

August 2019 (15th) Fiscal Period



October 16, 2019

GLP J-REIT ( 3 2 8 1 )



**Investment In Modern Logistics Facilities**

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06 Rent increase in the past 6 months

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## Growth Strategy of GLP J-REIT: Securely Implemented

### **1 Large increases in rent and high occupancy rates based on strong demand and GLP's leasing abilities**

- The rate of increase in rent of the revised rent was 4.7%, an increase of more than 4.5% for the third consecutive period.
- 99.9% of our portfolio was leased as of August 31, 2019.
- On the back of the robust market environment, it is expected that significant increase in rent will continue in the next fiscal period and thereafter.

### **2 Enhancing bridge schemes to implement external growth strategies**

- Reorganizing the existing bridge SPCs by adding 3 new high-quality properties in prime locations.
- The total floor area using bridge SPCs has expanded to 480k sqm.
- As a result of the reorganization, the period for right of first look (RoFL) of the 2 bridges could be extended by 1 year and 2 months and 2 years and 2 months, respectively.

### **3 Extending maturities and significantly reducing interest costs ahead of schedule on the back of the low-interest rate environment**

- Refinancing of 20 billion yen with a loan interest of 1.25% was conducted ahead of schedule, reducing interest costs by 91 bps through financing with a debt term of 7 years and a loan interest of 0.34%.
- Individual investors increased as a result of the issuance of GLP's first retail green bond (8 billion yen, maturity 10 years).
- While the average debt term extended 0.3 years from 6.9 years to 7.2 years, the average loan interest dropped 7 bps from 0.65% to 0.59%.

## Internal growth Strong rental growth continues

Rent increase since IPO  
**14 successive periods**

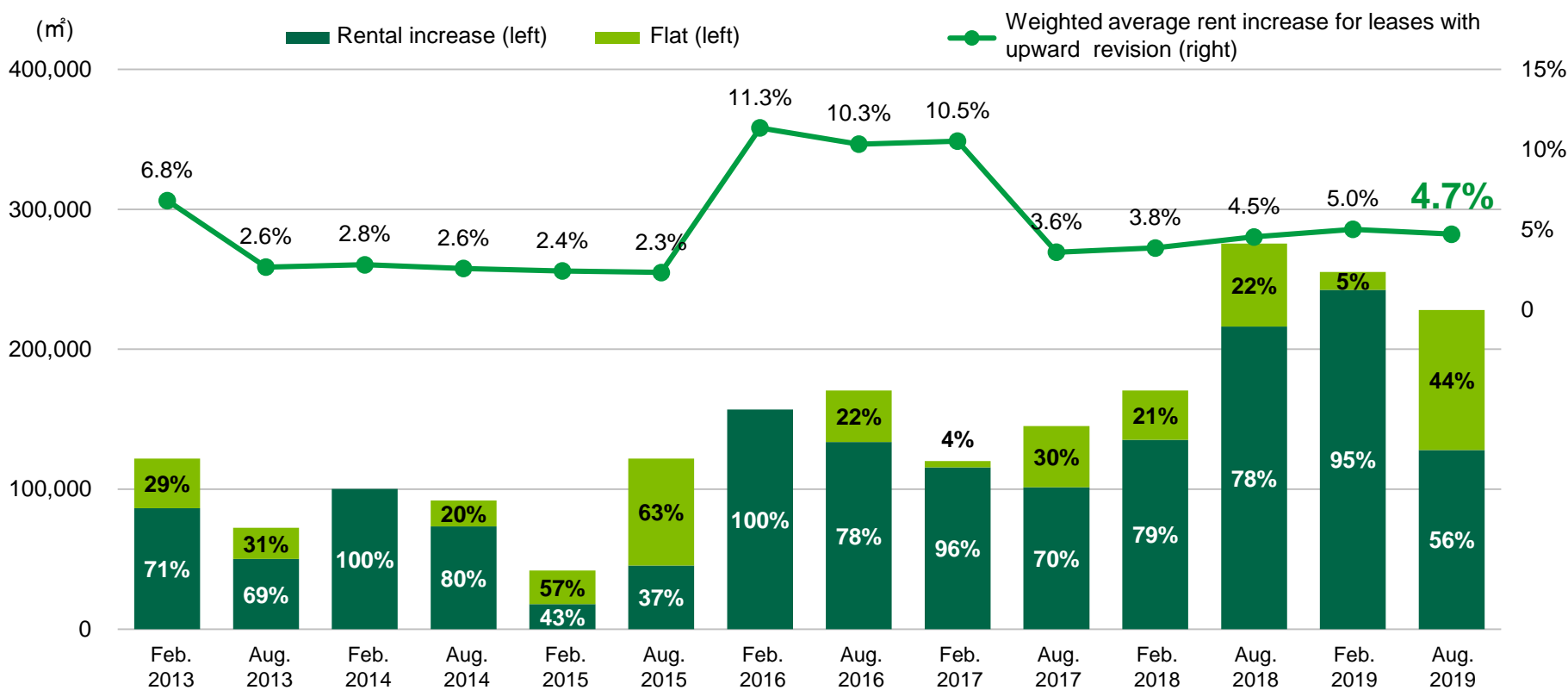
No rental reduction<sup>1</sup>  
since IPO

