

Global One Real Estate Investment Corp.

Summary of Financial Results for the Six-Month Period Ended September 2023

16 November 2023

REIT Issuer:	Global One Real Estate Investment Corp.
Stock Exchange Listing:	Tokyo Stock Exchange
Securities code:	8958
Website:	https://www.go-reit.co.jp/en/
Representative:	Akio Uchida, Executive Director
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Scheduled date for filing of securities report:	22 December 2023
Scheduled date for dividends payments:	15 December 2023
Explanatory material to be prepared:	Yes
Analyst meeting to be convened:	Yes

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

1. Financial summary for the six-month period ended September 2023 (1 April 2023 – 30 September 2023)

(1) Earning Position

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

	Operating revenue		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six-month period ended Sept 2023	7,239	8.6	3,775	13.0	3,354	14.7	3,353	14.7
Six-month period ended March 2023	6,664	17.1	3,341	24.7	2,924	27.5	2,923	27.5

	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 Sept 2023	3,279	3.2	1.6	46.3
Six-month period ended March 2023	2,935	2.9	1.4	43.9

(Note) Net income per unit is calculated by dividing net income by the weighted average number of investment units based on the number of days (996,131 units for the six-month period ended March 2023 and 1,022,826 units for the six-month period ended September 2023).

(2) Dividend distributions

	Dividend per unit (excluding dividends in excess of profit)	Total dividends (excluding dividends in excess of profit)	Dividend in excess of profit per unit	Total dividends in excess of profit
	Yen	Million yen	Yen	Million yen
Six-month period ended Sept 2023	3,038	3,107	–	–
Six-month period ended March 2023	2,860	2,925	–	–

	Payout ratio	Dividend ratio to net assets
	%	%
Six-month period ended Sept 2023	92.6	3.0
Six-month period ended March 2023	100.0	2.8

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

Payout ratio = Total dividends (excluding dividends in excess of profit) / Net income × 100

(*2) Dividend for the six - month period ended March 2023 is calculated by adding reversal of reserve for reduction entry (1 million yen) to unappropriated retained earnings, and dividing the amount by the number of investment units issued.

(*3) Dividend for the six-month period ended September 2023 is calculated by subtracting the provision of reserve for reduction entry (246 million yen) from unappropriated retained earnings, and dividing the amount by the number of investment units issued.

(3) Financial position

	Total assets	Net assets	Net assets to total assets	Net assets per unit
	Million yen	Million yen	%	Yen
Six-month period ended Sept 2023	220,925	103,878	47.0	101,560
Six-month period ended March 2023	209,923	103,449	49.3	101,141

(4) Cash flows

	CF from operating activities	CF from investing activities	CF from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Six-month period ended Sept 2023	12,013	-17,972	6,075	9,525
Six-month period ended March 2023	9,342	-17,893	7,687	9,409

2. Earnings forecasts for the six-month period ending March 2024 (1 October 2023 – 31 March 2024) and earnings forecasts for the six-month period ending September 2024 (1 April 2024 – 30 September 2024)

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

	Operating revenue		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six-month period ending March 2024	7,191	-0.7	3,743	-0.8	3,323	-0.9	3,322	-0.9
Six-month period ending Sept 2024	6,443	-10.4	3,116	-16.7	2,679	-19.4	2,678	-19.4

	Dividend per unit (excluding dividends in excess of profit)	Dividend in excess of profit per unit
	Yen	Yen
Six-month period ending March 2024	2,959	—
Six-month period ending Sept 2024	2,400	—
(Reference)		
Projected net income per unit		Six-month period ending March 2024 3,248 yen Six-month period ending Sept 2024 2,618yen

(*) Dividend per unit is calculated on the premise that the amount remaining after deducting the reserve for reduction entry (296 million yen for the six-month period ending March 2024 and 223 million yen for the six-month period ending September 2024) 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 September 2023	1,022,826
For the six-month period ended March 2023	1,022,826
(b) Number of own units at the end of the period:	
For the six-month period ended September 2023	0
For the six-month period ended March 2023	0

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

* Special notes

(Forward-looking Statements)

Forward-looking statements in this presentation (i.e., earnings forecasts) are based on information currently available and certain assumptions GOR believes reasonable. Actual results may differ materially from the forward-looking statements in this presentation due to various factors. The forecasts contained in this document are "current" as of the date of this release, based on the assumptions on page 11 ("Assumptions underlying earnings forecasts for the six-month period ending March 2024 (the 41st Period) and the six-month period ending September 2024 (the 42nd Period)"). Actual results (i.e., operating revenue, operating profit, ordinary profit, net income, dividend per unit) may differ depending on various factors. The forecasts do not guarantee the amounts of future dividends.

