 47 million yen of the reserve for reduction entry.

*Others

(1) Changes in accounting policies, changes in accounting estimates and restatements of revisions		
(a) Changes in accounting policies due to amended Accounting Standards		None
(b) Changes in accounting policies due to other factors		None
(c) Changes in accounting estimates		None
(d) Restatements of revisions		None
(2) Number of units issued and outstanding		
(a) Number of units issued and outstanding at the end of the period (including own units):		
For the six-month period ended March 2022	948,996	
For the six-month period ended September 2021	961,884	
(b) Number of own units at the end of the period:		
For the six-month period ended March 2022	0	
For the six-month period ended September 2021	0	

*This Summary of Financial Results is not subject to audit procedures by a certified public accountant or an audit firm.

* Special notes

(Forward-looking Statements)

Forward-looking statements in this presentation (i.e., earnings forecasts) are based on information currently available and certain assumptions GOR believes reasonable. Actual results may differ materially from the forward-looking statements in this presentation due to various factors. The forecasts contained in this document are "current" as of the date of this release, based on the assumptions on page 11 ("Assumptions underlying earnings forecasts for the six-month period ending September 2022 (the 38th Period) and the six-month period ending March 2023 (the 39th Period)"). Actual results (i.e., operating revenue, operating profit, ordinary profit, net income, dividend per unit) may differ depending on various factors. The forecasts do not guarantee the amounts of future dividends.

1. Operation results

(1) Operation results

I. Overview of the six-month period ended March 2022 (the “37th Period”)

A. Historical background

- 16 April 2003: Global One Real Estate Investment Corp. (“GOR”) was established by Global Alliance Realty Co., Ltd. (“GAR”) as a J-REIT under the Act on Investment Trusts and Investment Corporations of Japan (the “Investment Trusts Act”). The total investment amount was 200 million yen, or 400 units, at the time of incorporation.
- 28 May 2003: Corporate registration was completed with the Kanto Local Finance Bureau (Registration No. 20, granted by the Director-General of the Kanto Local Finance Bureau).
- 25 September 2003: GOR achieved an IPO on the Real Estate Investment Trust Section of the Tokyo Stock Exchange (Securities Code: 8958) where an additional 48,000 units were issued and 23,623 million yen in funds were raised.

GOR has completed its accounting closing for the 37th Period.

B. Investment environment and operation results

<Investment environment>

In the 37th Period, although the Japanese economy continued to move towards recovery, some sections saw weakness with the severe situation due to COVID-19 still remaining.

In the office building rental market, while vacancies arose due to office consolidation and partial cancellations in addition to secondary vacancies, the number of relatively large relocations for expansion, better location and improving building grades have been increasing. Partly due to such, the vacancy rate, which had continued to increase, has remained almost flat after peaking in around fall 2021 and settled down. Although the downward trend of asking rents has continued, the rate of decrease has slowed as a result of the current improvement trend in vacancy rates.

In the office building transaction market, amid the ongoing favourable funding environment, the investment appetite of domestic as well as foreign investors remains robust. Since information on Class A office buildings for sale is still limited, competition over property acquisitions is severe and transaction prices remain high.

Going forward, GOR will pay utmost attention to rental market conditions, the trend of the real estate transaction market, and changes in the financial environment.

<Operation results>

(a) Acquisitions and sales in portfolio

The 1st Period (initial accounting period ended March 2004)

On 26 September 2003: Acquired Sphere Tower Tennoz, Kintetsu Omori Building, and Kintetsu Shin-Nagoya Building with a total acquisition price of 39,753 million yen.

On 25 December 2003: Acquired Otemachi First Square (sectional ownership, approximately 9.1% of the dedicated area, with an acquisition price of 23,495 million yen).

The 3rd Period (six-month period ended March 2005)

On 1 October 2004: Sold Kintetsu Omori Building.

On 29 March 2005: Acquired Ginza First Building (sectional ownership, approximately 92.1% of the dedicated area, with an acquisition price of 12,282 million yen).

