

Press Release

29 September 2023

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Securities Code: 8958
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GOR Announces Acquisition and Transfer of Trust Beneficiary Interest In Domestic Real Estate Through Exchange (Acquisition of Global One Ueno and Transfer of Yodoyabashi Flex Tower)

Global One Real Estate Investment Corp. (“GOR”) announces today that Global Alliance Realty Co., Ltd. (“GAR”), the Asset Manager to which GOR entrusts the management of its assets, decided on the acquisition and transfer of trust beneficiary interest in domestic real estate through exchange (hereinafter, the acquisition of trust beneficiary interest in domestic real estate is referred to as the “Acquisition” and the transfer of trust beneficiary interest in domestic real estate as the “Transfer”, and the Acquisition and the Transfer are collectively referred to as the “Exchange”) as outlined below.

1. Outline of the Exchange

(1) Outline of the Acquisition

- | | |
|----------------------|---|
| 1) Type of asset: | Trust beneficial interests in real estate |
| 2) Name of building: | Global One Ueno (*1) |
| 3) Location: | Taito-ku, Tokyo |
| 4) Acquisition price | 9,900 million yen (*2) |
| 5) Brokerage: | None |

Hereinafter, the above asset for acquisition is referred to as the “Asset Acquired”.

(2) Outline of the Transfer

- | | |
|---------------------------|---|
| 1) Type of asset: | Trust beneficial interests in real estate |
| 2) Name of building: | Yodoyabashi Flex Tower |
| 3) Location: | Osaka City, Osaka |
| 4) Acquisition date: | 31 January 2008 |
| 5) Transfer price: | 9,833 million yen (*2) |
| 6) Book value: | 6,260 million yen (*3) |
| 7) Gain/Loss on transfer: | (*4) |
| 8) Brokerage: | None |

Hereinafter, the above asset for transfer is referred to as the “Asset Transferred”.

- (*1) As the name is scheduled to be changed to the one stated above after the acquisition by GOR, the name after the change is stated.
The name of the property as of today is "NBF Ueno Bldg." The entire building is also referred to as the "Higashi Ueno 4-chome Building".
- (*2) The acquisition price and transfer price represent the prices described in the exchange agreement, which do not include related expenses, settlement amount of property tax and city planning tax, consumption tax and local consumption tax.
- (*3) The figure is the book value as of 31 March 2023 and is stated as reference. Book value at the time of the transfer will be different.
- (*4) The provisions of Article 50 of the Corporate Tax Law, "Inclusion in Deductible Expenses of the Depreciated Amount of Assets Acquired through Exchange", will be applied and the reduction entry will be made, and there will be no gain on the transfer.

(3) Outline of the Exchange

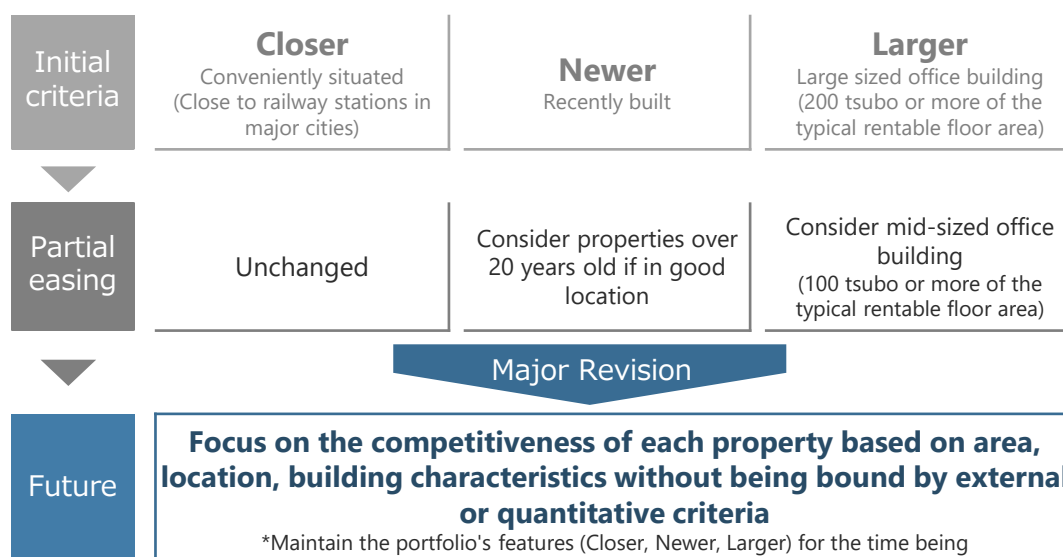
- 1) Destination of Exchange: Nippon Building Fund Inc.
- 2) Date of Contract: 29 September 2023
- 3) Expected Date of Delivery: 30 November 2023
- 4) Exchange Difference: The exchange difference (67 million yen), which is the difference between the acquisition price of the Asset Acquired and the transfer price of the Asset Transferred, will be paid to Nippon Building Fund Inc. on the delivery date with cash on hand.
- 5) Reduction Entry: With respect to the Asset Acquired, the provisions of Article 50 of the Corporation Tax Law of Japan, "Deductible expenses for assets acquired through exchange" will be applied and 3,547 million yen of the gain on the transfer of the Asset Transferred will be recorded as reduction entry. Consequently, the book value of the Asset Acquired is expected to be 6,305 million yen before reflecting acquisition costs, etc.

