

Global One Real Estate Investment Corp.

Summary of Financial Results for the Six-Month Period Ended March 2019

20 May 2019

REIT Issuer:	Global One Real Estate Investment Corp.
Stock Exchange Listing:	Tokyo Stock Exchange
Securities code:	8958
Website:	https://www.go-reit.co.jp/eng/
Representative:	Akio Uchida, Executive Director
Asset Manager:	Global Alliance Realty Co., Ltd.
Representative:	Kenji Kojo, President
Contact:	Gen Yamazaki, General Manager REIT Finance Department Tel: +81-3-3262-1494
Scheduled date for filing of securities report:	26 June 2019
Scheduled date for dividends payments:	14 June 2019
Explanatory material to be prepared:	Yes
Analyst meeting to be convened:	Yes

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

1. Financial summary for the six-month period that ended March 2019 (1 October 2018 – 31 March 2019)

(1) Earning Position

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

	Operating revenue		Operating profit		Ordinary profit		Net income	
	MM yen	%	MM yen	%	MM yen	%	MM yen	%
Six-month period ended March 2019	5,224	0.4	2,373	2.3	1,943	2.7	1,941	2.6
Six-month period ended Sept 2018	5,202	1.8	2,320	2.8	1,892	4.6	1,891	4.7

	Net income per unit	Ratio of net income to net assets	Ordinary profit to total assets	Ordinary profit to operating revenue
	Yen	%	%	%
Six-month period ended March 2019	2,192	2.2	1.0	37.2
Six-month period ended Sept 2018	2,135	2.2	1.0	36.4

(2) Dividend distributions

	Dividend per unit (excluding dividends in excess of profit)	Total dividends (excluding dividends in excess of profit)	Dividend in excess of profit per unit	Total dividends in excess of profit
	Yen	MM yen	Yen	MM yen
Six-month period ended March 2019	2,192	1,941	0	0
Six-month period ended Sept 2018	2,136	1,891	0	0
	Payout ratio (*)	Dividend ratio to net assets		
	%	%		
Six-month period ended March 2019	100.0	2.2		
Six-month period ended Sept 2018	100.0	2.2		

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

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

(3) Financial position

	Total assets	Net assets	Net assets to total assets	Net assets per unit
	MM yen	MM yen	%	Yen
Six-month period ended March 2019	191,231	87,176	45.6	98,428
Six-month period ended Sept 2018	190,752	87,126	45.7	98,371

(4) Cashflows

	CF from operating activities	CF from investing activities	CF from financing activities	Cash and cash equivalents at the end of period
	MM yen	MM yen	MM yen	MM yen
Six-month period ended March 2019	2,772	-465	-1,891	8,507
Six-month period ended Sept 2018	2,708	-387	-1,839	8,091

2. Earnings forecasts for the six-month period ending September 2019 (1 April 2019 – 30 September 2019) and earnings forecasts for the six-month period ending March 2020 (1 October 2019 – 31 March 2020)

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

	Operating revenue		Operating profit		Ordinary profit		Net income	
	MM yen	%	MM yen	%	MM yen	%	MM yen	%
Six-month period ending Sept 2019	6,175	18.2	3,026	27.5	2,561	31.8	2,560	31.9
Six-month period ending March 2020	5,785	-6.3	2,594	-14.3	2,175	-15.1	2,174	-15.1

	Dividend per unit (excluding Dividends in excess of profit)	Dividend in excess of profit per unit
	yen	yen
Six-month period ending Sept 2019	2,398	0
Six-month period ending March 2020	2,261	0

(Reference)

	Six-month period ending Sept 2019	Six-month period ending March 2020
Projected net income per unit	2,681 yen	2,261 yen
Projected number of units issued and outstanding at the end of the period	961,884 units	961,884 units
Projected daily weighted average number of investment units	955,072 units	961,884 units

(*) As for dividend per unit for the six-month period ending September 2019, it is assumed that the amount remaining after deducting 254 million yen of reserve for reduction entry expected to be reserved in the six-month period ending September 2019 from net income will be distributed.

