

March 16, 2021

For Immediate Release

Real Estate Investment Trust Securities Issuer:  
 GLP J-REIT  
 Representative: Yoshiyuki Miura, Executive Director  
 (Security Code: 3281)

Asset Management Company:  
 GLP Japan Advisors Inc.  
 Representative: Yoshiyuki Miura, President  
 Contact: Hisatake Miki, CFO & Head of Corporate  
 Planning Department  
 (TEL: +81-3-3289-9630)

### **Issuance of Investment Corporation Bonds (Sustainability Bonds)**

GLP J-REIT hereby announces that it today made a decision to issue “GLP J-REIT 17th Unsecured Bonds (Sustainability Bonds)” (also known as “GLP Sustainability Bonds”) (hereinafter, the “Sustainability Bonds”) as described below, following a resolution passed at its board of directors meeting held on March 12, 2021.

The Sustainability Bonds will be the first ultra-long term bond with a 20 year term among sustainability bonds of J-REITs. With the issuance of the sustainability bonds, the total amount of ESG bonds (sustainability bonds and green bonds) issued is expected to reach 31.6 billion yen, making it the top J-REIT in terms of ESG bonds outstanding.

#### Details

##### 1. Summary of the Sustainability Bonds

- |                                 |   |
|---------------------------------|---|
| (1) Name                        | GLP J-REIT 17th Unsecured Bonds (Special pari passu conditions among specified investment corporation bonds) (Sustainability Bonds)   |
| (2) Total issue amount          | 5,000 million yen   |
| (3) Form of bond certificate    | Subject to the provisions of the Act on Book-Entry of Corporate Bonds and Shares, bond certificates will not be issued.   |
| (4) Issue price                 | 100 yen per 100 yen of each bond  |
| (5) Redemption price            | 100 yen per 100 yen of each bond  |
| (6) Interest rate               | 0.970% per annum  |
| (7) Denomination price          | 100 million yen   |
| (8) Offering method             | Public Offering   |
| (9) Subscription date           | March 16, 2021 (Tuesday)  |
| (10) Payment date               | March 23, 2021 (Monday)   |
| (11) Collateral, guarantee      | Neither collateral nor guarantee is provided for the Sustainability Bonds, and no asset has been particularly secured for the Sustainability Bonds.   |
| (12) Redemption method and date | The total amount of the Sustainability Bonds will be redeemed on March 22, 2041.<br>Redemption by purchase will be available any time on and after the following days of the payment dates except for the case separately determined by the depository. |
| (13) Interest payment date      | The end of March and September of every year<br>(An interest payment date that falls on a bank holiday will be moved to the preceding business day.)  |
| (14) Financial covenant         | Negative pledge among unsecured bonds   |
| (15) Credit rating              | AA by Japan Credit Rating Agency, Ltd. (JCR)  |

- |  |                             |
|--|-----------------------------|
| (16) Fiscal agent, issuing agent and payment agent | MUFG Bank, Ltd.             |
| (17) Underwriter                                   | Nomura Securities Co., Ltd. |

GLP J-REIT has obtained a SU1 (F) rating, the highest for JCR Sustainability Finance Framework Evaluation (Note), for its framework for issuing Sustainability Bonds (Sustainability Finance Framework) (Note), from the Japan Credit Rating Agency, Ltd. (JCR), a third-party evaluation agency.

(Note) For information on Sustainability Finance Framework, please refer [here](#). For an overview of the Framework and the "JCR Sustainability Finance Framework Assessment", please refer to "3. Scheme for issuing the Sustainability Bonds (Sustainability Finance Framework) (1) Eligibility as Sustainability Bonds" below.

## 2. Reason for the issuance

As part of environmental sustainability initiatives, GLP J-REIT has been providing green finance, issuing green bonds on three occasions since December 2018. In addition, GLP J-REIT is also working on sustainability finance to raise funds for projects that will contribute to solving social issues and to preserving the environment. Following the issuance of its first sustainability bonds as a J-REIT in September 2020, GLP J-REIT issued its second sustainability bond in December 2020. With its third issuing of sustainability bonds, the total amount of ESG bonds (sustainability bonds and green bonds) issued is expected to reach 31.6 billion yen, making it the top J-REIT in terms of ESG bonds outstanding. GLP J-REIT aims to further promote ESG activities and enhance the means of finance to meet the needs of an expanding investor base willing to invest in ESG. At the same time, GLP J-REIT will promote further strengthening of its financial position by extending the weighted average tenure through the issuance of 20-year bonds for the first time as the investment corporation bonds.

GLP J-REIT plans to use the proceeds from the Sustainability Bonds to partially redeem the third Unsecured Investment Corporate Bond that will mature on December 10, 2021, (All of the proceeds from the said loan were used to refinance the loan received for acquiring GLP Yokohama, a specified asset that meets the criteria of Eligible Sustainability Projects (Note). (Planned date of prepayment; March 24, 2021)

(Note) As for "Eligible Sustainability Projects", please refer to "3. Scheme for issuing the Sustainability Bond (Sustainability Finance Framework), (2) Eligible Sustainability Projects".

