



Investment in Modern Logistic Facilities

**GLP J-REIT**  
(3281)

August 2014 Fiscal Period

October 15, 2014

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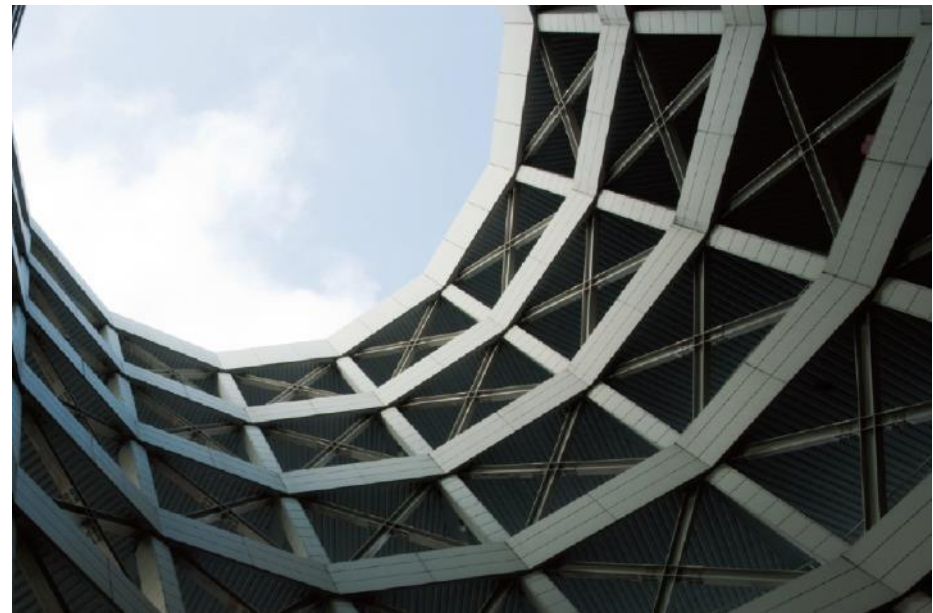
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## August 2014 financial results

- Dividends (incl. OPD) for Aug 2014: 2,176 yen / unit
- Increase by 26 yen (+1.2%) compared to the initial forecast

| Items                            | Feb 2014<br>Actual | Apr 15, 2014<br>Initial Forecast (A) | Aug 2014<br>Actual (B) | (B)-(A)    |
|----------------------------------|--------------------|--------------------------------------|------------------------|------------|
| <b>Financial result (mm yen)</b> |                    |                                      |                        |            |
| Operating revenue                | 8,080              | 9,289                                | <b>9,322</b>           | -          |
| Operating income                 | 4,852              | 4,893                                | <b>4,911</b>           | +18        |
| Ordinary income                  | 4,069              | 3,917                                | <b>3,973</b>           | +55        |
| Net income                       | 4,068              | 3,916                                | <b>3,971</b>           | <b>+55</b> |
| <b>Dividend per unit (yen)</b>   |                    |                                      |                        |            |
| Dividend per unit (total)        | 2,190              | 2,150                                | <b>2,176</b>           | <b>+26</b> |
| Dividend per unit<br>(excl. OPD) | 1,939              | 1,866                                | <b>1,893</b>           | +27        |
| Optimal payable<br>distribution  | 251                | 284                                  | <b>283</b>             | -1         |
| <b>Others</b>                    |                    |                                      |                        |            |
| Occupancy                        | 99.9%              | -                                    | <b>99.9%</b>           | -          |
| NOI (mm yen)                     | 7,513              | -                                    | <b>7,869</b>           | -          |
| NOI yield                        | 6.2%               | -                                    | <b>5.6%</b>            | -          |

### Aug 2014 Result

Major difference in net income

(vs. initial forecast: **+55M**)  
**+9M**

Increase in income from property leasing

1. Increase in revenue from parking space & utilities (+13M) and insurance income (+17M)
2. Increase in repair expenses due to heavy snow (-31M)
3. Decrease in other expenses (depreciation, tax, etc.)(+10M)

**+10M**

Decrease in other operating expenses

E.g. expenses of general unitholders' meeting

**+36M**

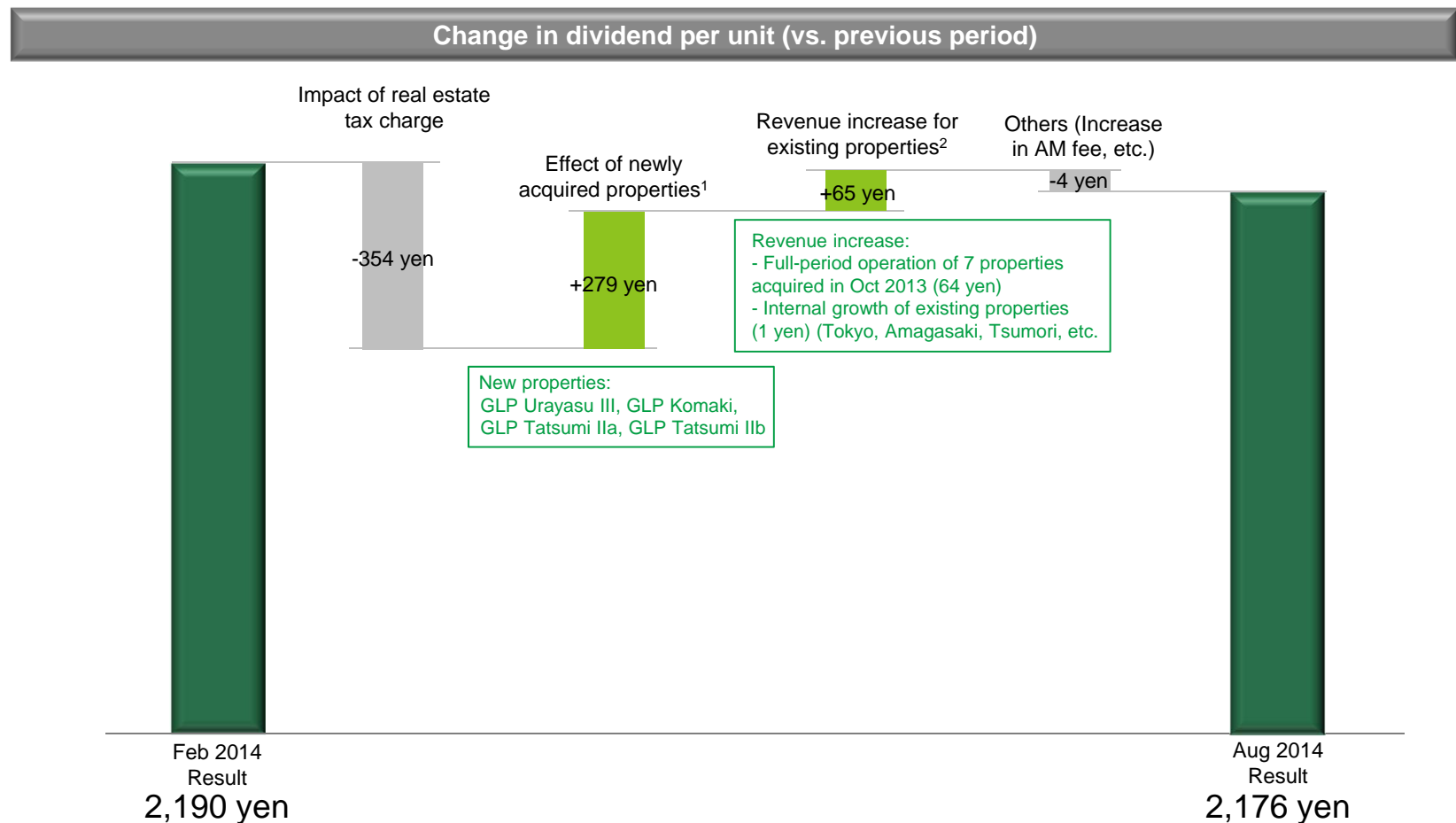
Decrease in non-operating expenses

1. Interest and spread lower than the initial forecast
2. Decrease in borrowing expenses, due to postponed loan refinance (from short to long term maturity)

1. Amounts are rounded down, and percentage is rounded to the first decimal place.

## Change in dividend per unit

- Impact of the real estate tax charge for properties acquired in 2013 is offset by property acquisition and internal growth



1. +252 yen includes the impact of debt costs and increase of asset management fee related to newly acquired properties

2. Based on operating income from property leasing



## Balance sheet comparison

- Sound balance sheet maintained from Feb 2014
- Temporary increase in LTV due to acquisition of properties (Forecasted LTV as of Feb 2015: 49.1%)
- Increased unrealized gain

| Balance sheet comparison                   |                |                |               |
|--|----------------|----------------|---------------|
| Items                                      | Feb 2014       | Aug 2014       | Difference    |
| Current assets                             | 7,682          | 9,770          | 2,087         |
| Cash and deposits                          | 6,814          | 9,201          | 2,386         |
| Other current assets                       | 868            | 569            | -298          |
| Noncurrent assets                          | 248,109        | 283,199        | 35,089        |
| Property and equipment                     | 247,444        | 282,355        | 34,911        |
| Investments and other assets               | 665            | 844            | 178           |
| Deferred assets                            | 314            | 253            | -60           |
| <b>Total assets</b>                        | <b>256,107</b> | <b>293,223</b> | <b>37,116</b> |
| Current liabilities                        | 25,847         | 22,694         | -3,153        |
| Short-term loans payable                   | 3,800          | 0              | -3,800        |
| Current portion of long-term loans payable | 19,600         | 19,600         | 0             |
| Other current liabilities                  | 2,447          | 3,094          | 646           |
| Noncurrent liabilities                     | 96,248         | 137,140        | 40,892        |
| Investment corporation bonds               | 6,000          | 8,000          | 2,000         |
| Long-term loans payable                    | 83,900         | 122,320        | 38,420        |
| Tenant leasehold and security deposits     | 6,348          | 6,820          | 472           |
| <b>Total liabilities</b>                   | <b>122,095</b> | <b>159,835</b> | <b>37,739</b> |
| Unitholders' equity                        | 134,011        | 133,388        | -622          |
| Unitholders' capital                       | 130,572        | 130,572        | 0             |
| Deduction from unitholders' capital        | -630           | -1,156         | -526          |
| Retained earnings                          | 4,068          | 3,972          | -95           |
| <b>Total net assets</b>                    | <b>134,011</b> | <b>133,388</b> | <b>-622</b>   |
| <b>Total liabilities and net assets</b>    | <b>256,107</b> | <b>293,223</b> | <b>37,116</b> |
| Loan-to-Asset (LTV)                        | 44.2%          | 51.1%          | 6.9%          |
| Appraised value                            | 264,270        | 306,507        | 42,237        |
| Unrealized gain                            | 16,832         | 24,169         | 7,336         |

1. Amounts are rounded down, and rate is rounded

### Major factors for difference

#### Noncurrent assets (+34,911M)

|  |           |
|--|-----------|
| Properties acquired in Aug 2014 (4 properties) | +36,543 M |
| Capital spending                               | +342 M    |
| Cumulative depreciation                        | -1,985 M  |
| Others   | +10 M     |

#### Change in interest-bearing debt (+36,620M)

|                              |           |
|------------------------------|-----------|
| Short-term loans payable     | -3,800 M  |
| Long-term loans payable      | +38,240 M |
| Investment corporation bonds | 2,000 M   |

## 02 Overview of logistic real estate market

- 08 | Strong and constant demand for logistic facilities
- 09 | Logistic real estate market entering a second growth phase
- 10 | Active logistic real estate market
- 11 | Labor shortage and soaring material cost push up construction cost

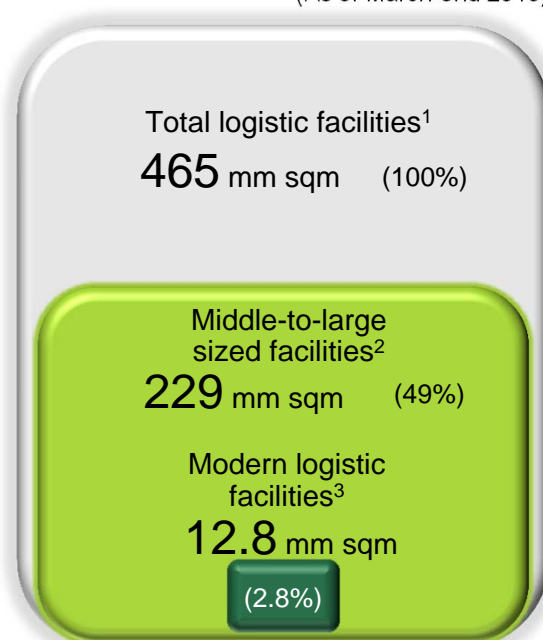


## Strong and constant demand for logistic facilities

- Modern logistic facilities account for only 2.8% of the total stock of logistic facilities in Japan
- Demand is expected to grow, due to the 3PL and E-commerce market growth

### Stock of logistic facilities

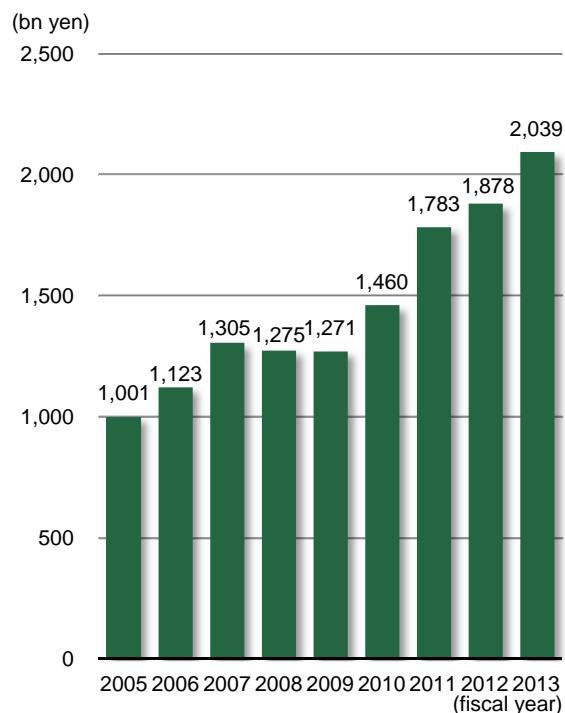
(As of March-end 2013)



Source: Ministry of Internal Affairs and Communications, Ministry of Land, Infrastructure, Transport and Tourism, CBRE

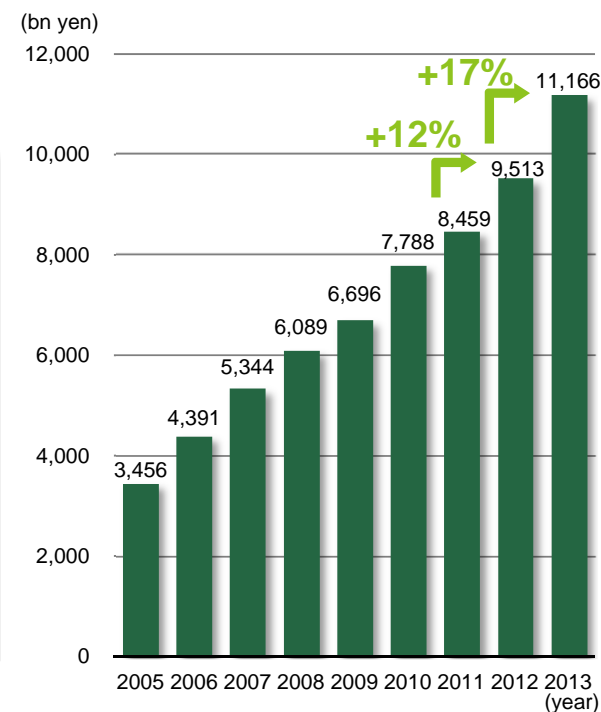
1. Estimated by CBRE using the Survey of the Outline of Fixed Asset Prices as well as the Yearbook of Construction Statistics.
2. Logistic facilities of a size of at least 5,000 sqm.
3. Logistic facilities for rent with at least 10,000 sqm in total floor space with functional designs.

### 3PL market growth



Source: Logistic Business

### B-to-C E-commerce market growth



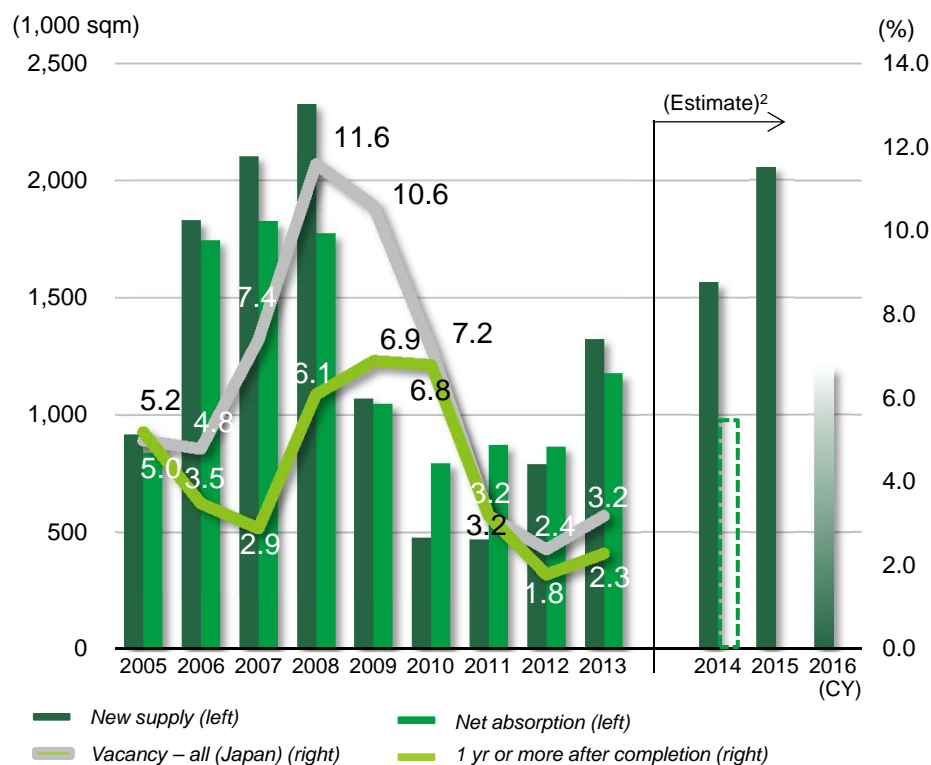
Source: Ministry of Economy, Trade and Industry



## Logistic real estate market entering a second growth phase

- In logistics real estate market, new supply is increasing, and steadily absorbed, keeping vacancy at a low level
- Leading to a continual increase in rent levels, with the latest YoY increase at 1.8%<sup>3</sup>

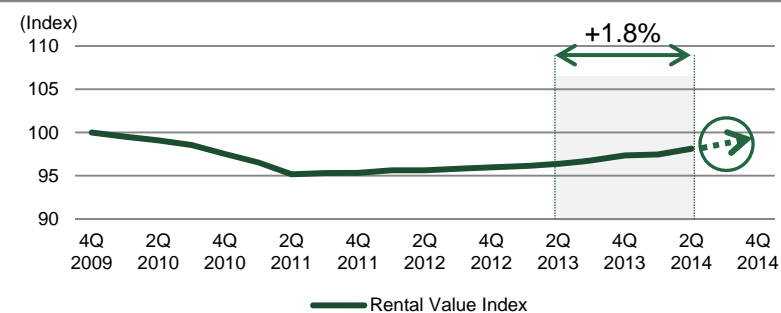
Supply / demand in logistic facilities and vacancy<sup>1</sup>



Source: CBRE

1. More than 5,000 sqm logistic facilities in Japan
2. Green dotted line indicates contracted area in 2014
3. 2Q 2014 vs. 2Q 2013 comparison

Change in market rent (rental value index)