*Others

- (1) Changes in accounting policies, changes in accounting estimates and restatements of revisions
 - (a) Changes in accounting policies due to amended Accounting Standards None
 - (b) Changes in accounting policies due to other factors None
 - (c) Changes in accounting estimates None
 - (d) Restatements of revisions None

- (2) Number of units issued and outstanding
 - (a) Number of units issued and outstanding at the end of the period (including own units):

For the six-month period ended March 2019	885,684
For the six-month period ended September 2018	885,684
 - (b) Number of own units at the end of the period:

For the six-month period ended March 2019	0
For the six-month period ended September 2018	0

*Completion status of auditing procedures

This document is not subject to the auditing requirements set forth in the Financial Instruments and Exchange Act of Japan. The auditing procedures in accordance with those requirements have not been completed as of the date of the publication of this document.

*Explanations regarding the appropriate use of earnings forecasts / special notes

(Forward-looking Statements)

1. Forward-looking statements in this presentation (i.e., earnings forecasts) are based on information currently available and certain assumptions GOR believes reasonable. Actual results may differ materially from the forward-looking statements in this presentation due to various factors. The forecasts contained in this document are "current" as of the date of this release, based on the assumptions on page 13 ("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)"). Actual results (i.e., operating revenue, operating profit, ordinary profit, net income, dividend per unit) may differ depending on various factors. The forecasts do not guarantee the amounts of future dividends.
2. GOR resolved at board meetings held on 1 April 2019 and 9 April 2019 to issue new investment units as follows. Payment for the issuance of new investment units through public offering and through third-party allotment was completed on 16 April 2019 and 14 May 2019, respectively. See "D. Material matters after the account closing" on page 10 for details. The above-mentioned "2. Earnings forecasts for the six-month period ending September 2019 (1 April 2019 - 30 September 2019) and earnings forecasts for the six-month period ending March 2020 (1 October 2019 - 31 March 2020)" assumes issuance of these new investment units. Net income per investment unit for the six-month period ending September 2019 was calculated by dividing net income by the daily weighted average number of investment units (issued and outstanding) in the period. (Total number of outstanding investment units: 885,684 on 1 April 2019, the first day of the period, 961,884 on 30 September 2019, the final day).

1. Related parties

Disclosure is omitted as there have been no important changes to “Business Structure of Global One Real Estate Investment Corporation” from the most recent securities report (submitted on 25 December 2018).

2. Operation policies and operation results

(1) Operation policies

Disclosure is omitted as there have been no significant changes in “Investment Policies,” “Investment Targets,” and “Dividend Distribution Policies” from the most recent securities report (submitted on 25 December 2018).

(2) Operation results

I. Overview of the six-month period that ended March 2019 (the “31st Period”)

A. Historical background

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

GOR has completed its accounting closing for the 31st Period.

B. Investment environment and operation results

<Investment environment>

During the period, the Japanese economy experienced a continued gradual recovery trend amid improvements in the job and household income environment albeit weakness being seen recently in exports and industrial production in some sectors.

In the rental office building market, the supply-demand balance remained tight due to continuing forward-looking moves for relocation eyeing expansion of existing offices and moves to better locations and continued demand for floor expansion in buildings against the backdrop of strong business performance, as well as steady progress in tenant attraction in new buildings.

The office building sales market continues to enjoy a favourable funding environment and robust investment appetite from domestic as well as foreign investors. With information on Class A office buildings remaining limited, there are signs of overheating in property-acquisition competition, leading to transaction prices remaining high.

<Operation results>

(a) Acquisitions and sales in portfolio

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

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

On 25 December 2003: GOR acquired Otemachi First Square (office condo, approximately 9.1% of the dedicated area, with an acquisition price of 23,495 million yen).

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

On 1 October 2004: GOR sold Kintetsu Omori Building.

