



 **GOR** Global One Real Estate Investment Corp.  
Global One Real Estate Investment Corp.  
(8958)

## Financial Results for the Six-Month Period Ended March 2021 (the 35th Period) (Explanatory Material)

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19 May 2021

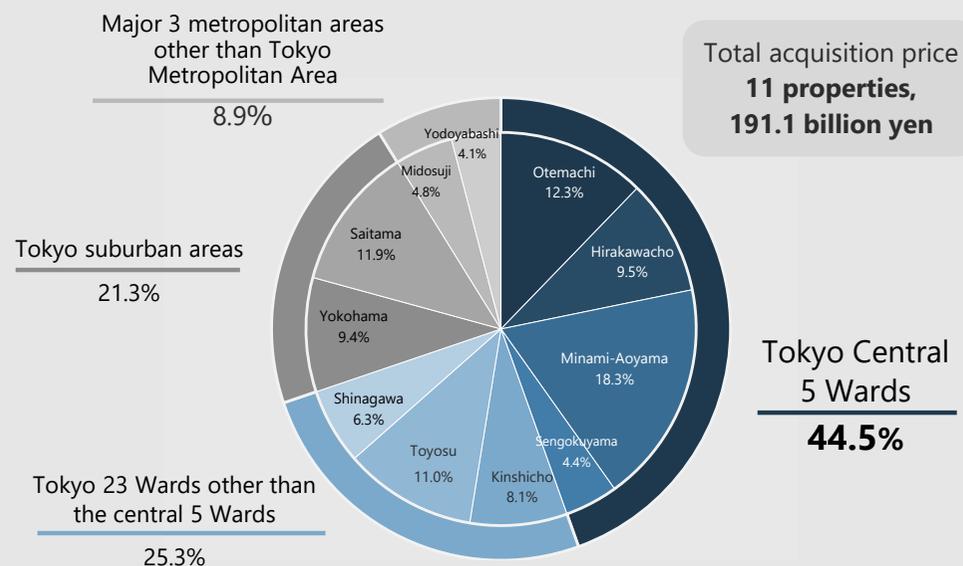
 **GAR** Global Alliance Realty Co.,Ltd.  
Global Alliance Realty



## Portfolio (as of 31 March 2021)

Selective investment in high-quality office buildings which are closer to nearby stations, newly or recently built and large in size.

		GOR	Average of other office REITs (*)
<b>CLOSER</b>	Walking distance: 0 - 5 min.	100.0%	78.3%
	Average building age	17.0 years	23.8 years
<b>NEWER</b>	Portfolio PML	1.9%	2.0%
	Average acquisition price	17.3 billion yen	9.1 billion yen
<b>LARGER</b>	Average total leasable area	12,016 sqm	8,680 sqm



## Financial Base and Sponsors (as of 31 March 2021)

Solid financial base supported by financial sponsors

LTV (Interest-bearing debt / total assets)	Book value basis 47.1%
	Appraisal value basis 40.0%
Ratio of long-term / fixed interest-bearing liabilities	89.9%
Average financing term	6.9 years
Average interest rate	0.64%
Rating	AA- Stable (JCR)



Provides expertise in real estate investment and management



Provides expertise in the financial and trust businesses



Provides expertise in real estate investment and management



Japan Credit Rating Agency, Ltd. (JCR)  
Long-term Issuer Rating  
**AA-**  
(Stable)

[Asset Manager]



(\*) "Other office REITs" refers to J-REITs (excluding GOR) which have an investment policy where 70% or a higher percentage (based on acquisition prices) of funds are allocated to commercial real estate of which main use is office. Average figures are calculated based on figures indicated in the most recent disclosure materials of each REIT that could be confirmed as of 31 March 2021.

## I Preface

1. Efforts to Increase Unitholder Value.....	6
2. Financial Highlights.....	7
3. Impact of COVID-19.....	8
4. Outlook of Office Market .....	9
5. Interim Initiatives .....	11
6. Well-Crafted Asset Management .....	12

## II Financial Results

1. Overview of Financial Results.....	14
2. Performance Forecast.....	16
3. Result and Forecast of DPU.....	18

## III Portfolio Management

1. Internal Growth.....	20
2. External Growth.....	28
3. Financial Management.....	30
4. Promotion of ESG .....	32

## IV Reference Material

1. Portfolio Data .....	41
2. Financial Data .....	65
3. Overview of Asset Manager .....	74

The following abbreviations will be used for the following pages:

"GOR" = Global One Real Estate Investment Corporation

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

"Otemachi" = Otemachi First Square

"Hirakawacho" = Hirakawacho Mori Tower

"Minami-Aoyama" = Rakuten Crimson House Aoyama

"Sengokuyama" = ARK Hills Sengokuyama Mori Tower

"Kinshicho" = Arca Central

"Toyosu" = Toyosu Prime Square

"Shinagawa" = Shinagawa Seaside West Tower

"Yokohama" = Yokohama Plaza Building

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

"Midosuji" = Meiji Yasuda Life Insurance Osaka Midosuji Building

"Yodoyabashi" = Yodoyabashi Flex Tower

Unless otherwise indicated, amounts are rounded down and percentages, number of years, walking time to the station and areas are rounded.

The impacts of the following splits of investment units are taken into consideration for "After split(s)" or "Adjusted after split(s)" in the material.

- 2-for-1 split of investment units with 1 April 2014 as the effective date
- 4-for-1 split of investment units with 1 April 2018 as the effective date



# I Preface

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# 1. Efforts to Increase Unitholder Value

		Actual performance in the 35th Period	Future efforts
<b>DPU</b> (*1)		<ul style="list-style-type: none"> <li>● DPU increased by 2 yen from the 34th Period, securing a level of 2,400 yen or above                              34th Period : 2,443 yen → 35th Period : 2,445 yen (+0.1%)</li> </ul>	<ul style="list-style-type: none"> <li>● Aim to stabilize DPU at 2,400 yen or above by utilizing internal reserves as necessary</li> </ul>
	<b>Internal growth</b>	<ul style="list-style-type: none"> <li>● Impact of COVID-19                              The impact of the temporary rent reduction, etc. was -30 yen/unit                              Term-end occupancy rate stood at 97.5% despite leasing up of some parts of vacancy at Toyosu</li> <li>● Rent increase through tenant replacement and rent revision                              The monthly rent based on contracts increased by 9.8 million yen from the previous period (*2)</li> <li>● As for rent revision for the 36th Period, rent increase has already been achieved for 50% or more of rent renewals through persistent negotiations with tenants</li> </ul>	<ul style="list-style-type: none"> <li>● Recover the occupancy rate through leasing up of vacancies as early as possible (especially at Toyosu)</li> <li>● Aim for reduction of rent gap and rent increase through careful dialogue with tenants while being more conscious of occupancy rate</li> <li>● Aim to maintain and improve occupancy rate by striving to improve the satisfaction of tenants while proactively taking measures for flexible operation that responds to changes in the market as well as diversifying tenant needs</li> </ul>
		<ul style="list-style-type: none"> <li>● No acquisitions were made                              Information on prime office buildings for sale is limited, and the gap between the price expectations of sellers and buyers remains large                              Unable to realize purchase despite collecting information through the sponsor, etc. route and independent route and considering the opportunity</li> </ul>	<ul style="list-style-type: none"> <li>● Asset replacement to enhance portfolio quality                              Continue to discuss replacement with properties that can expect improved revenues over the medium to long term</li> <li>● Expand portfolio to stabilize revenues by continuing to make selective investments                              Acquire quality properties flexibly by leveraging the capacity to acquire properties through borrowings                              Sourcing drawing upon both the sponsor, etc. route and independent route</li> </ul>
	<b>Financial management / IR</b>	<ul style="list-style-type: none"> <li>● Promoted diversification of due dates and extension of financing terms through refinancing</li> <li>● Conducted online IR meetings with domestic and overseas institutional investors</li> <li>● Continued to organize online IR seminar for retail investors</li> </ul>	<ul style="list-style-type: none"> <li>● Further promote diversification of due dates and extension of financing terms</li> <li>● Flexible LTV control responding to the real estate market conditions and financial environment</li> <li>● Meticulous explanation to deepen investors' understanding of GOR's management</li> </ul>
	<b>ESG</b>	<ul style="list-style-type: none"> <li>● Established Green Finance Framework</li> <li>● Acquired "5 Stars" in GRESB Real Estate Assessment in 2020 and "A Level" for the GRESB Public Disclosure</li> <li>● Acquired "Rank S" in "CASBEE for Real Estate" for Kinshicho and Yokohama, and the ratio of properties with environment-related certification within the portfolio increased to 88.2%</li> </ul>	<ul style="list-style-type: none"> <li>● Issuance of green bonds</li> <li>● Promote and achieve activity plans and targets for each materiality</li> <li>● Work for GOR's medium- to long-term growth through ESG initiatives as well as contribute to the achievement of the SDGs</li> <li>● Respond to TCFD recommendations (establishment of policies and announcement of support)</li> </ul>

(\*1) "DPU" refers to dividend per unit

(\*2) Indicates the total amount of rents (including common area charges) for lease agreements that underwent tenant replacement or rent revision during the period, obtained by subtracting monthly rent before rent revision or tenant replacement from monthly rent after rent revision or tenant replacement.

## 2. Financial Highlights

■ DPU for the 35th Period is 2,445 yen. 2,420 yen is forecast for the 36th Period while DPU of 2,400 yen for the 37th Period is expected through reversal of reserve for reduction entry

		34th Period Sep '20	35th Period Mar '21	36th Period Forecast Sep '21 (*5)	37th Period Forecast Mar '22 (*5)
<b>I/S – Dividends</b>					
Operating revenue	million yen	5,731	5,688	5,771	5,664
(Property-related revenues)		(5,731)	(5,688)	(5,771)	(5,664)
Operating profit	million yen	2,745	2,737	2,718	2,694
(Property-related profits and losses)		(3,293)	(3,290)	(3,273)	(3,251)
Net income	million yen	2,350	2,351	2,328	2,304
Total number of investment units issued	Units	961,884	961,884	961,884	961,884
FFO per unit	yen (*1)	3,339	3,358	3,344	3,306
Dividend per unit	yen	2,443	2,445	2,420	2,400
<b>Portfolio</b>					
NOI yield	% (*2)	4.3	4.4	4.4	4.3
Term-end occupancy rate	%	97.6	97.5	96.3	94.6
<b>Others</b>					
Term-end total assets	million yen	200,833	200,600		
Interest-bearing liabilities	million yen	94,500	94,500		
Unrealized gain/loss	million yen	35,383	35,531		
LTV (book value)	% (*3)	47.1	47.1		
LTV (appraisal value)	% (*4)	40.0	40.0		

(\*1) FFO per unit = (net income + depreciation and amortization + loss on retirement of non-current assets – gain and loss on sale of real estate) ÷ total number of investment units issued

(\*2) NOI yield = NOI for the six months × 2 ÷ acquisition price

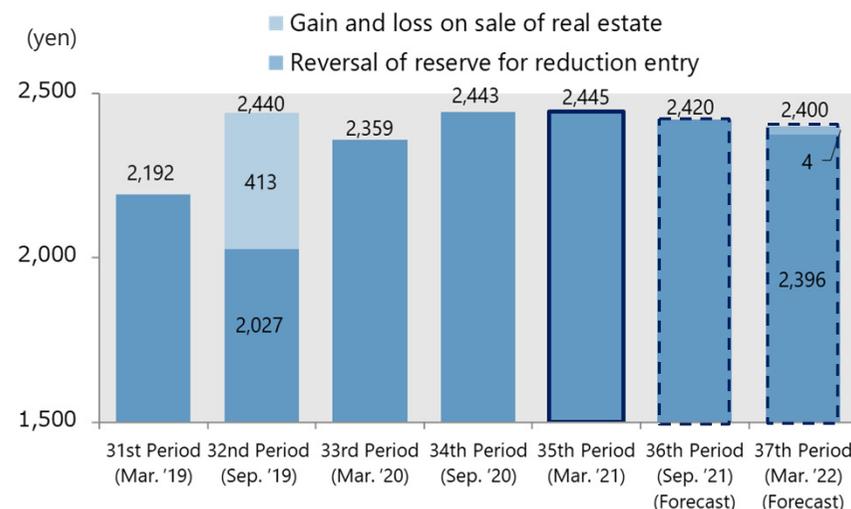
(\*3) LTV (book value) = interest-bearing liabilities ÷ term-end total assets

(\*4) LTV (appraisal value) = interest-bearing liabilities ÷ (term-end total assets + unrealized gain/loss)

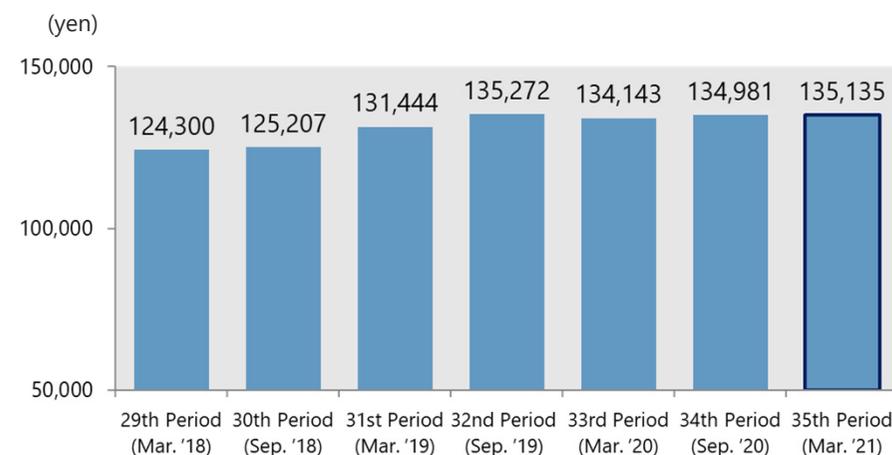
(\*5) Occupancy, vacancy, and rent renewal by tenants yet to be decided is not factored into the performance forecasts.

A certain level of decrease in revenue due to acceptance of rent reduction requests is assumed.

### Trend of dividend per unit (DPU)



### Trend of NAV per unit (\*6; adjusted after split)



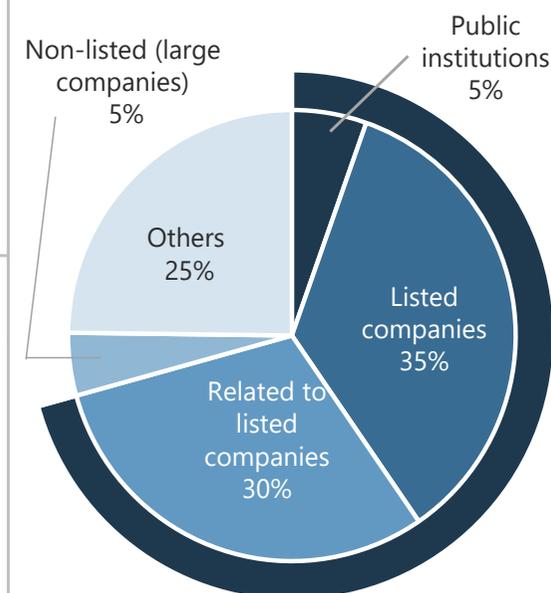
(\*6) NAV per unit = (term-end net assets – total dividends + unrealized gain/loss) ÷ total number of investment units issued

### 3. Impact of COVID-19 (as of April 30, 2021)

Although temporary rent reduction and cancellation for stores continue to be expected due to the prolonged COVID-19 pandemic, the impact will be limited

	Rent composition ratio	Impact on asset management (*2)			View on the current situation
		Action	35th Period Actual Mar. '21 (No. of cases)	36th Period Forecast Sep. '21 (No. of cases)	
Office	93%	Temporary rent reduction (for a limited period)	1	0	<ul style="list-style-type: none"> <li>Vacancy has prolonged due to delay in the progress of leasing activities</li> <li>Cancellation of lease contracts or relocation due to poor business performance mainly attributable to COVID-19 continues to be limited</li> <li>Positive office demand such as relocation for office expansion, etc. is weak and many (candidate) tenants continue to maintain the status quo or a wait-and-see attitude (large companies have a stronger tendency for such)</li> <li>On the other hand, possible to continue realizing internal growth since there still is room for upward rent revision through careful dialogue with tenants regarding rent gaps</li> </ul>
		Postponement of payment	0	0	
		Cancellation (including floor area decrease)	0	0	
Store (*1)	2%	Temporary rent reduction (for a limited period)	8	12	<ul style="list-style-type: none"> <li>With the second declaration of a state of emergency, there were additional requests for rent reduction from food and beverage related stores in and after January. As a result, the amount of rent reduction in the 35th Period (Mar. '21) was slightly above the expectation</li> <li>In the 36th Period (Sep. '21), the numbers of requests for rent reduction and cancellation of lease contracts are both expected to increase due to the second state of emergency having lasted for nearly 3 months in Tokyo and three neighboring prefectures, and the third state of emergency announced in April.</li> <li>The amount of impact for DPU is minor</li> </ul>
		Postponement of payment	0	0	
		Cancellation (including floor area decrease)	4	8	
Residence, parking, and others	5%	—	—	—	—

◆ Composition of Office Tenants  
Public institutions, listed companies and companies related to listed companies account for appx. two-thirds



Amount of impact per unit	- 30 yen/unit (- 5 yen/unit from the forecast)	- 10 yen/unit
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(\*1) Food and beverage service, retail, medical services, education, leisure, beauty services, etc.  
Total number of stores is 44 as 30 September 2020 and 34 as of 30 April 2021 including the stores with occupancy informally confirmed.  
(\*2) The number of cases for each period is indicated based on the timing of commencement of impact.

## 4. Outlook of Office Market ①

- Superiority of high-spec buildings in prime locations continues as a place for creation of values that produce communication and innovation

	Current situation	Future outlook and consideration
Supply and demand	<ul style="list-style-type: none"><li>▪ Companies continue to be careful about expanding floor space or relocating and maintain a wait-and-see attitude, causing downtime of vacant sections to prolong</li><li>▪ Increase in vacancy rate and decrease in rent continue to expand due to cancellations at properties in the Greater Tokyo Area because of cost reduction, etc. implemented by companies</li><li>▪ Corporate earnings have shown a sign of recovery in general although non-manufacturing industries remain weak</li></ul>	<ul style="list-style-type: none"><li>▪ The supply-demand balance will remain loose in both Tokyo and Osaka. With more employees commuting to offices, the increase in vacancy rate and decrease in rent will be curbed to a certain extent, but continue at a moderate pace</li><li>▪ Considering the trends of corporate earnings and change in work styles, careful attention should continue to be paid to changes in the market condition for large-scale buildings going forward. On the other hand, movements eyeing business expansion after the pandemic may appear</li></ul>
Function/role	<ul style="list-style-type: none"><li>▪ Employees are beginning to autonomously select a place to work from among the office, home, and third place depending on their working hours and location</li><li>▪ From the perspective of productivity, etc., many companies are continuing to explore how new offices should be, looking ahead to the time when employees resume commuting to the office after the pandemic</li><li>▪ There are movements to expand space for communication</li></ul>	<ul style="list-style-type: none"><li>▪ Function as a core office where employees gather and create additional value through communication will be emphasized</li><li>▪ Superiority of high-spec buildings in prime locations will remain. However, flexible management to respond to changes will be required.</li></ul>

# 4. Outlook of Office Market ②

Keywords for highly sought-after offices:

“Value Creation”, “Enhancement of Productivity”, and “Response to Diversification”

- ▶ Promotion of communication and collaboration
- ▶ Allowing for flexible layout to accommodate business contents and phases
- ▶ Environment in which employees can stay physically and mentally healthy
- ▶ Enabling flexible ways of working in which employees choose hours and places of work autonomously  
(Favorable location in central Tokyo where employees can easily access: core offices, proximity of office to home: satellite/share offices)

Perspectives for securement of personnel, development of corporate culture, BCP measures, and environmental consideration remain unchanged.

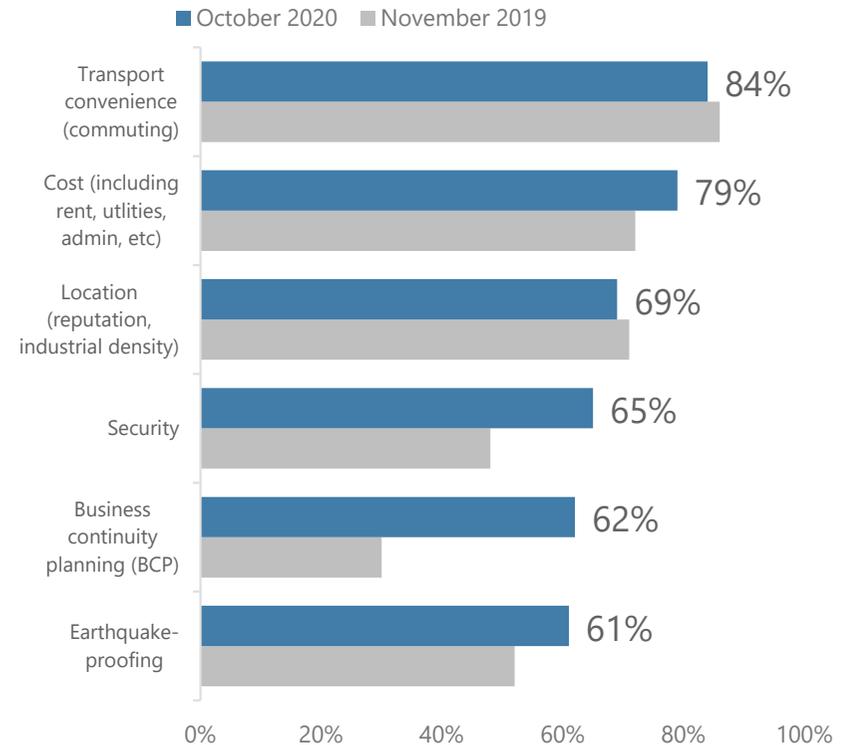


<b>Closer</b> (close to stations)	<ul style="list-style-type: none"> <li>● Location with excellent transportation convenience and proximity to a station where people can easily access</li> <li>● Attractive location in city centers that encourages workers to commute</li> <li>● Location where workplace is close to home</li> </ul>
<b>Newer</b> (newly built)	<ul style="list-style-type: none"> <li>● Sufficient ceiling height and floor height</li> <li>● Excellent air-conditioning performance (comfort, efficient zoning, energy-saving performance)</li> <li>● Strong earthquake resistance and BCP measures</li> </ul>
<b>Larger</b> (large-scale)	<ul style="list-style-type: none"> <li>● High-grade feel suitable for an office serving as a symbol</li> <li>● Allowing for flexible layout* and easy social distancing</li> <li>● Flexibility in compartmentalization to respond to expansion/reduction of leased area</li> </ul>

\*Layout of open space, room for concentration, relaxing space, etc.

~Highest-rated criteria for office selection~

- Top 3 factors (transport convenience, cost, location) remain unchanged
- The criteria that have surged in priority include security, BCP, earthquake-proofing



Source: “Accelerating the Office Evolution, A report based on the results of an office tenant survey conducted during October - November 2020”, CBRE Research (Prepared by GAR)

# 5. Interim Initiatives

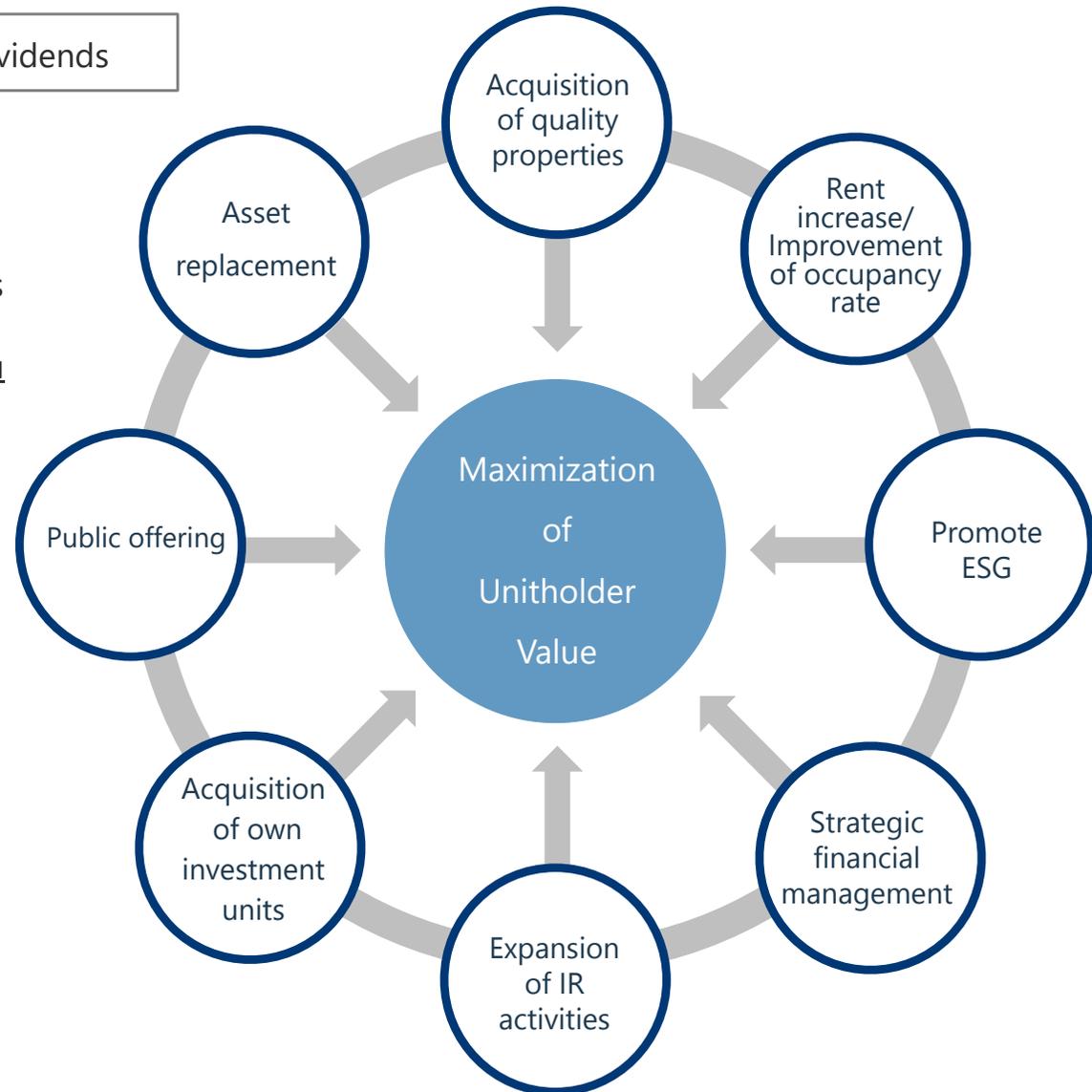
■ Aim to improve unitholder value by striving for growth and stabilization of dividends through various efforts

## Efforts Focusing Especially on Growth and Stabilization of Dividends

- ▶ Aim to maintain and improve occupancy rate by striving to improve the satisfaction of tenants while proactively taking measures for flexible operation that responds to changes in the market as well as diversifying tenant needs

Improve the occupancy rate for the vacant parts at Toyosu in particular by leasing up as early as possible

- ▶ Intend to stabilize dividends by appropriately controlling costs including repairs and maintenance
- ▶ Continue to aim for realization of rent increase through reduction of rent gap by continuing to engage in careful dialogue with tenants while being more conscious of occupancy rate
- ▶ Aim to continue acquisition of prime properties and asset replacement for the enhancement of portfolio quality by utilizing various sourcing routes



# 6. Well-Crafted Asset Management

■ By capturing changing tenant needs and providing finely tuned responses, do utmost to improve property value



## Rent negotiation

- Determine negotiation terms, timing, and such that take into account the business performance of tenants, etc.  
Set step-up rent, revise rent upward at the timing of business recovery, and implement strategic responses to rent reduction, etc.  
(Example) Sengokuyama: Considering the current and future supply-demand balance in the area, concluded a long-term lease contract while accepting temporary rent reduction, etc.



## Cost management

- Consider to implement works in properties to improve competitiveness and reduce cost by closely examining the details of such works
- Review/adjust the period, details, volume of works in properties for stable dividends
- Consider procurement of electricity based on the standpoint of ESG in addition to cost reduction



## Tenant management

- GAR, the Asset Manager, carries out dialogue with the major tenants and proactively conducts monitoring and management of any signs
- Make a proposal for conversion to LED lighting and green lease based on tenants' ESG awareness
- Create common areas that enhance tenant satisfaction  
(Digital signage/natural aroma that is effective for eliminating viruses)



## II Financial Results

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# 1. Overview of Financial Results (Period ended Mar. 2021) (1): Comparison with forecast

■ DPU for the 35th Period resulted in 2,445 yen, up 45 yen from the forecast

	(million yen)			
	35th Period Forecast Mar '21	35th Period Actual Mar '21	Changes from 35th forecasts	
	(*1)			
Operating Revenue	5,682	5,688	5	0.1%
Rental revenues(a)	5,682	5,688	5	0.1%
Rental revenues, etc.	5,381	5,379	-1	-0.0%
Utility charges	296	302	6	2.1%
Other rental revenues	5	5	0	13.0%
Operating Expenses	2,986	2,951	-35	-1.2%
Property-related expenses(b)	2,433	2,397	-35	-1.4%
Property management fees	588	564	-24	-4.1%
Utilities expenses	276	261	-15	-5.5%
Property and other taxes	529	529	—	—
Insurance	10	11	0	1.6%
Repairs and maintenance	145	143	-1	-1.1%
Depreciation and amortization(c)	874	873	-1	-0.2%
Loss on retirement of non-current assets(d)	—	5	5	—
Other rental expenses	6	7	0	14.1%
Asset management fees	422	425	2	0.5%
Other general administrative cost	130	128	-2	-1.7%
Operating Profit	2,696	2,737	40	1.5%
Property-related profits and losses (a-b)	3,249	3,290	40	1.2%
NOI (a-b+c+d)	4,124	4,169	45	1.1%
Non-operating Income	—	1	1	—
Non-operating Expenses	387	386	-0	-0.2%
Interest expenses	298	297	-0	-0.3%
Other non-operating expenses	88	88	0	0.0%
Ordinary Profit	2,309	2,352	42	1.9%
Net Income	2,308	2,351	42	1.9%
Total Dividends	2,308	2,351	43	1.9%
The number of units issued at end of period	961,884 units	961,884 units	—	—
Dividend per unit (DPU)	2,400 yen	2,445 yen	45 yen	1.9%

(\*1) Forecasts are figures as of 16 November 2020.

