November 17, 2022

To Our Unitholders

GLP J-REIT

[Provisional Translation Only]
The document is originally for individual investors inside Japan.
This English translation of the original Japanese document is provided solely for information purposes.
Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

Notice of Optimal Payable Distribution for the 21st Fiscal Period

GLP J-REIT resolved at the meeting of its board of directors held on October 12, 2022 that it will distribute 2,681 yen per unit as ordinary distributions of earnings for the 21st Fiscal Period (ended August 2022). It was also decided that distributions in excess of retained earnings (Optimal Payable Distribution; hereinafter "OPD") of 370 yen per unit for the period. Payment of distributions will commence on November 18, 2022.

This document lays out the tax treatment of the OPD per unit of 370 yen which originates from "unitholders' capital" and therefore differs from ordinary distributions which originate from "retained earnings."

The OPD for this period will be distributed entirely from "unitholders' capital," (Hereinafter, "Distribution from unitholders' capital" (excluding distribution of Reserve for Temporary Difference.)) and will be categorized as a "return of capital" for tax purposes. This will give rise to a "capital gain/loss from deemed transfer," which does not fall under dividend income for tax purposes. Please be aware of this when filing final income tax returns.

Furthermore, while this document describes matters concerning the payment of distributions and the OPD, the Japanese tax treatment as well as matters that should be notified to unitholders based on the provisions of the tax laws, it does not provide a comprehensive explanation of the tax procedures that are required of unitholders.

As detailed below, the computation of specific "acquisition price" and "capital gain/loss from deemed transfer" for each investment unit, as well as the computation of income tax on capital gains realized in a future sale of the units will differ for each individual unitholder depending on their particular circumstances. It is therefore recommended that unitholders consult their securities firm, their local tax office, or their tax accountant, etc. regarding these matters.

1. Payment of Distributions for this Period

The distributions in this period are sourced from "retained earnings (ordinary distributions of 2,681 yen per unit)" and "unitholders' capital (OPD of 370 yen per unit)." As different payment procedures are necessary depending on the source of the distributions, the documents indicated below have been enclosed for each payment method.

(1) For unitholders that have chosen to receive distributions via bank transfer:
"Statement of Distributions," "Confirmation of Bank Transfer Details for Distributions,"
"Statement of Distribution (for Optimal Payable Distribution arising from reduction in unitholders' capital)" and "Confirmation of Bank Transfer Details for Distribution (for Optimal Payable Distribution arising from reduction in unitholders' capital)"

(2) For unitholders that have not chosen to receive distributions via bank transfer:
"Statement of Distributions," "Receipt for Distributions" and "Receipt for Distribution (for Optimal Payable Distribution arising from reduction in unitholders' capital)"

*"Statement of Distributions" also serves as the "notice of payment" prepared in accordance with the provisions of the Act on Special Measures Concerning Taxation.

2. Tax Treatment of OPD for this Period

(1) Income classification for the OPD (Articles 24 and 25, etc. of the Income Tax Act)

- The OPD for this period should be treated as a "distribution from unitholders' capital". Under the Japanese tax laws, the portion attributable to capital, etc. should be treated as a "return of capital" while the remaining portion should be treated as "deemed dividends". Similar to the previous period, the OPD for this period is expected to be paid out in full from the portion attributable to capital, etc., thus <u>there should not be any "deemed dividends"</u>.
- A "return of capital" is treated as a "deemed transfer" for Japanese tax purposes as it is deemed that part of the investment units owned by the unitholders are transferred. Not only will such "deemed transfer" require that an adjustment (reduction) be made to the investment unit acquisition price, in principle, <u>it should also require the computation of "capital gains/losses arising from the deemed transfer"</u>.
- In principle, where "capital gains arising from the deemed transfer" are realized due to the OPD, unitholders are required to file a final tax return*. However, unitholders who use specified accounts (where income taxes are withheld at source) to hold their investment units may not be required to file final tax returns when receiving "capital gains arising from the deemed transfer" for the OPD in proportion to the number of shares held in these accounts. Please consult your securities firm, etc. for confirmation regarding the treatment above.