2. Reason for the Exchange

GOR conducts the Exchange with an aim to enhance the quality of its portfolio properties from a medium- to long-term perspective, pursuant to the "Investment Policies and Investment Targets" stipulated in the Articles of Incorporation.

Having achieved its immediate goal of 200 billion yen in asset size, GOR set a medium- to long-term goal of 250 billion yen in asset size in November 2022 and implemented a major revision of its acquisition focus(*) toward achieving this goal. The Exchange is an initiative in line with this new portfolio strategy.

(*) "Future Portfolio Strategy" published on 17 November 2022



Regarding the Asset Acquired, the provisions of Article 50 of the Corporation Tax Act, "Inclusion in Deductible Expenses of the Depreciated Amount of Assets Acquired through Exchange", will be applied and a reduction entry will be made, which will enable GOR to ensure profitability beyond the depreciated yield of the Asset Transferred through the Exchange. In addition, as part of a series of transactions associated with the Exchange, we were able to acquire preferential negotiating rights for the acquisition of office buildings located in the three central wards of Tokyo. Thus, while the environment for acquiring properties remains severe, we implemented an initiative to secure opportunities to expand the size of our assets by acquiring preferential negotiating rights, which will help to enhance the revenue base and make our portfolio more profitable than that after the Exchange, as well as improving the profitability of our portfolio through the Exchange itself. In addition, for properties for which we have acquired preferential negotiating rights, we plan to conduct value-enhanced work to improve profitability by utilizing a bridge scheme, considering the current financing environment, current yield levels, etc.

	Before the Exchange (*1)	Asset Acquired	Asset Transferred	After the Exchange
Asset Size				
1) Acquisition price (*2)	1) 201,999 million yen	1) 9,900 million yen	1) 7,834 million yen	1) 204,065 million yen
2) Appraisal value (*3)	2) 229,500 million yen	2) 11,500 million yen	2) 8,350 million yen	2) 232,650 million yen
NOI yield (*4)	4.1%	6.2%	4.8%	4.2%
NOI yield after depreciation (*4)	3.2%	5.3%	3.9%	3.3%
Building age (*5)	18.7 years on average	13.9 years	17.1 years	18.5 years on average
Total leasable area (*6)	12,464 sqm on average	8,504 sqm	7,432 sqm	12,553 sqm on average

- (*1) Given the portfolio after the acquisition of Global One Nagoya Fushimi and the completion of the transfer of Otemachi First Square.
- (*2) Calculated based on the sales price and the exchange price stated in the sales contracts and the Exchange Agreement.
- (*3) Calculated based on the appraisal value as of 30 June 2023 for the Asset Acquired, that as of 30 September 2022 for Global One Nagoya Fushimi, and that as of the end of the period ended March 2023 for the other assets.

(*4) Asset Acquired: $\text{"NOI yield"} = \text{"Appraisal NOI"} / \text{"Acquisition price (after reduction entry)"}$
 $\text{"NOI yield after depreciation"} = (\text{"Appraisal NOI"} - \text{"Annual amount of depreciation calculated using the straight-line method corresponding to the useful life of the Asset Acquired"}) / \text{"Acquisition price (after reduction entry)"}$

THE PEAK SAPPORO: $\text{"NOI yield"} = \text{"Actual NOI from the date of property acquisition (December 7, 2022) to the end of the fiscal period (March 31, 2023) converted into the period (6 months)"} \times 2 / \text{"Acquisition price"}$
 $\text{"NOI yield after depreciation"} = (\text{"Actual NOI from the date of acquisition (December 7, 2022) to the end of the fiscal period (March 31, 2023) converted into the period (6 months)"} - \text{"Actual depreciation from the date of acquisition (December 7, 2022) to the end of the fiscal period (March 31, 2023) converted into the period (6 months)"}) \times 2 / \text{"Acquisition price"}$

Global One Nagoya Fushimi: $\text{"NOI Yield"} = \text{"Estimated NOI"} / \text{"Acquisition Price"}$
 $\text{"NOI yield after depreciation"} = (\text{"Estimated NOI"} - \text{"Depreciation calculated by the straight-line method over the useful life of Global One Nagoya Fushimi"}) / \text{"Acquisition Price"}$

Other assets: $\text{"NOI yield"} = \text{"Actual NOI for the Period ended March 2023"} \times 2 / \text{"Acquisition price"}$
 $\text{"NOI yield after depreciation"} = (\text{"Actual NOI for the Period ended March 2023"} - \text{"Actual depreciation amount for the Period ended March 2023"}) \times 2 / \text{"Acquisition price"}$

(*5) As of 30 November 2023

(*6) As of 31 August 2023

The key determinant factors of the acquisition of the Asset Acquired include the following. Furthermore, the lessees of the Asset Acquired are deemed to comply with the tenant selection criteria of GOR described in the "Report on Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties" submitted on 27 June 2023.