Occupancy rate  
as of Aug-end 2019  
**99.9%**<sup>2</sup>

Retention rate  
since IPO  
**89%**

Avg. downtime at  
tenant replacement  
**3 months**

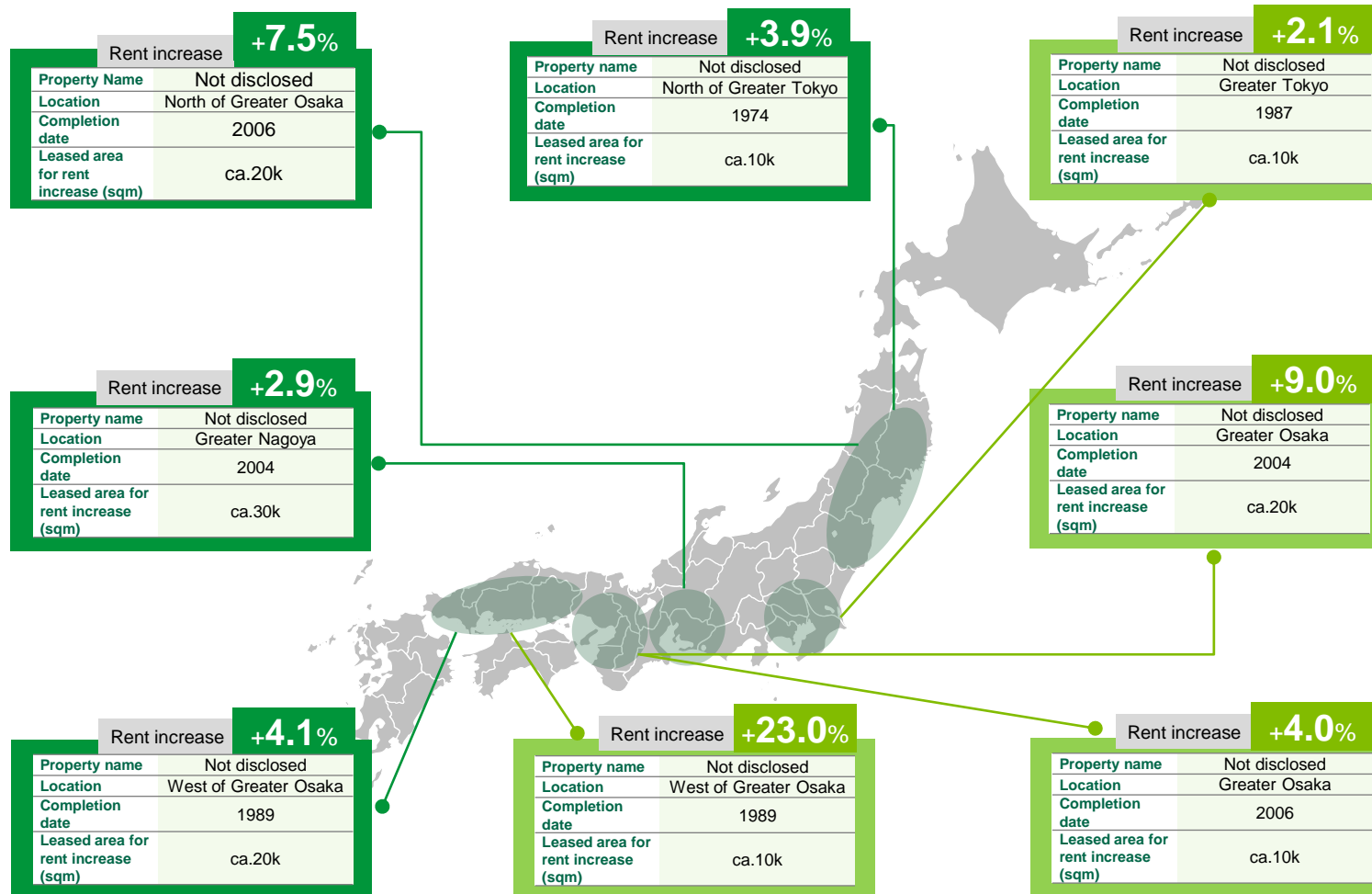
### Track record of robust internal growth since the IPO