(*) <u>"Capital gains on the deemed transfer" arising from the OPD this period would only materialize when the average acquisition price is lower than 74,000 yen.</u>

The breakdown of the declared distributions is as follows:

Distribution per unit	Source of the distribution	Composition of the distribution	Tax treatment
Distribution (3,051 yen)	Retained earnings (2,681 yen)	Distribution of earnings (2,681 yen)	Distribution of earnings ・Tax is withheld as usual
	Unitholders' Capital (370 yen)	OPD (370 yen)	Return of capital ・Not subject to withholding tax ・Treated as income in calculating capital gain/loss from deemed transfer

(2) Capital gain/loss from deemed transfer (Article 37-11 of the Act on Special Measures Concerning Taxation)

・ Pursuant to the Japanese tax laws, "capital gain/loss from deemed transfer" will arise for unitholders as it is deemed that there has been a transfer of some investment units.

・ Income from transfer, etc. is the amount derived by subtracting "(2) Acquisition price of units deemed to have been transferred" from "(1) Deemed income."

・ In the OPD for this period, the deemed dividend is "0 yen" and the ratio of net asset value attributable to a reduction in capital is "0.005".

(1) Deemed income	=	Total OPD amount	−	Deemed dividend (0 yen)
(2) Acquisition price of units deemed to have been transferred	=	Previous total acquisition price	×	Ratio of net asset value attributable to a reduction in capital (0.005)
(3) Capital gain/loss from deemed transfer	=	(1) Deemed income	−	(2) Acquisition price of units deemed to have been transferred

[Example] Where 10 GLP J-REIT investment units were acquired at 180,000 yen per unit during the 21st Fiscal Period

(1) Deemed income = 370 yen (OPD per unit) × 10 units – 0 yen = 3,700 yen

(2) Acquisition price of units deemed to have been transferred = (180,000 yen × 10 units) × 0.005 (ratio of net asset value attributable to a reduction in capital) = 9,000 yen

(3) Capital gain/loss from deemed transfer = 3,700 yen – 9,000 yen = -5,300 yen (deemed loss on transfer)

*Based on the above computation, capital gains from deemed transfer will arise for unitholders whose average acquisition price per investment unit is lower than 74,000 yen.

*If (3) above is a negative figure as a result of the computation, it will be a deemed loss on transfer.

*For the details regarding the computation of capital gain/loss from deemed transfer, please consult your local tax office or your tax accountant, etc.

(3) Treatment of acquisition price (Article 114 (1) of the Order for Enforcement of the Income Tax Act)

・Pursuant to the Japanese tax laws, the acquisition price of each investment unit will be adjusted.

・The adjustment formula is indicated below. The ratio of net asset value attributable to a reduction in capital will be "0.005".

New acquisition price per unit	=	Previous acquisition price per unit	− (	Previous acquisition price per unit	×	Ratio of net asset value attributable to a reduction in capital (0.005)	)

[Example] Where 10 GLP J-REIT investment units were acquired at 180,000 yen per unit during the 21st Fiscal Period

(1) Adjustment per unit = 180,000 yen × 0.005 (ratio of net asset value attributable to a reduction in capital) = 900 yen

(2) New acquisition price per unit = 180,000 yen – 900 yen = 179,100 yen

(3) New acquisition price = 179,100 yen × 10 units = 1,791,000 yen

*Acquisition price adjustment, etc. for unitholders with "specified accounts" at securities firms may vary depending on the type of account utilized. Please confirm with your securities firm, etc.

*Unitholders who are not using "specified accounts" at securities firms must make adjustments to the acquisition price using the above formula.

