# Global One Real Estate Investment Corp.

Summary of Financial Results for the Six-Month Period Ended March 2017

19 May 2017

| | |
|---|---|
| REIT Issuer: | Global One Real Estate Investment Corp. |
| Stock Exchange Listing: | Tokyo Stock Exchange |
| Securities code: | 8958 |
| Website: | http://www.go-reit.co.jp/eng/ |
| Representative: | Akio Uchida, Executive Director |
| | |
| Asset Manager: | Global Alliance Realty Co., Ltd. |
| Representative: | Yasushi Wada, President |
| Contact: | Yoshitaka Shibata, Managing Executive Officer<br>REIT Management Department<br>REIT Finance Department<br>Tel: +81-3-3262-1494 |
| Scheduled date for filing of securities report: | 27 June 2017 |
| Scheduled date for dividends payments: | 15 June 2017 |
| Explanatory material to be prepared: | Yes |
| Analyst meeting to be convened: | Yes |

- Amounts of less than one million yen are rounded down.
- Percentages are rounded off to the first decimal place.

1. Financial summary for the six-month period that ended March 2017 (01 October 2016 – 31 March 2017)

(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 2017 | 4,424 | - 0.3 | 1,937 | 2.8 | 1,453 | 1.9 | 1,452 | 1.9 |
| Six-month period ended Sept 2016 | 4,435 | 8.8 | 1,884 | 22.6 | 1,426 | 32.5 | 1,425 | 32.6 |

| | 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 2017 | 7,494 | 1.9 | 0.8 | 32.8 |
| Six-month period ended Sept 2016 | 7,357 | 1.9 | 0.8 | 32.2 |

(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 2017 | 7,494 | 1,452 | 0 | 0 |
| Six-month period ended Sept 2016 | 7,357 | 1,425 | 0 | 0 |

| | Payout ratio (*) | Dividend ratio to net assets |
|---|---|---|
| | % | % |
| Six-month period ended March 2017 | 100.0 | 1.9 |
| Six-month period ended Sept 2016 | 100.0 | 1.9 |

(*) Payout ratio is calculated using the following formula:
Payout ratio = Total dividends / Net income

(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 2017 | 191,258 | 76,770 | 40.1 | 396,132 |
| Six-month period ended Sept 2016 | 169,115 | 76,743 | 45.4 | 395,994 |

(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 2017 | 1,651 | - 21,604 | 19,745 | 7,318 |
| Six-month period ended Sept 2016 | 2,380 | - 122 | - 1,094 | 7,525 |

2. Earnings forecasts for the six-month period ending September 2017 (01 April 2017 – 30 September 2017) and earnings forecasts for the six-month period ending March 2018 (01 October 2017 – 31 March 2018)

(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 2017 | 5,125 | 15.8 | 2,259 | 16.6 | 1,696 | 16.7 | 1,695 | 16.7 |
| Six-month period ending March 2018 | 5,029 | - 1.9 | 2,236 | - 1.0 | 1,767 | 4.2 | 1,766 | 4.2 |

| | Dividend per unit (excluding Dividends in excess of profit) | Dividend in excess of profit per unit |
|---|---|---|
| | yen | yen |
| Six-month period ending Sept 2017 | 7,690 | 0 |
| Six-month period ending March 2018 | 7,890 | 0 |

(Reference) Projected net income per unit for the six-month period ending September 2017 is 7,681 yen.
Projected net income per unit for the six-month period ending March 2018 is 7,890 yen.

(Note) Based on the distribution for the six-month period ending September 2017 not only of net income, but also of a 26-million-yen reversal of reserve for reduction entry.

※ 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

(a) Number of units issued at the end of the period (including treasury units):

| | |
|---|---|
| For the six-month period that ended March 2017 | 193,800 |
| For the six-month period that ended Sept 2016 | 193,800 |