1. Excludes automatic rent increases and tenant replacement after vacancy periods

2. "Occupancy rate" is calculated by dividing total leased area for each property by the total leasable area, rounded to the first decimal place. However when it may result in 100.0% after rounding, the figure is rounded down to the first decimal place and shown as 99.9%

## Internal growth Rent increase in the past 6 months



Current lease expiry

■ Aug. 2019 fiscal period

■ Feb. 2020 fiscal period



## External growth

### Adding 3 new properties through the reorganization of the existing bridge scheme

- Properties subject to RoFL increased by 3, of which 1 property is GLP Yokohama, one of the flagship properties of the GLP Group.
- The periods for RoFL of the properties were extended by 1 year and 2 months and 2 years and 2 months, respectively.
- The par-out period (the scheduled timing for acquisition) by reducing the book value was partially shortened.

#### New Bridge SPC

##### Blue logistic 3 Godo Kaisha

Existing 3 properties 162k sqm



New 1 properties 99k sqm



##### Blue logistic 4 Godo Kaisha

Existing 2 properties 156k sqm



New 2 properties 62k sqm



#### Effect from the reorganization and adding new properties

The period for RoFL

The end of Mar.2022  
(+1 year and 2 months)<sup>2</sup>

The par-out period<sup>1</sup>

Mar.1, 2020 or after  
(-3months)<sup>2</sup>

The period for RoFL

The end of Mar.2023  
(+2 years and 2 months)<sup>2</sup>

The par-out period<sup>1</sup>

Mar.1, 2020 or after  
(-)<sup>2</sup>

1. The scheduled acquisition timing refers to the timing in which the acquisition price of the property subject to the exercise of RoFL is expected to be reduced to a price below the price of these properties acquired by the bridge SPC.

2. The comparisons with the existing bridge schemes are shown in the parentheses.

## Overview of new assets in OTA<sup>1</sup>

### ■ Strategic moves for future growth by acquiring high-quality properties in favorable locations

#### Flagship property in the prime area

##### GLP Yokohama



Property Type	Multi
Location	Yokohama, Kanagawa
Completion	June 2005
GFA	99,352 sqm
Location	<ul style="list-style-type: none"> <li>Within walking distance of Namamugi Station of the Keikyu Line.</li> <li>Favorable location facing Tsurumi Industrial Road, with easy access to the Yokohane Line and Bayshore Route of the Metropolitan Expressway</li> </ul>
Characteristic	<ul style="list-style-type: none"> <li>A 5-story logistic facility</li> <li>Base isolation structure</li> <li>Direct access to each floor via rampway</li> </ul>
Occupancy	100%

