



Global One Real Estate Investment Corp.

(Code:8958)

## **Explanatory Material**

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Financial Results for the Six-Month Period  
Ended Mar 2017 (the 27<sup>th</sup> Period)

22 May 2017



Global Alliance Realty Co.,Ltd.

# Overview of Global One Real Estate Investment Corp.



## Portfolio (as of 31 March 2017)

Investments in select high quality office buildings which are closer to nearby stations (CLOSER), newly or recently built (NEWER) and large sized (LARGER).

Major three Metropolitan areas other than Tokyo Metropolitan Area

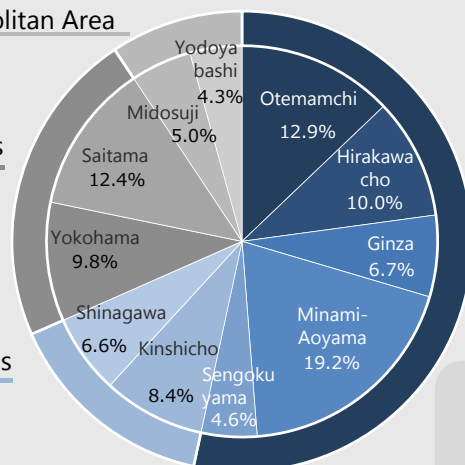
**9.3%**

Tokyo suburban areas

**22.3%**

Tokyo 23 Wards other than the central 5 Wards

**15.0%**



Tokyo central  
5 Wards  
**53.4%**

Total acquisition price  
**11 properties,  
182.4 billion yen**

**"CLOSER"** conveniently situated

Walking distance : 0 - 5 min.

**"NEWER"** newly or recently built

Average age of building : 14.1 years

Portfolio PML : 1.9%

**"LARGER"** large office buildings

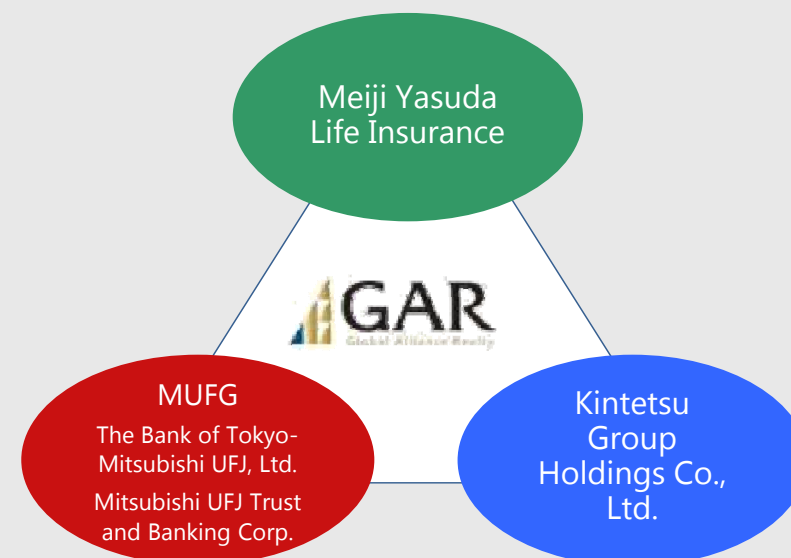
Average acquisition price : 16.5 billion yen

Average gross rentable area : 11,247m<sup>2</sup>

## Financial Base and Sponsors (as of 16 May 2017)

Solid financial base supported by financial sponsors

<b>LTV</b> (Interest-bearing debt / total assets)	<b>Book value basis</b> 49.9% <b>Appraisal value basis</b> 44.6%
<b>Ratio of long-term / fixed Interest-bearing liabilities</b>	<b>89.5%</b>
<b>Average financing term</b>	<b>6.1years</b>
<b>Average interest rate</b>	<b>0.87%</b>
<b>Rating</b>	<b>AA – Stable(JCR)</b>



(\*) See (\*2),(\*3) and (\*4) on page 6 for the formula used to calculate LTV.

## I Preface

Efforts to increase unitholders' value . . . . .	4
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## II Financial Results

1. Financial Highlights . . . . .	6
2. Forecasts and Actual Performance for the 27 <sup>th</sup> Period . . . . .	7
3. Comparison with the Previous Period . . . . .	8
4. Performance forecast . . . . .	9
5. Stable growth of dividends . . . . .	11

## III Portfolio Management

1. External Growth	
(1) Overview of Acquisition Properties . . . . .	13
(2) External growth through collaboration with sponsor . . . . .	15
(3) Progress of tenant diversification thanks to acquisition . . . . .	16
(4) External Growth Strategies . . . . .	17
2. Internal Growth	
(1) Occupancy Ratio . . . . .	18
(2) Leasing Activities . . . . .	19
(3) Rental Rate Revisions . . . . .	20
3. Financial Management	
(1) Overview of financing for acquisitions . . . . .	22
(2) Historical Overview of Financial Management . . . . .	23
(3) Diversified Due Dates of Interest-bearing Liabilities . . . . .	24

## IV Reference Data

1. Portfolio Data . . . . .	26
2. Financial Data . . . . .	49
3. Overview of Asset Manager . . . . .	59



# I Preface

The following abbreviations will be used for the following pages:

"GAR" = Global Alliance Realty Co., Ltd.

"GOR" = Global One Real Estate Investment Corp.

"Otemachi" = Otemachi First Square

"Hirakawacho" = Hirakawacho Mori Tower

"Ginza" = Ginza First Building

"Minami-Aoyama" = TK Minami-Aoyama Building

"Sengokuyama" = ARK Hills Sengokuyama Mori Tower

"Kinshicho" = Arca Central

"Shinagawa" = Shinagawa Seaside West Tower

"Yokohama" = Yokohama Plaza Building

"Saitama" = Meiji Yasuda Life Insurance Saitama-Shintoshin Building

"Midosuji" = Meiji Yasuda Life Insurance Osaka Midosuji Building

"Yodoyabashi" = Yodoyabashi Flex Tower

Amounts less than the indicated amounts are rounded down and percentages and indices are rounded off, unless otherwise indicated.

# Efforts to increase unitholders' value

## Key goals

(Announced on 16 November 2015, indicated with underlines) (\*1)

### Internal growth

- Prioritizing internal growth; achieving stable DPU of 7,000 yen
- Major tenants left Minami-Aoyama and Yodoyabashi
- DPU temporarily in the 5,000-yen range due to free rent offered to succeeding tenants

### External growth

- Focusing on property quality while trying to expand portfolio to stabilize revenues
- Further strengthening collaboration with sponsors
- Asset size: 9 properties, 161.2 billion yen
- Seeking to diversify tenants further for more stable revenues, though diversification has improved

### Financial management

L T V as of the end of Sept 2015

LTV (book value)	:	50.4%
LTV (appraisal value)	:	46.4%
Unrealized gain	:	14.4 billion yen

## Efforts in this period, policy going forward

- Expecting 6th consecutive period of upward revisions of rent
- DPU in the lower 7,000-yen range achieved; the higher 7,000-yen range expected

(as of the end of April 2017, 11 properties) (\*2)

- Rents lower than market levels: 76.8% of total leased area
- Enhancing cooperation in leasing with sponsor

- Acquiring **high-quality properties** through **collaboration with sponsor**

- Acquired 2 properties in Midosuji and Shinagawa at combined at 21.2 billion yen in March 2017
- Asset size: 11 properties, 182.4 billion yen

- **Portfolio grew more diverse**

- Going forward, "Closer" to be adhered to while more flexible approach to "Newer" and "larger" being considered

- **Controlling LTV in appropriate manner** through public offering

	As of the end of	As of
(*)	Mar 2017	16 May 2017
LTV (book value)	: 55.5%	→ 49.9%
LTV (appraisal value)	: 49.6%	→ 44.6%
Unrealized gain	: 22.8 billion yen	

- Continuing to reduce financial costs by refinancing debts carrying relatively high interest rates, taking advantage of current low interest rate environment

## Increasing unitholders' value

Dividend per unit (DPU)  
**Target: 8,000 yen**

Milestone for interim asset size:

**200 billion yen**

↓  
Future goal: To be included in global indices

(\*1) See "Explanatory Material: Financial Results for the Six-Month Period Ended September 2015 (the 24th Period)" released on 16 November 2015.

(\*2) See page 21.

(\*3) See (\*2), (\*3) and (\*4) on page 6 for the formula used to calculate LTV.

(\*4) The amounts of dividends are per-unit figures; "DPU" refers to dividend per unit. The same applies hereafter.



## **II Financial Results**

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# 1. Financial Highlights

- Controlling LTV through public offering, increasing DPU from the lower 7,000-yen range to the higher 7,000-yen range

		26 <sup>th</sup> Period Sept 2016	27 <sup>th</sup> Period Mar 2017	28 <sup>th</sup> Period Sept 2017	29 <sup>th</sup> Period Mar 2018
<b>I/S - Dividends</b>					
Operating revenue =Property-related revenues	million yen	4,435	4,424	5,125	5,029
Operating profit (Property-related profit)	million yen	1,884 (2,318)	1,937 (2,378)	2,259 (2,764)	2,236 (2,752)
Ordinary profit	million yen	1,426	1,453	1,696	1,767
Net income	million yen	1,425	1,452	1,695	1,766
Total Dividends	million yen	1,425	1,452	1,721	1,766
Dividend per unit	yen	7,357	7,494	7,690	7,890
<b>Portfolio</b>					
NOI return (*1)	%	3.9	3.9	4.0	4.0
Term-end occupancy ratio	%	98.2	98.0		
<b>Others</b>					
Term-end total assets	million yen	169,115	191,258	As of 16 May 2017(*4)	
Interest-bearing liabilities	million yen	85,000	106,200	➡ 95,500	
Unrealized gain/ loss	million yen	21,599	22,874		
LTV (book value) (*2)	%	50.3	55.5	➡ 49.9	
LTV (appraisal value) (*3)	%	44.6	49.6	➡ 44.6	

(\*1) NOI return = NOI for the six months × 2 ÷ acquisition price; new acquisitions (Shinagawa, Midosuji) were excluded in 27th period calculation.

(\*2) LTV (book value)=interest-bearing liabilities ÷ term-end total assets

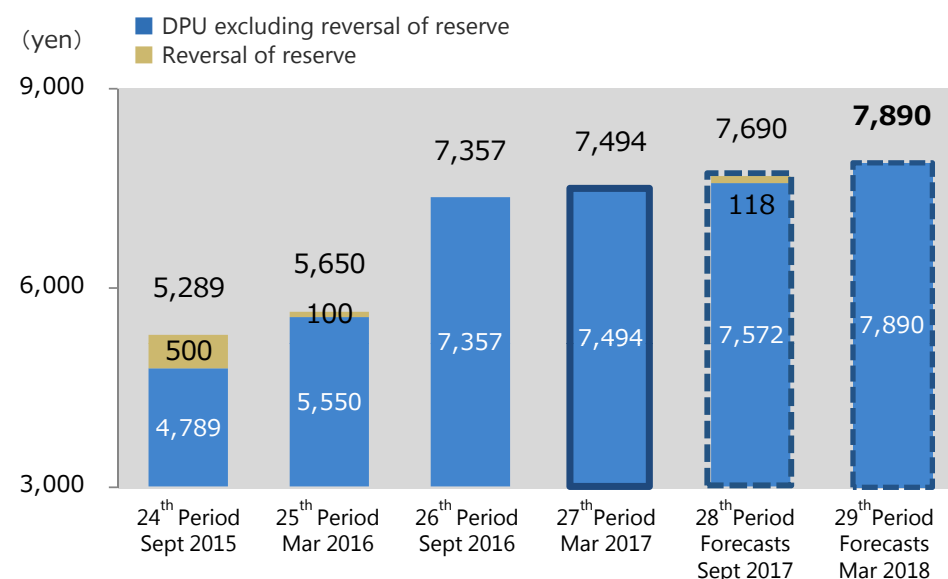
(\*3) LTV (appraisal value)=interest-bearing liabilities ÷ (term-end total assets + unrealized gain/ loss)

(\*4) LTV as of 16 May 2017 was calculated using term-end total assets of 191,474 million yen

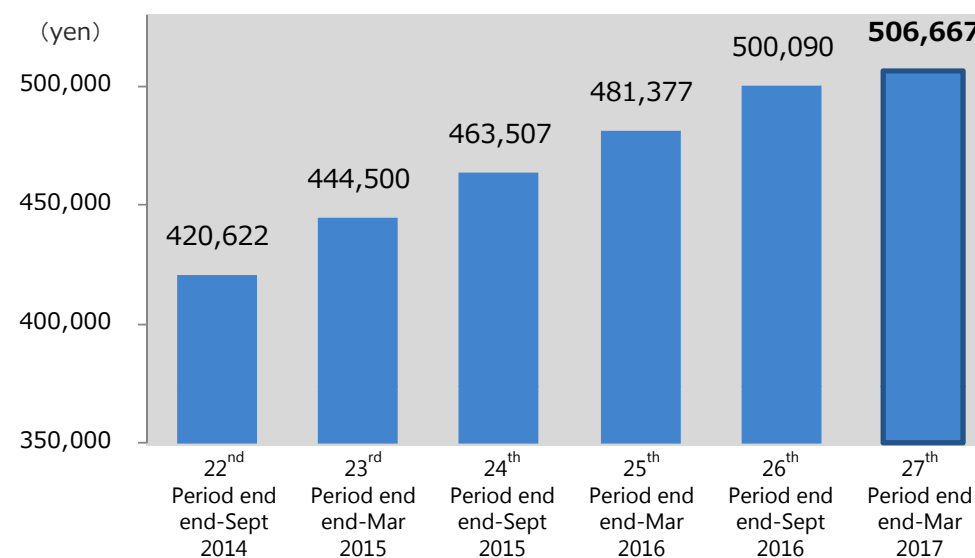
( [total assets at end of six-month period ended March 2017] + [funding through new issuances] - [debt repayments] = 191,258 million yen + 10,916 million yen - 10,700 million yen) and the unrealized gain/loss at the end of the six-month period ended March 2017 of 22,874 million yen.

(\*5) NAV per unit = ( term-end net assets - total dividends + unrealized gain/loss ) ÷ number of investment units issued

## Trend of Dividend per unit (DPU)



## Trend of NAV per unit (\*5)





## 2. Forecasts and Actual Performance for the 27<sup>th</sup> Period

- Results beat expectations due to revenue and expenditure of utilities, faster progress of leasing; two new properties' contributions were offset mainly by unit issuance costs

	(million yen)			
	27 <sup>th</sup> Period Forecasts Mar 2017	27 <sup>th</sup> Period Actual Mar 2017	Changes from 27 <sup>th</sup> forecasts	
	(*1)			
Operating Revenue	4,375	4,424	48	1.1%
Rental revenues(a)	4,375	4,424	48	1.1%
Rental revenues, etc.	4,120	4,159	38	0.9%
Utility charges	255	264	9	3.7%
Non rental revenues	-	0	0	-
Operating Expenses	2,499	2,486	-12	-0.5%
Property-related expenses(b)	2,053	2,045	-7	-0.4%
Property management fees	492	479	-12	-2.6%
Utility expenses	229	219	-10	-4.6%
Property and other taxes	427	427	-	0.0%
Casualty insurance	8	8	0	0.8%
Repairs and maintenance	81	85	3	4.7%
Depreciation and amortization(c)	806	818	11	1.5%
Other rental expenses	6	7	0	3.3%
Asset management fees	330	330	0	0.1%
Other general administrative cost	116	110	-5	-4.6%
Operating Profit	1,876	1,937	61	3.3%
Property-related profit (a-b)	2,322	2,378	56	2.4%
NOI (a-b+c)	3,128	3,197	68	2.2%
Non-operating Revenues	-	1	1	-
Non-operating Expenses	454	485	30	6.8%
Interest expense	379	381	1	0.4%
Unit issuance costs	-	24	24	-
Other non-operating expenses	74	79	4	6.4%
Ordinary Profit	1,421	1,453	31	2.2%
Net Income	1,420	1,452	31	2.2%
Total Dividends	1,420	1,452	31	2.2%
The number of units issued at end of period	193,800 units	193,800 units	-	0.0%
Dividend per unit (DPU)	7,330 yen	7,494 yen	164 yen	2.2%

(\*1) Forecasts are the numbers as of 14 November 2016.

(\*2) Increased profit/decreased profit divided by the number of units issued (193,800).

Main reasons for variance (million yen)		Converted to DPU	
	Increased profit		Decreased profit
(*2)			
Operating profit	61		317 yen
Property-related profit or loss	56		
Rental revenues, etc.	38		
Shinagawa and Midosuji	27		Contributed 24-31 March (8 days )
Existing 9 properties	11		Hirakawacho, Kinshicho had contract cancellations but new tenants signed, filled early
Revenue and expenditure of utilities	19		Increase in store sales based percentage rents, hourly parking charges, etc.
Property management fees	12		Decrease in management association fees, etc.
Depreciation and amortization		11	Acquisition of Shinagawa, Midosuji
Non-operating revenues and expenses		29	-152 yen
Unit issuance costs		24	Public offering resolved on 31 March
Interest expense and other non-operating expenses		6	Costs related to loans to finance Shinagawa, Midosuji acquisitions



### 3. Comparison with the Previous Period

#### ■ Internal growth continues smoothly

	(million yen)			
	26 <sup>th</sup> Period Sept 2016	27 <sup>th</sup> Period Mar 2017	Changes from previous period	
Operating Revenue	4,435	4,424	-11	-0.3%
Rental revenues(a)	4,435	4,424	-11	-0.3%
Rental revenues, etc.	4,131	4,159	27	0.7%
Utility charges	295	264	-30	-10.3%
Non rental revenues	9	0	-8	-92.9%
Operating Expenses	2,551	2,486	-64	-2.5%
Property-related expenses(b)	2,116	2,045	-70	-3.3%
Property management fees	502	479	-22	-4.5%
Utility expenses	254	219	-35	-13.9%
Property and other taxes	429	427	-2	-0.5%
Casualty insurance	8	8	0	0.8%
Repairs and maintenance	113	85	-27	-24.4%
Depreciation and amortization	803	818	15	1.9%
Loss on retirement of fixed assets	0	-	-0	-100.0%
Other rental expenses	5	7	1	37.5%
Asset management fees	328	330	2	0.6%
Other general administrative cost	106	110	4	4.3%
Operating Profit	1,884	1,937	53	2.8%
Property-related profit (a-b)	2,318	2,378	59	2.6%
NOI (a-b+c)	3,122	3,197	74	2.4%
Non-operating Revenues	1	1	0	14.0%
Non-operating Expenses	458	485	26	5.8%
Interest expense	383	381	-2	-0.7%
Unit issuance costs	-	24	24	-
Other non-operating expenses	75	79	4	6.0%
Ordinary Profit	1,426	1,453	26	1.9%
Net Income	1,425	1,452	26	1.9%
Total Dividends	1,425	1,452	26	1.9%
The number of units issued at end of period	193,800 units	193,800 units	-	0.0%
Dividend per unit (DPU)	7,357 yen	7,494 yen	137 yen	1.9%

Main reasons for variance (million yen)	(million yen)		Converted to DPU
	Increased profit	Decreased profit	
(*)			
Operating profit	53		274 yen
Property-related profit or loss	59		
Rental revenues, etc.	27		
Shinagawa and Midosuji	27		Contributed 24-31 March (8 days)
Upward rent revisions	5		7 properties in Yokohama, Saitama, Yodoyabashi, etc.
Expiries of rent-free periods, etc.	4		Otemachi, Sengokuyama, Yodoyabashi, etc.
Moving in and out, etc.		9	Otemachi, Hirakawacho, Kinshicho, etc.
Non rental revenues		8	Ginza, etc.
Utilities charges and expenses	4		
decrease in property management fees	22		Decrease in leasing costs, management association fees, etc.
Decrease in repairs and maintenance	27		Ginza, Yokohama, Saitama, Yodoyabashi, etc.
Increase in depreciation and amortization		15	Acquisition of Shinagawa, Midosuji
Non-operating revenues and expenses		26	-136 yen
Unit issuance costs occurred		24	Public offering resolved on 31 March

Properties that recorded increases/ decreases of 10 million yen or more	(million yen)		Converted to DPU	Main reasons for variance
	Increased profit	Decreased profit		
Yodoyabashi	33		172 yen	Higher occupancy ratio, expiries of rent-free periods, decrease in leasing costs, repair costs
Saitama	13		69 yen	Decrease in repair costs
Yokohama	11		59 yen	Upward rent revisions, expiry of rent-free period, decrease in repair costs
Hirakawacho	10		53 yen	Decrease in management association fees
Otemachi		14	-77 yen	Temporary revenue fall associated with tenant changes, increase in repair costs
Kinshicho		11	-60 yen	Temporary revenue fall associated with tenant changes, increase in repair costs

(\*) Increased profit/decreased profit divided by the number of units issued (193,800).