(\*2) Figure arrived at by dividing the amount of increase/decrease in profit by the total number of investment units issued (**961,884 units**) as of the end of the period ended March 2021.

Main reasons for variance (million yen)	Main reasons for variance (million yen)		Converted to DPU
	Increased profit	Decreased profit	
	(*2)		
Operating profit	40		42 yen
Property-related profits and losses	40		
Revenue and expenditure of utility charges	21		Saitama, Yokohama, Minami-Aoyama, etc.
Decrease in property management fees	24		Hirakawacho, etc.
Increase in loss on retirement of non-current assets		-5	Minami-Aoyama

# 1. Overview of Financial Results (Period ended Mar. 2021) (2): Comparison with previous period

■ Although there were factors of decrease in profit such as the move-out of a major tenant at Toyosu and increase in repairs and maintenance, profit increased due to upward rent revisions and expiration of rent-free periods

	(million yen)			
	34th Period Actual Sep '20	35th Period Actual Mar '21	Changes from previous period	
Operating Revenue	5,731	5,688	-43	-0.8%
Rental revenues(a)	5,731	5,688	-43	-0.8%
Rental revenues, etc.	5,390	5,379	-10	-0.2%
Utility charges	324	302	-21	-6.8%
Other rental revenues	16	5	-10	-65.8%
Operating Expenses	2,986	2,951	-35	-1.2%
Property-related expenses(b)	2,438	2,397	-40	-1.7%
Property management fees	599	564	-34	-5.8%
Utilities expenses	315	261	-54	-17.1%
Property and other taxes	532	529	-3	-0.6%
Insurance	10	11	0	3.7%
Repairs and maintenance	107	143	36	34.2%
Depreciation and amortization(c)	862	873	11	1.3%
Loss on retirement of non-current assets(d)	0	5	5	2,408.3%
Other rental expenses	10	7	-2	-23.5%
Asset management fees	424	425	0	0.1%
Other general administrative cost	123	128	4	3.5%
Operating Profit	2,745	2,737	-7	-0.3%
Property-related profits and losses (a-b)	3,293	3,290	-3	-0.1%
NOI (a-b+c+d)	4,155	4,169	13	0.3%
Non-operating Income	0	1	0	48.2%
Non-operating Expenses	394	386	-8	-2.2%
Interest expenses	307	297	-9	-3.1%
Other non-operating expenses	87	88	0	1.1%
Ordinary Profit	2,351	2,352	1	0.1%
Net Income	2,350	2,351	1	0.1%
Total Dividends	2,349	2,351	1	0.1%

The number of units issued at end of period	961,884 units	961,884 units	—	—
Dividend per unit (DPU)	2,443 yen	2,445 yen	2 yen	0.1%

(\*)Figure arrived at by dividing the amount of increase/decrease in profit by the total number of investment units issued (961,884 units) at the end of the period ended September 2020.

Main reasons for variance (million yen)	Main reasons for variance (million yen)		Converted to DPU
	Increased profit	Decreased profit	
Operating Profit		-7	-8 yen
Property-related profits and losses		-3	
Decrease in rental revenues, etc.		-10	
Upward rent revisions	60		Hirakawacho, Midosuji, Yodoyabashi, Saitama, etc.
Expiration of rent-free periods	30		Saitama, Kinshicho, Minami-Aoyama, Toyosu
Moving in and out, etc.		-101	Toyosu, Sengokuyama, Midosuji, Hirakawacho, etc.
Revenue and expenditure of utility charges	32		Kinshicho, Saitama, etc.
Decrease in other rental revenues		-10	Kinshicho, etc.
Decrease in property management fees	34		Hirakawacho, etc.
Increase in repairs and maintenance		-36	Otemachi, Kinshicho, Shinagawa, etc.
Increase in depreciation and amortization		-11	Saitama, Minami-Aoyama, Midosuji, etc.



## 2. Performance Forecast (2): Period ending Mar. 2022

- Although there are factors of increase in profit such as upward rent revisions and expiration of rent-free periods, profit will decrease due to decrease in revenue resulting from move-out of tenants, etc.
- DPU of 2,400 yen will be maintained through reversal of reserve for reduction entry despite temporary decrease in revenue due to the move-out of a major tenant

	(million yen)			
	36th Period Forecast Sep '21	37th Period Forecast Mar '22 (*1)	Changes from the 36th Period	
Operating Revenue	5,771	5,664	-107	-1.9%
Rental revenues(a)	5,771	5,664	-107	-1.9%
Rental revenues, etc.	5,396	5,353	-43	-0.8%
Utility charges	337	310	-26	-7.9%
Other rental revenues	38	—	-38	-100.0%
Operating Expenses	3,053	2,969	-84	-2.8%
Property-related expenses(b)	2,498	2,412	-85	-3.4%
Property management fees	602	576	-25	-4.2%
Utilities expenses	307	270	-36	-11.9%
Property and other taxes	533	529	-3	-0.6%
Insurance	11	11	0	0.0%
Repairs and maintenance	149	139	-9	-6.6%
Depreciation and amortization(c)	882	872	-10	-1.2%
Loss on retirement of non-current assets(d)	6	3	-3	-49.4%
Other rental expenses	5	8	2	49.4%
Asset management fees	423	422	-0	-0.2%
Other general administrative cost	131	134	2	1.6%
Operating Profit	2,718	2,694	-23	-0.9%
Property-related profits and losses (a-b)	3,273	3,251	-21	-0.7%
NOI (a-b+c+d)	4,162	4,127	-35	-0.8%
Non-operating Income	—	—	—	—
Non-operating Expenses	388	389	0	0.2%
Interest expenses	302	302	0	0.1%
Other non-operating expenses	86	87	0	0.7%
Ordinary Profit	2,329	2,305	-24	-1.0%
Net Income	2,328	2,304	-23	-1.0%
Reversal of reserve for reduction entry	—	4	4	—
Total Dividends	2,327	2,308	-19	-0.8%
The number of units issued at end of period	961,884 units	961,884 units	—	—
Dividend per unit (DPU)	2,420 yen	2,400 yen	-20 yen	-0.8%

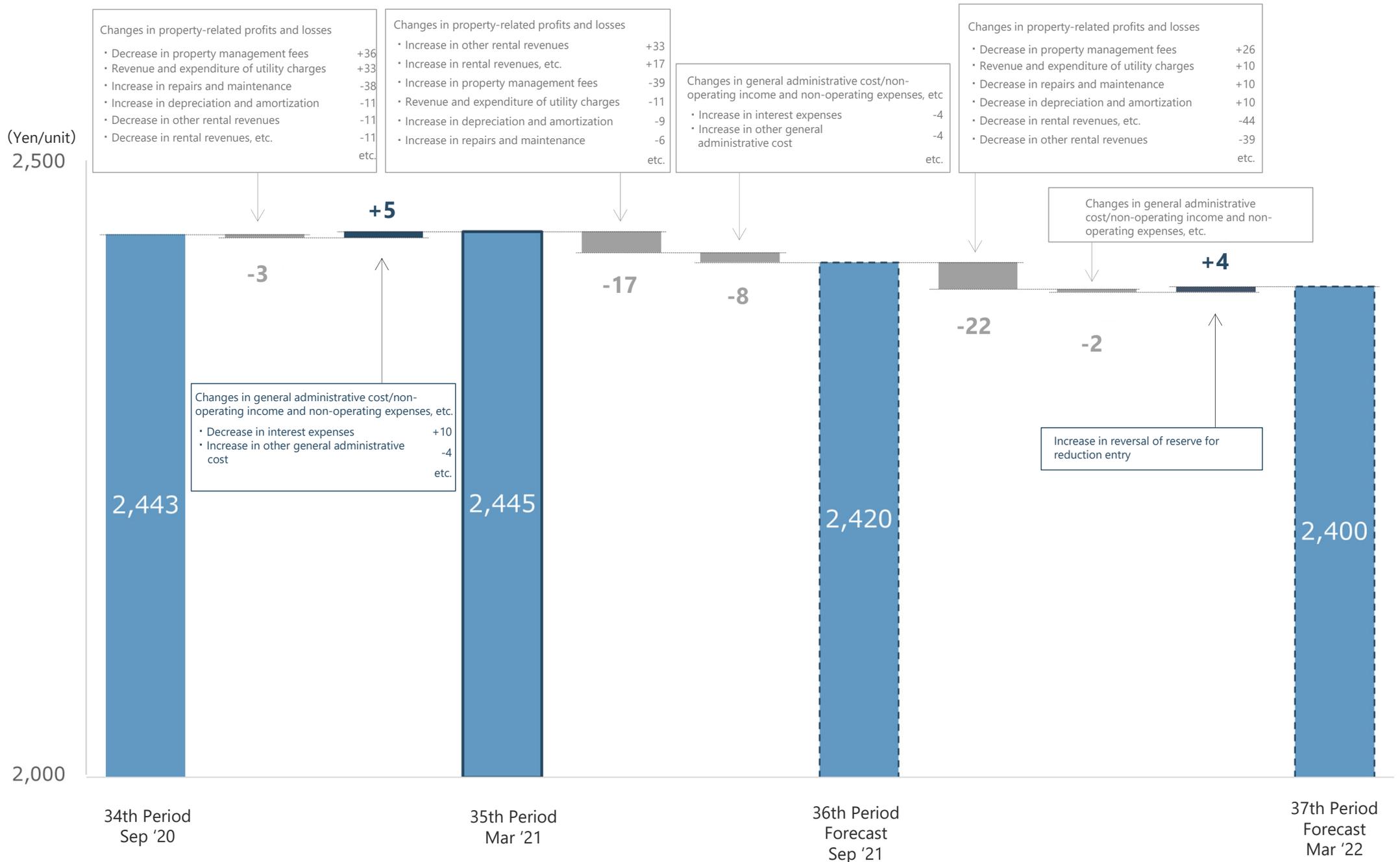
Main reasons for variance (million yen)	Main reasons for variance (million yen)		Converted to DPU (*2)
	Increased profit	Decreased profit	
Operating Profit		-23	-24 yen
Property-related profits and losses		-21	
Decrease in rental revenues, etc.		-43	
Upward rent revisions	14		Saitama, Kinshicho, Midosuji, Yodoyabashi, etc.
Expiration of rent-free periods	15		Toyosu, Hirakawacho, Sinagawa, etc.
Moving in and out, etc.		-72	Toyosu, Saitama, Sengokuyama, etc.
Revenue and expenditure of utility charges	9		Saitama, Sinagawa, etc.
Decrease in other rental revenues		-38	Saitama, Hirakawacho, etc.
Decrease in property management fees	25		Toyosu, Sengokuyama, Hirakawacho, etc.
Decrease in in repairs and maintenance	9		Sinagawa, Midosuji, Toyosu, etc.
Decrease in depreciation and amortization	10		Yodoyabashi, etc.
Reversal of reserve for reduction entry	4		4 yen

(\*1) See "Summary of Financial Results for the Six-Month Period Ended March 2021" released on 19 May 2021 for details of assumptions for the 36th and 37th period forecasts.

Occupancy, vacancy, and rent renewal by tenants yet to be decided is not factored into the performance forecasts. A certain level of decrease in revenue due to acceptance of rent reduction requests is assumed.

(\*2) Figure arrived at by dividing the amount of increase/decrease in profit by the total number of investment units issued (**961,884 units**) at the end of the period ending September 2021.

# 3. Result and Forecast of DPU





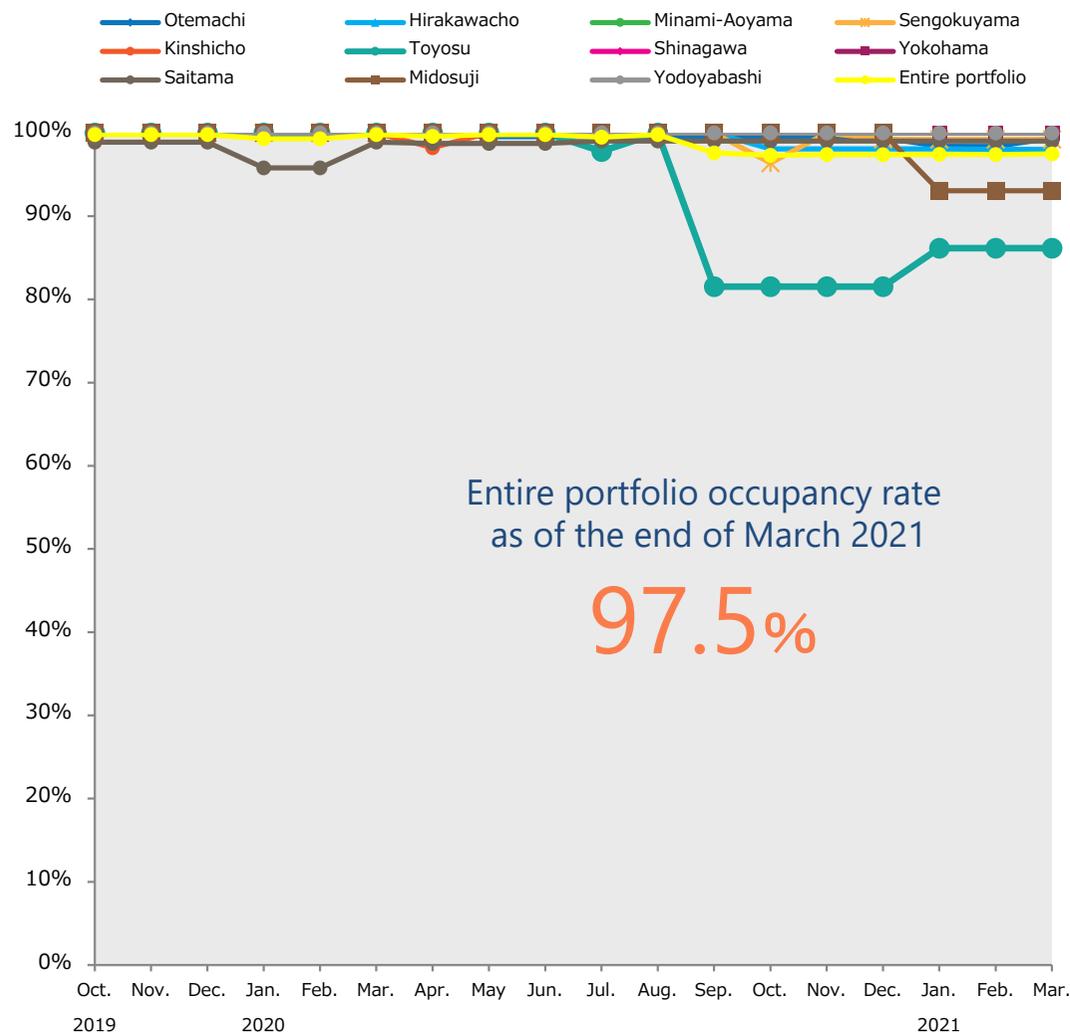
## III Portfolio Management

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# 1. Internal Growth (1): Occupancy Rate

■ Portfolio occupancy rate decreased by 0.1 points from the previous period to 97.5% (as of the end of March 2021)

- Occupancy rate of Midosuji decreased to 93.1% due to the impact of cancellations; that of Toyosu recovered to 86.2% with conclusion of one contract; and occupancy rates of other properties remained stable at a high level

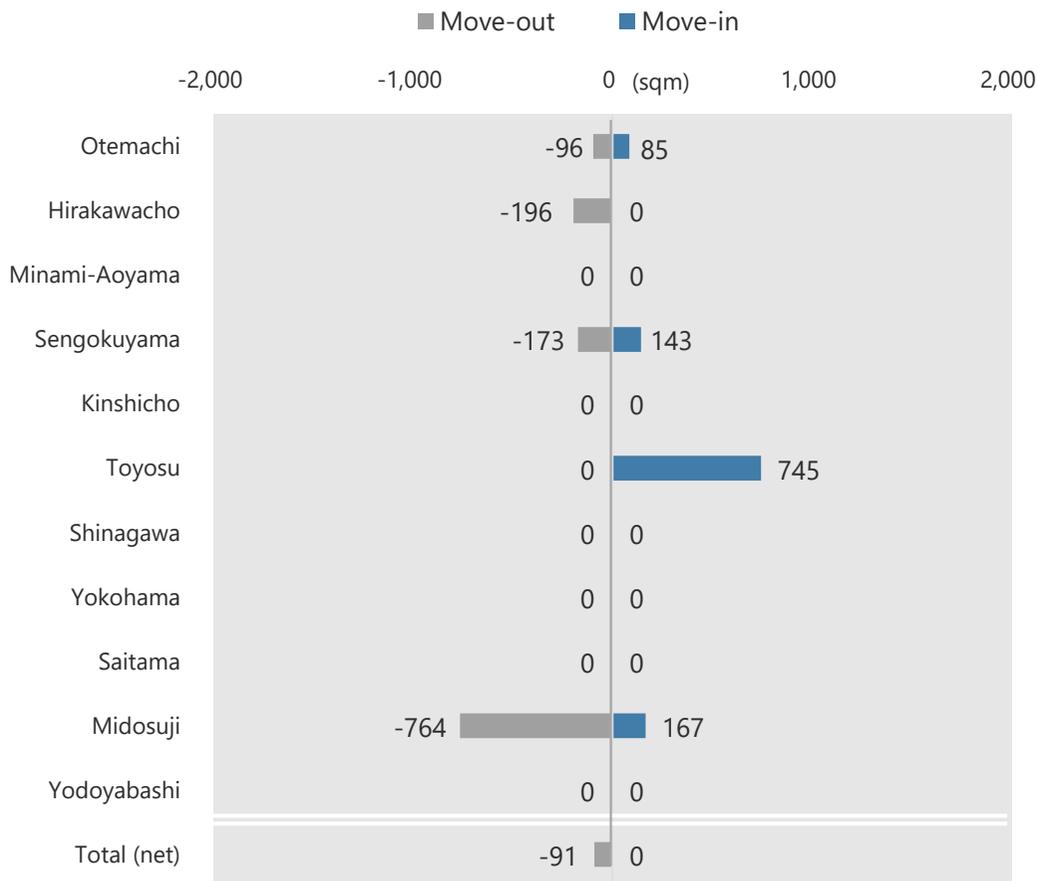


	33rd Period end (end-Mar. '20)	34th Period end (end-Sep. '20)	35th Period end (end-Mar. '21)
Otemachi First Square	99.9%	99.5%	99.4%
Hirakawacho Mori Tower	100.0%	100.0%	98.0%
Rakuten Crimson House Aoyama	100.0%	100.0%	100.0%
ARK Hills Sengokuyama Mori Tower	100.0%	100.0%	99.2%
Arca Central	100.0%	100.0%	100.0%
Toyosu Prime Square	100.0%	81.5%	86.2%
Shinagawa Seaside West Tower	100.0%	100.0%	100.0%
Yokohama Plaza Building	100.0%	100.0%	100.0%
Meiji Yasuda Life Insurance Saitama-Shintoshin Building	98.9%	99.0%	99.0%
Meiji Yasuda Life Insurance Osaka Midosuji Building	100.0%	100.0%	93.1%
Yodoyabashi Flex Tower	100.0%	100.0%	100.0%
<b>Entire portfolio</b>	<b>99.8%</b>	<b>97.6%</b>	<b>97.5%</b>

# 1. Internal Growth (2): Situation of Tenant Replacement

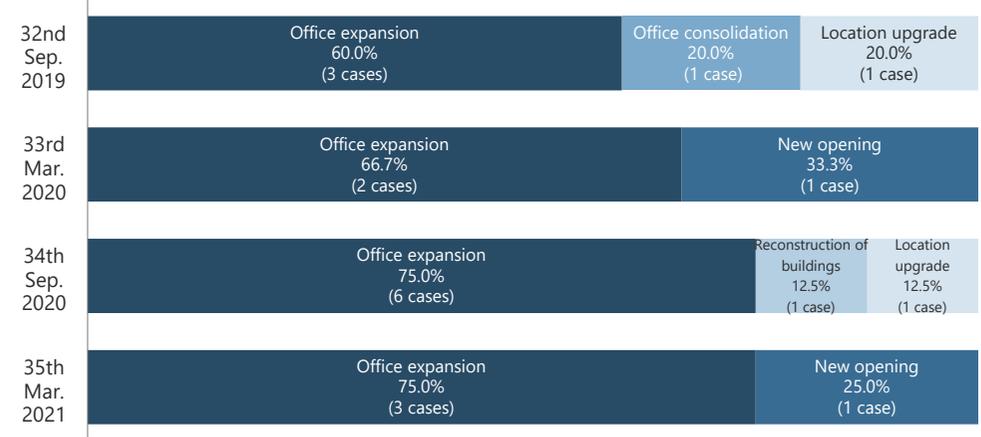
Leased up some parts of vacancy that had existed since the Period ended September 2020 at Toyosu. Of the three cancellations at Midosuji, one was filled with floor expansion within the building

Floor areas with tenant move-in and move-out for the 35th Period

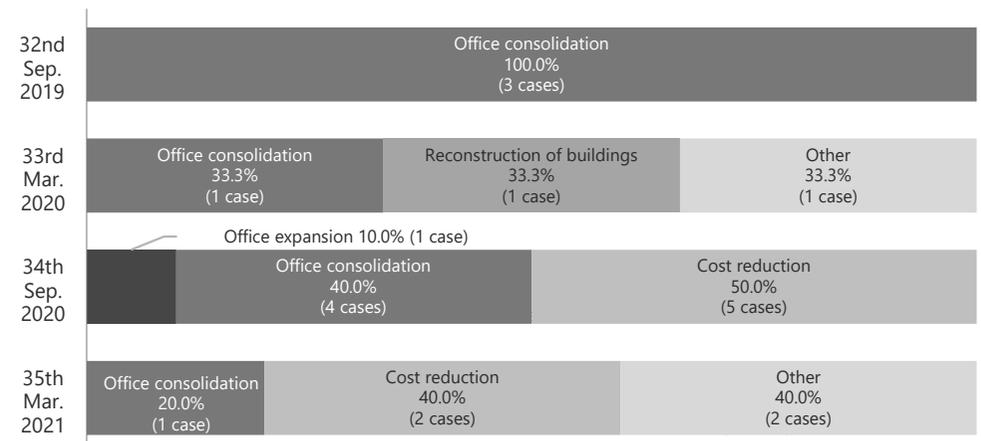


Reason for move-in and move-out of tenants (office only)

Change in reasons for move-in upon the conclusion of new contracts (based on the number of cases)



Change in reasons for move-out upon cancellation (based on the number of cases)



# 1. Internal Growth (3): Situation of Tenant Leasing of Toyosu ①

■ Although the vacant period has prolonged, the number of inquiries has picked up. Some of the candidate tenants have shown serious consideration for relocation



Toyosu Prime Square

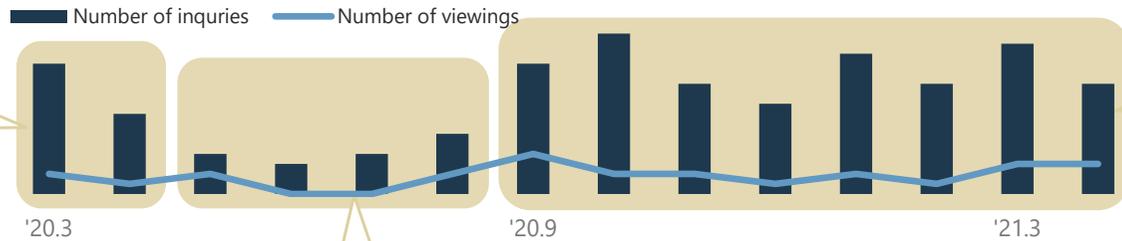
## Change in/outlook of occupancy rate (with conclusion of one contract and one additional cancellation, the situation is seesawing)



## Situation of inquiries

March and April 2020  
Before the state of emergency declaration

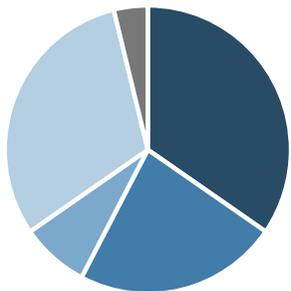
Failed to conclude contracts due to COVID-19 despite having business discussions with multiple tenants with strong interest



Candidate tenants were exploring the role of offices, etc. There were few companies starting to seriously consider relocation partly due to the state of emergency, resulting in a significant drop in the number of inquiries

- The number of inquiries recovered in September 2020 onward
- The impact of the second state of emergency declaration was minor
- The number of candidate tenants that have decided policies on the role of offices and started to seriously consider relocation has increased

## Results/status of discussions by candidate tenants



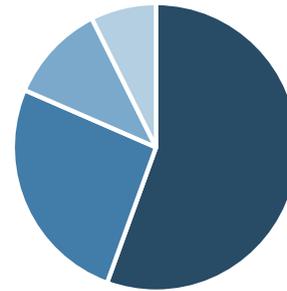
- Remain at the current building
- Change of plans
- Concluded contracts for other properties
- Talks ongoing
- Other

More than half decided not to relocate

<Reasons>

- Asked to stay by the current building owner
- Needs have changed in the course organizing the new role of offices

## Needs from candidate tenants



- Office consolidation
- Office expansion
- Reduction of office space
- Cost reduction

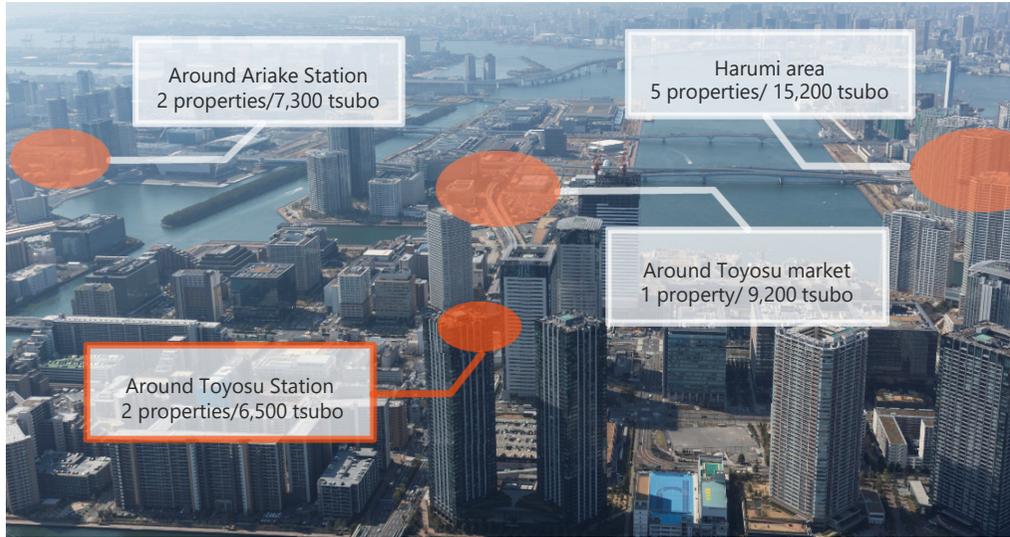
The main needs were office consolidation and expansion

Currently, the number of inquiries regarding reduction of office space and cost is on the rise

# 1. Internal Growth (3): Situation of Tenant Leasing of Toyosu ②

■ Although the leasing environment is severe, the building commands a high scarcity value and thus has an advantage in attracting tenants

■ Floor area available for leasing in the surrounding competitive areas



(\*) Surveyed by GAR. For each area, tallied properties with total of 1,000 tsubo or more of the available floor area (as of 11 May 2021, less than one hundred tsubo rounded down)

- The floor area available for leasing in the surrounding competitive areas is building up
- On the other hand, availability of a section with floor area of 800 tsubo or more on one floor is found in only 2 properties including Toyosu (twenty-some such properties in Tokyo)
- The high scarcity value of Toyosu is also advantageous for attracting tenants who seek consolidating office spaces to one floor or large space for communication

■ Internal growth potential through leasing up of vacancies

Room for upside of dividends: +120 yen or more (\*)

(\*) We assume cases where properties are consistently occupied with incoming tenants moving in at the market rent assessed by GAR based on an assumed new contract rent (including common area charges) assessed by CBRE K.K.

## Strengths of Toyosu Prime Square

Location	Excellent access to Tokyo Station, etc. (within 10 minutes)
Rents	Reasonable rent compared with that of buildings in central Tokyo
Lease space	Floor plate is large and can be divided
Grade	Ceiling height of 2,800 mm, regularly shaped space with no pillars, seismic control structure

+

Further strengthen competitiveness by providing additional value

Installation of digital signage



Infection prevention measures

- Anti-virus measures + space creation using natural aroma
- Antibacterial coating on ELV, etc.