#### 100% leased before construction starts

##### GLP Niiza



Property Type	BTS
Location	Niiza, Saitama
Completion	March 2019
GFA	30,062 sqm
Location	<ul style="list-style-type: none"> <li>Located ca. 25 km from center of Tokyo</li> <li>Ca. 1.5km from Tokorozawa IC of Kanetsu expressway</li> <li>Walking distance from Niiza st. of JR Musashino line</li> </ul>
Characteristic	<ul style="list-style-type: none"> <li>A 4-story temperature controlled warehouse (18°C on floors 1–3, room temperature on floor 4)</li> <li>Effective ceiling height : 6.0 m–6.5 m</li> <li>Floor loading: 1.7t/m<sup>2</sup> (except in some areas)</li> <li>Mobile racks</li> </ul>
Occupancy	100%

#### 100% leased before construction starts

##### GLP Rokko III



Property Type	Multi
Location	Kobe, Hyogo
Completion	September 2019
GFA	32,153 sqm
Location	<ul style="list-style-type: none"> <li>Located ca. 22km from center of Osaka</li> <li>Ca.2.7 km from Rokko Island North IC of Hanshin Exp-Route Bayshore Line</li> <li>Ca.1.0 km from Marine Park Station of Rokko Liner</li> </ul>
Characteristic	<ul style="list-style-type: none"> <li>A 4-story dry logistic facility</li> <li>Effective ceiling height : 5.5m</li> <li>Floor loading: 1.5t/m<sup>2</sup></li> <li>Cafeteria</li> </ul>
Occupancy	100%

Source: GLP Japan Inc. and GLP Japan Advisors Inc.

1. The OTA is a scheme that enables GLP J-REIT to acquire properties securing an upper limit on acquisition price and at the designated timing within the scheduled acquisition period by having a bridge company temporarily own the properties planned for acquisition in the future. And “Assets in OTA” are the properties which GLP J-REIT plans to acquire through the OTA scheme.



## Financial strategy Initiatives to lower loan interest and extend maturities

### Refinancing of 20 billion yen conducted in advance

- Interest expenses were significantly reduced by 90 million yen<sup>1</sup> through refinancing of the existing loans.
- The expense arising from cancellation of interest rate swap contract before maturity was partially offset by gain on sale of GLP Fukuoka.

	Loan amount (mm yen)	Remaining period (year)	Interest rate <sup>2</sup> (%)
Loan repaid	20,040	6.4	1.25

	Loan amount (mm yen)	Remaining period (year)	Interest rate <sup>2</sup> (%)
New loan	20,040 (-)	7.0 (+0.7)	0.34 (-91bps)

### Issuance of 8.0 billion yen of retail green bonds

- Procurement of long-term funds at low interest rates.
- Expand fundraising measures by increasing number of individual investors.

	Loan amount (mm yen)	Remaining period (year)	Interest rate <sup>2</sup> (%)
Loan repaid	9,500	3.2	0.66

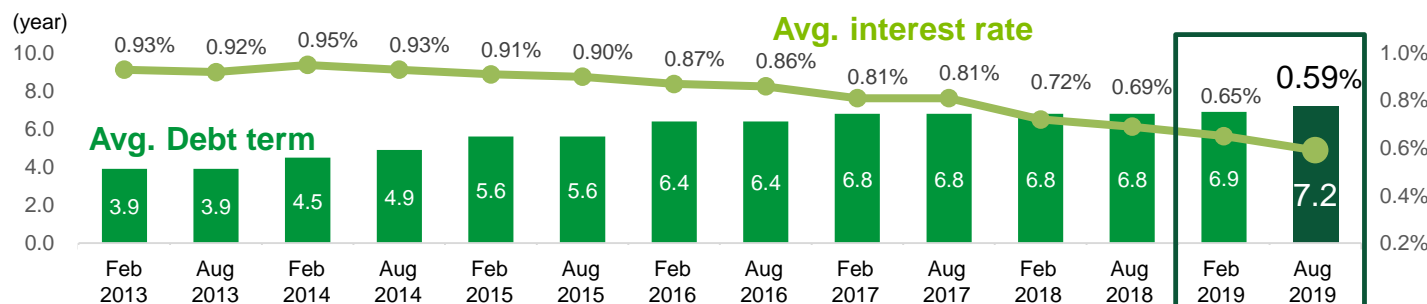
	Total issue amount (mn yen)	Duration (year)	Interest rate <sup>2</sup> (%)
Retail green bond	8,000 (-1,500)	10 (+6.8)	0.608 (-5bps)