# 4. Performance forecast - (1): Period ending Sept 2017

## ■ Revenue, profit growth through external factors expected to exceed dilution due to capital increase

(million yen)				
	27 <sup>th</sup> Period Mar 2017	28 <sup>th</sup> Period Sept 2017	Changes from the 27th period	
(*1)				
Operating Revenue	4,424	5,125	700	15.8%
Rental revenues(a)	4,424	5,125	700	15.8%
Rental revenues, etc.	4,159	4,787	627	15.1%
Utility charges	264	338	73	27.8%
Non rental revenues	0	-	-0	-100.0%
Operating Expenses	2,486	2,866	379	15.2%
Property-related expenses(b)	2,045	2,360	314	15.4%
Property management fees	479	563	83	17.5%
Utility expenses	219	336	117	53.4%
Property and other taxes	427	430	3	0.8%
Casualty insurance	8	11	2	26.5%
Repairs and maintenance	85	121	35	42.0%
Depreciation and amortization(c)	818	890	71	8.8%
Other rental expenses	7	7	0	4.8%
Asset management fees	330	377	47	14.3%
Other general administrative cost	110	127	16	15.2%
Operating Profit	1,937	2,259	321	16.6%
Property-related profit (a-b)	2,378	2,764	385	16.2%
NOI (a-b+c)	3,197	3,654	457	14.3%
Non-operating Revenues	1	-	-1	-100.0%
Non-operating Expenses	485	563	77	16.0%
Interest expense	381	433	52	13.7%
Unit issuance costs	24	26	1	7.5%
Other non-operating expenses	79	103	23	29.6%
Ordinary Profit	1,453	1,696	242	16.7%
Net Income	1,452	1,695	242	16.7%
Reversal of reserve for reduction entry	-	26	26	-
Total Dividends	1,452	1,721	269	18.6%
The number of units issued at end of period	193,800 units	223,900 units	30,100 units	15.5%
Earnings per unit (EPU)	7,494 yen	7,572 yen	78 yen	1.0%
Dividend per unit (DPU)	7,494 yen	7,690 yen	196 yen	2.6%

Main reasons for variance (million yen)			Converted to DPU
	Increased profit	Decreased profit	
(*2)			
Operating profit	321		1,660 yen
Property-related profit or loss	385		
External growth (Shinagawa, Midosuji)	391		
Rental revenues	635		
Property-related expenses		244	
Internal growth (existing 9 properties)		5	
Rental revenues	65		
Rental revenues, etc.	34		
Upward rent revisions	22		6 properties in Hirakawacho, Kinshicho, Yokohama, Saitama, etc.
Expiries of rent-free periods	31		Otemachi, Saitama, Yodoyabashi, etc.
Moving in and out, etc.		18	Hirakawacho, Kinshicho, Yokohama, etc.
Utility charges	31		
Property-related expenses		70	
Property management fees		11	Increase in management association fees, etc.
Utility expenses		39	
Property and other taxes		2	
Casualty insurance	0		
Repairs and maintenance		13	Ginza, Yokohama, Saitama, Yodoyabashi, etc.
Depreciation and amortization		6	
Other rental expenses	1		
General administrative costs		64	Increase in asset-linked, profit-linked asset management fees, etc.
Non-operating profit and loss		78	-406 yen
Increase in non-operating expenses		77	Costs related to loans to finance acquisition of Shinagawa, Midosuji
Dilution due to capital increase			-1,176 yen
Reserve for reduction entry			118 yen
Increase in reversal of reserve	26		

(\*1) See "Summary of Financial Results for the Six-Month Period Ended March 2017" released on 19 May 2017 for details of assumptions for the 28th period forecasts.

(\*2) Operating profit and non-operating profit/loss are figures divided by the total number of investment units issued as of the end of the six-month period ended March 2017 (193,800); reserve for reduction entry is the figure divided by the expected total number of investment units issued as at the end of the six-month period ending September 2017 (223,900).

## 4. Performance forecast - (2): Period ending March 2018

■ No new tenants, lower revenue assumed, but higher profit through financial-cost reduction expected

(million yen)				
	28 <sup>th</sup> Period Sept 2017	29 <sup>th</sup> Period Mar 2018	Changes from previous period	
	(*1)			
Operating Revenue	5,125	5,029	-95	-1.9%
Rental revenues(a)	5,125	5,029	-95	-1.9%
Rental revenues, etc.	4,787	4,731	-55	-1.2%
Utility charges	338	298	-40	-11.8%
Non rental revenues	-	-	-	-
Operating Expenses	2,866	2,793	-72	-2.5%
Property-related expenses(b)	2,360	2,276	-83	-3.6%
Property management fees	563	559	-4	-0.8%
Utility expenses	336	287	-48	-14.4%
Property and other taxes	430	427	-3	-0.8%
Casualty insurance	11	11	-0	-0.0%
Repairs and maintenance	121	95	-25	-21.0%
Depreciation and amortization	890	887	-2	-0.3%
Other rental expenses	7	7	0	2.5%
Asset management fees	377	381	4	1.1%
Other general administrative costs	127	134	7	5.6%
Operating Profit	2,259	2,236	-23	-1.0%
Property-related profit (a-b)	2,764	2,752	-11	-0.4%
NOI (a-b+c)	3,654	3,640	-14	-0.4%
Non-operating Revenues	-	-	-	-
Non-operating Expenses	563	468	-94	-16.7%
Interest expense	433	378	-54	-12.5%
Unit issuance costs	26	-	-26	-100.0%
Other non-operating expenses	103	89	-13	-12.9%
Ordinary Profit	1,696	1,767	71	4.2%
Net Income	1,695	1,766	71	4.2%
Reversal of reserve for reduction entry	26	-	-26	-100.0%
Total Dividends	1,721	1,766	44	2.6%
The number of units issued at end of period	223,900 units	223,900 units	-	0.0%
Earnings per unit (EPU)	7,572 yen	7,890 yen	318 yen	4.2%
Dividend per unit (DPU)	7,690 yen	7,890 yen	200 yen	2.6%

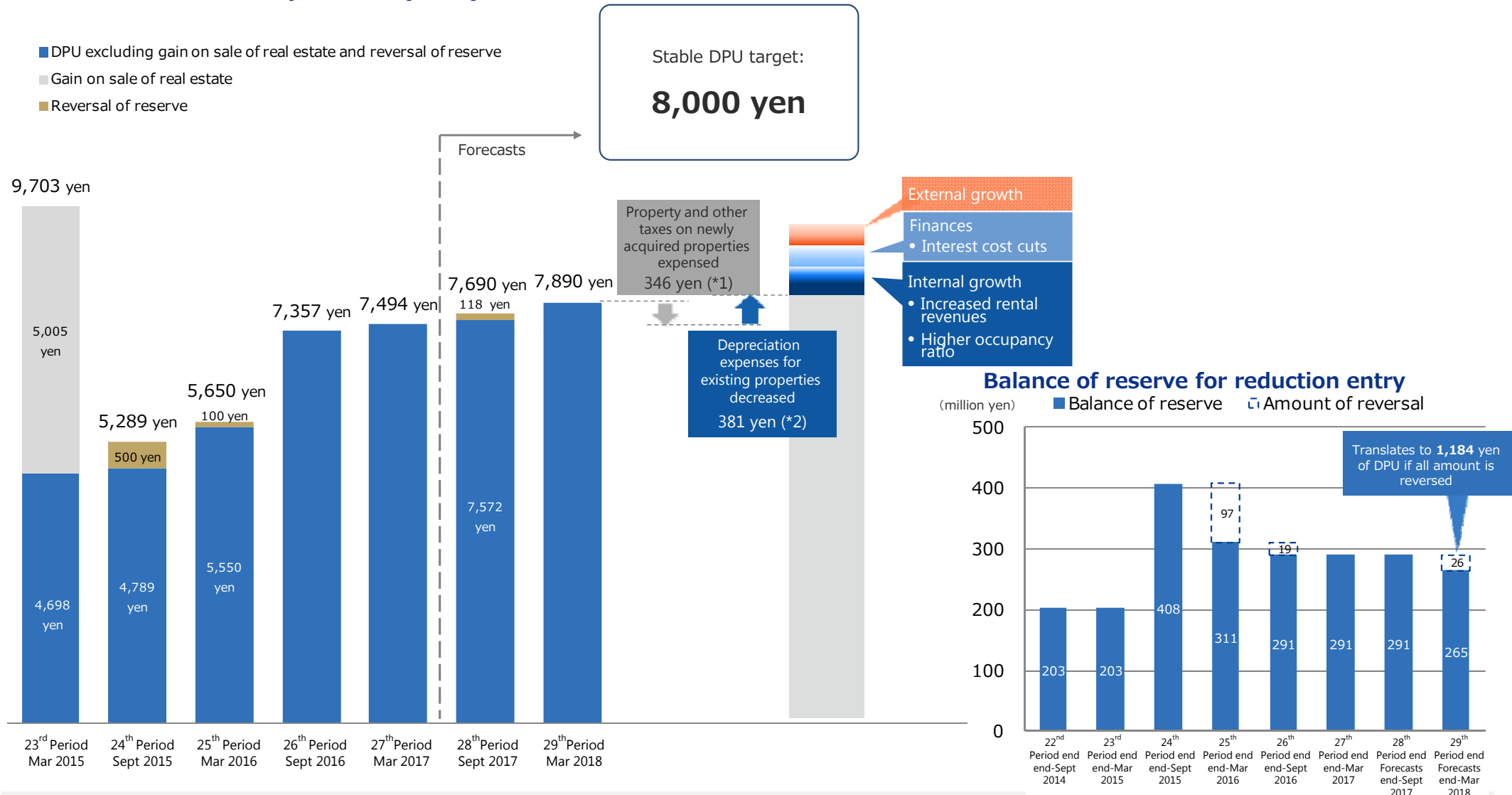
Main reasons for variance (million yen)	Converted to DPU		
	Increased profit	Decreased profit	
	(*2)		
Operating Profit		23	-103 yen
Property-related profit or loss		11	
Rental revenues, etc.		55	
Upward rent revisions	16		
Free rent		9	
Moving in and out, etc.		63	
Utilities charges and expenses	8		
Decrease in repairs and maintenance	25		
Non-operating revenues and expenses	94		421 yen
Decrease in interest expense	54		
Reserve for reduction entry			-118 yen
Decrease in the amount of reversal of reserve		26	

(\*1) See "Summary of Financial Results for the Six-Month Period Ended March 2017" released on 19 May 2017 for details of assumptions for the 28th and 29th period forecasts.

(\*2) Profit increase/decrease figures divided by the total number of outstanding investment units (223,900).

# 5. Stable growth of dividends

## Trend of Dividend per unit (DPU)



(\*1) This figure was obtained by dividing six-month's-worth of the fixed-asset and city-planning taxes in 2016 on Meiji Yasuda Life Insurance Osaka Midotsuji Building and Shinagawa Seaside West Tower (77 million yen) by the number of investment units issued after the issuance of new investment units (223,900). Note there is a risk that the actual figure may be significantly different.

(\*2) This figure was obtained by combining the potential increase or decrease factors that are expected currently on the depreciation expenses for the six-month period ending September 2018 and the six-month period ending March 2019, adding the total (-85 million yen) to the expected depreciation expenses for the six-month period ending March 2018, and dividing this total by the number of investment units issued after the issuance of new investment units (223,900). Note there is a risk that the actual figure may be significantly different.



## **III Portfolio Management**

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# 1. External Growth (1) : Overview of Acquisition Properties ①

Meiji Yasuda Life Insurance Osaka Midosuji Building

(as of 31 March 2017)



■ Sponsor-developed prime property, attached to Yodoyabashi Station, along Midosuji, acquired



Location	4-1-1 Fushimi-machi, Chuo-ku, Osaka City
Acquisition price	9,200 million yen
Appraisal value	9,590 million yen
Expected NOI return	3.8% (after-depreciated return 3.2%)
Appraisal NOI return	4.4%
Occupancy ratio, number of tenants	99.9%, 15 tenants
Access	Directly connected to Yodoyabashi station on the Subway Midosuji Line 4-minute walk from Yodoyabashi station on the Keihan Main Line
Year built	July 2001
Structure	14-story plus 3 basement level S, SRC with a flat roof
Floor area	32,997.60m <sup>2</sup> (total floor area of the entire building)
Total rentable area	8,717.43m <sup>2</sup> (50% ownership)

**“Closer”**      Nearest station      **Directly connected**

**“Newer”**      Aged      **15.8 years**

**“Larger”**      Total rentable area  
on standard floor      **481 tsubo**

Co-ownership interest of 50% acquired from Meiji Yasuda Life Insurance on 24 March 2017; joint management started

- Directly connected to Yodoyabashi Station; located along Midosuji
- Office space in rectangular shapes with no obstructing pillars, ceiling height of 2,800 mm
- Quake-absorbing structure, equipped with carriage entrance
- Current rents lower than market levels, implying upside possibility in future
- Office supply in the city of Osaka is expected to fall below past average



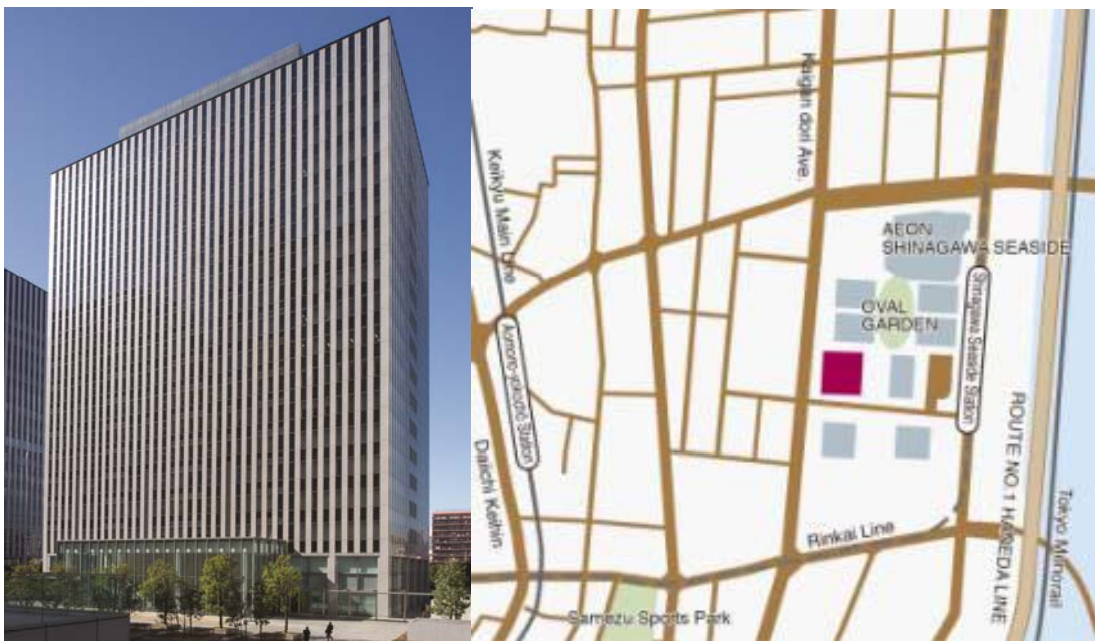
# 1. External Growth (1) : Overview of Acquisition Properties ②

## Shinagawa Seaside West Tower

(as of 31 March 2017)



- Jointly investing with sponsors in high-spec building with BCP capability



Location	4-12-2 Higashi-Shinagawa, Shinagawa-ku, Tokyo
Acquisition price	12,000 million yen
Appraisal value	12,650 million yen
Expected NOI return	4.1% (after-depreciated return 3.3%)
Appraisal NOI return	4.4%
Occupancy ratio, number of tenants	89.4%, 5 tenants
Access	1-minute walk from Shinagawa Seaside Station on the Rinkai Line 8-minute walk from Aomono-yokocho Station on the Keikyu Line
Year built	August 2004
Structure	18-story plus 1 basement level S, SRC, RC with a flat roof
Floor area	38,645.33m <sup>2</sup> (total floor are of the entire building)
Total rentable area	12,255.39m <sup>2</sup> (50% ownership)

**“Closer”**      Nearest station      **within 1-minute walk**

**“Newer”**      Aged      **12.7 years**

**“Larger”**      Total rentable area  
on standard floor      **434 tsubo**

Jointly acquired, managed with Meiji Yasuda Life Insurance (equal-part ownership) from third party on 24 March 2017

- 1 minute walk from the nearest station, easy access to Shinagawa Station, Haneda Airport
- Office space in rectangular shapes with no obstructing pillars, ceiling height of 2,700 mm
- Tremor-damping structure; equipped with emergency power system (separate power supply system installable for each tenant)
- Mitsubishi group company is the main tenant, using its property as headquarters
- Stable demand expected, especially from IT companies, for business headquarters back-office use



# 1. External Growth (2) : External growth through collaboration with sponsor

## ■ Effort during period

**Meiji Yasuda Life Insurance  
Osaka Midosuji Building**

Sponsor-developed property



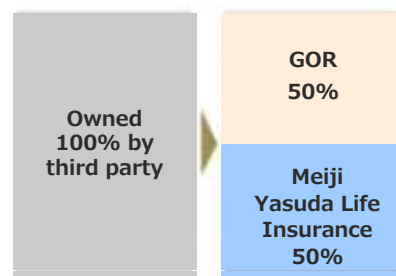
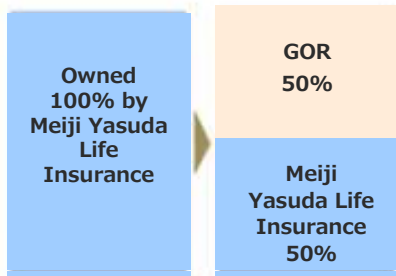
Sponsor-supplied property;  
Joint management

**Shinagawa Seaside  
West Tower**

Acquired through own efforts



Joint investment,  
Management with sponsor



## ■ Growth based on win-win relationship with investment partner

### 1. External growth to stabilize revenues

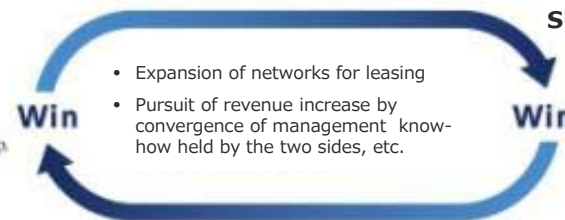
- Pursued opportunities to invest in large properties while seeking diversification of risk through joint investment with investment partner
- Sought to stabilize revenues by ensuring diversification through increase in property numbers, expansion of asset size

### 2. Collaborative efforts aimed at enhancing internal-growth potential

- Promotion of leasing that can take advantage of broad range of networks accessible through either party
- Enhancement of internal-growth potential through convergence of investment know-how, active use of human capital held by either party

Expand asset size to  
stabilize revenues

More diverse  
investment  
opportunities in  
superior properties



Meiji Yasuda  
Life Insurance

Collaborative relationship with Meiji Yasuda Life Insurance, a sponsor, to be maintained in pursuit of continued growth

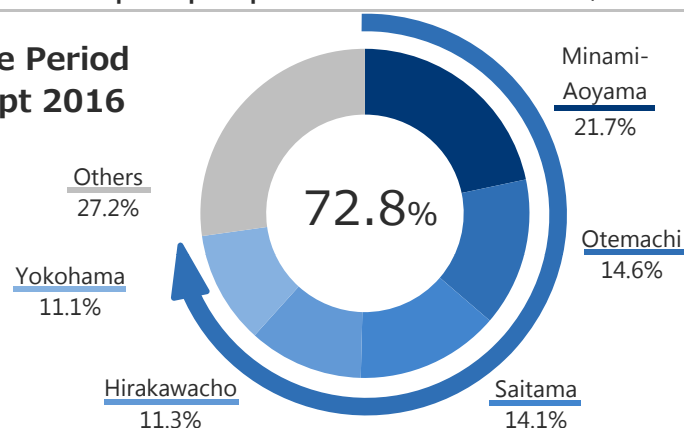
# 1. External Growth (3) : Progress of tenant diversification thanks to acquisition

## Tenant diversification progressed as a result of acquisition of two properties

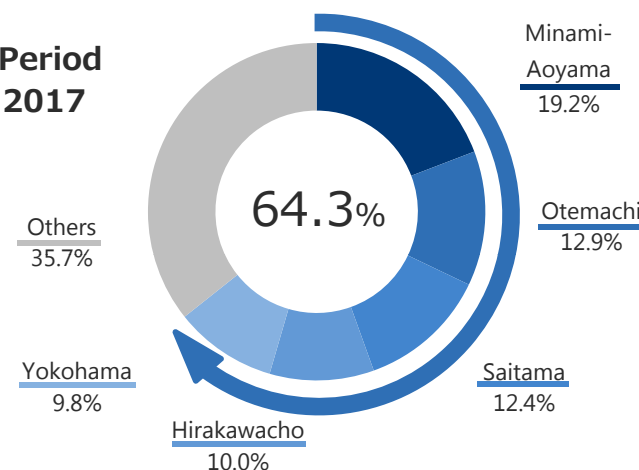
- Proportion of top 5 tenants declined to 64.3% from 72.8%
- Proportion of top 10 tenants and of tenants of existing properties declined