The 5th Period (six-month period ended March 2006)

On 21 October 2005: Acquired Rakuten Crimson House Aoyama, with an acquisition price of 35,000 million yen.

The 8th Period (six-month period ended September 2007)

On 25 April 2007: Acquired Meiji Yasuda Life Insurance Saitama-Shintoshin Building (50% of co-ownership interest with an acquisition price of 22,700 million yen).

The 9th Period (six-month period ended March 2008)

On 2 October 2007: Sold part of interest in Sphere Tower Tennoz (trust beneficial interest in real estate (33% quasi co-ownership)).

On 31 January 2008: Acquired Yodoyabashi Flex Tower with an acquisition price of 7,834 million yen.

The 15th Period (six-month period ended March 2011)

On 1 March 2011: Acquired Hirakawacho Mori Tower (sectional ownership, approximately 26.2% of ownership interest, with an acquisition price of 18,200 million yen).

The 19th Period (six-month period ended March 2013)

On 20 November 2012: Acquired ARK Hills Sengokuyama Mori Tower (sectional ownership, approximately 5.6% of ownership interest, with an acquisition price of 8,423 million yen).

The 21st Period (six-month period ended March 2014)

On 20 December 2013: Sold all the remaining interest in Sphere Tower Tennoz.

On 27 March 2014: Sold part of interest (67% co-ownership interest) in Kintetsu Shin-Nagoya Building.

On 28 March 2014: Acquired Arca Central (sectional ownership, approximately 56.1% of ownership interest, with an acquisition price of 15,031 million yen).

The 22nd Period (six-month period ended September 2014)

On 30 May 2014: Acquired additional ownership interest in Arca Central (sectional ownership, approximately 1.7% of ownership interest, with an acquisition price of 360 million yen).

On 1 August 2014: Acquired Yokohama Plaza Building (ownership with an acquisition price of 17,950 million yen).

The 23rd Period (six-month period ended March 2015)

On 9 October 2014: Sold all the remaining interest in the Kintetsu Shin-Nagoya Building.

The 27th Period (six-month period ended March 2017)

On 24 March 2017: Acquired Shinagawa Seaside West Tower (trust beneficial interest in real estate (50% quasi co-ownership)), with an acquisition price of 12,000 million yen), and Meiji Yasuda Life Insurance Osaka Midosuji Building (50% of co-ownership interest with an acquisition price of 9,200 million yen).

The 32nd Period (six-month period ended September 2019)

On 18 April 2019: Acquired Toyosu Prime Square (trust beneficial interest in real estate (50% quasi co-ownership), with an acquisition price of 21,000 million yen) and sold all the interest in Ginza First Building.

The 37th Period (six-month period ended March 2022)

No acquisition or sale was performed in the six-month period ended March 2022.

(b) Portfolio performance

As of 31 March 2022, the GOR portfolio includes 11 office buildings. The total acquisition price accounts for 191,194 million yen with a total leasable area of 131,843.76 sqm. The overall occupancy rate of the GOR portfolio stands at 98.0% as of the end of the 37th Period.

The following shows the portfolio leasing status over the last year (through the end of March 2022):

As of the end of		Number of properties	Number of tenants (*1)	Total leasable area (sqm)	Occupancy rate (%) (*2)
April	2021	11	195	(*3) 131,843.29	96.7
May	2021	11	193	131,843.29	96.6
June	2021	11	191	131,843.29	96.4
July	2021	11	192	131,843.29	96.7
August	2021	11	192	(*4) 131,843.76	96.6
September	2021	11	191	131,843.76	96.3
October	2021	11	191	131,843.76	95.2
November	2021	11	191	131,843.76	95.2
December	2021	11	191	131,843.76	94.9
January	2022	11	193	131,843.76	95.6
February	2022	11	193	131,843.76	97.3
March	2022	11	194	131,843.76	98.0

(*1) A tenant who leases more than one space within the portfolio is counted as one tenant.

(*2) "Occupancy rate" is calculated by dividing the total leased area by the total leasable area and is rounded off to the first decimal place.

(*3) Total leasable area decreased by 331.23 sqm as part of the leased space was regarded as common use area at Meiji Yasuda Life Insurance Saitama-Shintoshin Building.