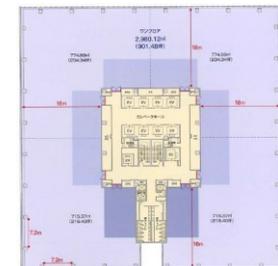


## Property overview

Address	5-6-36 Toyosu, Koto-ku, Tokyo	Year built	August 2010
Nearest station	3-minute walk from Toyosu Station on the Tokyo Metro	Typical floor	901 tsubo



Inside of the building

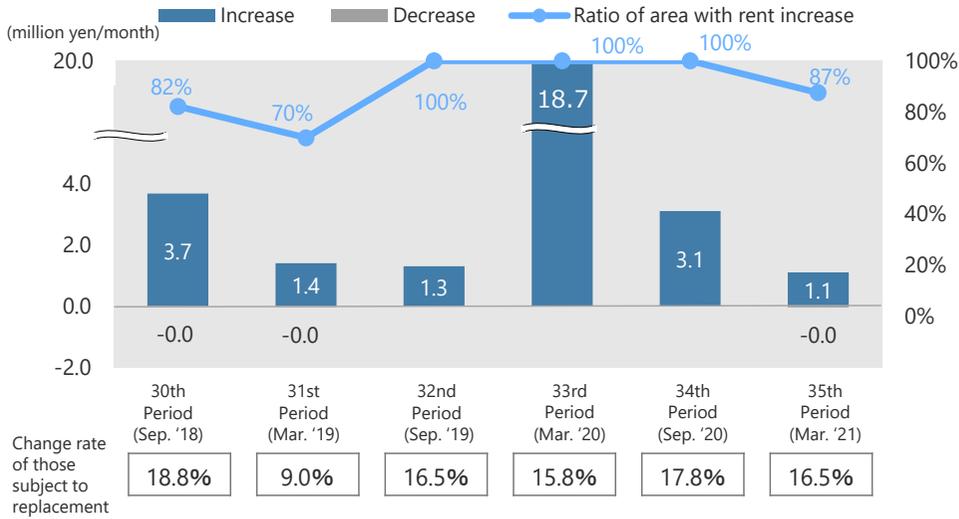


Typical floor plan

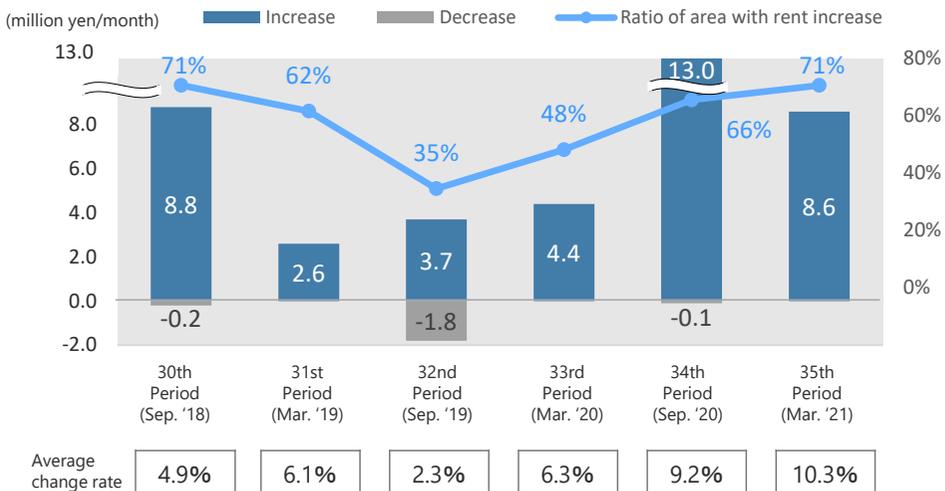
# 1. Internal Growth (4): Change in Monthly Rent Due to Tenant Replacement and Rent Revision

■ The monthly rent based on contracts increased by 9.8 million yen from the previous period as a result of rent increase through tenant replacement and rent revision

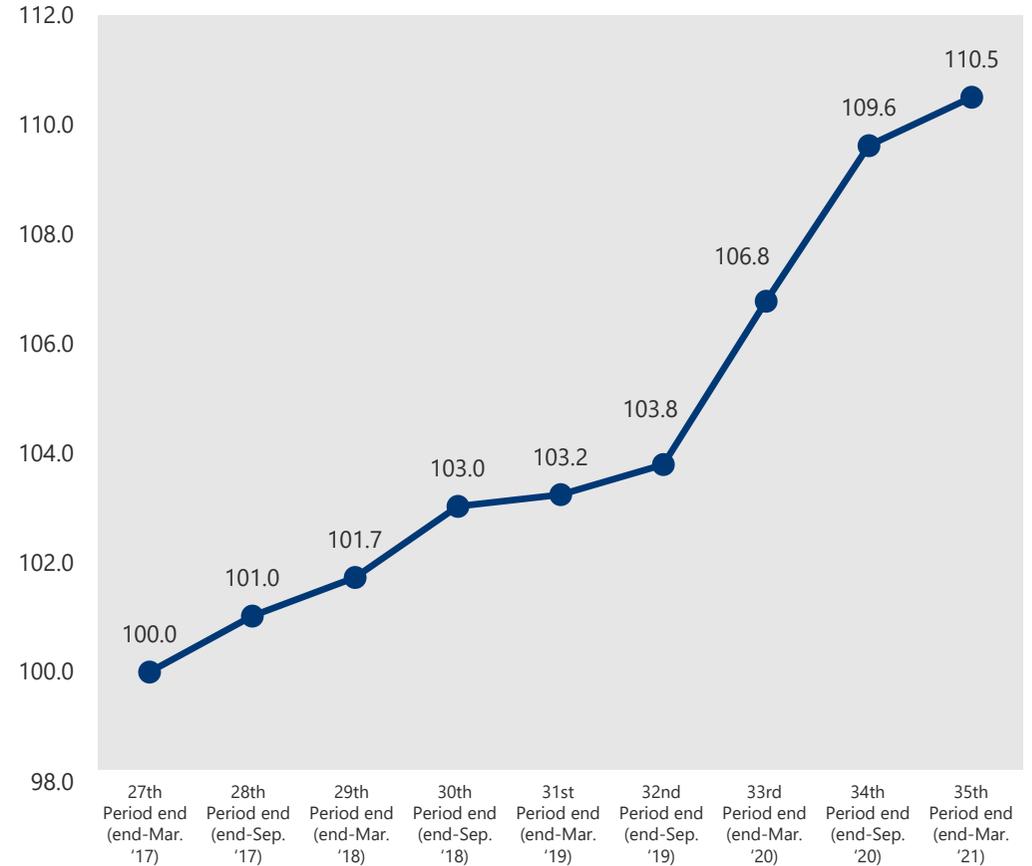
Change in monthly rent due to tenant replacement (\*1)



Change in monthly rent due to rent revision (\*2)



Change in contracted unit rent (\*3)

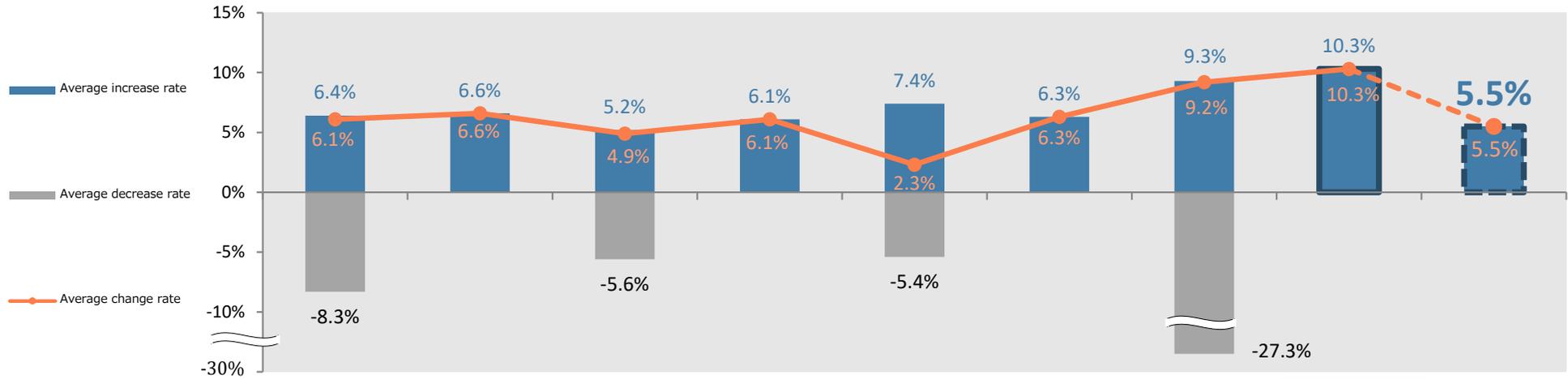


(\*1) The amounts of rent change indicate the total amounts of rents (including common area charges) obtained by subtracting the monthly rent before replacement from the monthly rent after the replacement under the respective lease agreement with a tenant in each period.  
 (\*2) The amounts of rent change indicate the total amounts of rents (including common area charges) obtained by subtracting the monthly rent before the revision from the monthly rent after the revision under the respective lease agreement with a tenant in each period.  
 (\*3) Contracted unit rent refers to the average rent for offices (including common-area charges) in 10 properties excluding Toyosu held until the end of the 32nd Period and 11 properties held from the end of the 33rd Period, which is indexed to 100 representing the value as of March 31, 2017.

# 1. Internal Growth (5): Rent Revision ① - Current Situation

■ Expect to achieve upward rent revision for the fourteenth consecutive period despite more difficult negotiations and the decreasing trend of the margin of increase

- In the 35th Period, out of a total of 33 cases, rents were increased for 22, maintained for 11, and reduced for 0, giving an average change rate of +10.3%
- In the 36th Period, out of a total of 47 cases, rents are expected to be increased for 18, maintained for 10, reduced for 0 and under negotiation for 19, giving an average change rate of +5.5%



Details (*1)	28th Period (Sep. '17)	29th Period (Mar. '18)	30th Period (Sep. '18)	31st Period (Mar. '19)	32nd Period (Sep. '19)	33rd Period (Mar. '20)	34th Period (Sep. '20)	35th Period (Mar. '21)	36th Period Forecast (*2) (Sep. '21)
Areas subject for contract renewal (sqm)	32,767	26,115	32,686	14,243	27,366	21,227	33,174	21,601	31,414
Areas with upward rent revision (sqm)	18,539	10,926	23,117	8,787	9,474	10,245	21,768	15,271	17,359
(Ratio of areas with upward rent revision)	(56.6%)	(41.8%)	(70.7%)	(61.7%)	(34.6%)	(48.3%)	(65.6%)	(70.7%)	(55.3%)
Areas with downward rent revision (sqm)	353	-	341	-	5,026	-	72	-	-
Number of renewal	49	25	34	24	39	26	62	33	47
Number of rent increase	30	16	19	12	21	17	47	22	18
Number of rent decrease	1	-	1	-	2	-	1	-	-
<b>Average change rate</b>	<b>6.1%</b>	<b>6.6%</b>	<b>4.9%</b>	<b>6.1%</b>	<b>2.3%</b>	<b>6.3%</b>	<b>9.2%</b>	<b>10.3%</b>	<b>5.5%</b>
<b>Average increase rate</b>	<b>6.4%</b>	<b>6.6%</b>	<b>5.2%</b>	<b>6.1%</b>	<b>7.4%</b>	<b>6.3%</b>	<b>9.3%</b>	<b>10.3%</b>	<b>5.5%</b>
<b>Average decrease rate</b>	<b>- 8.3%</b>	<b>-</b>	<b>- 5.6%</b>	<b>-</b>	<b>- 5.4%</b>	<b>-</b>	<b>- 27.3%</b>	<b>-</b>	<b>-</b>

(\*1) The average rate of increase, average rate of decrease and average rate of change are based on rent including common area charges. Average change rate is calculated for rents which increased or decreased, excluding those maintained and under negotiation, using the following formula: rent after revision/rent before revision - 1.

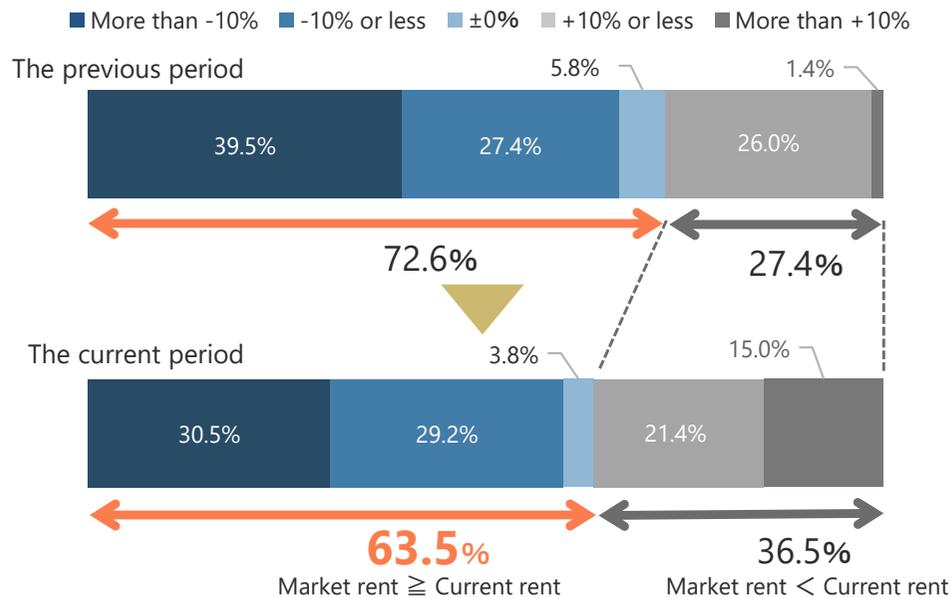
(\*2) Forecasts for the 36th Period are figures confirmed/informally confirmed as of the end of April 2021.

# 1. Internal Growth (5): Rent Revision ② - Future Outlook

■ Aim for realization of rent increase by continuing to engage in careful dialogue with tenants while being more conscious of occupancy rate

## Situation of rent gap (office only)

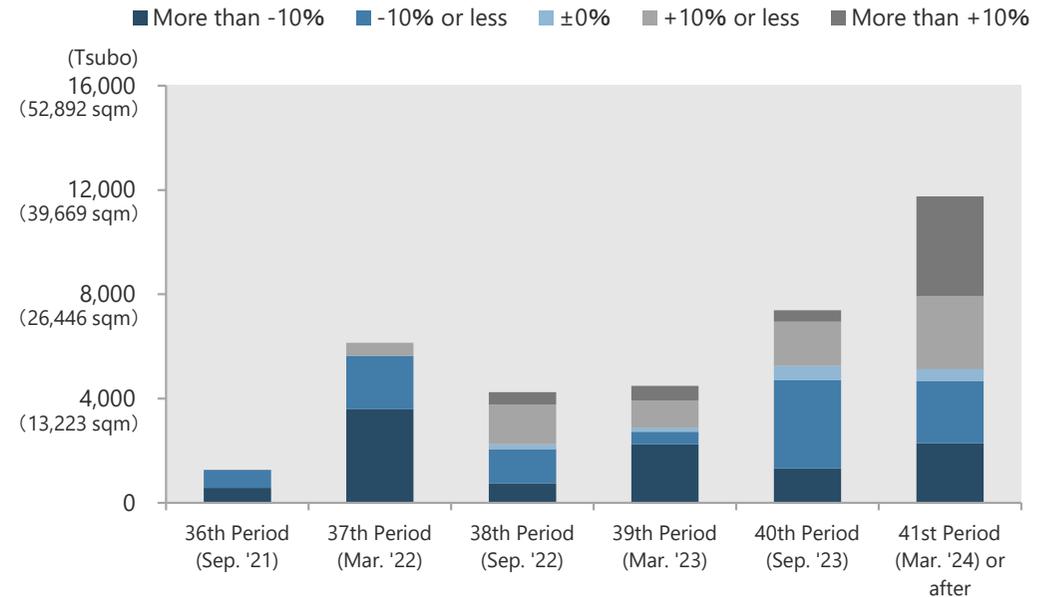
### ◆ Changes in rent gap (\*1) and proportion of leased area



- The rent gap was partially eliminated as a result of rent increase, etc.
- Rent gap is **-2.1%** (previously -5.1%)  
 (Rent gap is -5.9% when excluding tenants at Minami-Aoyama and Hirakawacho whose current rents are much higher than the market rents)
- The amount of the gap (\*2) is **109 yen in terms of DPU** (previously 275 yen)

## Rent gap at the time of each rent revision (office only)

### ◆ Rent gap and volume of area subject to rent revision (\*3)



Rent gap	Basic policy
<ul style="list-style-type: none"> <li>More than -10%</li> <li>-10% or less</li> <li>±0%</li> </ul>	Aim to increase rent
<ul style="list-style-type: none"> <li>+10% or less</li> <li>More than +10%</li> </ul>	Basically, maintain the current rent level, but engage in negotiations if the individual circumstances make a rent increase feasible

(\*1) Rent gap is an expression of the gap between the market rent and the current rent (contracted rent including common area charges), and is calculated using the following formula: current contracted rent / market rent - 1. Figures for market rent are based on the median of assumed new contract rents (including common area charges) indicated by range (hereinafter "market range") as estimated by CBRE as of February 2021. Figures for current contracted rents include rents as formally or informally confirmed as of the end of April 2021.

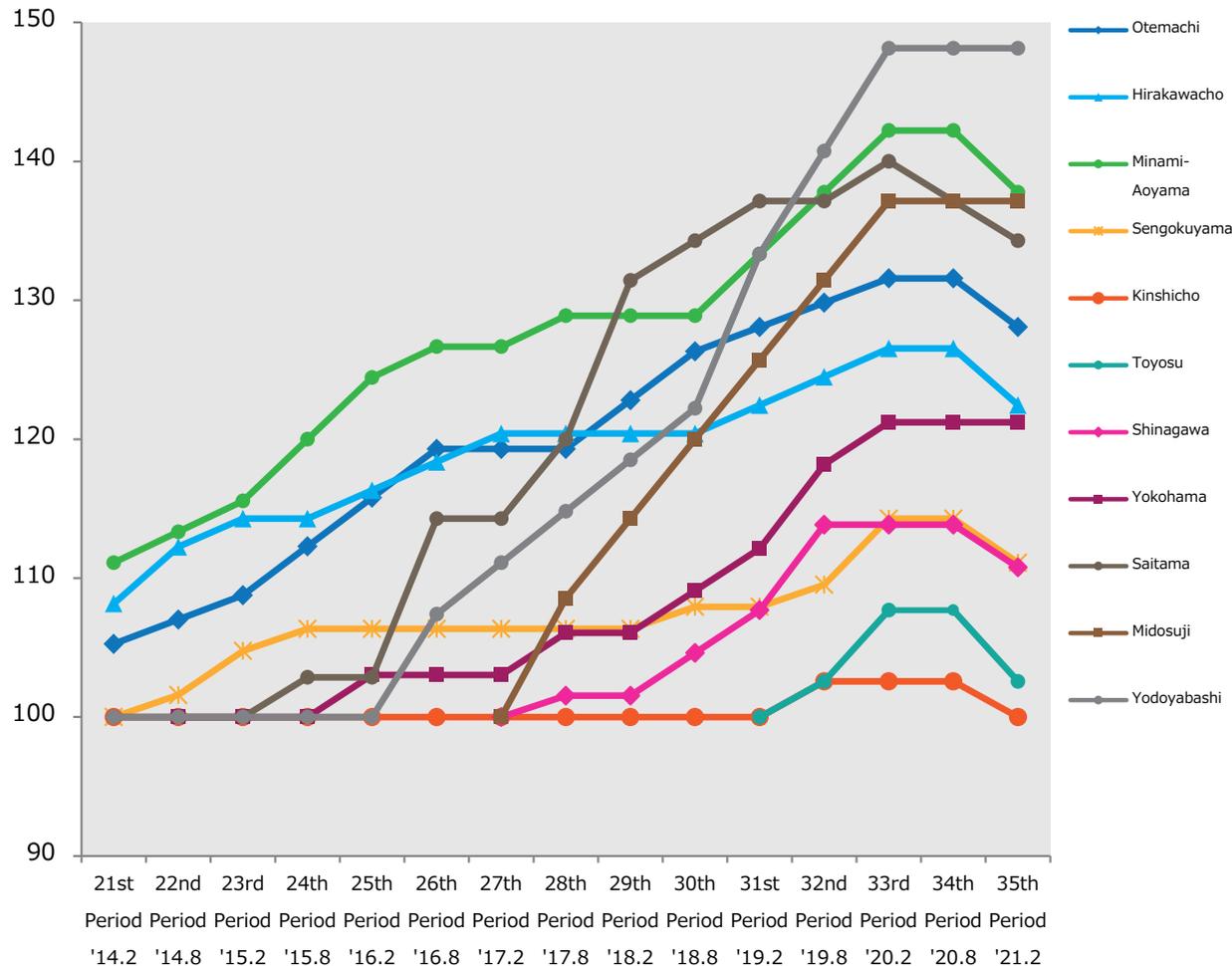
(\*2) Amount of the gap is an expression of the gap between the market rent and the current rent.

(\*3) Contracts for which rents are due to be revised during the 36th and 37th Periods and for which the new rent has already been agreed upon are included in the next revision period.

# 1. Internal Growth (6): Situation of Market Rent

Market rent in Tokyo and Saitama fell while that in Yokohama and Osaka remained flat

Change in market rents of properties held by GOR



## Tokyo

- Although the degree of impact differs for each area, overall rent fell because a large volume of secondary vacancy started to appear as a result of time needed to fill sections cancelled after relocations in line with the large supply in 2020
- Careful attention should be paid to the localized change in supply-demand balance resulting from large supply in 2023

## Yokohama

- Although demand has remained weak, there were cases in which contracts were concluded due to demand for satellite offices, etc. and the increase in vacancy has been more limited compared with the Tokyo 23 wards.

## Midosuji/Yodoyabashi (Yodoyabashi area)

- With limited supply of new buildings, the supply-demand balance is tight. Rent has remained flat
- Careful attention should be paid to the change in supply-demand balance resulting from large-scale building supply in and after 2022.

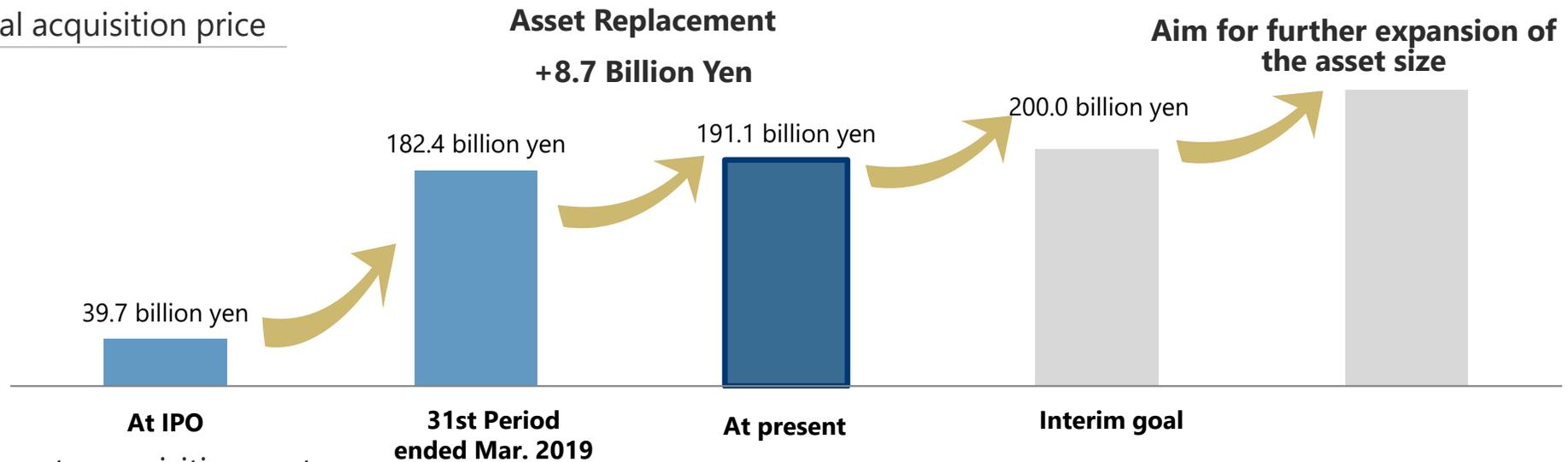
(Note) Market rent refers to the assumed new contract rents (including common area charges) for each property assessed by CBRE, and are indexed based on the following criteria. The market rent of properties held by GOR is assessed at the end of February and August every year. When there is a gap in assumed new contract rents assessed by CBRE, the figures are calculated based on the median.

- Properties other than Kinshicho, Toyosu, Shinagawa, Yokohama and Midosuji : February 2013=100
- Kinshicho (Acquired in March 2014) : February 2014=100
- Toyosu (Acquired in April 2019) : February 2019=100
- Shinagawa (Acquired in March 2017) : February 2017=100
- Yokohama (Acquired in August 2014) : August 2014=100
- Midosuji (Acquired in March 2017) : February 2017=100

## 2. External Growth (1): Efforts on External Growth

■ Expanding the asset size to stabilize revenues by continuing to make selective investments

Total acquisition price



Property acquisition route

Sourcing **drawing upon both the sponsor/major shareholder route and independent route**

Enhancement of portfolio quality through continuous **asset replacement**

**Sponsor/major shareholder route**

					5 properties in total 82.0 billion yen (composition ratio: 42.9%)
Otemachi First Square	GOR 50% ownership Meiji Yasuda Life Insurance Co. 50% ownership	Hirakawacho Mori Tower	GOR Owning 2 floors Meiji Yasuda Life Insurance Co. Owning 7 floors	GOR 50% ownership Meiji Yasuda Life Insurance Co. 50% ownership	
	Meiji Yasuda Life Insurance Saitama-Shintoshin Building		ARK Hills Sengokuyama Mori Tower	Meiji Yasuda Life Insurance Osaka Midosuji Building	

**Independent route**

										6 properties in total 109.1 billion yen (composition ratio: 57.1%)
Rakuten Crimson House Aoyama	Yodoyabashi Flex Tower	Transferred property	Arca Central	Transferred property	Yokohama Plaza Building	Transferred property	GOR 50% ownership Meiji Yasuda Life Insurance Co. 50% ownership	Toyosu Prime Square	Transferred property	
		Replacement		Replacement		Replacement				
		Sphere Tower Tennoz (33%)		Sphere Tower Tennoz (67%)			Shinagawa Seaside West Tower		Ginza First Building	

## 2. External Growth (2): Track records of asset replacement

■ Continue to consider asset replacement to improve portfolio quality

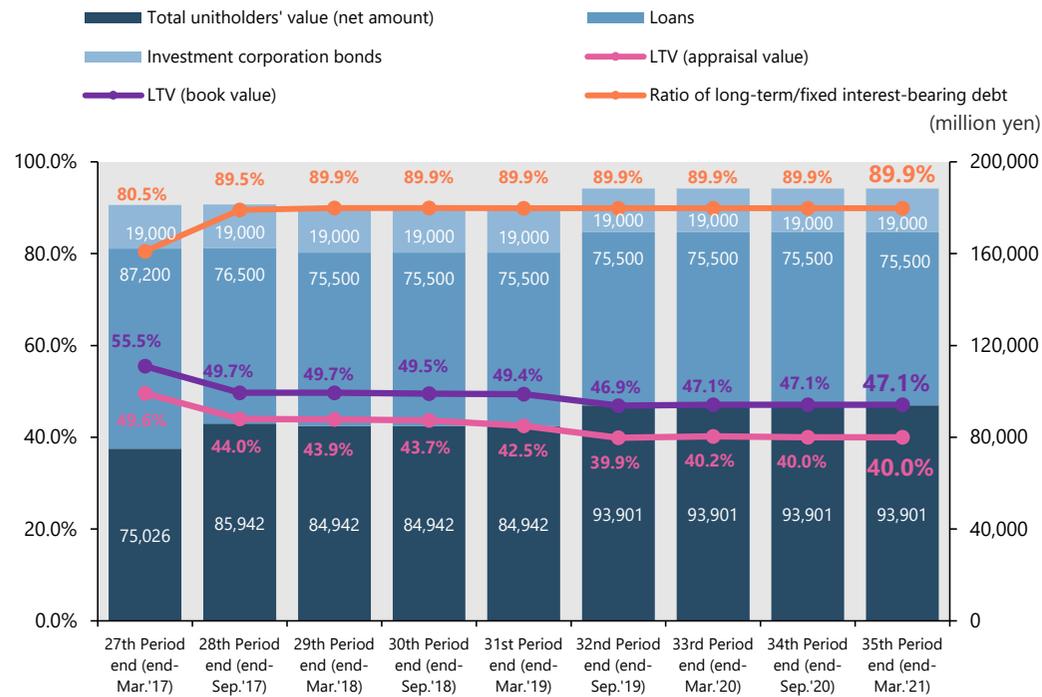
Track records of strategic asset replacement

	The 9th Period (Mar. '08)	The 21st Period (Mar. '14)	The 22nd Period (Sep. '14)	The 32nd Period (Sep. '19)
Acquisition	<p>Yodoyabashi Flex Tower</p> 	<p>Arca Central</p> 	<p>Yokohama Plaza Building</p> 	<p>Toyosu Prime Square</p> 
Sales	<p>Sphere Tower Tennozu (33% of co-ownership)</p> <p>&lt;Background of sales&gt;</p> <ul style="list-style-type: none"> <li>• Increase in unrealized gain of portfolio</li> </ul>	<p>Sphere Tower Tennozu (67% of co-ownership)</p> <p>&lt;Background of sales&gt;</p> <ul style="list-style-type: none"> <li>• Move-out of major tenants</li> <li>• Sluggish rental market in the Tennozu area</li> </ul>	<p>Kintetsu Shin-Nagoya Building</p> <p>&lt;Background of sales&gt;</p> <ul style="list-style-type: none"> <li>• Mass supply of office buildings in the Nagoya area ("The 2015 problem")</li> <li>• Risk of move-out of major tenants</li> </ul>	<p>Ginza First Building</p> <p>&lt;Background of sales&gt;</p> <ul style="list-style-type: none"> <li>• Favorable opportunity of sales due to booming real estate market</li> <li>• Continued increase in repair and maintenance costs due to aging</li> </ul>
Effect	<p>Rejuvenation of building age by approximately 13 years</p>	<p>Rejuvenation of building age by approximately 4 years</p>	<p>Rejuvenation of building age by approximately 17 years</p>	<p>Rejuvenation of building age by approximately 12 years</p>
	<p>Gain on sale: total 2.57 billion yen</p>		<p>Gain on sale: 3.55 billion yen</p>	<p>Gain on sale: 0.65 billion yen</p>
	<p>Unrealized gain achieved through a difference between appraisal value and book value</p>	<p>Reduction of tenant risk and risk of deterioration of revenue, etc.</p> <p>Securement of asset acquisition capacity</p>	<p>Progress in tenant diversification</p>	<p>Improvement of portfolio quality due to buy-and-sell transactions on a negotiation basis</p> <p>Securement of asset acquisition capacity through lowering of LTV</p>