### Proportion of top 5 properties (based on the acquisition price)

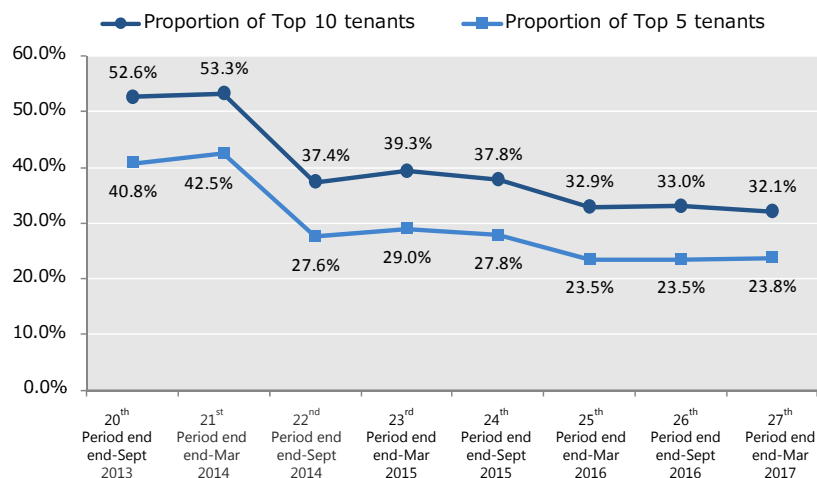
End of the Period  
ended Sept 2016



End of the Period  
ended Mar 2017

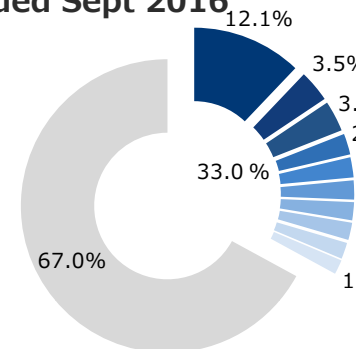


### Proportion of top 5 tenants & top 10 tenants (based on the leased area)

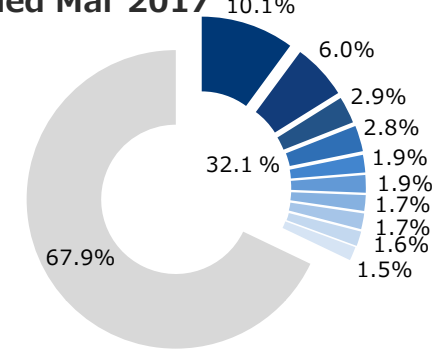


### Percentages of top 10 tenants

End of the Period  
ended Sept 2016



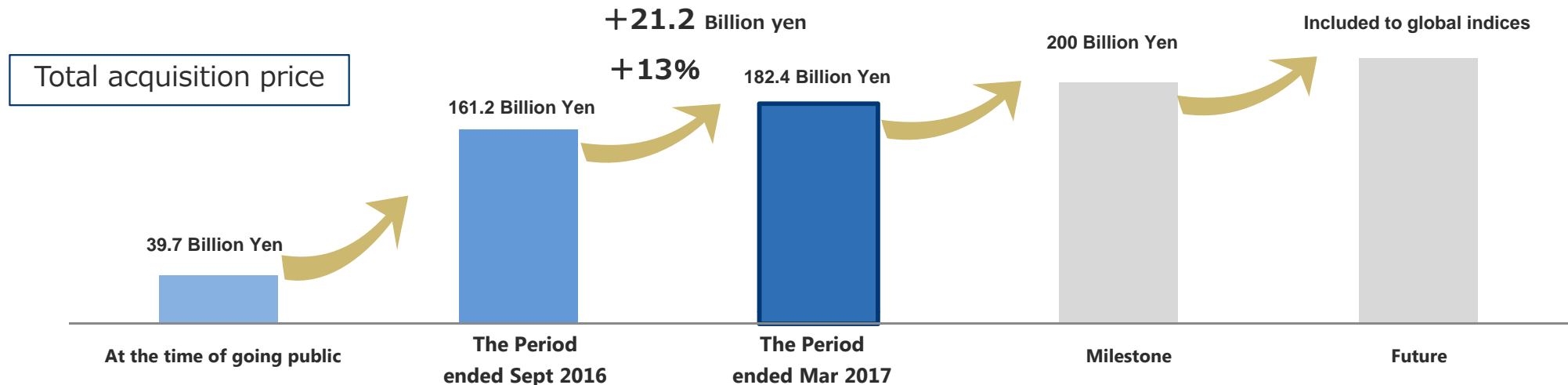
End of the Period  
ended Mar 2017



(\*) For more information about top 10 tenants, please refer to Page 29.

# 1. External Growth (4): External Growth Strategies

- Focusing on property quality while trying to expand portfolio to stabilize revenues



## Strategies and Measures

### Enhancing sourcing potential

- Real estate investment development office set up in April 2016, and the number of personnel increased

### Continued collaboration with sponsors

- Regular property information meeting being held
- Pursuing opportunities to invest in large properties by sharing investment load

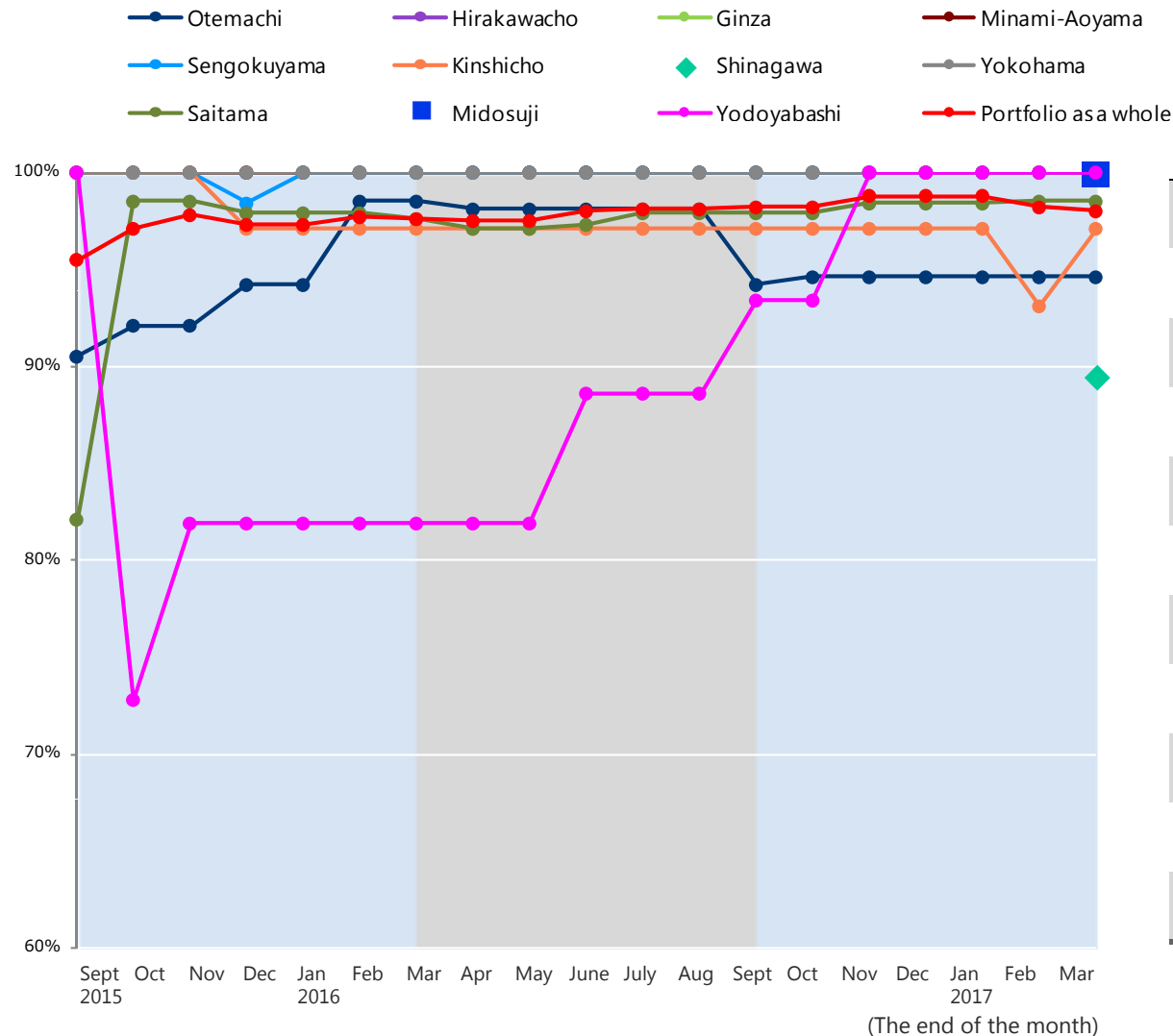
Efforts to expand scope of properties being considered: property competitiveness considered from all angles

Previous acquisition policy	Convenient location (properties near stations in large cities)	Relatively new properties	Large Office buildings (with rentable area on standard floor totaling 200 tsubo or more)
	Maintained	Relaxed	
New policy after partial relaxation	No change	Properties 20 years or older with favourable location being considered	Medium-sized office buildings being considered (with rentable area on standard floor totaling 100 tsubo or more)

## 2. Internal Growth (1): Occupancy Ratio

■ Occupancy ratio stable at high levels - 98.0% for portfolio (as of the end of March 2017)

- Properties below 95% occupancy ratio: two properties in Otemachi and Shinagawa



	25th Period end (end-Mar 2016)	26th Period end (end-Sept 2016)	27th Period end (end-Mar 2017)
Otemachi First Square	98.5%	94.6%	94.6%
Hirakawacho Mori Tower	100.0%	100.0%	100.0%
Ginza First Building	100.0%	100.0%	100.0%
TK Minami-Aoyama Building	100.0%	100.0%	100.0%
ARK Hills Sengokuyama Mori Tower	100.0%	100.0%	100.0%
Arca Central	97.1%	97.1%	97.1%
Shinagawa Seaside West Tower	—	—	89.4%
Yokohama Plaza Building	100.0%	100.0%	100.0%
Meiji Yasuda Life Insurance Saitama-Shintoshin Building	97.6%	97.9%	98.5%
Meiji Yasuda Life Insurance Osaka Midosuji Building	—	—	99.9%
Yodoyabashi Flex Tower	81.9%	93.4%	100.0%
<b>Portfolio as a whole</b>	<b>97.6%</b>	<b>98.2%</b>	<b>98.0%</b>

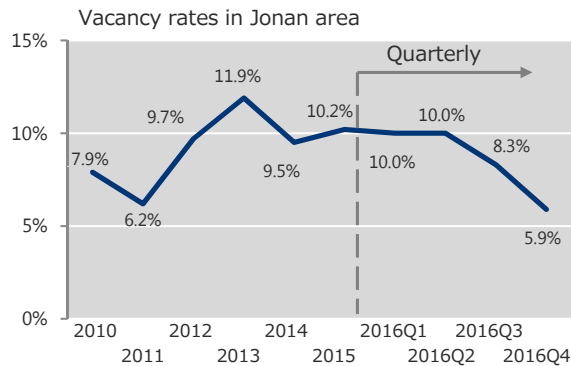
## 2 . Internal Growth (2) : Leasing Activities (as of the end of April 2017)

### Shinagawa Seaside West Tower

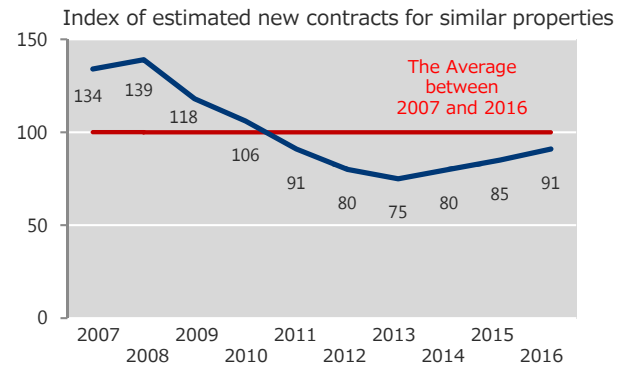
Potential to grow DPU by filling vacant lease space

Occupancy ratio	Vacant lease space (adjusted for 50% ownership)
89.4%	391 tsubo (1,295m <sup>2</sup> )

Vacancy rates in area dropped significantly Market rent levels up



Source: CBRE



Source: CBRE

Note: Index using the average between 2007 and 2016 as the base of 100.

Many cases of large-scale relocation plans, demand

- 22 new inquiries, 6 new inspection tours in just 1 month from acquisition to the end of April
- Ongoing negotiations, leads from 7 companies, equivalent of about 2,000 tsubo in total floor area (adjusted for 50% ownership)

### Demand trends

Industries: Mainly IT firms, manufacturers

Demands: 65-400 tsubo (adjusted for 50% ownership) for headquarters, back-office use

Relocating from: Many from adjacent areas, Jonan area

Reason for relocating: Positive reasons, such as seeking increased floor area

### Otemachi First Square

Occupancy ratio, rental revenues expected to rise through increased interior floor area, etc.

Rents including common area charges rose 5.7% thanks to tenant changes in areas totaling 69 tsubo/229 m<sup>2</sup>

The Period ended Mar 2017 occupancy ratio ±0%

Areas totaling 96 tsubo/319 m<sup>2</sup> newly rented out after interior floor area expansion

The Period ending Sept 2017 occupancy ratio +3.9%

Two sections totaling 51 tsubo/169m<sup>2</sup> to be vacated, the only office rooms remaining to be rented out

the Period ending Sept 2017 occupancy ratio -2.1%

Occupancy ratio

End-Mar 2017	End-Jul 2017 Forecast	End-Sept 2017 Forecast
94.6%	⇒ 93.5%	⇒ <b>96.4%</b>

### Arca Central (Kinshicho)

To be fully rented out after expected contracts with new tenants

Tenants changes in section totaling 190 tsubo/628 m<sup>2</sup>

The Period ended Mar 2017 occupancy ratio ±0%

Newly rented out areas total 136 tsubo/452 m<sup>2</sup>

The Period ending Sept 2017 occupancy ratio +2.9%

<Two new tenants>

Relocated from: Adjacent area

Reason for relocation: Seeking better location

Occupancy ratio

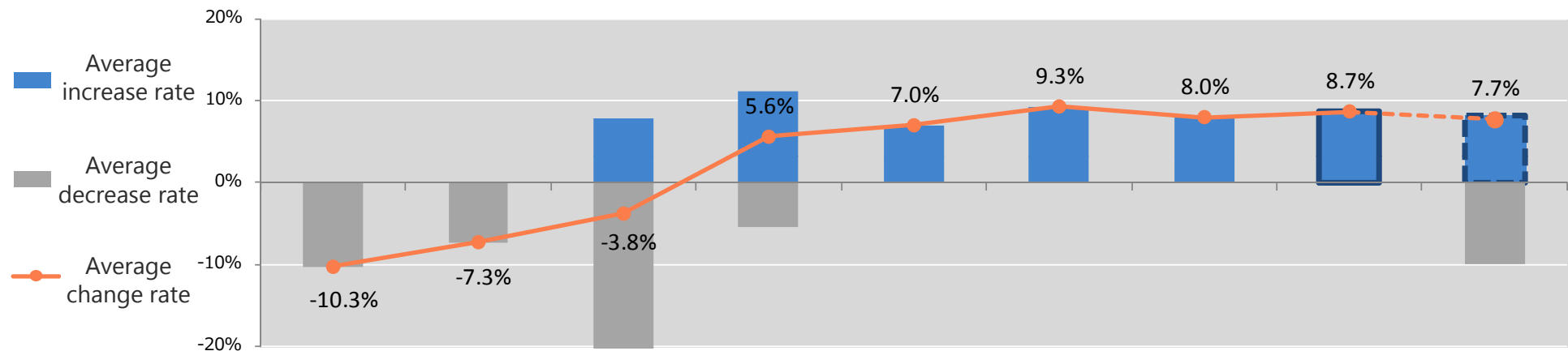
End-Mar 2017	End-Sept 2017 Forecast
97.1%	⇒ <b>100%</b>



## 2. Internal Growth (3) Rental Rate Revisions ① Current Situation

### ■ Expect to achieve rent increase revisions for 6 consecutive periods

- In the 27<sup>th</sup> Period, out of a total of 21 cases, rents were increased at 13, maintained at 8, and reduced at 0, giving an average change rate of +8.7%
- In the 28<sup>th</sup> Period, out of a total of 47 cases, rents are expected to be increased at 22, maintained at 24, and reduced at 1, giving an average change rate of +7.7%



(*1)	20 <sup>th</sup> Period Sept 2013	21 <sup>st</sup> Period Mar 2014	22 <sup>nd</sup> Period Sept 2014	23 <sup>rd</sup> Period Mar 2015	24 <sup>th</sup> Period Sept 2015	25 <sup>th</sup> Period Mar 2016	26 <sup>th</sup> Period Sept 2016	27 <sup>th</sup> Period Mar 2017	28 <sup>th</sup> Period Forecasts Sept 2017
Area (m <sup>2</sup> )	16,117	20,002	18,507	11,709	25,295	13,684	11,304	9,494	30,377
Number of renewal	27	15	35	22	31	17	22	21	47
Area (m <sup>2</sup> )	-	-	3,332	2,497	8,804	8,389	7,468	3,090	13,506
Average increase rate	-	-	7.8%	11.1%	7.0%	9.3%	8.0%	8.7%	8.2%
Number of rent increase	-	-	5	4	12	12	14	13	22
Area (m <sup>2</sup> )	5,746	705	1,996	1,608	-	-	-	-	353
Average decrease rate	-10.3%	-7.3%	-20.6%	-5.4%	-	-	-	-	-10.0%
Number of rent decrease	9	2	3	3	-	-	-	-	1
Average change rate	-10.3%	-7.3%	-3.8%	5.6%	7.0%	9.3%	8.0%	8.7%	7.7%

(\*1) The average increase rates, the average decrease rates and the average change rates are based on the rents excluding common area charges.

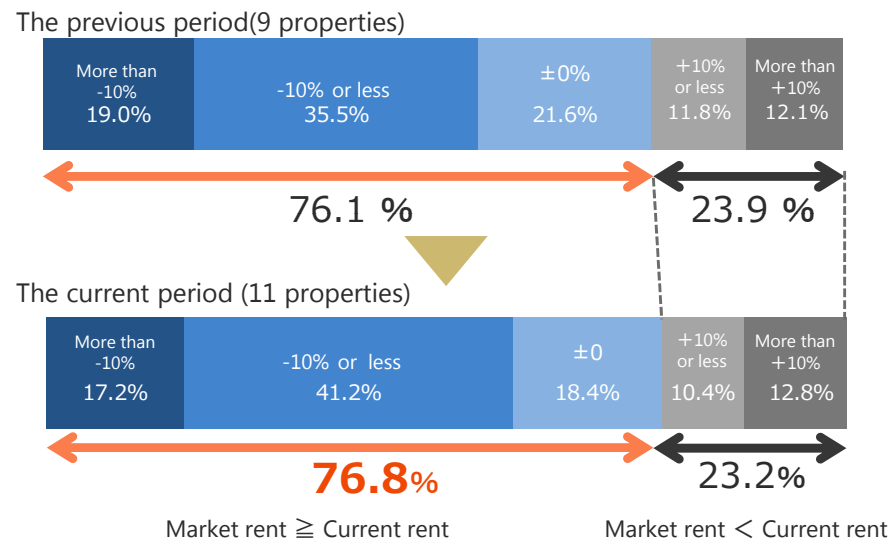
(\*2) Forecasts for the 28<sup>th</sup> Period as of April-end 2017

## 2. Internal Growth (3): Rental Rate Revisions ② Future Outlook

### ■ Efforts continued to hike rents through attempts to eliminate rent gaps

#### Deviation of current contracted rents from market rents

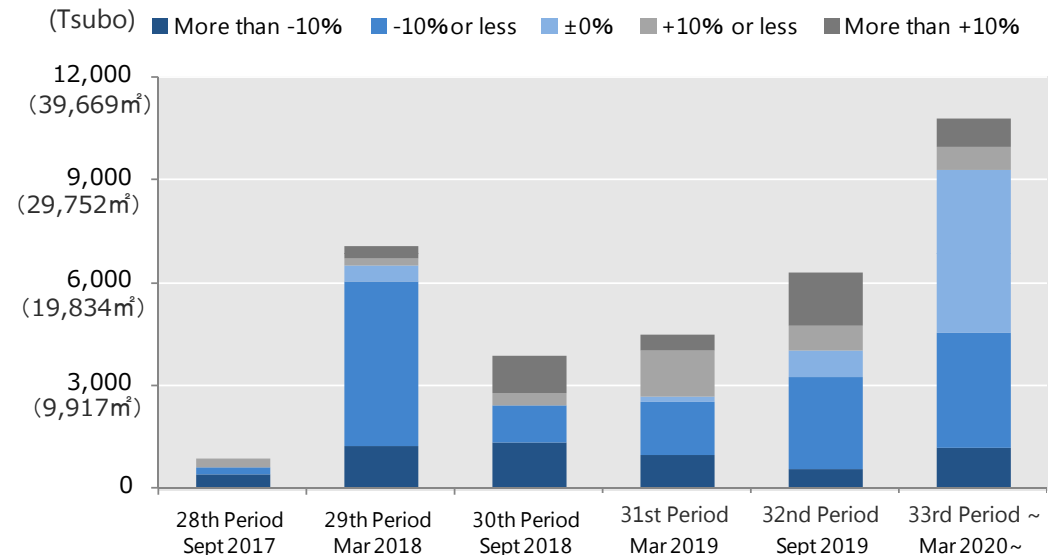
◆ Changes in deviation from market rent (\*1) and proportion of leased area <offices only>



- Negative rent gaps for existing properties partly eliminated thanks to rent hikes; 2 properties in Midosuji, Shinagawa, which have large negative rent gaps, acquired
- Negative rent gaps represent **2.0 %** of current rents (715 million yen monthly)

#### Deviation at the time of each rent revision

◆ Deviation and volume of leased area (\*2) <office only>



Deviation	Future policy
More than - 10%	Aim to increase rent
Between ±0% and 10%	
+ 10% or less	Basically, maintain the current rent level, but engage in negotiations if the individual circumstances make a rent increase feasible
More than + 10%	

(\*1) Deviation is an expression of the gap between the market rent and the current rent (contracted rent including common area charges) , and is calculated using the following formula: current contracted rent / market rent - 1. Figures for market rent are based on rents under new contracts as estimated by CBRE as of the end of February 2017. Figures for current contracted rents include rents as formally or informally determined as of the end of April 2017.