(b) Number of treasury units at the end of the period:

| | |
|---|---|
| For the six-month period that ended March 2017 | 0 |
| For the six-month period that ended Sept 2016 | 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 the 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 pages 13-15 ("Assumptions underlying earnings forecasts for the six-month period ending September 2017 (the 28th Period) and the six-month period ending March 2018 (the 29th 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 amount of future dividends.
2. GOR resolved at the board meetings on 31 March 2017 and 12 April 2017 to issue new investment units. Collection of payments for the new investment units was completed on 19 April 2017 through a public offering and on 16 May 2017 through a third-party allotment. See "C. Material matters after the account closing" on page 12 for details. The above -mentioned "2. Earnings forecasts for the six-month period ending September 2017 (01 April 2017 – 30 September 2017) and earnings forecasts for the six-month period ending March 2018 (01 October 2017 – 31 March 2018)" assumes issuance of these new investment units. The net income per investment unit for the six-month period ending September 2017 was calculated using the number-of-days-weighted average number of investment units in the period (The total number of outstanding investment units: 193,800 on 01 April 2017, the first day of the period, 223,900 on 30 September 2017, 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 26 December 2016).

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 26 December 2016).

   (2) Operation results

   I. Overview of the six-month period that ended March 2017 (the "27th 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 that raised 23,623 million yen in funds.

   GOR has completed its accounting closing for the 27th Period.

   B. Investment environment and operation results

   <Investment environment>

   In the Japanese economy during the period, there were sectors where recovery remained slow, but overall, a gradual recovery trend continued on the back of a continued improving trend in the jobs and household income environment and supported by government policies.

   In the rental office building market, supply-demand balance remained tight in central areas of Tokyo and Osaka due to lower vacancy rates, while rent levels remained on an uptrend, albeit at a slow pace.

   The office building-investment market continues to enjoy a favourable funding environment and robust investment appetite of domestic as well as foreign investors. While there are signs of overheating in property-acquisition competition, the volume of office building transactions is on a downtrend. Going forward, transaction prices are expected to remain high, as there are not expected to be many transactions involving Class S or A buildings.

   <Operation results>

   (a) Acquisition and sales in portfolio

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

   On 26 September 2003: GOR acquired Sphere Tower Tennoz, Kintetsu Omori Building,

and Kintetsu Shin-Nagoya Building with the 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 (the six-month period that ended March 2005)
On 01 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 (the six-month period that 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 (the six-month period that ended September 2007)
On 25 April 2007: GOR acquired Meiji Yasuda Life Insurance Saitama-Shintoshin Building (50% of co-ownership with an acquisition price of 22,700 million yen).

The 9th Period (the six-month period that ended March 2008)
On 02 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 (the six-month period that ended March 2011)
On 01 March 2011: GOR acquired Hirakawacho Mori Tower (office condo, approximately 26.2% of the ownership) with an acquisition price of 18,200 million yen.

The 19th Period (the six-month period that ended March 2013)
On 20 November 2012: GOR acquired ARK Hills Sengokuyama Mori Tower (office condo, approximately 5.6% of the ownership) with an acquisition price of 8,423 million yen.

The 21st Period (the six-month period that ended March 2014)
On 20 December 2013: GOR sold Sphere Tower Tennoz.
On 27 March 2014: GOR sold part of our interest (67% co-ownership interest) in the Kintetsu Shin-Nagoya Building.
On 28 Mach 2014: GOR acquired Arca Central (office condo, approximately 56.1% of the ownership, with an acquisition price of 15,031 million yen).

The 22nd Period (the six-month period that ended September 2014)
On 30 May 2014: GOR acquired an additional ownership of Arca Central (office condo, approximately 1.7% of the ownership, with an acquisition price of 360 million yen).
On 01 August 2014: GOR acquired Yokohama Plaza Building (ownership with an acquisition price of 17,950 million yen).

The 23rd Period (the six-month period that ended March 2015)
On 09 October 2014: GOR sold its remaining interest (33% co-ownership interest) in the Kintetsu Shin-Nagoya Building.

During the 27th Period, GOR acquired Shinagawa Seaside West Tower (Trust beneficial interests 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 with an acquisition price of 9,200 million yen) on 24 March 2017, as outlined below.