1. Operation results

(1) Operation results

I. Overview of the six-month period ended September 2023 (the "40th Period")

A. Historical background

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

GOR has completed its accounting closing for the 40th Period.

B. Investment environment and operation results

<Investment environment>

In the 40th Period, the Japanese economy has recovered at a moderate pace, showing also pickup in private consumption amid the improving employment and income situation.

In Tokyo's office building rental market, large-sized office buildings coming on stream with substantial vacancies impacted vacancy rates, but there was steady progress in refilling vacancies at existing properties, leading to a state of there also being an emerging possibility that vacancy rates will peak out. Meanwhile, under the circumstances of vacancy rates exceeding 5%, rents continued to be on a modest downward trend.

In the office building transaction market, amid the ongoingly favourable financing environment, the investment appetite of domestic and overseas investors remained robust, and with information on Class A office buildings for sale still limited, a sense of overheating was seen in the competition over property acquisitions and transaction prices continued to remain high.

<Operation results>

(a) Acquisitions and transfers in portfolio

GOR acquired Global One Nagoya Fushimi (acquisition price: 17,300 million yen) on 28 April 2023 and transferred part of Otemachi First Square (30% of co-ownership in trust beneficial interests in real estate, transfer price: 8,100 million yen) on 25 September 2023 as outlined below.

<Summary of the transfer>

Name of building	Otemachi First Square
Location (Residence indication)	1-5-1, Otemachi, Chiyoda-ku, Tokyo
Land area (*1)	Total land area: 10,998.97 sqm Of which, the area of the subject parcel of land: 1,088.61 sqm
Floor area (*1)	Total floor area of the entire building: 141,228.06 sqm Floor area of subject section: 9,235.43 sqm
Transferred asset	Trust beneficial interests Land: Ownership (3 of the 7 parcels of the total land area) Building: Sectional ownership and co-ownership of sectional ownership 1st transfer 25 % 2nd transfer 30 % 3rd transfer 30 % 4th transfer 10 % 5th transfer 5 %
Contract date	24 October 2022
Dates of transfer	1st transfer 6 December 2022 2nd transfer 25 September 2023 3rd transfer 25 March 2024 (scheduled) 4th transfer 25 September 2024 (scheduled) 5th transfer 23 October 2024 (scheduled)
Transfer price (*2)	Total 27,000 million yen 1st transfer 6,750 million yen 2nd transfer 8,100 million yen 3rd transfer 8,100 million yen (scheduled) 4th transfer 2,700 million yen (scheduled) 5th transfer 1,350 million yen (scheduled)
Material impact on earnings	888 million yen of gain on sale of real estate was recorded as operating revenue during the six-month period ended March 2023. 1,099 million yen of gain on sale of real estate was recorded as operating revenue during the six-month period ending September 2023. 1,090 million yen of gain on sale of real estate will be recorded as operating revenue during the six-month period ending March 2024.
Transferee	DAIBIRU CORPORATION

(*1) "Land area" and "floor area" are shown based on the registration, unless otherwise stated.

(*2) The transfer price represents the prices described in the purchase agreement, excluding related expenses, settlement amount of property tax and city planning tax, consumption tax and local consumption tax.

<Summary of the asset acquired>

Name of building		Global One Nagoya Fushimi (Former Tomatsu Building)
Type of specified assets		Trust beneficial interests in real estate
Location (Residence indication)		1-17-1, Nishiki, Naka-ku, Nagoya City, Aichi
Land (*1)	Ownership	Ownership (Trust beneficial interests)
	Land area	2,550.37 sqm
Building (*1)	Ownership	Ownership (Trust beneficial interests)
	Use	Office and parking
	Floor area	23,161.27 sqm
	Year built	March 1995
	Structure	12-story plus 2 basement levels S, with a flat roof
Contract date		17 December 2022
Acquisition price (*2)		17,300 million yen
Seller		Fuyo General Lease Co., Ltd.