(\*2) Contracts for which rents are due to be revised during the 28<sup>th</sup> Period and for which the new rent has already been agreed upon are included in the next revision period.



### 3. Financial management (1): Overview of financing for acquisitions

#### ■ Controlling LTV in appropriate manner through public offering

##### 1. 21.2 billion yen raised through loans on the day of acquisition (24 March 2017)

- LTV (book value) temporarily rose from 50.3% (as of the end of the Period ended September 2016 ) to 55.5% (as of the end of the Period ended March 2017 )
- Raised through combination of short-term and long-term loans
  - ① Short-term loan: 10.7 billion yen, 0.5 year, floating rate 1M-TIBOR+0.2%  
(Lenders: Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking)
  - ② Long-term loan: 10.5 billion yen, 7.0 years, fixed rate 0.77756%  
(Lenders: Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, Meiji Yasuda Life Insurance, Development Bank of Japan, Sumitomo Mitsui Banking, Bank of Fukuoka)

##### 2. 10.9 billion yen raised through public offering

Raised amount: Total amounts issued	10,916 million yen (public offering 10,372 million yen, third-party allotment 544 million yen)
Number of new investment units (including third-party allotment)	30,100 units (of which 1,500 allotted to GAR to use it for OA*)
Number of total investment units issued	193,800 units (before capital increase) → 223,900 units (after)
Issue price / issue value	375,375 yen / 362,670 yen
Dates issuance resolved / issuance conditions decided	31 March 2017 / 12 April 2017
Payment dates	Public offering 19 April 2017 / third-party allotment 16 May 2017

\* OA: Secondary offering through over allotment

##### 3. 10.7 billion yen in short-term loans repaid

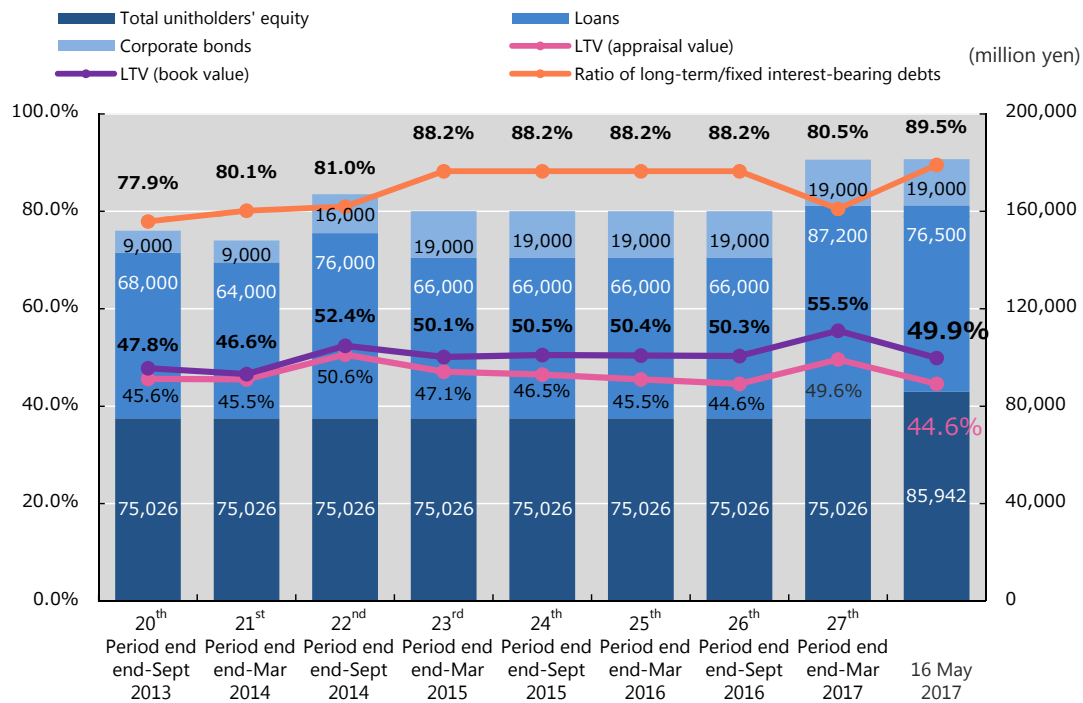
- All short-term loans repaid on 28 April 2017 by using paid-in amount of public offering and cash on hand
- LTV (book value) 49.9% \*see Page6

### 3. Financial Management (2) : Historical Overview of Financial Management

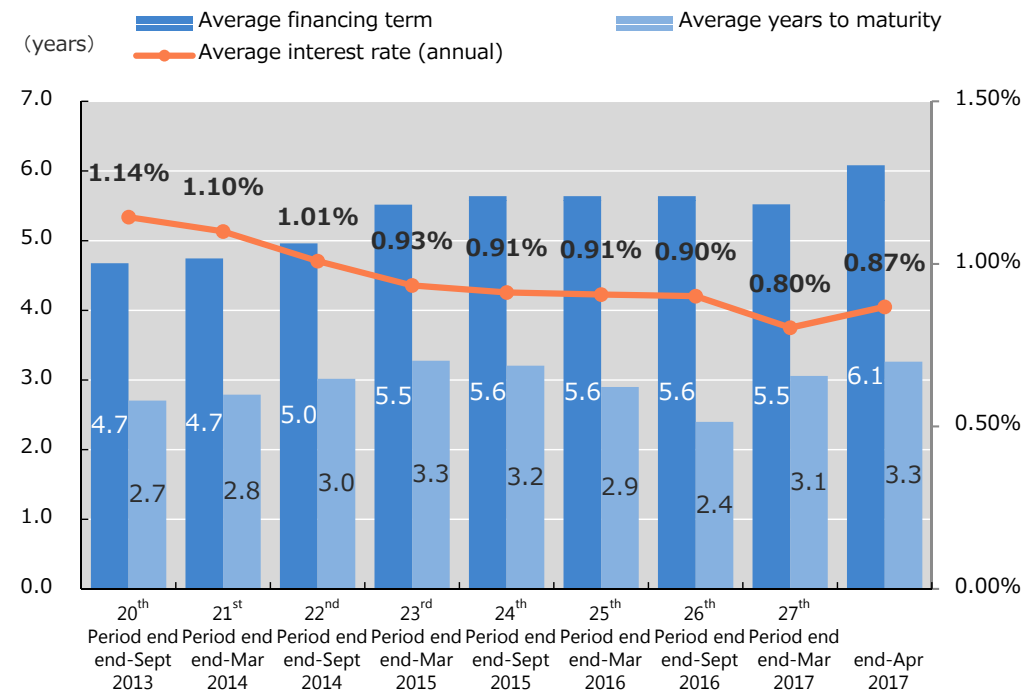
#### ■ Appropriate management of finances taking market conditions into consideration

- Manage leverage flexibly while fully reviewing stability of leasing contracts, real estate market, and financial environment, etc.
- Interest-bearing liabilities with a focus on long-term and fixed-rate debt

#### The breakdown of fund procurement



#### Conditions of interest-bearing liabilities



#### ◆ The breakdown of interest-bearing liabilities

	26 <sup>th</sup> period end	27 <sup>th</sup> period end	end-April 2017
Loans	66,000 million yen	87,200million yen	76,500million yen
Corporate bonds	19,000 million yen	19,000million yen	19,000million yen
<b>Total</b>	<b>85,000million yen</b>	<b>106,200million yen</b>	<b>95,500million yen</b>

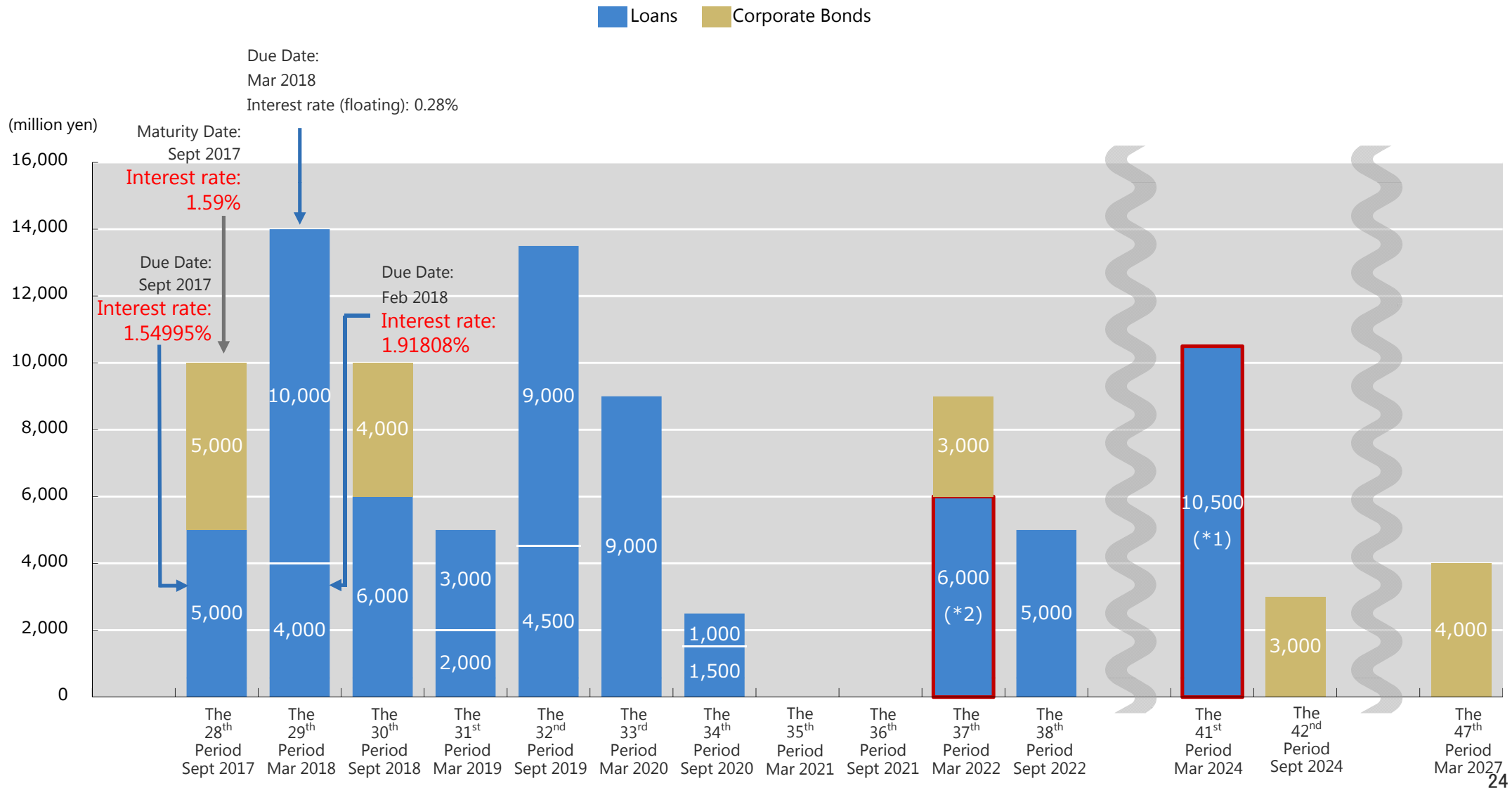
	26 <sup>th</sup> period end	27 <sup>th</sup> period end	end-April 2017
Average financing term	5.64 years	5.52 years	6.08 years
Average years to maturity	2.38 years	3.06 years	3.26 years
Average interest Rate	0.90%	0.80%	0.87%

### 3. Financial Management (3) : Diversified Due Dates of Interest-bearing Liabilities (as of 30 April 2017)



#### ■ Efforts to reduce financial costs continued

- 10.5 billion yen borrowed on 24 March at 7-year fixed rate of 0.77756% (\*1) to finance property acquisition cost of 21.2 billion yen
- 6 billion yen borrowed on 31 March at 5-year fixed rate of 0.59544% (\*2) to refinance borrowings
- Debts carrying relatively high interest rates to mature in 28th Period (10 billion yen), 29th Period (4 billion yen)





## **IV Reference Data**

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## Basic Policies

- ▶ 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 "**maximizing the value for unitholders.**"

## Investment mainly in superior properties

- ▶ GOR carefully sifts for superior properties that have advantages over rivals and medium- to long-term competitiveness using the key words of "***closer***" (i.e. conveniently situated), "***newer***" (recently built) and "***larger***" (large-sized) and invest in them.

## Portfolio Quality and Growth Speed

- ▶ GOR's approach is to take the utmost care not to lose sight by focusing too much on the pace of asset growth and end up investing in properties that may undermine the "maximum value for unitholders" principle, and try to strike the right balance between the quality of assets and the pace of growth and acquire properties on the premise of holding them over the medium to long-term.

## Management and Operation

- ▶ GOR seeks to maintain high occupancy ratios and maintain or improve 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.

# Property Values at the End of Period (as of 31 March 2017)

- 1.45 billion yen fall for Saitama attributable mainly to increase in estimated long-term repair costs associated with obtaining new engineering report (\*4)

Property Name	Acquisition Price (million yen)	Appraisal Value (million yen) (*1)				Variance From Previous Period (million yen)	DC method Cap Rate (%) (*2)	DCF method	
		At the time of acquisition	End of 25 <sup>th</sup> Period	End of 26 <sup>th</sup> Period	End of 27 <sup>th</sup> Period			Discount Rate (%) (*2)	Terminal Cap Rate (%) (*2)
Otemachi First Square	23,495	23,500	28,700	28,700	28,700	—	3.1	2.6	3.1
Hirakawacho Mori Tower	18,200	18,800	22,100	22,800	23,600	800	3.2	3.0	3.4
Ginza First Building	12,282	12,500	11,700	12,100	12,100	—	3.5	3.3	3.7
TK Minami-Aoyama Building	35,000	35,040	33,400	33,500	33,600	100	3.3	3.2	3.3
ARK Hills Sengokuyama Mori Tower	8,423	8,610	10,300	10,600	10,800	200	3.2	3.0	3.4
Arca Central (*3)	① 15,031	① 16,600	17,600	18,000	18,200	200	4.0	3.8	4.2
	② 360	② 403							
Shinagawa Seaside West Tower	12,000	12,650			12,650		4.1	3.9	4.3
Yokohama Plaza Building	17,950	17,980	19,600	19,900	20,000	100	4.2	3.8	4.4
Meiji Yasuda Life Insurance Saitama-Shintoshin Building	22,700	22,820	22,650	23,200	21,750	-1,450	4.7	4.5	4.8
Meiji Yasuda Life Insurance Osaka Midosuji Building	9,200	9,590			9,590		3.9	3.9	4.1
Yodoyabashi Flex Tower	7,834	7,940	6,760	6,920	7,020	100	4.2	4.0	4.4
Portfolio as a whole	182,476	186,433	172,810	175,720	198,010	50			

(\*1) The valuations were rendered by the following appraisers:

Otemachi and Yokohama : Japan Real Estate Institute  
Hirakawacho, Ginza, Sengokuyama, Kinshicho, Shinagawa and Yodoyabashi : Daiwa Real Estate Appraisal Co., Ltd.  
Minami-Aoyama and Saitama : Chuo Real Estate Appraisal Co., Ltd.  
Midosuji : The Tanizawa Sogo Appraisal Co., Ltd.

(\*2) Percentages were used for calculations of 27<sup>th</sup> period term-end appraisals.

(\*3) ①: GOR acquired Arca Central on 28 Mar 2014 (21<sup>st</sup> Period).

②: GOR acquired Arca Central additionally on 30 May 2014 (22<sup>nd</sup> Period).

(\*4) GOR receives such a report every five years.

Property Name	Appraisal Value at the end of 27 <sup>th</sup> Period (million yen) ①	Book Value at the end of 27 <sup>th</sup> Period (million yen) ②	Unrealized gain/ loss (million yen) ③=①-②	Change rate of Book Value (%) ③/②
Otemachi First Square	28,700	23,484	5,215	22.2
Hirakawacho Mori Tower	23,600	17,562	6,037	34.4
Ginza First Building	12,100	11,764	335	2.9
TK Minami-Aoyama Building	33,600	33,602	-2	-0.0
ARK Hills Sengokuyama Mori Tower	10,800	8,195	2,604	31.8
Arca Central (*3)	18,200	16,117	2,082	12.9
Shinagawa Seaside West Tower	12,650	12,110	539	4.5
Yokohama Plaza Building	20,000	17,871	2,128	11.9
Meiji Yasuda Life Insurance Saitama-Shintoshin Building	21,750	18,283	3,466	19.0
Meiji Yasuda Life Insurance Osaka Midosuji Building	9,590	9,398	191	2.0
Yodoyabashi Flex Tower	7,020	6,745	274	4.1
Portfolio as a whole	198,010	175,135	22,874	13.1
Unrealized gain per unit			118,029 yen	

# Revenues, Expenses and NOI Return (the 27<sup>th</sup> Period (ended Mar 2017) )

		Otemachi	Hirakawa cho	Ginza	Minami- Aoyama	Sengoku yama	Kinshicho	Yokohama	Saitama	Yodoya bashi	Total 9 properties	Shinagawa	Midosuji	Total 11 properties
A. Property-related revenues	million yen	446	537	337	737	240	527	524	841	203	4,395	16	12	4,424
Rental revenues	million yen	(*1)	537	337	737	240	527	524	840	203	4,394	16	12	4,423
Other rental revenues	million yen		—	—	—	—	—	0	0	—	0	—	—	0
B. Property-related expenses	million yen	243	184	145	290	82	244	225	487	124	2,027	11	7	2,045
Property management fees	million yen	(*1)	75	26	62	32	81	40	91	18	475	2	2	479
Utilities expenses	million yen		10	28	36	3	19	23	65	17	216	1	0	219
Property and other taxes	million yen		28	44	75	12	58	31	59	19	427	—	—	427
Casualty insurance	million yen		0	0	1	0	2	0	1	0	8	0	0	8
Repairs and maintenance	million yen		0	6	26	0	8	2	24	5	85	—	—	85
Depreciation and amortization	million yen		68	38	85	33	73	127	241	62	806	7	4	818
Other rental expenses	million yen		0	1	0	0	0	0	2	1	7	0	0	7
C. Profits (A-B)	million yen	202	352	192	447	157	283	298	353	79	2,368	5	5	2,378
D. NOI (C+Depreciation and amortization)	million yen	278	421	230	533	191	356	426	594	141	3,174	12	9	3,197
E. Acquisition price	million yen	23,495	18,200	12,282	35,000	8,423	15,391	17,950	22,700	7,834	161,276	12,000	9,200	182,476
F. NOI return (D×2÷E)	%	2.4	4.6	3.8	3.0	4.5	4.6	4.7	5.2	3.6	3.9	0.2	0.2	3.5
G. After-depreciation return (C×2÷E)	%	1.7	3.9	3.1	2.6	3.7	3.7	3.3	3.1	2.0	2.9	0.1	0.1	2.6

(\*1) Otemachi First Square: Broken-down of revenues and expenses are not disclosed, as we have yet to receive permission to disclose it from co-owners.

(\*2) GOR acquired Shinagawa and Midosuji on 24 March 2014, and the number of operating days of them is 8 days.



# Top 10 Tenants (as of 31 March 2017)

	Name of Tenant (Name of End tenant in the case of pass-through)	Type of Business	Property Name	Leased Area (m <sup>2</sup> )	Leased area as % of total leased area (%) (*1)
1	Tokyu Land Corporation	Real estate, Leasing	TK Minami-Aoyama Building	12,243.57	10.1
2	Mitsubishi Research Institute DCS Co., Ltd.	Information, Telecommunications	Shinagawa Seaside West Tower	7,301.32	6.0
3	Panasonic Corporation Eco Solutions company	Manufacturing	Yokohama Plaza Building	3,499.39	2.9
4	NS United Kaiun Kaisha, Ltd.	Transportation, Postal services	Otemachi First Square	3,422.58	2.8
5	Albion Co., Ltd.	Manufacturing	Ginza First Building	2,327.01	1.9
6	(*2)	Wholesale, Retail	Ginza First Building, Yokohama Plaza Building, Meiji Yasuda Life Insurance Saitama-Shintoshin Building	2,248.75	1.9
7	Japan Water Agency	Services	Meiji Yasuda Life Insurance Saitama-Shintoshin Building	2,120.48	1.7
8	Aflac	Financial, Insurance	Yodoyabashi Flex Tower	2,022.57	1.7
9	(*2)	Financial, Insurance	Arca Central	1,959.01	1.6
10	Saitama Labor Bureau	Public services	Meiji Yasuda Life Insurance Saitama-Shintoshin Building	1,815.81	1.5
Total				38,960.48	32.1

(\*1) "Total leased area" as of 31 March 2017 is 121,210.83 m<sup>2</sup>.

(\*2) The name of the tenant remains undisclosed, as we have yet to receive permission to disclose it from the tenant.