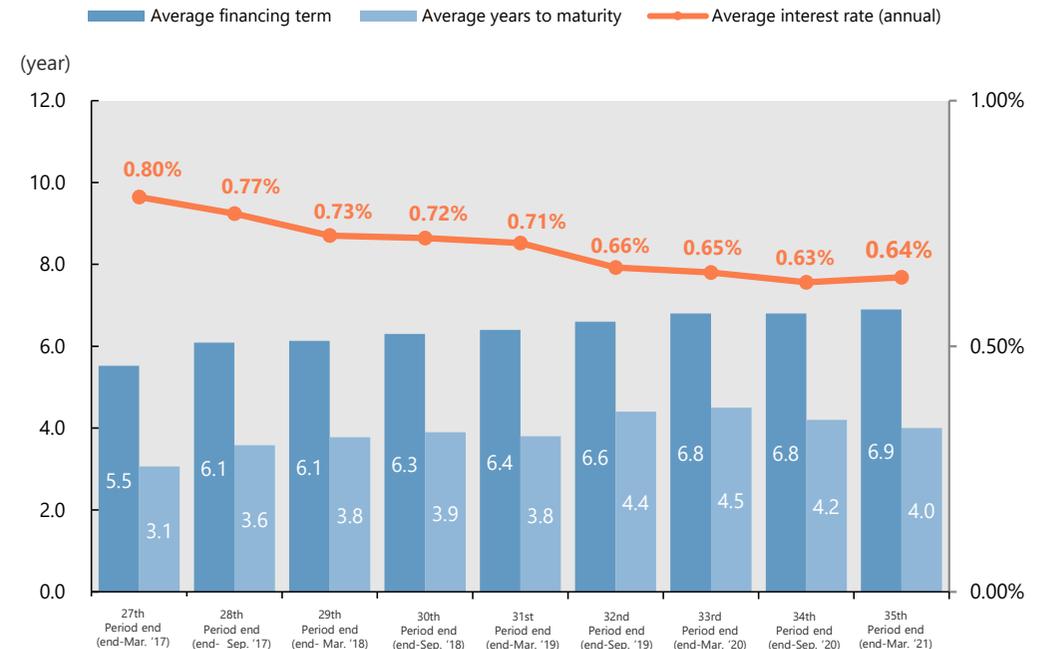
# 3. Financial Management (1): Historical Overview of Financial Management

Continued with disciplined financial management by maintaining the ratio of long-term fixed interest-bearing debt

## Breakdown of fund procurement



## Condition of interest-bearing liabilities



## Breakdown of interest-bearing liabilities

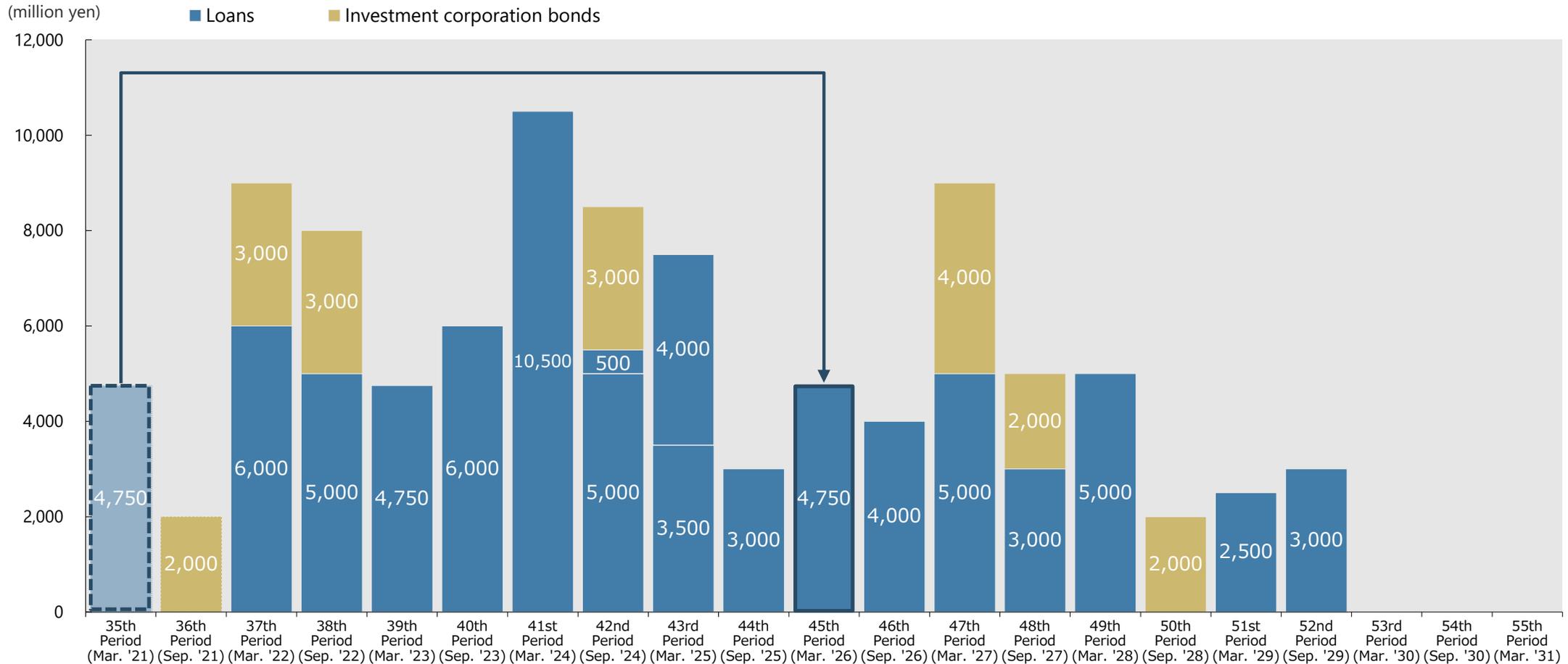
	34th period end	35th period end
Loans	75,500 million yen	75,500 million yen
Investment corporation bonds	19,000 million yen	19,000 million yen
<b>Total</b>	<b>94,500 million yen</b>	<b>94,500 million yen</b>

	34th period end	35th period end
Average financing term	6.8 years	6.9 years
Average years to maturity	4.2 years	4.0 years
<b>Average interest rate</b>	<b>0.63%</b>	<b>0.64%</b>

### 3. Financial Management (2): Diversified Due Dates of Interest-bearing Liabilities (as of 31 March 2021)

■ Promoted diversification of due date and extension of financing terms (3.0 years → 5.0 years) through refinancing

Before refinancing	After refinancing
Total 4.75 billion yen 3.0-year, floating rate (Average interest rate : 0.30343%)(*)	Total 4.75 billion yen 5.0-year, floating rate (Average interest rate : 0.38727%)(*)



(\*) "Average interest rate" represents the weighted average interest rate during the fiscal period.

# 4. Promotion of ESG : Highlight

■ Made a wide range of efforts in ESG overall, and acquired a "5 Stars" in the 2020 GRESB Real Estate Assessment

## GRESB Real Estate Assessment

Acquired "5 Stars"  
Received the highest "A Level" for the GRESB Public Disclosure in 2020

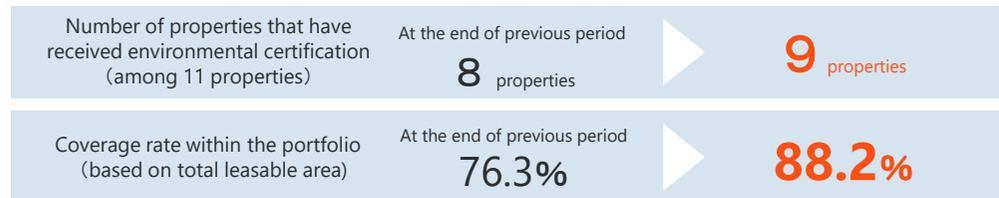


## E Acquisition of environment-related certification

Newly acquired "rank S" of "CASBEE for Real Estate" certification for Kinshicho and Yokohama



The portfolio coverage rate improved further (KPI goal: 70%)



## S Tenant initiative

Collaboration of food trucks and digital signage (Yokohama)

Displayed the menus of food trucks operating in the premises on digital signage



New measures against COVID-19

- Created a space with natural aromas that is effective for eliminating viruses (Toyosu)
- Applied antibacterial film over ELV buttons, etc. (Yodoyabashi)

## E Establishment of Green Finance Framework

Received Green 1(F) rating, the highest evaluation from JCR

Received Green 1(F) rating, the highest evaluation, from JCR concerning eligibility of Green Finance Framework established on 26 February 2021 for the implementation of green finance

## E Preparation and distribution of a sustainability guide

Promotion of collaborative actions with tenants

Prepared and distributed a sustainability guide introducing case examples of sustainable initiatives



## S Community initiative

Sponsored Midosuji Infiorata (\*) (Midosuji)

Sponsored "Midosuji Infiorata," an art event held in Midosuji in Osaka in which flower petals were placed on the ground to create drawings



(\*) Co-organized by Central Midosuji Network and Hanae Cultural Association

# 4. Promotion of ESG

## ESG Policy and Promotion System

Promotes various initiatives based on the ESG considering that ESG in real estate will contribute to the maximization of client interests in the medium to long term

### 1. Responding to Climate Change

We will contribute to combating climate change by promoting energy efficiency in real estate and using renewable energy. In addition, we aim to provide safer and more competitive real estate by considering climate change adaptation.

### 2. Considering User Health and Well-being

We will improve the health and well-being of tenants and users and increase the added value of real estate by enhancing the indoor and outdoor environment and common use area functions.

### 3. Developing Human Capital

We believe that each employee is a valuable asset and recognize that the fulfillment of potential by various employees is necessary for the continued improvement of corporate value. For this reason, we will aim to improve the health of officers and employees and engage in human capital development through personnel systems, education, and training.

### 4. Developing ESG Awareness

We will work to enhance awareness of various aspects of ESG, not only among employees, but also tenants and suppliers of properties owned by clients. In addition to contributing to improving competitiveness of GAR and tenants, we aim to contribute to the realization of a sustainable society.

### 5. Communicating ESG Information

We will proactively disclose ESG promotion structures, strategies, and performance. Moreover, we will seek to secure informational objectivity by using external evaluations.

### 6. Eliminating Conflicts of Interest and Emphasizing Compliance

We will strictly eliminate conflicts of interest to protect clients' interests, and will emphasize observing laws, regulations and internal rules with an aim to gain the trust of a wide range of stakeholders.

GAR holds ESG Promotion Council (once or more every three months) with the aim of continuously and systematically promoting GOR's initiatives

Under the control of the President, who is the top officer of the ESG Promotion System of GAR, each operating officer in REIT Business Unit will develop systems and formulate various policies regarding the promotion of ESG as well as set annual goals related to various policies, propose various measures based on them, and act in accordance with the decisions made by the top officer.

## Principles for Financial Action towards a Sustainable Society (the PFA21) (\*)

GAR became a signatory to the PFA21 (March 2020)

GAR will implement activities under seven principles based on the "Principles for Financial Action for the 21st Century" to form a sustainable society.

(\*) Action guidelines for financial institutions towards shaping a sustainable society.



## GRI (\*) Standards Index

The GRI Standards Index has been posted on GOR's website

Information on the website corresponding to each item in the "Sustainability Reporting Standard" of GRI is shown in the GRI Standards Index.

(\*) "Global Reporting Initiative". The "GRI Standards" refer to the disclosure standard for organizations to report their impact on economy, environment and society, and has become a global standard on which many governments and companies rely on

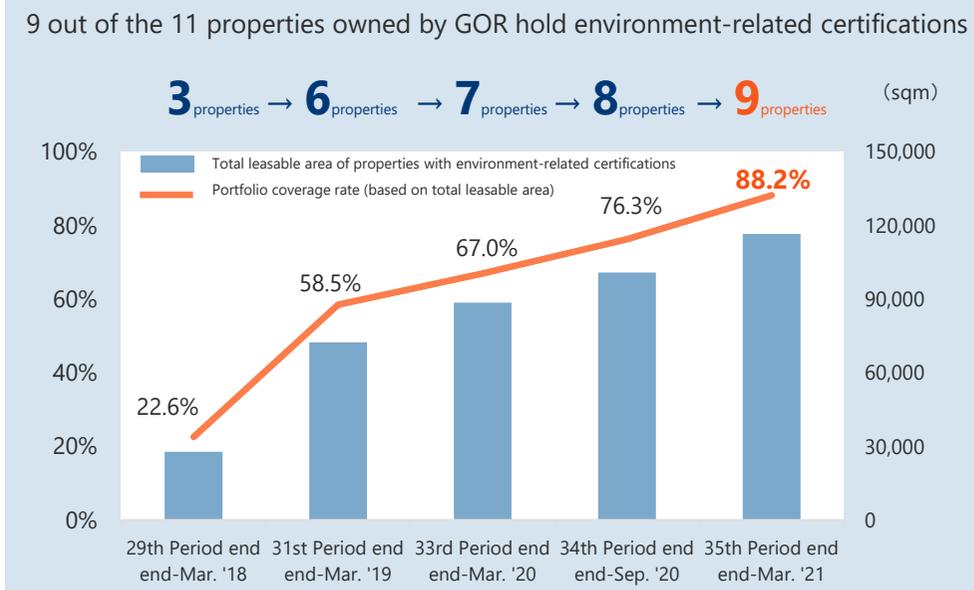
Disclosure	Location of reason for omission
102-1 Name of the organization	Public & Microsites of GOR
102-2 Products, services, activities, and services	Public & Microsites of GOR Sustainability Strategy (Sustainability Report)
102-3 Location of operations	Public & Microsites of GOR
102-4 Location of operations	Public & Microsites of GOR
102-5 Ownership and legal form	Public & Microsites of GOR
102-6 Markets served	Public & Microsites of GOR Sustainability Strategy (Sustainability Report) and Public & Microsites of GOR
102-7 Size of the organization	Public & Microsites of GOR Sustainability Strategy (Sustainability Report)
102-8 Information on employees and other context	Public & Microsites of GOR Sustainability Strategy (Sustainability Report)
102-9 Supply chain	Public & Microsites of GOR
102-10 Significant changes to the organization and its supply chain	Public & Microsites of GOR
102-11 Procurement Processes or approach	Public & Microsites of GOR
102-12 External matters	Public & Microsites of GOR
102-13 The nature of assessment	Public & Microsites of GOR
102-14 A list of the most materiality of industry or other stakeholders, and external or responsive services organizations	Public & Microsites of GOR
102-15 Statement from senior management	Public & Microsites of GOR
102-16 Key impacts, risks, and opportunities	Public & Microsites of GOR

# 4. Promotion of ESG (E : Environment ①)

## Acquisition of environment-related certification

Newly acquired "Rank S" of "CASBEE for Real Estate" for Kinshicho and Yokohama and the portfolio coverage rate improved further (KPI goal: 70%)

DBJ Green Building		CASBEE for Real Estate	
★★★★★	Sengokuyama, Hirakawcho	★★★★★ Rank S	Hirakawcho, Sengokuyama, Shinagawa, Kinshicho, Yokohama <b>New</b>
★★★★	Toyosu, Midosuji		
★★★	Minami-Aoyama, Saitama		
JHEP accreditation		BELS	
AAA	Sengokuyama	★	Yokohama
Top-Level Facility (certified by the Tokyo Metropolitan Government)			
Sengokuyama			



## Establishment of Green Finance Framework **New**

Received Green 1(F) rating, the highest evaluation from JCR  
 Received Green 1(F) rating, the highest evaluation, from JCR concerning eligibility of Green Finance Framework established on 26 February 2021 for the implementation of green finance  
 Use of funds procured satisfies Green Eligibility Criteria A or Green Eligibility Criteria B below.

Green Eligibility Criteria A	Assets that have achieved or are expected to achieve any certification or recertification that falls under the following: <ul style="list-style-type: none"> <li>• Five, four, three stars in the DBJ Green Building Certification</li> <li>• Five, four, three stars in the BELS Certification</li> <li>• S, A, B+ rank in the "CASBEE for Real Estate" Certification</li> <li>• Platinum, Gold, Silver in the LEED Certification</li> </ul>
Green Eligibility Criteria B	Renovation for more than 30% reduction of CO <sub>2</sub> emissions, energy consumption, or water usage

## MUFG ESG Rating Certificate for J-REIT supported by JCR

Acquired the highest rating of "Rank S"

Received the highest rating of "Rank S" in the "MUFG ESG Rating Certificate for J-REIT supported by JCR" by Mitsubishi UFJ Research and Consulting Co., Ltd.



# 4. Promotion of ESG (E : Environment ②)

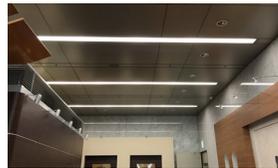
## Promotion of conclusion of green lease agreements

Concluded green lease agreements in 6 of 11 properties in the portfolio



◆ Example of green lease agreement accompanying renovation (Midosuji)

Concluded a contract to let tenants bear certain compensation regarding the effect of the reduction of electricity consumption through the conversion work to LED lighting at dedicated areas as an effort in cooperation with tenants



## Reduction of energy-related consumption

Progressing at a pace exceeding the medium- to long-term goal

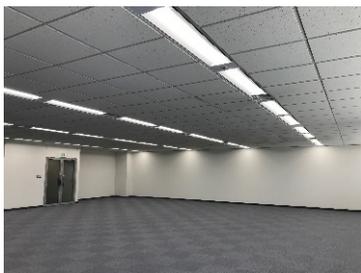
Mid to long term goal Reduce energy-related consumption by 5% in five years with fiscal 2018 as the base

Item	Electricity consumption	Fuel consumption	District heating and cooling consumption	Water consumption	CO2 emissions	Waste recycling rate
Change in intensity	-6.7%	16.7%	-5.3%	-10.7%	-9.6%	71.2% (+0.5%)

(\*1) Rate of change in intensity is based on the comparison between fiscal 2018 and fiscal 2019  
 (\*2) The impact of the asset replacement is included  
 (\*3) CO2 emissions include the effect of the reduction of CO2 emission coefficient

## Case examples

◆ Conversion work to LED lighting



Kinshicho



Hirakawacho



Shinagawa

## Preparation and distribution of a sustainability guide

Promotion of collaborative actions with tenants

In order to promote initiatives related to sustainability in collaboration with tenants, prepared and distributed a sustainability guide introducing case examples of sustainable initiatives that can be easily implemented



New

## Use of recycled water

Used recycled water in 7 of 11 properties in the portfolio

Promoted the use of recycled water out of consideration to the surrounding environment and for the effective use of water resources

◆ Placed PR stickers (Saitama)

Taking part in initiatives on SDGs of Saitama Prefecture and placing PR stickers on toilets that have been using recycled water from before



New

## Promotion of use of power generated from renewable energy sources

Planning to partially procure power generated from renewable energy sources (Minami-Aoyama)

Selected an optimal electric company which enables the reduction of CO2 emissions through procurement of power generated from renewable energy sources as well as electricity charges (cost), and plan to switch to the company in August 2021  
 Will promote initiatives for achieving the decarbonization goal based on the ESG policy while paying attention to electricity charges (cost)

# 4. Promotion of ESG (S : Social ①)

## Tenant initiative



### Renewal of the atrium (Otemachi)

Refurbished the design to render a high-class atmosphere and relaxing mood suitable for a landmark in Otemachi  
 In addition to creating continuity from outside by placing a lot of greenery, gave consideration to the convenience of visitors by installing highly visible signs in the building, placing touchdown desks, etc.



### Measures against COVID-19

- Prepare disinfectants at common areas inside all buildings
- Installed space-disinfecting device inside ELV (Otemachi, Shinagawa)
- Applied antibacterial coating inside ELV (Minami-Aoyama, Toyosu, Yokohama, Saitama)
- Placed a contactless self-check thermometer (Otemachi, Shinagawa)
- Created a space with natural aromas that is effective for eliminating viruses (Toyosu)
- Applied antibacterial film over ELV buttons, etc. (Yodoyabashi)



### Collaboration of food trucks and digital signage (Yokohama)

Utilizing digital signage installed in ELV halls, etc., communicated information to enhance tenants' convenience and satisfaction, for instance, by displaying the menus of food trucks operating in the premises



### Tenant satisfaction survey

Implement a tenant satisfaction survey periodically at all properties to understand tenants' requirements and points to improve. Leverage it to create an environment where tenants can spend time comfortably

#### ◆ Examples of actions

- Changed the operation control of elevators to reduce congestion in the morning (Yokohama)
- Employees at head office of cleaning company provided practical skill training to sanitation workers to improve the quality of daily cleaning (Otemachi)
- Installed additional trash cans for vending machines in a refresh room to improve sanitary conditions (Kinshicho)
- Prepared a budget for conversion work to LED lighting to reduce the load of replacing fluorescent lights (Kinshicho)

# 4. Promotion of ESG (S : Social ②)

## Employee initiative



### TOKYO Work-Style Reform Declaration

GAR was recognized as a "TOKYO Work-Style Reform Declaration Company (\*)" by the Tokyo Metropolitan Government on 17 December 2020

(\*) Refers to a company that makes company-wide efforts on reducing employees' long working hours and promoting use of annual paid leave, etc. by setting a two- to three-year target with detailed actions.

### Employee satisfaction survey

Conducted employee satisfaction surveys through an external survey company (both implementation rate and response rate were 100%)

Focus on eNPS (\*) to achieve continuous improvement by conducting the survey every year and understanding secular change

(\*) "Employee Net Promoter Score". It asks employees the degree which they would recommend their workplace to acquaintances and friends, and quantifies the "degree of recommendation of workplace".

### Compliance training/ESG training

GAR provides compliance training four times a year, in principle, to have officers and employees abide by laws and regulations and raise their awareness of compliance. One of the four training sessions is ESG training provided to help them develop their awareness of ESG.

### Supporting participation in external trainings/expanding in-house training system

Encouraging and supports employees' participation in external seminars and training for improving work-performance skills and acquisition of expert knowledge deemed necessary for the duties by shouldering expenses for receiving the training, etc.

Expanding its in-house training system by providing employees online English training which can be used flexibly by each employee

### Highly transparent personnel evaluation system

Implementing a personnel evaluation system to evaluate performance and ability from multifaceted perspectives including ESG initiatives

### Enrichment of employee benefit system

Introducing welfare agency service "Benefit Station"

### Promotion of flexible working system

Allowing employees to work from home and introducing a system for staggered working hours

## Measures against COVID-19

- Prepare disinfectants at numerous places within the company
- Distribute masks to all employees - A total of 350 masks per person
- Recommend work-from-home and the use of system for staggered working hours
- Lend mobile PCs to all employees
- Placed acrylic panels in the offices and meeting rooms



## Supporting acquisition of qualifications

Encouraging employees to acquire professional qualifications as part of human capital development to raise expert skills of employees by shouldering expenses for taking examinations for qualifications or retaining such qualifications, etc., deemed necessary.

◆ Number of certification holders (ratio) : as of 1 April 2021 (including employees who passed the exams but not registered)

Certification	Number of holders	%
Real Estate Notary	33	71.7%
ARES Certified Master	19	41.3%
Real estate appraiser	1	2.2%
Registered architect with a first-class license	4	8.7%
Certified Building Administrator	5	10.9%
Certified Member Analyst of SAAJ	1	2.2%
CASBEE Accredited Professional for Buildings/ CASBEE Accredited Professional for Real Estate/ CASBEE Accredited Professional for Wellness Office	1	2.2%

# 4. Promotion of ESG (G : Governance)

## System for preventing conflict of interest

The president of the Asset Manager does not serve as the executive director of the Investment Corporation, and the organization controlling the operation of GAR and GOR is partitioned.

Rules have been established for preventing conflict of interest transactions that are likely to be seen among customers with regard to GAR's three businesses (REIT asset management business, discretionary investment business and investment advisory business) in addition to the rules for transactions with sponsor-related parties.

## Same Boat Investment

GAR holds 6,000 investment units (0.62%) of GOR through same boat investment.

Share the interests between GOR's unitholders and GAR and pursue enhancement of unitholder value of GOR over the medium term.

## Sponsor support

Solid financial foundation supported by MUFG Bank Ltd. and Meiji Yasuda Life Insurance Co.

## Fee for Asset Manager

### Management fees

Management fee 1	Previous term-end total assets × 0.3% per annum
Management fee 2	Net income before tax which is a base for asset management fee 2 during the concerned fiscal term (*) × 5.0%

(\*) Income before income taxes, which is the base for management fee 2 = operating revenue – operating expenses (excluding management fee 2) + non-operating profits and losses

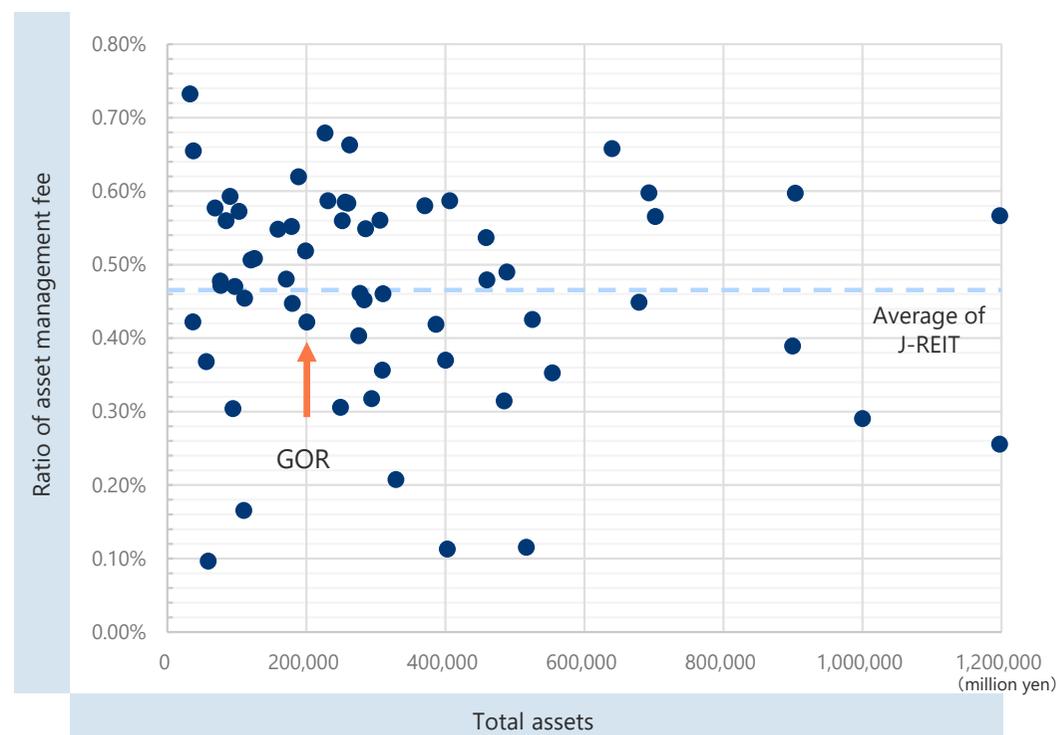
### Acquisition/disposition fee

Acquisition fee	Acquisition price (appraisal value of the acquired real estate related assets in the case of acquisition through exchange of assets) × 0.5%
Disposition fee	Disposition price (appraisal value of the disposed real estate related assets in the case of disposition through exchange of assets) × 0.5%

### Merger fee

Merger fee	The amount separately agreed upon with the Asset Manager on the effective date of the merger up to the amount equivalent to 0.5% of the total appraisal value of the counterparty's real estate related assets succeeded and owned after the merger.
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### ◆ List of asset management fees of each J-REIT (\*)



(\*) Figures are calculated based on the financial results for the most recent fiscal period of each investment corporation disclosed as of the end of March 2021.

Ratio of asset management fee = (asset management fee ÷ operation day × 365)/total asset

# 4. Promotion of ESG (Materiality)

## Determination of Materiality (priority issues)

	Priority issues	Activity plan/target	KPI	Related SDGs (*1) and Targets
E	Acquisition of environment-related certification	<ul style="list-style-type: none"> <li>Increase the ratio of properties with external certification such as DBJ Green Building Certification, CASBEE for Real Estate, BELS certification, etc. (To increase the coverage rate to 70% or more by 2030)</li> </ul>	Coverage rate within portfolio	
	Cooperation with tenants	<ul style="list-style-type: none"> <li>Conclusion of green lease agreements</li> <li>Raising awareness of environmental consideration among tenants</li> </ul>	(*2) Implementation rate in new contracts (including re-conclusion of fixed-term lease contracts)	
	Accommodating climate change (Management and reduction of energy consumption)	<ul style="list-style-type: none"> <li>Reduction of energy consumption and greenhouse gases (GHG) (Intensity : Average -1% / year, -5% / 5 years)</li> <li>Reduction of water consumption (Intensity : Average -0.2% / year, -1% / 5 years)</li> <li>Improvement of waste recycling rate (Recycling rate : Average +0.1% / year, +1% / 10 years)</li> </ul> <p>*All targets are based on the figures for fiscal 2018</p>	Energy consumption intensity Greenhouse gas emissions intensity Water consumption intensity Waste recycling rate Amount of renewable energy generation *Scheduled to be disclosed once the figures are carefully examined	
S	Improvement of employee performance and career development	<ul style="list-style-type: none"> <li>Enrichment of employee benefits</li> <li>Implementation of employee satisfaction survey</li> <li>Establishment of various training systems and expansion of support for qualification acquisition of employees</li> </ul>	Implementation rate of employee satisfaction survey, response rate training hours Percentage of employees holding qualifications	
	Stakeholder engagement	<ul style="list-style-type: none"> <li>Improvement of customer satisfaction through the implementation of tenant satisfaction survey</li> <li>Contribution to local community</li> </ul>	Implementation rate of tenant satisfaction survey	
G	Thorough compliance and risk management	<ul style="list-style-type: none"> <li>Confirmation of status of compliance with laws and regulations, etc.</li> <li>Appropriate risk management through frameworks including the elimination of conflict of interest transactions</li> </ul>	Implementation rate of compliance training Number of risk assessments implemented per year Number of internal audits implemented per year	
	Prevention of corruption	<ul style="list-style-type: none"> <li>Blocking relations with antisocial forces</li> </ul>		
	Promotion of proactive information disclosure	<ul style="list-style-type: none"> <li>Intend to expand ESG information through disclosed materials, etc. and further promote proactive information disclosure to stakeholders</li> </ul>		

(\*1) "Sustainable Development Goals". They are goals adopted at the U.N. summit in September 2015 and aimed to be achieved in 15 years from 2016 to 2030, composed of 17 major goals and 169 specific targets for achieving such goals.

(\*2) The implementation rate within the new contract refers to the percentage of the agreement with the green lease clauses in the lease contact with the new tenant and the fixed-term lease contract renewal with the existing tenants.