On 29 March 2005: GOR acquired Ginza First Building (office condo, approximately 92.1% of the dedicated area, with an acquisition price of 12,282 million yen).

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

On 21 October 2005: GOR acquired TK Minami-Aoyama Building, with an acquisition price of 35,000 million yen.

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

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

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

On 2 October 2007: GOR sold a 33% share of its interest in Sphere Tower Tennoz.

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

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

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

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

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

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

On 20 December 2013: GOR sold Sphere Tower Tennoz.

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

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

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

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

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

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

On 9 October 2014: GOR sold its remaining interest (33% co-ownership interest) in the Kintetsu Shin-Nagoya Building.

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

On 24 March 2017: GOR acquired Shinagawa Seaside West Tower (trust beneficial

interest in real estate (50% quasi co-ownership), with an acquisition price of 12,000 million yen), and Meiji Yasuda Life Insurance Osaka Midosuji Building (50% of co-ownership interest with an acquisition price of 9,200 million yen).

The 31st Period (six-month period ended March 2019)

No acquisition or sale was performed in the six-month period ended March 2019.

(b) Portfolio performance

As of 31 March 2019, the GOR portfolio includes 11 office buildings. The total acquisition price accounts for 182,476 million yen with a gross leasable area of 123,897.35 sqm. The overall occupancy rate of the GOR portfolio stands at 99.7% as of the end of the 31st Period. The following shows the portfolio leasing status over the most recent 1 year (until the end of March 2019):

As of the end of		# of properties	# of tenants (*1)	Gross leasable area (sqm)	Occupancy rate (%) (*2)
April	2018	11	191	123,662.04	98.2
May	2018	11	190	(*3) 123,710.22	97.9
June	2018	11	191	123,710.22	98.2
July	2018	11	189	123,710.22	98.1
August	2018	11	188	123,710.22	98.3
September	2018	11	190	(*4) 123,878.08	98.8
October	2018	11	191	(*5) 123,890.49	98.9
November	2018	11	191	123,890.49	98.9
December	2018	11	190	123,890.49	98.8
January	2019	11	191	(*6) 123,897.35	99.2
February	2019	11	193	123,897.35	99.7
March	2019	11	193	123,897.35	99.7

(*1) A tenant who leases multiple spaces within the portfolio is counted as one tenant.

(*2) "Occupancy Rate" is calculated by dividing the gross leased area by the gross leasable area.

(*3) At Meiji Yasuda Life Insurance Osaka Midosuji Building, the gross leasable area increased by 48.18 sqm as a result of the management warehouse being converted into leasable sections.

(*4) At Ginza First Building, the gross leasable area increased by 167.86 sqm as a result of some common hallways being converted into leasable sections.

(*5) At Meiji Yasuda Life Insurance Osaka Midosuji Building, the gross leasable area increased by 12.42 sqm as a result of a warehouse being excluded from leasable sections and a refreshment room being converted into leasable sections.

(*6) At ARK Hills Sengokuyama Mori Tower, the gross leasable area increased by 6.86 sqm as a result of a management warehouse being converted into leasable sections.

C. Financing activities

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

During the period under review, GOR borrowed 5,000 million yen on 29 March 2019 to repay existing loans of 5,000 million yen for which repayment was due on 29 March 2019.

As of 31 March 2019, unitholders' capital (net amount) was 84,942 million yen, the total number of units issued and outstanding was 885,684, the unpaid loan balance was 75,500 million yen, and the total balance of investment corporation bonds issued and outstanding was 19,000 million yen.

GOR's credit rating status as of 31 March 2019 is as follows:

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

D. Financial results and dividend distributions

GOR recorded operating revenue of 5,224 million yen, operating profit of 2,373 million yen, ordinary profit of 1,943 million yen, and net income of 1,941 million yen for the 31st Period.

Regarding dividends, the application of a tax exemption (under Article 67-15 of the Act on Special Measures Concerning Taxation) means that profit distributions are expected to become tax deductible. It was decided to make the amount of profit distribution 1,941,419,328 yen, which is a multiple of 885,684, the number of investment units issued. As a result, dividend per investment unit is 2,192 yen.