(*4) Total leasable area increased by 0.47 sqm as a result of the recalculation of leased area due to the move-out of tenants at Meiji Yasuda Life Insurance Osaka Midosuji Building.

C. Financing activities

In order to procure funds, GOR may borrow funds and issue investment corporation bonds, as well as issue investment units. With regard to interest-bearing liabilities, GOR makes it a principle to borrow long-term loans with fixed interest rates from the perspective of managing assets over the long term and reducing the risk of fluctuation in interest rates in the future.

During the period under review, GOR decided on 4 February 2022 to issue fresh bonds, as described below, in order to repay the Series No. 8 unsecured bonds (3,000 million yen) that expired 25 February 2022. The payment was completed on 25 February 2022.

<Series No. 15 unsecured bonds>

Name of bond	Series No. 15 unsecured bonds (with pari passu clause) (Green Bonds)
Issue amount	2,700 million yen
Issuance price	100 yen per 100 yen face value
Interest rate	0.47% per annum
Date of issuance	25 February 2022
Collateral/guarantee	The bonds were issued on an unsecured and unguaranteed basis with no specific assets reserved.
Redemption date and method	The total amount to be redeemed on 25 February 2032. The investment corporation bonds may be repurchased and cancelled at any time after the date of payment unless otherwise specified by the transfer agent.
Ratings	AA- (Japan Credit Rating Agency, Ltd.)

In addition, GOR borrowed 6,000 million yen on 31 March 2022 to execute repayment of existing loans of 6,000 million yen due for repayment on 31 March 2022.

As of 31 March 2022, unitholders' capital (net amount) was 92,401 million yen, the total number of units issued and outstanding was 948,996, the unpaid loan balance was 75,500 million yen, and the total balance of investment corporation bonds issued and outstanding was 18,700 million yen.

GOR's credit rating status as of 31 March 2022 is as follows:

Rating agencies	Rating descriptions
Japan Credit Rating Agency, Ltd.	Long-term Issuer Rating: AA-
	Outlook: Stable
	Bond: AA-

D. Financial results and dividend distributions

GOR recorded operating revenue of 5,655 million yen, operating profit of 2,644 million yen, ordinary profit of 2,255 million yen, and net income of 2,254 million yen for the 37th Period.

Regarding dividends, while anticipating the application of tax exemption (under Article 67-15 of the Act on Special Measures Concerning Taxation) that will allow profit distributions to become tax deductible, GOR decided to distribute 2,288 million yen, which is the amount of unappropriated retained earnings after adding 33 million yen of reversal of reserve for reduction entry. As a result, dividend per unit is 2,411 yen.

Furthermore, having considered the level of investment unit price, status of cash on hand, financial status, the market environment and other factors in a comprehensive manner, GOR

has acquired own investment units through market purchase at the Tokyo Stock Exchange based on a discretionary transaction contract concluded with a securities company and implemented retirement of all the acquired units in the 37th Period for the purpose of increasing capital efficiency and return of profits to unitholders. Total number of investment units acquired and retired during the 37th Period was 12,888 units (1.3% of total number of investment units issued as of before the acquisition and retirement) and the total acquisition price was 1,499 million yen, leading dividend per unit to increase by 30 yen through the acquisition and retirement of own investment units.

II. Outlook of the next six-month period ending September 2022

A. Basic policies

GOR manages and operates its portfolio properties consisting primarily of real estate and other assets (real estate, leasehold rights to real estate or surface rights or beneficial interests of trusts in which only these assets are entrusted among the assets as set forth in Article 105 paragraph 1 of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations of Japan) for investment purposes in accordance with Articles 2 and 20 of “the Articles of Incorporation” and “Management Target and Policies” provided in its attachment. GOR manages the assets held by GOR (“Assets Under Management”) from a medium- to long-term viewpoint with the aim of achieving steady growth of the Assets Under Management and securing stable income.

GOR and its asset manager GAR together look to realize “maximization of unitholder value,” not only from a real estate investment and asset management perspective but also from a financial management perspective.