Major contracts signed in 2014

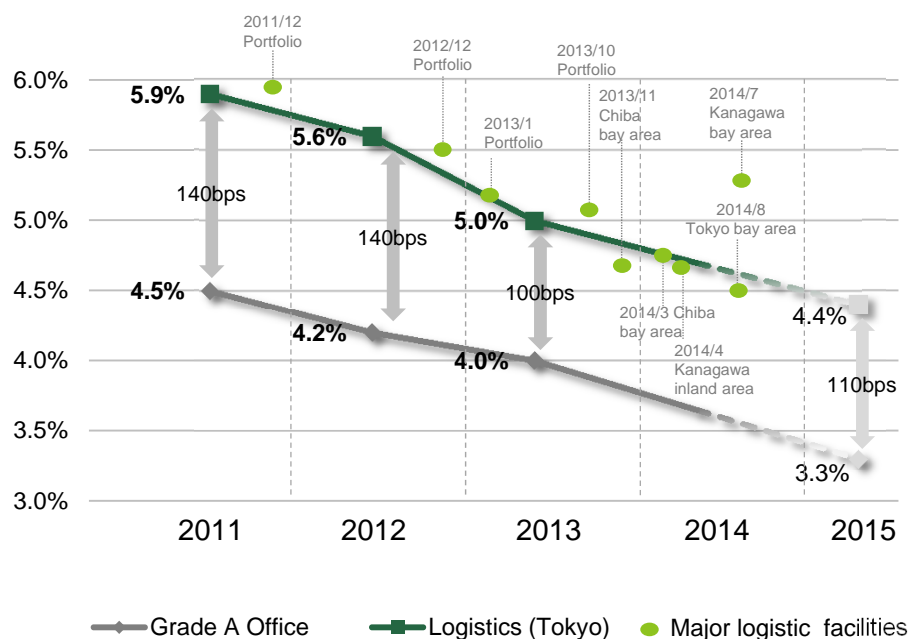
| Tenant                   | Prefecture | Leased area | (Scheduled) completion date |
|--------------------------|------------|-------------|-----------------------------|
| Rakuten Logistics        | Chiba      | 42,000 sqm  | Jan 2014                    |
| Fukuoka Logistic Systems | Fukuoka    | 23,000 sqm  | Apr 2014                    |
| Ajinomoto Logistics      | Fukuoka    | 23,000 sqm  | Apr 2014                    |
| DHL Supply Chain         | Kanagawa   | 44,000 sqm  | Apr 2014                    |
| Tri-net Logistics        | Hyogo      | 35,400 sqm  | Jan 2015                    |
| Koizumi Logistics System | Osaka      | 20,000 sqm  | Jan 2015                    |
| Japan Logistic Systems   | Kanagawa   | 68,000 sqm  | Apr 2015                    |
| Coop Sunnet Tohoku       | Miyagi     | 43,000 sqm  | May 2015                    |
| Japan Logistic Systems   | Saitama    | 61,000 sqm  | Aug 2015                    |

Source: Announcements by developers of logistic facilities

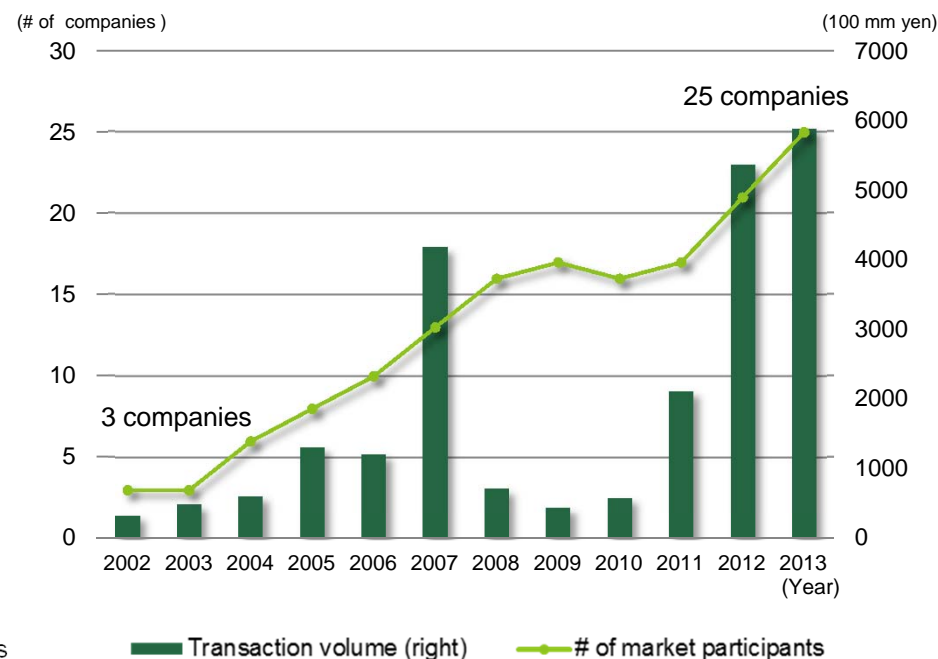
## Active logistic real estate market

- Cap rates for logistic facilities are continually compressing, and cap rate gap between offices and logistics is narrowing
- The number of market participants has increased

Cap rate in logistic facilities<sup>1</sup>



Transaction volume and # of market participants



Source: Jones Lang LaSalle (JLL)

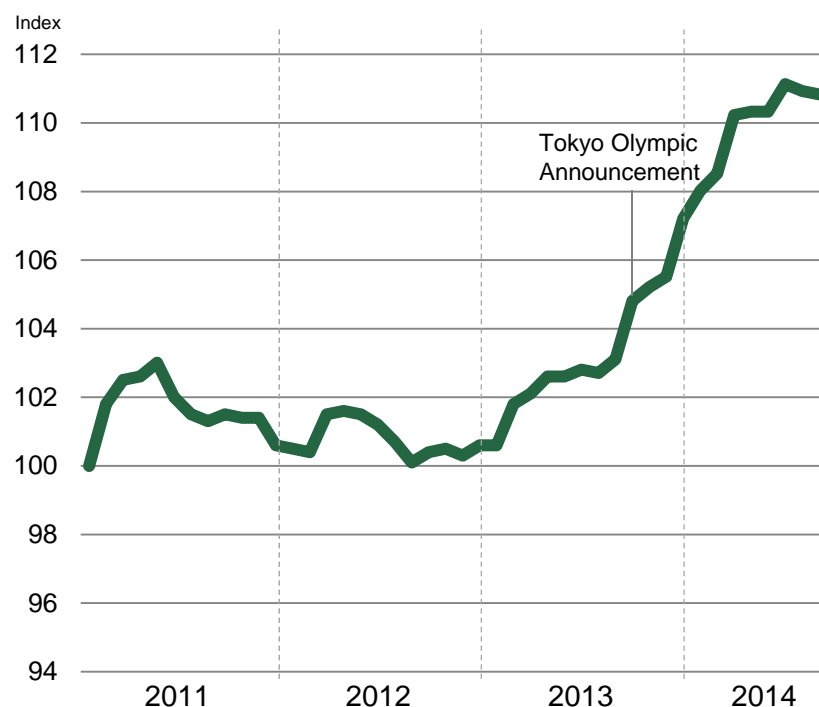
(Note 1) Grade A office: Calculated by JLL for representative transactions of each year for grade A office buildings  
Logistics: Calculated by JLL for representative transactions of each year for logistics facilities based on the lower end value within the marketable range

Source: Jones Lang LaSalle (JLL), Urban Research Institute Corporation "survey on real estate transaction"

## Labor shortage and soaring material cost push up construction cost

- Building ratio is relatively high in logistic facilities, which implies a larger impact of construction cost increase than other asset types

**Increase in construction cost**



**Building ratio of logistic facilities<sup>1</sup>**

Land : Building  
= 42.4% : 57.6% (GLP J-REIT)

Tokyo Met.  
(7 properties)

Limited new supply due to  
scarcity in lands

Building  
37.6%

Land  
62.4%

Across  
Japan  
excl.  
Tokyo Met.  
(46  
properties)

Logistic facilities  
in typical locations  
- Building price higher

Building  
63.8%

Land  
36.2%

Source: Construction research institute, steel frame buildings in Tokyo

1. Based on repurchase prices obtained under the cost approach method in latest appraisals  
2. Based on acquisition price

## 03 Overview of 2<sup>nd</sup> follow-on offering

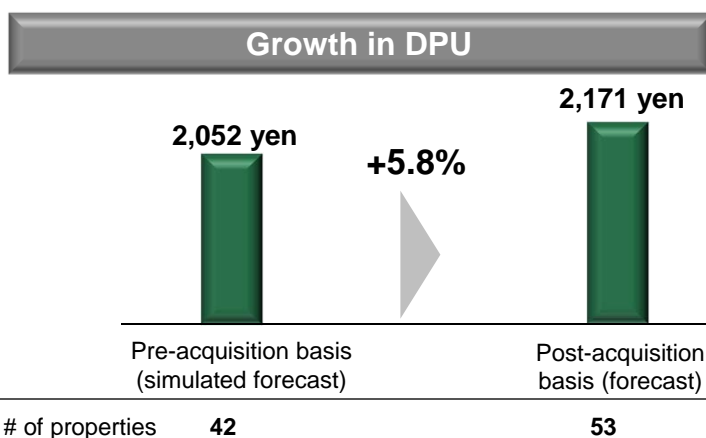
- 13 | Overview of 2<sup>nd</sup> follow-on offering
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- 16 | Strong demand for 2<sup>nd</sup> follow-on offering



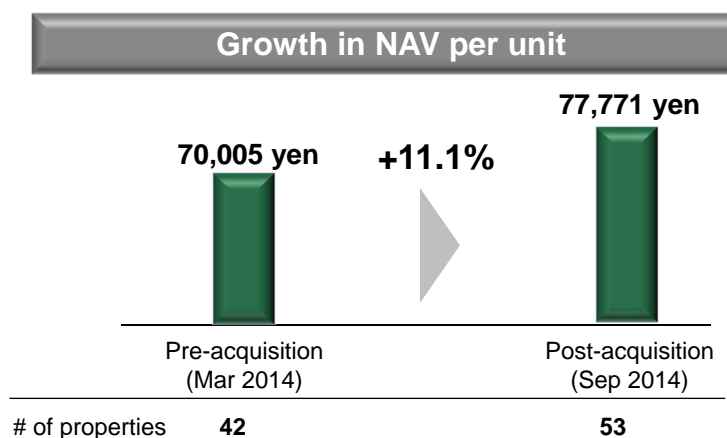
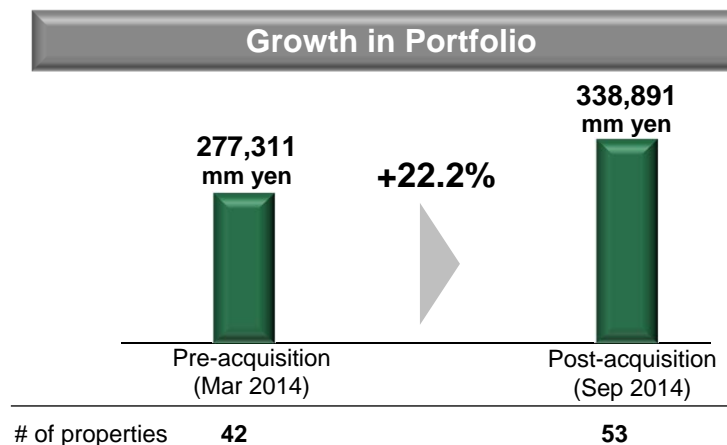
## Overview of 2<sup>nd</sup> follow-on offering

- Raised 32,217 mm yen by follow-on-offering in Aug 2014 : acquired 11 properties for 61,580 mm yen<sup>1</sup>
- Portfolio expanded to 338,891 mm yen
- Realized accretive offering, contributing to growth in DPU and NAV per unit

| Financing overview            |                                   |
|-------------------------------|-----------------------------------|
| Date of launch                | ■ August 11, 2014                 |
| Offering type                 | ■ Global Offering (144A, RegS)    |
| Procurement (incl. Greenshoe) | ■ 32,217 mm yen (equity offering) |

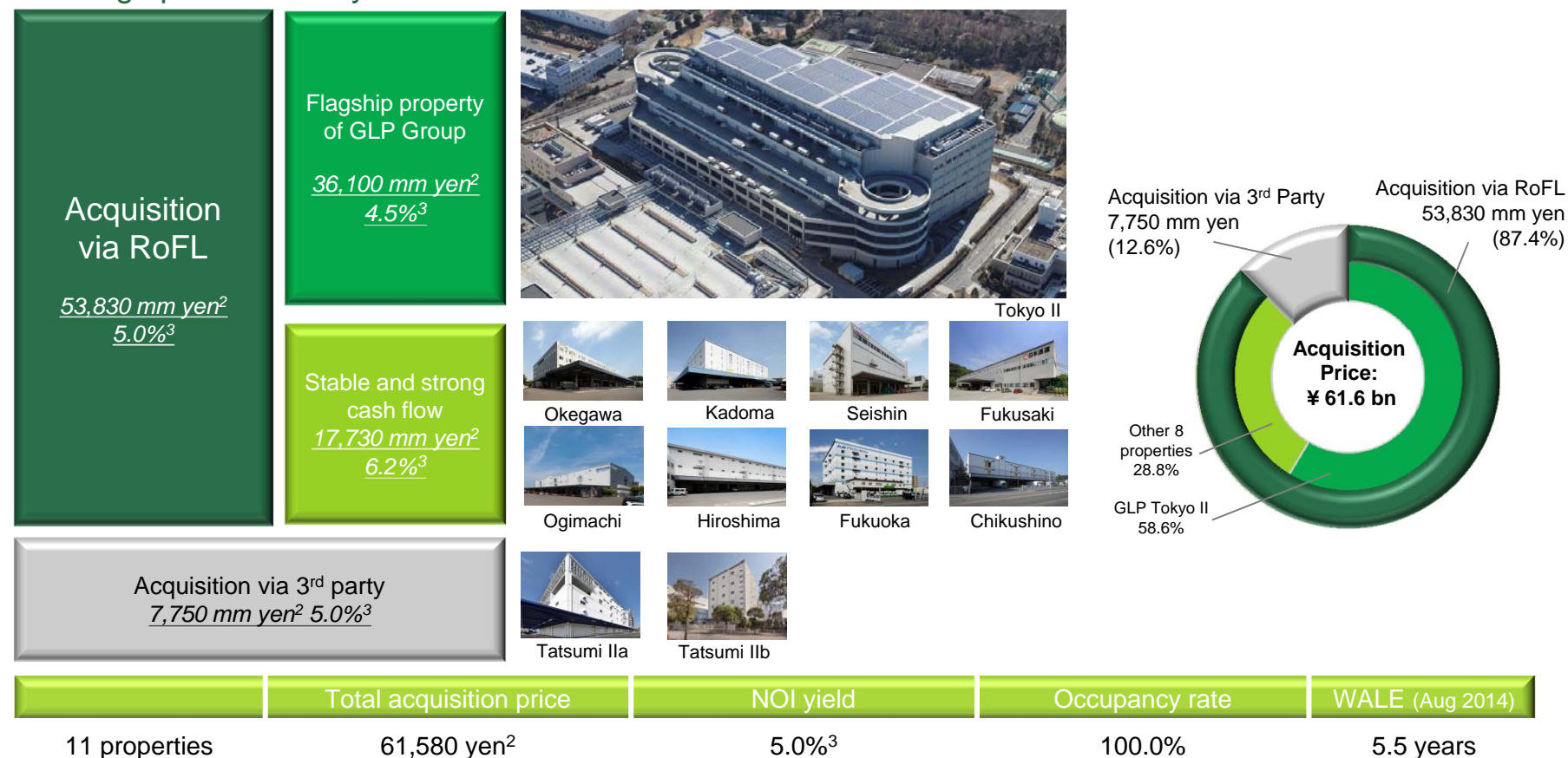


1. Including 2 properties acquired in April 2014



## Overview of newly acquired properties (1)

- GLP Tokyo II (36,100 mm yen) – The largest asset in logistics J-REITs
- Acquired 9 properties, under the RoFL<sup>1</sup> agreement with the GLP Group
- Average portfolio NOI yield at 5.0%



1. "RoFL" refers to right of first look, which is a contractual right that obliges the sponsor to provide the information about the sales of its properties to GLP J-REIT and undergo exclusive good faith negotiations with GLP J-REIT before negotiating with other parties. The sponsor has no obligation to sell any properties subject to our right of first look.

2. Acquisition price 3. NOI yield = Appraisal NOI / Acquisition price



## Overview of newly acquired properties (2)

- GLP's flagship property, GLP Tokyo II: located in a 7-min. walk from the nearest station and fully equipped with state-of-art features including a seismic isolator and solar panels
- 8 properties: strong and stable cash flow through renovation and reasonable rent level

### Features of GLP Tokyo II

- The largest asset size among J-REIT logistic facilities
- Prime location – a 7-min. walk from the nearest station



Double rampways



Seismic isolator



Cafeteria

### 8 properties with stable and strong cash flow

| Property       | Acquisition price | NOI yield | CapEx on renovation (amount / timing)     |
|----------------|-------------------|-----------|---|
| GLP Okegawa    | ¥ 2,420 mm        | 5.8%      | ¥ 52 mm / Dec 2011<br>¥ 224 mm / Feb 2014 |
| GLP Kadoma     | ¥ 2,430 mm        | 5.8%      | ¥ 143 mm / Jul 2013                       |
| GLP Seishin    | ¥ 1,470 mm        | 6.0%      | -   |
| GLP Fukusaki   | ¥ 3,640 mm        | 6.0%      | -   |
| GLP Ogimachi   | ¥ 1,460 mm        | 7.1%      | ¥ 87 mm / Jul 2009<br>¥ 70 mm / Mar 2012  |
| GLP Hiroshima  | ¥ 3,740 mm        | 6.2%      | ¥ 206 mm / May 2014                       |
| GLP Fukuoka    | ¥ 1,520 mm        | 6.1%      | ¥ 115 mm / Dec 2012                       |
| GLP Chikushino | ¥ 1,050 mm        | 7.7%      | ¥ 65 mm / Dec 2012                        |

Average NOI yield

**6.2%<sup>2</sup>**Average rent (As of Aug 2014)<sup>1</sup>**2,769 円**

1. Average monthly rent level per tsubo of 8 properties

2. NOI yield = Appraisal NOI / acquisition price

## Strong demand for 2<sup>nd</sup> follow-on offering

- Significant oversubscription due to investors' strong support
- Minimized impact on unit price performance by short-term marketing (6 days)

### Capital Eye

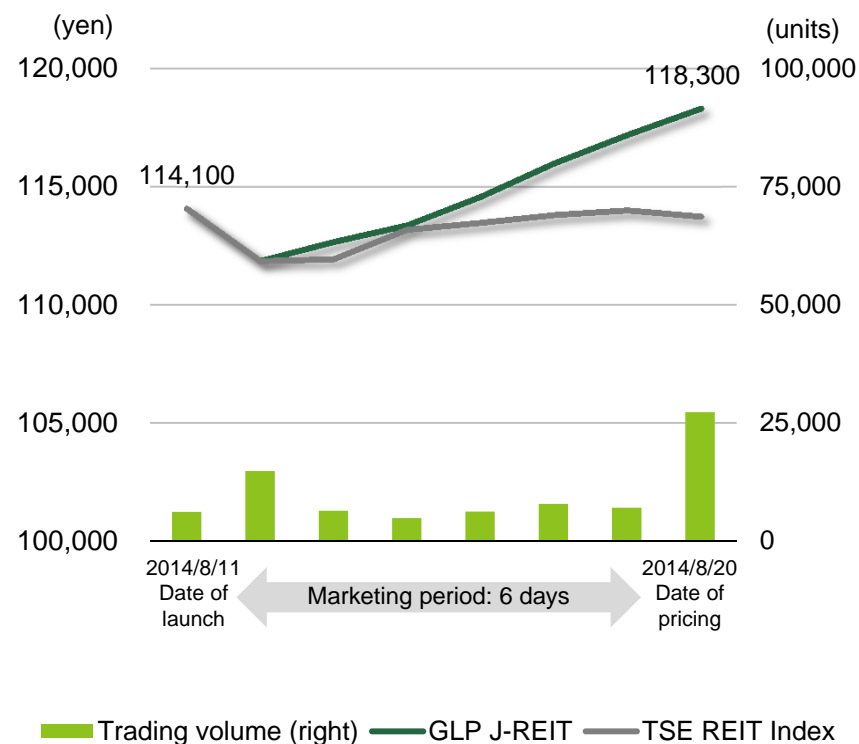
#### GLP J-REIT (3281): Acquisition of flagship property in Tokyo

The offering was launched at the beginning of the period to coincide with the acquisition of nine logistics facilities for 53.8 bn yen (appraised value: 54.5 bn yen). The main feature of the acquisition was GLP Tokyo II, one of the GLP Group's flagship properties. After the acquisition, the Group's portfolio expanded to 53 properties (338.8 bn yen), and a market capitalization of 300 bn yen has come within range.