(4) Information for individual unitholders

Items prescribed in Article 114 (5) of the Order for Enforcement of the Income Tax Act	Notification
Ratio of net asset value attributable to a reduction in capital (ratio prescribed in Article 61 (2) (V) of the Order for Enforcement of the Income Tax Act concerning return of capital)	0.005 (rounded up to three decimal places)

(5) Information for corporate unitholders

Items prescribed in Article 23 (4) of the Order for Enforcement of the Corporation Tax Act	Notification
Matters stipulated in Article 24 (1) of the Corporate Tax Act which resulted in the delivery of monies or other assets	Return of capital
Applicable date	November 18, 2022
Total number of investment units outstanding on the reference date for the return of capital	4,490,369 units
Deemed dividend per unit	0 yen per unit

Matters prescribed in Article 119-9 (2) of the Order for Enforcement of the Corporation Tax Act	Notification
Ratio of net asset value attributable to a reduction in capital	0.005 (rounded up to three decimal places)
Decrease in capital surplus due to return of capital	1,661,436,530 yen

3. Other Information

(1) Matters that require unitholders to conduct procedures that differ from usual distributions (originating from "retained earnings") accompanying OPD ("Distribution from Unitholders' Capital") for this period.

- Computation of "capital gain/loss from deemed transfer" will be necessary.
  In principle, unitholders are required to calculate the "capital gain/loss from deemed transfer" associated with "return of capital" for tax purposes. However, for unitholders who use the specified accounts (with the option to withhold tax on income at source selected) to hold their investment units, the capital gain/loss from deemed transfer for the OPD received in proportion to the number of shares held should be calculated automatically in these accounts. Please contact the relevant securities firm, etc. for confirmation regarding the treatment above.

- If a "capital gain from deemed transfer" arises.
  In principle, final tax returns will need to be filed. However, a "capital gain from deemed transfer" will only arise if the average acquisition price is below 74,000 yen with regard to the OPD (370 yen per unit) for this period.
  However, unitholders who use the specified accounts (with the option to withhold tax on income at source selected) to hold their investment units may not be required to file the final tax returns when recognizing "capital gain from deemed transfer" for the OPD received in proportion to the number of shares held in these accounts. Please contact the relevant securities firm, etc. for confirmation regarding the treatment above.

- If a "deemed loss on transfer" is realized and the loss is to be offset against other revenue or to be carried over to forthcoming periods, final tax returns will need to be filed. However, if the "capital gain/loss from deemed transfer" is computed within a specified account of the same securities firm, etc., final tax returns may not need to be filed, since the capital gain and loss are aggregated within the specified account.

- "Adjustments to the acquisition price" will be necessary.
  Please contact the relevant securities firm, etc. for confirmation.

- "Capital gain from deemed transfer" for special tax exempted accounts
  The individual unitholders who use the special tax exempt accounts under the Tax Exemption for Small Investments in Listed Shares (i.e. NISA or Junior NISA) to manage their investment units may be allowed for the tax exempt treatment when recognizing the capital gain from deemed transfer for the OPD. However, it should be noted that in principle any capital losses from deemed transfer are not recognized in such special tax exempted accounts. Please contact the relevant securities firm, etc. for confirmation regarding the details on the above.

(2) Disclaimer

This document outlines matters concerning the tax treatment of OPD for this period and matters that should be notified to unitholders based on provisions of the Japanese tax laws. However, since the particulars will differ for each individual unitholder depending on their specific circumstances, the information outlined in this document is not exhaustive.
If you have any questions please contact the relevant party indicated in "4. Inquiries" below.
Please preserve this document as it may be useful in providing support for the "acquisition price"

in the event the investment units are sold in the future.
This notice will also be posted on the GLP J-REIT website (https://www.glpjreit.com/english/).

4. Inquiries

(1) General inquiries concerning this document
General administrator of the unitholders' registry
Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Division
Telephone: 042-204-0303 (only in Japanese)
Operating hours: 9:00 to 17:00 (except Saturdays, Sundays and holidays)

(2) Specific inquiries concerning adjustment of acquisition price
Please consult the relevant securities firm, etc., your local tax office or tax accountant, etc.

(3) Inquiries concerning tax filing, etc.
Please consult your local tax office or tax accountant, etc.