<Summary of acquisition of property (1)>

| | | |
|---|---|---|
| Name of building | | Shinagawa Seaside West Tower |
| Type of assets | | Trust beneficial interests in real estate |
| Location | | (Residence indication) 4-12-2 Higashi-Shinagawa, Shinagawa-ku,Tokyo<br>(Land number) 4-101-2 Higashi-Shinagawa, Shinagawa-ku, Tokyo |
| Land (Note 1) | Ownership | Ownership (50% quasi co-ownership of trust beneficial interests in real estate) |
| | Land area | 5,935.08 ㎡ (total land area) |
| Floor area (Note 1) | Ownership | Ownership (50% quasi co-ownership of trust beneficial interests in real estate) |
| | Use | Office and parking |
| | Floor area | 38,645.33 ㎡ (total floor area of the entire building) |
| | Year built | August 2004 |
| | Structure | 18-story plus 1 basement level<br>S, SRC, RC with a flat roof |
| Acquisition price (Note 2) | | 12,000 million yen |

<Summary of acquisition of property (2)>

| | | |
|---|---|---|
| Name of building | | Meiji Yasuda Life Insurance Osaka Midosuji Building |
| Type of assets | | Real estate |
| Location | | (Residence indication) 4-1-1 Fushimi-machi, Chuo-ku, Osaka City, Osaka<br>(Land number) 4-1 Fushimi-machi, 4-56-3 Koraibashi, Chuo-ku, Osaka City, Osaka |
| Land (Note 1) | Ownership | Ownership (50% co-ownership) |
| | Land area | 2,992.26 ㎡ (total land area) |
| Building (Note 1) | Ownership | Ownership (50% co-ownership) |
| | Use | Office, retail and parking |
| | Floor area | 32,997.60 ㎡ (total floor area of the entire building) |
| | Year built | July 2001 |
| | Structure | 14-story plus 3 basement level<br>S, SRC with a flat roof |
| Acquisition price (Note 2) | | 9,200 million yen |

(Note 1) Area, Use, Floor area, Year built, and Structure are shown based on the registration, unless otherwise stated.

(Note 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.

(b) Portfolio performance

As of 31 March 2017, the GOR Portfolio includes 11 office buildings. The total acquisition price accounts for 182,476 million yen with a gross rentable area of 123,723.93 sqm. The occupancy ratio of the overall GOR Portfolio stood at 98.0% as of the end of the 27th Period.

The following shows the portfolio leasing status over the most recent 5 years (until the end of March 2017):

| As of the end of | | # of properties | # of tenants (*1) | Gross rentable area(sqm) | Occupancy ratio (%)(*2) |
|---|---|---|---|---|---|
| April | 2012 | 8 | 133 | 105,152.22 | 95.6 |
| May | 2012 | 8 | 133 | 105,152.22 | 94.6 |
| June | 2012 | 8 | 133 | 105,152.22 | 94.8 |
| July | 2012 | 8 | 133 | 105,152.22 | 95.7 |
| August | 2012 | 8 | 133 | 105,149.12 (*3) | 95.2 |
| September | 2012 | 8 | 133 | 105,149.12 | 95.2 |
| October | 2012 | 8 | 134 | 105,149.12 | 95.0 |
| November | 2012 | 9 | 135 (*4) | 109,114.04 | 95.2 |
| December | 2012 | 9 | 136 | 109,076.66 (*5) | 95.9 |
| January | 2013 | 9 | 136 | 109,076.66 | 95.9 |
| February | 2013 | 9 | 138 | 109,054.44 (*6) | 96.5 |
| March | 2013 | 9 | 137 | 109,054.44 | 96.7 |
| April | 2013 | 9 | 137 | 109,054.44 | 96.6 |
| May | 2013 | 9 | 137 | 109,054.44 | 95.2 |
| June | 2013 | 9 | 137 | 109,054.44 | 95.2 |
| July | 2013 | 9 | 139 | 109,054.44 | 95.3 |
| August | 2013 | 9 | 140 | 109,054.44 | 95.5 |
| September | 2013 | 9 | 141 | 109,057.54 (*7) | 88.7 |
| October | 2013 | 9 | 142 | 109.057.54 | 87.6 |
| November | 2013 | 9 | 143 | 109.057.54 | 87.8 |
| December | 2013 | 8 | 123 | 91,176.34 (*8) | 94.4 |
| January | 2014 | 8 | 123 | 91,176.34 | 93.5 |
| February | 2014 | 8 | 122 | 91,176.34 | 93.5 |
| March | 2014 | 9 | 140 | 94,027.37 (*9) | 93.7 |
| April | 2014 | 9 | 157 (*10) | 93,943.05 (*11) | 92.5 |
| May | 2014 | 9 | 159 | 94,390.76 (*12) | 92.5 |
| June | 2014 | 9 | 164 | 94,390.76 | 94.2 |
| July | 2014 | 9 | 167 | 94,390.76 | 94.8 |
| August | 2014 | 10 | 184 | 108,609.20 (*13) | 95.4 |
| September | 2014 | 10 | 185 | 108.609.20 | 95.5 |
| October | 2014 | 9 | 152 | 102,478.59 | 95.5 |
| November | 2014 | 9 | 151 | 102,478.59 | 95.1 |
| December | 2014 | 9 | 151 | 102,478.59 | 95.0 |