(*1) "Land area", "use", "floor area", "year built" and "structure" are shown based on the registration, unless otherwise stated.

(*2) The acquisition price represents the prices described in the purchase agreement, excluding related expenses, settlement amount of property tax and city planning tax, consumption tax and local consumption tax.

(Reference)

GOR will exchange acquisition of Global One Ueno (Acquisition price is 9,900 million yen) which is the name of the property as of today is "NBF Ueno Bldg", as the name is scheduled to be changed to the one stated above after the acquisition by GOR (Same as below), and transfer of Yodoyabshi Flex Tower (Transfer price is 9,833 million yen). The provisions of Article 50 of the Corporate Tax Law, "Inclusion in Deductible Expenses of the Depreciated Amount of Assets Acquired through Exchange", will be applied and the reduction entry will be made, and there will be no gain on the transfer. The exchange difference (67 million yen), which is the difference between the acquisition price of the Asset Acquired and the transfer price of the Asset Transferred, will be paid on the delivery date with cash on hand.

(b) Portfolio performance

As of 30 September 2023, the GOR portfolio includes 13 office buildings. The total acquisition price accounts for 212,572 million yen with a total leasable area of 153,228.11 sqm. The overall occupancy rate of the GOR portfolio stands at 96.6% as of the end of the 40th Period.

C. Financing activities

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

During the period under review, GOR borrowed total amount 17,000 million yen on 28 April 2023 to allocated the procured funds to part of the funds used to acquire Global One Nagoya Fushimi.

Furthermore, GOR borrowed 5,000 million yen on 29 September 2023 to execute repayment of existing loans of 6,000 million yen due for repayment on 29 September 2023, and executed the repayment with the loan proceed and 1,000 million yen in cash reserves.

With the funds obtained from the transfer of interests in Otemachi First Square, GOR executed repayment on 26 September 2023 the 2,400 million yen borrowed on 7 December 2022, and on 29 September 2023 the 4,600 million yen borrowed on 28 April 2023, respectively.

As of 30 September 2023, unitholders' capital (net amount) is 100,016 million yen, the total number of units issued and outstanding is 1,022,826, the unpaid loan balance is 86,900 million yen, and the total balance of investment corporation bonds issued and outstanding is 18,700 million yen.

GOR's credit rating status as of 30 September 2023 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 7,239 million yen, operating profit of 3,775 million yen, ordinary profit of 3,354 million yen, and net income of 3,353 million yen for the 40th Period.

Regarding dividends, while anticipating the application of tax exemption (under Article 67-15 of the Act on Special Measures Concerning Taxation) that will allow profit distributions to become tax deductible, after internally reserving for reduction entry part of the gain on sale (246 million yen) from the partial transfer of Otemachi First Square, it was decided to set the amount of profit distribution at 3,107 million yen, a multiple of 1,022,826 or the number of investment units issued and outstanding, or the amount arrived at by deducting provision of reserve for reduction entry from unappropriated retained earnings. As a result, dividend per investment unit is 3,038 yen. Internal reserve from the gain on sale is attributable to the application of "Special Provision on Taxation for Replacement of Specific Property" (Article 65 - 7 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended; the "Act on Special Measures Concerning Taxation")).

II. Outlook of the next six-month period ending March 2024

A. Basic policies

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

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

B. Portfolio strategies

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

(a) Invest mainly in superior properties that have a competitive edge

GOR recognizes the importance on investing in properties that have medium- to long-term competitiveness, and the factors of "closer" (i.e., conveniently situated), "newer" (recently built) and "larger" (large-sized) are taken into consideration accordingly. However, GOR does not strongly adhere to these factors and conducts investments focusing on the unique competitiveness of properties, taking into account area, location and building.

(b) Continuous expansion of asset size while striking the right balance between the quality of assets and the pace of growth

GOR intends to acquire properties in a continuous manner and expand its asset size for the purpose of realizing sustainable growth and stabilizing revenue based on the premise that it will own the properties over the medium- to long-term in principle, while striking the right balance between the quality of assets and the pace of growth. It must be noted, however, that after acquiring properties, GOR may sell them when it decides that doing so will contribute to achieving "maximization of unitholder value" after comprehensively studying the real estate market and status of such properties and the portfolio.