## **IV Reference Material**

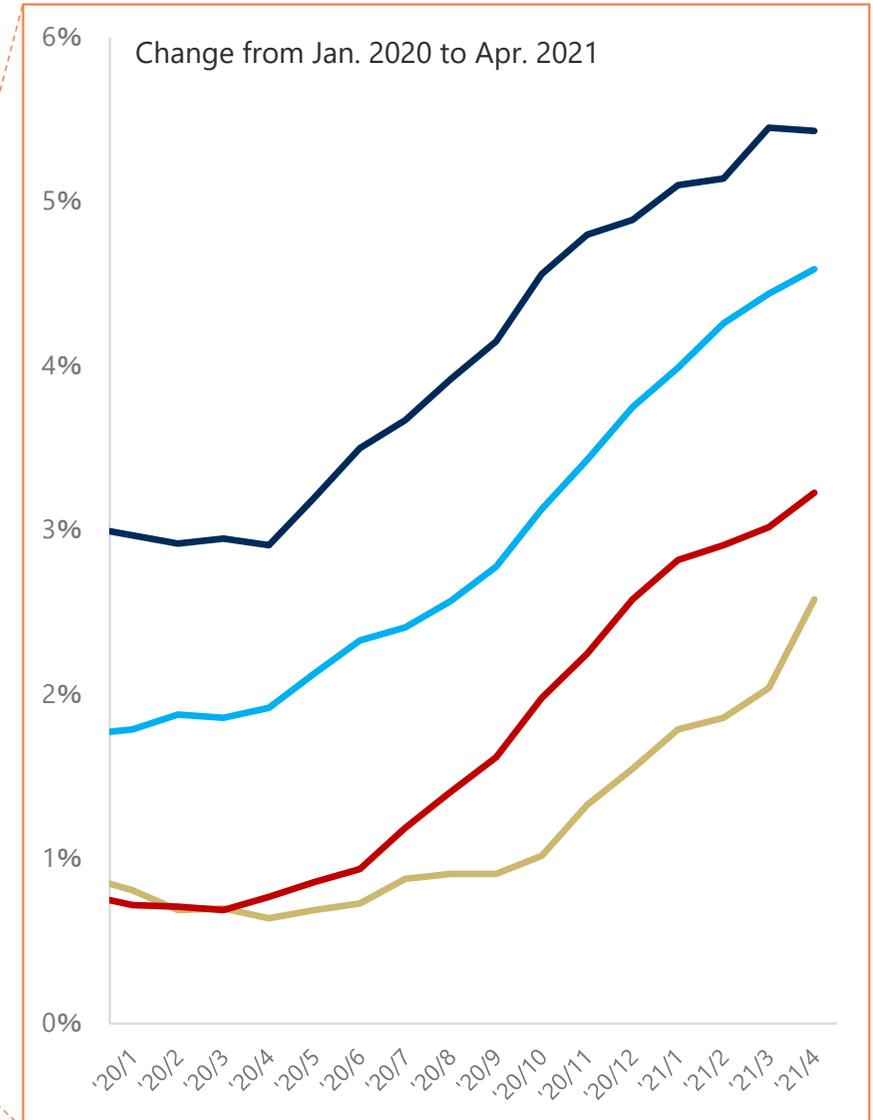
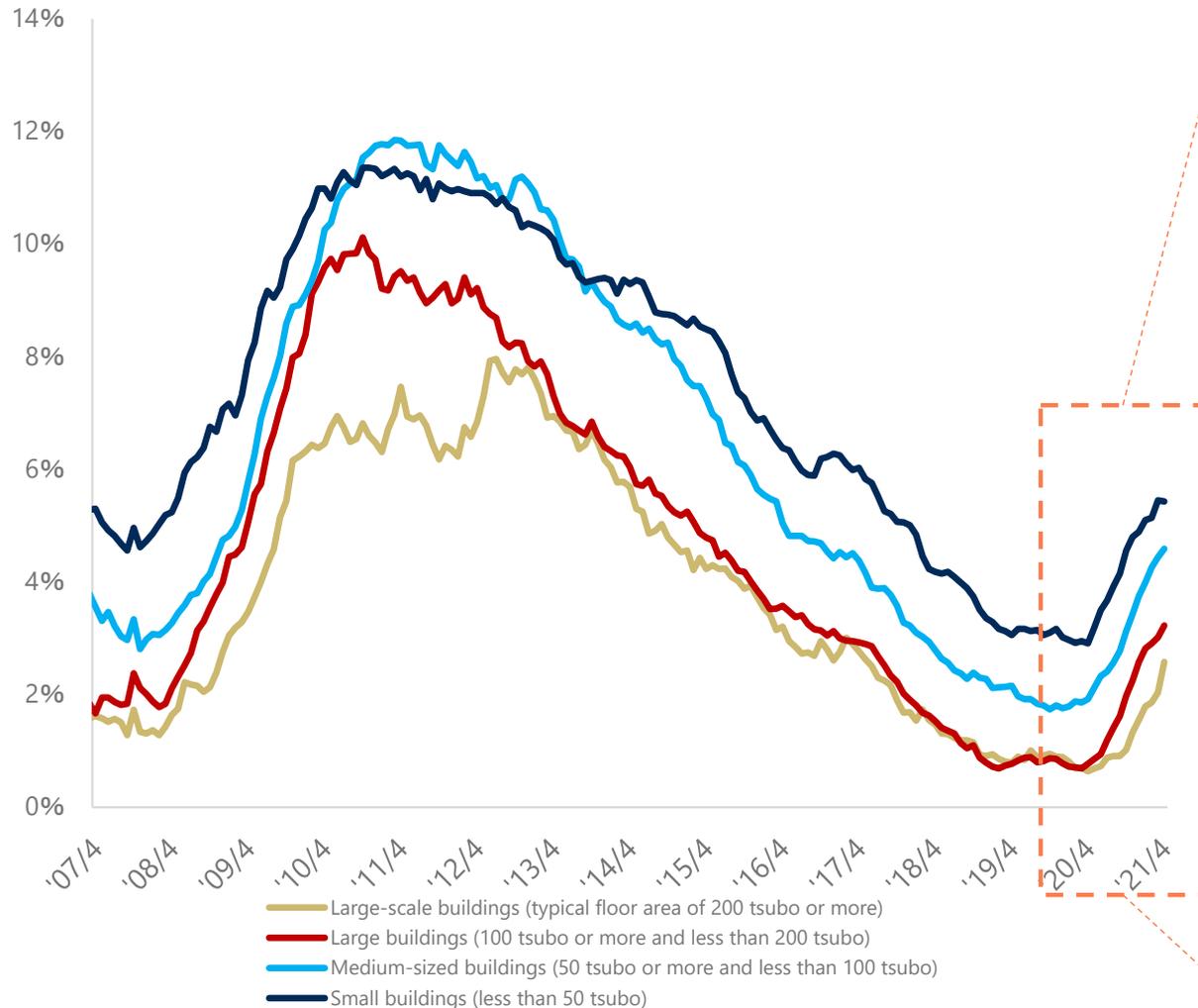
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<h2>Basic Policies</h2>	<p>GOR aims to achieve the steady growth of its assets and secure stable profits from a medium- to long-term perspective, operate its finances in a secure manner, and manage its assets with the goal of "<b><u>maximization of unitholder value.</u></b>"</p>
<h2>Investment mainly in superior properties</h2>	<p>GOR carefully sifts for superior properties that have advantages over rivals and medium- to long-term competitiveness using the key words of "<b><i>closer</i></b>" (i.e. conveniently situated), "<b><i>newer</i></b>" (recently built) and "<b><i>larger</i></b>" (large-sized) and invest in them.</p>
<h2>Portfolio Quality and Growth Speed</h2>	<p>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 "maximization of unitholder value" 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.</p>
<h2>Management and Operation</h2>	<p>GOR seeks to maintain high occupancy rate 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 reducing costs, in order to optimize property management costs while ensuring tenant satisfaction.</p>

# Change in Vacancy Rate by Size (Tokyo 23 Wards)

■ Although the vacancy rate of large-scale buildings has risen, it is lower than that of small- to medium-size buildings

■ Change in vacancy rate by size in Tokyo 23 wards

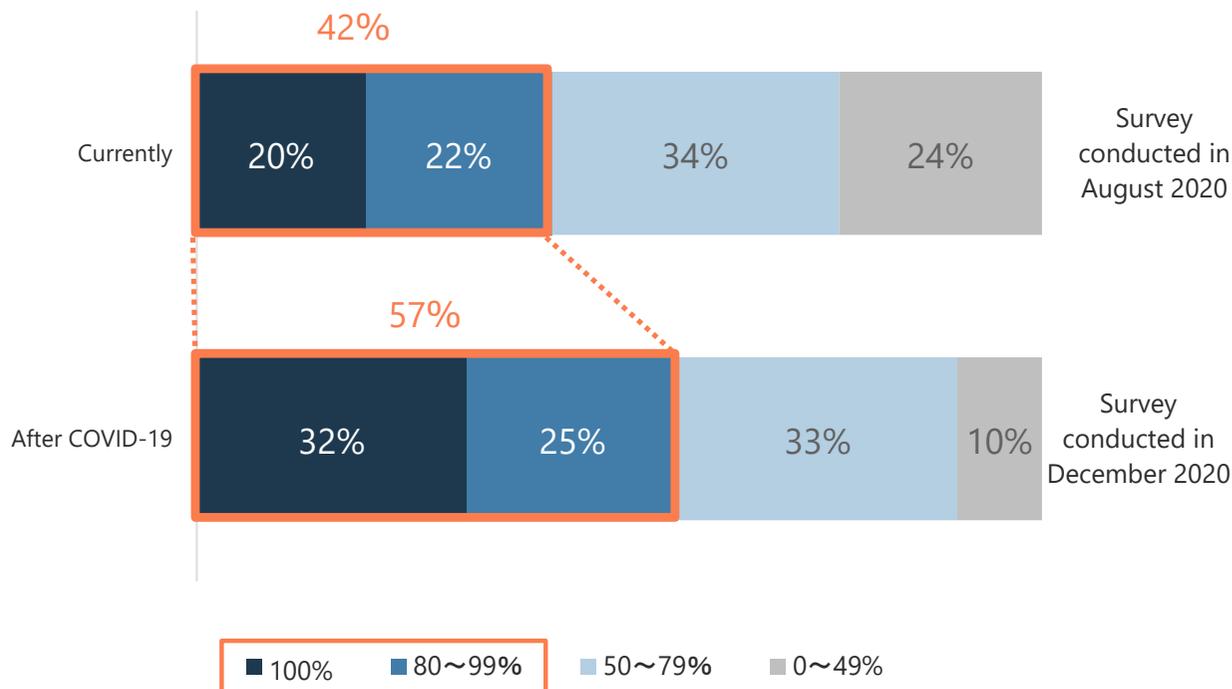


Source: "April 2021 Monthly Office Market Survey (オフィスマーケット調査月報2021年4月号)", Sanko Estate Co., Ltd (Prepared and translated by GAR)

## More companies anticipate employees working in the office in the post-COVID era

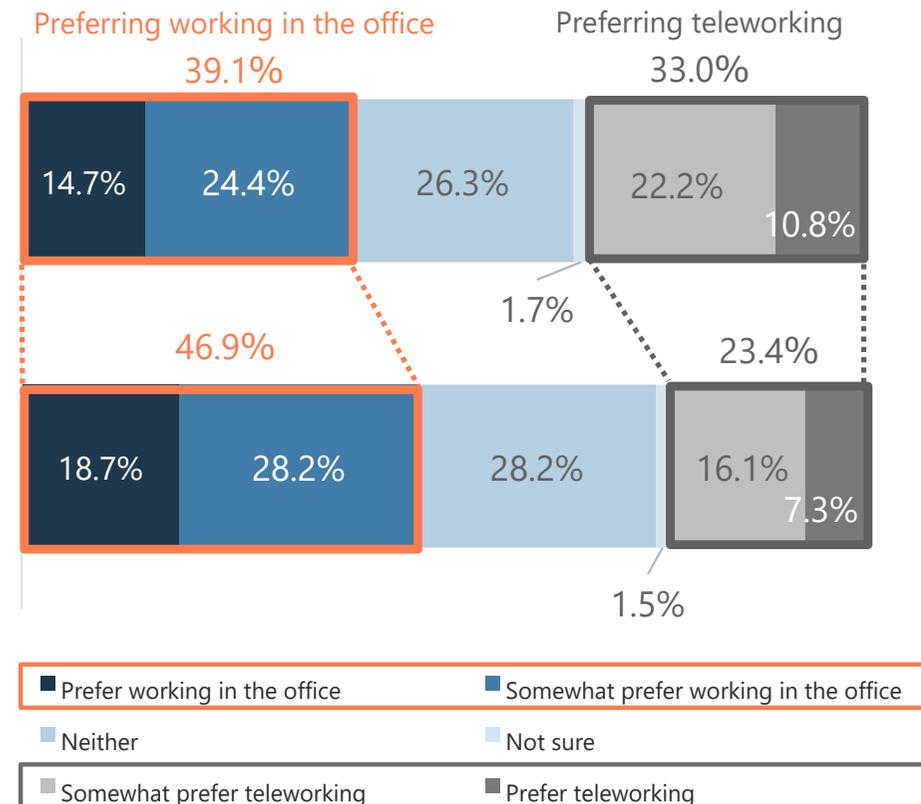
### 【Employees Working in Offices Now and Post-COVID】

- Currently, 42% of companies have 80% or more of employees working in the office
- In the post-COVID era, 57% of companies expect 80% or more of employees working in the office



### 【Emphasis on working in the office and teleworking in the post-COVID era】

- The survey conducted in August 2020 showed 39.1% preferring working in the office and 33.0% preferring teleworking
- The figure rose to 46.9% in the survey conducted in December 2020 while the percentage of people preferring teleworking declined to 23.4%

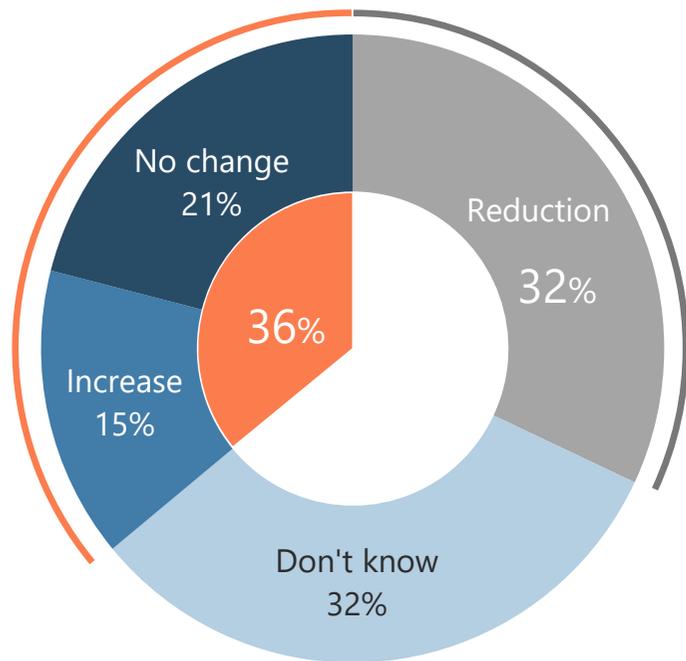


■ Although 32% of companies plan for "reduction" of office space, the impact on the operational office space is limited to -3.1%

## 【Plans for expansion or reduction of floor space】

(tenant companies of rental buildings in the 23 wards of central Tokyo)

- 4 choices of "Reduction," "Don't know," "Increase" and "No change":  
Percentage of respondents

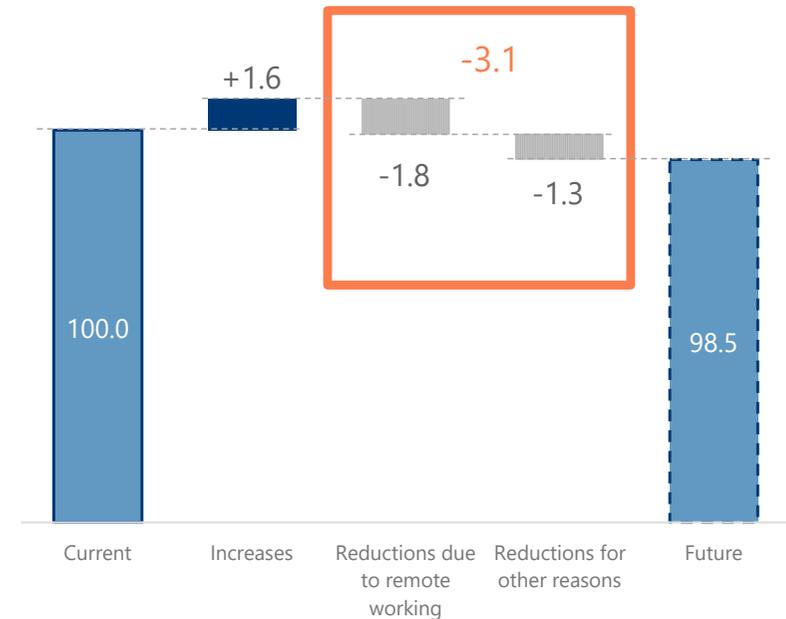


It should be noted that those planning for "Increase" and "No change" totaled 36%, surpassing those planning for "Reduction" at 32%

## 【Projections for future leased office floor space】

(current level = 100; central Tokyo, includes plans with no set timetable)

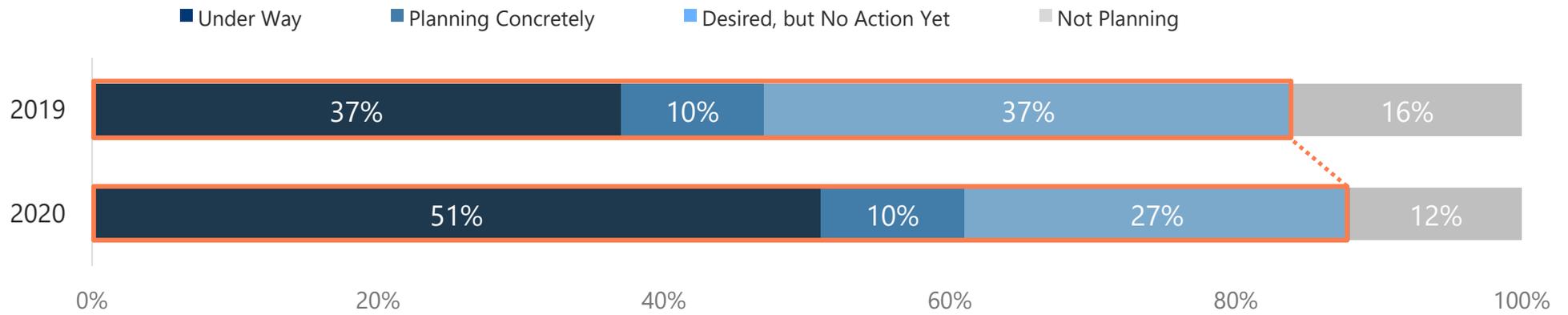
- Estimated the impact on the operational office space based on the leased floor area and plans of the respondents on the left



Plans for a "significant increase" have been estimated as an increase of 20% over current levels, a "slight increase" as a 10% increase, a "slight reduction" as a 10% decrease, and a "significant reduction" as a 20% decrease. The 30% of respondents who said that they "did not know" what their office space plans were have been treated as "unchanged".

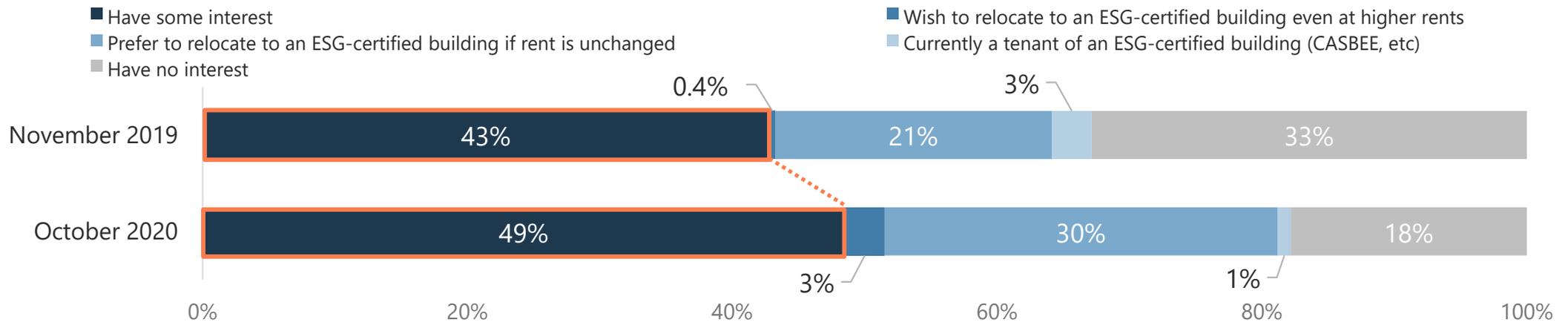
■ Companies are more proactive towards SDGs initiatives. Interest in ESG-conscious office buildings is also on the rise

【Implementation of SDG initiatives】 (companies with at least 300 employees)



Source: "2020 Survey of Office Needs in Tokyo's 23 Wards" (the survey conducted during 16 October – 6 November 2020), Mori Building Co., Ltd. (Prepared by GAR)

【Interest in ESG-certified office buildings】 (nationwide)



Source: "Accelerating the Office Evolution, A report based on the results of an office tenant survey conducted during October - November 2020", CBRE Research (Prepared by GAR)

# Property Values at the End of Period (as of 31 March 2021)

- The appraised cap rate was at the same level as that for the previous period. The appraisal value decreased from the previous period for Hirakawacho (reacquisition of ER) and Kinshicho (decrease in the balance of revenue and expenditure of utility charges)

Property Name	Acquisition Price (million yen)	Appraisal Value (million yen) (*1)				Variance From Previous Period (million yen)	DC method Cap Rate (%) (*2)	DCF method	
		At the time of acquisition	End of 33rd Period	End of 34th Period	End of 35th Period			Discount Rate (%) (*2)	Terminal Cap Rate (%) (*2)
Otemachi First Square	23,495	23,500	27,300	26,300	26,300	-	2.8	2.3	2.8
Hirakawacho Mori Tower	18,200	18,800	23,900	23,900	23,500	-400	3.2	3.0	3.4
Rakuten Crimson House Aoyama	35,000	35,040	36,600	37,400	37,400	-	3.2	3.1	3.2
ARK Hills Sengokuyama Mori Tower	8,423	8,610	11,100	11,100	11,100	-	3.1	2.9	3.3
Arca Central (*3)	① 15,031	① 16,600	18,200	18,200	17,700	-500	3.9	3.7	4.1
	② 360	② 403							
Toyosu Prime Square	21,000	23,700	24,300	24,400	24,400	-	3.6	3.7	3.8
Shinagawa Seaside West Tower	12,000	12,650	13,050	13,050	13,050	-	4.0	3.8	4.2
Yokohama Plaza Building	17,950	17,980	21,800	21,800	21,900	100	3.8	3.5	4.0
Meiji Yasuda Life Insurance Saitama-Shintoshin Building	22,700	22,820	22,850	22,950	23,200	250	4.6	4.4	4.7
Meiji Yasuda Life Insurance Osaka Midosuji Building	9,200	9,590	10,800	11,100	11,200	100	3.6	3.7	3.8
Yodoyabashi Flex Tower	7,834	7,940	7,590	7,690	7,950	260	4.1	3.9	4.3
Entire portfolio	191,194	197,633	217,490	217,890	217,700	-190	—	—	—

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

Japan Real Estate Institute : Otemachi and Yokohama  
 Daiwa Real Estate Appraisal Co., Ltd. : Hirakawacho, Sengokuyama, Kinshicho, Shinagawa and Yodoyabashi

Chuo Real Estate Appraisal Co., Ltd. : Minami-Aoyama and Saitama  
 The Tanizawa Sogo Appraisal Co., Ltd. : Toyosu and Midosuji

(\*2) Percentages were used for calculations of 35th period term-end appraisals.

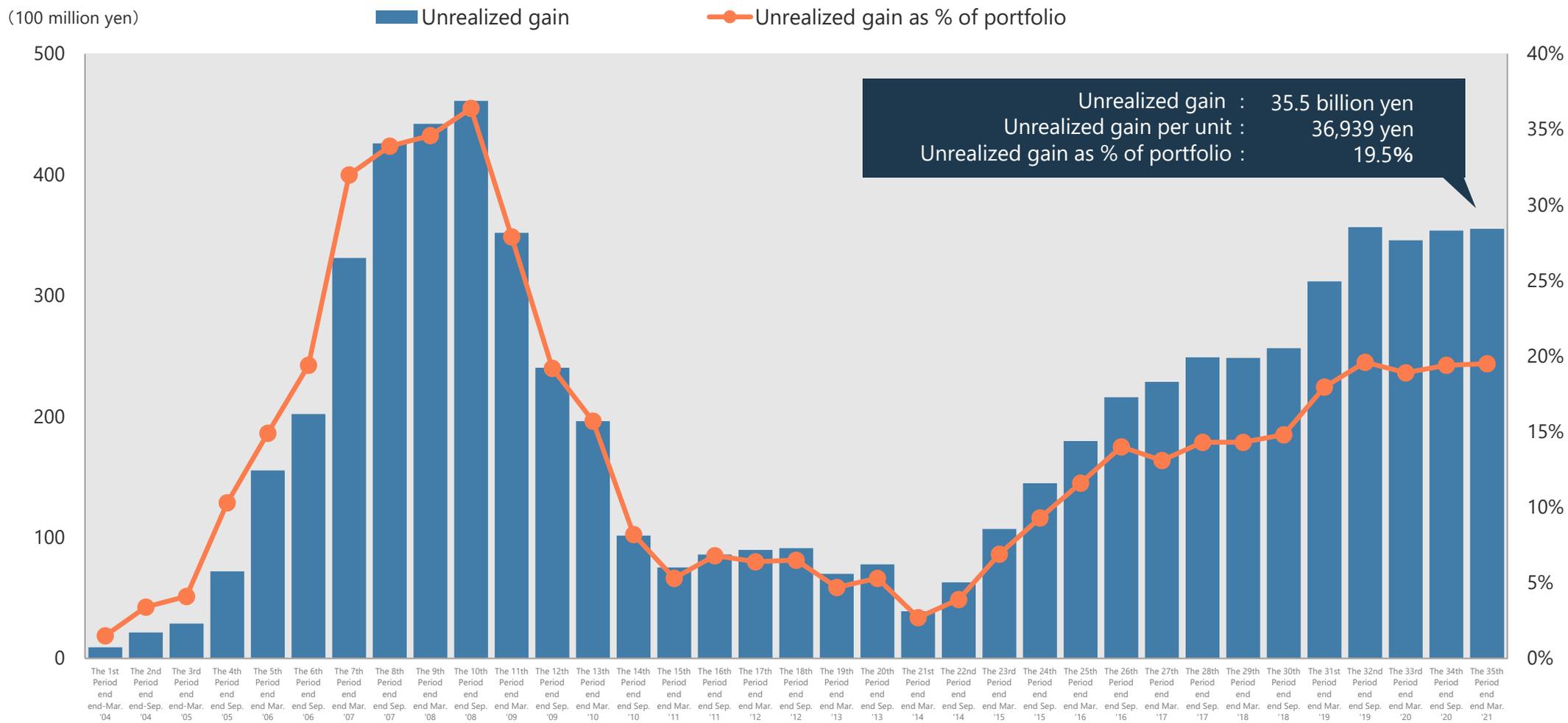
(\*3) ①: GOR acquired Arca Central on 28 Mar. 2014 (21st Period).

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

Property Name	① Appraisal Value at the end of 35th Period (million yen)	② Book Value at the end of 35th Period (million yen)	③ Unrealized gain/loss = ① - ② (million yen)	④ Book Value ratio = ③/② (%)
Otemachi First Square	26,300	23,197	3,102	13.4
Hirakawacho Mori Tower	23,500	17,032	6,467	38.0
Rakuten Crimson House Aoyama	37,400	34,322	3,077	9.0
ARK Hills Sengokuyama Mori Tower	11,100	7,927	3,172	40.0
Arca Central (*3)	17,700	16,025	1,674	10.4
Toyosu Prime Square	24,400	20,903	3,496	16.7
Shinagawa Seaside West Tower	13,050	11,866	1,183	10.0
Yokohama Plaza Building	21,900	16,943	4,956	29.2
Meiji Yasuda Life Insurance Saitama-Shintoshin Building	23,200	18,126	5,073	28.0
Meiji Yasuda Life Insurance Osaka Midosuji Building	11,200	9,476	1,723	18.2
Yodoyabashi Flex Tower	7,950	6,346	1,603	25.3
Entire portfolio	217,700	182,168	35,531	19.5
Unrealized gain per unit			36,939yen	46

# Changes in unrealized gain for portfolio

■ Constantly maintained unrealized gain for 17.5 years since IPO



(Note 1) Figures are as of the end of each period.

(Note 2) Unrealized gain = appraisal value of properties - book value of properties. Unrealized gain as % of portfolio = unrealized gain/book value of properties. See page 46 for details.