1) District potential

Ueno, where the Asset Acquired is located, is the northern gateway to Tokyo with terminal stations served by the Tohoku and Joetsu Shinkansen bullet trains, JR lines, private railways, and many subways, and is one of Tokyo's leading commercial areas. It is also widely recognized as a city of culture and art, with Ueno Park, museums, and art galleries. With the development of local industries since the Edo period, wholesale/retail, lodging/bar and restaurant service, and manufacturing industries are concentrated in the area, and many branches and branch offices of companies headquartered in the northern Kanto, Shinetsu, and Tohoku regions are also located here.

In terms of office location, the area has solid tenant demand due to the concentration of companies in a wide range of industries and the low rent level relative to the convenience of transportation.

2) Location potential

The property is located in a convenient location with excellent access to many train lines, including a 6-minute walk from Ueno Station on the JR Line, a 7-minute walk from Inaricho

Station on the Tokyo Metro Ginza Line, and within walking distance of Ueno Station on the Tokyo Metro Ginza Line, Hibiya Line and Keisei Main Line and Asakusa Station on the Tsukuba Express Line, as well as the Iriya Exit on the Metropolitan Expressway Route 1 nearby, providing good access by car.

3) Property specifications

The rental room specifications include a typical rentable floor area of 257 tsubo, effective ceiling height of 2,750 mm, free access floor of 100 mm and the shape of the rental room is a pillarless structure with excellent layout efficiency. The air conditioning system is individually controllable in 12 zones. It also has high seismic performance (CFT pillars and vibration control braces).

In the Ueno area, where many small- and medium-scale buildings are older, there are only a limited number of recently constructed (built in 2010) large-scale buildings with high facility standards, such as the Asset Acquired, and we believe that this property will have a significant competitive edge in this area.

3. Details of Asset Acquired and Asset Transferred

(1) Asset Acquired

1) Type of specified asset, its name and location, etc.		
Name of building	Global One Ueno	
Type of specified asset	Trust beneficial interests in real estate	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Trust period (*1)	30 November 2023 - 30 November 2033	
Location	Residence indication: 24-11, Higashiueno 4-chome, Taito-ku, Tokyo Land number: 38-2, Higashiueno 4-chome, Taito-ku, Tokyo	
Land (*2)	Type of ownership	Site rights (co-ownership interests) (*3)
	Land area	2,405.22 sqm (entire building)
Building (*2)	Type of ownership	Sectional ownership (1 basement floor, 1 partial ground floor, 4th - 13th floors)
	Use	Office
	Floor area	15,467.77 sqm (entire building) Of which, area subject to acquisition: 10,339.37 sqm (*4)
	Date built	January 2010
	Structure	13-story plus 2 basement levels, SRC with a flat roof (entire building)
	Designer Construction firm	Shimizu Corporation First-class Architect Office Shimizu Corporation
Acquisition price	9,900 million yen	
Appraisal value (Date of appraisal) (Appraisal institution)	11,500 million yen (As of 30 June 2023) (JLL Morii Valuation & Advisory K.K.)	

Engineering report	PML (*5)	Analysis conducted by OYO RMS Corporation, dated 31 July 2023 1.9%
	Estimated future repair expenses	Based on the estimates in the ER conducted by Japan Constructive Inspect Association as of August 2023 131,542 thousand yen over 12 years (annual average: 10,961 thousand yen)
Collateral	None	
Notes	<p><Agreement with co-owners and sectional owners></p> <ol style="list-style-type: none"> 1. The sectional owners of Higashi-Ueno 4-chome Building who own each exclusive area of the building constitute the Higashi-Ueno 4-chome Building Management Association, and the Higashi-Ueno 4-chome Building Management Regulations are established as the bylaws. 2. When a sectional owner transfers all or part of his/her sectional ownership, he/she must transfer it to other sectional owners in preference to third parties in accordance with the provisions of the management rules, and must implement certain procedures through the management association before entering into negotiations for transfer with third parties, and restrictive regulations on transferees are also set forth. <p><Leasing status></p> <p>As to the property, ordinary lease contracts are concluded with six tenants as building lessees.</p>	

2) Tenant profile, leasing status (*6)					
Total number of Tenants	6				
Total rent and common area charges per month	44 million yen				
Security deposit	495 million yen				
Total leasable area	8,503.82 sqm				
Total leased area	8,503.82 sqm				
Trend in occupancy ratio (*7)	2020 March-end	2021 March-end	2022 March-end	2023 March-end	Scheduled acquisition date
	100%	100%	100%	100%	100%
Expected NOI (*8)	390 million yen/ year (expected occupancy ratio: 100%)				
Appraisal NOI (*8)	398 million yen/year				
Depreciation (*9)	55 million yen/year				

- (*1) This is the trust period of the property management and disposition trust agreement with conditions precedent dated 29 September 2023, with Nippon Building Fund Inc. as the initial trustee, from which the Asset Acquired is acquired.
- (*2) "Area", "use", "floor area", "year built", and "structure" are shown based on the registration, unless otherwise stated.
- (*3) Site rights have been established for the land, and the trustee has a co-ownership interest of 1,126,293/1,442,798 in the land.
- (*4) The portion subject to acquisition is equivalent to approximately 78.06% of the entire co-ownership interest in accordance with the management agreement of the management association.
- (*5) PML is a probable maximum loss in the event of a major earthquake. While the definition may vary depending on the region, the PML used herein is a loss rate to assess the damage, calculated by dividing the loss amount by the replacement

cost. The figure is based on the assumption that the building will be in use for 50 years and that the largest expected earthquake has a 10% probability of occurring every 50 years within the recurrence range of 475 years.