B. Portfolio strategies

GOR aims to achieve the steady growth of its assets and secure stable profits from a medium- to long-term perspective, operate its finances in a secure manner, and manage its assets with the goal of “maximization of unitholder value”. Specifically, GOR pursues portfolio strategies with a focus on the following points:

- (a) Aiming to invest mainly in superior properties that have a competitive edge and advantages to stand out in the market, keeping the key words of “*closer*,” “*newer*” and “*larger*” in mind

GOR places importance on investing in properties that have medium- to long-term competitiveness. This is based on the premise that such properties have advantages that make them an attractive option and are more likely to be chosen by tenants. GOR carefully searches for and invests in superior properties bearing advantages over rivals and medium- to long-term competitiveness under the criteria of “*closer*” (i.e., conveniently situated), “*newer*” (recently built) and “*larger*” (large-sized).

- (b) Strict selection of investment targets with the aim of striking the right balance between the quality of assets and the pace of growth

As described above, GOR is strict in selecting superior properties to invest in, but admittedly, there are only so many opportunities for investment in said properties, and such properties cannot be acquired as easily as regular properties. GOR believes there exists the risk that investment at fair prices may become impossible under a market climate with signs of overheating in transaction prices. As such, in seeking to achieve steady growth in asset value, GOR expects to see the pace of growth change along the way, alternating between phases of relatively gradual growth and rapid growth. Therefore, GOR's approach is to take utmost care and avoid focusing too much on the pace of asset growth and investing in properties that may undermine the principle of “maximization of unitholder value,” strike the right balance between quality of assets and the pace of growth,

and acquire properties on the premise of holding them over the medium to long term. It must be noted, however, that GOR may sell properties when it decides that doing so will contribute to achieving “maximization of unitholder value” after comprehensively studying the current real estate market, characteristics of the property, and status of the portfolio.

- (c) Seeking to maintain high occupancy rates and maintain or increase rental revenues while at the same time managing and operating properties in ways that help achieve the right balance between the maintenance of the quality of property management and operations and cost reduction

GOR strives to maintain and build on relationships of mutual trust with tenants and enhance its services to boost tenant satisfaction, and, by doing so, seeks to maintain high occupancy rates and maintain or increase rental revenues. At the same time, GOR aims to constantly manage its properties in ways that optimize the balance between efforts to maintain the quality of property management and operations and reducing costs, in order to optimize property management costs while ensuring tenant satisfaction.

C. Material matters after the account closing

N/A

D. Earnings forecasts

Earnings for the six-month period ending September 2022 (The 38th Period: 1 April 2022 – 30 September 2022) and the six-month period ending March 2023 (The 39th Period: 1 October 2022 – 31 March 2023) are forecasted as follows:

Concerning assumptions for the 38th Period and the 39th Period, please see the following items: “Assumptions underlying earnings forecasts for the six-month period ending September 2022 (the 38th Period) and the six-month period ending March 2023 (the 39th Period)”

Earnings forecasts for the six-month period ending September 2022
(The 38th Period: 1 April 2022 – 30 September 2022)

Operating revenue	5,674	million yen
Operating profit	2,691	million yen
Ordinary profit	2,304	million yen
Net income	2,302	million yen
Dividend per unit	2,426	yen
Dividend in excess of profit per unit	—	yen

Earnings forecasts for the six-month period ending March 2023
(The 39th Period: 1 October 2022 – 31 March 2023)

Operating revenue	5,564	million yen
Operating profit	2,617	million yen
Ordinary profit	2,230	million yen
Net income	2,229	million yen
Dividend per unit (*2)	2,400	yen
Dividend in excess of profit per unit	—	yen

(*1) The above figures are “current,” based on the assumptions in the following pages. Actual results (i.e., operating revenue, operating profit, ordinary profit, net income, dividend per unit) may differ depending on various factors. The above forecasts do not guarantee the amounts of future dividends.

(*2) Dividend per unit is calculated on the premise that the distribution will be made by applying net income (2,349 yen per unit) plus 47 million yen of the reserve for reduction entry.