| | | | | | |
|---|---|---|---|---|---|
| January | 2015 | 9 | 152 | 102,478.59 | 95.1 |
| February | 2015 | 9 | 152 | 102,478.59 | 95.1 |
| March | 2015 | 9 | 153 | 102,489.80 (*14) | 96.4 |
| April | 2015 | 9 | 154 | 102,489.80 | 96.7 |
| May | 2015 | 9 | 154 | 102,489.80 | 96.7 |
| June | 2015 | 9 | 156 | 102,749.47 (*15) | 98.6 |
| July | 2015 | 9 | 156 | 102,749.47 | 98.6 |
| August | 2015 | 9 | 156 | 102,749.47 | 98.6 |
| September | 2015 | 9 | 157 | 102,749.47 | 99.1 |
| October | 2015 | 9 | 159 | 102,749.47 | 97.1 |
| November | 2015 | 9 | 160 | 102,787.28 (*16) | 97.8 |
| December | 2015 | 9 | 169 (*17) | 102,762.48 (*18) | 97.3 |
| January | 2016 | 9 | 169 | 102,762.48 | 97.3 |
| February | 2016 | 9 | 170 | 102,783.56 (*19) | 97.7 |
| March | 2016 | 9 | 169 | 102,783.56 | 97.6 |
| April | 2016 | 9 | 167 | 102,783.55 (*20) | 97.5 |
| May | 2016 | 9 | 167 | 102,783.55 | 97.5 |
| June | 2016 | 9 | 168 | 102,783.55 | 98.0 |
| July | 2016 | 9 | 169 | 102,751.11 (*21) | 98.2 |
| August | 2016 | 9 | 169 | 102,751.11 | 98.2 |
| September | 2016 | 9 | 169 | 102,751.11 | 98.2 |
| October | 2016 | 9 | 169 | 102,751.11 | 98.2 |
| November | 2016 | 9 | 172 | 102,751.11 | 98.8 |
| December | 2016 | 9 | 172 | 102,751.11 | 98.8 |
| January | 2017 | 9 | 172 | 102,751.11 | 98.8 |
| February | 2017 | 9 | 171 | 102,751.11 | 98.2 |
| March | 2017 | 11 | 190 | 123,723.93 (*22) | 98.0 |

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

(*2) The "Occupancy Ratio" is calculated by dividing the gross leased area by the gross rentable area. Numbers are rounded off to the first decimal place.

(*3) Stair steps in a Sphere Tower Tennoz maisonette area were excluded from the rentable area, which decreased the gross rentable area.

(*4) At ARK Hills Sengokuyama Mori Tower, a lease agreement was concluded between the trustee and Mori Building Co., Ltd. We count the number of tenants as one tenant as Mori Building Co., Ltd. acts as a sublessor under the agreement (all end tenants agreed with this).

(*5) At Otemachi First Square, a hallway was created when part of the available floor area was divided, which decreased the gross rentable area.

(*6) At Otemachi First Square, a hallway was created when part of the available floor area was divided, which decreased the gross rentable area.

(*7) Stair steps in a Sphere Tower Tennoz maisonette area were included from the rentable area, which increased the gross rentable area.

(*8) Gross rentable area decreased as a result of the transfer of Sphere Tower Tennoz, whereas the gross rentable area increased by 24.12 sqm in Otemachi First Square, in which the building management office on the 18th floor was converted to rentable space.

(*9) Gross rentable area decreased as a result of the transfer of our 67% co-ownership interest in the Kintetsu Shin-Nagoya Building, while gross rentable area increased as a result of the acquisition of Arca Central.

