

Press Release

1 April 2019

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GOR Revises Earnings Forecasts for the Six-Month Period Ending September 2019 and Announces Earnings Forecasts for the Six-Month Period Ending March 2020

1 April 2019 - Global One Real Estate Investment Corp. (“GOR”) announces today that it has revised its earnings forecasts for the six-month period ending September 2019 (the “32nd Period”: 1 April 2019 – 30 September 2019) and announced its earnings forecasts for the six-month period ending March 2020 (the “33rd Period”: 1 October 2019 – 31 March 2020). No changes have been made as of today concerning the earnings forecasts for the six-month period ended March 2019 (the “31st Period”: 1 October 2018 – 31 March 2019).

1. Rationale for revision and announcement

GOR will revise its earnings forecasts as operating revenue increased by 10% or more with the change in the assumptions of the earnings forecasts for the six-month period ending September 2019 announced in “Summary of Financial Results for the Six-Month Period Ended September 2018” dated 14 November 2018, due to the issuance of new investment units as well as the acquisition and transfer of assets stated in press releases dated today and titled “GOR Announces Issuance of New Investment Units and Secondary Offering of Investment Units” and “GOR Announces Acquisition and Leasing of a Property and Transfer and Leasing Termination of a Property (Acquisition of Hulic Toyosu Prime Square and Transfer of Ginza First Building).” GOR also announces its new earnings forecasts for the six-month period ending March 2020 calculated based on the same assumptions.

Note: This press release was prepared as a public announcement regarding earnings forecasts for the six-month periods ending September 2019 and March 2020 and was not prepared for the purpose of soliciting investments. Investors are asked to ensure that they read the prospectus for the issuance of new investment units and secondary offering of investment units, as well as the amendments thereto (if any), prepared by GOR before they invest and that they make decisions on investment at their or own discretion and responsibility.

2. Revision of Earnings Forecasts for the Six-Month Period Ending September 2019

	Previous forecast (A) (14 November 2018)	Revised forecast (B)	Amount of change (C)=(B-A)	Change (C/A×100)
Operating revenue	5,302 million yen	6,175 million yen	873 million yen	16.5%
Operating profit	2,357 million yen	3,026 million yen	668 million yen	28.3%
Ordinary profit	1,922 million yen	2,561 million yen	638 million yen	33.2%
Net income	1,922 million yen	2,560 million yen	638 million yen	33.2%
Dividend per unit	2,170 yen	2,398 yen	228 yen	10.5%
Dividend in excess of profit per unit	---	---	---	---

(Ref.) Forecasted net income per unit: 2,662 yen

The estimated number of units issued at the end of the period: 961,884

Notes:

- Dividend per unit is based on the assumption that the amount remaining upon deduction of reserve for reduction entry (approximately 254 million yen) estimated to be provided at the end of the six-month period ending September 2019 from net income for the period will be distributed.
- The estimated number of units issued at the end of the period is 961,884 units, which is the number of units issued as of today, 885,684 units, plus 72,500 units that are going to be issued through a public offering and 3,700 units that are going to be issued through a third-party allotment pursuant to a decision made at the board meeting held today. It is also assumed that the maximum number of new units to be issued through the third-party allotment will be 3,700 units.
- The forecasts contained in this document are “current” as of the date of this release, based on the assumptions described in the Exhibit that follows. Actual results may differ (i.e. operating revenue, operating profit, ordinary profit, net income, dividend per unit) depending on various factors. The above forecasts do not guarantee the amount of future dividends.
- Should a disparity exceeding a certain percentage arise in the forecasts, revisions may be released.
- Amounts of less than one million yen are rounded down to the nearest million yen.

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3. Earnings forecasts for the six-month period ending March 2020

Operating revenue	5,785 million yen
Operating profit	2,594 million yen
Ordinary profit	2,175 million yen
Net income	2,174 million yen
Dividend per unit	2,261 yen
Dividend in excess of profit per unit	---

(Ref.) Forecasted net income per unit: 2,261 yen

The estimated number of units issued at the end of the period: 961,884

Notes:

1. The estimated number of units issued at the end of the period is 961,884 units, which is the number of units issued as of today, 885,684 units, plus 72,500 units that are going to be issued through a public offering and 3,700 new units that are going to be issued through a third-party allotment pursuant to a decision made at the board meeting held today. It is also assumed that the maximum number of new units to be issued through the third-party allotment will be 3,700 units.
 2. The forecasts contained in this document are “current” as of the date of this release, based on the assumptions described in the Exhibit that follows. Actual results may differ (i.e. operating revenue, operating profit, ordinary profit, net income, dividend per unit) depending on various factors. The above forecasts do not guarantee the amount of future dividends.
 3. Should a disparity exceeding a certain percentage arise in the forecasts, revisions may be released.
 4. Amounts of less than one million yen are rounded down to the nearest million yen.
- ### 4. (Reference) Earnings forecasts for the six-month period ended March 2019

The earnings forecasts for the six-month period ended March 2019 described in the Summary of Financial Results for the Six-Month Period ended September 2018 released on 14 November 2018, are as follows.

Operating revenue	5,196 million yen
Operating profit	2,334 million yen
Ordinary profit	1,901 million yen
Net income	1,900 million yen
Dividend per unit	2,145 yen
Dividend in excess of profit per unit	---

(Ref.) Forecasted net income per unit: 2,145 yen

The estimated number of units issued at the end of the period: 885,684

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Notes:

1. The forecasts contained in this document are “current” as of the date of this release, based on the assumptions described in the Exhibit that follows. Actual results may differ (i.e. operating revenue, operating profit, ordinary profit, net income, dividend per unit) depending on various factors. The above forecasts do not guarantee the amount of future dividends.
2. Should a disparity exceeding a certain percentage arise in the forecasts, revisions may be released.
3. Amounts of less than one million yen are rounded down to the nearest million yen.

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Exhibit

Assumptions underlying earnings forecasts for the six-month period ending September 2019 (the 32nd Period) and the six-month period ending March 2020 (the 33rd Period)

Items	Assumptions
Accounting period	<p>The 32nd Period: 1 April 2019 - 30 September 2019 (183 days)</p> <p>The 33rd Period: 1 October 2019 - 31 March 2020 (183 days)</p>
Operating assets	<ul style="list-style-type: none"> Assumes that GOR will only hold a total of 11 properties after the acquisition of Hulic Toyosu Prime Square and transfer of Ginza First Building on 18 April 2019, through the end of the 33rd Period (ending 31 March 2020) without any additional acquisitions or dispositions during the 32nd period and the 33rd Period. Notwithstanding the above assumption, estimates may change in the event of a change in the portfolio.
Number of units issued	<ul style="list-style-type: none"> The estimated number of units issued at the end of the period is 961,884 units, which is the number of units issued as of today, 885,684 units, plus 72,500 units that are going to be issued through a public offering and 3,700 new units that are going to be issued through a third-party allotment pursuant to a decision made at the board meeting held on 1 April 2019. It is also assumed that the maximum number of new units to be issued through the third-party allotment will be 3,700 units. The assumed dividend per unit is also based on the number of units issued following the issuance of new units described above.
Operating revenue	<ul style="list-style-type: none"> Rental revenue takes into account various factors (e.g. tenant turnover, market trends, and competition in the neighborhood) and assumes that there will be no arrears or nonpayment of rent by tenants. Rental revenue is expected to increase with the acquisition of Hulic Toyosu Prime Square and transfer of Ginza First Building on 18 April 2019. Among the operating revenue for the 33rd Period, approximately 289 million yen of revenue equivalent to restoration costs is expected at TK Minami-Aoyama Building. Among the operating revenue for the 32nd period, approximately 655 million yen of gain on sale of real estate, etc. is expected from the transfer of Ginza First Building.
Operating expenses	<ul style="list-style-type: none"> Property-related expenses, excluding depreciation and amortization expenses, are calculated reflecting variable factors based on historical data.