II. Outlook of the next six-month period ending September 2019

A. Basic policies

GOR manages and operates its portfolio properties consisting primarily of real estate and other assets (real estate, leasehold rights to real estate or surface rights or beneficial interests of trusts in which only these assets are entrusted among the assets as set forth in Article 105 paragraph 1 of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations of Japan) for investment purposes in accordance with Articles 2 and 21 of “the Articles of Incorporation” and “Management Target and Policies” provided in its attachment. GOR manages the assets held by GOR (“Assets under Management”) from a medium- to long-term viewpoint with the aim of achieving steady growth of the Assets under Management and securing stable income.

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

B. Portfolio strategies

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

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

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

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

As described above, GOR is strict in selecting superior properties to invest in, but admittedly, there are only so many opportunities for investment in said properties, and such properties cannot be acquired as easily as regular properties. GOR believes there exists the risk that investment at fair prices may become impossible under a market climate with signs of overheating in transaction prices. As such, in seeking to achieve steady growth in asset value, GOR expects to see the pace of growth change along the way, alternating between phases of relatively gradual growth and rapid growth. Therefore, GOR's approach is to take utmost care and avoid focusing too much on the pace of asset growth and investing in properties that may undermine the principle of “maximum value for unitholders,” strike the right balance between quality of assets and the pace of growth, and acquire properties on the premise of holding them over the medium to long term. It must be noted, however, that GOR may sell properties when it decides that doing so will contribute to achieving maximum value for unitholders after comprehensively studying the current real estate market, characteristics of the property, and status of the portfolio.

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

GOR strives to maintain and build on relationships of mutual trust with tenants and

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

C. Overview of tenant replacement

- (a) GOR received a written notice on 8 November 2018 from the tenant described in (b) below (“the current tenant”) indicating their intention to not extend the fixed-term building lease agreement. After that, GOR agreed to conclude a new fixed-term building lease agreement with the tenant described in (c) below (“the new tenant”), and because of this, the fixed-term building lease agreement with the current tenant will be cancelled before the termination date. On 15 March 2019, GOR concluded a “Cancellation Agreement” with the current tenant, and a “Fixed-Term Building Lease Agreement” with the new tenant.

(b) Outline of lease contract to be cancelled (*1)

(1) Name of tenant	Tokyu Land Corporation
(2) Name of property	TK Minami-Aoyama Building
(3) Leased area	12,243.57 sqm
(4) Ratio to gross leasable area of TK Minami-Aoyama Building (*2)	87.4%
(5) Ratio to gross leasable area of GOR portfolio (*3)	9.9%
(6) Monthly rent	Undisclosed (*4) (*5)
(7) Security deposit	Undisclosed (*4)
(8) Lease termination date (original)	31 May 2020
(9) Agreement cancellation date	10,493.14 sqm: 1 October 2019 1,750.43 sqm: 31 October 2019

(*1) Area and percentage are as of the end of March 2019.

(*2) Gross leasable area of TK Minami-Aoyama Building: 14,012.64 sqm

(*3) Gross leasable area of GOR portfolio properties: 123,897.35 sqm

(*4) Rent per month and security deposit remains undisclosed since consent for disclosure has not been obtained from the tenant.

(*5) As of the end of March 2019, the total number of tenants at TK Minami-Aoyama Building is three, and the total monthly rent (including common area charges) is 118 million yen.

(c) Outline of lease contract to be started

(1) Name of tenant	Undisclosed (*)
(2) Name of property	TK Minami-Aoyama Building
(3) Leased area	12,243.57 sqm
(4) Monthly rent	Undisclosed (*)
(5) Security deposit	Undisclosed (*)
(6) Lease start date	10,493.14 sqm: 2 October 2019 1,750.43 sqm: 1 November 2019
(7) Lease termination date	1 October 2029
(8) Agreement renewal method	A fixed-term building lease agreement that will conclude on the termination date and shall not renew automatically. (renewal based on agreement is possible)

(9) Special notes on lease agreement	Although cancellation by written notice delivered one year in advance is possible, the tenant is obligated to pay the entire amount equivalent to rent up to 1 October 2024.
(*) The name of the tenant remains undisclosed since consent for disclosure has not been obtained from the tenant. The tenant is not a special related party of GOR or GAR.	