The structure of the sale was the same as the previous PO (Sep. 2013). Of the overall investment units issued, including over-allotments, 15% was allocated to shareholders of the asset management company, GLP Japan Advisors Inc. as a designated sale. The remaining units were equally allocated between Japan and abroad. The allocation ratio of the domestic tranche was 70% to general retail investors and 30% to institutional investors. **The over-subscription ratio of each portion was 20x for domestic general retail, 5x-plus for domestic institutional investors, more than 15x for overseas investors (including designated sales), and more than 15x overall.** Following a decrease in volatility in the REIT market, the expected range was lowered by 0.5% each from the previous PO. However, there was no price-sensitivity and the PO was priced at the lower end of the range.

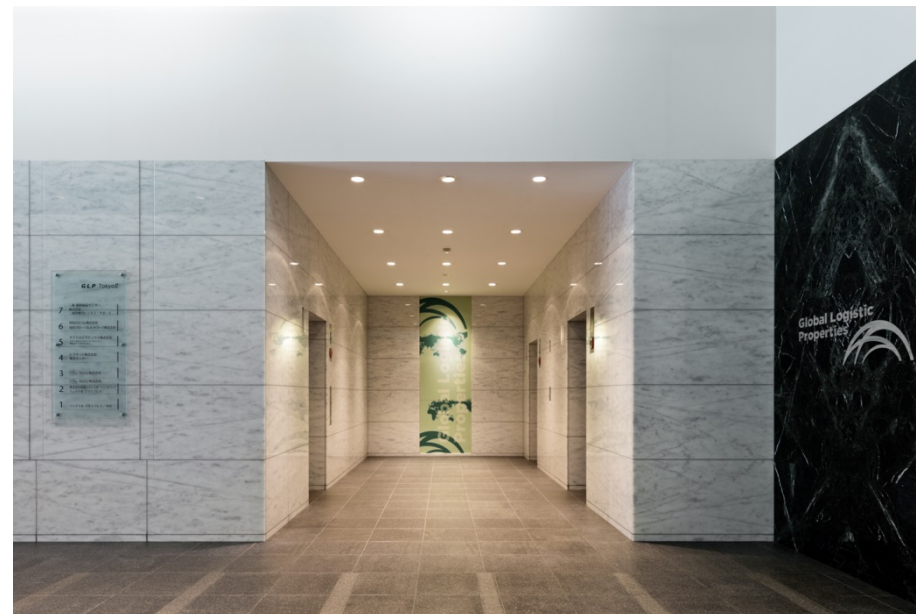
The roadshow was conducted by three teams from August 12 to 18, mainly to existing investors. 40 one-on-one meetings were held in Japan and about 30 overseas, including conference calls for investors in Europe and the U.S. Group meetings were held in Singapore and Hong Kong, one meeting at each location. Active IR activities on a regular basis such as non-deal roadshows and results reporting contributed to the success, and "There was feedback that good explanation on the background of the PO was provided," said JGC.

### Unit price performance

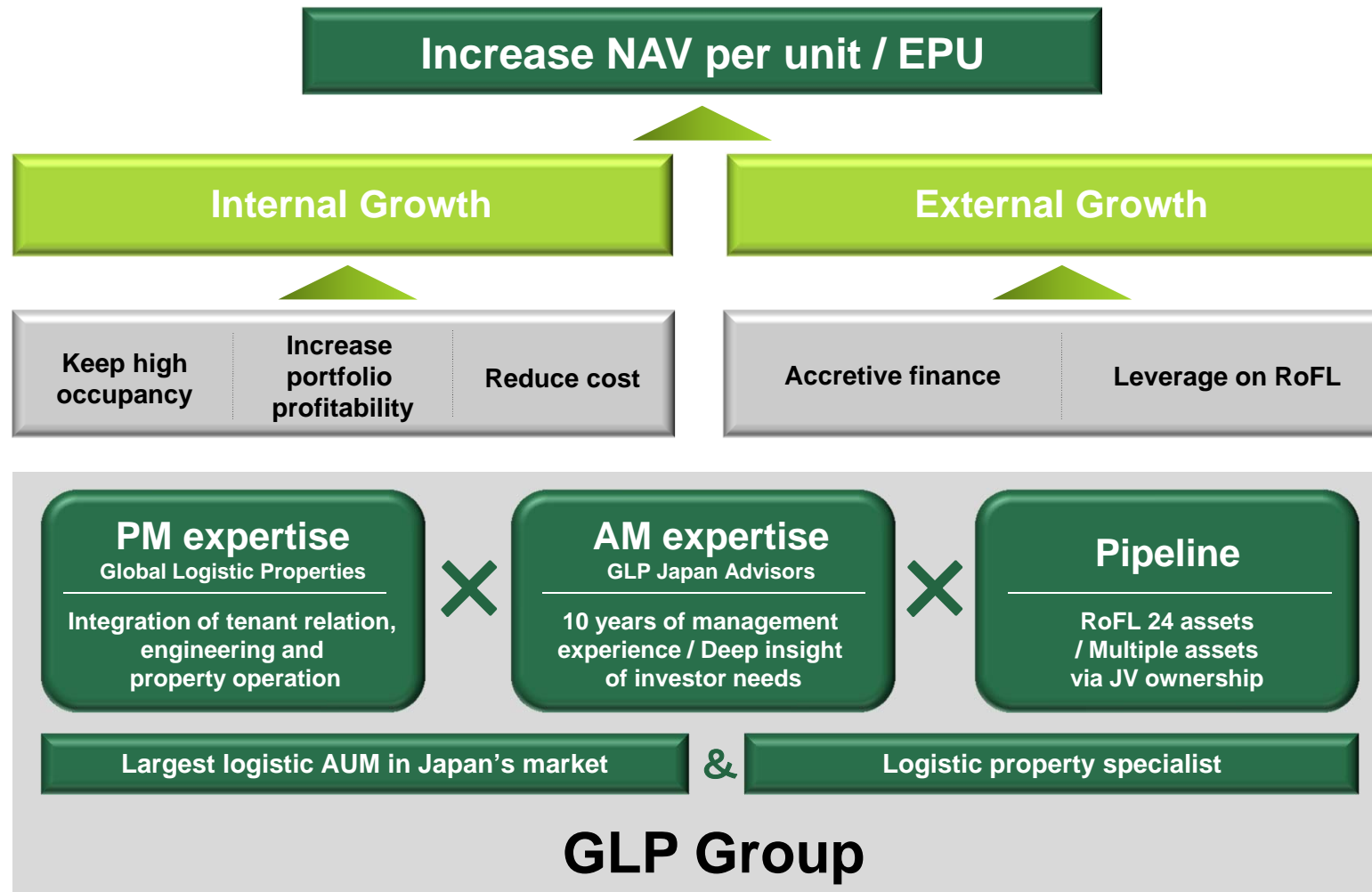


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Enhance unitholders' value by internal / external growth



## External growth

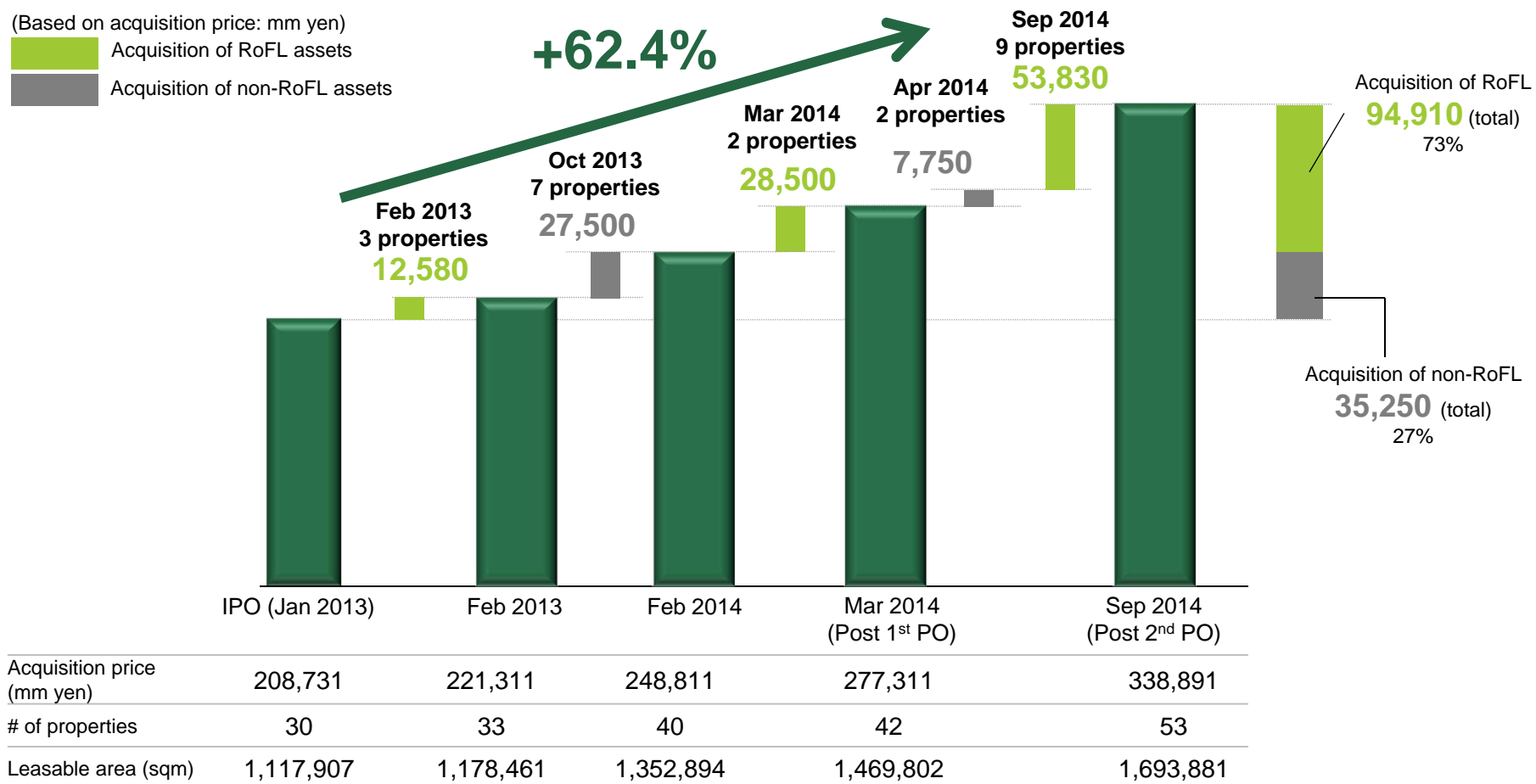
## Steady growth of portfolio through continuous acquisitions

- Achieved 130,161mm yen, 62% of asset growth in 21 months since the IPO

(Based on acquisition price: mm yen)

Acquisition of RoFL assets

Acquisition of non-RoFL assets





























## External growth

## Strong acquisition strategy based on combination of RoFL and other channels

Strong external growth potential "RoFL" (24 properties 230 bn yen)<sup>1</sup>

| Greater Tokyo   |  |  |  |  | Greater Osaka  |  |   | Others |  |  |  |  |   |  |
|---|--|--|--|--|--|--|---|--------|--|--|--|--|---|--|
| <br>Yokohama<br><br>Urayasu<br><br>Urayasu II<br><br>Urayasu IV<br><br>Soka<br><br>Sugito |  |  |  |  | <br>Shinkiba<br><br>Funabashi II<br><br>Shonan |  | <br>Shinsuna<br><br>Narashino<br><br>Misato<br><br>Narita<br><br>Narita II |        |  | <br>Osaka<br><br>Maishima<br><br>Settsu<br><br>Nishinomiya<br><br>Fukaehama |  |  | <br>Tosu I<br><br>Shiga<br><br>Fujimae<br><br>Tomoya IV<br><br>Sapporo |  |

## Other potential opportunities

Other acquisition opportunities sought by leveraging GLP Group expertise

## ◆ Acquisition record of the GLP Group

(From Jul 2003 to Sep 2014)

Acquisition record

**303.5** bn yen  
~~58~~ properties

## ◆ Acquisition opportunities grasped by GLP J-REIT

(From Dec 2012 to Sep 2014)

Deals considered

Undertook full analysis

Closed acquisition

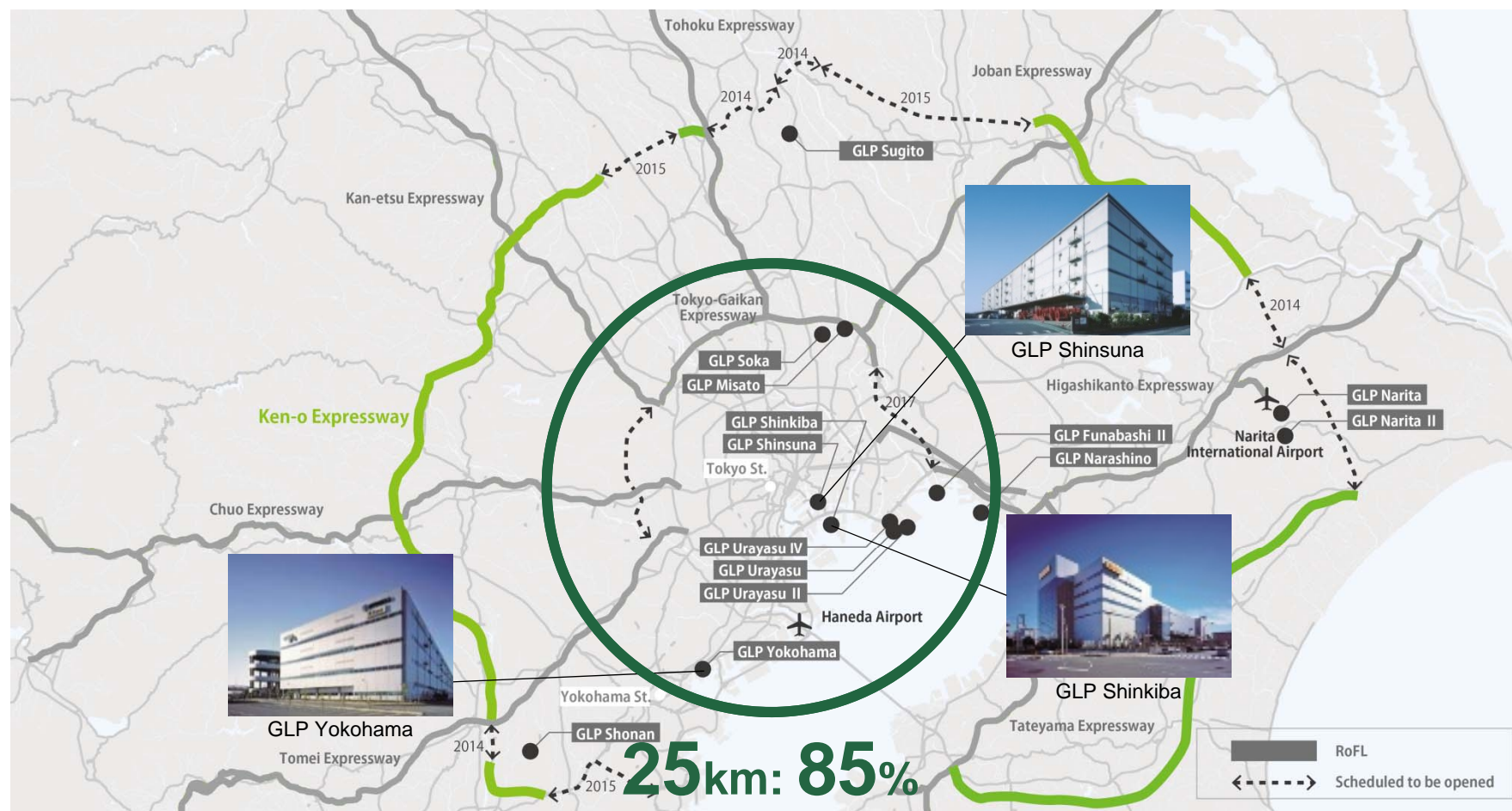
**33** Deals | **56** Properties → **17** deals | **39** Properties → **2** Deals | **9** Properties



External growth

## Unparalleled location of “RoFL” properties

- While many new supplies are coming in areas around “Ken-o Expressway” (40km - 50km from central Tokyo), RoFL properties are concentrated within Tokyo central area
- Of 14 RoFL properties in Greater Tokyo Area, 85% on value base is located within 25 km from central Tokyo



External growth

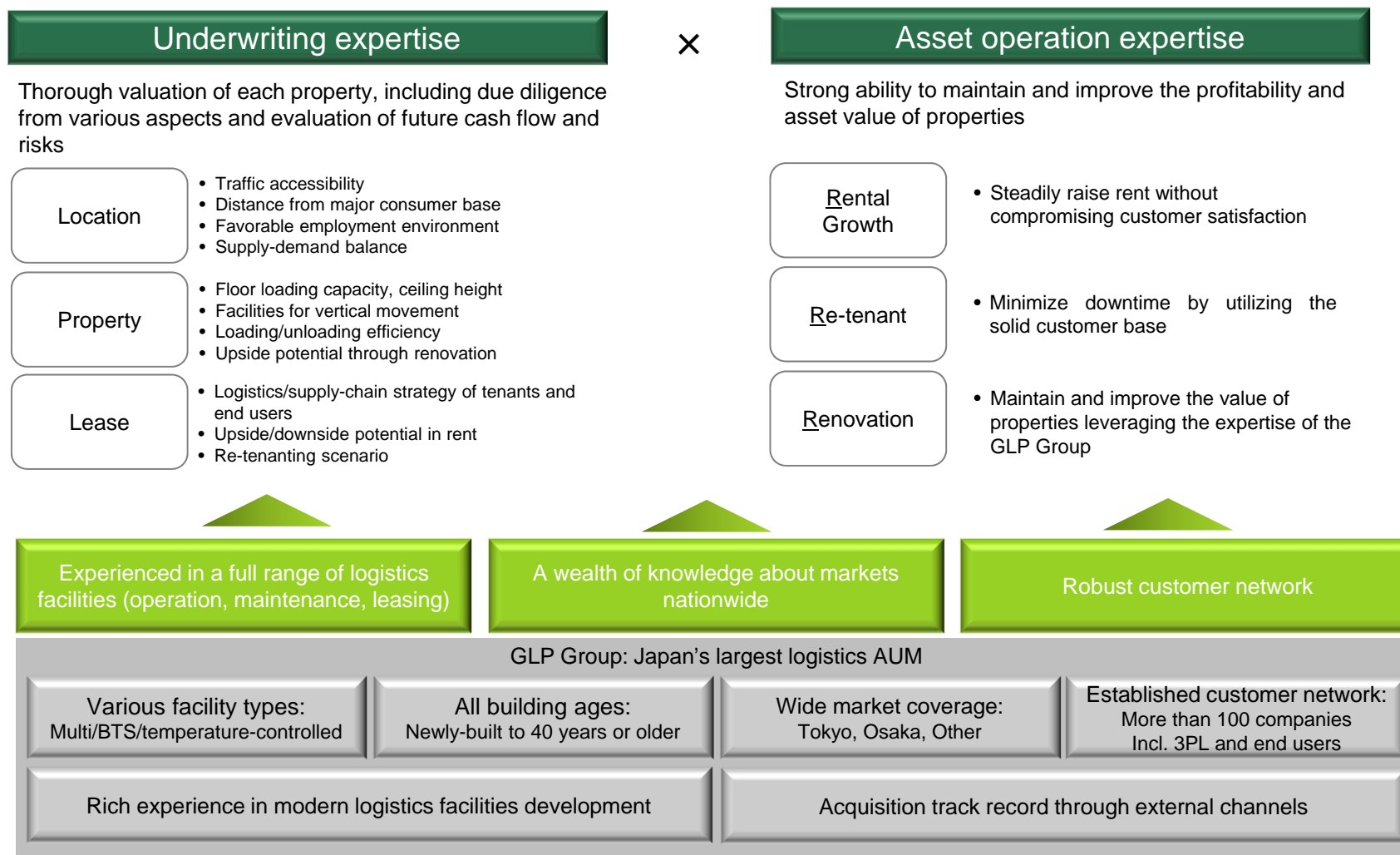
Expanded portfolio, balancing asset quality and cash flow