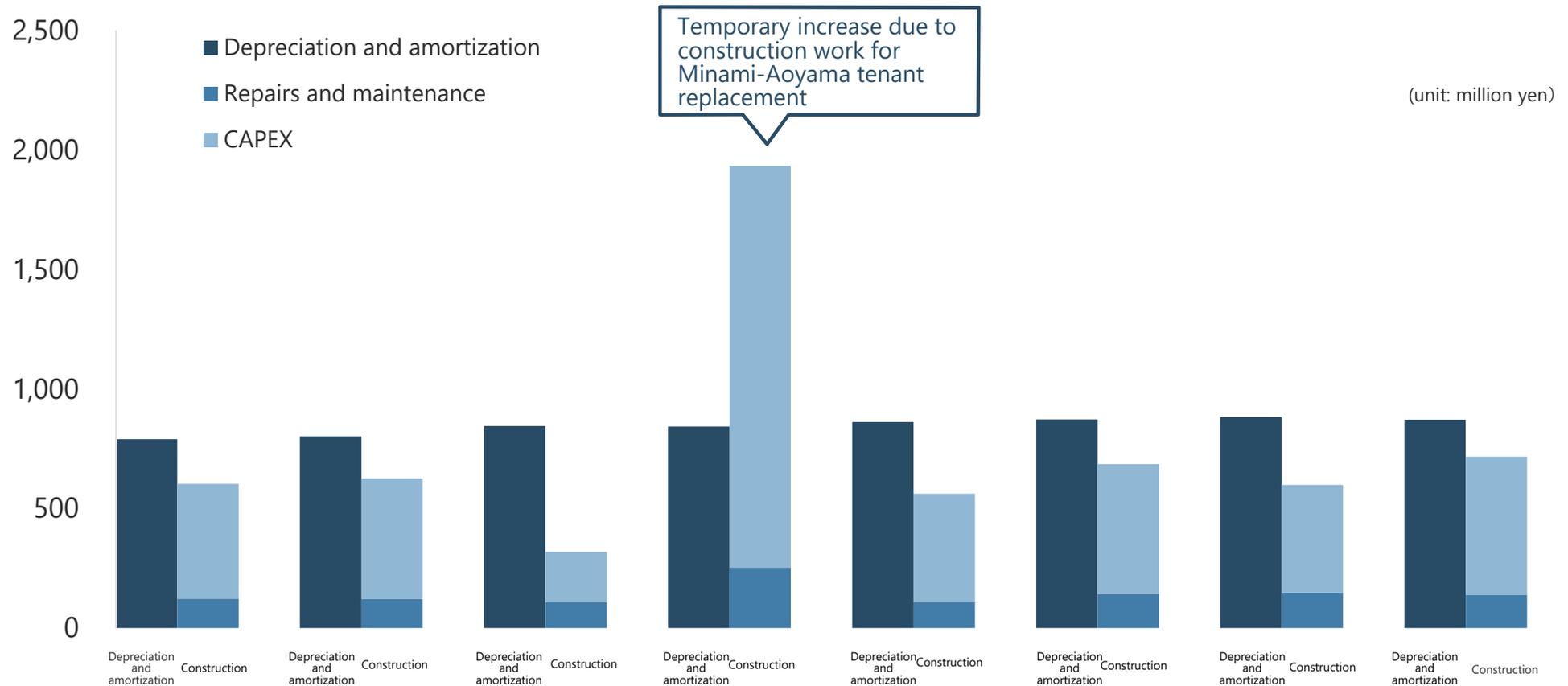
(Note 3) Unrealized gain per unit is calculated with the number of units issued and outstanding (961,884 units) as of the end of March 2021.

# Revenues, Expenses and NOI Yield (the 35th Period (ended March 2021) )

		Otemachi	Hirakawacho	Minami Aoyama	Sengokuyama	Kinshicho	Toyosu	Shinagawa	Yokohama	Saitama	Midosuji	Yodoyabashi	Total	
A. Property-related revenues	million yen	508	556	872	226	565	477	402	550	943	327	256	5,688	
Rental revenues	million yen	(*)	556	872	226	565	473	402	550	943	326	256	5,682	
Other rental revenues	million yen		–	0	–	–	4	0	0	0	1	–	5	
B. Property-related expenses	million yen	281	168	324	86	278	180	183	237	380	149	124	2,397	
Property management fees	million yen	(*)	57	72	33	80	45	40	43	88	37	17	564	
Utilities expenses	million yen		5	40	4	23	23	38	20	60	20	15	261	
Property and other taxes	million yen		30	88	14	59	29	34	31	60	46	20	529	
Insurance	million yen		0	1	0	2	0	0	0	1	0	0	11	
Repairs and maintenance	million yen		4	19	0	13	9	18	13	22	6	3	143	
Depreciation and amortization	million yen		68	97	33	98	73	49	126	145	36	65	873	
Loss on retirement of non-current assets	million yen		–	5	–	–	–	–	–	–	–	–	–	5
Other rental expenses	million yen		1	0	0	0	0	1	0	0	1	1	7	
C. Property-related profits and losses (A-B)	million yen	226	387	547	139	286	296	219	313	563	177	131	3,290	
D. NOI (C+Depreciation and amortization + Loss on retirement of non-current assets)	million yen	305	456	651	173	385	369	268	439	708	214	197	4,169	
E. Acquisition price	million yen	23,495	18,200	35,000	8,423	15,391	21,000	12,000	17,950	22,700	9,200	7,834	191,194	
F. NOI yield (D×2÷E)	%	2.6	5.0	3.7	4.1	5.0	3.5	4.5	4.9	6.2	4.7	5.0	4.4	
G. After-depreciation return (C×2÷E)	%	1.9	4.3	3.1	3.3	3.7	2.8	3.7	3.5	5.0	3.9	3.4	3.4	

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

# Results and Budgets for Construction Work



	30th Period (Sep '18)	31st Period (Mar '19)	32nd Period (Sep '19)	33rd Period (Mar '20)	34th Period (Sep '20)	35th Period (Mar '21)	36th Period Budget (Sep '21)	37th Period Budget (Mar '22)
Depreciation and amortization	790	802	845	843	862	873	882	872
Construction	603	627	319	1,933	562	687	599	718
Repairs and maintenance	123	122	107	252	107	143	149	139
CAPEX	480	504	211	1,680	455	543	450	578

# Top 10 Tenants (as of 31 March 2021)

	Name of Tenant (Name of end tenant in the case of pass-through)	Type of Business	Property Name	Leased Area (sqm)	Leased area as % of total leased area (*1)
1	Rakuten, Inc. (*2)	Services	Rakuten Crimson House Aoyama	12,243.57	9.5
2	Mitsubishi Research Institute DCS Co., Ltd.	Information, Telecommunications	Shinagawa Seaside West Tower	7,301.32	5.7
3	MIRAIT Corporation	Construction	Toyosu Prime Square	4,856.17	3.8
4	Life Solutions Company, Panasonic Corporation	Manufacturing	Yokohama Plaza Building	3,499.39	2.7
5	NS United Kaiun Kaisha, Ltd.	Transportation, Postal services	Otemachi First Square	3,422.58	2.7
6	(*3)	Financial/Insurance	Yodoyabashi Flex Tower	2,342.41	1.8
7	Saitama Labor Bureau	Public services	Meiji Yasuda Life Insurance Saitama-Shintoshin Building	2,214.45	1.7
8	Japan Water Agency	Services	Meiji Yasuda Life Insurance Saitama-Shintoshin Building	2,120.46	1.6
9	APLUS Co., Ltd.	Financial/Insurance	Arca Central	2,116.00	1.6
10	(*3)	Wholesale, Retail	Toyosu Prime Square Yokohama Plaza Building Meiji Yasuda Life Insurance Saitama-Shintoshin Building	2,102.12	1.6
	Total			42,218.46	32.8

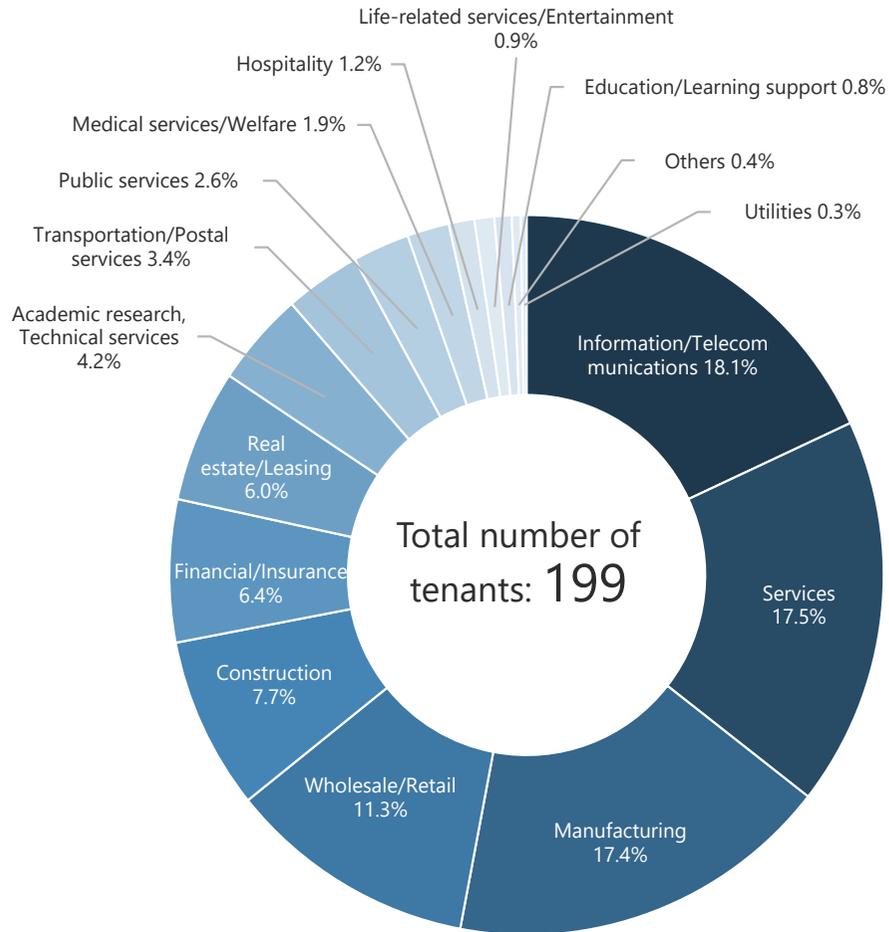
(\*1) "Total leased area" as of 31 March 2021 is 128,842.78 sqm.

(\*2) The trade name was changed to Rakuten Group, Inc. on April 1, 2021.

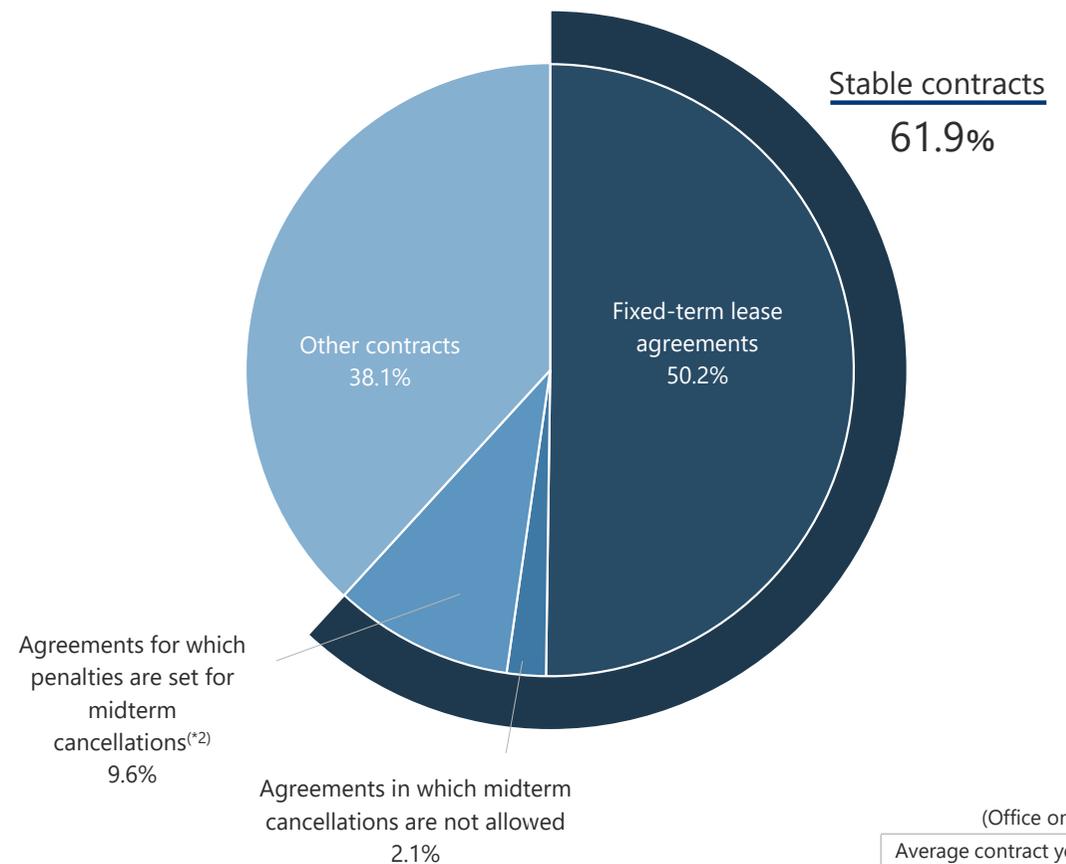
(\*3) The name of the tenant remains undisclosed since consent for disclosure has not been obtained from the tenant.

# Tenant Industry Ratio and Stable Contract Ratio (as of 31 March 2021)

## Tenant by industry <sup>(\*)</sup>



## Stable contract ratio <sup>(\*)</sup>



	(Office only) Average contract year
Fixed-term lease agreements	5.2 years
Other than fixed-term lease agreements	2.1 years
All	3.6 years

(\*1) Ratios are calculated based on leased area. Also, in the case of pass-through leases, ratios are calculated using the industry of end-tenant and lease agreement.

(\*2) "Agreements for which penalties are set for midterm cancellations" refers to lease agreements with penalties equivalent to three months' rent or more for midterm cancellations.



Otemachi First Square



Hirakawacho Mori Tower



Rakuten Crimson House Aoyama



ARK Hills Sengokuyama Mori Tower



Arca Central



Toyosu Prime Square



Shinagawa Seaside West Tower



Yokohama Plaza Building



Meiji Yasuda Life Insurance Saitama-Shintoshin Building



Meiji Yasuda Life Insurance Osaka Midosuji Building



Yodoyabashi Flex Tower

## Strategies

Invests in properties with a focus on...

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

## Features

"CLOSER" - conveniently situated

Walking Distance : 0 – 5 min.

"NEWER" - newly or recently built

Average age of building : 17.0 years

Portfolio PML : 1.9 %

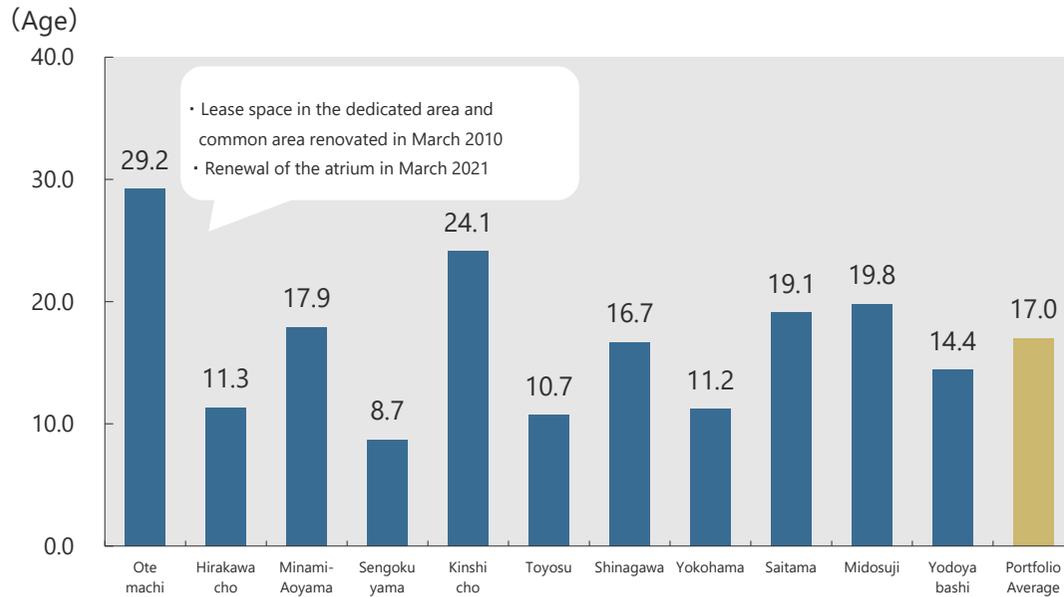
"LARGER" - large office buildings

Average acquisition price : 17.3 billion yen

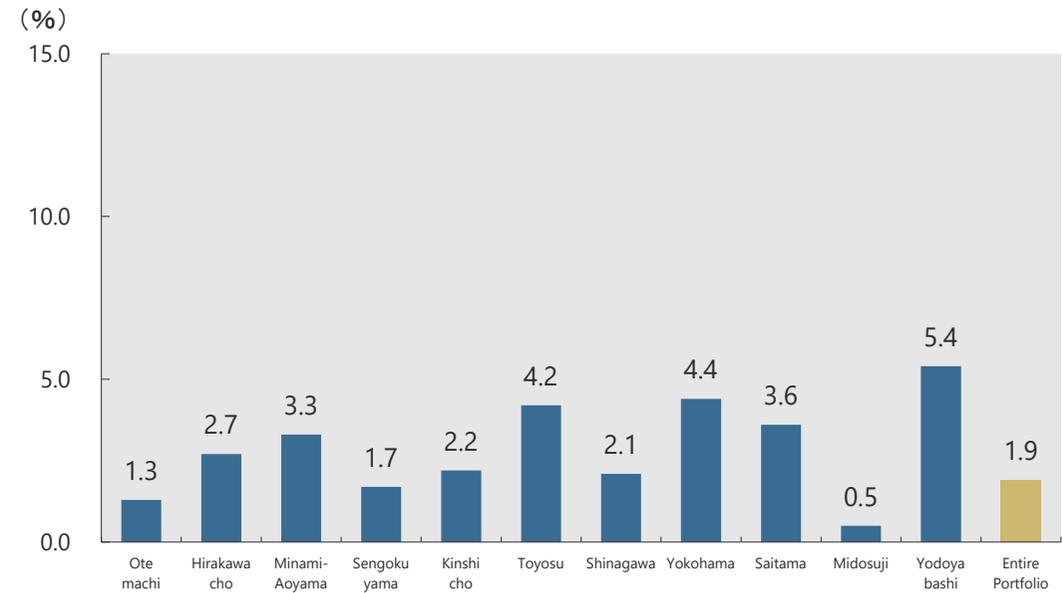
Average total leasable area : 12,016 sqm



## Age of Building



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



(\*1) Based on the age as of 31 March 2021

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

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

Average Age of  
Portfolio Properties

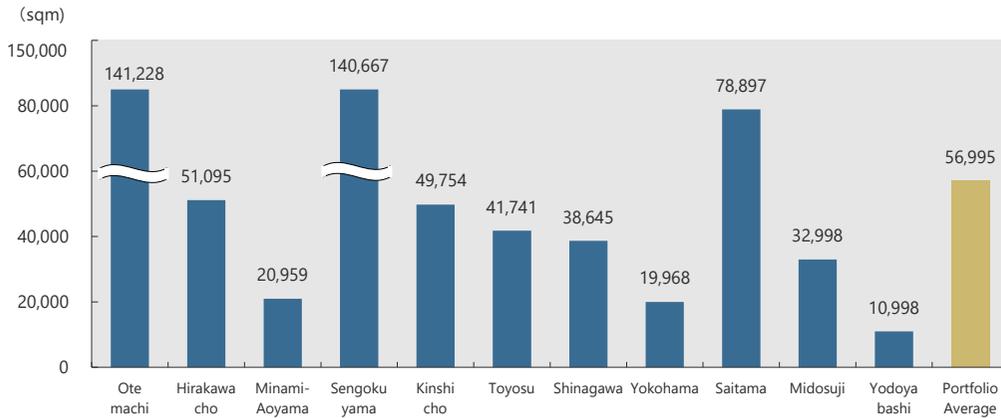
17.0 years

Portfolio PML

1.9%

# Portfolio Features ③ "LARGER" (as of 31 March 2021)

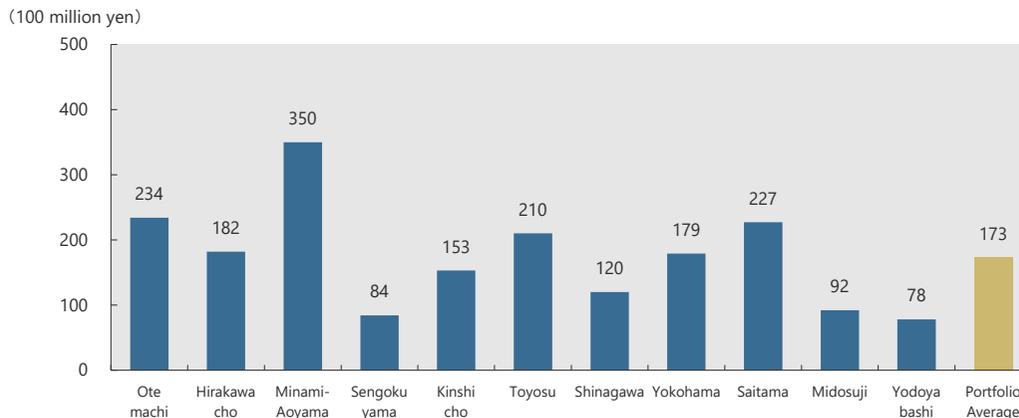
## Total Floor Area (in the case of co-ownership, total floor area of the building)



Average Total Floor Area per Property

56,995 sqm

## Acquisition Price



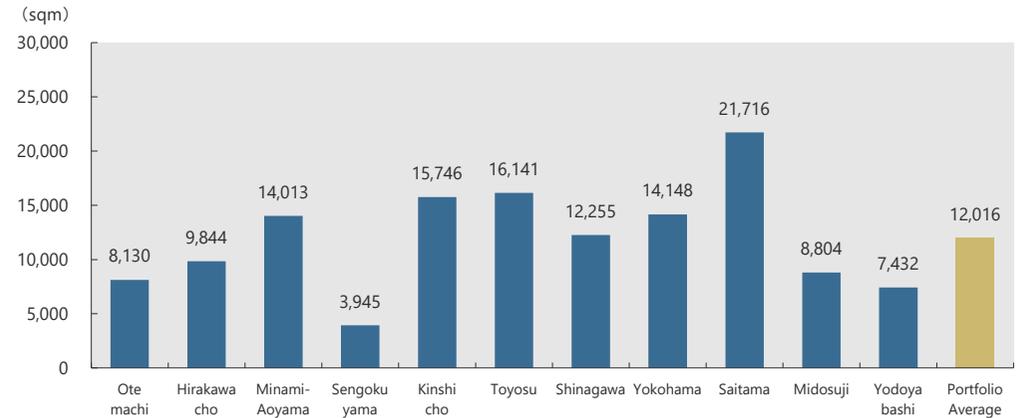
Total Acquisition Price

11 properties, 191.1 billion yen

Average Acquisition Price per Property

17.3 billion yen

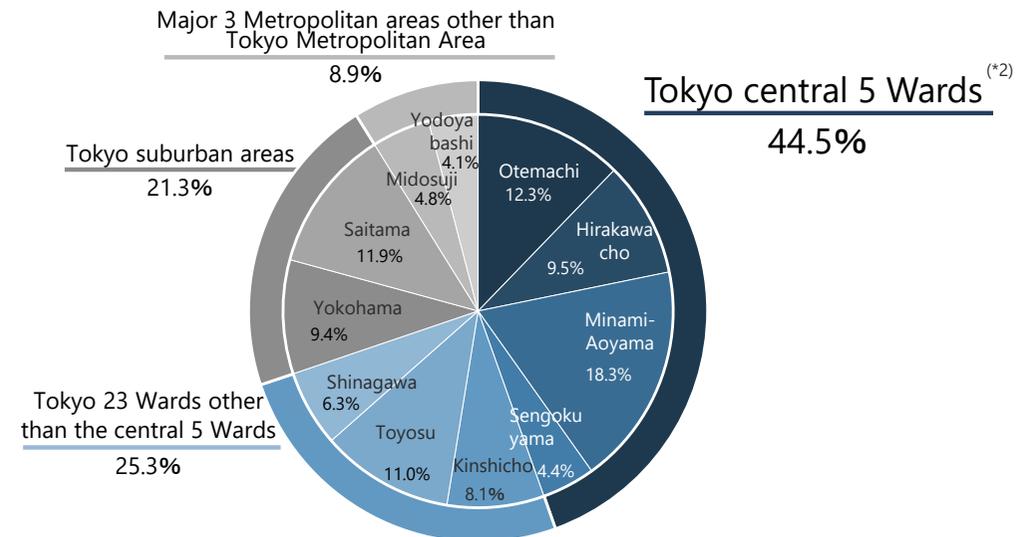
## Total Leasable Area (in the case of co-ownership, floor area in proportion to the interest)



Average Total Leasable Area per Property

12,016 sqm

## Investment Ratio <sup>(\*)</sup>



(\*) Investment ratio is calculated based on the acquisition price in proportion to the total acquisition price.

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

# Properties At A Glance (the 35th Period (ended March 2021) )

Abbreviation of property	Type of ownership	Ownership ratio (%)	Total floor area (sqm) (* 1)	Total leasable area (sqm) (* 2)	Year built	PML (%)	Acquisition price (million yen) (* 3)	Investment ratio (%) (*4)	Total monthly rent (million yen) (*5)	Type of lease agreement
Otemachi	Sectional (Trust beneficial interest)	approx. 9.1	141,228.06	8,130.27	Feb. 1992	1.3	23,495	12.3	-	Standard lease Fixed term lease
Hirakawacho	Sectional (Trust beneficial interest)	approx. 26.2	51,094.82	9,843.52	Dec. 2009	2.7	18,200	9.5	90	Standard lease
Minami-Aoyama	Ownership (Trust beneficial interest)	100.0	20,958.79	14,012.64	May. 2003	3.3	35,000	18.3	136	Fixed term lease Standard lease
Sengokuyama	Sectional (Trust beneficial interest)	approx. 5.6	140,667.09	3,944.81	Aug. 2012	1.7	8,423	4.4	38	Standard lease
Kinshicho	Sectional (Trust beneficial interest)	approx. 57.8	49,753.92	15,746.41	Mar. 1997	2.2	15,391	8.1	93	Standard lease
Toyosu	Ownership (50% quasi co-ownership of trust beneficial interest)	50.0	41,741.18	16,140.86	Aug. 2010	4.2	21,000	11.0	77	Standard lease Fixed term lease
Shinagawa	Ownership (50% quasi co-ownership of trust beneficial interest)	50.0	38,645.33	12,255.39	Aug. 2004	2.1	12,000	6.3	64	Standard lease
Yokohama	Ownership (Trust beneficial interest)	100.0	19,968.20	14,148.34	Feb. 2010	4.4	17,950	9.4	84	Standard lease Fixed term lease
Saitama	50% co-ownership of ownership (Trust beneficial interest)	50.0	78,897.42	21,715.51	Mar. 2002	3.6	22,700	11.9	132	Fixed term lease
Midosuji	50% co-ownership of ownership	50.0	32,997.60	8,804.49	Jul. 2001	0.5	9,200	4.8	48	Fixed term lease
Yodoyabashi	Ownership (Trust beneficial interest)	100.0	10,997.50	7,432.28	Nov. 2006	5.4	7,834	4.1	38	Standard lease Fixed term lease
Total	-	-	626,949.91	132,174.52	-	1.9 (*6)	191,194	100.0	-	

(\*1) Total floor area shown in this chart indicates the total floor area of the building (including annex building) regardless of the type of ownership.

(\*2) Total leasable area in this chart indicates the GOR-invested area.

(\*3) Acquisition prices mean the prices indicated in the sales agreement and are exclusive of expenses relating to the acquisition of the property (fees related to sales and purchases, taxes).

Concerning Arca Central, the acquisition price represents the purchase price of 16,400 million yen described in the purchase agreement less maintenance charges on the management association of 1,008 million yen, which was succeeded from the seller.

(\*4) "Investment ratio" means a percentage of the property's acquisition price to the total acquisition price.

(\*5) Otemachi: Undisclosed since consent for disclosure has not been obtained from the co-owners.

Sengokuyama: Indicates the total amount of rent for one month (including common area charges; in the case a rent-free period has been granted, monthly rent after the period ends) stipulated in lease agreements concluded with end tenants of joint management areas as of 31 Mar. 2021 multiplied by GOR's sectional ownership ratio.

Shinagawa: Indicates the total amount of rent for one month stipulated in lease agreements effective as of 31 Mar. 2021. For contracts that were granted free rent during the current contract period as of 31 Mar. 2021 at the time of contract renewal, the total amount of rent and common area charges per month that were calculated by deducting said amount of free rent equally divided over the current contract period as of 31 Mar. 2021 is 59 million yen.

Others: Indicates the total amount of rent for one month (including common area charges; in case a free-rent period is provided, monthly rent after such free-rent period expires) stipulated in lease agreements effective as of 31 Mar. 2021.

(\*6) PML for entire portfolio.

## Otemachi First Square



**Location:** 1-5-1, Otemachi, Chiyoda-ku, Tokyo

**Land Area:** 10,998.97 sqm

**Total Floor Area:** 141,228.06 sqm  
(GOR dedicated area = approx. 9.1%)

**Structure:** 23-story plus 5 basement level  
S, SRC with a flat roof

**Year Built:** West Tower : February 1992  
East Tower : February 1998

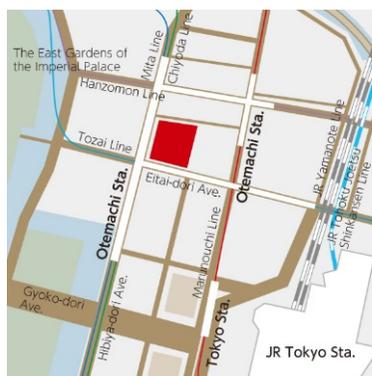
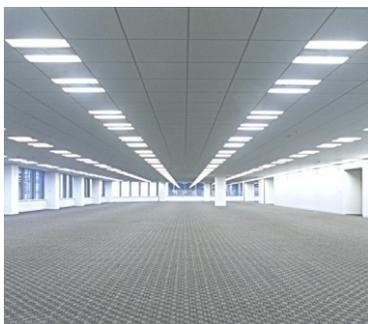
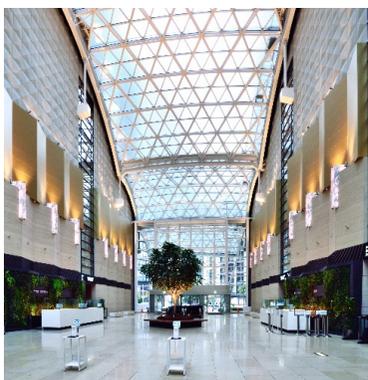
-----The following indicates the GOR-owned space-----

**Acquisition Date:** 25 Dec. 2003

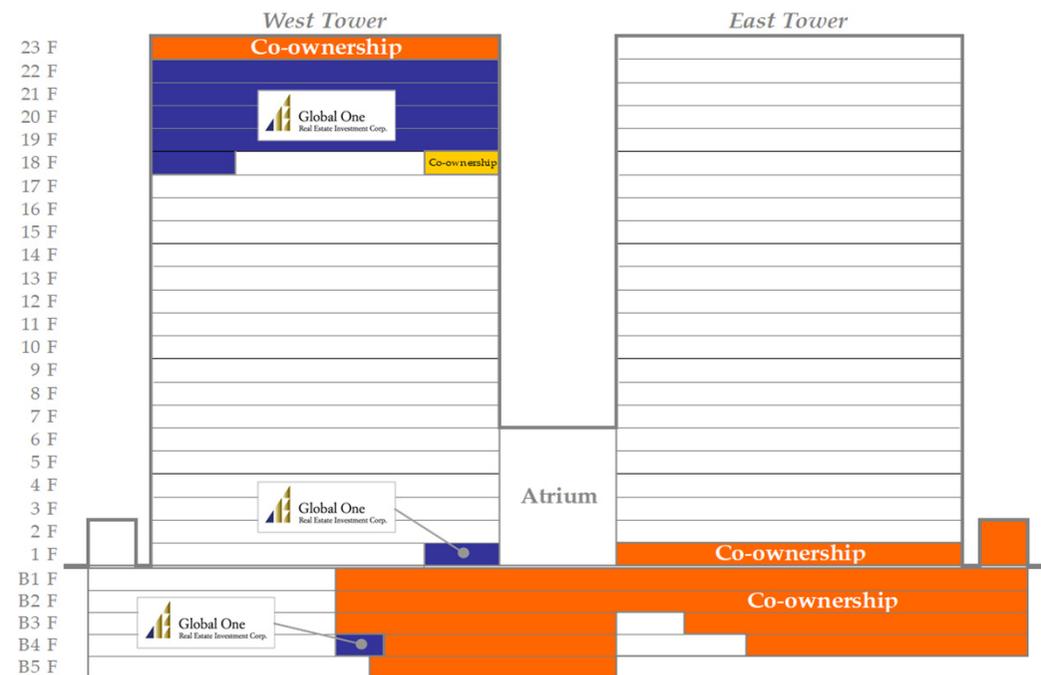
**Acquisition Price:** 23,495 million yen  
(less than one million yen rounded down)

**Appraisal at Acquisition:** 23,500 million yen (as of 1 Jul. 2003)

**Others:** Major renovations were carried out in March 2010 for the sectional ownership space (18F-22F). Renewal of the atrium in March 2021.