## 3. Scheme for issuing the Sustainability Bonds (Sustainability Finance Framework)

### (1) Eligibility as sustainability bonds

GLP J-REIT has formulated a framework for the provision of sustainability finance, including the issuance of sustainability bonds, in accordance with the Sustainability Bond Guidelines 2018 (Note 1), the Green Bond Principles 2018 (Note 2), the Social Bond Principles 2018 (Note 3), and the Green Loan and Sustainability Linked Loan Guidelines 2020 (Note 4). The framework has been evaluated by Japan Credit Rating Agency, Ltd. (JCR), a third-party evaluator, and obtained SU1 (F), the highest on the rating scale for the JCR Sustainability Finance Evaluation (Note 5).

Furthermore, through the issuance of the Sustainability Bonds, JCR has received the notification of decision to grant the subsidy from the Green Finance Organization, making the assignment of third-party evaluation of the green finance framework of the Investment Corporation eligible for grant of the subsidy. (Note 6)

(Note 1) The Sustainability Bond Guidelines 2018 was established by the International Capital Market Association (ICMA) to provide guidelines to follow in issuing sustainability bonds.

(Note 2) The Green Bond Principles 2018 was established by the Green Bond Principles Executive Committee, a non-governmental body to which the ICMA acts as secretariat, to provide guidelines to follow in issuing green bonds.

(Note 3) The Social Bond Principles 2018 was established by the Green Board Principles and Social Bond

Principles Executive Committee, a non-governmental body to which the ICMA acts as secretariat, to provide guidelines to follow in issuing social bonds.

- (Note 4) The Green Loan and Sustainability Linked Loan Guidelines 2020 was established and announced by Japan's Ministry of the Environment in March 2020 for the purpose of promoting the provision and use of green loans and sustainability linked loans. The guidelines were developed with due consideration given to consistency with the Green Loan Principles and the Sustainability Linked Loan Principles established by the Loan Market Association and others in 2018 and 2019, respectively.
- (Note 5) The JCR Sustainability Finance Framework Evaluation is a third-party evaluation conducted by the JCR to assess a framework for sustainability finance with respect to the degree to which funding provided in the form of sustainability finance is appropriated to social or green projects as defined by the JCR, the quality of administrative and operational management regarding the use of the funding, and the level of efforts to ensure transparency therein. Ratings assigned in the JCR Sustainability Finance Framework Evaluation have "(F)" at the end to distinguish from those assigned to specific bonds and loans. The rating assigned to the Sustainability Bond in the JCR Sustainability Finance Framework Evaluation can be found on the JCR's website (<https://www.jcr.co.jp/en/greenfinance/>).
- (Note 6) Financial Support Program for Green Bond Issuance refers to the program that provides subsidies for the expenses incurred by registered issuance supporter that support companies, municipalities and other bodies who seek to issue green bonds in granting outside review, consultation on establishing a Green Bond Framework, etc. The requirements for eligible green bonds and others are as follows: in the case of green bonds, the entire proceeds of the bonds must be used for the Green Projects; in the case of sustainability bond, not less than half of proceeds of the bonds must be used for Green Projects, and all of the following must be satisfied at the time of issuance.
- (i) Has to satisfy any of the following at the time of issuance of the green bonds:
- 1) A project that contributes mainly to domestic decarbonization (renewable energy, energy efficiency, etc.)
    - Projects for which equal to or more than half of the proceeds, or equal to or more than half of the number of projects are domestic decarbonization-related project.
  - 2) Has high effects on decarbonization and vitalization of local economy
    - Decarbonization effects - Those whose subsidy amount per ton of domestic CO2 reduction is less than the specified amount
    - Effects of vitalization of local economy - Projects that are expected to contribute to effects on vitalization of local economy as part of the ordinance and plan, etc. decided by the municipality, projects for which investment by municipalities can be anticipated, etc.
- (ii) The Green Bond Framework has to be confirmed by an external review organization for compliance with the Green Bond Guidelines before issuance.
- (iii) It is not a so-called green-wash bond

(2) Eligible Sustainability Projects

Eligible Sustainability Projects are assets or projects that satisfy the Eligible Green Project Criteria and the Eligible Social Project Criteria shown below:

<Eligible Green Project Criteria>

Green buildings:

New, existing, or refurbished buildings certified in at least one of the following categories:

- i) DBJ Green Building Certification (Japan): five, four, or three stars
- ii) CASBEE (Japan) S, A, or B+



GLP Tokyo II



GLP/MFLP Ichikawa-Shiohama



GLP Sugito II



Misato II



GLP Osaka



GLP Yokohama



GLP Amagasaki

24 other properties

- iii) BELS (Japan): five, four, or three



GLP Kobe-Nishi



GLP Atsugi II



GLP Yoshimi

7 other properties

- iv) LEED (U.S.): Platinum, Gold, or Silver

(Note) The properties listed in ii) and iii) above are those that met the requirements as of March 15, 2021.