1. Based on acquisition price

2. NOI yield: Appraisal NOI / Acquisition price

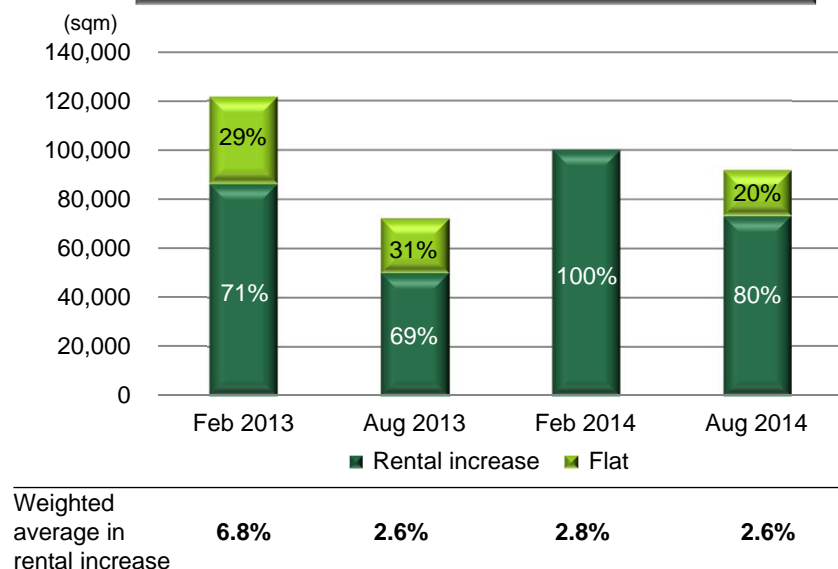
## Balanced portfolio backed by underwriting and asset operation expertise



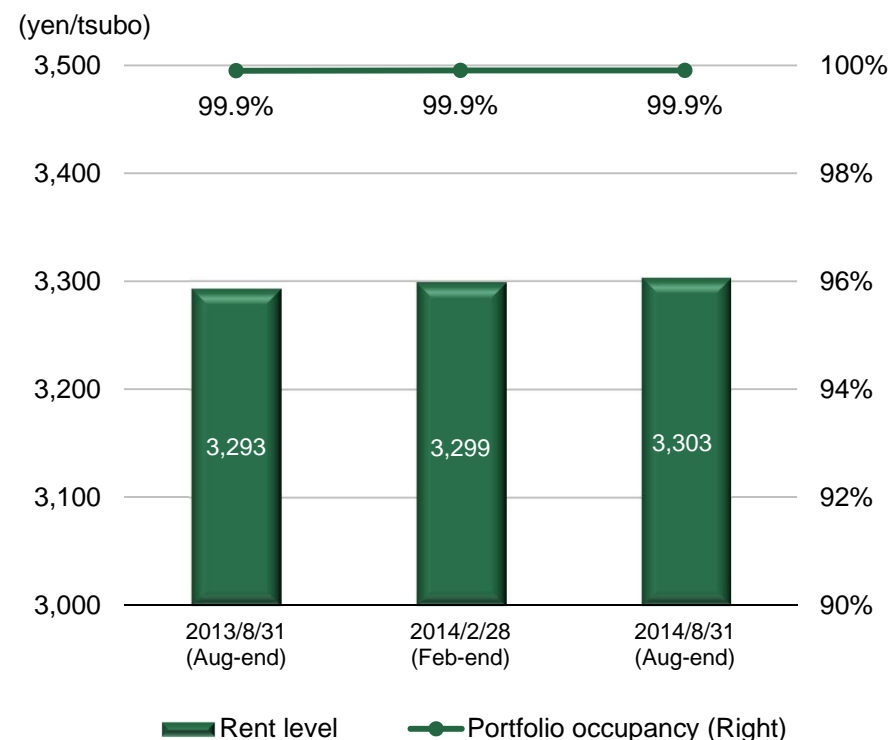
Internal growth

## Rental growth in 4 successive periods

- Maintaining occupancy rate at 99.9%
- Achieved rental growth for 80% of expired leases in Aug 2014 period

Retention rate<sup>1</sup>IPO~2014/8/31 **93 %**Since sponsor's management start **92 %**Rental growth in 4 successive periods<sup>2</sup>

1. Contract date basis  
2. Renewal date basis

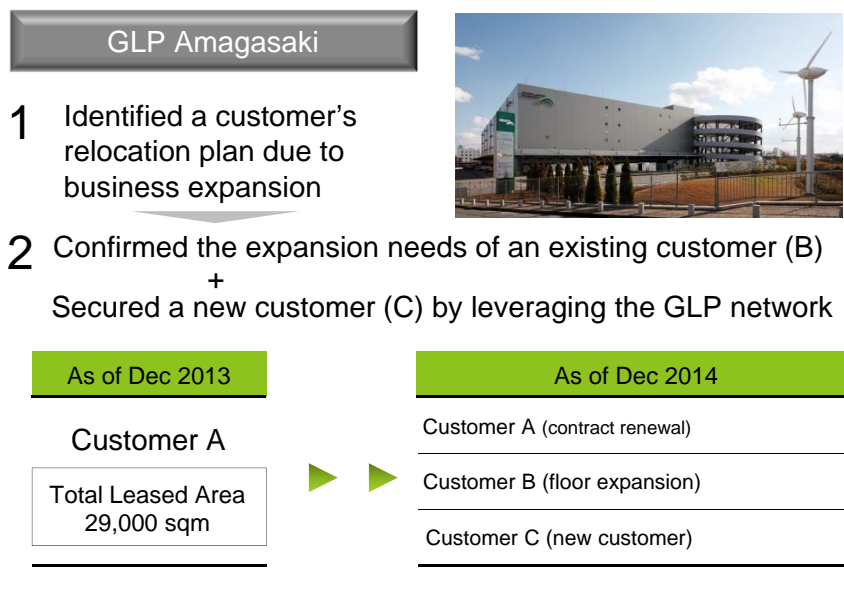
Occupancy and monthly rent level<sup>1</sup>

1. Based on 33 properties, which GLP J-REIT owns more than 1 year as of August end, 2014

Internal growth

## Rental growth and value enhancement

- 5.4% rental growth through tenant replacement at GLP Amagasaki (ca. 29,000 sqm)
- Various value enhancing measures, incl. converting to a fixed-term lease



- ▶ Leased at over 4,000 yen / tsubo, the highest in the area
- ▶ 5.4% rental increase without downtime (20 mm yen increase on a yearly basis)

Realized an increase in revenue while maintaining full occupancy



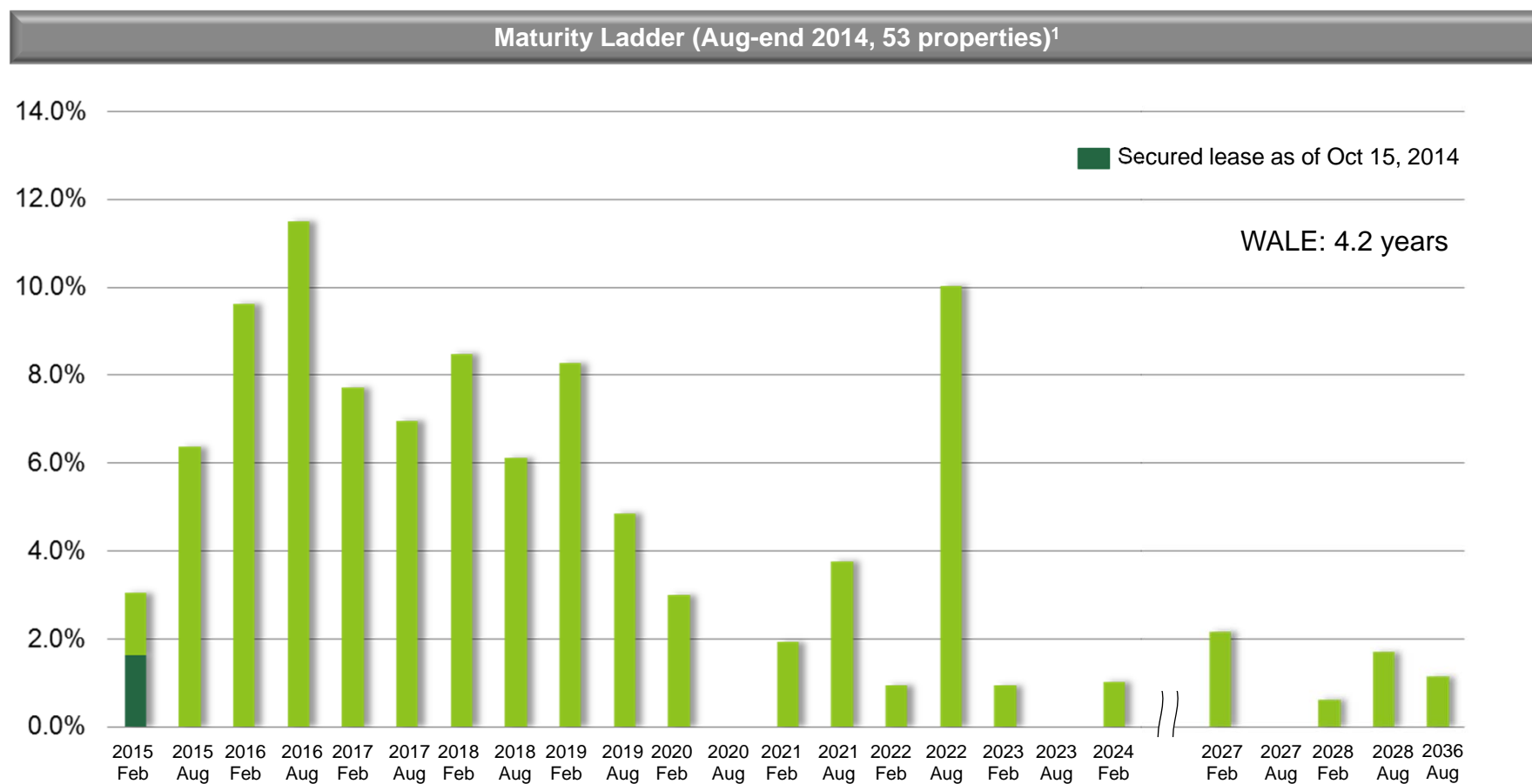
|                             |  | Feb 2014                 | Aug 2014                 | Change      |
|-----------------------------|--|--------------------------|--------------------------|-------------|
| Appraisal<br>(GLP Kasukabe) | Fixed-term lease ratio<br>(Portfolio base) | 94.9%<br>(40 properties) | 96.4%<br>(44 properties) | +1.5%       |
|                             | Appraisal                                  | 4,330 mm yen             | 4,470 mm yen             | +140 mm yen |
|                             | Direct cap rate                            | 5.4%                     | 5.2%                     | -20bps      |

Enhanced property value through various measures

Internal growth

## Portfolio features that can maximize rental growth potential

- 4.2 years of weighted average lease expiry (WALE), which gives rental growth opportunities
- Seek further rental growth by utilizing opportunities, such as contract expiration and re-leasing





Optimal financial strategy which balances stability and investors' return

$$\begin{array}{c}
 \text{Solid financial standing} \\
 \text{(long maturity / fixed loan / low LTV)}
 \end{array}
 \times
 \begin{array}{c}
 \text{Maximize investors return} \\
 \text{(low cost / optimal LTV)}
 \end{array}
 = \text{Seeking optimal balance}$$



GLP Group's strengths which support its financial strategy

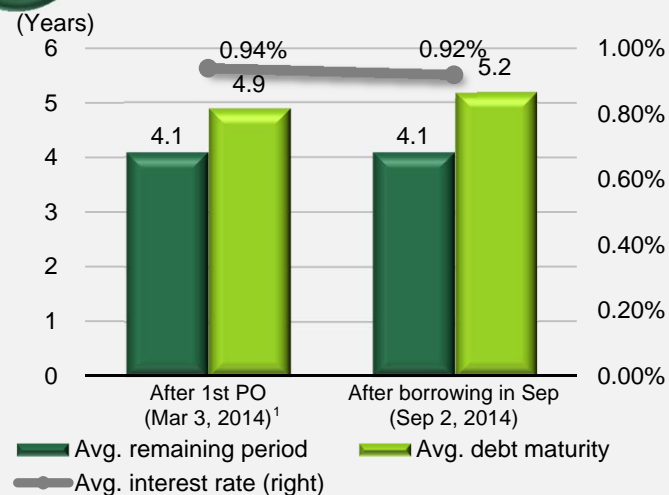
Stability of logistic assets  
for investment

Strong bank relation  
of the GLP Group

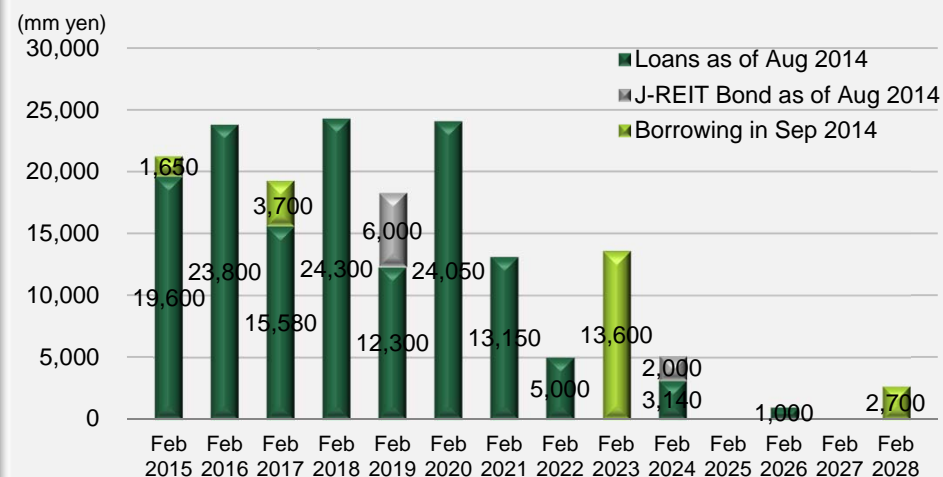
Strategic finance strategy  
for maximizing unitholders' return

## Progress of each action plan

Longer maturity with low cost



Diversification of maturity<sup>2</sup>



Financing diversification

### J-REIT Bond in 2014

1<sup>st</sup> issuance 5 yrs: 6.0 bn yen 0.47%  
2<sup>nd</sup> issuance 10yrs: 2.0 bn yen 0.98%

J-REIT Bond ratio in total debt outstanding  
(As of Sep 2, 2014): 4.7%

Interest risk hedge  
(fixed interest ratio)

Best fixed-interest ratio which can lower cost and hedge interest-rate risks:

As of September 2, 2014

**75.8%**

LTV control

Optimal LTV which achieves a balance between investor return and financial stability :

Mar-end 2014<sup>3</sup>

Feb-end 2015

**49.8%**

**▶ 49.1%**

1. Based on interest-bearing liabilities after the drawdown of the loans on March 3, 2014. Including interest swap agreement concluded in April and May, 2014.

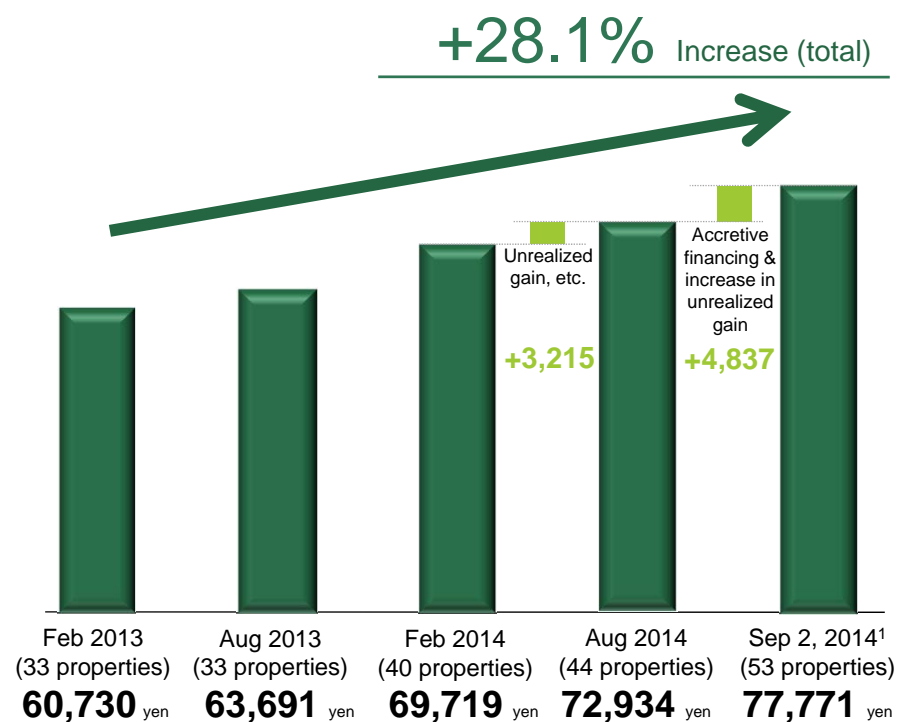
2. Indicates loans which maturities are from March 1<sup>st</sup> of the previous year till February end.