(c) Seeking to maintain high occupancy rates and maintain or increase rental revenues while at the same time optimizing the balance between the level of the quality of property management and management costs

GOR strives to maintain and build upon 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 optimize the balance between the level of the quality of property management and management costs, while accurately meeting the needs of tenants.

C. Material matters after the account closing

Scheduled Exchange of Asset

GOR decided the acquisition and Transfer of the asset through exchange on 16 November 2023 as follows.

< Summary of the Exchange >

Counterparty of Exchange	DAIBIRU CORPORATION
Date of Contract	16 November 2023
Expected Date of Delivery	28 March 2024
Exchange Difference	The exchange difference (139 million yen), which is the difference between the acquisition price and the transfer price, will be received from DAIBIRU CORPORATION on the delivery date.
Reduction Entry	With respect to the Assets Acquired, the provisions of Article 50 of the Corporation Tax Law of Japan, "Deductible expenses for assets acquired through exchange" will be applied and recorded as reduction entry and will not incur any exchange gains or losses.

< Summary of the Asset to be acquired though Exchange① >

Name of building	The Shin-Daibiru Building	
Type of asset	Real estate	
Location (Residence indication)	1-2-1, Dojimahama, Kita-ku, Osaka City, Osaka	
Land (*1)	Type of ownership	Ownership (Co-ownership interests 5%)
	Land area	8,426.76 sqm (Overall site area)
Building (*1)	Type of ownership	Ownership (Co-ownership interests 5%)
	Use	Office/Parking Space/Stores
	Floor area	75,826.76 sqm (Total floor area of the entire building)
	Date built	March 2015
	Structure	31-story plus 2 basement levels S, SRC, and RC with a flat roof
Acquisition price (*2)	3,455 million yen	

< Summary of the Asset to be acquired though Exchange② >

Name of building	The Tosabori Daibiru Building	
Type of asset	Real estate	
Location (Residence indication)	2-2-4, Tosabori, Nishi-ku, Osaka City, Osaka	
Land (*1)	Type of ownership	Ownership (Co-ownership interests 20%)
	Land area	4,173.40 sqm (Overall site area) (*3)
Building (*1)	Type of ownership	Ownership (Co-ownership interests 20%)
	Use	Office/Parking Space/Stores
	Floor area	35,198.77 sqm (Total floor area of the entire building)
	Date built	July 2009
	Structure	17-story plus 1 basement level S with flat roof
Acquisition price (*2)	4,461 million yen	

< Summary of the Asset to be transferred though Exchange >

Name of building	Rakuten Crimson House Aoyama	
Type of asset	Trust beneficial interests in real estate	
Location (Residence indication)	2-6-21, Minami Aoyama, Minato-ku, Tokyo	
Land (*1)	Type of ownership	Ownership (Quasi co-ownership of trust beneficial interests 20%)
	Land area	3,039.08 sqm (Overall site area)
Building (*1)	Type of ownership	Ownership (Quasi co-ownership of trust beneficial interests 20%)
	Use	Office/Residence/ Parking Space/Stores
	Floor area	20,958.79 sqm (Total floor area of the entire building) (*4)
	Date built	May 2003
	Structure	17-story plus 2 basement levels S, SRC with a flat roof

Acquisition price (*2)	8,055 million yen
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(*1) "Area", "use", "floor area", "year built", and "structure" are shown based on the registration, unless otherwise stated.

(*2) The prices described in the exchange agreement, which do not include related expenses, settlement amount of property tax and city planning tax, consumption tax and local consumption tax.

(*3) The "land area" is based on the assumption that the land will be divided into lots.

(*4) The building consists of an office building (Rakuten Crimson House Aoyama) with 17-story plus 2 basement levels and a residential building (12 units) with 8-story plus 2 basement levels (Minami Aoyama Garden Court), but is registered as a single building.