(*10) At Hirakawacho Mori Tower, the number of tenants has increased, as the total number of end tenants is stated as a result of shifting of the lease agreement with Mori Building Co., Ltd. from fixed rent type to pass-through type (whereby the rent is set as equal to the end-tenants' rent).

(*11) At Hirakawacho Mori Tower, the gross rentable area decreased as a result of shifting of the lease agreement with Mori Building Co., Ltd. from fixed rent type to pass-through type, whereby leased areas were divided to create an internal hallway, the area of which was deducted from the rentable area.

(*12) As a result of the additional acquisition of Arca Central, the gross rentable area increased.

(*13) The gross rentable area increased as a result of the acquisition of Yokohama Plaza Building, whereas the gross rentable area decreased by 4.09 sqm in Otemachi First Square, in which part of the rental sections in the co-ownership portion on the 23rd floor was converted into common areas.

(*14) At Meiji Yasuda Life Insurance Saitama-Shintoshin Building, the gross rentable area increased as a result of some common hallways being converted into rental sections.

(*15) At Meiji Yasuda Life Insurance Saitama-Shintoshin Building, the gross rentable area decreased by 11.21 sqm as a result of some rentable sections being converted into common hallways. At TK Minami-Aoyama Building, however, the gross rentable area increased by 270.88 sqm as a result of kitchens being converted into rentable rooms.

(*16) At Yodoyabashi Flex Tower, the gross rentable area increased by 37.81 sqm as a result of some common hallways being converted into rental sections.

(*17) At ARK Hills Sengokuyama Mori Tower, the number of tenants has increased, as the total number of end tenants of jointly managed sections is stated as a result of shifting of the lease agreement with Mori Building Co., Ltd. from fixed rent type to pass-through type. "Jointly managed" refers to the conclusion of an agreement with a term of approximately ten years (20 November 2012 to 30 November 2022) with the sectional owners of floors 32 to 47, including Mori Building Co., Ltd., the conversion of the 16 floors from floors 32 to 47 into jointly-managed sections, and the distribution of the revenues and expenses from these sections according to a business ratio based on area.

(*18) At ARK Hills Sengokuyama Mori Tower, the gross rentable area decreased by 24.80 sqm as a result of shifting of the lease agreement with Mori Building Co., Ltd. from fixed rent type to pass-through type, whereby leased areas were divided to create an internal hallway, the area of which was deducted from the rentable area.

(*19) At Ginza First Building, the gross rentable area increased by 21.08 sqm as a result of some common sections being converted into rental sections.

(*20) The gross rentable area fell by 0.01 sqm due to a change in the handling of the third digit after the decimal point starting in 26th Period.

(*21) The gross rentable area fell by 32.44 sqm as a shared rental area on the 18th floor of Otemachi First Square was converted to an administrative office for the building.

(*22) The gross rentable area increased as a result of the acquisition of Shinagawa Seaside West Tower and Meiji Yasuda Life Insurance Osaka Midosuji Building.

C. Financing activities

GOR's financing activities include public issuance of units, obtaining loans from banks, and issuance of corporate bonds. From a long-term investment perspective as well as a standpoint to reduce interest fluctuation risk, GOR's targeting loans are, in principle, those with long-term fixed rates.

During the period, GOR decided on 07 October 2016 to issue fresh bonds, as described below, in order to repay part of the Series No. 5 unsecured bonds (4 billion yen) that expired 18 October 2016. The repayment was completed on 17 October 2016.

(a) Series No. 9 unsecured bonds

| | |
|---|---|
| Name of bond | Series No. 9 unsecured bonds (with pari passu clause) |
| Issue amount | 4 billion yen |
| Issuance price | 100 yen per 100 yen face value |
| Interest rate | 0.47% per annum |
| Date of issuance | 17 October 2016 |
| Collateral/guarantee | The bonds were issued on an unsecured and unguaranteed basis with no specific assets reserved. |
| Redemption date and method | The total amount to be redeemed on 16 October 2026. The corporate bonds may be repurchased and cancelled at any time after the date of payment unless otherwise specified by the transfer agent. |
| Ratings | AA- (Japan Credit Rating Agency, Ltd.) |

GOR also borrowed 21,200 million yen on 24 March 2017 to fund part of the acquisition cost for Shinagawa Seaside West Tower and Meiji Yasuda Life Insurance Osaka Midosuji Building, and 6,000 million yen on 31 March 2017 to repay existing loans of 6,000 million yen that expired on 31 March 2017.