D. Material matters after the account closing

(a) Issuance of new investment units

GOR resolved at board meetings held on 1 April 2019 and 9 April 2019 to issue new investment units as follows. Payment for the issuance of new investment units through public offering and through third-party allotment was completed on 16 April 2019 and 14 May 2019, respectively. As a result, unitholders' capital (net amount) totalled 93,901,044,700 yen and the total number of investment units issued and outstanding increased to 961,884 units as of 14 May 2019.

(1) Issuance of new investment units through public offering (primary offering)

Number of investment units to be offered	72,500 units
Issue price (offer price)	121,680 yen per unit
Total issue price (total offer price)	8,821,800,000 yen
Amount to be paid in (issue value)	117,561 yen per unit
Total amount to be paid in (total issue value)	8,523,172,500 yen
Payment date	16 April 2019
Use of funds	Application to part of funds for acquisition of Hulic Toyosu Prime Square, described later in the section "(b) Acquisition of a property."

(2) Issuance of new investment units through third-party allotment

Number of investment units to be offered	3,700 units
Amount to be paid in (issue value)	117,561 yen per unit
Total amount to be paid in (total issue value)	434,975,700 yen
Payment date	14 May 2019
Allottee	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Use of funds	Application to part of funds for future acquisition of specified assets or repayment of loans

(b) Acquisition of a property

GOR acquired a property on 18 April 2019, as outlined below.

<Summary of acquired property>

Name of building		Hulic Toyosu Prime Square
Type of asset		Trust beneficial interest in real estate (50% quasi co-ownership)
Location		(Residence indication) 5-6-36 Toyosu, Koto-ku, Tokyo (Land number) 5-7-1 Toyosu, Koto-ku, Tokyo
Land (* 1)	Ownership	Ownership (50% quasi co-ownership of trust beneficial interest in real estate)
	Land area	10,255.07 sqm (total land area)
Build ing (* 1)	Ownership	Ownership (50% quasi co-ownership of trust beneficial interest in real estate)
	Use	Office, retail and parking
	Floor area	41,741.18 sqm (total floor area of the entire building)
Year built		August 2010

Structure	12-story S with a flat roof
Contract date	1 April 2019
Acquisition price (* 2)	21,000 million yen
Seller	Fuyo General Lease Co., Ltd.

(*1) Area, Use, Floor area, Year built, and Structure are shown based on the registration, unless otherwise stated. Floor area shows the total floor area of the primary building and annexes.

(*2) The acquisition price represents the price described in the purchase agreement, excluding acquisition expenses, fixed property tax, city planning tax, and national and local consumption tax.

(c) Sale of a property

GOR sold a property on 18 April 2019, as outlined below.

<Summary of property sale>

Name of building	Ginza First Building
Location	(Residence indication) 1-10-6 Ginza, Chuo-ku, Tokyo
Land Area (*1)	1,404.64 sqm (*2)
Floor Area (*1)	12,479.45 sqm (total floor area of the entire building) 9,856.20 sqm (owned area)
Sale Price (*3)	12,600 million yen
Material impact on earnings	Approximately 655 million yen in gain on sale of this real estate property is expected to be recorded as operating revenue during the six-month period ending September 2019.
Type of assets	Trust beneficial interests in real estate
Contract date	1 April 2019
Buyer	Fuyo General Lease Co., Ltd.

(*1) Land area and Floor area are based on the registration.

(*2) The right of site (*shikichi ken*), set on the site of Ginza First Building, is owned by the Trustee at the rate of 95,518/100,000.