## ( Diagrammatic view )



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

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

(\*2) The asset that GOR owns is the trust beneficial interest in real estate, and the owner of the real estate is Mitsubishi UFJ Trust and Banking Corporation.

# Details of property

## Hirakawacho Mori Tower



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

**Land Area:** 5,592.19 sqm

**Total Floor Area:** 51,094.82 sqm  
(The ownership interest that GOR owns: approx. 26.2%)

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

**Year Built:** December 2009

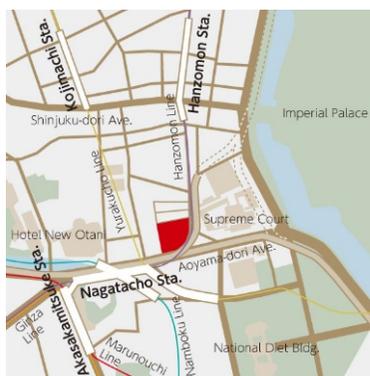
-----The following indicates the GOR-owned space-----

**Acquisition Date:** 1 Mar. 2011

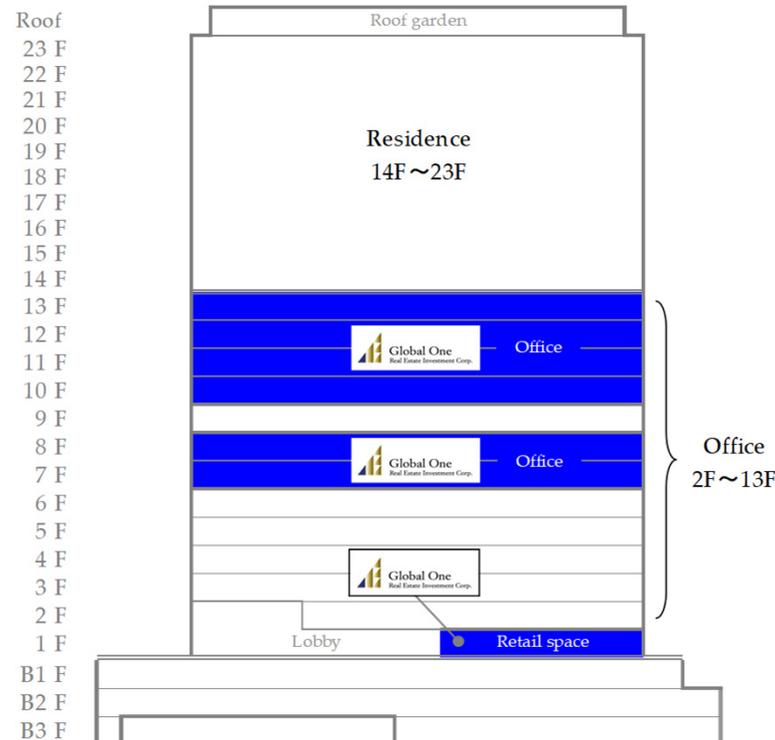
**Acquisition Price:** 18,200 million yen

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

**Others:** Master lease contract with Mori Building Co., Ltd. The period of the fixed rent agreement ended, and the master lease contract was shifted to pass-through type on 1 April 2014.



## ( Diagrammatic view )



 (\*1) Area owned by GOR  
(Sectional ownership)

(\*2) The asset that GOR owns is the trust beneficial interest in real estate, and the owner of the real estate is Mitsubishi UFJ Trust and Banking Corporation.

## Rakuten Crimson House Aoyama



<b>Location:</b>	2-6-21, Minami Aoyama, Minato-ku, Tokyo
<b>Land Area:</b>	3,039.08 sqm
<b>Total Floor Area:</b>	20,958.79 sqm
<b>Structure:</b>	17-story plus 2 basement level S, SRC with a flat roof
<b>Year Built:</b>	May 2003
<b>Acquisition Date:</b>	21 Oct. 2005
<b>Acquisition Price:</b>	35,000 million yen
<b>Appraisal at acquisition:</b>	35,040 million yen (as of 31 Jul. 2005)

### ◆ Fixed-Term Lease Agreement

<b>Name of Tenant</b>	Rakuten, Inc. <sup>(*)</sup>
<b>Leased area</b>	12,243.57 sqm
<b>Monthly rent</b>	Undisclosed
<b>Lease start date</b>	① 10,493.14 sqm : 2 October 2019 ② 1,750.43 sqm : 1 November 2019
<b>Lease termination date</b>	1 October 2029
<b>Agreement renewal</b>	Will conclude at the termination date with no renewal (the renewal based on agreement is possible)
<b>Notes concerning lease agreement</b>	Although cancellation is possible with a written notice one year in advance, there is an obligation to pay the full amount of rent equivalent to up to 1 October 2024

(\*) The trade name was changed to Rakuten Group, Inc. on April 1, 2021.

## ARK Hills Sengokuyama Mori Tower



**Location:** 1-9-10, Roppongi, Minato-ku, Tokyo

**Land Area:** 15,367.75 sqm

**Total Floor Area:** 140,667.09 sqm (The ownership interest that GOR owns: approx. 5.6%)

**Structure:** 47-story plus 4 basement level  
S, RC, SRC with a flat roof

**Year Built:** August 2012

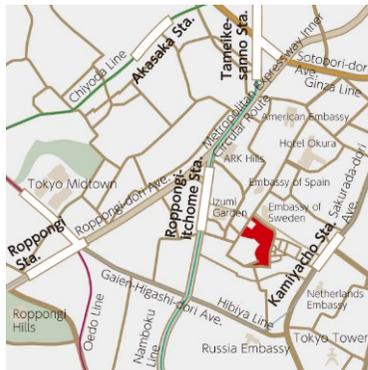
-----The following indicates the GOR-owned space-----

**Acquisition Date:** 20 Nov. 2012

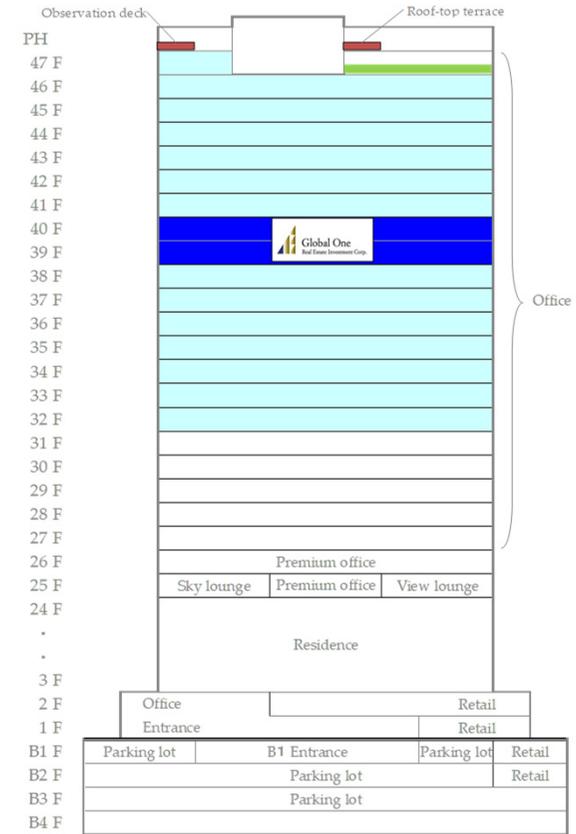
**Acquisition Price:** 8,423 million yen (less than one million yen rounded down)

**Appraisal at Acquisition:** 8,610 million yen (as of 5 Oct. 2012)

**Others:** Master lease with Mori Building Co., Ltd. The period of the fixed rent agreement ended, and the master lease contract was shifted to pass-through type on 1 Dec. 2015. Joint management arrangement (16 floors: 32F – 47F) with other sectional owners



## ( Diagrammatic view )



(\*1) Area owned by GOR (Sectional ownership)



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



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

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

(\*3) The asset that GOR owns is the trust beneficial interest in real estate, and the owner of the real estate is Mitsubishi UFJ Trust and Banking Corporation.

## Arca Central



**Location:** 1-2-1, Kinshi, Sumida-ku, Tokyo

**Land Area:** 18,100.41 sqm (entire Third Block)

**Total Floor Area:** 49,753.92 sqm (The ownership interest that GOR owns: approx. 57.8%)

**Structure:** 22-story plus 3 basement level S, partially SRC with a flat roof

**Year Built:** March 1997

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

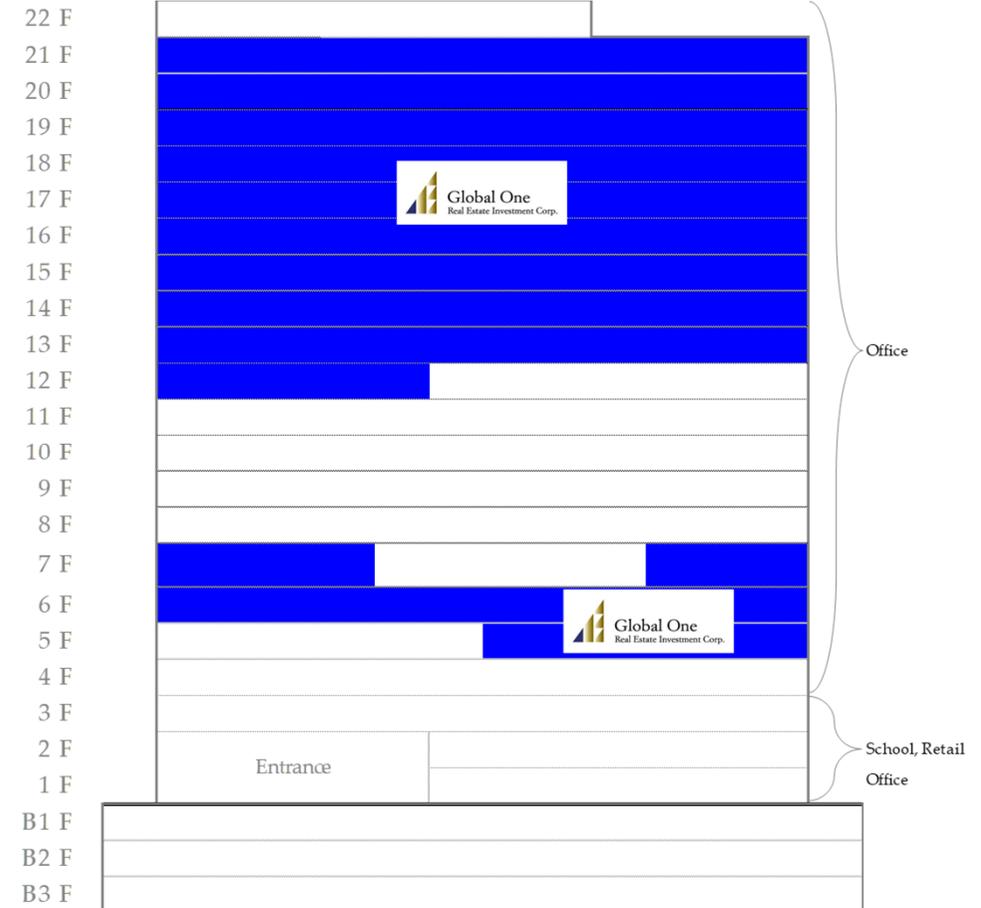
**Acquisition Date:** 28 Mar. 2014, 30 May 2014

**Acquisition Price:** 15,391 million yen (less than one million yen rounded down)

**Appraisal at Acquisition:** 17,003 million yen (as of 20 Feb. 2014 and 1 May 2014)



## ( Diagrammatic view )



(\*1) Area owned by GOR (Sectional ownership)

(\*2) The asset that GOR owns is the trust beneficial interest in real estate, and the owner of the real estate is Mitsubishi UFJ Trust and Banking Corporation.

## Toyosu Prime Square



**Location:** 5-6-36, Toyosu, Koto-ku, Tokyo

**Land Area:** 10,254.91 sqm

**Total Floor Area:** 41,741.18 sqm

**Structure:** 12-story  
S with a flat roof

**Year Built:** August 2010

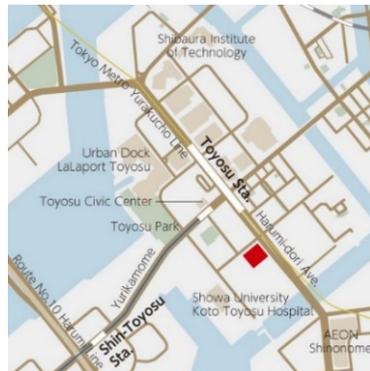
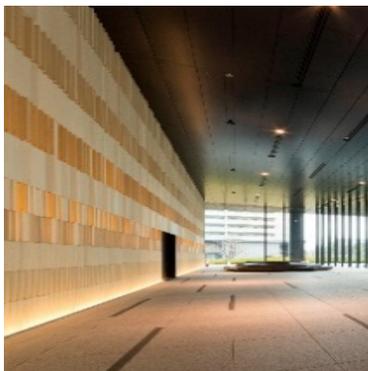
-----The following indicates GOR-owned space-----  
(50% quasi co-ownership)



**Acquisition Date:** 18 Apr. 2019

**Acquisition Price:** 21,000 million yen

**Appraisal at Acquisition:** 23,700 million yen (as of 1 Feb. 2019)



## Shinagawa Seaside West Tower



**Location:** 4-12-2 Higashi-Shinagawa, Shinagawa-ku, Tokyo

**Land Area:** 5,935.08 sqm

**Total Floor Area:** 38,645.33 sqm

**Structure:** 18-story plus 1 basement level  
S, SRC, RC with a flat roof

**Year Built:** August 2004

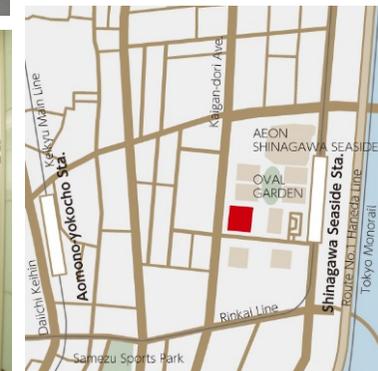
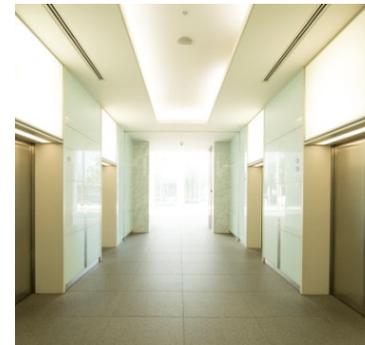
-----The following indicates GOR-owned space-----  
(50% quasi co-ownership)



**Acquisition Date:** 24 Mar. 2017

**Acquisition Price:** 12,000 million yen

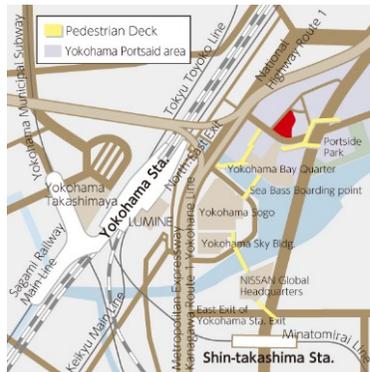
**Appraisal at Acquisition:** 12,650 million yen (as of 1 Feb. 2017)



## Yokohama Plaza Building



<b>Location:</b>	2-6, Kinkoucho, Kanagawa-ku, Yokohama City, Kanagawa Prefecture
<b>Land Area:</b>	2,720.30 sqm
<b>Total Floor Area:</b>	19,968.20 sqm
<b>Structure:</b>	12-story plus 1 basement level S, SRC with a flat roof
<b>Year Built:</b>	February 2010
<b>Acquisition Date:</b>	1 Aug. 2014
<b>Acquisition Price:</b>	17,950 million yen
<b>Appraisal at Acquisition:</b>	17,980 million yen (as of 5 Jun. 2014)



## Meiji Yasuda Life Insurance Saitama-Shintoshin Building



<b>Location:</b>	11-2, Shintoshin, Chuo-ku, Saitama City, Saitama Prefecture
<b>Land Area:</b>	7,035.05 sqm
<b>Total Floor Area:</b>	78,897.42 sqm
<b>Structure:</b>	35-story plus 3 basement level S, SRC with a flat roof
<b>Year Built:</b>	March 2002
-----the following indicates GOR-owned space----- (50% Co-ownership)	
<b>Acquisition Date:</b>	25 Apr. 2007
<b>Acquisition Price:</b>	22,700 million yen
<b>Appraisal at Acquisition:</b>	22,820 million yen (as of 1 Feb. 2007)



## Meiji Yasuda Life Insurance Osaka Midosuji Building



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

**Land Area:** 2,992.26 sqm

**Total Floor Area:** 32,997.60 sqm

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

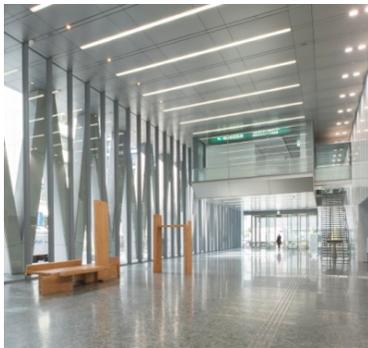
**Year Built:** July 2001

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

**Acquisition Date:** 24 Mar. 2017

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

**Appraisal at Acquisition:** 9,590 million yen (as of 1 Feb. 2017)



## Yodoyabashi Flex Tower



**Location:** 3-3-11, Koraihashi, Chuo-ku, Osaka City, Osaka Prefecture

**Land Area:** 1,692.51 sqm

**Total Floor Area:** 10,997.50 sqm

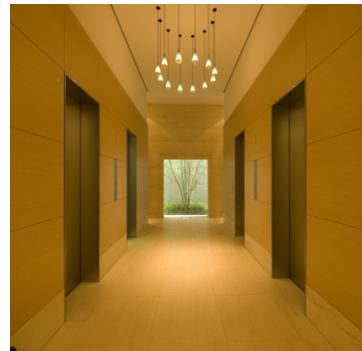
**Structure:** 12-story plus 1 basement level  
SRC with a flat roof

**Year Built:** November 2006

**Acquisition Date:** 31 Jan. 2008

**Acquisition Price:** 7,834 million yen

**Appraisal at acquisition:** 7,940 million yen (as of 1 Nov. 2007)



# Financial Indicators

Title		Calculations (*)	31st Period	32nd Period	33rd Period	34th Period	35th Period
① Ordinary profit to total assets	%	$B \div \{ (D+E) \div 2 \}$	1.0	1.3	1.1	1.2	1.2
② (Annualized)	%		(2.0)	(2.6)	(2.3)	(2.3)	(2.4)
③ Net income to net assets ratio	%	$C \div \{ (F+G) \div 2 \}$	2.2	2.8	2.3	2.4	2.4
④ (Annualized)	%		(4.5)	(5.7)	(4.7)	(4.8)	(4.9)
⑤ Term-end net assets to total assets ratio	%	$G \div E$	45.6	48.1	48.2	48.2	48.3
⑥ Term-end interest-bearing liabilities to total assets ratio	%	$H \div E$	49.4	46.9	47.1	47.1	47.1
⑦ NOI (Net operating income)	million yen	$A + I + K$	3,681	3,845	4,217	4,155	4,169
⑧ FFO (Funds from operation)	million yen	$C + I + K - J$	2,744	2,806	3,263	3,212	3,230

(\*) Reference

(Unit : million yen)

Title	Period	31st Period	32nd Period	33rd Period	34th Period	35th Period
<b>A</b> Property-related profits and losses		2,878	2,987	3,222	3,293	3,290
<b>B</b> Ordinary profit		1,943	2,607	2,270	2,351	2,352
<b>C</b> Net income		1,941	2,606	2,269	2,350	2,351
<b>D</b> Total assets at beginning of period		190,752	191,231	201,445	200,606	200,833
<b>E</b> Total assets at end of period		191,231	201,445	200,606	200,833	200,600
<b>F</b> Net assets at beginning of period		87,126	87,176	96,800	96,722	96,803
<b>G</b> Net assets at end of period		87,176	96,800	96,722	96,803	96,805
<b>H</b> Interest-bearing liabilities at end of period		94,500	94,500	94,500	94,500	94,500
<b>I</b> Depreciation and amortization		802	845	843	862	873
<b>J</b> Gain and loss on sale of real estate		–	658	–	–	–
<b>K</b> Loss on retirement of non-current assets		0	12	150	0	5

<Reference> LTV reflecting term-end portfolio appraisals

① to ⑥: million yen, ⑦: %

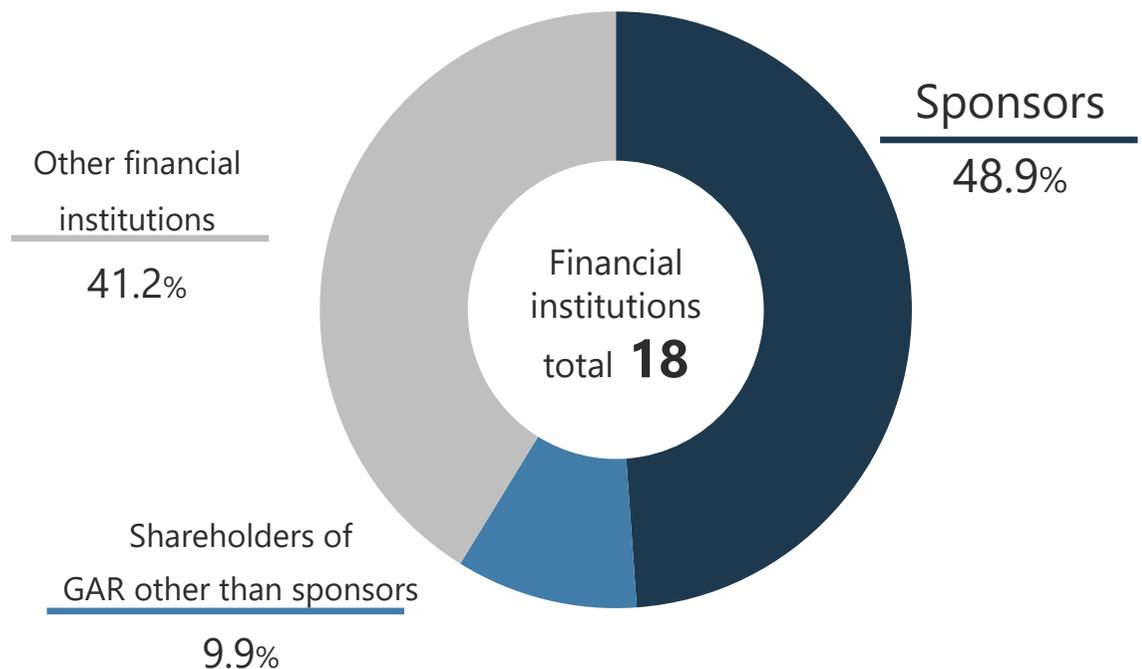
Title	Period	31st Period	32nd Period	33rd Period	34th Period	35th Period
① Appraisal value at end of period		204,780	217,890	217,490	217,890	217,700
② Book value at end of period		173,596	182,226	182,912	182,506	182,168
③ (①–②)		31,183	35,663	34,577	35,383	35,531
④ Total assets at end of period		191,231	201,445	200,606	200,833	200,600
⑤ (③+④)		222,415	237,109	235,183	236,217	236,131
⑥ Interest-bearing liabilities at end of period		94,500	94,500	94,500	94,500	94,500
⑦ LTV (⑥/⑤)		42.5	39.9	40.2	40.0	40.0

■ Stabilized bank formation with a focus on the sponsor banks

■ JCR Rating: AA— Stable

## Balance by Lender

Lender	UPB (million yen)	Share
●MUFG Bank, Ltd.	30,400	40.3%
●Development Bank of Japan Inc.	13,500	17.9%
●Meiji Yasuda Life Insurance Co.	6,500	8.6%
●Sumitomo Mitsui Banking Corp.	5,250	7.0%
●The Bank of Fukuoka, Ltd.	4,750	6.3%
●The Norinchukin Bank	2,600	3.4%
●The Iyo Bank, Ltd.	2,300	3.0%
●The 77 Bank, Ltd.	1,500	2.0%
●The Hyakugo Bank, Ltd.	1,500	2.0%
●The Nanto Bank, Ltd.	1,400	1.9%
●The Ashikaga Bank, Ltd.	1,000	1.3%
●ORIX Bank Corp.	1,000	1.3%
●The Nishi-Nippon City Bank, Ltd.	1,000	1.3%
●Sompo Japan Insurance Inc.	800	1.1%
●The Joyo Bank, Ltd.	500	0.7%
●Daishi Hokuetsu Bank, Ltd.	500	0.7%
●Higashi Nippon Bank, Ltd.	500	0.7%
●Tokio Marine & Nichido Fire Insurance Co., Ltd.	500	0.7%
<b>Total</b>	<b>75,500</b>	<b>100.0%</b>



## Rating of Investment corporation bonds

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

# Breakdown of Interest-bearing Liabilities ①

## Breakdown of Loans (as of 31 March 2021)

All loans are unsecured / unguaranteed.  
All loans are repaid in one bullet payment on the repayment-due date.

Loan type	Lender	UPB (million yen)	Drawdown date	Average Interest rate (%)(* )	Repayment-due date	Financing term
Long-term loans	MUFG Bank, Ltd., The Bank of Fukuoka, Ltd., The Iyo Bank, Ltd., The Joyo Bank, The Nanto Bank, Ltd., The Ashikaga Bank, Ltd., Daishi Hokuetsu Bank, Ltd., Higashi Nippon Bank, Ltd., The Hyakugo Bank, Ltd. and Tokio Marine & Nichido Fire Insurance Co., Ltd.	6,000	31 Mar. 2017	0.59544 Fixed	31 Mar. 2022 (37th Period)	5.0 years
	MUFG Bank, Ltd., The Bank of Fukuoka, Ltd., Meiji Yasuda Life Insurance Co. and The Iyo Bank, Ltd.	5,000	30 Sep. 2015	0.92968 Fixed	30 Sep. 2022 (38th Period)	7.0 years
	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corp., The Bank of Fukuoka, Ltd., and The 77 Bank, Ltd.	4,750	30 Mar. 2018	0.40343 Floating	31 Mar. 2023 (39th Period)	5.0 years
	MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corp., The Bank of Fukuoka, Ltd., The Nanto Bank, Ltd., The 77 Bank and The Ashikaga Bank, Ltd.	6,000	28 Sep. 2018	0.66849 Fixed	29 Sep. 2023 (40th Period)	5.0 years
	MUFG Bank, Ltd., Meiji Yasuda Life Insurance Co., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corp. and The Bank of Fukuoka, Ltd.	10,500	24 Mar. 2017	0.77756 Fixed	29 Mar. 2024 (41st Period)	7.0 years
	Development Bank of Japan Inc.	5,000	29 Sep. 2017	0.75558 Fixed	30 Sep. 2024 (42nd Period)	7.0 years
	MUFG Bank, Ltd.	500	30 Sep. 2019	0.41940 Fixed	30 Sep. 2024 (42nd Period)	5.0 years
	Development Bank of Japan Inc.	3,500	28 Feb. 2018	0.79131 Fixed	31 Mar. 2025 (43rd Period)	7.1 years
	MUFG Bank, Ltd., The Iyo Bank, Ltd., The Nanto Bank, Ltd., Sompo Japan Insurance Inc.	4,000	31 Mar. 2020	0.52268 Fixed	31 Mar. 2025 (43rd Period)	5.0 years
	MUFG Bank, Ltd., The Hyakugo Bank, Ltd.	3,000	30 Sep. 2019	0.48947 Fixed	30 Sep. 2025 (44th Period)	6.0 years
	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corp., The Bank of Fukuoka, Ltd., The 77 Bank, Ltd. and The Nishi-Nippon City Bank, Ltd.	4,750	31 Mar. 2021	0.38727 Floating	31 Mar. 2026 (45th Period)	5.0 years
	MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corp., The Iyo Bank, Ltd., ORIX Bank Corp.	4,000	30 Sep. 2019	0.56580 Fixed	30 Sep. 2026 (46th Period)	7.0 years
	MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corp., Meiji Yasuda Life Insurance Co., The Norinchukin Bank	5,000	29 Mar. 2019	0.74394 Fixed	31 Mar. 2027 (47th Period)	8.0 years
	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corp., The Bank of Fukuoka, Ltd.	3,000	30 Sep. 2019	0.64971 Fixed	30 Sep. 2027 (48th Period)	8.0 years
	MUFG Bank, Ltd., Meiji Yasuda Life Insurance Co., The Norinchukin Bank	5,000	31 Mar. 2020	0.73035 Fixed	31 Mar. 2028 (49th Period)	8.0 years
MUFG Bank, Ltd., Development Bank of Japan Inc., Meiji Yasuda Life Insurance Co.	2,500	30 Sep. 2020	0.65991 Fixed	30 Mar. 2029 (51st Period)	8.5 years	
MUFG Bank, Ltd., Development Bank of Japan Inc., Meiji Yasuda Life Insurance Co.	3,000	30 Sep. 2019	0.82485 Fixed	28 Sep. 2029 (52nd Period)	10.0 years	
Total		75,500				

(\*) "Average interest rate" represents the weighted average interest rate during the fiscal period.