As of 31 March 2017, the total capital contributed was 75,026 million yen, the number of units issued was 193,800, unpaid loan balance was 87,200 million yen, and the total outstanding balance of corporate bonds issued was 19,000 million yen.

GOR's credit rating status as of 31 March 2017 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 4,424 million yen, operating profit of 1,937 million yen, ordinary profit of 1,453 million yen, and net income of 1,452 million yen for the 27th 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 1,452,337,200 yen, which is a multiple of 193,800, the number of investment units issued. As a result, dividend per investment unit is 7,494 yen.

II. Outlook of the next six-month period ending September 2017

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 a stable income from them.

GOR and its asset manager GAR together look to provide "maximum returns for unitholders," 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 the 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 that is more likely to continue to be chosen by tenants. 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.

(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 to invest in the kind of properties it seeks - Such properties cannot be acquired as easily as regular properties. GOR thinks that, under the market climate with signs of overheating in transaction prices, there is a risk that investment at fair prices may become impossible. 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 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. 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 studying the current real estate market, the characteristics of the property and the status of the portfolio from comprehensive angles.

(c) Seeking to maintain high occupancy ratios 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 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.

C. Material matters after the account closing

<Issuance of New Investment Units>

In order to partially repay the loan taken out for the purchase of the new specified assets, GOR resolved at the board meeting held on 31 March 2017 and 12 April 2017, to issue new investment units as follows. Payments for the issuance of new investment units through public offering and through third-party allotment have been completed on 19 April 2017 and 16 May 2017, respectively. As a result, unitholders' capital totalled 85,942,682,500 yen and total number of investment units issued increased to 223,900 units as of 16 May 2017.

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

| | |
|---|---|
| Number of investment units to be offered | : 28,600 units |
| Issue price (offer price) | : 375,375 yen per unit |
| Total issue price (total offer price) | : 10,735,725,000 yen |
| Amount to be paid in (issue value) | : 362,670 yen per unit |
| Total amount to be paid in (total issue value) | : 10,372,362,000 yen |
| Payment date | : 19 April 2017 |

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

| | |
|---|---|
| Number of investment units to be offered | : 1,500 units |
| Total issue price (total offer price) | : 362,670 yen per unit |
| Amount to be paid in (issue value) | : 544,005,000 yen |
| Payment date | : 16 May 2017 |
| Allottee | : Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. |

D. Earnings forecasts

Earnings for the six-month period ending September 2017 (The 28th Period: 01 April 2017 – 30 September 2017) and the six-month period ending March 2018 (The 29th Period: 01 October 2017 – 31 March 2018) are forecasted as follows: Concerning assumptions for the 28th Period and the 29th Period, please see the following pages: "Assumptions underlying earnings forecasts for the six-month period ending September 2017 (the 28th Period) and the six-month period ending March 2018 (the 29th Period)"

Earnings forecasts for the six-month period ending September 2017
(The 28th Period: 01 April 2017 – 30 September 2017)

| | |
|---|---|
| Operating revenue: | 5,125 million yen |
| Operating profit: | 2,259 million yen |
| Ordinary profit: | 1,696 million yen |
| Net income: | 1,695 million yen |
| Dividend per unit: | 7,690 yen |
| Dividend in excess of profit per unit: | 0 yen |

Earnings forecasts for the six-month period ending March 2018
(The 29th Period: 01 October 2017 – 31 March 2018)

| | |
|---|---|
| Operating revenue: | 5,029 million yen |
| Operating profit: | 2,236 million yen |
| Ordinary profit: | 1,767 million yen |
| Net income: | 1,766 million yen |
| Dividend per unit: | 7,890 yen |
| Dividend in excess of profit per unit: | 0 yen |

(Note) The above forecasting numbers 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 amount of future dividends.