3. Estimated ratio after drawdown of loans and acquisition of properties in March 2014.

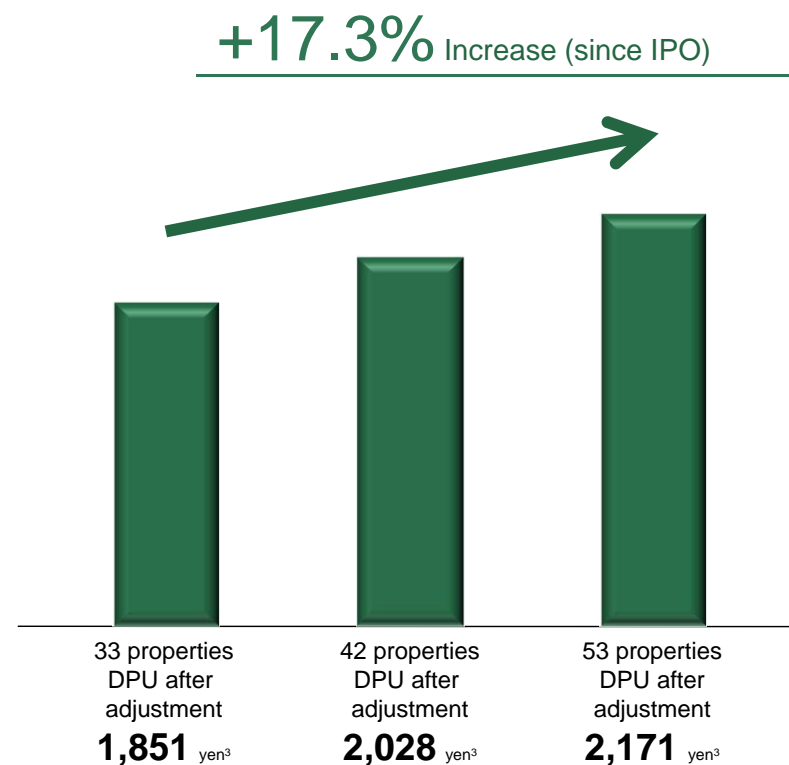
## Achievement of increase in NAV per unit and EPU growth

- Steady growth in NAV per unit and EPU, resulting from execution of GLP J-REIT's commitment to unitholders

### Achievement of increase in NAV per unit



### Achievement of increase in EPU growth<sup>2</sup>



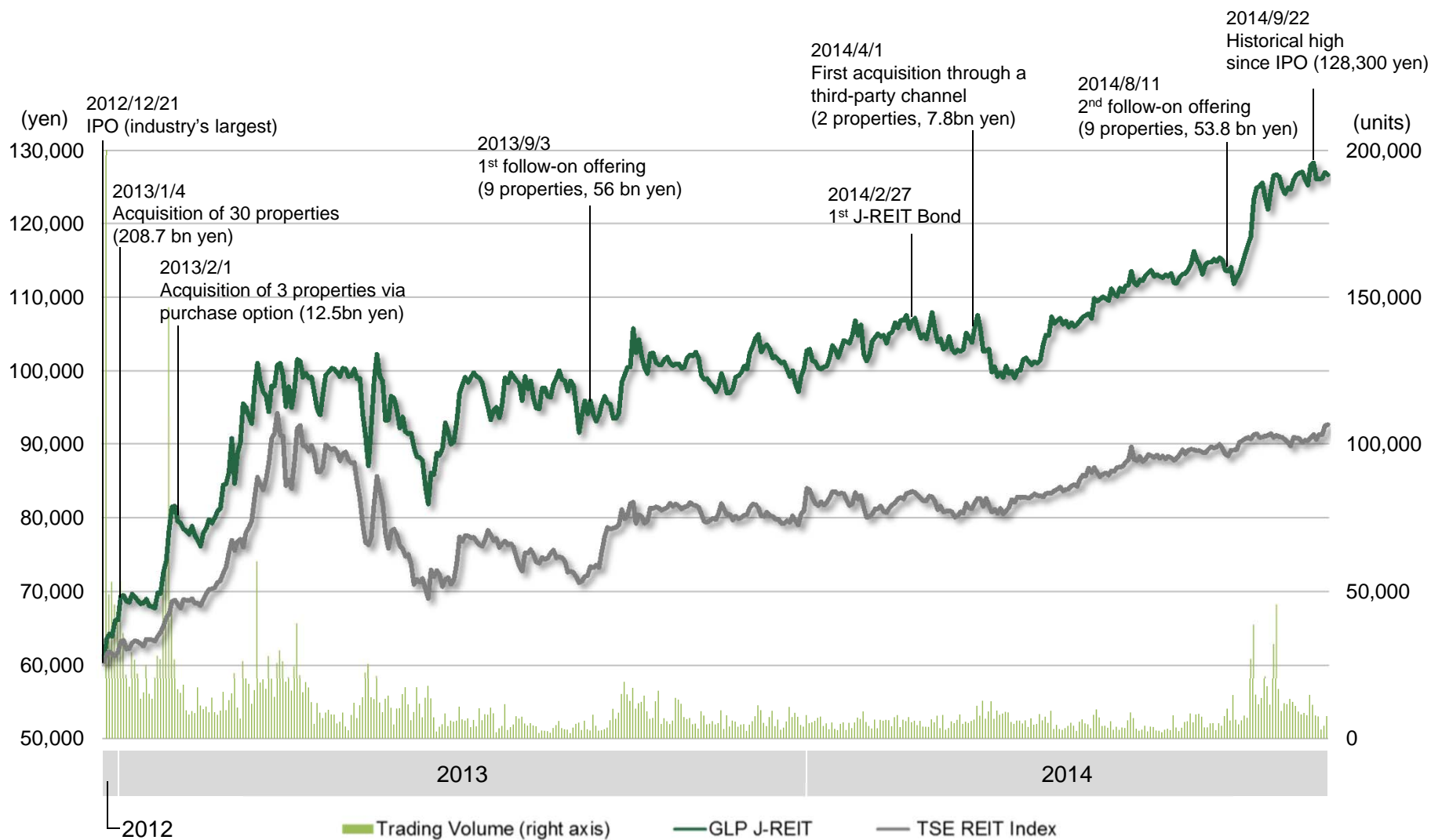
1. Based on Aug 2014 financial results, and unrealized gain of 9 newly acquired properties are added

2. Distribution per unit, including OPD

3. DPU described in its press release "Amendment of Forecast for the Fiscal Period Ending February 28, 2014 and Announcement of Forecast for the Fiscal Period Ending August 31, 2014" dated September 3, 2013.

For explanation of DPU on 53 properties, please refer "Summary of Financial Results for the 5<sup>th</sup> period ended August 31, 2014" dated on October 15, 2014.

## Unit price performance



## 05 Forecasts and roadmap for future growth

- 32 | February 2015 and August 2015 forecasts
- 33 | Roadmap for further growth



## February 2015 and August 2015 forecasts

- Dividends forecasts (incl. OPD) for Feb 2015: 2,243 yen / unit
- Dividend forecasted to increase +3.1% due to revenue increase from newly acquired 9 properties, whereas a temporary revenue decrease expected owing to downtime in existing properties

| Items                               | Aug 2014<br>Actual (A) | Feb 2015<br>Forecast (B) | (B)-(A)   | Aug 2015<br>Forecast |
|-------------------------------------|------------------------|--------------------------|-----------|----------------------|
| <b>Financial forecasts (mm yen)</b> |                        |                          |           |                      |
| Operating revenue                   | 9,322                  | 10,967                   | 1,644     | 10,962               |
| Operating income                    | 4,911                  | 5,790                    | 878       | 5,616                |
| Ordinary income                     | 3,973                  | 4,662                    | 689       | 4,486                |
| Net income                          | 3,971                  | 4,661                    | 689       | 4,484                |
| <b>Dividend per unit (yen)</b>      |                        |                          |           |                      |
| <b>Dividend per unit (total)</b>    | <b>2,176</b>           | <b>2,243</b>             | <b>67</b> | <b>2,171</b>         |
| Dividend per unit<br>(excl. OPD)    | 1,893                  | 1,949                    | 56        | 1,875                |
| Optimal payable<br>distribution     | 283                    | 294                      | 11        | 296                  |

### Feb 2015 Forecast

Major difference in net income:

→ **+689M** (vs. Aug 2014)

Details:

**+815M**

Revenue increase from newly acquired properties<sup>1</sup> (9 properties acquired in Sep 2014)

**-126M**

**-31M**

Decrease in rent income  
(Downtime due to tenant move-out)

**-38M**

Increase in repair & maintenance expenses  
due to tenant change, increase in  
depreciation

**-19M**

Increase in debt cost due to longer maturities  
and higher fixed loan ratio

**-38M**

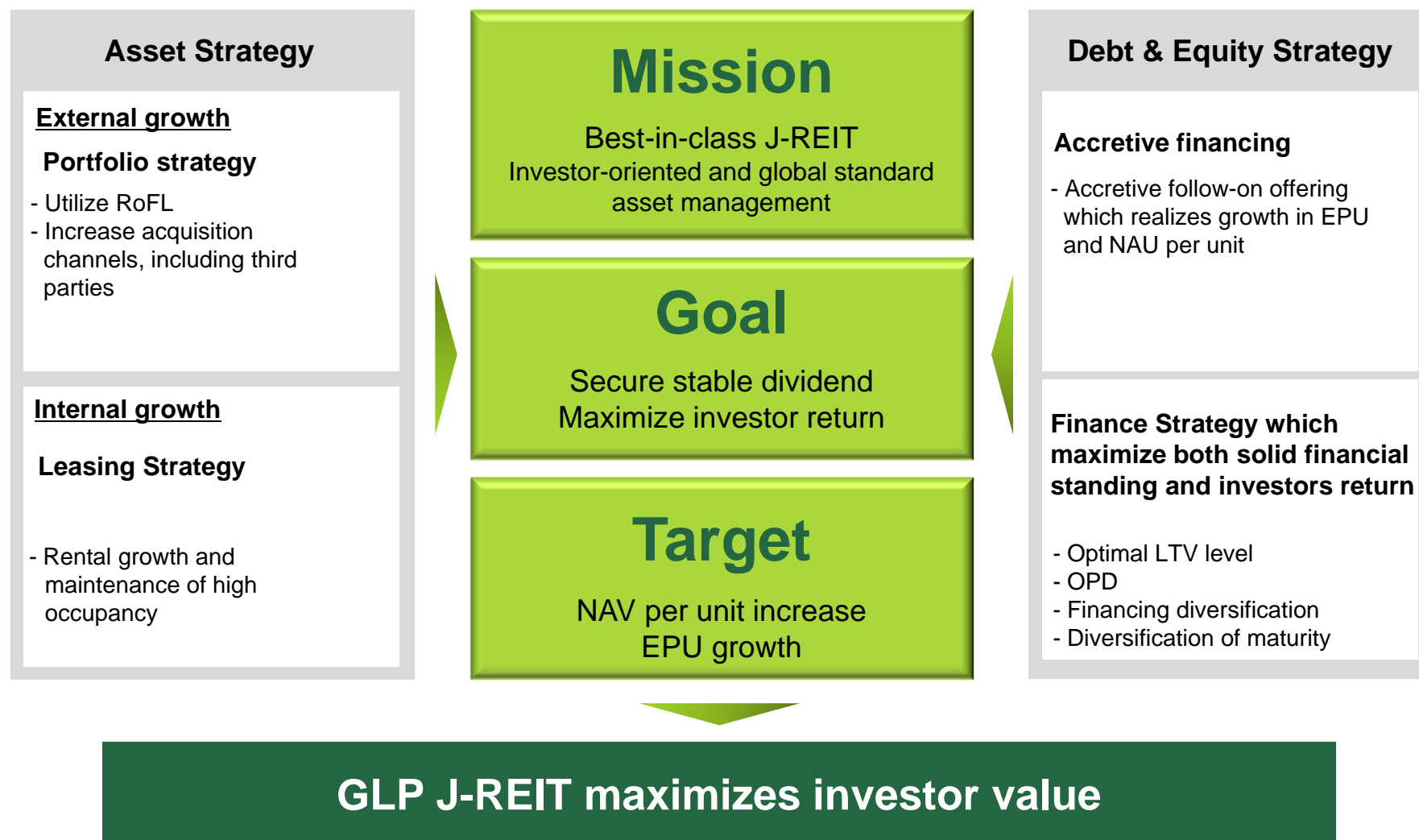
Other (one-time revenue in Aug 2014, such as  
insurance income)

1. +815M includes debt cost and cost for issuance of new investment units, procured for newly acquired properties other than revenue increase via 9 newly acquired properties.

1. Amounts are rounded down



## Roadmap for further growth



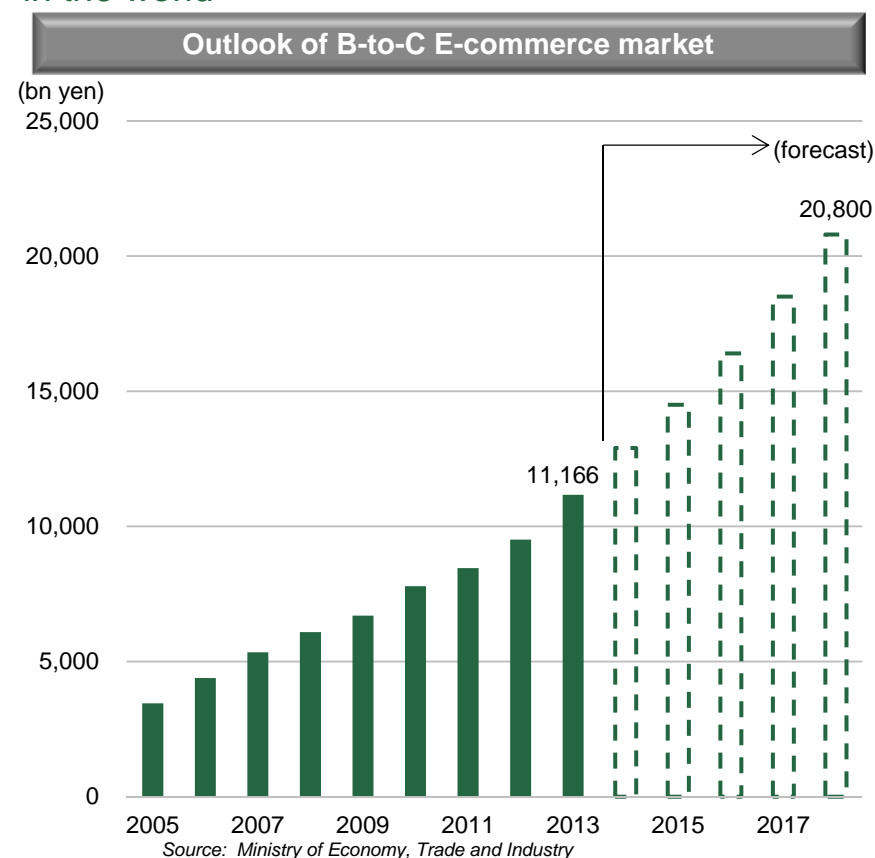
## 06 Appendix

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- 36 Financial standing (as of Aug-end 2014)
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- 38 Strong bank formation (as of Sep-end 2014)
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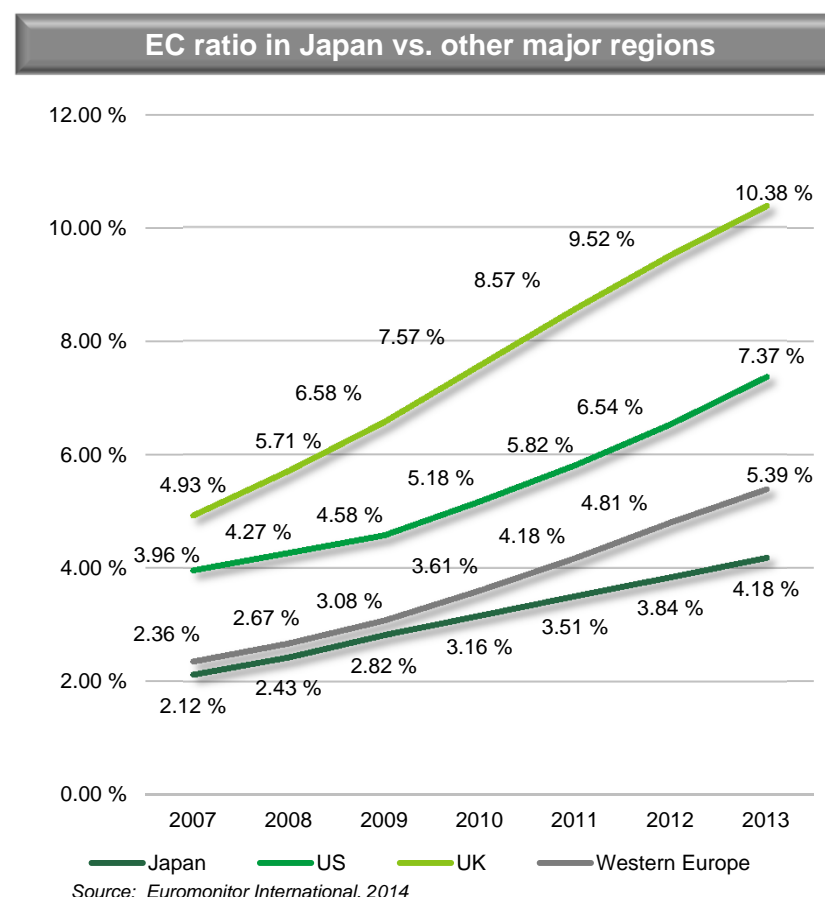


## Significant growth potential in Japan's E-commerce market

- Japan's B-to-C E-commerce had an 11 trillion yen market in 2013, which is expected to double in the next 5 years
- In Japan, EC ratio is 4.18% in 2013 and has a large growth potential compared to other major areas in the world



Source: (Up to 2013) Ministry of Economy, Trade and Industry, (After 2014) Nomura Research Institute, Ltd.



## Financial standing (as of Aug-end 2014)

| term                      | lender  | debt balance (mm yen) | Interest              | date of borrowing | repayment date <sup>2</sup> |
|---------------------------|---|-----------------------|-----------------------|-------------------|-----------------------------|
| 2 years                   | Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. | 19,600                | 0.56000%              | 2013/1/4          | 2015/1/4                    |
| 3 years                   |   | 23,800                | 0.85125% <sup>1</sup> | 2013/1/4          | 2016/1/4                    |
| 5 years                   |   | 24,300                | 1.12500% <sup>1</sup> | 2013/1/4          | 2018/1/4                    |
| 7 years                   |   | 20,800                | 1.40500% <sup>1</sup> | 2013/1/4          | 2020/1/4                    |
| 7 years                   | The Bank of Tokyo-Mitsubishi UFJ, Ltd.  | 3,250                 | 1.0300%(Fixed ratio)  | 2013/2/1          | 2020/1/31                   |
| 8 years                   | Sumitomo Mitsui Banking Corporation   | 3,250                 | 1.29750% <sup>1</sup> | 2013/2/1          | 2021/2/1                    |
| 3 years                   | Sumitomo Mitsui Banking Corporation   | 1,200                 | 0.44136%              | 2014/1/6          | 2016/12/20                  |
| 3 years                   | Mizuho Bank, Ltd.   | 1,150                 | 0.44136%              | 2014/1/6          | 2016/12/20                  |
| 3 years                   | Sumitomo Mitsui Trust Bank, Limited   | 1,150                 | 0.44136%              | 2014/1/6          | 2016/12/20                  |
| 8 years                   | Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. | 5,000                 | 1.19700% <sup>1</sup> | 2014/1/6          | 2021/12/20                  |
| 7 years                   | The Bank of Tokyo-Mitsubishi UFJ, Ltd.  | 3,800                 | 0.91750%(Fixed ratio) | 2014/3/3          | 2021/2/26                   |
| 3 years                   | Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. | 7,380                 | 0.56000%              | 2014/3/3          | 2017/2/28                   |
| 5 years                   |   | 12,300                | 0.75875% <sup>1</sup> | 2014/3/3          | 2019/2/28                   |
| 7 years                   |   | 6,100                 | 1.08550% <sup>1</sup> | 2014/3/3          | 2021/2/26                   |
| 10 years                  |   | 3,140                 | 1.55850% <sup>1</sup> | 2014/3/3          | 2024/2/29                   |
| 2.7 years                 |   | 4,700                 | 0.33136%              | 2014/6/30         | 2017/2/28                   |
| 12 years                  |   | 1,000                 | 1.06000%              | 2014/6/30         | 2026/6/30                   |
| term                      | brand   |                       | Interest              | Issue date        | Redemption date             |
| 5 years                   | First J-REIT Bond   | 6,000                 | 0.47000%              | 2014/2/27         | 2019/2/27                   |
| 10 years                  | Second J-REIT Bond  | 2,000                 | 0.98000%              | 2014/7/30         | 2024/7/30                   |
| <b>Total (13 lenders)</b> |   | <b>149,920</b>        | <b>0.93%</b>          |                   |                             |