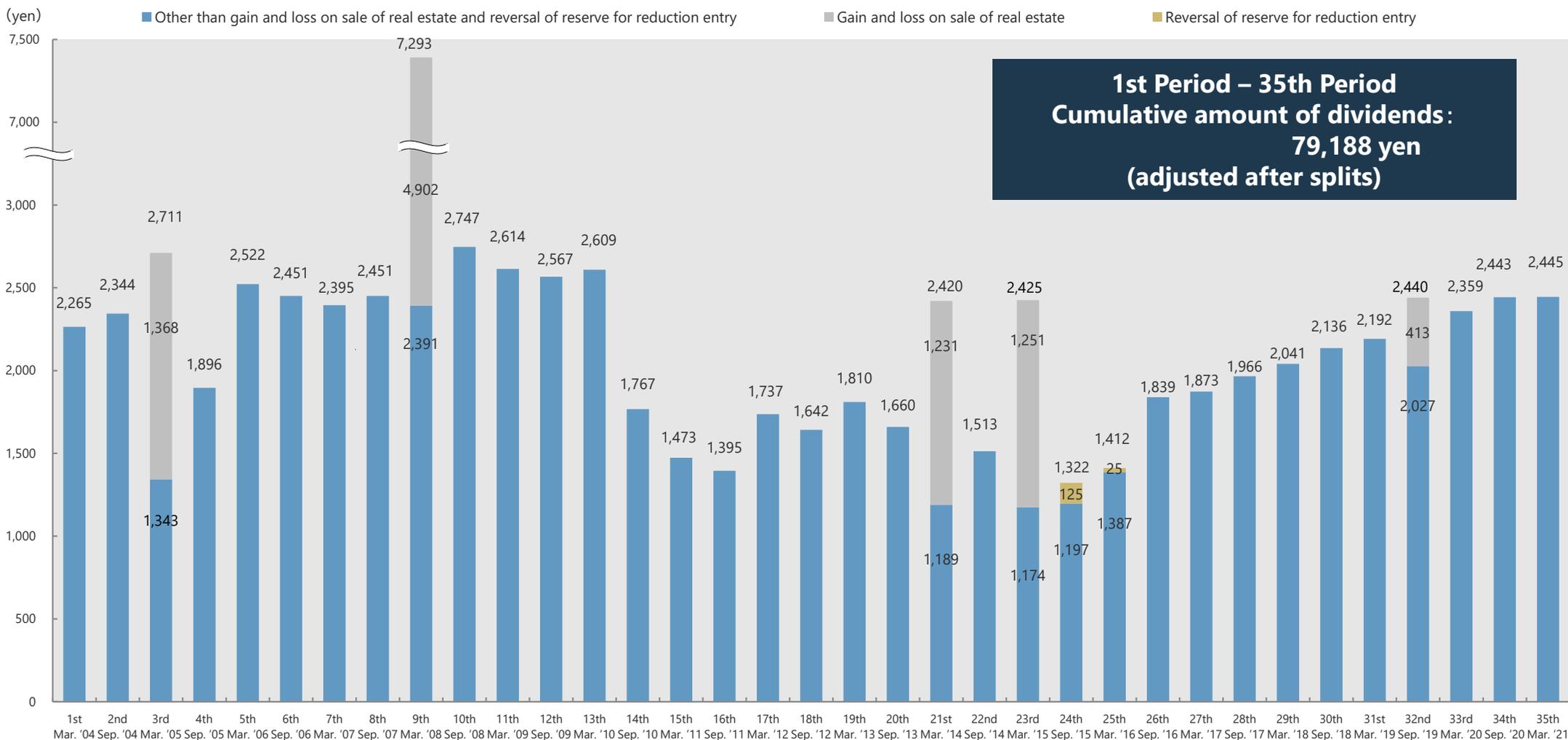
# Breakdown of Interest-bearing Liabilities ②

## Breakdown of Investment corporation bonds (as of 31 March 2021)

Bond name (Term)	Balance (million yen)	Date issues	Coupon rate (%)	Collateral/ Guarantee	Maturity date	Redemption method (*)	Use of funds	Covenants	Notes
Series No.12 (3 years)	2,000	27 Sep. 2018	0.09	None/ None	27 Sep. 2021 (36th Period)	Bullet maturity amortization	Redemption of the Series No.6 unsecured bonds	Negative pledge	Pari Passu clause attached
Series No.8 (7 years)	3,000	26 Feb. 2015	0.56	None/ None	25 Feb. 2022 (37th Period)	Bullet maturity amortization	Repayment of long-term loans	Negative pledge	Pari Passu clause attached
Series No.10 (5 years)	3,000	28 Sep. 2017	0.28	None/ None	28 Sep. 2022 (38th Period)	Bullet maturity amortization	Redemption of the Series No.4 unsecured bonds	Negative pledge	Pari Passu clause attached
Series No.7 (10 years)	3,000	29 Sep. 2014	0.86	None/ None	27 Sep. 2024 (42nd Period)	Bullet maturity amortization	Repayment of long-term loans	Negative pledge	Pari Passu clause attached
Series No.9 (10 years)	4,000	17 Oct. 2016	0.47	None/ None	16 Oct. 2026 (47th Period)	Bullet maturity amortization	Redemption of the Series No.5 unsecured bonds	Negative pledge	Pari Passu clause attached
Series No.11 (10 years)	2,000	28 Sep. 2017	0.63	None/ None	28 Sep. 2027 (48th Period)	Bullet maturity amortization	Redemption of the Series No.4 unsecured bonds	Negative pledge	Pari Passu clause attached
Series No.13 (10 years)	2,000	27 Sep. 2018	0.73	None/ None	27 Sep. 2028 (50th Period)	Bullet maturity amortization	Redemption of the Series No.6 unsecured bonds	Negative pledge	Pari Passu clause attached
<b>Total</b>	<b>19,000</b>								

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

## Actual Dividends



(\*1) Dividend per unit, etc. are calculated based on the assumption that the splits of investment unit were implemented.

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

## Securing internal reserves through sale proceeds and tax benefits

	21st Period	23rd Period	32nd Period
Subject property	Kintetsu Shin-Nagoya Building (Ownership 67%)	Kintetsu Shin-Nagoya Building (Ownership 33%)	Ginza First Building
Date of sale	27 March 2014	9 October 2014	18 April 2019
Gain on sale (million yen)	2,382	1,175	658
Net income (million yen)	2,079	2,085	2,606
Internal reserves (million yen)	<b>203</b>	<b>205</b>	<b>260</b>

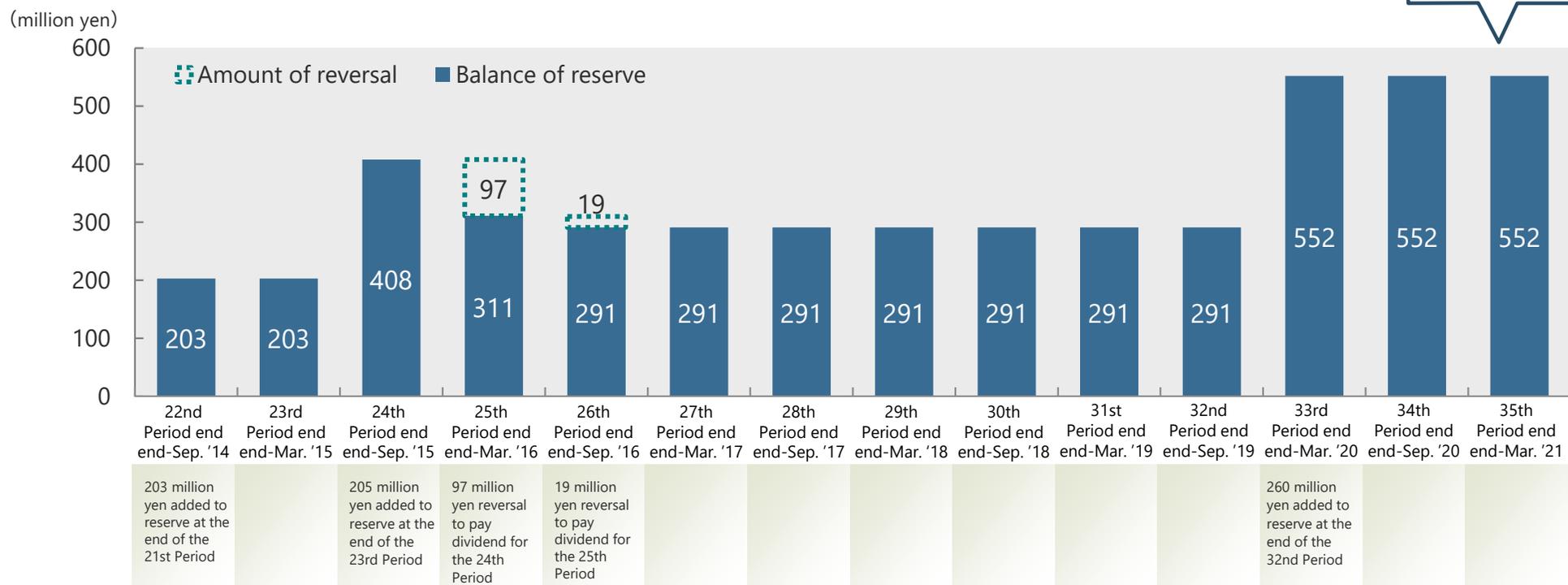
<Basic ideas on the utilization of internal reserves>

### Considering the utilization of internal reserves for achieving stabilization in the case of temporary decrease in dividends

- Example of strategic use: Response to increase in expenses due to large-scale renovation and reform, response to dilution of dividends due to capital increase during the period.
- Example of other use: Response to decrease in revenue due to the moving out of major tenants, response to repairs and maintenance due to natural disasters.

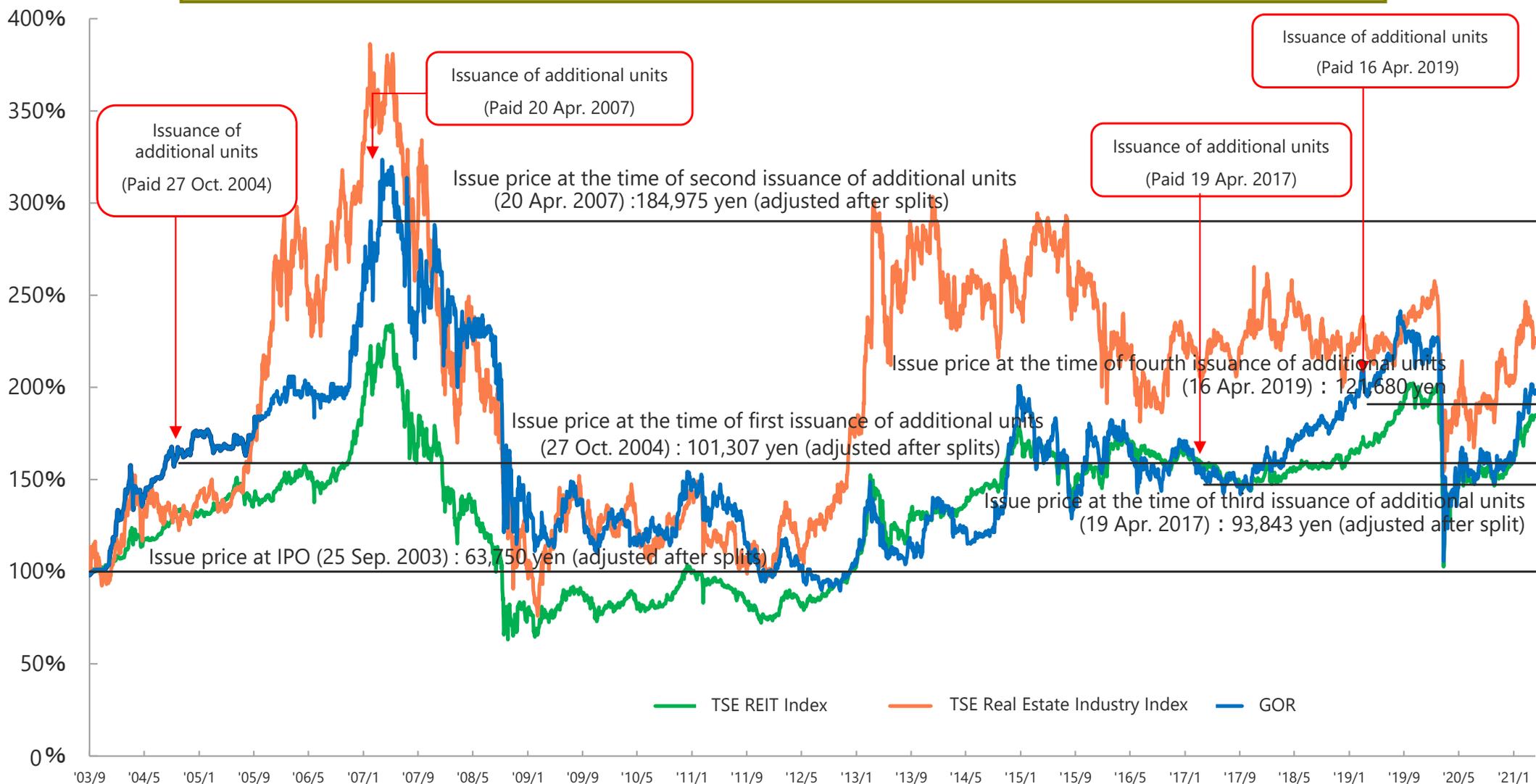
Equivalent to **573** yen of DPU if the full amount is reversed

## Balance of reserve for reduction entry



# Performance Compared to Other Indices (25 Sep. 2003 – 30 Apr. 2021)

GOR implemented a two-for-one split of investment units with 1 April 2014 as the effective date, and implemented a four-for-one split of investment units with 1 April 2018 as the effective date.

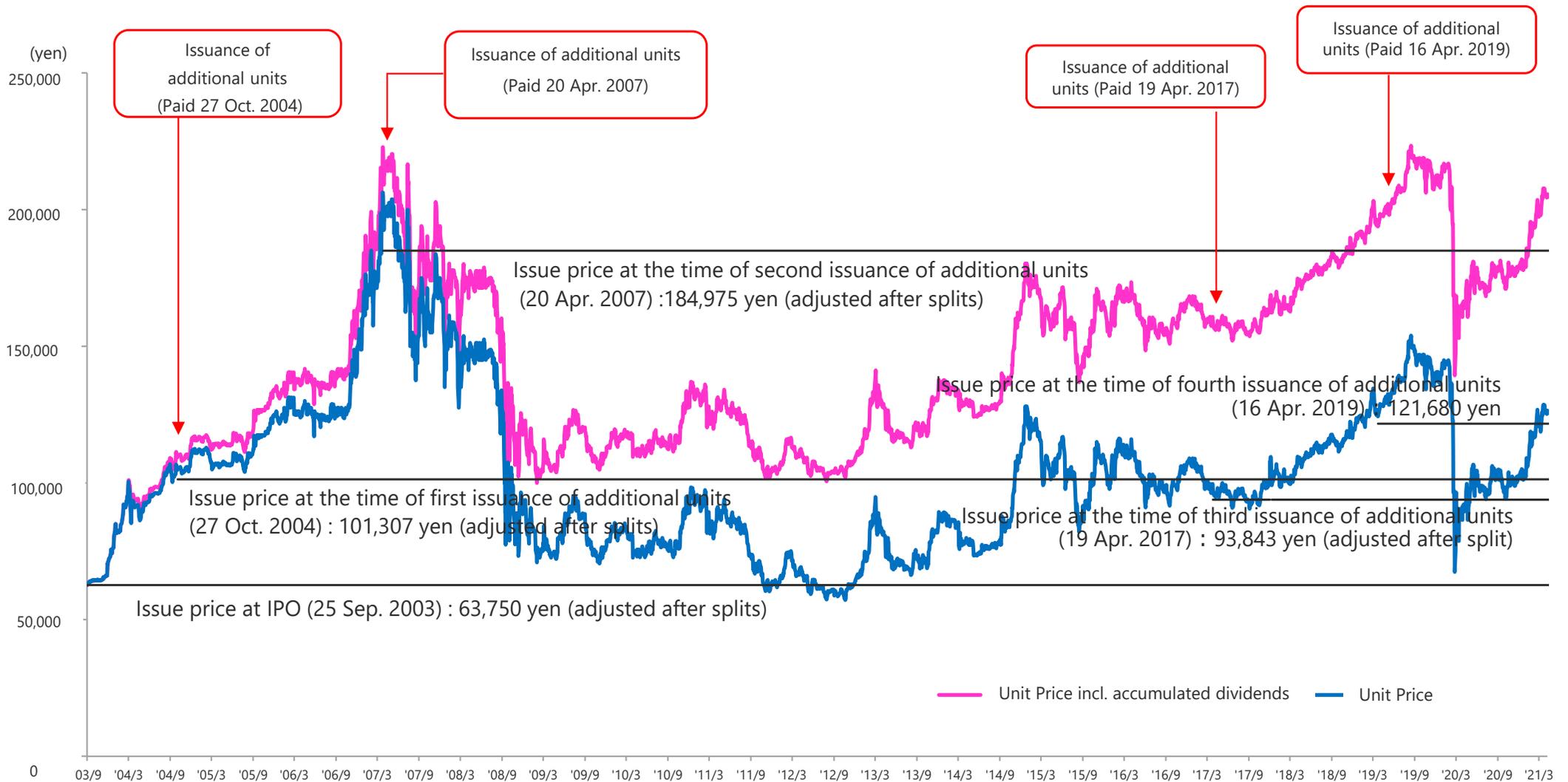


(\*1) Prices used for this chart are based on the closing price.

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

Global One Real Estate Investment Corp.: assumes the initial offering price of 63,750 yen (adjusted after splits) is 100%.

# Performance Including Accumulated Dividends (25 Sep. 2003 – 30 Apr. 2021)



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

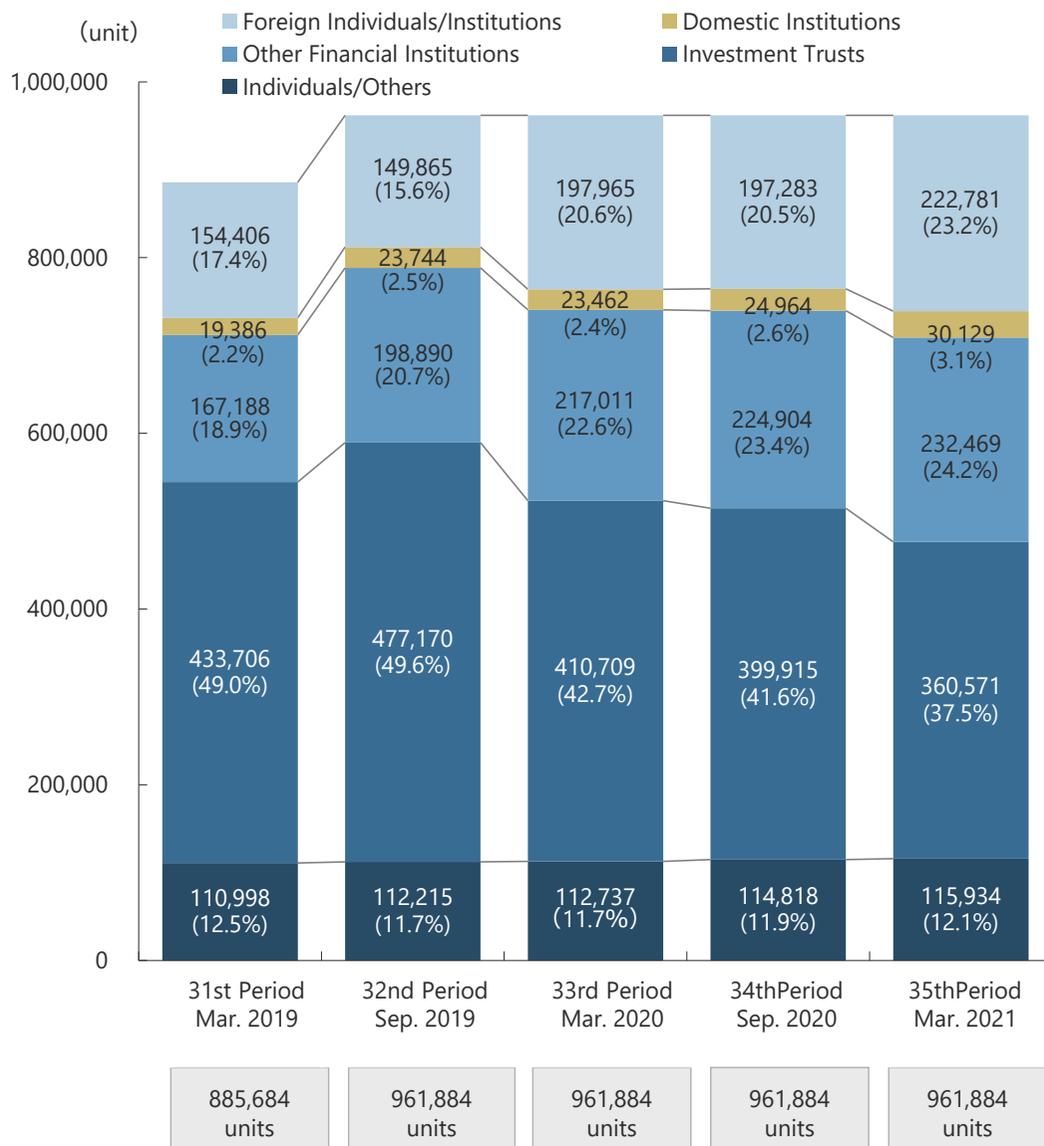
(\*2) Unit price incl. accumulated dividends = Unit price + Accumulated dividends

(\*3) GOR implemented a two-for-one split of investment units with 1 April 2014 as the effective date, and implemented a four-for-one split of investment units with 1 April 2018 as the effective date.

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

# Unitholder Segment, Top 10 Unitholders (as of 31 March 2021)

## # of units by unitholder segment



## Top 10 Unitholders

	Name of unitholders	# of units held	Percentage to the total number of units issued (%) (*1)
1	Custody Bank of Japan, Ltd. (Trust Acc.)	206,944	21.51
2	The Master Trust Bank of Japan Ltd. (Trust Acc.)	165,097	17.16
3	The Nomura Trust and Banking co., Ltd. (Investment Trust Acc.)	41,779	4.34
4	Custody Bank of Japan, Ltd. (Securities Investment Trust Acc.)	32,059	3.33
5	STATE STREET BANK WEST CLIENT - TREATY 505234	16,426	1.70
6	SSBTC CLIENT OMNIBUS ACCOUNT	15,986	1.66
7	JP MORGAN CHASE BANK 385771	12,884	1.33
8	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	11,200	1.16
9	The Chiba Bank, Ltd.	11,041	1.14
10	GOVERNMENT OF NORWAY	10,793	1.12
	<b>Total</b>	<b>524,209</b>	<b>54.49</b>

(\*1) Percentages less than the second decimal place are rounded down.

(\*2) Meiji Yasuda Life Insurance Company is the twelfth-largest unitholder holding 10,640 units (1.10%).

## Global Alliance Realty Co., Ltd.

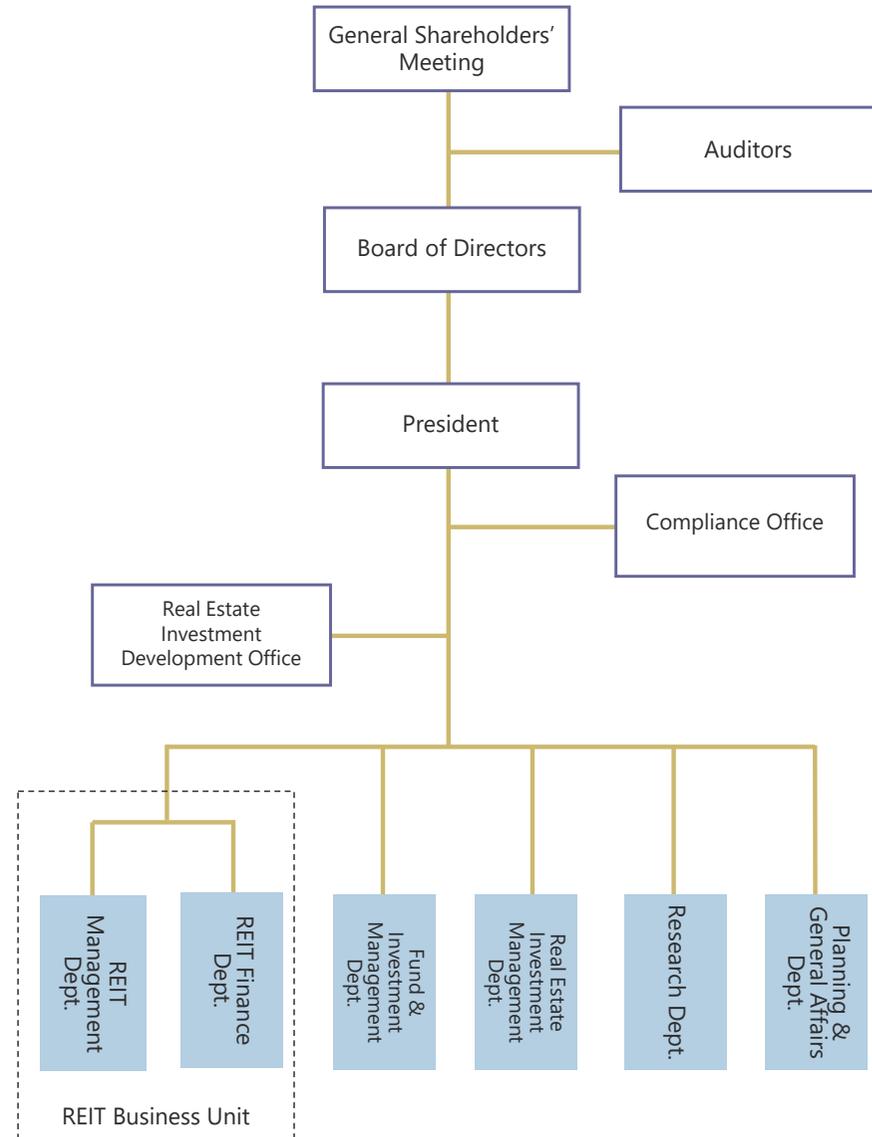
(“GAR”) is a licensed financial instruments business operator with registration No. 322 granted by the Director-General of the Kanto Local Finance Bureau, a member of the Investment Trusts Association, Japan and a member of Japan Securities Investment Advisers Association.

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

## Sponsor group companies and their roles

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

## Organization



# Overview of Asset Manager ②

## Shareholders (as of 1 May 2021)

	Name of shareholder	Founders of GAR	Investment in GAR		Outside board members of GAR (part-time) (Job title holding concurrently)	Employees temporarily transferred to GAR (# of employees and job title)	Financing for GOR	Outstanding Loan balance (million yen)
			# of shares held	Percentage (*1)				
Meiji Yasuda Life Insurance Group								
1	Meiji Yasuda Life Insurance Company	○	800	10.0%	○ (Senior Investment Expert, Corporate Finance Department)	2 Executive Officer, REIT Management Dept./REIT Finance Dept. Assistant Manager, Real Estate Investment Development Office	○	6,500
2	Diamond Athletics, Ltd.		392	4.9%				
Mitsubishi UFJ Financial Group								
3	MUFG Bank, Ltd.	○	400	5.0%	○ (Executive Officer in charge of FATF 4th round Mutual Evaluation of Japan, Managing Director, Head of Global Financial Crimes Division (Special Assignment))	1 General Manager, REIT Finance Dept.	○	30,400
4	Mitsubishi UFJ Trust and Banking Corporation	○	400	5.0%		1 Senior Assistant, REIT Finance Dept.	○	
5	Mitsubishi HC Capital Inc. (*2)		392	4.9%				
Kintetsu Group								
6	Kintetsu Group Holdings Co., Ltd.	○	800	10.0%	○ (Officer, Corporate Strategy Division, Tokyo Office, Nagoya Office and Taipei Office)	1 Fund & Investment Management Department		
7	Kintetsu Insurance Service Co., Ltd.		392	4.9%				
8	Mori Building Co., Ltd.		800	10.0%				
9	Morikiyo Co., Ltd.		392	4.9%				
10	Mitsubishi Research Institute, Inc.		304	3.8%				
11	Sompo Japan Insurance Inc.		304	3.8%			○	800
12	The Hachijuni Bank, Ltd.		304	3.8%			○	
13	The Joyo Bank, Ltd.		304	3.8%			○	500
14	The Ashikaga Bank, Ltd.		304	3.8%			○	1,000
15	Shizuoka Bank Limited		304	3.8%			○	
16	The Chiba Bank, Ltd.		304	3.8%			○	
17	The Hyakugo Bank, Ltd.		304	3.8%			○	1,500
18	The Yamagata Bank, Ltd.		160	2.0%				
19	The Juroku Bank, Ltd.		160	2.0%				
20	Nanto Bank, Ltd.		160	2.0%			○	1,400
21	The Hyakujushi Bank, Ltd.		160	2.0%			○	
22	The Iyo Bank, Ltd.		160	2.0%			○	2,300
Total			8,000	100.0%		5		44,400

(\*1) Percentages of the ownership in GAR in proportion to the total shares issued.

(\*2) The trade name was changed from Mitsubishi UFJ Lease & Finance Company Limited on April 1 2021.

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