Otemachi First Square



Hirakawacho Mori Tower



Ginza First Building



TK Minami-Aoyama Building



ARK Hills Sengokuyama Mori Tower



Arca Central



Shinagawa Seaside West Tower



Yokohama Plaza Building



Meiji Yasuda Life Insurance Saitama-Shintoshin Building



Meiji Yasuda Life Insurance Osaka Midotsuji Building



Yodoyabashi Flex Tower

## Strategies

Invests in properties with a focus on...

- Market competitiveness
- Competitiveness in the mid-to-long term

## Features

"CLOSER" - conveniently situated

Walking Distance : 0 – 5 min.

"NEWER" - newly or recently built

Average age of building : 14.1years

Portfolio PML : 1.9%

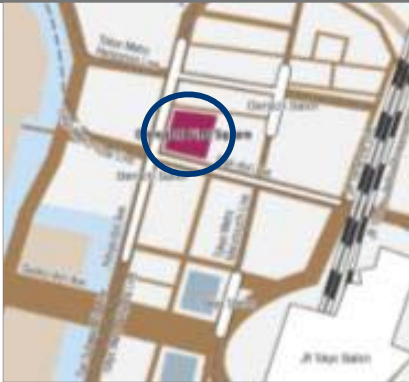
"LARGER" - large office buildings

Average acquisition price : 16.5 billion yen

Average gross rentable area : 11,247m<sup>2</sup>

# Portfolio Features ① "CLOSER"

Otemachi First Square



Hirakawacho Mori Tower



Ginza First Building



TK Minami-Aoyama Building



ARK Hills Sengokuyama Mori Tower



Arca Central



**Excellent proximity!**

**Zero to  
five minute walk  
to nearby  
train stations!**

Shinagawa Seaside West Tower



Yokohama Plaza Building



Meiji Yasuda Life Insurance Saitama-Shintoshin Building



Meiji Yasuda Life Insurance Osaka Midosuji Building



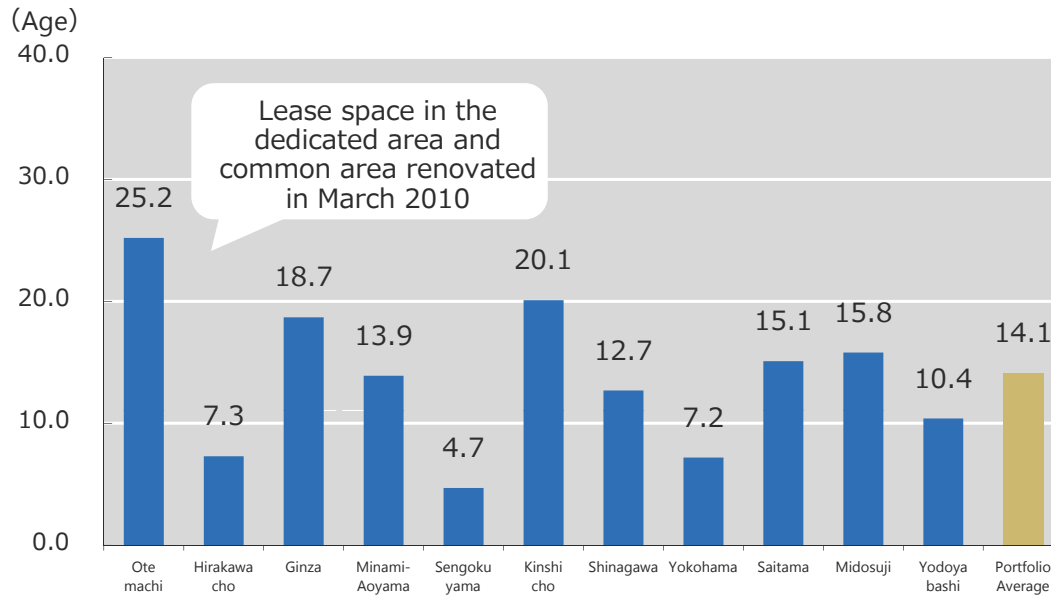
Yodoyabashi Flex Tower





# Portfolio Features ② "NEWER" (as of 31 March 2017)

## Age of Building



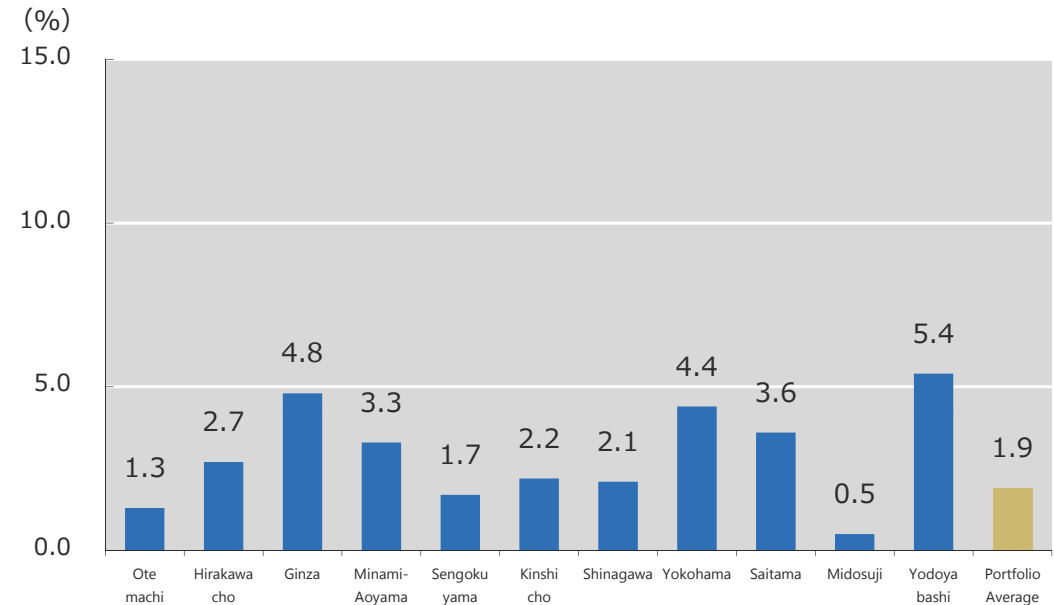
(\*1) Based on the age as of 31 March 2017

(\*2) Average age of Portfolio properties are weighted average based on gross rentable area.

Average Age of  
Portfolio Properties

14.1 years

## PML (Probable Maximum Loss in the case of a major earthquake)



(\*) Source – seismic report provided by OYO RMS Corp.

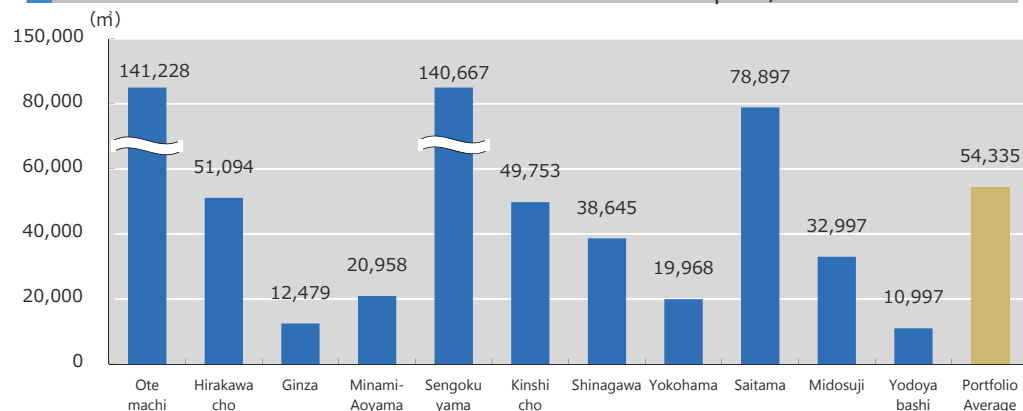
Portfolio PML

1.9%

# Portfolio Features ③ "LARGER" (as of 31 March 2017)



## Total Floor Area (including total floor area of the building that contains office condo space)

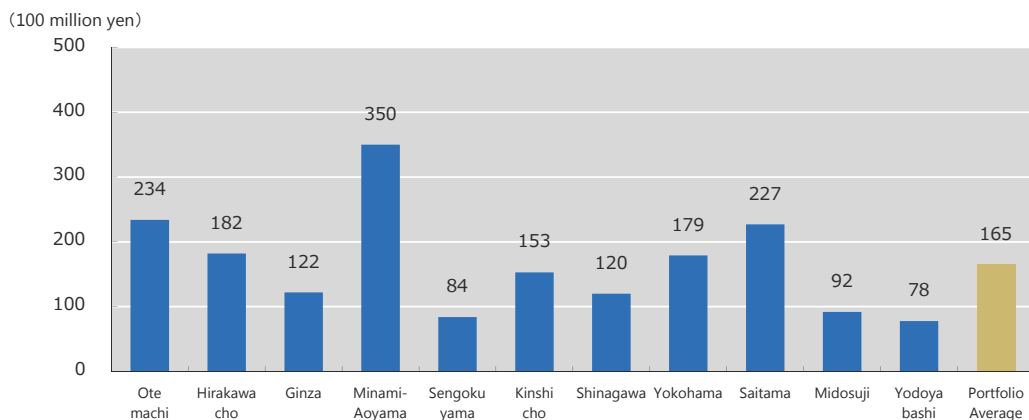


(\*) Figures less than the indicated unit are rounded down.

Total Floor Area per Property

54,335m

## Acquisition Price



(\*) Figures less than the indicated unit are rounded down.

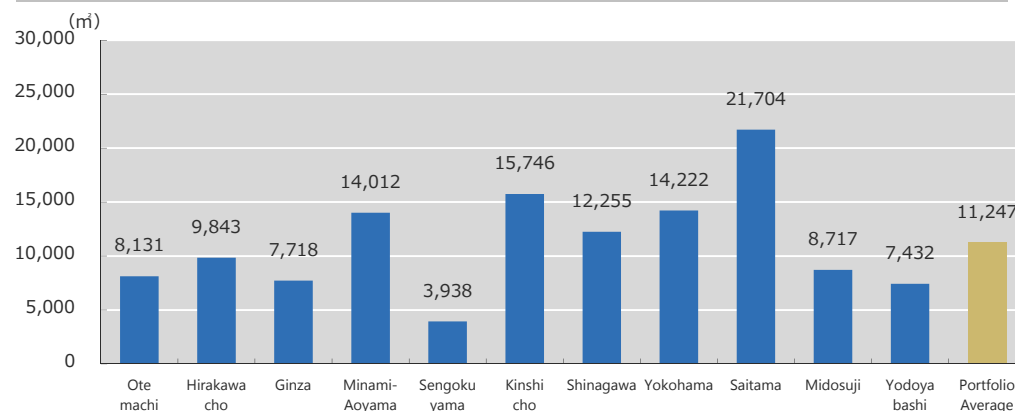
Total Acquisition Price

11 properties, 182.4 billion yen

Average Acquisition Price per Property

16.5 billion yen

## Gross Rentable Area (in the case of co-ownership, floor area in proportion to the interest)



(\*) Figures less than the indicated unit are rounded down.

Average Gross Rentable Area per Property

11,247m²

## Total Acquisition Price and Composition Ratio

Major three Metropolitan areas other than Tokyo Metropolitan Area

9.3%

Tokyo suburban areas

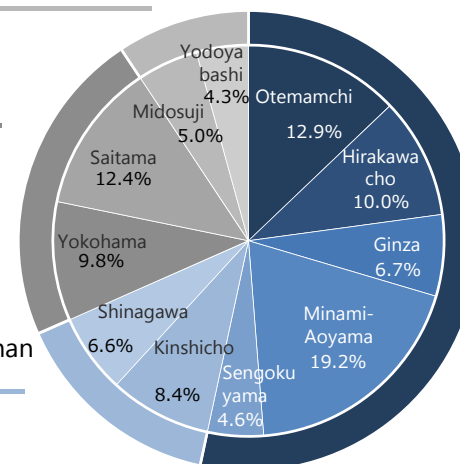
22.3%

Tokyo 23 Wards other than the central 5 Wards

15.0%

Tokyo central 5 Wards

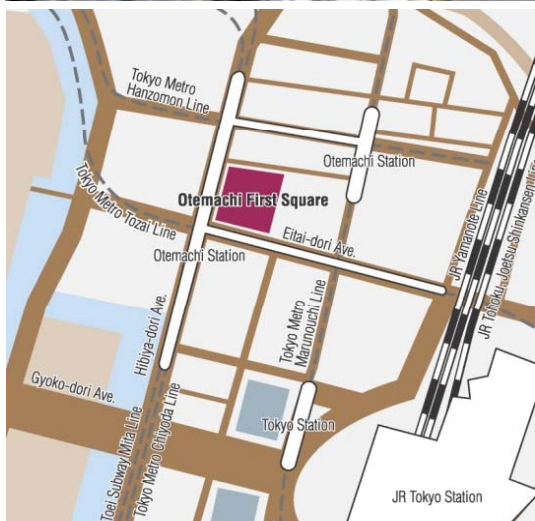
53.4%



(\*)1 Composition Ratio is calculated based on the acquisition price in proportion to the total acquisition price.

(\*)2 The Tokyo Central 5 Wards include Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku.

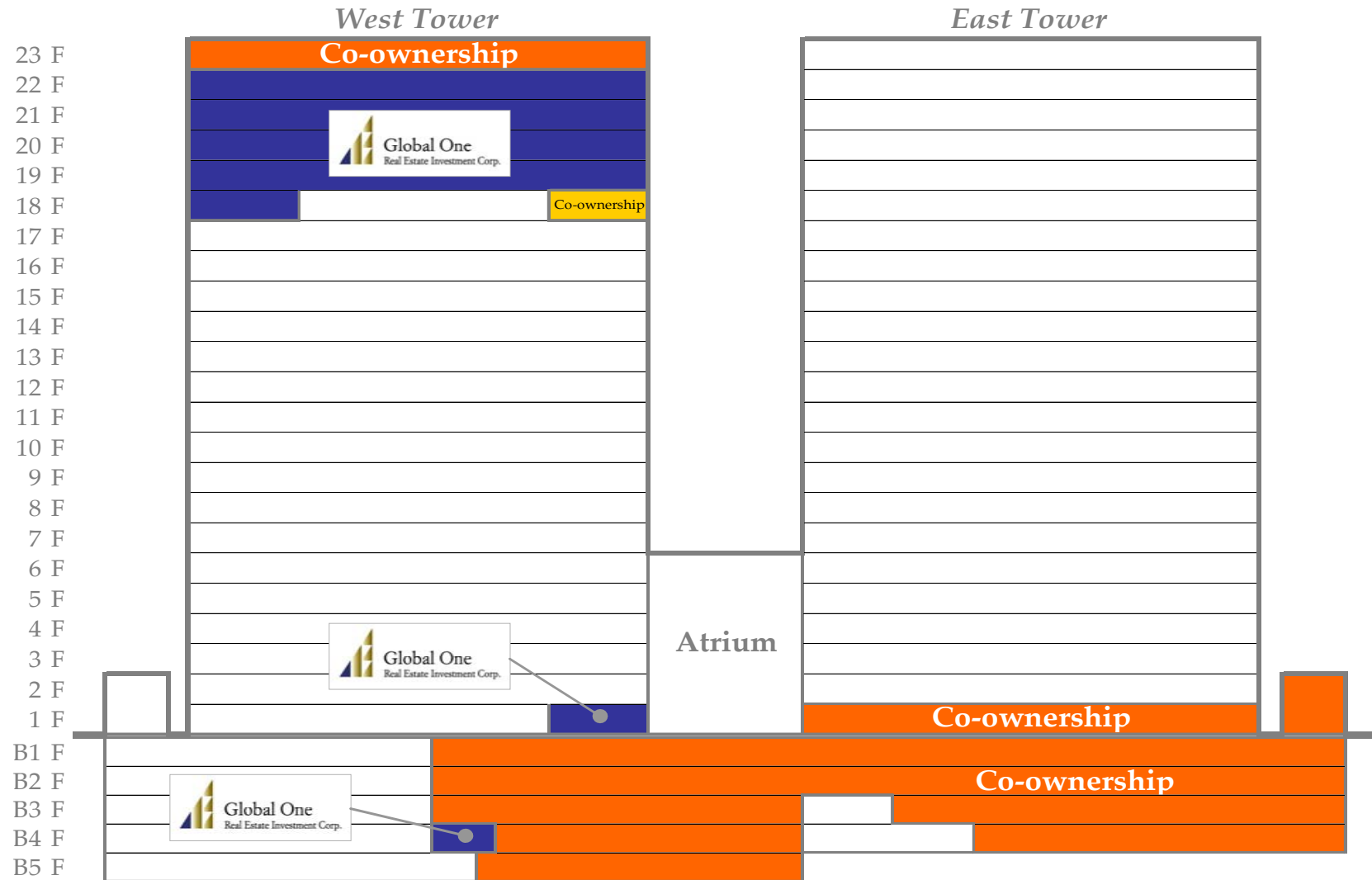
# Otemachi First Square





## Property Overview

<b>Location</b>	1-5-1, Otemachi, Chiyoda-ku, Tokyo
<b>Land Area</b>	10,998.97m <sup>2</sup>
<b>Floor Area</b>	141,228.06m <sup>2</sup> (GOR dedicated area = approx. 9.1%)
<b>Structure</b>	23-story plus 5 basement level S, SRC with a flat roof
<b>Year Built</b>	West Tower : February 1992 East Tower : February 1998
-----The following indicates the GOR-owned space-----	
<b>Acquisition Date</b>	25 Dec 2003
<b>Acquisition Price</b>	23,495 million yen (less than one million yen rounded down)
<b>Appraisal at Acquisition</b>	23,500 million yen (as of 01 Jul 2003)
<b>Term-end Appraisal</b>	28,700 million yen (as of 31 Mar 2017)
<b>Gross Rentable Area</b>	8,131.75m <sup>2</sup> (as of 31 Mar 2017)
<b>Occupancy Ratio</b>	94.6% (as of 31 Mar 2017)
<b>Type of Lease Contract</b>	Standard lease Fixed term lease
<b>Others</b>	Major renovations were carried out in March 2010 for the condo space (18-22F).

# Otemachi First Square ( Diagrammatic view )



(\*1) Ratio of GOR's Co-ownership

	
Ratio of GOR's co-ownership	Ratio of GOR's co-ownership
988,726 / 10,000,000	320,431 / 3,178,247

(\*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.





## Property Overview

**Location:** 2-16-1, Hirakawacho, Chiyoda-ku, Tokyo

**Land Area:** 5,592.19m<sup>2</sup>

**Floor Area:** 51,094.82m<sup>2</sup>  
(The ownership interest that GOR owns: approx. 26.2%)

**Structure:** 24-story plus 3 basement level  
S, SRC, with a flat roof

**Year Built:** December 2009

-----The following indicates the GOR-owned space-----

**Acquisition Date:** 01 Mar 2011

**Acquisition Price:** 18,200 million yen

**Appraisal at Acquisition:** 18,800 million yen (as of 14 Jan 2011)

**Term-end Appraisal:** 23,600 million yen (as of 31 Mar 2017)

**Gross Rentable Area:** 9,843.52m<sup>2</sup> (as of 31 Mar 2017)

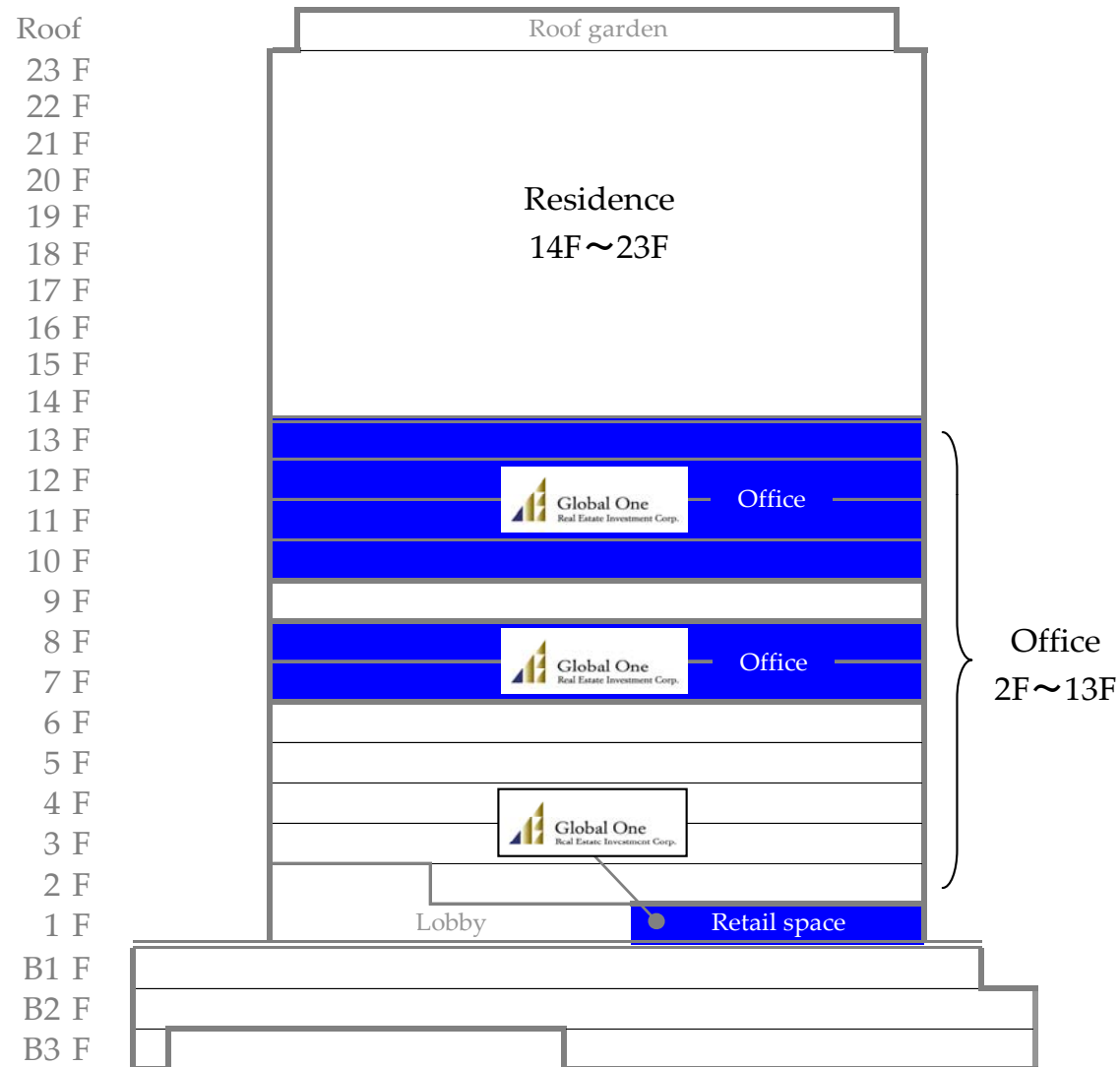
**Occupancy Ratio:** 100.0% (as of 31 Mar 2017)

**Type of Lease Contract:** Standard lease

**Others:** Master lease contract with Mori Building Co., Ltd.

The period of the fixed rent agreement ended, and the master lease contract was shifted to pass-through type on 01 April 2014.