- (*6) "Total number of tenants", "total rent and common area charges per month", "security deposit", "total leasable area", and "total leased area" represent the estimated amounts as of the scheduled acquisition date.
- (*7) "Trend in Occupancy ratio" is based on data provided by the seller.
- (*8) "NOI" means net operating income, the amount of the total rental revenue less property-related expenses (excluded depreciation and amortization costs).
 - 1. "Expected NOI" is an expected annualized number excluding extraordinary factors for the first year of acquisition, not a forecast number for the next period, based on the assumption the occupancy rate will be the expected occupancy rate and considering the occurrence of taxes and public dues.
 - 2. "Appraisal NOI" is the NOI that was used in the calculation of direct capitalization value stated in the appraisal report summary of the Asset Acquired in 11 below.
- (*9) "Depreciation" represents the current estimate amount.

(2) Asset Transferred

Outline of Asset Transferred				
Name of building	Yodoyabashi Flex Tower			
Type of specified asset	Trust beneficial interests in real estate			
Location	Residence indication: 3-11, Koraibashi 3-chome, Chuo-ku, Osaka City, Osaka Land number: 35-2, Koraibashi 3-chome, Chuo-ku, Osaka City, Osaka			
Land	Type of ownership	Ownership	Use	Commercial
	Land area	1,692.51 sqm	Floor area ratio / Building coverage	600%/80%
Building	Type of ownership	Ownership	Use	Office/Parking Space
	Floor area	10,997.50 sqm	Date built	November 2006
	Structure	12-story plus 1 basement level, SRC with a flat roof		
	Designer	Taisei Corporation First-class Architect Office	Construction firm	Taisei Corporation
	PML	5.4%	Estimated future repair expenses	259,699 thousand yen over 12 years (Annual average: 21,641 thousand yen)
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Property manager	Sumisho Building Management Co., Ltd.			
Summary of rent status (as of 31 August 2023)			Date and price of acquisition	
Total number of Tenants		13	Date of acquisition	31 January 2008
Total leasable area		7,432.28 sqm	Acquisition price	7,834 million yen
Total leased area		7,432.28 sqm	Appraisal value at the time of acquisition (*2)	
Total rent (per month) (*1)		40 million yen	Date of appraisal	1 November 2007
Occupancy ratio		100.0%	Appraisal value	7,940 million yen
Estimated value at the end of the period (*2)			Appraisal value at the time of transfer (*2)	
Date estimate made		31 March 2023	Date of appraisal	31 August 2023
Estimated value at the end of the period		8,350 million yen	Appraisal value	8,350 million yen
(*1) Actual results for the fiscal year ended 31 March 2023				
(*2) The appraisal value at the time of the acquisition, the estimated value at the end of the period and the appraisal value at the time of the transfer were calculated by Daiwa Real Estate Appraisal Co., Ltd.				
Notes				
《Administrative regulations concerning real estate》				
The property was constructed under the Integrated Design System, with the floor-area ratio relaxed by approximately 87%, subject to conditions, such as the provision of open space.				

4. Overview of the counterparty of the Exchange

Company name	Nippon Building Fund Inc.
Location of head office	16th Floor Muromachi Furukawa Mitsui Bldg. 3-1, Nihonbashi Muromachi 2-chome, Chuo-ku, Tokyo
Representative	Koichi Nishiyama Executive Officer
Business	Investment corporation assets are managed mainly as investments in specified assets (assets defined in Article 2, Paragraph 1 of the Law Concerning Investment Trusts and Investment Corporations).
Total amount of investment	673,047 million yen
Date incorporated	16 March 2001
Net assets	706,295 million yen (as of 30 June 2023)
Total assets	1,385,920 million yen (as of 30 June 2023)
Major shareholders and their shareholding ratios	Custody Bank of Japan, Ltd. (trust account) 26.7%, The Master Trust Bank of Japan, Ltd. (trust account) 16.5%, The Nomura Trust and Banking Co., Ltd. (investment trust account) 4.6%, and others (as of 30 June 2023)
Relationships with GOR/GAR	
Capital relationships	There are no capital relationships of note between the GOR/GAR and the company.
Personnel relationships	There are no personnel relationships of note between the GOR/GAR and the company.
Business relationships	There are no business relationships of note between the GOR/GAR and the company.
Whether related party	The investment corporation is not a related party of GOR/GAR.

5. Asset Ownership Status under the counterparty of Exchange

Because the counterparty has no special relationship with GOR/GAR, the description is omitted.

6. Outline of Intermediation

(1) Outline of intermediation for the Acquisition

Not applicable.

(2) Outline of intermediation for the Transfer

Not applicable.