#### Avg. Debt term

6.9 yrs ⇒ 7.2 yrs (Avg. Debt maturity 4.7 yrs)

#### Avg. interest rate

0.65% ⇒ 0.59% (vs. Feb-2019 -7 bps)



Decrease in interest expense<sup>3</sup>  
**97 mm**  
 yen/stabilized period

1. The reduced amount of interest expense for six months was calculated based on the difference between the interest rate at the repayment before maturity and the interest rate of the new loan.

2. Figures were rounded off to two decimal place.

3. The effects of the reduction in interest rates for six months were tentatively calculated based on the balance of interest-bearing debts as of the end of each financial term and the average loan interest rates.

# Financial strategy **Financial soundness over the long term**

## Top-tier financial base amongst J-REITs

(as of Aug-end 2019)

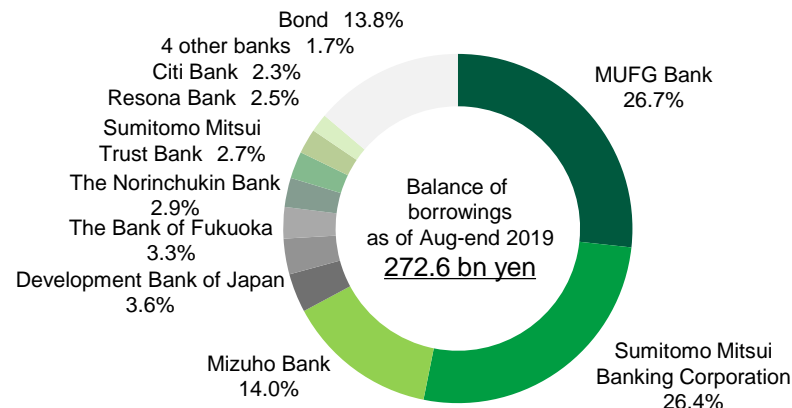
Credit rating by JCR AA credit rating or above<sup>1</sup>  
**AA(Stable)** **17** / 63 listed J-REITs

Avg. Debt term  
**7.2years (+0.3years)**  
 Avg. Debt maturity  
**4.7years (+0.3years)**

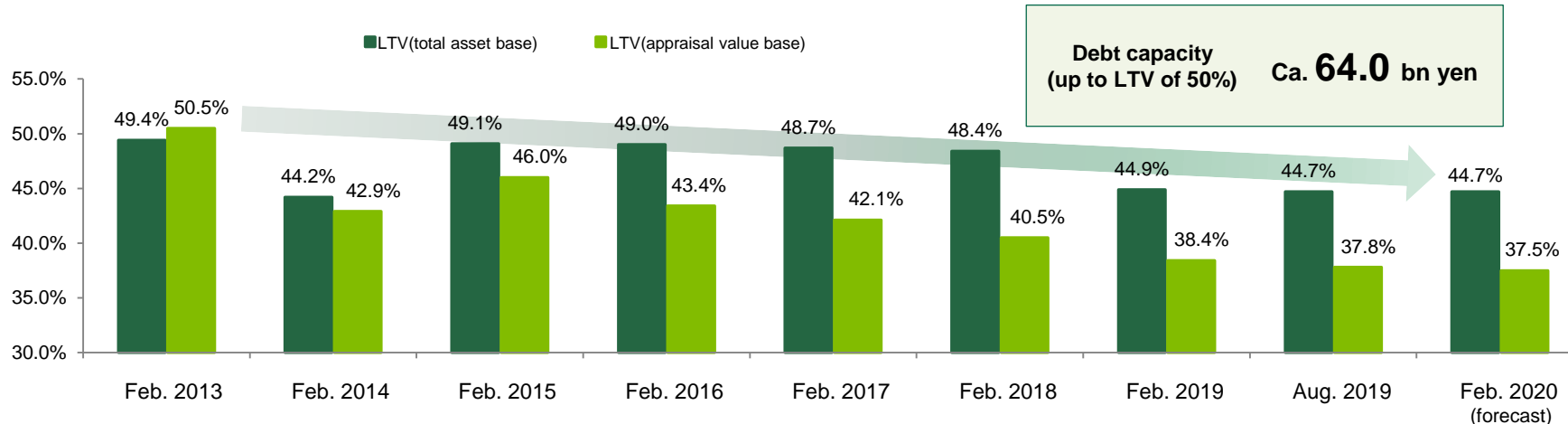
Avg. interest rate  
**0.59%**  
 (-7bps)