# Hirakawacho Mori Tower ( Diagrammatic view )



(\*1) Area owned by GOR

(\*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.

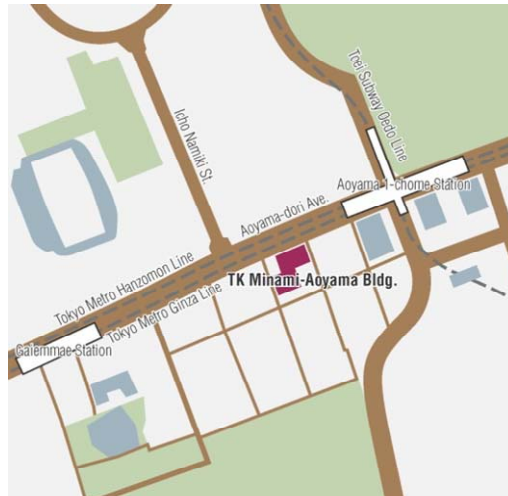


## Property Overview

<b>Location:</b>	1-10-6, Ginza, Chuo-ku, Tokyo
<b>Land Area:</b>	1,404.64m <sup>2</sup>
<b>Floor Area:</b>	12,479.45m <sup>2</sup> (GOR dedicated area = approx. 92.1%)
<b>Structure:</b>	11-story plus 3 basement level S, RC, SRC with a flat roof
<b>Year Built:</b>	August 1998
-----The following indicates the GOR-owned space-----	
<b>Acquisition Date:</b>	29 Mar 2005
<b>Acquisition Price:</b>	12,282 million yen
<b>Appraisal at Acquisition:</b>	12,500 million yen (as of 30 Nov 2004)
<b>Term-end Appraisal:</b>	12,100 million yen (as of 31 Mar 2017)
<b>Gross Rentable Area:</b>	7,718.86m <sup>2</sup> (as of 31 Mar 2017)
<b>Occupancy Ratio:</b>	100.0% (as of 31 Mar 2017)
<b>Type of Lease Contract:</b>	Standard lease Fixed term lease



# TK Minami-Aoyama Building



## Property Overview

<b>Location:</b>	2-6-21, Minami Aoyama, Minato-ku, Tokyo
<b>Land Area:</b>	3,039.08m <sup>2</sup>
<b>Floor Area:</b>	20,958.79m <sup>2</sup>
<b>Structure:</b>	17-story plus 2 basement level S, SRC with a flat roof
<b>Year Built:</b>	May 2003
<b>Acquisition Date:</b>	21 Oct 2005
<b>Acquisition Price:</b>	35,000 million yen
<b>Appraisal at acquisition:</b>	35,040 million yen (as of 31 Jul 2005)
<b>Term-end Appraisal:</b>	33,600 million yen (as of 31 Mar 2017)
<b>Gross Rentable Area:</b>	14,012.64m <sup>2</sup> (as of 31 Mar 2017)
<b>Occupancy Ratio:</b>	100.0% (as of 31 Mar 2017)
<b>Type of Lease Contract:</b>	Fixed term lease Standard lease

# ARK Hills Sengokuyama Mori Tower



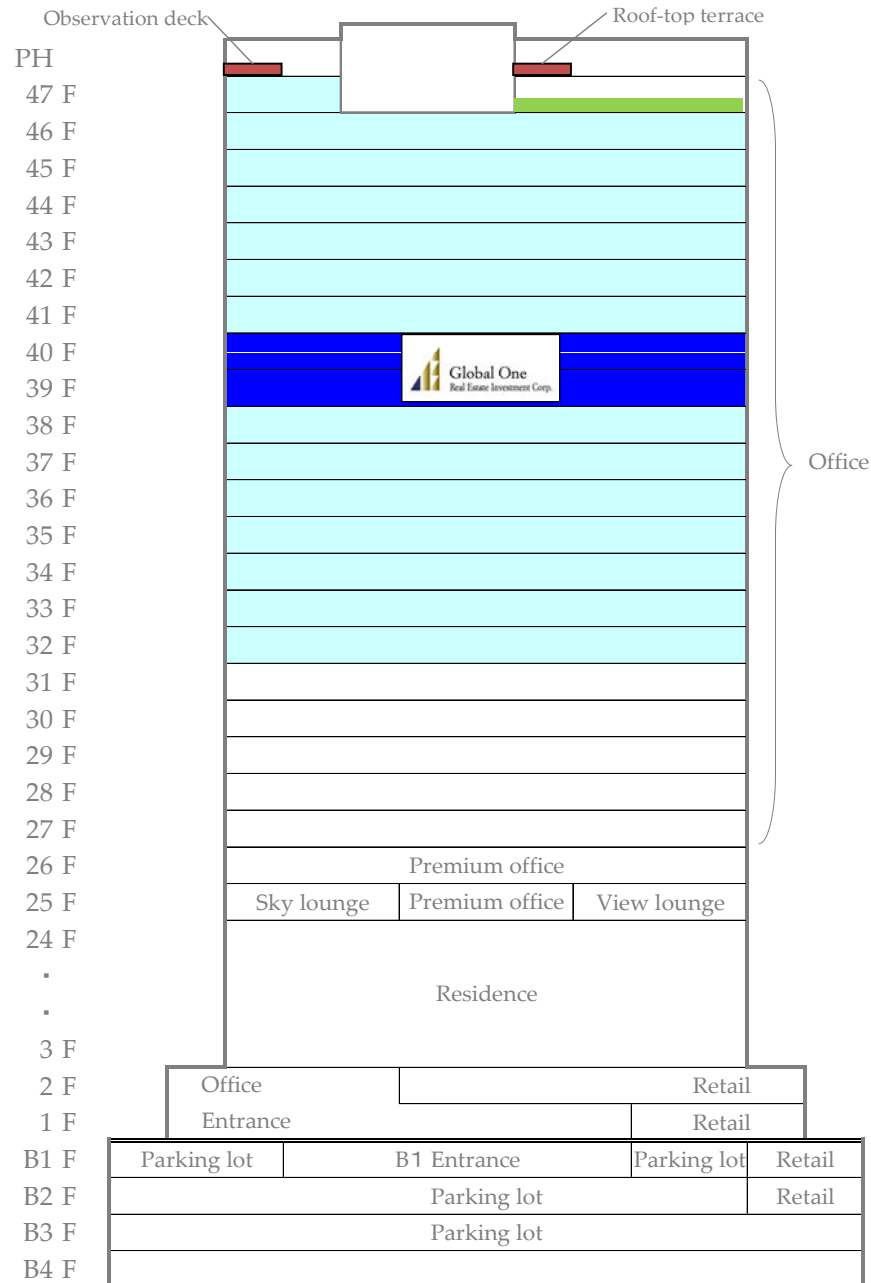
## Property Overview

<b>Location:</b>	1-9-10, Roppongi, Minato-ku, Tokyo
<b>Land Area:</b>	15,367.75m <sup>2</sup>
<b>Floor Area:</b>	140,667.09m <sup>2</sup> (The ownership interest that GOR owns: approx. 5.6%)
<b>Structure:</b>	47-story plus 4 basement level S, RC, SRC with a flat roof
<b>Year Built:</b>	August 2012

-----The following indicates the GOR-owned space-----

<b>Acquisition Date:</b>	20 Nov 2012
<b>Acquisition Price:</b>	8,423 million yen (less than 100 million yen rounded off)
<b>Appraisal at Acquisition:</b>	8,610 million yen (as of 05 Oct 2012)
<b>Term-end Appraisal:</b>	10,800 million yen (as of 31 Mar 2017)
<b>Gross Rentable Area:</b>	3,938.81m <sup>2</sup> (as of 31 Mar 2017)
<b>Occupancy Ratio:</b>	100.0% (as of 31 Mar 2017)
<b>Type of Lease Contract:</b>	Standard lease
<b>Others:</b>	Master lease with Mori Building Co., Ltd. The period of the fixed rent agreement ended, and the master lease contract was shifted to pass-through type on 01 Dec 2015. Joint management arrangement (16 floors: 32F – 47F) with other sectional owners

# ARK Hills Sengokuyama Mori Tower ( Diagrammatic view )



(\*1) Area owned by GOR

(\*2) Joint management areas owned by other sectional owners

Incorporated via a strategic partnership of three condo owners (Mori Building Co., Ltd., Meiji Yasuda Life Insurance Co., and GOR) so that they can jointly realize profits generated by the joint-management space (16 floors from 32F to 47F); revenues will be distributed to the three condo owners on a pro rata basis.

While GOR owns only two floor space, the adoption of the scheme contributes to the stabilization of income after the fixed rent period of the master lease contract.

(\*3) 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.





## Property Overview

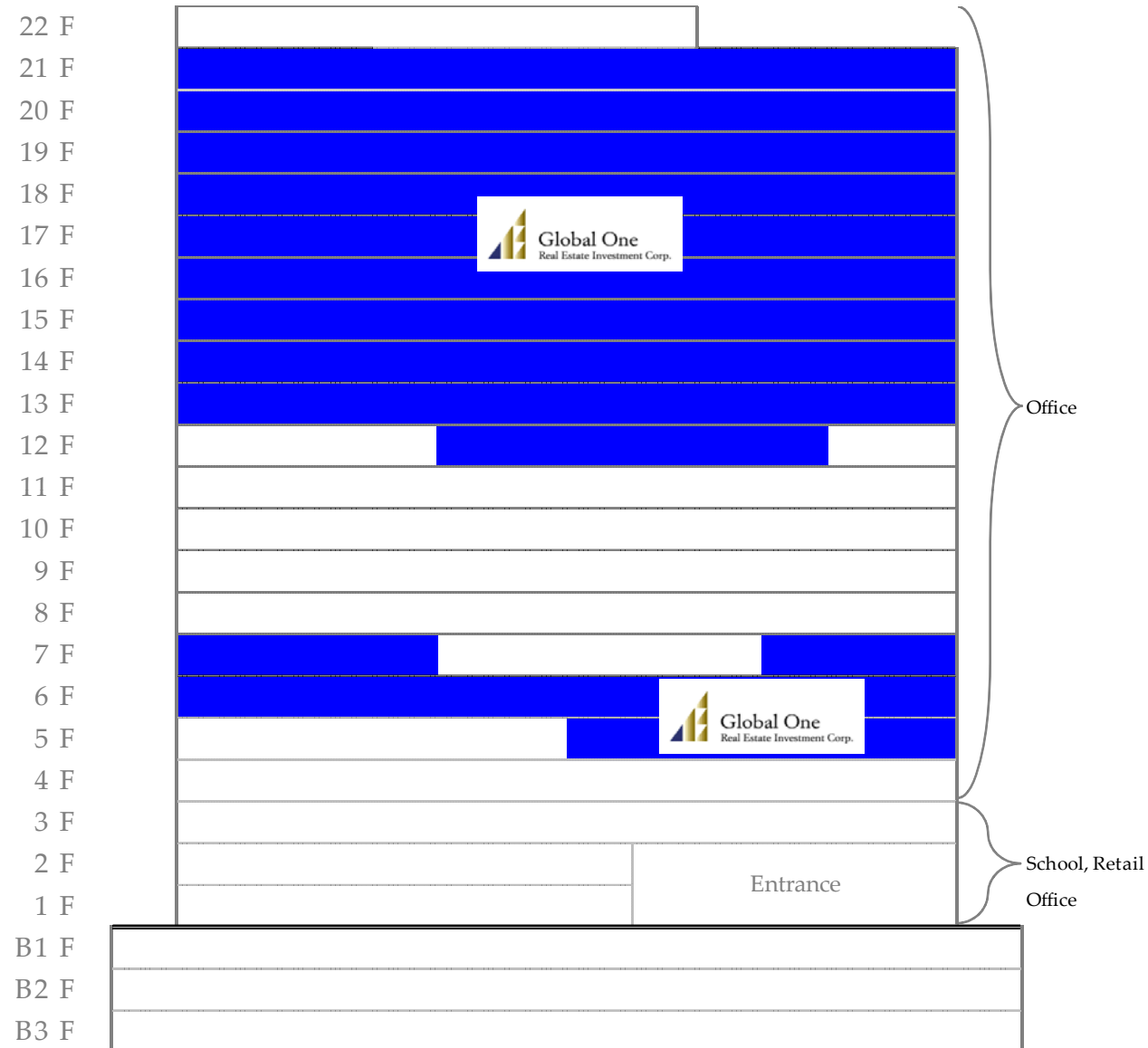
<b>Location:</b>	1-2-1, Kinshi, Sumida-ku, Tokyo
<b>Land Area:</b>	18,100.41m <sup>2</sup> (entire Third Block)
<b>Floor Area:</b>	49,753.92m <sup>2</sup> (The ownership interest that GOR owns: approx. 57.8%)
<b>Structure:</b>	22-story plus 3 basement level S, partially SRC with a flat roof
<b>Year Built:</b>	March 1997

-----the following indicates GOR-owned space-----

<b>Acquisition Date:</b>	28 Mar 2014, 30 May 2014
<b>Acquisition Price:</b>	15,391 million yen (less than 100 million yen rounded off)
<b>Appraisal at Acquisition:</b>	17,003 million yen (as of 20 Feb 2014 and 01 May 2014)
<b>Term-end Appraisal:</b>	18,200 million yen (as of 31 Mar 2017)
<b>Gross Rentable Area:</b>	15,746.41m <sup>2</sup> (as of 31 Mar 2017)
<b>Occupancy Ratio:</b>	97.1% (as of 31 Mar 2017)
<b>Type of Lease Contract:</b>	Standard lease



# Arca Central( Diagrammatic view )



(\*1) Area owned by GOR



(\*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.

# Shinagawa Seaside West Tower



## Property Overview

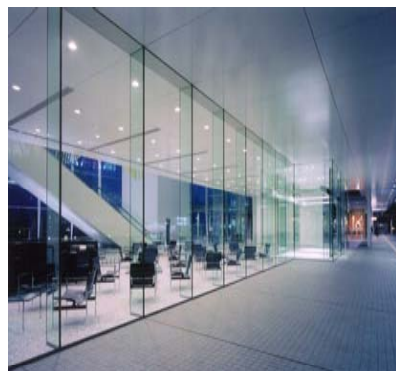
<b>Location:</b>	4-12-2 Higashi-Shinagawa, Shinagawa-ku, Tokyo
<b>Land Area:</b>	5,935.08m <sup>2</sup>
<b>Floor Area:</b>	38,645.33m <sup>2</sup>
<b>Structure:</b>	18-story plus 1 basement level S, SRC, RC with a flat roof
<b>Year Built:</b>	August 2004
-----The following indicates GOR-owned space (50% quasi co-ownership)-----	
<b>Acquisition Date:</b>	24 Mar 2017
<b>Acquisition Price:</b>	12,000 million yen
<b>Appraisal at Acquisition:</b>	12,650 million yen (as of 01 Feb 2017)
<b>Term-end Appraisal:</b>	12,650 million yen (as of 31 Mar 2017)
<b>Gross Rentable Area:</b>	12,255.39m <sup>2</sup> (as of 31 Mar 2017)
<b>Occupancy Ratio:</b>	89.4% (as of 31 Mar 2017)
<b>Type of Lease Contract:</b>	Standard lease



## Property Overview

<b>Location:</b>	2-6, Kinkouchō, Kanagawa-ku, Yokohama City, Kanagawa
<b>Land Area:</b>	2,720.30m <sup>2</sup>
<b>Floor Area:</b>	19,968.20m <sup>2</sup>
<b>Structure:</b>	12-story plus 1 basement level S, SRC with a flat roof
<b>Year Built:</b>	February 2010
<b>Acquisition Date:</b>	01 Aug 2014
<b>Acquisition Price:</b>	17,950 million yen
<b>Appraisal at Acquisition:</b>	17,980 million yen (as of 05 June 2014)
<b>Term-end Appraisal:</b>	20,000 million yen (as of 31 Mar 2017)
<b>Gross Rentable Area:</b>	14,222.53m <sup>2</sup> (as of 31 Mar 2017)
<b>Occupancy Ratio:</b>	100.0% (as of 31 Mar 2017)
<b>Type of Lease Contract:</b>	Standard lease Fixed term lease

# Meiji Yasuda Life Insurance Saitama-Shintoshin Building



## Property Overview

<b>Location:</b>	11-2, Shintoshin, Chuo-ku, Saitama City, Saitama Prefecture
<b>Land Area:</b>	7,035.05m <sup>2</sup>
<b>Floor Area:</b>	78,897.42m <sup>2</sup>
<b>Structure:</b>	35-story plus 3 basement level S, SRC with a flat roof
<b>Year Built:</b>	March 2002

-----the following indicates GOR-owned space(50% Co-ownership)-----

<b>Acquisition Date:</b>	25 Apr 2007
<b>Acquisition Price:</b>	22,700 million yen
<b>Appraisal at Acquisition:</b>	22,820 million yen (as of 01 Feb 2007)
<b>Term-end Appraisal:</b>	21,750 million yen (as of 31 Mar 2017)
<b>Gross Rentable Area:</b>	21,704.32m <sup>2</sup> (as of 31 Mar 2017)
<b>Occupancy Ratio:</b>	98.5% (as of 31 Mar 2017)
<b>Type of Lease Contract:</b>	Fixed term lease



# Meiji Yasuda Life Insurance Osaka Midosuji Building



## Property Overview

**Location:** 4-1-1 Fushimi-machi, Chuo-ku, Osaka City, Osaka Prefecture

**Land Area:** 2,992.26m<sup>2</sup>

**Floor Area:** 32,997.60m<sup>2</sup>

**Structure:** 14-story plus 3 basement level  
S,SRC with a flat roof

**Year Built:** July 2001

-----the following indicates GOR-owned space(50% Co-ownership)-----

**Acquisition Date:** 24 Mar 2017

**Acquisition Price:** 9,200 million yen

**Appraisal at Acquisition:** 9,590 million yen (as of 01 Feb 2017)

**Term-end Appraisal:** 9,590 million yen (as of 31 Mar 2017)

**Gross Rentable Area:** 8,717.43m<sup>2</sup> (as of 31 Mar 2017)

**Occupancy Ratio:** 99.9% (as of 31 Mar 2017)

**Type of Lease Contract:** Fixed term lease

# Yodoyabashi Flex Tower



## Property Overview

<b>Location:</b>	3-3-11, Koraibashi, Chuo-ku, Osaka City, Osaka Prefecture
<b>Land Area:</b>	1,692.51m <sup>2</sup>
<b>Floor Area:</b>	10,997.50m <sup>2</sup>
<b>Structure:</b>	12-story plus 1 basement level SRC with a flat roof
<b>Year Built:</b>	November 2006
<b>Acquisition Date:</b>	31 Jan 2008
<b>Acquisition Price:</b>	7,834 million yen
<b>Appraisal at acquisition:</b>	7,940 million yen (as of 01 Nov 2007)
<b>Term-end Appraisal:</b>	7,020 million yen (as of 31 Mar 2017)
<b>Gross Rentable Area:</b>	7,432.28m <sup>2</sup> (as of 31 Mar 2017)
<b>Occupancy Ratio:</b>	100.0% (as of 31 Mar 2017)
<b>Type of Lease Contract:</b>	Standard lease

# Balance Sheets

## (1) Assets

(Unit: thousand yen)