7. Items regarding Forward Commitment Contracts, Etc.

(1) Asset Acquired which falls under Forward Commitment Contracts, etc. (Note)

The trust beneficiary interest exchange agreement (hereinafter referred to as the “Exchange Agreement”) associated with the Asset Acquired falls under forward commitment contracts by an investment corporation as set forth in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, Etc.” published by the Financial Service Agency.

(Note) “Forward Commitment Contracts, etc.” refer to a postdated purchase and sale contract under which payment and delivery shall be made at least one month after the conclusion of the contract, or any other contract similar thereto.

(2) Impacts on GOR’s financial status in case of non-fulfilment of forward commitment contracts, etc.

The other party may terminate the Exchange Agreement upon notice when GOR or the counterparty of the Exchange intentionally or negligently violates any of the terms of the Exchange Agreement.

In the event of cancellation of the Exchange Agreement, the breaching party shall pay 10% of the acquisition price which does not include an amount equivalent to consumption tax and local consumption tax as a penalty to the party exercising the right of cancellation. However, even in the case of damages exceeding an amount equivalent to 10% of the acquisition price which does not include an amount equivalent to consumption tax and local consumption tax, no claim for compensation may be made for an amount exceeding such 10% amount.

Considering its financial condition, GOR believes that forward commitment contracts, etc. for the Acquisition is unlikely to have a material impact on GOR's finances.

8. Method of Settlement, Etc. of Exchange Difference for the Exchange

The exchange difference (67 million yen), which is the difference between the acquisition price of the Asset Acquired and the transfer price of the Asset Transferred, will be paid to Nippon Building Fund Inc. on the delivery date with cash on hand.

9. Schedule of the Exchange

29 September 2023	Declare the Exchange (Acquisition and Transfer) Execution of the Trust Beneficiary Interest Exchange Agreement for the Acquisition and the Transfer
30 November 2023	Payment of exchange difference Delivery

10. Earnings Forecasts

The impact of the Exchange on the operating conditions for the period ending 30 September 2023 is negligible, and there will be no revision to the forecast of the operating conditions.

11. Appraisal Report Summary for the Asset Acquired

Name of building	Global One Ueno
Appraisal value	11,500,000 thousand yen
Appraisal institution	JLL Morii Valuation & Advisory K.K.
Date of appraisal	30 June 2023

Item	Value	Notes
Appraisal value based on income method	11,500,000 thousand yen	
Appraisal value based on DC method	11,600,000 thousand yen	
(1) Operating revenue	608,828 thousand yen	—
Effective gross income	632,069 thousand yen	Appraised the medium- to long-term stable income from rental rooms and parking lots, etc. at the time of full occupancy, taking into account the current contract contents, rent levels of similar properties, market trends, etc.
Losses from vacancy, etc.	23,241 thousand yen	The medium- to long-term stable occupancy rate (vacancy rate), etc. was assessed considering the competitiveness and actual occupancy results of the subject and similar properties and the future market trend forecast. etc.
(2) Operating expenses	210,122 thousand yen	—
Building maintenance costs	89,500 thousand yen	Appraised, taking into account the past actual values and the level of maintenance costs of similar properties.
Utilities expenses	58,651 thousand yen	Assessed based on past performance values. The actual results are in line with the standard operating level and are judged to be appropriate.
Repair expenses	2,875 thousand yen	Repair and renewal costs for the next 12 years as stated in the ER are considered reasonable and the repair and renewal costs are recorded out of such amount.
Property management fees	4,450 thousand yen	The amount stated in the presentation material is generally considered appropriate in comparison with PM fees for similar properties, and the said amount is recorded.
Leasing expenses, etc.	8,566 thousand yen	Appraised based on the new occupied area, new rent, and occupancy rate, which are expected every year due to tenant turnover. In consideration of the competitiveness of the subject property, no special advertising expenses were recorded.
Taxes & public duties	43,224 thousand yen	Appraised based on actual property tax values, taking into account the rate of increase or decrease that can be expected in future property tax reassessments.

	Insurance premiums	1,353 thousand yen	The actual amount of property insurance premiums was recorded because it was deemed generally appropriate in comparison with property insurance premiums for similar properties.
	Other expenses	1,500 thousand yen	Assessed based on past performance values, etc.
	(3) Net operating income (NOI = (1) – (2))	398,705 thousand yen	—
	(4) Investment income from temporary deposits	4,574 thousand yen	Assessed the effective security deposit in consideration of the current security deposit balance and market practice, and assuming that the security deposit is deposited as a reserve for refund, recorded investment income on the effective security deposit.
	(5) Capital expenditure	8,085 thousand yen	Recorded based on the annual average of renewal costs as stated in the ER
	(6) Net cash flow (NCF = (3) + (4) – (5))	395,195 thousand yen	—
	(7) Capitalization rate	3.4%	Appraised based on examples of transactions with similar properties, taking into account the degree of competitiveness of the subject property due to its location, building specifications, contract terms, etc., quality of tenants, type of rights, etc., and expected fluctuations in net income.
	Appraisal value based on DCF method	11,300,000 thousand yen	
	Discount rate	3.2%	Appraised by using the "method to calculate by adding the individual characteristics of the real estate to the yields of financial assets," the "method to calculate from the discount rates for loans and own funds," and the "method to calculate from the relationship with capitalization yield.
	Terminal capitalization rate	3.5%	Appraised based on the capitalization yield, taking into account a comprehensive range of factors, such as periodic risk (expected changes in the region, depreciation of the building over time), the gap between the net income (NCF) calculated by the direct capitalization method and NCF at the end of the holding period, and the expected changes in NCF after the end of the holding period.
	Integrated value based on cost method	12,200,000 thousand yen	
	Land ratio	85.25%	—
	Building ratio	14.75%	—
Matters specifically considered in determination of appraisal value		Not applicable.	

