

Global One Real Estate Investment Corp.

Summary of Financial Results for the Six-Month Period Ended September 2022

17 November 2022

REIT Issuer:	Global One Real Estate Investment Corp.
Stock Exchange Listing:	Tokyo Stock Exchange
Securities code:	8958
Website:	https://www.go-reit.co.jp/en/
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Scheduled date for filing of securities report:	22 December 2022
Scheduled date for dividends payments:	15 December 2022
Explanatory material to be prepared:	Yes
Analyst meeting to be convened:	Yes

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

1. Financial summary for the six-month period ended September 2022 (1 April 2022 – 30 September 2022)

(1) Earning Position

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

	Operating revenue		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six-month period ended Sept 2022	5,691	0.6	2,679	1.3	2,293	1.7	2,292	1.7
Six-month period ended March 2022	5,655	-1.8	2,644	-3.5	2,255	-4.2	2,254	-4.2

	Net income per unit	Ratio of net income to net assets	Ordinary profit to total assets	Ordinary profit to operating revenue
	Yen	%	%	%
Six-month period ended Sept 2022	2,415	2.4	1.2	40.3
Six-month period ended March 2022	2,358	2.3	1.1	39.9

(Note) Net income per unit is calculated by dividing net income by the weighted average number of investment units based on the number of days (955,998 units for the six-month period ended March 2022 and 948,996 units for the six-month period ended September 2022).

(2) Dividend distributions

	Dividend per unit (excluding dividends in excess of profit)	Total dividends (excluding dividends in excess of profit)	Dividend in excess of profit per unit	Total dividends in excess of profit
	Yen	Million yen	Yen	Million yen
Six-month period ended Sept 2022	2,426	2,302	—	—
Six-month period ended March 2022	2,411	2,288	—	—

	Payout ratio	Dividend ratio to net assets
	%	%
Six-month period ended Sept 2022	100.4	2.4
Six-month period ended March 2022	101.5	2.4

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

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

(*2) Dividend for the six-month period ended March 2022 is calculated by adding reversal of reserve for reduction entry (33 million yen) to unappropriated retained earnings, and dividing the amount by the number of investment units issued.

(*3) Dividend for the six-month period ended September 2022 is calculated by adding reversal of reserve for reduction entry (9 million yen) to unappropriated retained earnings, and dividing the amount by the number of investment units issued.

(3) Financial position

	Total assets	Net assets	Net assets to total assets	Net assets per unit
	Million yen	Million yen	%	Yen
Six-month period ended Sept 2022	198,847	95,212	47.9	100,330
Six-month period ended March 2022	198,819	95,208	47.9	100,325

(4) Cash flows

	CF from operating activities	CF from investing activities	CF from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Six-month period ended Sept 2022	3,163	-307	-2,309	10,272
Six-month period ended March 2022	3,084	525	-4,177	9,726

2. Earnings forecasts for the six-month period ending March 2023 (1 October 2022 – 31 March 2023) and earnings forecasts for the six-month period ending September 2023 (1 April 2023 – 30 September 2023)

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

	Operating revenue		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six-month period ending March 2023	6,641	16.7	3,418	27.6	2,994	25.1	2,993	30.6
Six-month period ending Sept 2023	7,211	8.6	3,887	13.7	3,452	15.3	3,451	15.3

	Dividend per unit (excluding dividends in excess of profit)	Dividend in excess of profit per unit
	Yen	Yen
Six-month period ending March 2023	2,860	—
Six-month period ending Sept 2023	3,038	—

(Reference)	Six-month period ending March 2023	Six-month period ending Sept 2023
Projected net income per unit	2,926 yen	3,374 yen

(*) Dividend per unit is calculated on the premise that the amount remaining after deducting the reserve for reduction entry (68 million yen for the six-month period ending March 2023 and 343 million yen for the six-month period ending September 2023) from net income will be distributed.