	26th Period ① (As of 30 September 2016)	27th Period ② (As of 31 March 2017)	Variance ② - ①	
	Amount	Amount	Amount	Percentage variance (%)
1 Assets				
2 Current Assets				
3 Cash and bank deposits	3,463,358	3,514,001	50,643	
4 Cash in trust accounts and bank deposits in trust accounts (*)	10,055,947	10,702,429	646,482	
5 Tenant receivables	110,439	106,842	-3,596	
6 Prepaid expenses	439,598	519,411	79,813	
7 Deferred tax assets	13	16	2	
8 Consumption tax receivables	—	374,401	374,401	
9 Deposits paid	—	158	158	
10 Accrued income	253	253	—	
11 Advances paid	160	70	-90	
12 Total current assets	14,069,770	15,217,584	1,147,814	8.2
13 Non-current Assets				
14 Fixed assets				
15 Buildings, net	—	2,009,610	2,009,610	
16 Structures, net	—	1,679	1,679	
17 Land	—	7,386,890	7,386,890	
18 Buildings in trust accounts, net	41,841,083	44,716,073	2,874,989	
19 Structures in trust accounts, net	741,517	740,129	-1,388	
20 Machinery and equipment in trust accounts, net	171,585	150,367	-21,217	
21 Tools, furniture and fixtures in trust accounts, net	62,401	59,447	-2,954	
22 Land in trust accounts	111,298,931	120,070,024	8,771,093	
23 Construction in progress in trust accounts	4,308	1,294	-3,014	
24 Total fixed assets, net	154,119,827	175,135,516	21,015,688	13.6
25 Intangible assets				
26 Other intangible assets in trust accounts	481	434	-47	
27 Total intangible assets	481	434	-47	-9.8
28 Investments and other assets				
29 Long-term prepaid expenses	184,456	315,288	130,831	
30 Long-term prepaid consumption tax	3,305	2,736	-568	
31 Guaranty money deposited	10,000	10,000	—	
32 Reserve for repairs	677,372	508,108	-169,264	
33 Total investments and other assets	875,134	836,133	-39,000	-4.5
34 Total non-current assets	154,995,443	175,972,084	20,976,640	13.5
35 Deferred assets				
36 Corporate bond issuance costs	49,920	68,779	18,858	
37 Total deferred assets	49,920	68,779	18,858	37.8
38 Total Assets	169,115,135	191,258,449	22,143,314	13.1

## (2) Liabilities and Net Assets

(Unit: thousand yen)

	26th Period ① (As of 30 September 2016)	27th Period ② (As of 31 March 2017)	Variance ② - ①	
	Amount	Amount	Amount	Percentage variance (%)
1 Liabilities				
2 Current Liabilities				
3 Accounts payable	178,386	228,256	49,869	
4 Short-term loans	—	10,700,000	10,700,000	
5 Unsecured corporate bonds due within one year	9,000,000	5,000,000	-4,000,000	
6 Long term loans due within one year	11,000,000	19,000,000	8,000,000	
7 Other accounts payable	—	32,414	32,414	
8 Accrued expenses	96,419	97,247	827	
9 Accrued income taxes	860	834	-25	
10 Accrued consumption taxes	104,986	—	-104,986	
11 Rents received in advance	592,879	636,082	43,203	
12 Cash distributions payable	6,411	5,636	-775	
13 Total current liabilities	20,979,944	35,700,470	14,720,526	70.2
14 Non-current Liabilities				
15 Unsecured corporate bonds	10,000,000	14,000,000	4,000,000	
16 Long-term loans	55,000,000	57,500,000	2,500,000	
17 Tenant security deposits	—	326,624	326,624	
18 Tenant security deposits in trust accounts	6,391,467	6,960,971	569,503	
19 Total non-current liabilities	71,391,467	78,787,595	7,396,127	10.4
20 Total Liabilities	92,371,412	114,488,066	22,116,654	23.9
21 Net Assets				
22 Unitholders' Equity				
23 Unitholders' capital	75,026,315	75,026,315	—	
24 Surplus				
25 Voluntary reserve				
26 Reserve for reduction entry	291,610	291,610	—	
27 Total voluntary reserve	291,610	291,610	—	
28 Retained earnings	1,425,796	1,452,456	26,660	
29 Total surplus	1,717,407	1,744,067	26,660	1.6
30 Total unitholders' equity	76,743,722	76,770,382	26,660	0.0
31 Total Net Assets	76,743,722	76,770,382	26,660	0.0
32 Total Liabilities and Net Assets	169,115,135	191,258,449	22,143,314	13.1



# Financial Indicators

Title		Calculations (*)	23 <sup>rd</sup> Period	24 <sup>th</sup> Period	25 <sup>th</sup> Period	26 <sup>th</sup> Period	27 <sup>th</sup> Period
① Ordinary profit to total assets	%	$B \div \{(D+E) \div 2\}$	1.2	0.5	0.6	0.8	0.8
② (Annualized)	%		(2.4)	(1.1)	(1.3)	(1.7)	(1.6)
③ Net income to net assets ratio	%	$C \div \{(F+G) \div 2\}$	2.7	1.2	1.4	1.9	1.9
④ (Annualized)	%		(5.4)	(2.4)	(2.8)	(3.7)	(3.8)
⑤ Term-end net assets to total assets ratio	%	$G \div E$	45.6	45.3	45.3	45.4	40.1
⑥ Term-end interest-bearing liabilities to total assets ratio	%	$H \div E$	50.1	50.5	50.4	50.3	55.5
⑦ NOI (Net operating income)	million yen	$A+I$	2,741	2,600	2,757	3,122	3,197
⑧ FFO (Funds from operation)	million yen	$C+I-J$	1,694	1,717	1,870	2,228	2,270

(\*) Reference

(Unit : million yen)

Title	Period	23 <sup>rd</sup> Period	24 <sup>th</sup> Period	25 <sup>th</sup> Period	26 <sup>th</sup> Period	27 <sup>th</sup> Period
<b>A</b> Property-related profits and losses		1,957	1,811	1,961	2,318	2,378
<b>B</b> Ordinary profit		2,086	928	1,076	1,426	1,453
<b>C</b> Net income		2,085	928	1,075	1,425	1,452
<b>D</b> Total assets at beginning of period		175,613	169,581	168,405	168,692	169,115
<b>E</b> Total assets at end of period		169,581	168,405	168,692	169,115	191,258
<b>F</b> Net assets at beginning of period		76,402	77,314	76,362	76,412	76,743
<b>G</b> Net assets at end of period		77,314	76,362	76,412	76,743	76,770
<b>H</b> Interest-bearing liabilities at end of period		85,000	85,000	85,000	85,000	106,200
<b>I</b> Depreciation and amortization		783	789	795	803	818
<b>J</b> Gain and loss on sale of real estate		1,175	-	-	-	-

<Reference> LTV reflecting term-end portfolio appraisals

① to ⑥: million yen ⑦: %

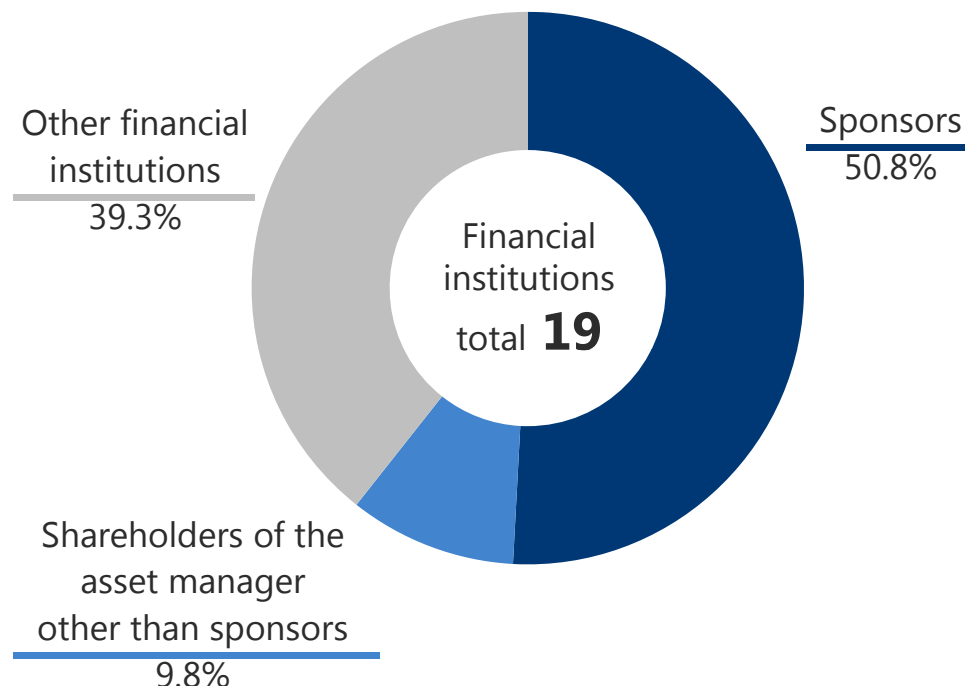
Title	Period	23 <sup>rd</sup> Period	24 <sup>th</sup> Period	25 <sup>th</sup> Period	26 <sup>th</sup> Period	27 <sup>th</sup> Period
① Appraisal value at end of period		166,550	169,840	172,810	175,720	198,010
② Book value at end of period		155,840	155,349	154,836	154,120	175,135
③ (① - ②)		10,709	14,490	17,973	21,599	22,874
④ Total assets at end of period		169,581	168,405	168,692	169,115	191,258
⑤ (③ + ④)		180,291	182,895	186,665	190,714	214,132
⑥ Interest-bearing liabilities at end of period		85,000	85,000	85,000	85,000	106,200
⑦ LTV (⑥/⑤)		47.1	46.5	45.5	44.6	49.6

# Loans and Rating of Corporate Bonds (as of 30 April 2017)

- Stabilized bank formation with a focus on the sponsor banks
- JCR Rating: AA— Stable

## Lenders

Lender	UPB (million yen)	Share
● The Bank of Tokyo-Mitsubishi UFJ, Ltd.	17,700	23.1%
● Mitsubishi UFJ Trust and Banking Corp.	17,700	23.1%
● Development Bank of Japan Inc.	13,500	17.6%
● Sumitomo Mitsui Banking Corp.	5,250	6.9%
● The Bank of Fukuoka, Ltd.	4,750	6.2%
● Meiji Yasuda Life Insurance Co.	3,500	4.6%
● The Iyo Bank, Ltd.	2,300	3.0%
● The Norinchukin Bank	1,600	2.1%
● ORIX Bank Corp.	1,500	2.0%
● The 77 Bank, Ltd.	1,500	2.0%
● The Hyakugo Bank, Ltd.	1,500	2.0%
● The Nanto Bank, Ltd.	1,400	1.8%
● The Ashikaga Bank, Ltd.	1,000	1.3%
● Sompo Japan Nipponkoa Insurance Inc.	800	1.0%
● The Joyo Bank, Ltd. ● The Daishi Bank, Ltd. ● Higashi Nippon Bank, Ltd. ● The Kagawa Bank, Ltd. ● Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,500	3.3%
<b>Total</b>	<b>76,500</b>	<b>100.0%</b>



## Rating

credit rating agency	Rating
Japan Credit Rating Agency, Ltd. (JCR)	Long-term Issuer Rating : AA-
	Outlook : Stable
	Corporate bonds (issued) : AA-

◇ Comment from JCR on 30 August 2016

"The Corporation stays with the financing mainly from the sponsor and other mega banks with an eye on stability. There are no specific concerns about the current financial structure."

# Breakdown of Interest-bearing Liabilities ①



## Breakdown of Loans (as of 30 April 2017)

Loan type	Lender	UPB (million yen)	Drawdown date	Interest rate	Repayment-due date	Financing term
Long-term loans	Development Bank of Japan Inc.	5,000	20 Oct 2010	1.54995 Fixed	29 Sept 2017 (28 <sup>th</sup> Period)	6.9 years
	Development Bank of Japan Inc.	4,000	01 Mar 2011	1.91808 Fixed	28 Feb 2018 (29 <sup>th</sup> Period)	7.0 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corp., Development Bank of Japan Inc. and Sumitomo Mitsui Banking Corp.	4,500	18 Oct 2012	1.18288 Fixed	30 Sept 2019 (32 <sup>nd</sup> Period)	7.0 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corp. and Development Bank of Japan Inc.	1,500		1.37322 Fixed	30 Sept 2020 (34 <sup>th</sup> Period)	8.0 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corp., Development Bank of Japan Inc. and Sumitomo Mitsui Banking Corp.	2,000	20 Nov 2012	1.01933 Fixed	29 Mar 2019 (31 <sup>st</sup> Period)	6.4 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Trust and Banking Corp.	3,000	31 Jan 2013	1.01563 Fixed	29 Mar 2019 (31 <sup>st</sup> Period)	6.2 years
	Meiji Yasuda Life Insurance Co.	1,000		1.41807 Fixed	30 Sept 2020 (34 <sup>th</sup> Period)	7.7 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corp., Sumitomo Mitsui Banking Corp., The Bank of Fukuoka, Ltd., The Nanto Bank, Ltd., ORIX Bank Corp., The 77 Bank and The Ashikaga Bank, Ltd.	6,000	28 Mar 2014	0.78809 Fixed	28 Sept 2018 (30 <sup>th</sup> Period)	4.5 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corp., Sumitomo Mitsui Banking Corp., The Bank of Fukuoka, Ltd., The 77 Bank and The Kagawa Bank, Ltd.	10,000	01 Aug 2014	0.28000 Floating (*)	30 Mar 2018 (29 <sup>th</sup> Period)	3.7 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corp., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corp., The Bank of Fukuoka, Ltd., The Iyo Bank, Ltd., ORIX Bank Corp. and The Hyakugo Bank, Ltd.	9,000		0.80289 Fixed	30 Sept 2019 (32 <sup>nd</sup> Period)	5.2 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corp., The Norinchukin Bank, Sampo Japan Nipponkoa Insurance Inc., The Iyo Bank, Ltd. and The Nanto Bank, Ltd.	9,000	31 Mar 2015	0.79695 Fixed	31 Mar 2020 (33 <sup>rd</sup> Period)	5.0 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corp., The Bank of Fukuoka, Ltd., Meiji Yasuda Life Insurance Co. and The Iyo Bank, Ltd.	5,000	30 Sept 2015	0.92968 Fixed	30 Sept 2022 (38 <sup>th</sup> Period)	7.0 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corp., Meiji Yasuda Life Insurance Co., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corp. and The Bank of Fukuoka, Ltd.	10,500	24 Mar 2017	0.77756 Fixed	29 Mar 2024 (41 <sup>st</sup> Period)	7.0 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corp., The Bank of Fukuoka, Ltd., The Iyo Bank, Ltd., The Joyo Bank, The Nanto Bank, Ltd., The Ashikaga Bank, Ltd., The Daishi Bank, Ltd., Higashi Nippon Bank, Ltd., The Hyakugo Bank, Ltd. and Tokio Marine & Nichido Fire Insurance Co., Ltd.	6,000	31 Mar 2017	0.59544 Fixed	31 Mar 2022 (37 <sup>th</sup> Period)	5.0 years
Total		76,500				

(\*) The interest rate applies to the period from 29 April 2017 to 31 May 2017.

All loans are unsecured / unguaranteed.

All loans are repaid in one bullet payment on the maturity date.

# Breakdown of Interest-bearing Liabilities ②

## Breakdown of Corporate Bonds (as of 30 April 2017)

Bond name (Term)	Balance (million yen)	Date issues	Coupon rate (%)	Collateral/ Guarantee	Maturity date	Redemption method (*)	Use of funds	Covenants	Notes
Series No.4 (7 years)	5,000	29 Sept 2010	1.59	None/ None	29 Sept 2017 (28 <sup>th</sup> Period)	Bullet maturity amortization	Redemption of the Series No.1 unsecured bonds	Negative pledge	Pari Passu clause attached
Series No.6 (4 years)	4,000	29 Sept 2014	0.29	None/ None	28 Sept 2018 (30 <sup>th</sup> Period)	Bullet maturity amortization	Repayment of long-term loans	Negative pledge	Pari Passu clause attached
Series No.7 (10 years)	3,000	29 Sept 2014	0.86	None/ None	27 Sept 2024 (42 <sup>nd</sup> Period)	Bullet maturity amortization	Repayment of long-term loans	Negative pledge	Pari Passu clause attached
Series No.8 (7 years)	3,000	26 Feb 2015	0.56	None/ None	25 Feb 2022 (37 <sup>th</sup> Period)	Bullet maturity amortization	Repayment of long-term loans	Negative pledge	Pari Passu clause attached
Series No.9 (10 years)	4,000	17 Oct 2016	0.47	None/ None	16 Oct 2026 (47 <sup>th</sup> Period)	Bullet maturity amortization	Redemption of the Series No.5 unsecured bonds	Negative pledge	Pari Passu clause attached
Total	19,000								

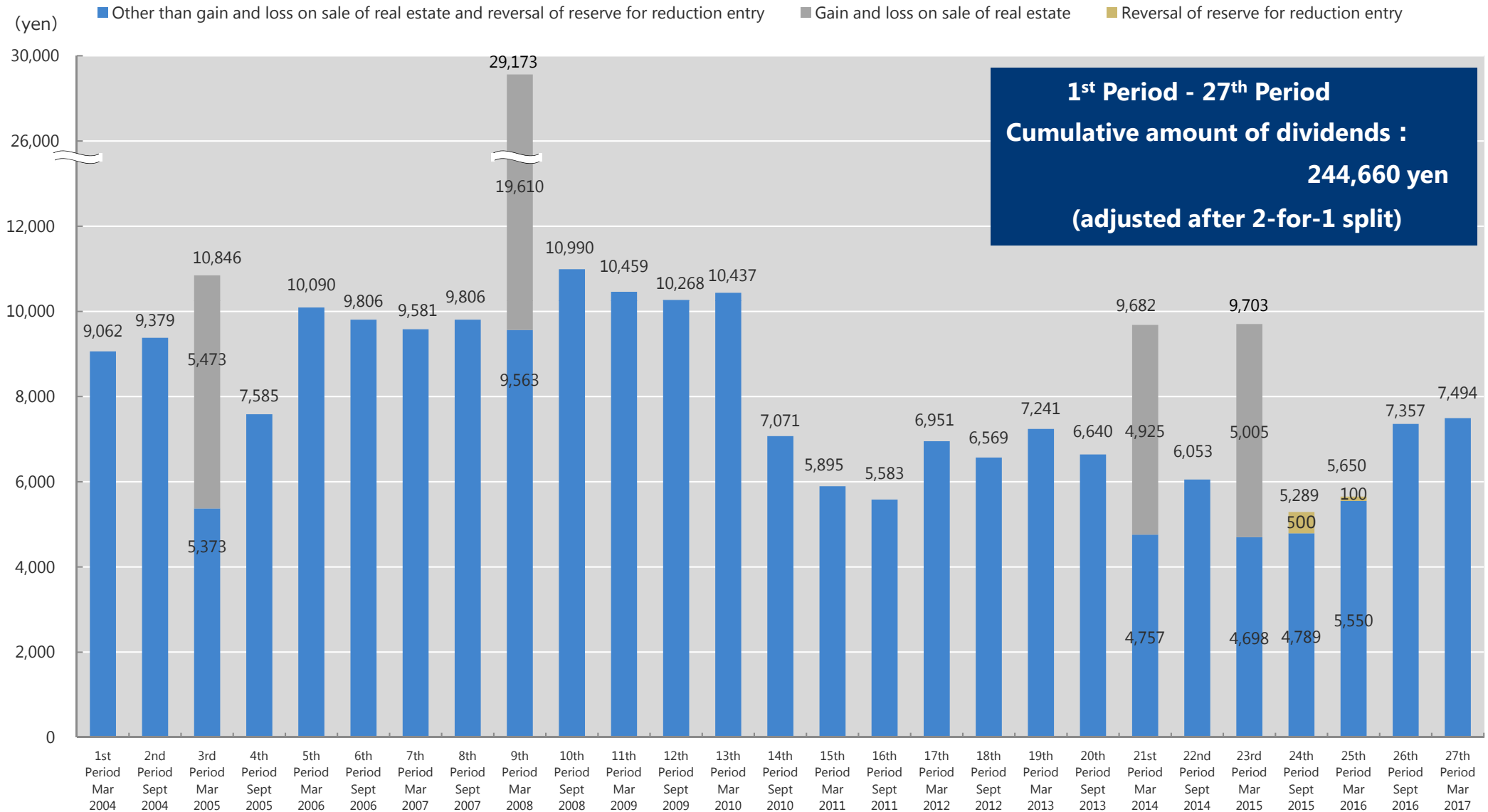
(\*) Redemption can be made at any time after the next day of issuance.

## Rating

credit rating agency	Rating
Japan Credit Rating Agency, Ltd. (JCR)	Long-term Issuer Rating : AA-
	Outlook : Stable
	Corporate bonds (issued) : AA-

# Actual Dividends

## Actual Dividends



(\*1) From the 1st Period to the 21st Period, dividend per unit is calculated based on the assumption that the split of investment unit was implemented and figures in parentheses are prior to the split of investment unit. Concerning the 22nd Period, the figure in parentheses is calculated based on the assumption that the split of investment unit was not implemented.

(\*2) While calculation of the 1st Period starts on 16 April 2003 and ends on 31 March 2004, the actual operating period started on 26 September 2003 (purchased properties on this date) and ended on 31 March 2004, which totals 188 days, or 6 months and 5 days.