Assumptions underlying earnings forecasts for the six-month period ending September 2022 (the 38th Period) and the six-month period ending March 2023 (the 39th Period)

Items	Assumptions
Accounting period	The 38th Period: 1 April 2022 - 30 September 2022 (183 days) The 39th Period: 1 October 2022 - 31 March 2023 (182 days)
Operating assets	<ul style="list-style-type: none"> Assumes that GOR will only hold a total of 11 properties on 31 March 2022, through the end of the 39th Period (ending 31 March 2023) without any additional acquisitions or sales during the 38th Period and the 39th Period. Notwithstanding the above assumption, estimates may change in the event of a change in the portfolio.
Number of units issued	<ul style="list-style-type: none"> The number of units that have been issued and outstanding as of 31 March 2022 is 948,996 units. Dividend per unit is calculated based on the above number of units issued, or 948,996.
Operating revenue	<ul style="list-style-type: none"> Rental revenue takes into account various factors (e.g., trend of tenants, competition in the neighbourhood, and market trends) and assumes that there will be no arrears or non-payment of rent by tenants. Assumes that rent and other income will decrease by a certain degree as a result of accepting requests for rent reduction from some tenants, taking into consideration the situation where they are requesting rent reduction due to the impact of COVID-19.
Operating expenses	<ul style="list-style-type: none"> Property-related expenses, excluding depreciation and amortization expenses, are calculated reflecting variable factors based on historical data. Property management fees relating to leasing activities are estimated at 591 million yen for the 38th Period and 583 million yen for the 39th Period, and property and other taxes are estimated at 548 million yen for the 38th Period and 544 million yen for the 39th Period. Repair and maintenance expenses are estimated at 100 million yen for the 38th Period and 88 million yen for the 39th Period. However, unforeseen emergency repairs may become necessary depending on various factors and actual repair expenses may exceed the estimates. Depreciation and amortization expenses, estimated at 855 million yen for the 38th Period and 868 million yen for the 39th Period, are calculated on a straight-line basis over the holding period. Operating expenses excluding property-related expenses (e.g., management fees, asset custody fees, and agency fees) are estimated at 548 million yen for the 38th Period and 546 million yen for the 39th Period.
Non-operating expenses	<ul style="list-style-type: none"> Total non-operating expenses (e.g., interest expenses) are estimated at 387 million yen for the 38th Period and 387 million yen for the 39th Period.
Borrowings and bonds	<ul style="list-style-type: none"> As of 31 March 2022, GOR has a total of 75,500 million yen in outstanding loans. It is assumed that loans due during 38th Period and 39th Period will be fully refinanced. Dividend per unit may change due to fluctuation in interest rates. As of 31 March 2022, GOR has a total of 18,700 million yen in outstanding corporate bonds issued. It is assumed that GOR will redeem the corporate bonds that are maturing during the 38th Period using funds which will be fully procured by issuing fresh bonds.
Dividend per unit	<ul style="list-style-type: none"> Dividend per unit is calculated in accordance with "Cash Dividend Policies" set forth in the Articles of Incorporation. Dividend per unit may change due to various factors (e.g., change in the portfolio properties, increase or decrease in rent income resulting from

	<p>tenant relocation, and unforeseen emergency repairs).</p> <ul style="list-style-type: none"> Assumes that the distribution of the 39th Period will be made by applying net income plus 47 million yen of the reserve for reduction entry.
Dividend in excess of profit per unit	<ul style="list-style-type: none"> Dividend distributions in excess of profit are not assumed during the 38th Period and the 39th Period at this point in time.
Others	<ul style="list-style-type: none"> Assumes that there will be no material changes that may affect the aforementioned forecasts during these periods in related laws, accounting standards and tax regulations in Japan, TSE listing regulations, and/or rules of the Investment Trusts Association, Japan. Assumes that unforeseen significant changes will not occur in the general economic trends or the real estate markets of Japan.

2. Investment risks

Disclosure is omitted as there are no material changes from “Investment risks” in the most recent annual securities report (submitted for filing on 24 December 2021).