E. Earnings forecasts

Earnings for the six-month period ending March 2024 (The 41st Period: 1 October 2023 – 31 March 2024) and the six-month period ending September 2024 (The 42nd Period: 1 April 2024 – 30 September 2024) are forecasted as follows:

Concerning assumptions for the 41st Period and the 42nd Period, please see the following items: "Assumptions underlying earnings forecasts for the six-month period ending March 2024 (the 41st Period) and the six-month period ending September 2024 (the 42nd Period)".

The main factors expected to contribute to increase or decrease are as follows.

Six-month period ending March 2024 (The 41st Period: 1 October 2023 – 31 March 2024)

<Increasing Factors>

- Property-related profits and losses from acquisition of Global One Nagoya Fushimi (46 million yen)
- Property-related profits and losses from acquisition of Global One Ueno (126 million yen)

<Decreasing Factors>

- Gain on sale of real estate from partial transfer of Otemachi First Square (8 million yen)
- Property-related profits and losses from partial transfer of Otemachi First Square (90 million yen)
- Property-related profits and losses from transfer of Yodoyabshi Flex Tower (129 million yen)

Six-month period ending September 2024 (The 42nd Period: 1 April 2024 – 30 September 2024)

<Increasing Factors>

- Property-related profits and losses from acquisition of Global One Ueno (44 million yen)
- Property-related profits and losses from partial acquisition of Shin-Daibiru Building (48 million yen)
- Property-related profits and losses from partial acquisition of Tosabori Daibiru Building (85 million yen)

<Decreasing Factors>

- Gain on sale of real estate from partial transfer of Otemachi First Square (730 million yen)
- Property-related profits and losses from partial transfer of Otemachi First Square (47 million yen)
- Property-related profits and losses from transfer of Yodoyabshi Flex Tower (46 million yen)
- Property-related profits and losses from partial transfer of Rakuten Crimson House Aoyama (70 million yen)

- (*) Gain on sale of real estate from partial transfer of Otemachi First Square, which is expected to be 1,090 million yen for the 41st Period and 360 million yen for the 42nd Period, is shown in the above decreasing factors as the amount of decrease from the gain on sale of real estate from partial transfer of Otemachi First Square recorded in the preceding period or expected to be recorded. Otherwise, the amount of an increasing or decreasing factor from acquisition or transfer of property shown for the period in which the concerned acquisition or transfer took place is the amount of impact in that period, and that shown for the period that follows is the amount of difference between the amount of impact for the full period and the amount of impact in the preceding period respectively.

Earnings forecasts for the six-month period ending March 2024

(The 41st Period: 1 October 2023 – 31 March 2024)

Operating revenue	7,191	million yen
Operating profit	3,743	million yen
Ordinary profit	3,323	million yen
Net income	3,322	million yen
Dividend per unit	2,959	yen
Dividend in excess of profit per unit	–	yen

Earnings forecasts for the six-month period ending September 2024

(The 42nd Period: 1 April 2024 – 30 September 2024)

Operating revenue	6,443	million yen
Operating profit	3,116	million yen
Ordinary profit	2,679	million yen
Net income	2,678	million yen
Dividend per unit (*)	2,400	yen
Dividend in excess of profit per unit	–	yen

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

Assumptions underlying earnings forecasts for the six-month period ending March 2024 (The 41st Period) and the six-month period ending September 2024 (the 42nd Period)

Items	Assumptions
Accounting period	<p>The 41st Period: 1 October 2023 – 31 March 2024 (183 days)</p> <p>The 42nd Period: 1 April 2024 – 30 September 2024 (183 days)</p>
Operating assets	<ul style="list-style-type: none"> • Assumes that GOR will acquire and transfer the following properties in addition to the 13 properties it owns as of 30 September 2023 without any additional acquisitions or sales until the end of the six-month period ending 30 September 2024. The Acquisition of Global One Ueno, Shin-Daibiru Building (Interests 5%) and Tosabori Daibiru Building (Interests 20%). The Transfer of Yodoyabshi Flex Tower, Otemachi First Square (Interests 30%:25 March 2024, Interests 10%:25 September 2024), Rakuten Crimson House Aoyama (Interests 20%). • Notwithstanding the above assumption, estimates may change in the event of a change in the portfolio.
Number of units issued	<ul style="list-style-type: none"> • The number of units that have been issued and outstanding as of 30 September 2023 is 1,022,826 units. • Dividend per unit is calculated based on the above number of units issued, or 1,022,826.
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. • Among the operating revenue for the 41st Period and 42nd Period, 1,090 million yen and 360 million yen of gain on sale of real estate is expected respectively from the transfer of Otemachi First Square. • Regarding the exchange of Yodoyabashi Flex Tower for Global One Ueno and the exchange of Rakuten Crimson House Aoyama (Interests 20%) for Shin-Daibiru Building (Interests 5%) and Tosabori Daibiru Building (Interests 20%), the provisions of Article 50 of the Corporate Tax Law, "Inclusion in Deductible Expenses of the Depreciated Amount of Assets Acquired through Exchange", will be applied and the reduction entry will be made, and there will be no gain on the transfer.