*Others

(1) Changes in accounting policies, changes in accounting estimates and restatements of revisions		
(a) Changes in accounting policies due to amended Accounting Standards		None
(b) Changes in accounting policies due to other factors		None
(c) Changes in accounting estimates		None
(d) Restatements of revisions		None
(2) Number of units issued and outstanding		
(a) Number of units issued and outstanding at the end of the period (including own units):		
For the six-month period ended September 2022	948,996	
For the six-month period ended March 2022	948,996	
(b) Number of own units at the end of the period:		
For the six-month period ended September 2022	0	
For the six-month period ended March 2022	0	

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

* Special notes

(Forward-looking Statements)

Forward-looking statements in this presentation (i.e., earnings forecasts) are based on information currently available and certain assumptions GOR believes reasonable. Actual results may differ materially from the forward-looking statements in this presentation due to various factors. The forecasts contained in this document are "current" as of the date of this release, based on the assumptions on page 12 ("Assumptions underlying earnings forecasts for the six-month period ending March 2023 (the 39th Period) and the six-month period ending September 2023 (the 40th Period)"). Actual results (i.e., operating revenue, operating profit, ordinary profit, net income, dividend per unit) may differ depending on various factors. The forecasts do not guarantee the amounts of future dividends.

1. Operation results

(1) Operation results

I. Overview of the six-month period ended September 2022 (the "38th Period")

A. Historical background

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

GOR has completed its accounting closing for the 38th Period.

B. Investment environment and operation results

<Investment environment>

In the 38th Period, the Japanese economy gradually recovered.

In Tokyo's office building rental market, while there were signs of the rising vacancy rate leveling off, asking rents continued to decline, albeit modestly. Although tenant activity steadily increased, contracts for large spaces seemed to come to a standstill.

In the office building transaction market, amid the ongoing favourable funding environment, the investment appetite of domestic as well as foreign investors remains robust. Since information on Class A office buildings for sale is still limited, competition over property acquisitions is severe and transaction prices remain high.

Going forward, GOR will pay utmost attention to rental market conditions, the trend of the real estate transaction market, and changes in the financial environment.

<Operation results>

(a) Acquisitions and sales in portfolio

No acquisition or sale was performed in the six-month period ended September 2022.

(b) Portfolio performance

As of 30 September 2022, the GOR portfolio includes 11 office buildings. The total acquisition price accounts for 191,194 million yen with a total leasable area of 131,843.76 sqm. The overall occupancy rate of the GOR portfolio stands at 96.7% as of the end of the 38th Period.

C. Financing activities

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

During the period under review, GOR decided on 9 September 2022 to issue fresh bonds, as described below, in order to repay the Series No. 10 unsecured bonds (3,000 million yen) that expired 28 September 2022. The payment was completed on 27 September 2022.

<Series No. 16 unsecured bonds>

Name of bond	Series No. 16 unsecured bonds (with pari passu clause) (Green Bonds)
Issue amount	3,000 million yen
Issuance price	100 yen per 100 yen face value
Interest rate	0.50% per annum
Date of issuance	27 September 2022
Collateral/guarantee	The bonds were issued on an unsecured and unguaranteed basis with no specific assets reserved.
Redemption date and method	The total amount to be redeemed on 27 September 2027. The investment corporation bonds may be repurchased and cancelled at any time after the date of payment unless otherwise specified by the transfer agent.
Ratings	AA- (Japan Credit Rating Agency, Ltd.)

In addition, GOR borrowed 5,000 million yen on 30 September 2022 to execute repayment of existing loans of 5,000 million yen due for repayment on 30 September 2022.

As of 30 September 2022, unitholders' capital (net amount) is 92,401 million yen, the total number of units issued and outstanding is 948,996, the unpaid loan balance is 75,500 million yen, and the total balance of investment corporation bonds issued and outstanding is 18,700 million yen.

GOR's credit rating status as of 30 September 2022 is as follows:

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

D. Financial results and dividend distributions

GOR recorded operating revenue of 5,691 million yen, operating profit of 2,679 million yen, ordinary profit of 2,293 million yen, and net income of 2,292 million yen for the 38th Period. Regarding dividends, while anticipating the application of tax exemption (under Article 67-15 of the Act on Special Measures Concerning Taxation) that will allow profit distributions to become tax deductible, GOR decided to distribute 2,302 million yen, which is the amount of unappropriated retained earnings after adding 9 million yen of reversal of reserve for reduction entry. As a result, dividend per unit is 2,426 yen.