1. Substantial rates after swap agreements, which are to hedge interest volatility risk

2. If the repayment date is not a business day, it will be the immediately following day

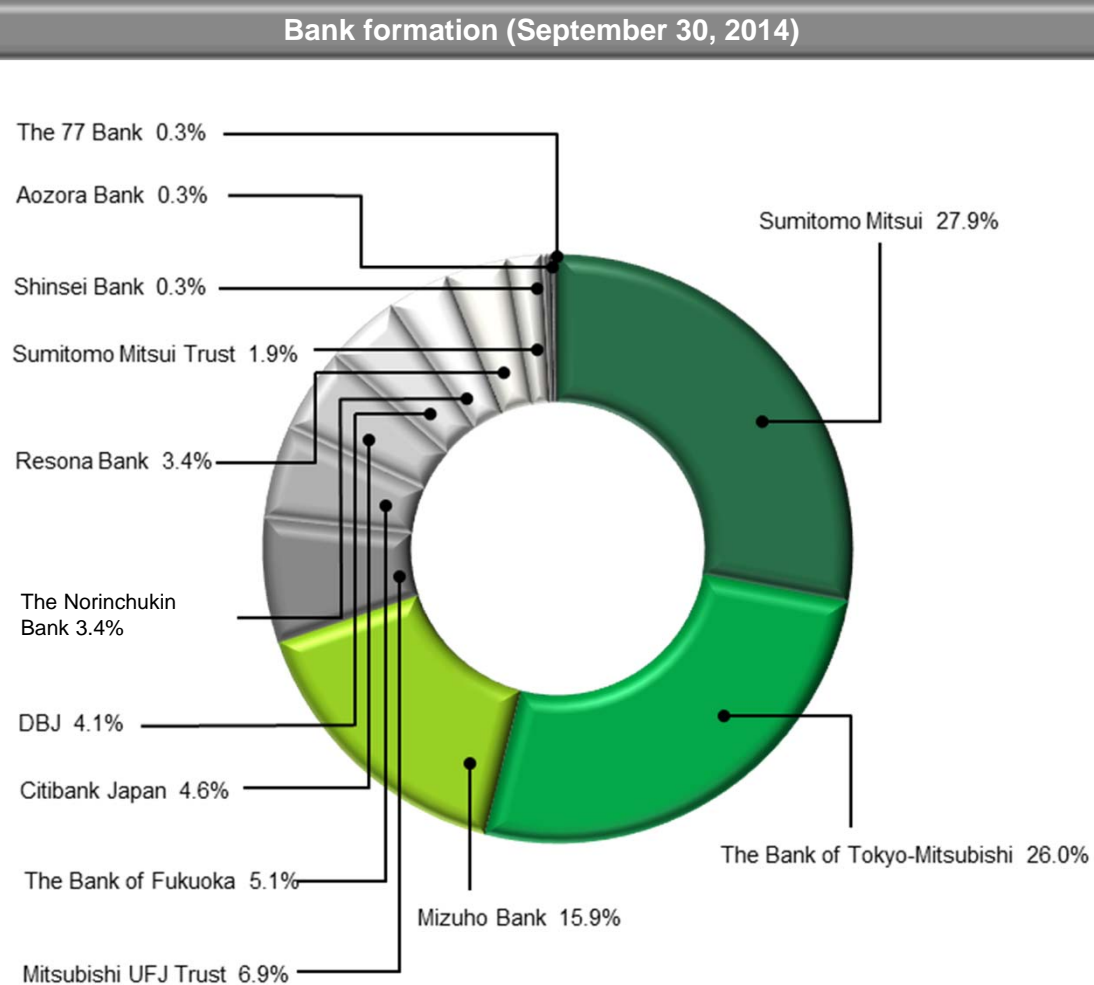
## Financial standing (as of Sep-end 2014)

| term               | lender  | debt balance (mm yen)  | Interest              | date of borrowing | repayment date <sup>2</sup> |
|--------------------|---|------------------------|-----------------------|-------------------|-----------------------------|
| 2 years            | Syndicate of lenders arranged by<br>Sumitomo Mitsui Banking Corporation and<br>the Bank of Tokyo-Mitsubishi UFJ, Ltd. | 18,510                 | 0.56000%              | 2013/1/4          | 2015/1/4                    |
| 3 years            |   | 23,800                 | 0.85125% <sup>1</sup> | 2013/1/4          | 2016/1/4                    |
| 5 years            |   | 24,300                 | 1.12500% <sup>1</sup> | 2013/1/4          | 2018/1/4                    |
| 7 years            |   | 20,800                 | 1.40500% <sup>1</sup> | 2013/1/4          | 2020/1/4                    |
| 7 years            | The Bank of Tokyo-Mitsubishi UFJ, Ltd.  | 3,250                  | 1.0300%(Fixed ratio)  | 2013/2/1          | 2020/1/31                   |
| 8 years            | Sumitomo Mitsui Banking Corporation   | 3,250                  | 1.29750% <sup>1</sup> | 2013/2/1          | 2021/2/1                    |
| 3 years            | Sumitomo Mitsui Banking Corporation   | 1,200                  | 0.44136%              | 2014/1/6          | 2016/12/20                  |
| 3 years            | Mizuho Bank, Ltd.   | 1,150                  | 0.44136%              | 2014/1/6          | 2016/12/20                  |
| 3 years            | Sumitomo Mitsui Trust Bank, Limited   | 1,150                  | 0.44136%              | 2014/1/6          | 2016/12/20                  |
| 8 years            | Syndicate of lenders arranged by<br>Sumitomo Mitsui Banking Corporation and<br>the Bank of Tokyo-Mitsubishi UFJ, Ltd. | 5,000                  | 1.19700% <sup>1</sup> | 2014/1/6          | 2021/12/20                  |
| 7 years            | The Bank of Tokyo-Mitsubishi UFJ, Ltd.  | 3,800                  | 0.91750%(Fixed ratio) | 2014/3/3          | 2021/2/26                   |
| 3 years            | Syndicate of lenders arranged by<br>Sumitomo Mitsui Banking Corporation and<br>the Bank of Tokyo-Mitsubishi UFJ, Ltd. | 7,380                  | 0.56000%              | 2014/3/3          | 2017/2/28                   |
| 5 years            |   | 12,300                 | 0.75875% <sup>1</sup> | 2014/3/3          | 2019/2/28                   |
| 7 years            |   | 6,100                  | 1.08550% <sup>1</sup> | 2014/3/3          | 2021/2/26                   |
| 10 years           |   | 3,140                  | 1.55850% <sup>1</sup> | 2014/3/3          | 2024/2/29                   |
| 2.7 years          |   | 4,700                  | 0.33136%              | 2014/6/30         | 2017/2/28                   |
| 12 years           |   | 1,000                  | 1.06000%              | 2014/6/30         | 2026/6/30                   |
| 6 months           |   | 990                    | 0.34636%              | 2014/9/2          | 2015/2/28                   |
| 6 months           | The Bank of Tokyo-Mitsubishi UFJ, Ltd.  | 660                    | 0.34636%              | 2014/9/2          | 2015/2/28                   |
| 2 years            | Syndicate of lenders arranged by<br>Sumitomo Mitsui Banking Corporation and<br>the Bank of Tokyo-Mitsubishi UFJ, Ltd. | 3,700                  | 0.32136%              | 2014/9/2          | 2016/9/2                    |
| 8 years            |   | 13,600                 | 0.86200% <sup>1</sup> | 2014/9/2          | 2022/9/2                    |
| 13 years           |   | 2,700                  | 1.85400% <sup>1</sup> | 2014/9/2          | 2027/9/2                    |
| term               | brand   | amount issued (mm yen) | Interest              | Issue date        | Redemption date             |
| 5 years            | First J-REIT Bond   | 6,000                  | 0.47000%              | 2014/2/27         | 2019/2/27                   |
| 10 years           | Second J-REIT Bond  | 2,000                  | 0.98000%              | 2014/7/30         | 2024/7/30                   |
| Total (13 lenders) |   | 170,480                | 0.92%                 |                   |                             |

1. Substantial rates after swap agreements, which are to hedge interest volatility risk

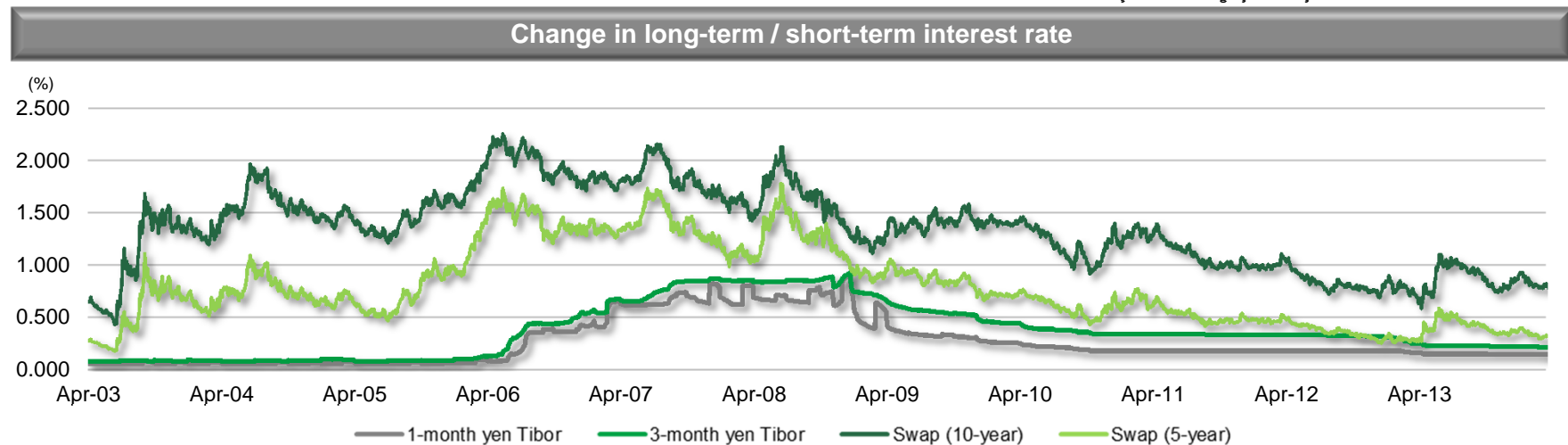
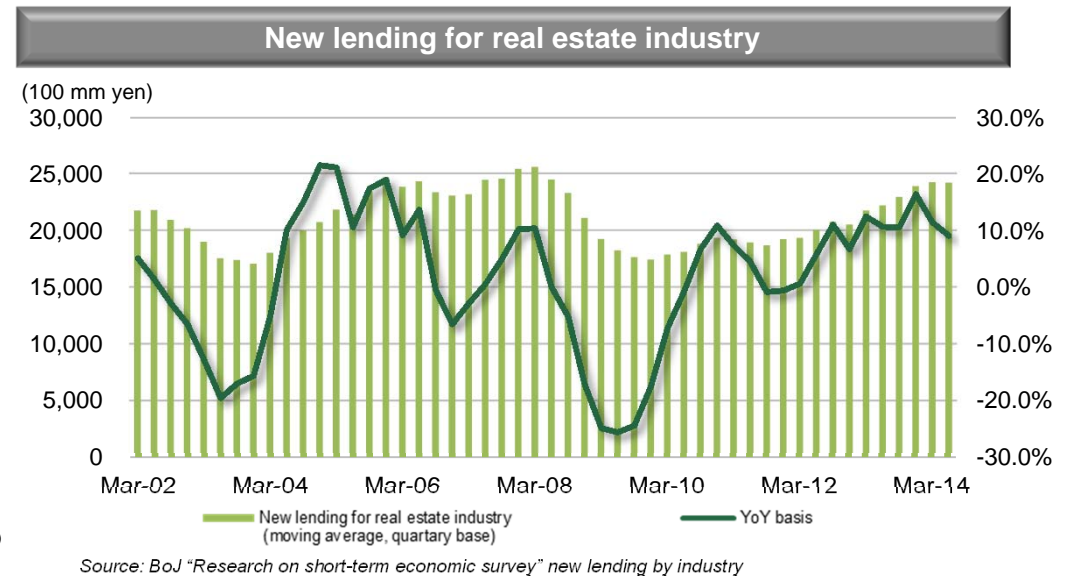
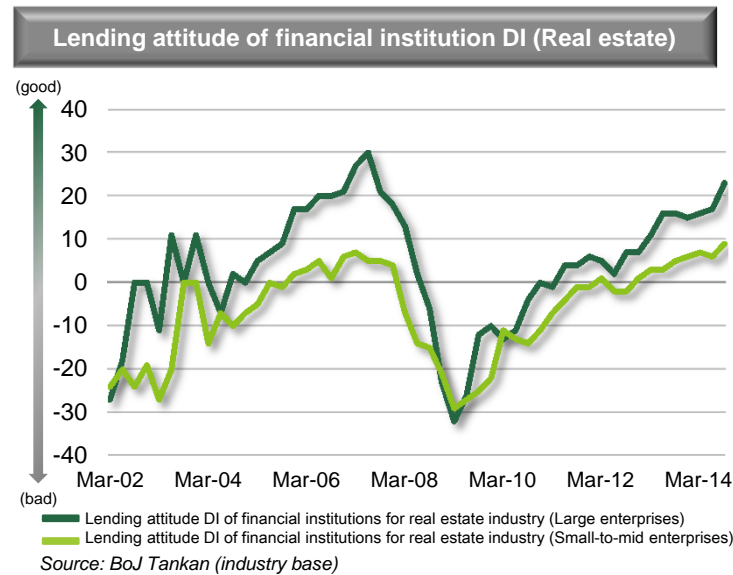
2. If the repayment date is not a business day, it will be the immediately following day

## Strong bank formation (as of Sep-end 2014)





## Favorable debt finance environment



## GLP J-REIT's innovative initiatives

|   |   |
|---|---|
| Best-in Class Portfolio   | <ul style="list-style-type: none"> <li>■ Best-in class portfolio of modern logistics facilities</li> <li>■ <b>High portfolio quality equivalent to that of the portfolio owned by the sponsor</b>, the largest logistics facilities provider in Japan (Acquiring two of GLP's flagship assets - GLP Tokyo and GLP Amagasaki)</li> </ul> |
| Rich Opportunities for External Growth  | <ul style="list-style-type: none"> <li>■ Shaping rich and tangible opportunities for external growth through sponsor's pipeline support such as <b>Purchase Options</b> and <b>Right of First Look (RoFL)</b></li> </ul>  |
| Optimal Payable Distribution (OPD)  | <ul style="list-style-type: none"> <li>■ Implementing <b>Optimal Payable Distribution (OPD)</b> which realizes FFO-based distribution</li> </ul>  |
| Performance-linked AM Fees and Management Incentive bonuses at Asset Manager                | <ul style="list-style-type: none"> <li>■ Approximately 2/3 of AM fees <b>linked to NOI and EPU</b> (Earnings per Unit)</li> <li>■ Management incentive bonuses at Asset Manager <b>linked to EPU and relative unit price performance</b> (vs. TSE REIT Index)</li> </ul>  |
| Large Market Capitalization and Smaller Lot of Investment Units Aiming to Enhance Liquidity | <ul style="list-style-type: none"> <li>■ Largest IPO for a J-REIT with approximately <b>JPY 111 bn as the offering amount</b></li> <li>■ <b>Smaller lot of investment units</b> (JPY 60,500 at IPO), to expand investor base and enhance liquidity</li> </ul>   |
| Sponsor's Commitment  | <ul style="list-style-type: none"> <li>■ Alignment of interests between sponsor and unitholders with the <b>sponsor maintaining a 15% ownership</b> upon the completion of IPO</li> </ul>   |
| Strict Governance Structure for Related Party Transactions                                  | <ul style="list-style-type: none"> <li>■ <b>Veto rights</b> by outside expert(s) on Asset Manager's investment &amp; compliance committees</li> <li>■ <b>Veto rights</b> by J-REIT board on selection of outside expert(s) at Asset Manager</li> </ul>  |

## Global Logistic Properties Limited (“GLP”)

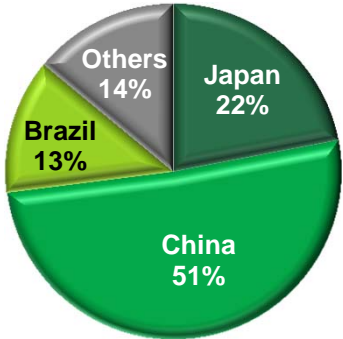
| General description |  |
|---------------------|--|
| Name                | ■ Global Logistic Properties Limited   |
| Listing Market      | ■ Singapore Exchange (“SGX”)   |
| Market Cap (\$)     | ■ \$10,475 mm<br>(as of June 30, 2014)   |
| Total Assets (\$)   | ■ \$19,559 mm<br>(as of June 30, 2014) <sup>1</sup>  |
| Key Feature         | ■ Leading modern logistics facility provider in China, Japan and Brazil by GFA <sup>2</sup>  |
| Strategies          | <ul style="list-style-type: none"> <li>■ Exclusive focus on logistics real estate</li> <li>■ Focus on only the world's best markets for logistics</li> <li>■ Local people managing real estate</li> <li>■ Leverage strong relationships with global investors to build best-in-class fund management platform</li> </ul> |

## Segment information

## Earnings (PATMI)

(mm USD)

|        |     |
|--------|-----|
| China  | 385 |
| Japan  | 348 |
| Brazil | -19 |
| Others | -29 |
| Total  | 685 |

NAV  
as of June-end 2014

### Major Shareholders (as of June 2014)<sup>3</sup>

|                   | Share (%) |
|-------------------|-----------|
| GIC               | 35.8      |
| Lone Pine Capital | 8.9       |

Source: GLP Disclosure

1. GLP Investor Presentation 2Q FY2015.

2. "GFA" refers to gross floor area.

*3. Including beneficial ownership.*

## GLP Group development pipeline

### GLP Group's AUM in Japan (as of Jun 30, 2014)<sup>1</sup>

|  | No. of Properties | GFA (mm sqm) | Amount (bn yen) |
|--|-------------------|--------------|-----------------|
| Completed and stabilized                           | 86                | 3.8          | 753.6           |
| J-REIT   | 44                | 1.6          | 301.2           |
| RoFL and Fund Properties                           | 42                | 2.2          | 452.4           |
| Completed and pre-stabilized <sup>2</sup>          | 1                 | 0.1          | 26.7            |
| Properties under development or being repositioned | 7                 | 0.5          | 24.6            |

### Development projects

| Property Name (Prefecture)         | Type  | Construction start <sup>4</sup> | Expected completion <sup>4</sup> | GFA <sup>4</sup> (1,000 sqm) |
|------------------------------------|-------|---------------------------------|----------------------------------|------------------------------|
| Completed                          |       |                                 |                                  |                              |
| GLP Misato III (Saitama)           | Multi | 4/2012                          | 5/2013                           | 95                           |
| GLP Soja (Okayama)                 | Multi | 6/2012                          | 2/2013                           | 78                           |
| GLP Atsugi (Kanagawa)              | Multi | 11/2012                         | 12/2013                          | 107                          |
| GLP•MFLP Ichikawa Shiohama (Chiba) | Multi | 12/2012                         | 1/2014                           | 122                          |
| Under development                  |       |                                 |                                  |                              |
| GLP Ayase (Kanagawa)               | BTS   | 2/2013                          | Q1FY2015                         | 69                           |
| GLP Zama (Kanagawa) <sup>3</sup>   | Multi | 10/2013                         | Q1FY2015                         | 132                          |
| GLP Sayama Hidaka I (Saitama)      | Multi | 12/2013                         | Q3FY2015                         | 43                           |
| GLP Sayama Hidaka II (Saitama)     | Multi | 12/2013                         | Q1FY2016                         | 86                           |
| GLP Yachiyo (Chiba)                | Multi | 12/2013                         | Q3FY2015                         | 72                           |
| GLP Naruohama (Hyogo)              | Multi | 1/2014                          | Q2FY2015                         | 110                          |
| GLP Kobe Nishi (Hyogo)             | BTS   | 5/2014                          | Q4FY2014                         | 36                           |
| GLP Yoshimi (Saitama)              | BTS   | 7/2014                          | Q2FY2015                         | 62                           |