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Items	Assumptions
	<ul style="list-style-type: none"> Because the amounts of property tax and city planning tax already paid by the seller are included in the acquisition cost of Hulic Toyosu Prime Square, they will not be recorded as operating expenses in the 32nd Period and the 33rd Period. However, property tax and city planning tax for these properties due in and after the 34th Period (approximately 56 million yen in fiscal 2018, i.e. approximately 28 million yen for six months) will be recorded as operating expenses in the 34th period and after. Property management fees relating to leasing activities are estimated at approximately 709 million yen for the 32nd Period and approximately 563 million yen for the 33rd Period and tax and public dues at approximately 530 million yen for the 32nd Period and approximately 496 million yen for the 33rd Period. Leasing expenses of TK Minami-Aoyama Building are included in property management fees for the 32nd Period. Repair and maintenance expenses are estimated at approximately 101 million yen for the 32nd Period and approximately 258 million yen for the 33rd Period. However, unforeseen emergency repairs may become necessary depending on various factors, and actual repair expenses may exceed the estimates. Approximately 154 million yen of air conditioning construction costs and restoration costs of TK Minami-Aoyama Building are included in repair and maintenance expenses for the 33rd Period. Loss on retirement of fixed assets is expected to be approximately 9 million yen for the 32nd Period and approximately 147 million yen for the 33rd Period due to the removal of air conditioning facilities at TK Minami-Aoyama Building. Depreciation and amortization expenses, estimated at approximately 846 million yen for the 32nd Period and approximately 858 million yen for the 33rd Period, are calculated on a straight-line basis over the holding period. Operating expenses other than property-related expenses (e.g. management fees, asset custody fees, and agency fees) are estimated at approximately 588 million yen for the 32nd Period and approximately 550 million yen for the 33rd Period.
Non-operating expenses	<ul style="list-style-type: none"> The total non-operating expenses (e.g. interest expenses) are estimated at approximately 464 million yen for the 32nd Period and approximately 418 million yen for the 33rd Period. Approximately 31 million yen of investment unit issuance costs are expected to be recorded in lump sum as non-operating expenses for the 32nd Period.

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Items	Assumptions
Borrowings and bonds	<ul style="list-style-type: none"> As of the date of this release, GOR has a total of 75,500 million yen in outstanding loans. It is assumed that loans due during the 32nd Period and 33rd Period will be fully refinanced. Dividend per unit may change due to unforeseen fluctuations in interest rates. As of the date of this release, GOR has a total of 19,000 million yen in outstanding corporate bonds issued. It is assumed the balance of outstanding corporate bonds issued will remain unchanged through the end of the 33rd Period (ending 31 March 2020).
Dividend per unit	<ul style="list-style-type: none"> Dividend per unit is calculated in accordance with “Cash Dividend Policies” set forth in the Articles of Incorporation. Dividend per unit may change due to various factors (e.g. changes in the portfolio properties, increase or decrease in rent income resulting from tenant relocation, and unforeseen emergency repairs). Assumes that part of the gain on sale from the transfer of Ginza First Building will be spent in a discretionary manner and to an extent that does not infringe on dividend deductibility requirements prescribed in Article 67-15 of the Act on Special Measures concerning Taxation provided for reserve for reduction entry of approximately 254 million yen, in accordance with the “Special Provision on Taxation for Replacement of Specific Property” (Article 65-7 of the Act on Special Measures concerning Taxation) in financial results for the six-month period ending September 2019.
Dividend in excess of profit per unit	<ul style="list-style-type: none"> Dividend distributions in excess of profit are not assumed during the 32nd Period and the 33rd Period.
Others	<ul style="list-style-type: none"> Assumes that there will be no material changes that may affect the aforementioned forecasts during this period in related laws, accounting standards and tax regulations in Japan, TSE listing regulations, and/or rules of the Investment Trusts Association, Japan. Assumes that unforeseen significant changes will not occur in the general economic trends or the real estate markets of Japan.

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About GOR:

Global One Real Estate Investment Corporation (“GOR”) is a Japanese Real Estate Investment Trust (J-REIT) listed on the Tokyo Stock Exchange (TSE: 8958) with the ultimate goal of pursuing maximum returns for unitholders. GOR cautiously selects prime properties at prime locations with an eye on “strong and sustainable competitiveness in the marketplace.” The three key watchwords in selecting properties are: (1) *CLOSER* - easily accessible from nearby train stations; (2) *NEWER* - newly or recently built; and (3) *LARGER* - large office buildings with extensive office space.

For more information about GOR, please visit: <http://www.go-reit.co.jp/eng/>

Note: This document is the English version of “Press Release” that is written in Japanese. The English version is understood to be a translation of the Japanese version and is supplied as a convenience to investors who prefer to use English. This document, containing forward-looking statements, is not intended to be a solicitation of any particular investment transaction. Investors should consult with their own investment advisors regarding the appropriateness of investing in any of the securities or investment strategies.

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