(*3) Sale price represents the price described in the sale agreement, excluding the amounts of fixed property tax, city planning tax, and national and local consumption tax.

E. Earnings forecasts

Earnings for the six-month period ending September 2019 (The 32nd Period: 1 April 2019 – 30 September 2019) and the six-month period ending March 2020 (The 33rd Period: 1 October 2019 – 31 March 2020) are forecasted as follows:

Concerning assumptions for the 32nd Period and the 33rd Period, please see the following items: “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)”

Earnings forecasts for the six-month period ending September 2019 (The 32nd Period: 1 April 2019 – 30 September 2019)

Operating revenue	6,175 million yen
Operating profit	3,026 million yen
Ordinary profit	2,561 million yen
Net income	2,560 million yen
Dividend per unit	2,398 yen
Dividend in excess of profit per unit	0 yen

Earnings forecasts for the six-month period ending March 2020 (The 33rd Period: 1 October 2019 – 31 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	0 yen

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

(*2) Dividend per unit is calculated on the premise that distribution will be performed by deducting reserve for reduction entry (254 million yen) estimated to be recorded during the six-month period ending September 2019 (1 April 2019 – 30 September 2019) from net income.

These forecasts include the below factors

Earnings forecasts for the six-month period ending September 2019
(The 32nd Period: 1 April 2019 – 30 September 2019)

<Profit factor>

- Gain on sale of Ginza First Building (approximately 655 million yen)

<Negative factors>

- Leasing expenses for TK Minami-Aoyama Building
- Investment unit issuance expenses (approximately 31 million yen)

Earnings forecasts for the six-month period ending March 2020
(The 33rd Period: 1 October 2019 – 31 March 2020)

<Profit factor>

- Revenue equivalent to restoration costs for TK Minami-Aoyama Building (approximately 289 million yen)

<Negative factors>

- Air conditioning construction costs and restoration costs for TK Minami-Aoyama Building (approximately 154 million yen)
- Loss on retirement of fixed assets due to removal of air conditioning facilities for TK Minami-Aoyama Building (approximately 147 million yen)

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	The 32nd Period: 1 April 2019 - 30 September 2019 (183 days) The 33rd Period: 1 October 2019 - 31 March 2020 (183 days)
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 sale of Ginza First Building on 18 April 2019, through the end of the 33rd Period (ending 31 March 2020) without any additional acquisitions or sales 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 was the number of units issued as of 31 March 2019, 885,684 units, plus 72,500 units that was issued through a public offering and 3,700 new units that was issued through a third-party allotment pursuant to a decision made at the board meeting held on 1 April 2019. Dividend per unit is calculated based on the above number of units issued, or 961,884.
Operating revenue	<ul style="list-style-type: none"> Rental revenue takes into account various factors (e.g., trend of tenants, competition in the neighbourhood, and market trends) and assumes that there will be no arrears or non-payment of rent by tenants. Rental revenue is expected to increase with the acquisition of Hulic Toyosu Prime Square and sale of Ginza First Building on 18 April 2019. Among operating revenue for the 32nd period, approximately 655 million yen in gain on sale of real estate, etc. is expected from the sale of Ginza First Building. Among operating revenue for the 33rd Period, approximately 289 million yen of revenue equivalent to restoration costs is expected at TK Minami-Aoyama 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. 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 excluding depreciable assets tax, 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 are estimated 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

	<p>construction costs and restoration costs for TK Minami-Aoyama Building are included in repair and maintenance expenses for the 33rd Period.</p> <ul style="list-style-type: none"> • 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"> • 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. • Investment unit issuance costs totalling approximately 31 million are expected to be bundled and recorded as non-operating expenses for the 32nd Period.
Borrowings and bonds	<ul style="list-style-type: none"> • As of 31 March 2019, 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 fluctuation in interest rates. • As of 31 March 2019, GOR has a total of 19,000 million yen in outstanding corporate bonds issued. It is assumed that this amount 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., change 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 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.