Assumptions underlying earnings forecasts for the six-month period ending September 2017 (the 28th Period) and the six-month period ending March 2018 (the 29th Period)

| Items | Assumptions |
|---|---|
| Accounting period | The 28th Period: 01 April 2017 - 30 September 2017 (183 days)<br>The 29th Period: 01 October 2017 - 31 March 2018 (182 days) |
| Operating assets | • Assumes that GOR will hold a total of eleven properties including Shinagawa Seaside West Tower and Meiji Yasuda Life Insurance Osaka Midosuji Building acquired on 24 March 2017, through the end of the 29th Period (ending 31 March 2018) without any additional acquisitions or dispositions during the 28th period and the 29th Period.<br>• Notwithstanding the above assumption, estimates may change in the event of a change in the portfolio. |
| Number of units issued | • The number of investment units issued totalled 193,800 units on 31 March 2017, and the forecast assumes 223,900 units, which also includes new 28,600 units issued through public offering and another 1,500 new units issued through third-party allotment, which were resolved at the board meetings on 31 March 2017 and 12 April 2017.<br>• The assumed dividend per unit is also based on the number of units issued following the issuance of new units described above. |
| Operating revenue | • 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 nonpayment of rent by tenants. |
| Operating expenses | • Property-related expenses, excluding depreciation and amortization expenses, are calculated reflecting variable factors |

| | |
|---|---|
| | based on historical data.<br>• Because the amounts of property tax and city planning tax already paid by the seller are included in the acquisition cost of the Shinagawa Seaside West Tower and Meiji Yasuda Life Insurance Osaka Midosuji Building, they will not be booked as operating expenses in the 28th Period and the 29th Period. However, property tax and city planning tax for these properties due in and after the 30th Period (Shinagawa Seaside West Tower: approximately 65 million yen in 2016, i.e. approximately 32 million for six months; Meiji Yasuda Osaka Midosuji Building: approximately 89 million yen in 2016, i.e. approximately 44 million for six months) will be booked as operating expenses in and after the 30th Period.<br>• Property management fees relating to leasing activities are estimated at approximately 563 million yen for the 28th Period and approximately 559 million yen for the 29th Period and tax and public dues at approximately 430 million yen for the 28th Period and approximately 427 million yen for the 29th Period.<br>• Repair and maintenance expenses are estimated at approximately 121 million yen for the 28th Period and approximately 95 million yen for the 29th Period. However, unforeseen emergency repairs may become necessary depending on various factors, and actual repair expenses may exceed the estimates.<br>• Depreciation and amortization expenses, estimated at approximately 890 million yen for the 28th Period and approximately 887 million yen for the 29th Period, are calculated on a straight-line basis over the holding period.<br>• Operating expenses other than property-related expenses (e.g. management fees, asset custody fees, and agency fees) are estimated at approximately 505 million yen for the 28th Period and approximately 516 million yen for the 29th Period. |
| Non-operating expenses | • The total non-operating expenses (e.g. interest expenses) are estimated at approximately 563 million yen for the 28th Period and approximately 468 million yen for the 29th Period. |
| Borrowings and bonds | • As of 31 March 2017, GOR had a total of 87,200 million yen in outstanding loans, but after 10,700 million yen in short-term debt was repaid, the loan balance declined to 76,500 million yen as of the date of this release. Loans maturing on 29 September 2017, 28 February 2018 and 30 March 2018 are assumed to be refinanced at the same amount, remaining unchanged through the end of the 29th Period (ending 31 March 2018).<br>• Dividend per unit may change due to unforeseen fluctuations in interest rates.<br>• As of 31 March 2017, GOR had a total of 19,000 million yen in outstanding corporate bonds issued. However, GOR expects to redeem 5,000 million yen in corporate bonds that are maturing on 29 September 2017 by issuing fresh bonds for the same amount. As a result, it is assumed that the balance of outstanding corporate bonds issued will remain unchanged through the end of the 29th Period (ending 31 March 2018). |

| | |
|---|---|
| Dividend per unit | • Dividend per unit is calculated in accordance with "Cash Dividend Policies" set forth in the Articles of Incorporation.<br>• 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).<br>• Based on the distribution for the 28th Period not only of net income, but also of a 26-million-yen reversal of reserve for reduction entry. |
| Dividend in excess of profit per unit | • Dividend distributions in excess of profit are not assumed during the 28th Period and the 29th Period. |
| Others | • 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.<br>• Assumes that unforeseen significant changes will not occur in the general economic trends or the real estate markets of Japan. |