Fixed-interest ratio  
**94.3%**  
 (+3.2%)

## Stable and diversified financing



## Reduced LTV and finance cost with refinancing, contributing to further improved financial soundness



1. The number of domestic listed investment corporations which obtained credit ratings of AA and above from either JCR or R&I as of the end of September 2019.

2. Based on appraisal value as of the end of August 2019 for 75 properties.

# Initiatives for ESG Environment

## Continue to obtain GRESB and CASBEE certifications

### GRESB Real Estate Assessment (September 10, 2019)



- GLP J-REIT has been awarded a **“Green Star” rating** in the 2019 Global Real Estate Sustainability Benchmark Real Estate Assessment (“GRESB Assessment”) in **5 consecutive years** and a **“4 Star” rating** in GRESB rating for **4 consecutive years**, respectively.

### Examples of properties with BELS Assessment

#### Evaluation ★★★★★



#### Evaluation ★★★★★



### Environmental-friendly buildings



Solar Panels



Wind power



LED Lighting



Ice thermal air conditioning system

### Promote reduction of environmental impact



Energy-saving guidebook

Trash Separation



### Examples of CASBEE certification (June 28, 2019)

- GLP J-REIT newly obtained CASBEE for Real Estate Certifications (S Rank) on GLP Atsugi III in June 2019.

#### Examples of properties with Rating ★★★★★ (S Rank)



### Issuance of Green Bonds



- In December 2018, GLP issued green bonds of 5.1 billion yen, the first issuance as an investment corporation.
- In July 2019, GLP issued retail green bonds (aka ECO Logi Bonds) of 8.0 billion yen, the first for a logistics REIT.



## Initiatives for ESG Society

### GLP Group's CSR activities

GLP Group is dedicated to inspiring and educating the next generation through its social activities

#### Japan

##### Picking up trash at the coast



Hosted beach clean-up volunteer event in Yuigahama, Kamakura

##### Sports events children for foster homes



Hosted bouldering events for children in foster homes

##### Delivering picture books to children in developing countries



Delivered Japanese picture books with translation stickers to children in developing countries

#### Overseas (China)

##### Founded GLP Hope Schools and provided educational opportunities to around 10,000 students



Since its inception in 2006, GLP has funded 14 schools benefitting ca. 10,000 students

### Initiatives taken by GLP group at its facilities

#### Safety measures

Strives to provide facilities that are built with consideration for the safety of tenants and facility users. Also contributes to tenants' BCPs by ensuring the safety of their employees and cargo



Seismic isolation structure



24-hour security

#### Teamed up with local governments to use GLP's facilities at times of natural disasters

Due to GLP's acclaimed efforts at its modern logistics facilities to ensure business continuity through features such as seismic isolation, backup power supply, and groundwater supply facilities, GLP has entered into agreements with a number of local governments to use its logistics facilities as restoration support centers and evacuation sites at times of disaster or emergency



GLP Atsugi II



GLP Suita

#### Service to the surrounding environment/community

Contributes to the surrounding environment and community of its facilities by actively working on greening projects as well as volunteering at and hosting enjoyable events for the community



Planting trees



Photocatalyst pavement

## Initiatives for ESG Governance

### Every possible initiative for enhancing the governance systems

Since its listing, the GLP Group has pursued the maximization of unitholders' interest by continuing to enhance its governance systems.