Source: GLP Disclosure

1. GLP Investor Presentation 2Q FY 2015. (GFA and Amount is rounded)

2. Properties with less than 93% occupancy ratio or less than one year after completion or acquisition.

3. Demolition started in August 2013.

4. In line with GLP Group disclosure, and is different from construction start date.

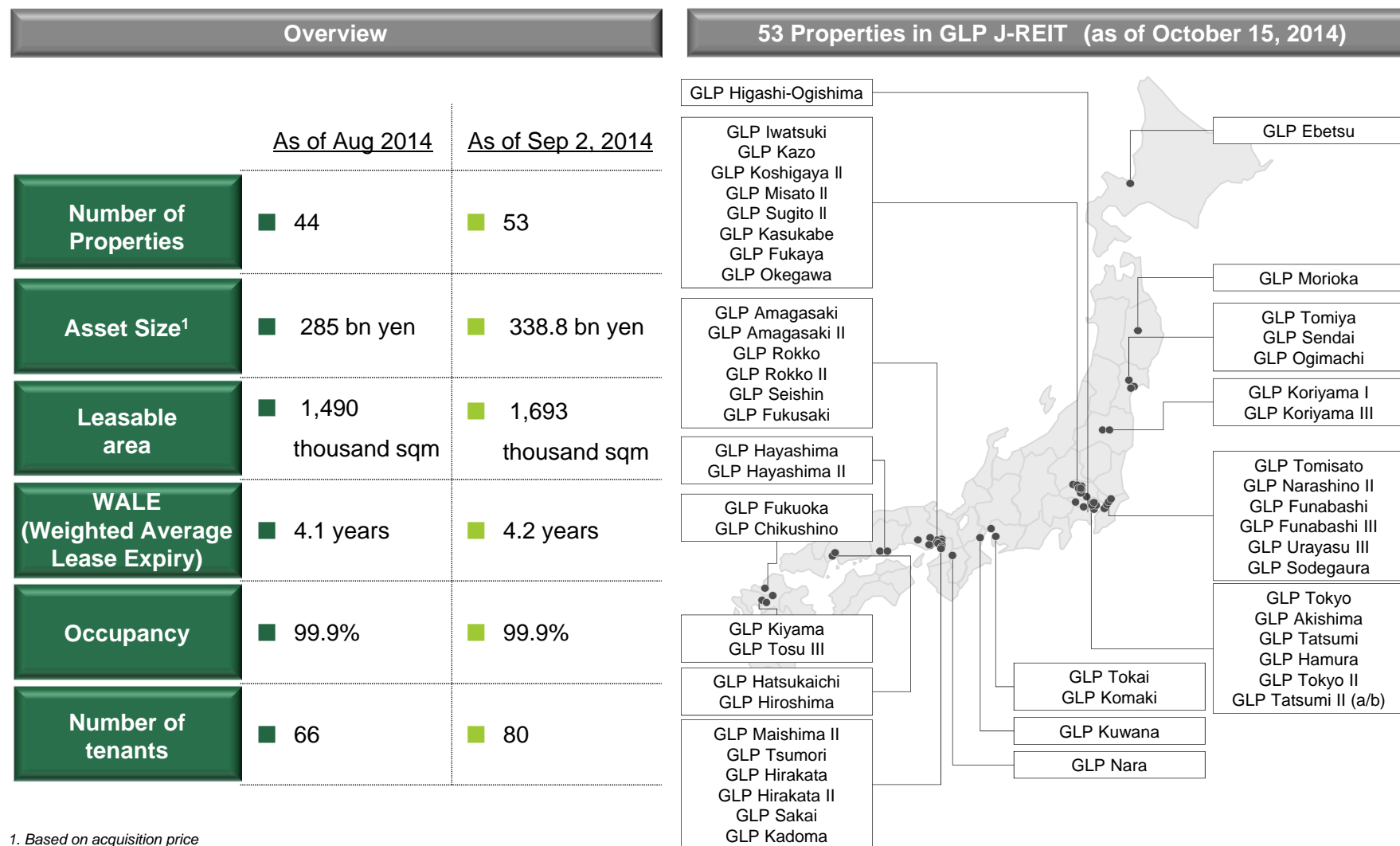


GLP Misato III



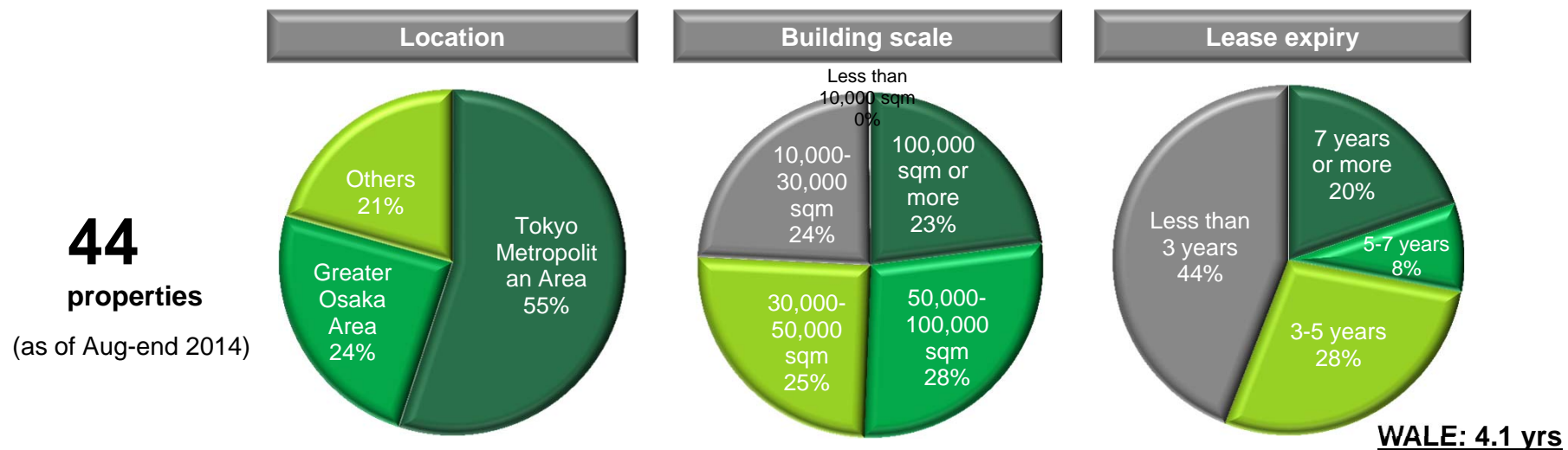
GLP Soja

## GLP J-REIT portfolio overview

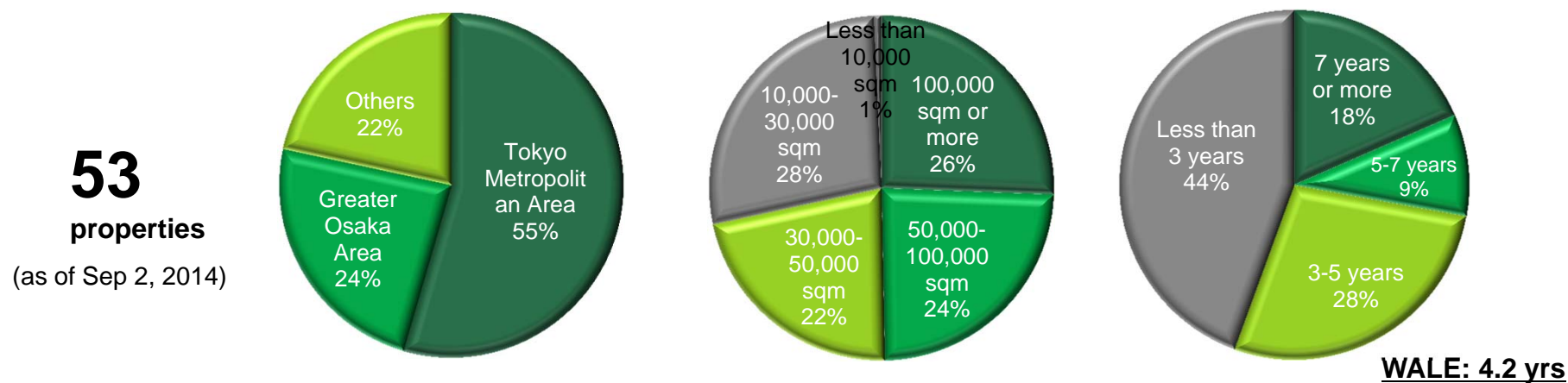


1. Based on acquisition price

## Well-balanced portfolio with stable return (1)



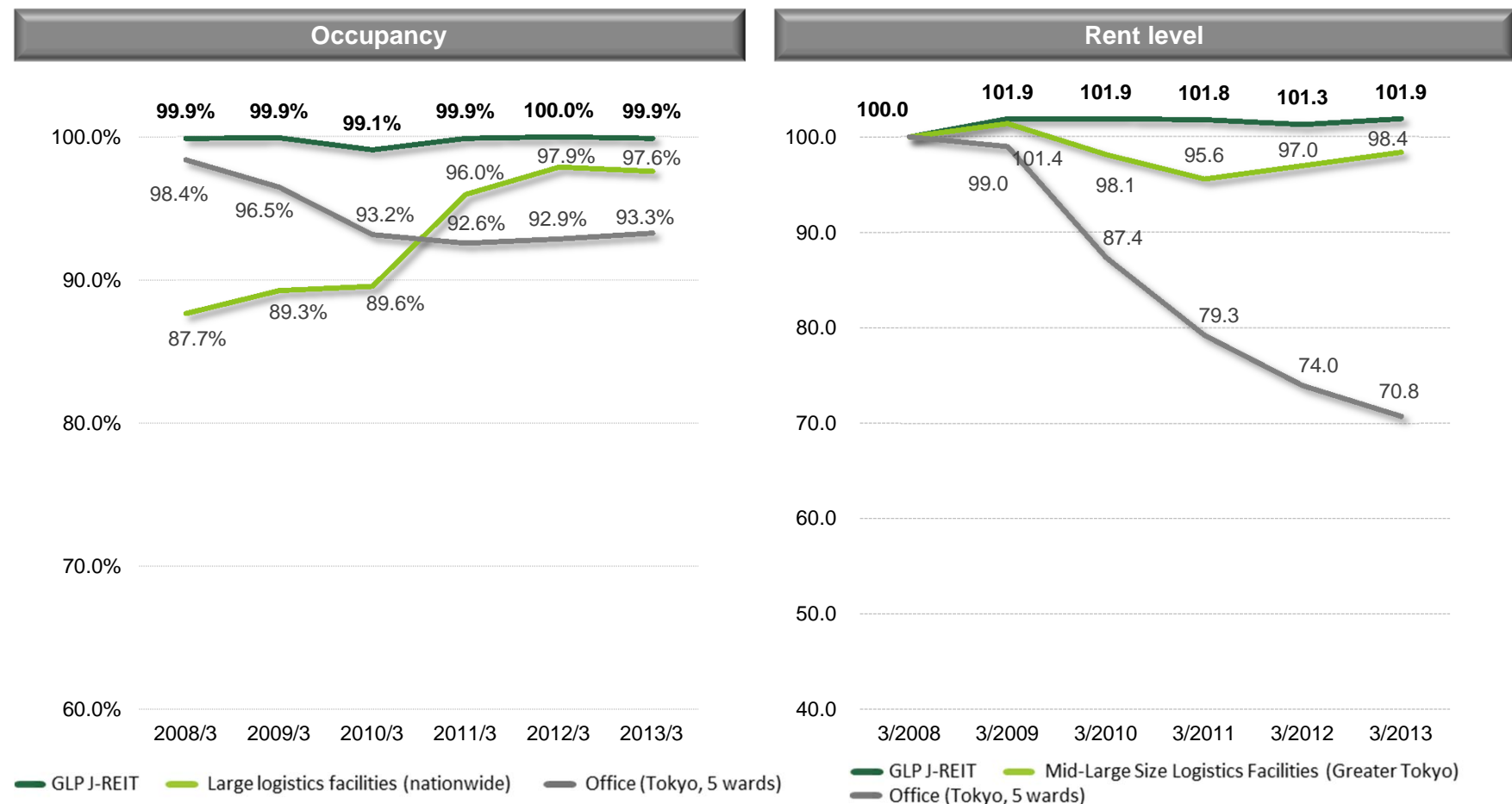
1. As of August 31, 2014. Location and building scale are based on gross floor area. Lease expiry and weighted Average of Lease Expiry, or WALE are based on leased area excluding vacant area.



1. As of September 2, 2014. Location and building scale are based on gross floor area. Lease expiry and weighted Average of Lease Expiry, or WALE are based on leased area excluding vacant area.



## Well-balanced portfolio with stable return (2)



Source: CBRE, GLP.

1. GLP J-REIT represents the rent level of 24 properties of the 33 portfolio properties (the properties that GLP Group has held since the end of March 2008, including properties that were indirectly owned by a significant shareholder of GLP Limited as of the end of March 2008 and were subsequently acquired by GLP Limited) is calculated on a basis based on the actual lease terms.

Large Logistics Facilities (Nationwide) represents the average offered occupancy rate for nationwide logistics facilities with 5,000 sqm or more in GFA. Office (Tokyo, 5 wards) represents the average offered rent for office buildings located in 5 wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya). Mid-Large Size Logistics Facilities (Greater Tokyo) represents the average offered rent for logistics facilities located in Tokyo, Chiba, Kanagawa and Saitama with 1,000 tsubo (3,305 sqm) or more in GFA. Indexed to March 2008.

## Portfolio description (1)

| Property Number | Property Name        | Acquisition price (mm yen) | Investment Ratio (%) | Leasable area (sqm) | Leased area (sqm) | Occupancy | No. of Tenants | 2014 Aug-end             |                                  |
|-----------------|----------------------|----------------------------|----------------------|---------------------|-------------------|-----------|----------------|--------------------------|----------------------------------|
|                 |                      |                            |                      |                     |                   |           |                | Appraisal value (mm yen) | Direct cap rate <sup>2</sup> (%) |
| Tokyo-1         | GLP Tokyo            | 22,700                     | 8.0%                 | 56,105              | 56,105            | 100.0%    | 5              | 24,300                   | 4.5%                             |
| Tokyo-2         | GLP Higashi-Ogishima | 4,980                      | 1.7%                 | 34,582              | 34,582            | 100.0%    | 1              | 5,590                    | 4.9%                             |
| Tokyo-3         | GLP Akishima         | 7,160                      | 2.5%                 | 27,356              | 27,356            | 100.0%    | 3              | 7,740                    | 5.0%                             |
| Tokyo-4         | GLP Tomisato         | 4,990                      | 1.8%                 | 27,042              | 27,042            | 100.0%    | 1              | 5,270                    | 5.2%                             |
| Tokyo-5         | GLP Narashino II     | 15,220                     | 5.3%                 | 104,543             | 104,543           | 100.0%    | 2              | 18,200                   | 5.2%                             |
| Tokyo-6         | GLP Funabashi        | 1,720                      | 0.6%                 | 12,017              | 12,017            | 100.0%    | 1              | 1,840                    | 4.9%                             |
| Tokyo-7         | GLP Kazo             | 11,500                     | 4.0%                 | 76,532              | 76,532            | 100.0%    | 1              | 12,600                   | 5.2%                             |
| Tokyo-8         | GLP Fukaya           | 2,380                      | 0.8%                 | 19,706              | 19,706            | 100.0%    | 1              | 2,650                    | 5.2%                             |
| Tokyo-9         | GLP Sugito II        | 19,000                     | 6.7%                 | 101,272             | 100,162           | 98.9%     | 4              | 20,100                   | 5.0%                             |
| Tokyo-10        | GLP Iwatsuki         | 6,940                      | 2.4%                 | 31,839              | 31,839            | 100.0%    | 1              | 7,320                    | 5.0%                             |
| Tokyo-11        | GLP Kasukabe         | 4,240                      | 1.5%                 | 18,460              | 18,460            | 100.0%    | 1              | 4,470                    | 5.2%                             |
| Tokyo-12        | GLP Koshigaya II     | 9,780                      | 3.4%                 | 43,537              | 43,537            | 100.0%    | 2              | 10,300                   | 4.9%                             |
| Tokyo-13        | GLP Misato II        | 14,600                     | 5.1%                 | 59,208              | 59,208            | 100.0%    | 2              | 15,700                   | 4.9%                             |
| Tokyo-14        | GLP Tatsumi          | 4,960                      | 1.7%                 | 12,925              | 12,925            | 100.0%    | 1              | 5,390                    | 4.6%                             |
| Tokyo-15        | GLP Hamura           | 7,660                      | 2.7%                 | 40,277              | 40,277            | 100.0%    | 1              | 8,210                    | 5.1%                             |
| Tokyo-16        | GLP Funabashi III    | 3,050                      | 1.1%                 | 18,281              | 18,281            | 100.0%    | 1              | 3,560                    | 4.9%                             |
| Tokyo-17        | GLP Sodegaura        | 6,150                      | 2.2%                 | 45,582              | 45,582            | 100.0%    | 1              | 7,140                    | 5.3%                             |
| Tokyo-18        | GLP Urayasu III      | 18,200                     | 6.4%                 | 64,198              | 64,198            | 100.0%    | 2              | 18,700                   | 4.6%                             |
| Tokyo-19        | GLP Tatsumi IIa      | 6,694                      | 2.3%                 | 17,108              | 17,108            | 100.0%    | 1              | 6,900                    | 4.6%                             |
| Tokyo-20        | GLP Tatsumi IIb      | 1,056                      | 0.4%                 | 3,359               | 3,359             | 100.0%    | 1              | 1,120                    | 5.0%                             |

1. As of August 31, 2014

2. NCF capitalization rate used in direct capitalization method in respective appraisal reports

## Portfolio description (2)

| Property Number | Property Name    | Acquisition price (mm yen) | Investment Ratio (%) | Leasable area (sqm) | Leased area (sqm) | Occupancy | No. of Tenants | 2014 Aug-end             |                                  |
|-----------------|------------------|----------------------------|----------------------|---------------------|-------------------|-----------|----------------|--------------------------|----------------------------------|
|                 |                  |                            |                      |                     |                   |           |                | Appraisal value (mm yen) | Direct cap rate <sup>2</sup> (%) |
| Osaka-1         | GLP Hirakata     | 4,750                      | 1.7%                 | 29,829              | 29,829            | 100.0%    | 1              | 4,980                    | 5.4%                             |
| Osaka-2         | GLP Hirakata II  | 7,940                      | 2.8%                 | 43,283              | 43,283            | 100.0%    | 1              | 8,230                    | 5.1%                             |
| Osaka-3         | GLP Maishima II  | 8,970                      | 3.1%                 | 56,511              | 56,511            | 100.0%    | 1              | 10,100                   | 5.4%                             |
| Osaka-4         | GLP Tsumori      | 1,990                      | 0.7%                 | 16,080              | 16,080            | 100.0%    | 1              | 2,120                    | 5.7%                             |
| Osaka-5         | GLP Rokko        | 5,160                      | 1.8%                 | 39,339              | 39,339            | 100.0%    | 1              | 5,450                    | 5.5%                             |
| Osaka-6         | GLP Amagasaki    | 24,500                     | 8.6%                 | 110,224             | 110,224           | 100.0%    | 6              | 25,200                   | 4.9%                             |
| Osaka-7         | GLP Amagasaki II | 2,040                      | 0.7%                 | 12,342              | 12,342            | 100.0%    | 1              | 2,120                    | 5.5%                             |
| Osaka-8         | GLP Nara         | 2,410                      | 0.8%                 | 19,545              | 19,545            | 100.0%    | 1              | 2,700                    | 5.9%                             |
| Osaka-9         | GLP Sakai        | 2,000                      | 0.7%                 | 10,372              | 10,372            | 100.0%    | 1              | 2,080                    | 5.5%                             |
| Osaka-10        | GLP Rokko II     | 3,430                      | 1.2%                 | 20,407              | 20,407            | 100.0%    | 1              | 3,970                    | 5.4%                             |