II. Outlook of the next six-month period ending March 2023

A. Basic policies

GOR manages and operates its portfolio properties consisting primarily of real estate and other assets (real estate, leasehold rights to real estate or surface rights or beneficial interests of trusts in which only these assets are entrusted among the assets as set forth in Article 105 paragraph 1 of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations of Japan) for investment purposes in accordance with Articles 2 and 20 of "the

Articles of Incorporation” and “Management Target and Policies” provided in its attachment. GOR manages the assets held by GOR (“Assets Under Management”) from a medium- to long-term viewpoint with the aim of achieving steady growth of the Assets Under Management and securing stable income.

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

B. Portfolio strategies

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

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

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

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

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

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

GOR strives to maintain and build upon relationships of mutual trust with tenants and enhance its services to boost tenant satisfaction, and, by doing so, seeks to maintain high occupancy rates and maintain or increase rental revenues. At the same time, GOR aims to optimize the balance between the level of the quality of property management and management costs, while accurately meeting the needs of tenants.

C. Material matters after the account closing

(a) Issuance of new investment units

GOR resolved at board of directors held on 17 November 2022 to issue new investment units as follows. The issue price, etc. shall be decided at a future board of directors.

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

Number of investment units to be offered	70,330 units
Payment date	A date between 5 December 2022 and 7 December 2022.
Use of funds	Application to part of funds for acquisition of THE PEAK SAPPORO and Tomatsu Building, described later in the section "(c) Scheduled Acquisition of Asset". In the event that there is any remaining amount, it will be used as funds on hand together with the proceeds from the issuance of new investment units through third-party allotment, described later in the section "(2) Issuance of new investment units through third-party allotment", deposited in a financial institution until the actual expenditure is made, and applied to part of funds for future acquisition of specified assets or repayment of loans.

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

Number of investment units to be offered (upper limit)	3,500 units
Payment date	22 December 2022
Allottee	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Use of funds	Together with the remaining amount (if any) of proceeds from the issuance of new investment units through primary offering described in the above "(1) Issuance of new investment units through public offering (primary offering)", it will be used as funds on hand, deposited in a financial institution until the actual expenditure is made, and applied to part of funds for future acquisition of specified assets or repayment of loans.

The number of new investment units to be issued through third-party allotment may not be subscribed for in whole or in part. As a result, the final number of new investment units to be issued through third-party allotment may be reduced to the same extent or the issuance itself may be suspended due to forfeiture.

(b) Borrowings (scheduled)

GOR resolved at the board of directors held on 17 November 2022 to newly borrow funds to be applied to part of the funds for acquisition of THE PEAK SAPPORO and Tomatsu Building, described later in the section “(c) Scheduled Acquisition of Asset”.

Short-term loan

Lenders	Loan amount (million yen)	Interest rate (%)	Drawdown date (scheduled)	Maturity date (scheduled)	Collateral/ Repayment method
MUFG Bank, Ltd.	2,400	Bank base rate (JBA 1-month Japanese Yen TIBOR) + 0.140% (*1) (Floating rate)	7 December 2022	26 September 2023	Unsecured (*2) /Repayment in full at maturity

(*1) Interest shall be paid on the end of each month, and the first interest payment date is the end of December 2022. (Partial) repayment of the principal is permissible on the interest payment date. The base interest rate applicable to the calculation period of interest payable on each interest payment date shall be JBA 1-month Japanese Yen TIBOR as of two business days prior to the previous interest payment date. JBA 1-month Japanese Yen TIBOR is shown on the website of General Incorporated Association JBA TIBOR Administration

[\(http://www.jbatibor.or.jp/english/rate/\)](http://www.jbatibor.or.jp/english/rate/)

(*2) Under some conditions, the loan may be collateralized by real estate trust beneficial interests etc. owned by GOR.