1

#### Adoption of performance-linked asset management fee to meet unitholders' interest

- The asset management fee is a performance-linked type where approx. two thirds of the asset management remuneration is linked to NOI and EPU.
- The bonus paid to the management of the asset management company is incentive remuneration linked to EPU (Earnings per Unit) and the relative performance of the investment unit price (to the Tokyo Stock Exchange REIT Index).

2

#### Introduction of strict governance systems against transactions with stakeholders

- Veto rights held by external committee members of the Compliance Committee or the Investment Committee for any transactions with stakeholders.
- Veto rights of the J-REIT Board of Directors in the appointment of external committee members.

3

#### Commitment of the sponsor groups

- The interests of the sponsor and unitholders will match when the sponsor holds investment units.

4

#### Highly transparent and appropriate information disclosure in pursuit of fair disclosure

- As the first J-REIT, information disclosure was implemented to a wide range of unitholders by holding a management call meeting for overseas investors in capital increase through public offering.
- As the first J-REIT, a phone conference system was introduced for the purpose of information disclosure to a wide range of unitholders at the financial presentation meetings.
- Simultaneous disclosure in Japanese and English.

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- 15 August 2019 period: Results (vs. initial forecast)
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## August 2019 period: Results (vs. initial forecast)

**Realized +1.4% increase in DPU due to NOI higher than the estimate**

		Feb 2019 Actual	A Initial Forecast as of Apr 15, 2019	B August 2019 Actual	B – A
Financial result (mm yen)	Operating revenue	18,691	19,875	19,891	16
	Operating income	10,185	10,737	10,852	114
	Ordinary income	8,946	9,462	9,575	113
	Net income	9,052	9,462	9,612	150
DPU (yen)	Total (1) + (2)	2,657	2,764	2,802	38
	DPU (excl. OPD) (1)	2,361	2,468	2,508	40
	OPD (2)	296	296	294	- 2
Others	Occupancy <sup>1</sup>	99.2%	—	99.9%	—
	NOI (mm yen)	16,090	16,014	16,109	95
	NOI yield <sup>2</sup>	5.2%	—	5.3%	—

(Unit: mm yen)

### Aug 2019 results

**Major differences in net income  
(vs. initial forecast): +150**

### +96 Increase in NOI

• Increase in rent revenue	+9
• Increase in rental revenue of solar panels	+17
• Increase in LED subsidy	+27
• Decrease in utilities expenses	+36
• Others	+5

### +18 Decrease in expenses

• Decrease in depreciation	+18
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### +36 Occurrence of net extraordinary gain

• Net gain related to the damage caused by typhoons	+36 <sup>3</sup>
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\* Amounts are rounded down, and percentages are rounded to the first decimal place in the above table