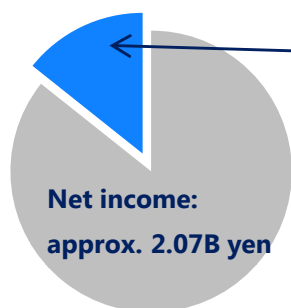
# Provision and Reversal of Reserve for Reduction Entry

## Securing internal reserves through sale proceeds and tax benefits

Allocate part of the gain from the sale of Kintetsu Shin-Nagoya Building which had been held for a long time, to internal reserves

### The 21<sup>st</sup> Period

【67% co-ownership sold on 27 Mar 2014】



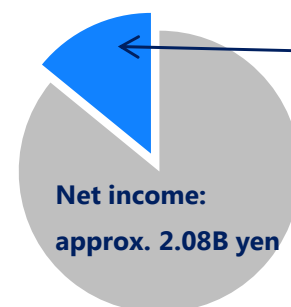
Internal reserves : 203 million yen

### The 22<sup>nd</sup> Period

~ period of co-ownership ~

### The 23<sup>rd</sup> Period (\*)

【33% co-ownership sold on 09 Oct 2014】

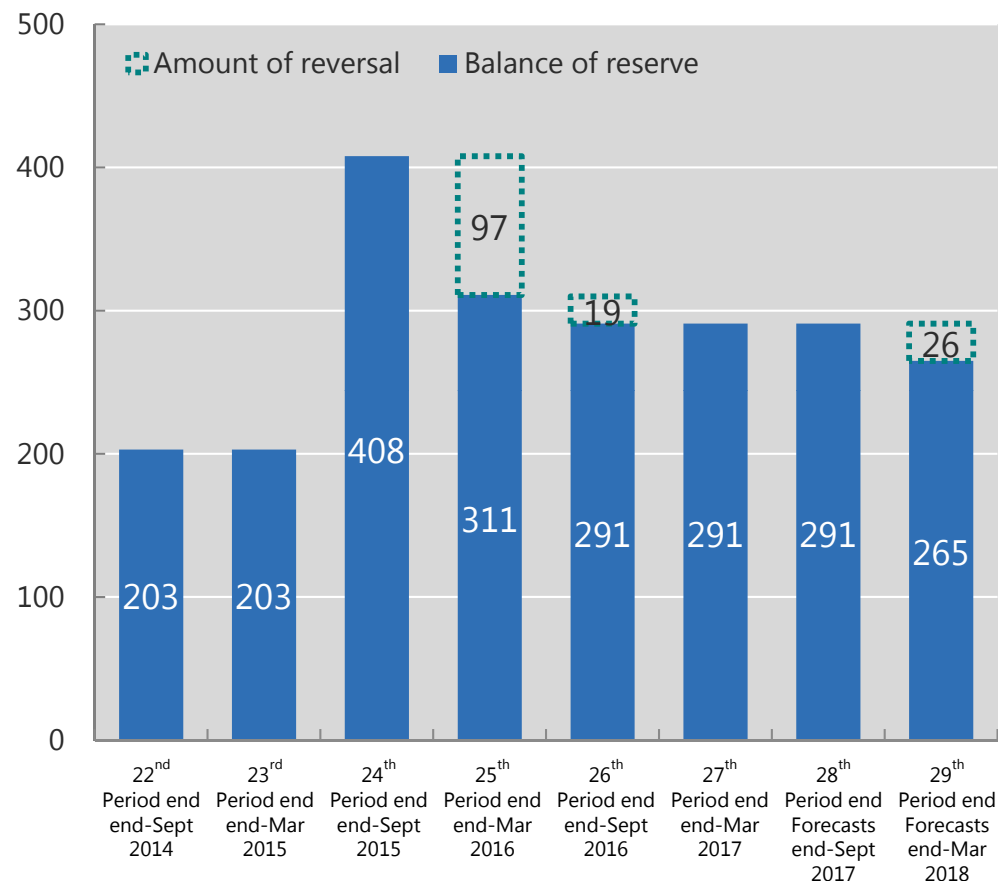


Internal reserves : 205 million yen

(\*) This allowance is applicable to the sale of land or buildings located in Japan and owned for over 10 years before 31 Dec 2014, for the purpose of purchasing land or buildings located in Japan. When a sale is booked under the specified conditions, retention of up to 10% of net income of that fiscal year is allowed in the form of a fund free to draw down.

## Balance of reserve for reduction entry

(million yen)



203 million yen added to reserve at the end of the 21 <sup>st</sup> Period		205 million yen added to reserve at the end of the 23 <sup>rd</sup> Period	97 million yen reversal to pay dividend for the 24 <sup>th</sup> Period	19.5 million yen reversal to pay dividend for the 25 <sup>th</sup> Period			26.5 million yen reversal to pay dividend for the 28 <sup>th</sup> Period
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# Performance Compared to Other Indices (25 Sept 2003 – 30 Apr 2017)

GOR implemented a two-for-one split of investment units with 01 April 2014 as the effective date.



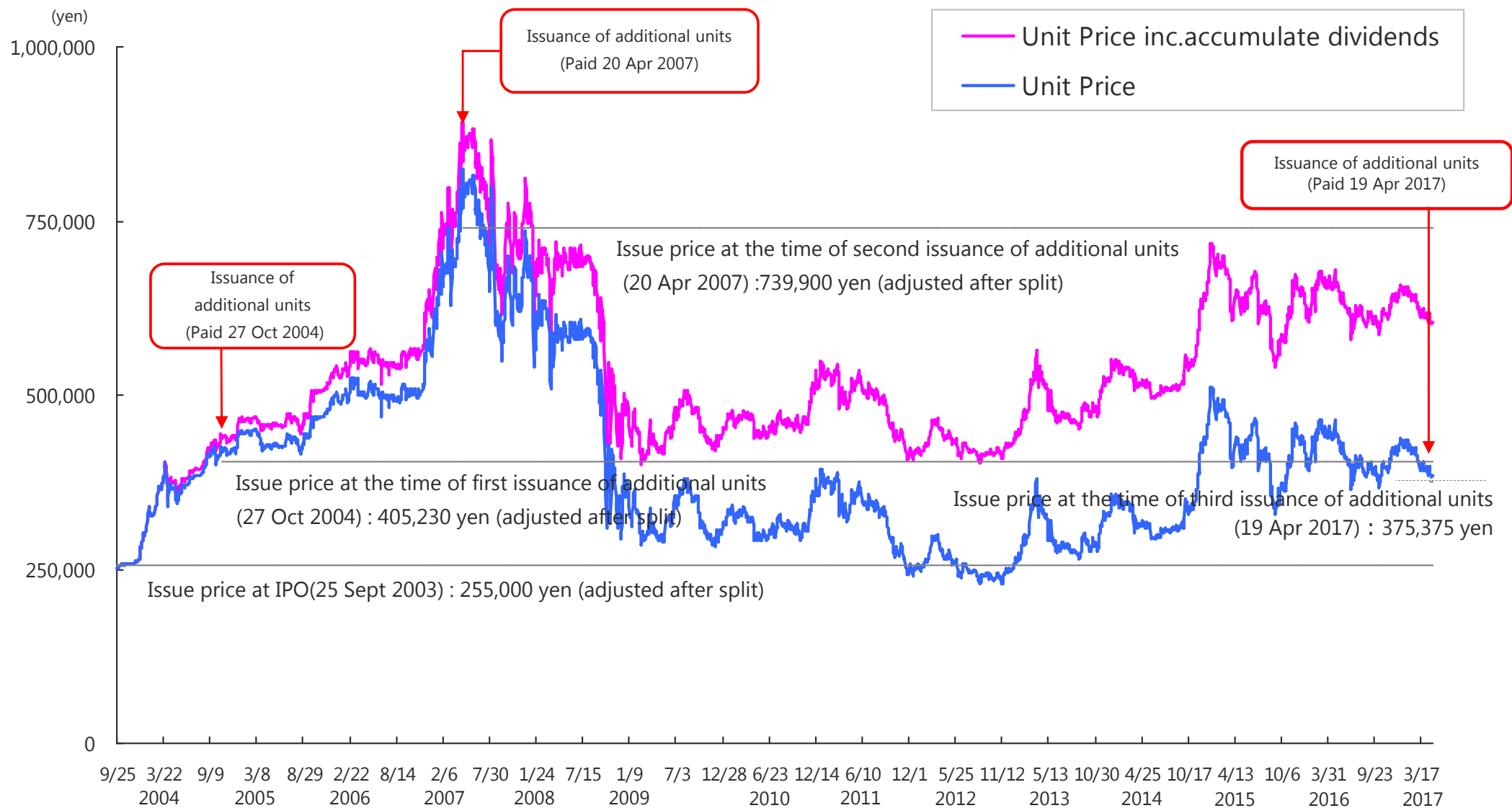
(\*1) Prices used for this chart are based on the closing price.

(\*2) TSE REIT Index and TSE Real Estate Industry Index: assumes the closing prices on 25 Sept 2003 are 100%.

Global One Real Estate Investment Corp.: assumes the initial offering price of 255,000 yen (adjusted after split) is 100%.



# Performance Including Accumulated Dividends (25 Sept 2003 – 30 Apr 2017)



(\*1) Prices used for this chart are based on the closing price.

(\*2) Unit price inc. accumulated dividends = Unit price + Accumulated dividends

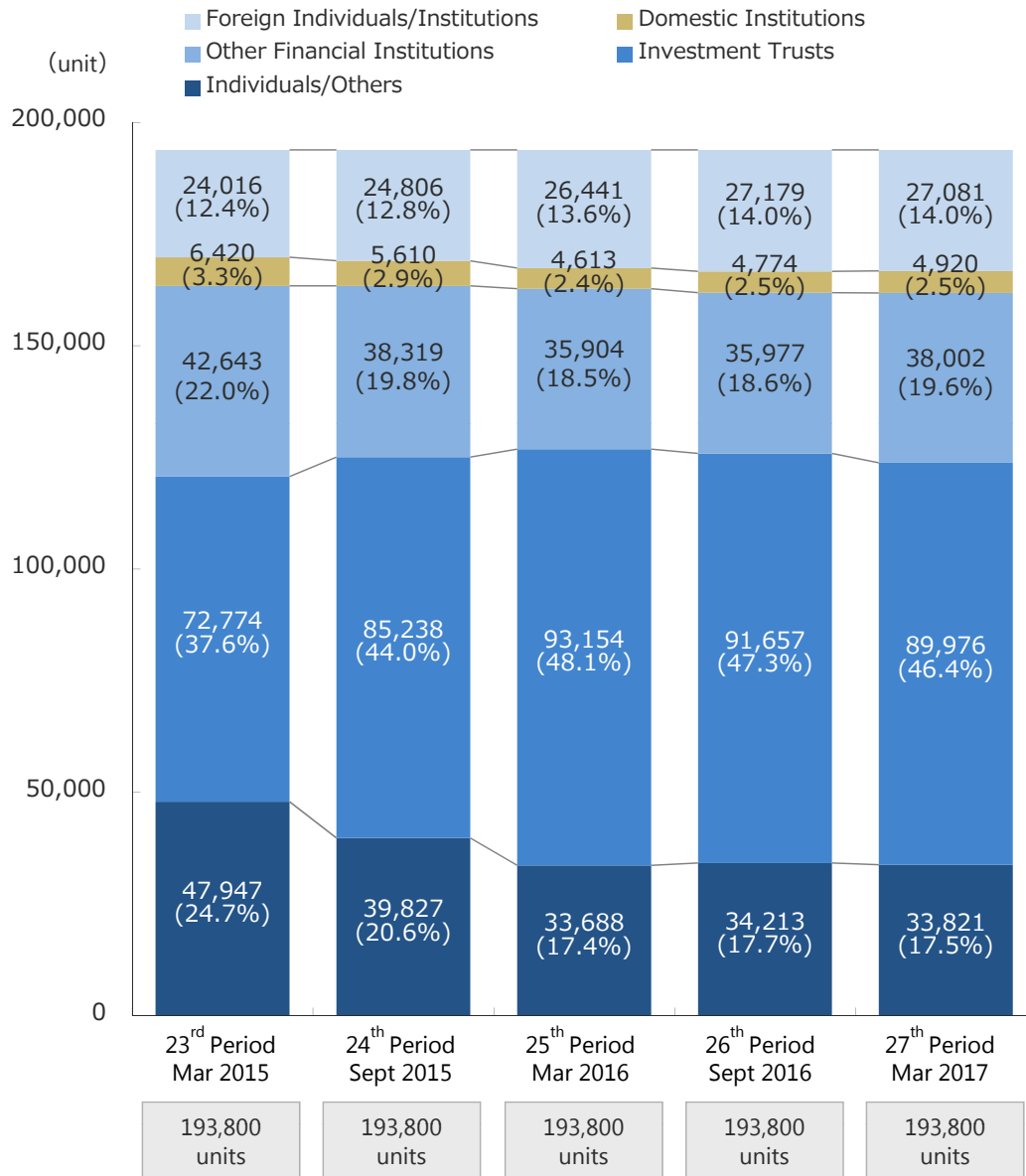
(\*3) GOR implemented a two-for-one split of investment units with 31 March 2014 as the record date and 01 April 2014 as the effective date.

In the above chart, unit prices and accumulated dividends before the ex-rights date are calculated based on the assumption that the split of investment units was implemented.

# Unitholder Segment, Top 10 Unitholders (as of 31 March 2017)



## # of units by unitholder segment



## # Top 10 Unitholders

	Name of unitholders	# of units held	Percentage to the total number of units issued (%) (*)
1	Japan Trustee Services Bank, Ltd. (Trust Acc.)	51,521	26.58
2	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Acc.)	22,762	11.74
3	The Master Trust Bank of Japan Ltd. (Trust Acc.)	22,444	11.58
4	The Nomura Trust and Banking co., Ltd. (Investment Trust Acc.)	9,504	4.90
5	CBLDN LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	2,351	1.21
6	CBNY DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	2,152	1.11
7	STATE STREET BANK AND TRUST COMPANY 505012	2,006	1.03
8	STATE STREET BANK WEST CLIENT-TREATY 505234	1,877	0.96
9	The Aichi Bank, Ltd.	1,820	0.93
10	Japan Trustee Services Bank, Ltd. (Trust Acc. 9)	1,752	0.90
	Total	118,189	60.98

(\*) Percentages less than the second decimal place are rounded down.

# Overview of Asset Manager ①

## Global Alliance Realty Co., Ltd.

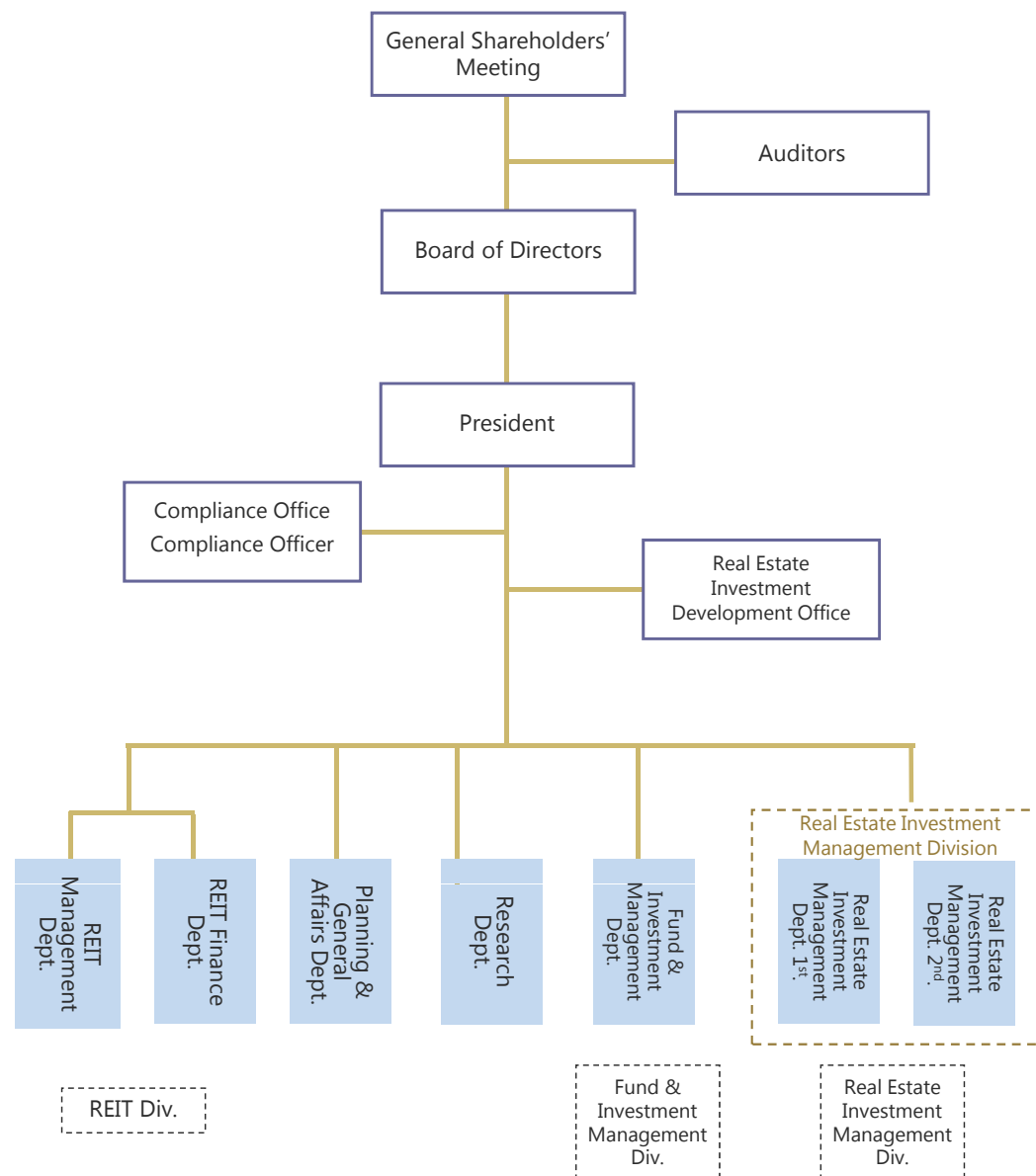
("GAR") is a licensed financial instruments business operator with registration No. 322 granted by the Director-General of the Kanto Local Finance Bureau, a member of the Investment Trusts Association, Japan and a member of Japan Securities Investment Advisers Association.

**Representative:** President Yasushi Wada  
**Location of Headquarters:** 4-1 Kojimachi, Chiyoda-ku, Tokyo  
**Incorporation:** 01 July 2002  
**Capital:** 400 million yen

## Sponsor group companies and their roles

Sponsor group companies	Roles
Meiji Yasuda Life Insurance Co. and its group companies	Provides human resources and expertise in real estate investment, asset / property management
Mitsubishi UFJ Financial Group, Inc. and its group companies	Provides human resources and expertise in the financial and trust businesses
Kintetsu Group Holdings Co., Ltd. and its group companies	Provides human resources and expertise in real estate investment, asset/property management

## Organization



# Overview of Asset Manager ②

## Shareholders (as of 1 May 2017)

Name of shareholder	Founders of GAR	Investment in GAR		Outside board members of GAR (part-time) (Job title holding concurrently)	Employees temporarily transferred to GAR (# of employees and job title)	Financing for GOR	Outstanding Loan balance (million yen)
		# of shares held	Percentage (*)				
Meiji Yasuda Life Insurance Group							
Meiji Yasuda Life Insurance Company	○	800	10.0%	○(General Manager, Building Management Dept, Meiji Yasuda Real Estate Management Co., Ltd. (Secondment))	2 Deputy Division Head, Real Estate Investment Management Div. Co-General Manager, Real Estate Investment Development Office	○	3,500
Meiji Yasuda System Technology Co., Ltd.		392	4.9%				
Mitsubishi UFJ Financial Group							
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	○	400	5.0%	○(Executive Officer & General Manager, Global Head of Structured Finance, Financial Solutions Group)	1 Deputy General Manager, Real Estate Investment Management Div.	○	17,700
Mitsubishi UFJ Trust and Banking Corporation	○	400	5.0%	○(Executive Officer, Real Estate Business Office, Corporate Business Planning Div.)		○	17,700
Mitsubishi UFJ Lease & Finance Company Limited		392	4.9%				
Kintetsu Group							
Kintetsu Group Holdings Co., Ltd.	○	800	10.0%	○(Director, Managing Executive Officer,Business Development Div., Taipei Office)	1 Deputy General Manager, REIT Management Dept.		
Kintetsu Insurance Service Co., Ltd.		392	4.9%				
Mori Building Co., Ltd.		800	10.0%				
Morikiyo Co., Ltd.		392	4.9%				
Mitsubishi Research Institute, Inc.		304	3.8%				
Sompo Japan Nipponkoa Insurance Inc.		304	3.8%				○ 800
The Hachijuni Bank, Ltd.		304	3.8%				○
The Joyo Bank, Ltd.		304	3.8%				○ 500
The Ashikaga Bank, Ltd.		304	3.8%				○ 1,000
Shizuoka Bank Limited		304	3.8%				○
The Chiba Bank, Ltd.		304	3.8%				○
The Hyakugo Bank, Ltd.		304	3.8%				○ 1,500
The Yamagata Bank, Ltd.		160	2.0%				
The Juroku Bank, Ltd.		160	2.0%				
Nanto Bank, Ltd.		160	2.0%				○ 1,400
The Hyakujushi Bank, Ltd.		160	2.0%				○
The Iyo Bank, Ltd.		160	2.0%				○ 2,300
Total		8,000	100.0%				4

(\*) Percentages of the ownership in GAR in proportion to the total shares issued.

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