(c) Scheduled Acquisition of Asset

(1) GOR decided the acquisition of the asset on 24 October 2022 as follows.

<Summary of the asset to be acquired>

Name of building	THE PEAK SAPPORO	
Type of specified assets	Trust beneficial interests in real estate	
Location (Indication of registered building)	3-23-1, Kita-Jujo-Nishi, Kita-ku, Sapporo City, Hokkaido	
Land (*1)	Ownership	Ownership (Trust beneficial interests)
	Land area	2,549.13 sqm
Building (*1)	Ownership	Ownership (Trust beneficial interests)
	Use	Office and retail
	Floor area	12,823.15 sqm
	Year built	June 2021
	Structure	9-story plus 1 basement level S with flat roof
Contract date	24 October 2022	
Scheduled acquisition price (*2)	17,000 million yen	
Scheduled acquisition date	7 December 2022	
Seller	Fuyo General Lease Co., Ltd.	

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

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

(2) GOR decided the acquisition of the asset on 17 November 2022 as follows.

<Summary of the asset to be acquired>

Name of building	Tomatsu Building	
Type of specified assets	Trust beneficial interests in real estate	
Location (Residence indication)	1-17-1, Nishiki, Naka-ku, Nagoya-City, Aichi	
Land (*1)	Ownership	Ownership (Trust beneficial interests)
	Land area	2,550.37 sqm
Building (*1)	Ownership	Ownership (Trust beneficial interests)
	Use	Office and Parking
	Floor area	23,161.27 sqm
	Year built	March 1995
	Structure	12-story plus 2 basement levels S, with a flat roof
Contract date	17 November 2022	
Scheduled acquisition price (*2)	17,300 million yen	
Scheduled Acquisition date	28 April 2023	
Seller	Fuyo General Lease Co., Ltd.	

(*1) "Land area", "use", "floor area", "year built" and "structure" are shown based on the registration, unless otherwise stated. Floor area shows the total floor area of the primary building and annexes.

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

(d) Scheduled Transfer of Asset

GOR decided the transfer of the asset on 24 October 2022 as follows.

<Summary of the asset to be transferred>

Name of building	Otemachi First Square	
Location (Residence indication)	1-5-1, Otemachi, Chiyoda-ku, Tokyo	
Land area (*1)	Total land area: 10,998.97 sqm Of which, the area of the subject parcel of land: 1,088.61 sqm	
Floor area (*1)	Total floor area of the entire building 141,228.06 sqm Floor area of subject section 9,235.43 sqm	
Scheduled transfer price (*2)	Total 27,000 million yen	
	1st transfer	6,750 million yen
	2nd transfer	8,100 million yen
	3rd transfer	8,100 million yen
	4th transfer	2,700 million yen
5th transfer	1,350 million yen	
Material impact on earnings	881 million yen of gain on sale of real estate will be recorded as operating revenue during the six-month period ending March 2023.	
The transferred asset	Trust beneficial interests	
	Land : Ownership (3 of the 7 parcels of the total land area)	
	Building: Sectional ownership and co-ownership of sectional ownership	
	1st transfer	25 %
	2nd transfer	30 %
	3rd transfer	30 %
4th transfer	10 %	
5th transfer	5 %	
Contract date	24 October 2022	

Expected dates of transfers	1st transfer	6 December 2022
	2nd transfer	25 September 2023
	3rd transfer	25 March 2024
	4th transfer	25 September 2024
	5th transfer	23 October 2024
Transferee	DAIBIRU CORPORATION	

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

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

D. Earnings forecasts

Earnings for the six-month period ending March 2023 (The 39th Period: 1 October 2022 – 31 March 2023) and the six-month period ending September 2023 (The 40th Period: 1 April 2023 – 30 September 2023) are forecasted as follows:

Concerning assumptions for the 39th Period and the 40th Period, please see the following items: "Assumptions underlying earnings forecasts for the six-month period ending March 2023 (the 39th Period) and the six-month period ending September 2023 (the 40th Period)"