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 Global One Ueno, they will not be recorded as operating expenses in the 41st Period. However, property tax and city planning tax for this property due in and after the 42nd Period (45 million yen in fiscal 2024, i.e. 22 million yen for six months, excluding depreciated asset tax) will be recorded as operating expenses in the 42nd Period and after. • Because the amounts of property tax and city planning tax already paid by the seller are included in the acquisition cost of Shin-Daibiru Building, they will not be recorded as operating expenses in the 41st and 42nd Period. However, property tax and city planning tax for this property due in and after the 43rd Period (16 million yen in fiscal 2024, i.e. 8 million yen for six months, excluding depreciated asset tax) will be recorded as operating expenses in the 43rd Period and after. • Because the amounts of property tax and city planning tax already paid by the seller are included in the acquisition cost of Tosabori Daibiru Building, they will not be recorded as operating expenses in the 41st and 42nd Period. However, property tax and city planning tax for this property due in and after the 43rd Period (26 million yen in fiscal 2024, i.e. 13 million yen for six months, excluding depreciated asset tax) will be recorded as operating expenses in the 43rd Period and after. • Property management fees relating to leasing activities are estimated at 638 million yen for the 41st Period and 643 million yen for the 42nd Period and tax and public dues at 529 million yen for the 41st Period and 556 million yen for the 42nd Period. • Repair and maintenance expenses are estimated at 138 million yen for the 41st Period and 68 million yen for the 42nd Period. However, unforeseen emergency repairs may become necessary depending on various factors, and actual repair expenses may exceed the estimates. • Depreciation and amortization expenses, estimated at 952 million yen for the 41st Period and 934 million yen for 42nd Period is 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 698 million yen for the 41st Period and 627 million yen for the 42nd Period.
Non-operating expenses	<ul style="list-style-type: none"> • The total non-operating expenses (e.g. interest expenses) are estimated at 419 million yen for the 41st Period and 437 million yen for the 42nd Period.
Borrowings and bonds	<ul style="list-style-type: none"> • As of 30 September 2023, GOR has a total of 86,900 million yen in outstanding loans. It is assumed that loans due during the 41st Period and 42nd Period excluding the balance of the bridge loans (9,200 million yen) scheduled to be repaid using the proceeds from the transfer of Otemachi First Square will be fully refinanced. • Dividend per unit may change due to unforeseen fluctuations in interest rates. • As of 30 September 2023, GOR has a total of 18,700 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 42nd Period (ending 30 september2024).

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 from the third transfer (30%) and the fourth transfer (10%) of Otemachi First Square, transferred in segments across five periods, 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 for reserve for reduction entry of 296 million yen and 223 million yen respectively, 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 March 2024 and for the six-month period ending September 2024.
Dividend in excess of profit per unit	<ul style="list-style-type: none"> • Dividend distributions in excess of profit are not assumed during the 41st Period and the 42nd Period at this point in time.
Others	<ul style="list-style-type: none"> • Assumes that there will be no material changes that may affect the aforementioned forecasts during these periods in related laws, accounting standards and tax regulations in Japan, TSE listing regulations, and/or rules of the Investment Trusts Association, Japan. • Assumes that unforeseen significant changes will not occur in the general economic trends or the real estate markets of Japan.

2. Investment risks

Disclosure is omitted as there are no material changes from “Investment risks” in the most recent annual securities report (submitted for filing on 27 June 2023).