1. As of August 31, 2014

2. NCF capitalization rate used in direct capitalization method in respective appraisal reports

## Portfolio description (3)

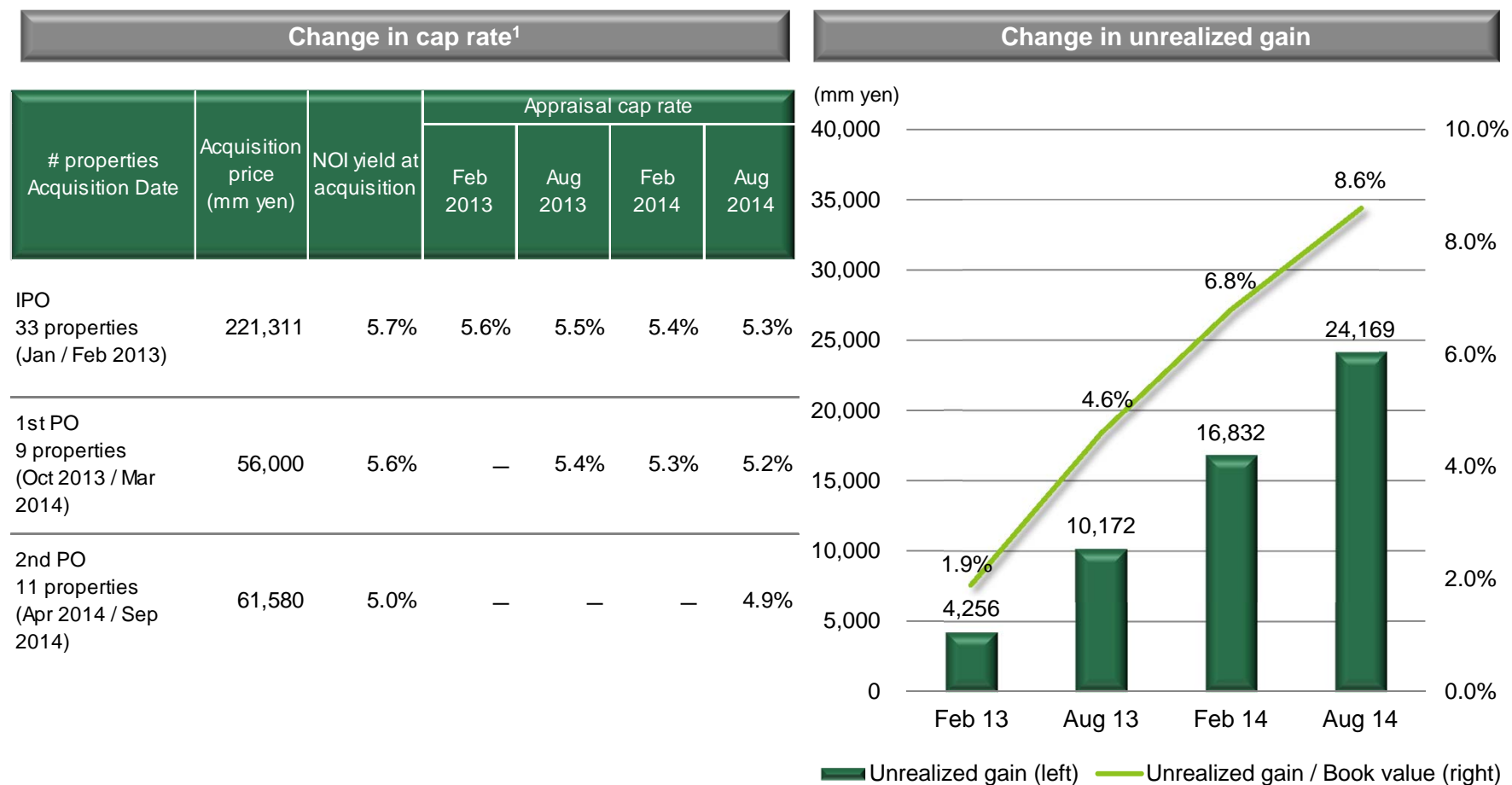
| Property Number | Property Name    | Acquisition price (mm yen) | Investment Ratio (%) | Leasable area (sqm) | Leased area (sqm) | Occupancy | No. of Tenants | 2014 Aug-end             |                                  |
|-----------------|------------------|----------------------------|----------------------|---------------------|-------------------|-----------|----------------|--------------------------|----------------------------------|
|                 |                  |                            |                      |                     |                   |           |                | Appraisal value (mm yen) | Direct cap rate <sup>2</sup> (%) |
| Other-1         | GLP Morioka      | 808                        | 0.3%                 | 10,253              | 10,253            | 100.0%    | 1              | 841                      | 6.5%                             |
| Other-2         | GLP Tomiya       | 2,820                      | 1.0%                 | 20,466              | 20,466            | 100.0%    | 1              | 2,930                    | 5.8%                             |
| Other-3         | GLP Koriyama I   | 4,100                      | 1.4%                 | 24,335              | 24,335            | 100.0%    | 1              | 4,340                    | 5.9%                             |
| Other-4         | GLP Koriyama III | 2,620                      | 0.9%                 | 27,671              | 27,671            | 100.0%    | 4              | 2,690                    | 5.8%                             |
| Other-5         | GLP Tokai        | 6,210                      | 2.2%                 | 32,343              | 32,343            | 100.0%    | 1              | 6,900                    | 5.1%                             |
| Other-6         | GLP Hayashima    | 1,190                      | 0.4%                 | 13,574              | 13,574            | 100.0%    | 1              | 1,260                    | 6.2%                             |
| Other-7         | GLP Hayashima II | 2,460                      | 0.9%                 | 14,447              | 14,447            | 100.0%    | 1              | 2,560                    | 5.6%                             |
| Other-8         | GLP Kiyama       | 4,760                      | 1.7%                 | 23,455              | 23,455            | 100.0%    | 1              | 5,070                    | 5.5%                             |
| Other-9         | GLP Tosu III     | 793                        | 0.3%                 | 11,918              | 11,918            | 100.0%    | 1              | 866                      | 5.7%                             |
| Other-10        | GLP Sendai       | 5,620                      | 2.0%                 | 37,256              | 37,256            | 100.0%    | 1              | 5,910                    | 5.7%                             |
| Other-11        | GLP Ebetsu       | 1,580                      | 0.6%                 | 18,489              | 18,489            | 100.0%    | 1              | 1,900                    | 5.9%                             |
| Other-12        | GLP Kuwana       | 3,650                      | 1.3%                 | 20,402              | 20,402            | 100.0%    | 1              | 4,140                    | 5.8%                             |
| Other-13        | GLP Hatsukaichi  | 1,980                      | 0.7%                 | 10,981              | 10,981            | 100.0%    | 1              | 2,250                    | 5.8%                             |
| Other-14        | GLP Komaki       | 10,300                     | 3.6%                 | 52,709              | 52,709            | 100.0%    | 2              | 10,800                   | 5.0%                             |
| Total           |                  | 285,061                    | 100.0%               | 1,490,181           | 1,489,071         | 99.9%     | 66             | 306,507                  | 5.2%                             |

1. As of August 31, 2014

2. NCF capitalization rate used in direct capitalization method in respective appraisal reports

## Increase in unrealized gain

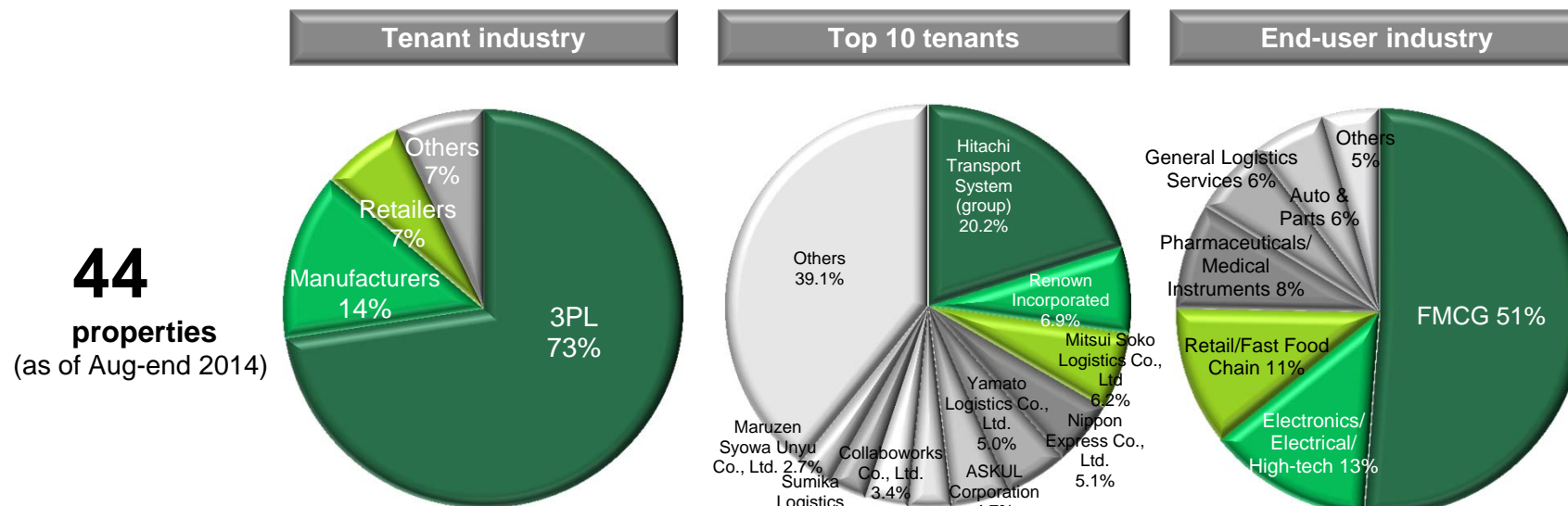
- Cap rate<sup>1</sup> is being compressed, and unrealized gain<sup>2</sup> is increasing
- Unrealized gain as of Aug 2014; 24,169 mm yen



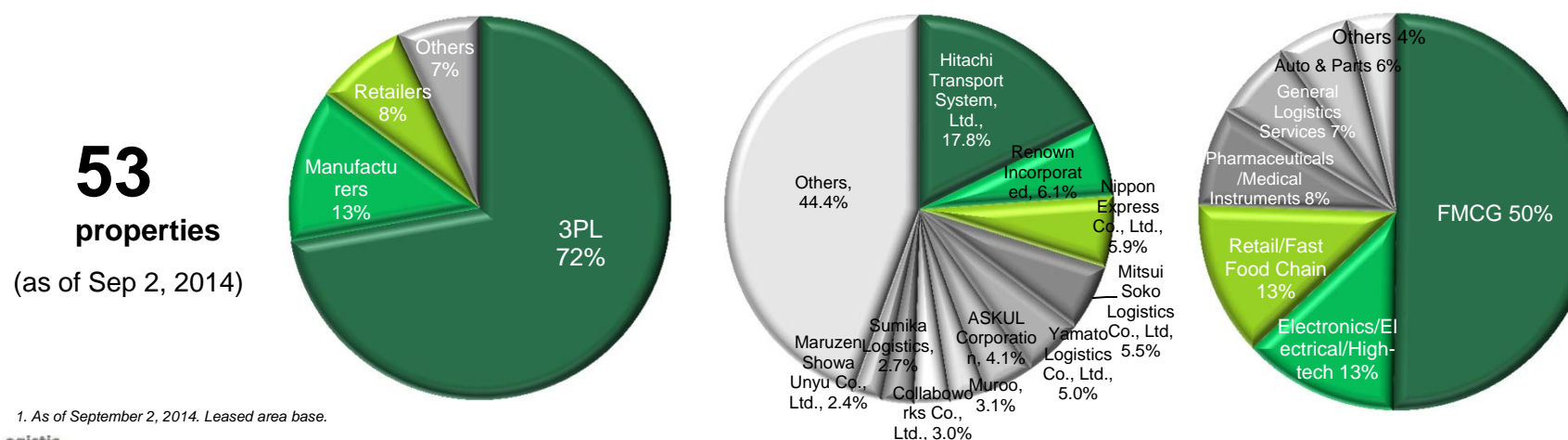
1. Cap rate = NOI in appraisal report / appraisal value

2. Unrealized gain = Appraisal value at fiscal end - book value at fiscal end

## Tenant diversification



1. As of August 31, 2014. Leased area base.



1. As of September 2, 2014. Leased area base.

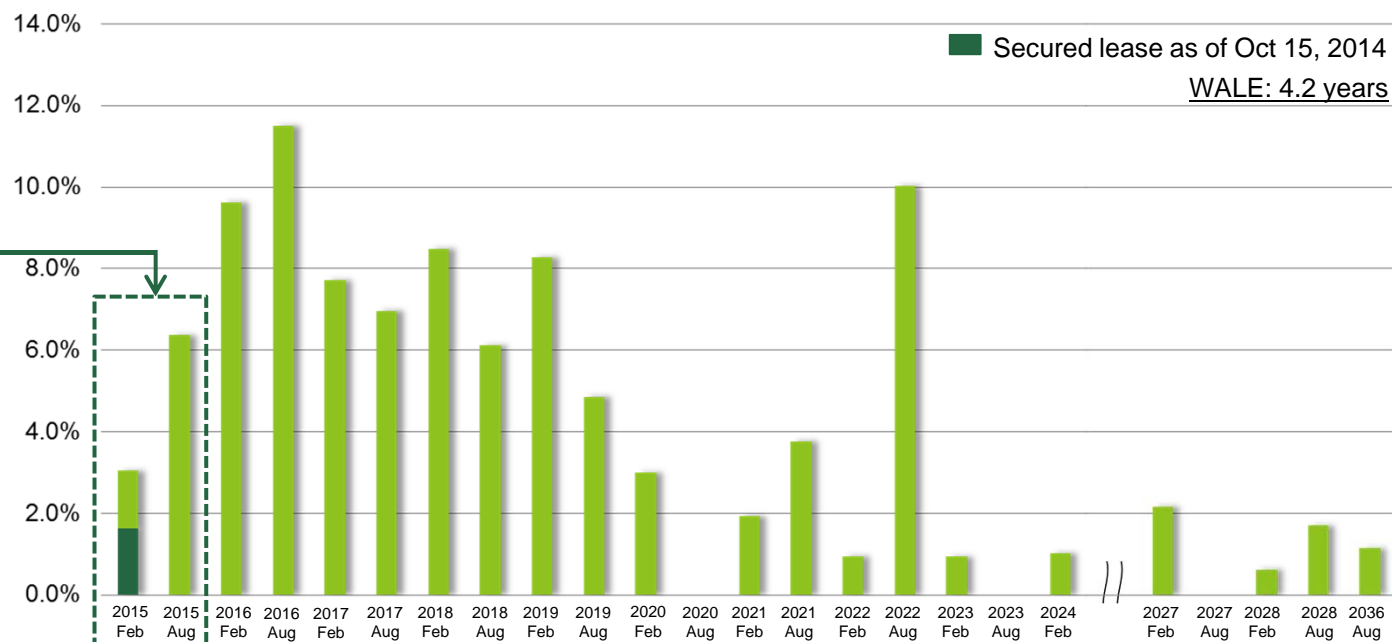


## Lease exposure in Feb 2015 and Aug 2015 periods (based on 53 properties)

### Lease exposure in Aug 2014 and Feb 2015 periods

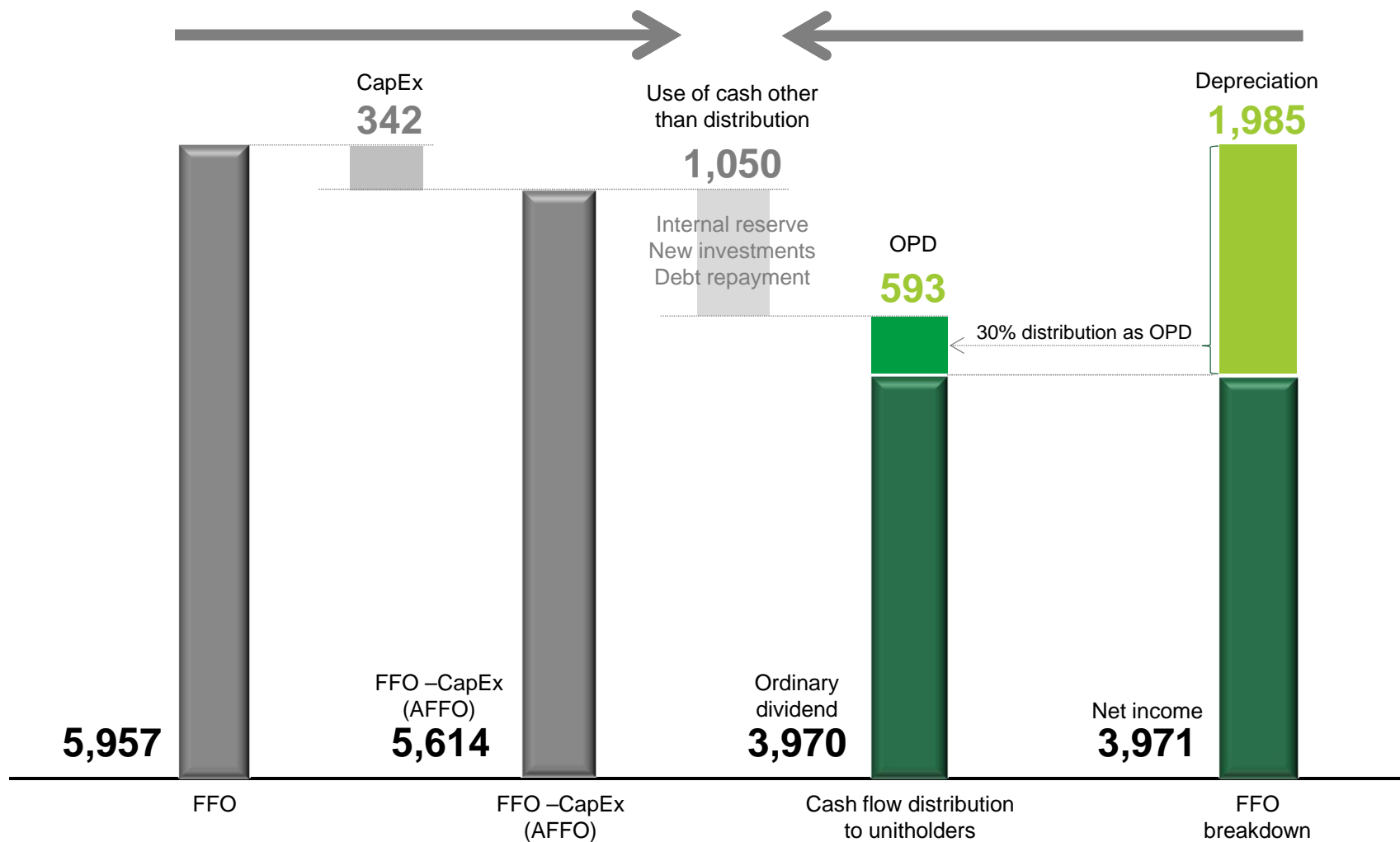
|                                | Leased area        | Secured area      |
|--------------------------------|--------------------|-------------------|
| <b>Lease maturity</b>          | <b>158,905 sqm</b> | <b>27,424 sqm</b> |
| (fixed-term lease)             | (123,415 sqm)      | (17,890 sqm)      |
| (conventional lease)           | (35,489 sqm)       | (9,533 sqm)       |
| <b>Cancellation option</b>     | <b>21,838 sqm</b>  | <b>21,838 sqm</b> |
| <b>Rent review</b>             | <b>194,833 sqm</b> | <b>60,618 sqm</b> |
| (Compulsory CPI-linked review) | (40,366 sqm)       | (37,013 sqm)      |

### Maturity Ladder (As of end-Aug 2014 based on 53 properties)<sup>1</sup>



1. Total leased area: 1,692 thousand sqm

## OPD to ensure sustainable and efficient cash allocation

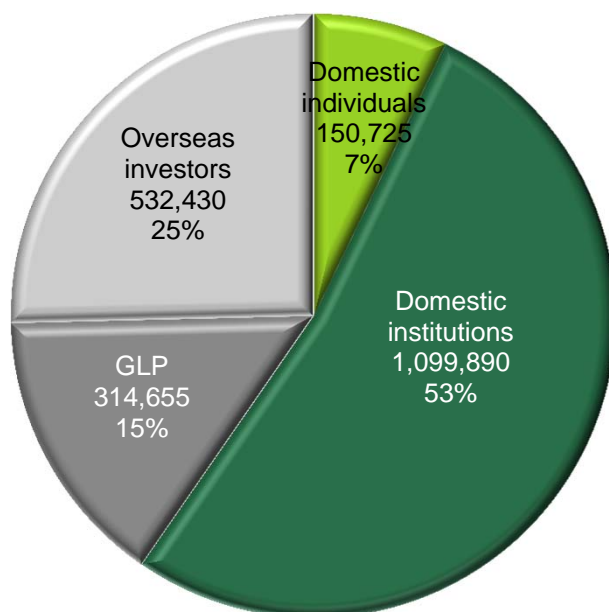


1. Amounts are rounded down.

Figures are results of August 2014 (mm yen)

## Unitholder composition

Distribution of unitholders



Major unitholders

| Name   | Units            | Share        |
|--|------------------|--------------|
| Japan Trustee Services Bank, Trust Account                               | 371,177          | 17.6%        |
| GLP Capital Japan 2 Private Limited.                                     | 311,455          | 14.8%        |
| Trust & Custody Services Bank, Ltd., Securities Investment Trust Account | 199,881          | 9.5%         |
| The Master Trust Bank of Japan, Ltd., Trust Account                      | 148,861          | 7.0%         |
| The Nomura Trust and Banking Co., Ltd.                                   | 97,170           | 4.6%         |
| Nomura Bank Luxembourg SA, Investment Trust Account                      | 65,295           | 3.1%         |
| CBLDN-STICHTING PGGM DEPOSITARY - LISTED REAL ESTATE PF FUND             | 49,166           | 2.3%         |
| The Bank of New York, Mellon SA NV 10                                    | 44,745           | 2.1%         |
| State Street Bank and Trust Company                                      | 27,958           | 1.3%         |
| Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.                       | 23,425           | 1.1%         |
| <b>Total</b>   | <b>1,339,133</b> | <b>63.8%</b> |



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