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

Six-month period ending March 2023 (39th Period: 1 October 2022 to 31 March 2023)

Increasing Factors

- Gain on sale of real estate from partial sale of Otemachi First Square (881 million yen)
- Property-related profits and losses from acquisition of THE PEAK SAPPORO (160 million yen)

Decreasing Factors

- Property-related profits and losses from partial sale of Otemachi First Square (26 million yen)
- Investment unit issuance costs (31 million yen)

Six-month period ending September 2023 (40th Period: 1 April 2023 to 30 September 2023)

Increasing Factors

- Gain on sale of real estate from partial sale of Otemachi First Square (212 million yen)
- Property-related profits and losses from acquisition of Tomatsu Building (240 million yen)
- Property-related profits and losses from acquisition of THE PEAK SAPPORO (59 million yen)
- Elimination of investment unit issuance costs (31 million yen)

Earnings forecasts for the six-month period ending March 2023
(The 39th Period: 1 October 2022 – 31 March 2023)

Operating revenue	6,641	million yen
Operating profit	3,418	million yen
Ordinary profit	2,994	million yen
Net income	2,993	million yen
Dividend per unit	2,860	yen
Dividend in excess of profit per unit	–	yen

Earnings forecasts for the six-month period ending September 2023
(The 40th Period: 1 April 2023 – 30 September 2023)

Operating revenue	7,211	million yen
Operating profit	3,887	million yen
Ordinary profit	3,452	million yen
Net income	3,451	million yen
Dividend per unit (*)	3,038	yen
Dividend in excess of profit per unit	–	yen

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

Assumptions underlying earnings forecasts for the six-month period ending March 2023 (the 39th Period) and the six-month period ending September 2023 (the 40th Period)

Items	Assumptions
Accounting period	The 39th Period: 1 October 2022 - 31 March 2023 (182 days) The 40th Period: 1 April 2023 - 30 September 2023 (183 days)
Operating assets	<ul style="list-style-type: none"> Assumes that GOR will acquire THE PEAK SAPPORO on 7 December 2022 and Tomatsu Building on 28 April 2023 in addition to the 11 properties it owns as of 30 September 2022, and that it will transfer 25% and 30% of Otemachi First Square on 6 December 2022 and 25 September 2023, respectively, without any additional acquisitions or sales until the end of the six-month period ending 30 September 2023. Notwithstanding the above assumption, estimates may change in the event of a change in the portfolio.
Number of units issued	<ul style="list-style-type: none"> The estimated number of units issued is 1,022,826 units, which is the number of units issued as of 30 September 2022, 948,996 units, plus 70,330 units that is issued through a public offering and upper limit of 3,500 new units that is issued through a third-party allotment pursuant to a decision made at the board of directors held on 17 November 2022. Dividend per unit is calculated based on the above number of units issued, or 1,022,826.
Operating revenue	<ul style="list-style-type: none"> Rental revenue takes into account various factors (e.g. tenant turnover, market trends, and competition in the neighborhood) and assumes that there will be no arrears or nonpayment of rent by tenants. Rental revenue is expected to increase with the acquisition of THE PEAK SAPPORO on 7 December 2022 as well as Tomatsu Building on 28 April 2023 and the transfer of 25% and 30% of Otemachi First Square on 6 December 2022 and 25 September 2023. Among the operating revenue for the 39th Period and 40th Period, 881 million yen and 1,093 million yen of gain on sale of real estate is expected respectively from the transfer of Otemachi First Square.
Operating expenses	<ul style="list-style-type: none"> Property-related expenses, excluding depreciation and amortization expenses, are calculated reflecting variable factors based on historical data. Because the amounts of property tax and city planning tax already paid by the seller are included in the acquisition cost of THE PEAK SAPPORO, they will not be recorded as operating expenses in the 39th Period. However, property tax and city planning tax for this property due in and after the 40th Period (37 million yen in fiscal 2022, i.e. 18 million yen for six months, excluding depreciated asset tax) will be recorded as operating expenses in the 40th Period and after. Because the amounts of property tax and city planning tax already paid by the seller are included in the acquisition cost of Tomatsu Building, they will not be recorded as operating expenses in the 40th Period. However, property tax and city planning tax for this property due in and after the 42nd Period (74 million yen in fiscal 2022, i.e. 37 million yen for six months, excluding depreciated asset tax) will be recorded as operating expenses in the 42nd Period and after. Property management fees relating to leasing activities are estimated at 606 million yen for the 39th Period and 593 million yen for the 40th Period and tax and public dues at 528 million yen for the 39th Period and 561 million yen for the 40th Period. Repair and maintenance expenses are estimated at 134 million yen for the 39th Period and 88 million yen for the 40th Period. However, unforeseen