12. Appraisal Report Summary for the Asset Transferred

Name of building	Yodoyabashi Flex Tower
Appraisal value	8,350,000 thousand yen
Appraisal institution	Daiwa Real Estate Appraisal Co., Ltd.
Date of appraisal	31 August 2023

Item	Value	Notes
Appraisal value based on income method	8,350,000 thousand yen	
Appraisal value based on DC method	8,290,000 thousand yen	
(1) Operating revenue	487,580 thousand yen	—
Effective gross income	513,937 thousand yen	—
Losses from vacancy, etc.	26,356 thousand yen	The medium- to long-term stable occupancy rate (vacancy rate), etc. was assessed considering the actual occupancy results of the subject and similar properties and the future market trend forecast. etc.
(2) Operating expenses	146,298 thousand yen	—
Building maintenance costs	22,442 thousand yen	Assessed based on the past actual results and the amount of contract considering the levels of expenses incurred by similar properties.
Utilities expenses	48,561 thousand yen	Assessed based on the past actual results considering the levels of expenses incurred by similar properties.
Repair expenses	8,743 thousand yen	Appraised based on ER's 12-year average repair cost.
Property management fees	10,972 thousand yen	Appraised with reference to PM rate of similar properties.
Leasing expenses, etc.	2,891 thousand yen	Appraised based on the tenant solicitation costs, etc. of similar properties.
Taxes & public duties	48,139 thousand yen	Land taxes were assessed based on the actual amount. Building taxes (including depreciable property taxes) were recorded at actual amounts.
Insurance premiums	1,309 thousand yen	Recorded based on actual amount of property insurance premiums.
Other expenses	3,237 thousand yen	Assessed based on the past actual results, etc.
(3) Net operating income (NOI = (1) – (2))	341,282 thousand yen	—
(4) Investment income from temporary deposits	3,343 thousand yen	Assessed by deducting the amount corresponding to the lost opportunity for investment income from temporary deposits from investment income from temporary deposits.
(5) Capital expenditure	13,198 thousand yen	Appraised by considering the amount equivalent to CM fee to ER's 12-year average renewal cost.

	(6) Net cash flow (NCF = (3) + (4) – (5))	331,427 thousand yen	—
	(7) Capitalization rate	4.0%	Assessed considering the distinctness of the subject property including location, building specifications and the rights and obligations, etc. with reference to the investment yields associated with transactions of similar properties.
	Appraisal value based on DCF method	8,380,000 thousand yen	
	Discount rate	3.8%	Assessed considering the regional characteristics and distinctness risk of the subject property.
	Terminal capitalization rate	4.2%	Assessed by adding future uncertainties, etc. to return yields.
	Integrated value based on cost method	6,540,000 thousand yen	
	Land ratio	70.3%	—
	Building ratio	29.7%	—
Matters specifically considered in determination of appraisal value		Not applicable.	