<Eligible Social Project Criteria>

Contribution to the sustainable growth of local communities

New, existing, or refurbished buildings that contribute to either of items a through d shown below:

- a. Safety of local residents in times of disaster
- b. Development of the local living environment
- c. Revitalization of the local community
- d. Provision of parenting support

- (3) Maximum amount of the proceeds to be raised by sustainability finance effective After the issuance of the Sustainability Bonds

After the issuance of the Sustainability Bonds, GLP J-REIT has a total of 12 Eligible Sustainability Projects with a total acquisition cost of 270.4 billion yen. GLP J-REIT sets the maximum amount of the proceeds to be raised by sustainability finance at 119.9 billion yen after the issuance of the Sustainability Bond, the estimated amount of debts calculated by multiplying the total acquisition cost of 270.4 billion after the issuance of the Sustainability Bonds by 44.4%, the interest-bearing liabilities ratio as of the end of August 2020 (the 17th period).

**Property acquisition  
cost for GLP J-REIT**



(As of March 16, 2021)

**Sustainability Balance Sheet**



44.4%



Interest-bearing debt ratio as of the end of August 2020 (the 17th period)

(Note) Eligible Sustainability Projects and the Debts of Eligible Sustainability Projects include those also recognized as Eligible Green Projects and the Debts of Eligible Green Projects under the Green Finance Framework. Any outstanding balance of green finance provided to Eligible Sustainability Projects is included in the outstanding balance of sustainability finance. After the issuance of the Sustainability Bonds, the outstanding balance of sustainability finance is 13,500 million.

4. Amount of funds to be raised, use of proceeds and scheduled timing of expenditure

- (1) Amount of funds to be raised (estimated net proceeds)

4,961 million yen

- (2) Specific use of proceeds and scheduled timing of expenditure

GLP J-REIT plans to use the proceeds from the Sustainability Bonds for prepayment of the short-term loan due on December 10, 2021. (All of the proceeds from the said loan were used to refinance the loan received for acquiring GLP Yokohama, a specified asset that meets the criteria of Eligible Sustainability Projects). (Planned date of prepayment; March 24, 2021)

5. Loan status, etc. after the issuance of the Sustainability Bonds

(Unit: million yen)

	Before the issuance of the Sustainability Bonds	After the issuance of the Sustainability Bonds (Note 2)	Increase (Decrease)
Short-term loans (Note 1)	23,610	18,610	(5,000)
Long-term loans (Note 1)	266,270	266,270	—
Total loans	289,880	284,880	(5,000)
Investment corporation bonds	39,700	44,700	5,000
Total of loans and investment corporation bonds	329,580	329,580	—

(Note 1) Short-term loans refer to loans with a maturity period of one year or less as from today for “Before the issuance of the Sustainability Bonds”, and as of March 24, 2021 for “After the issuance of the Sustainability Bonds”, and long-term loans refer to loans with a maturity period of more than one year as from today for “Before the issuance of the Sustainability Bonds”, and as of March 24, 2021 for “After the issuance of the Sustainability Bonds”.

(Note 2) “After the issuance of the Sustainability Bonds” are based on the assumption of issuance of the Sustainability Bonds and early repayment of borrowings stated in “Notice Concerning Early Repayment of Borrowings” dated March 16, 2021.

6. Other matters necessary for investors' appropriate understanding and judgment of the concerned information

With respect to the risks associated with redemption, etc. of the Sustainability Bonds, there has been no important changes to the content of "Investment Risks" stated in the securities report submitted on November 24, 2020.

7. Reporting

GLP J-REIT will publish the allocation status of the bond proceeds from sustainability financing on its website. The reports will be published once every year until the outstanding balance of the concerned sustainability finance becomes zero. Further, as long as there remains any outstanding balance in its sustainability financing, GLP J-REIT will disclose the following benchmarks as of the end of February of each year on its website.

< Reporting on the Status of Proceeds >

- Total amount of bond proceeds that has been used
- Unused amount of bond proceeds

< Reporting on Positive Environmental Impacts and Social Benefits >

The following information is disclosed on the website:

a. Positive environmental impacts

- Level of ratings awarded in environmental certifications

b. Social benefits

(1) Output indicators

- Number of properties under Eligible Sustainability Projects

(2) Outcome indicators

- Emergency shelter for people affected by disasters
- Standby station for Disaster Relief Teams and Emergency Fire Response Teams in the event of a disaster
- Stockpile volume of fuel
- Groundwater facility

(3) Impact

- Harmonious relationship with the local community by contributing to the safety and security of the community

< Reporting on Positive Environmental Impacts and Social Benefits >

In the event of non-appropriation of funding, for instance, due to the sale of the Eligible Sustainability Project that was to be financed by the funding, GLP J-REIT discloses such facts on its website upon approval from CFO of GLP Japan Advisors.

\*GLP J-REIT website address: <https://www.glpjreit.com/en/>