	<p>emergency repairs may become necessary depending on various factors, and actual repair expenses may exceed the estimates.</p> <ul style="list-style-type: none"> • Depreciation and amortization expenses, estimated at 897 million yen for the 39th Period and 955 million yen for 40th Period is calculated on a straight-line basis over the holding period. • Operating expenses other than property-related expenses (e.g. management fees, asset custody fees, and agency fees) are estimated at 635 million yen for the 39th Period and 679 million yen for the 40th Period.
Non-operating expenses	<ul style="list-style-type: none"> • The total non-operating expenses (e.g. interest expenses) are estimated at 423 million yen for the 39th Period and 435 million yen for the 40th Period. 31 million yen of investment unit issuance costs are expected to be recorded in lump sum as non-operating expenses for the 39th Period.
Borrowings and bonds	<ul style="list-style-type: none"> • As of 30 September 2022, GOR has a total of 75,500 million yen in outstanding loans. It is assumed that loans due during the 39th Period and 40th Period will be fully refinanced. • Assumes that GOR will borrow 2,400 million yen in December 2022 from a qualified institutional investor, MUFG Bank, Ltd., as defined in Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Act. Concerning details of this borrowing, please see "GOR Announces Obtainment of Debt Financing" dated today. • Assumes that GOR will borrow a total of 17,300 million yen in April 2023 from qualified institutional investors as defined in Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Act, including MUFG Bank, Ltd. • Dividend per unit may change due to unforeseen fluctuations in interest rates. • As of 30 September 2022, GOR has a total of 18,700 million yen in outstanding corporate bonds issued. It is assumed the balance of outstanding corporate bonds issued will remain unchanged through the end of the 40th Period (ending 30 September 2023).
Dividend per unit	<ul style="list-style-type: none"> • Dividend per unit is calculated in accordance with "Cash Dividend Policies" set forth in the Articles of Incorporation. • Dividend per unit may change due to various factors (e.g., change in the portfolio properties, increase or decrease in rent income resulting from tenant relocation, and unforeseen emergency repairs). • Assumes that part of the gain on sale from the first transfer (25%) and the second transfer (30%) of Otemachi First Square, transferred in segments across five periods, will be spent in a discretionary manner and to an extent that does not infringe on dividend deductibility requirements prescribed in Article 67-15 of the Act on Special Measures concerning Taxation for reserve for reduction entry of 68 million yen and 343 million yen respectively, in accordance with the "Special Provision on Taxation for Replacement of Specific Property" (Article 65-7 of the Act on Special Measures concerning Taxation) in financial results for the six-month period ending March 2023 and for the six-month period ending September 2023.
Dividend in excess of profit per unit	<ul style="list-style-type: none"> • Dividend distributions in excess of profit are not assumed during the 39th Period and the 40th Period at this point in time.

Others

- Assumes that there will be no material changes that may affect the aforementioned forecasts during these periods in related laws, accounting standards and tax regulations in Japan, TSE listing regulations, and/or rules of the Investment Trusts Association, Japan.
 - Assumes that unforeseen significant changes will not occur in the general economic trends or the real estate markets of Japan.
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2. Investment risks

Disclosure is omitted as there are no material changes from “Investment risks” in the most recent annual securities report (submitted for filing on 29 June 2022) and securities registration statement (submitted for filing on 17 November 2022).