GOR's website address: <https://www.go-reit.co.jp/en/>

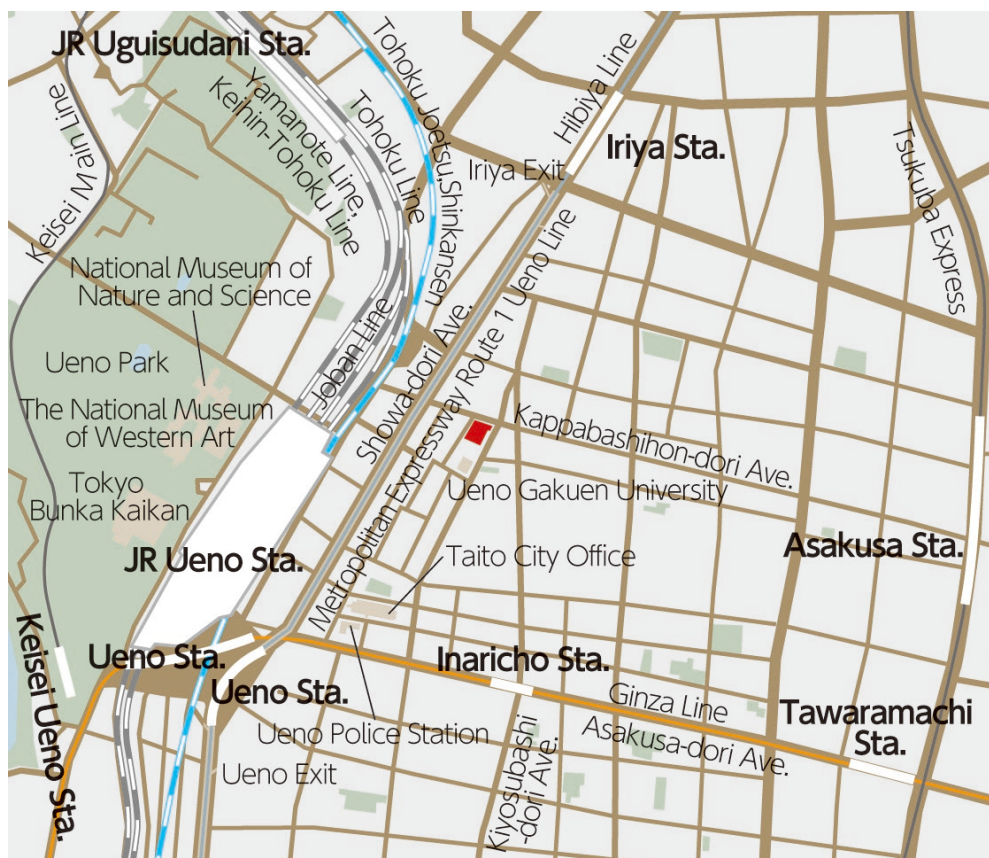
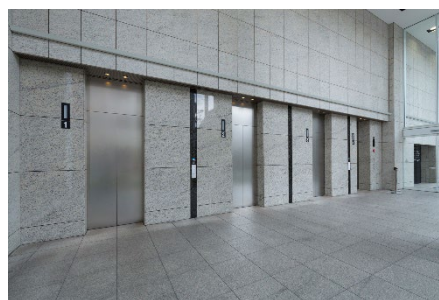
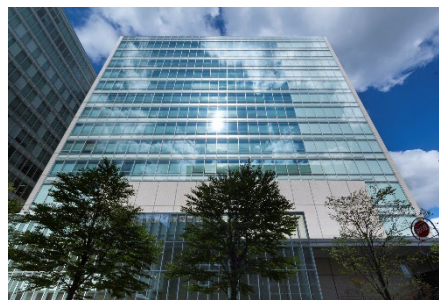
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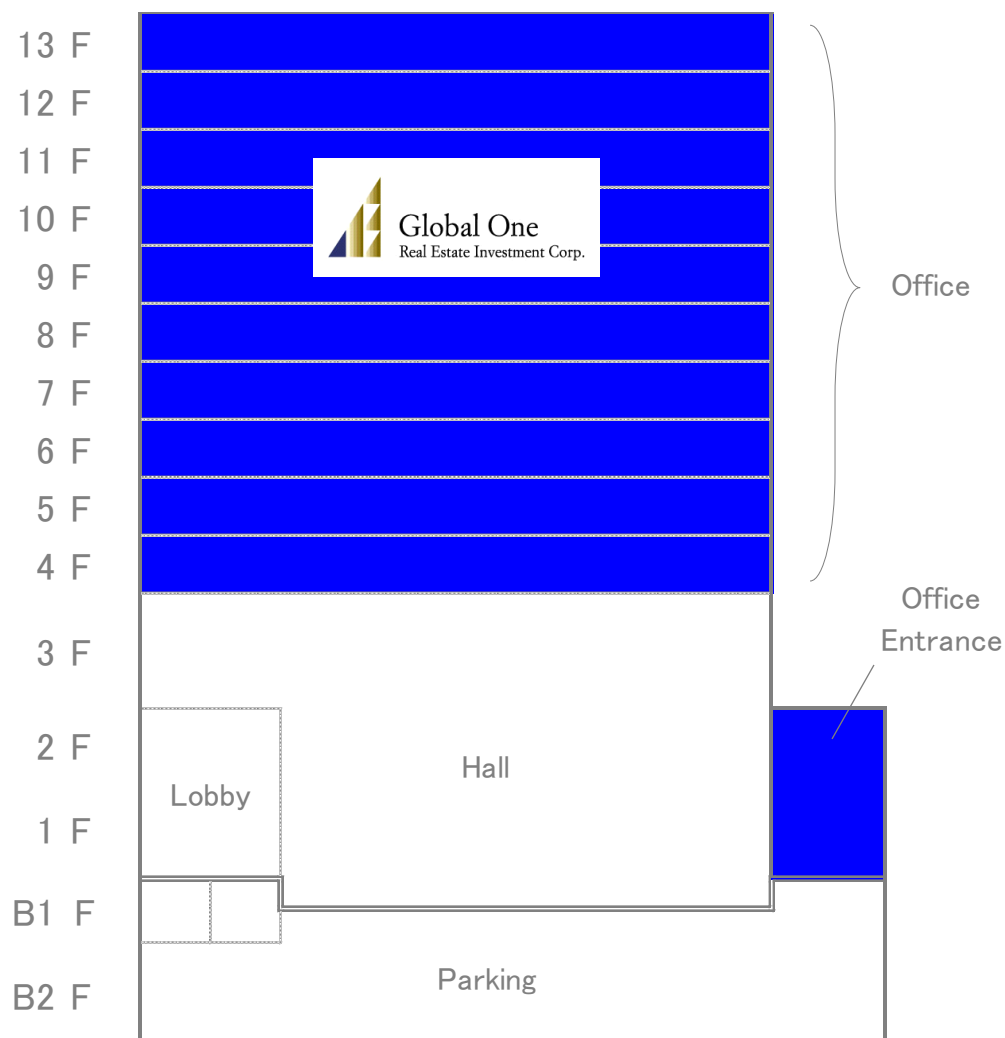
<Ref. 1> Global One Ueno Exterior Photo, Guide Map and Diagrammatic View

<Ref. 2> List of Assets after the Exchange

<Ref. 3 > Change in Portfolio Data

<Ref. 1> Global One Ueno Exterior Photo, Guide Map and Diagrammatic View





(※1) Area owned by GOR



9.67m² of B1F is owned by GOR.

Type of ownership
land: ownership
building: sectional ownership

(※2) The asset that GOR owns is the trust beneficial interest in real estate,
and the owner of the real estate is Mitsubishi UFJ Trust and Banking Corporation.

<Ref. 2> List of Assets after the Exchange (*1)

Name of Property (location)	Type of ownership	Floor area (m ²) (*2)	Total leasable area (m ²) (*3)	Date built	Building age (*4)	Acquisition price (million yen) (*5)
Hirakawacho Mori Tower (Chiyoda-ku, Tokyo)	Sectional ownership (Trust beneficial interest)	51,094.82	9,814.43	2009 December	14.0	18,200
Rakuten Crimson House Aoyama (Minato-ku, Tokyo)	Ownership (Trust beneficial interest)	20,958.79	14,012.64	2003 May	20.6	35,000
ARK Hills Sengokuyama Mori Tower (Minato-ku, Tokyo)	Sectional ownership (Trust beneficial interest)	140,667.09	3,944.81	2012 August	11.3	8,423
Global One Ueno (Taito-ku, Tokyo)	Sectional ownership (Trust beneficial interest)	15,467.77	8,503.82	2010 January	13.9	9,900
Arca Central (Sumida-ku, Tokyo)	Sectional ownership (Trust beneficial interest)	49,753.92	15,746.41	1997 March	26.8	15,391
Toyosu Prime Square (Koto-ku, Tokyo)	Ownership (50% quasi co- ownership of Trust beneficial interest)	41,741.18	16,140.83	2010 August	13.3	21,000
Shinagawa Seaside West Tower (Shinagawa-ku, Tokyo)	Ownership (50% quasi co- ownership of Trust beneficial interest)	38,645.33	12,255.39	2004 August	19.3	12,000
Yokohama Plaza Building (Kanagawa-ku, Yokohama City, Kanagawa)	Ownership (Trust beneficial interest)	19,968.20	14,148.34	2010 February	13.8	17,950
Meiji Yasuda Life Insurance Saitama (Chuo-ku, Saitama City, Saitama)	50% co-ownership of ownership (Trust beneficial interest)	78,897.42	21,715.52	2002 March	21.8	22,700
Global One Nagoya Fushimi (Naka-ku, Nagoya City, Aichi Prefecture)	Ownership (Trust beneficial interest)	23,161.27	15,041.74	1995 March	28.8	17,300
Meiji Yasuda Life Insurance Osaka Midosuji Building (Chuo-ku, Osaka City, Osaka)	50% co-ownership of ownership	32,997.60	8,877.08	2001 July	22.4	9,200
THE PEAK SAPPORO (Kita-ku, Sapporo City, Hokkaido)	Ownership (Trust beneficial interest)	12,823.15	10,440.10	2021 June	2.5	17,000
Total	—	526,176.54	150,641.10	—	18.5	204,065

(*1) The portfolio after completion of the transfer of Otemachi First Square is based on information as of 31 March 2023.

(*2) "Total floor area" indicates the total floor area of the building regardless of the type of ownership. However, with regard to Arca Central, of the buildings registered, the floor space of each building is described based on the completion drawing.

(*3) "Total leasable area" are figures as of 31 August 2023.

(*4) "Age year" of each property refers to the estimated number of years as of 30 November 2023, which is rounded to one decimal place. In addition, "Total" of the age year means the average age of the portfolio properties (weighted average value based on the total leasable area).

(*5) "Acquisition price" refers to the price (described in the purchase and sale agreements etc.,) which do not include acquisition expenses (such as brokerage fees and taxes and public dues). The acquisition price of Arca Central means the anticipated value, which further excludes the maintenance charges on the management association to be succeeded from the seller. The amount is rounded down to the nearest million yen.

<Ref. 3 > Change in Portfolio Data

Indicators	Unit	Before the Exchange (*1)	After the Exchange
Number of properties (*2)		12	12
Total acquisition price (*2)	Million yen	201,999	204,065
Average invested amount per property (*2)	Million yen	16,833	17,005
Average leasable area per property (*3)	m ²	12,464	12,553
Average age of building (*4)	Year	18.7	18.5

(*1) Based on the portfolio after the acquisition of Global One Nagoya Fushimi and the completion of the transfer of Otemachi First Square

(*2) Described based on information as of 31 March 2023

(*3) as of 31 August 2023

(*4) Weighted average by total rentable area based on the age of each property as of 30 November 2023.