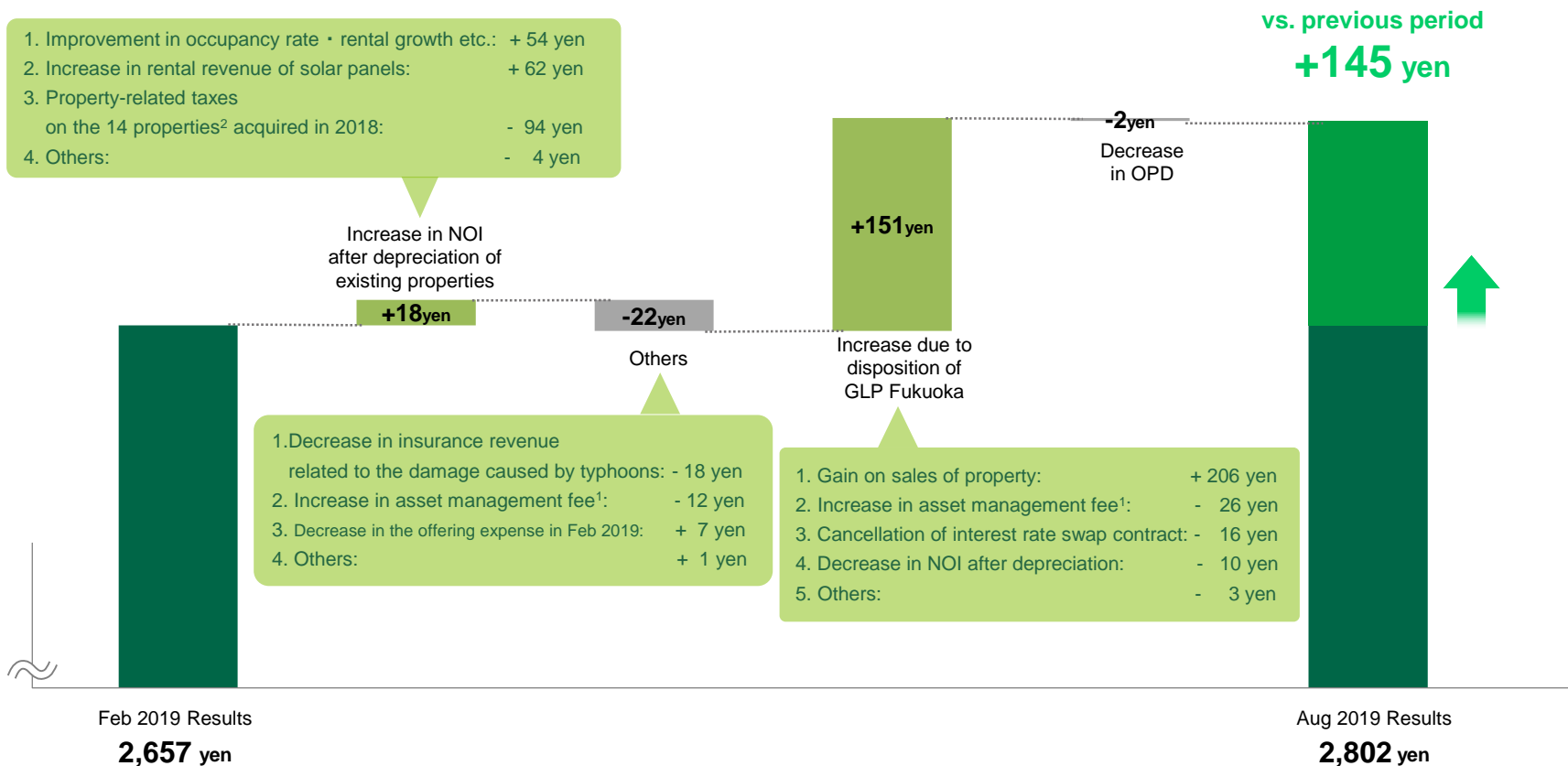
1. "Occupancy" is calculated by dividing total leased area for each property by the total leasable area at the end of every month, rounded to the first decimal place. However when it may result in 100.0% after rounding, the figure is rounded down to the first decimal place and shown as 99.9%

2. Annualized NOI after adjustment of property-related taxes / acquisition price (refer to note 2 of page 55)

3. Difference between 194 million yen for restitution and 231 million yen for insurance money received related to the assets damaged by typhoon 21 and 24, in 2018. Main damages to the assets are: GLP Maishima II (116 million yen) and GLP Amagasaki (48 million yen)

## August 2019 period: Change in dividend per unit (vs. previous period)

**+5.5% increase due to disposition of GLP Fukuoka and increase in rental revenue etc.**



1. Asset management fee 1 and 2 are included in each item on the above graph. However, asset management fee 3 is included in the above "Increase due to disposition of GLP Fukuoka" only  
 2. Including 13 solar panels

## Earnings forecasts for February 2020 and August 2020 periods

- Net income of February 2020 will decrease by 888 mm yen from August 2019 because of the diminish on sales of the property and seasonal factors
- Forecast DPU of February 2020 will exceed the stabilized DPU (winter) based on 75 properties<sup>1</sup> by 32 yen

		A Aug 2019 Actual	B Feb 2020 Forecast <sup>1</sup>	B – A	Aug 2020 Forecast <sup>1</sup>
Financial results (mm yen)	Operating revenue	19,891	18,789	-1,102	18,823
	Operating income	10,852	9,811	-1,040	9,944
	Ordinary income	9,575	8,725	-850	8,845
	Net income	9,612	8,723	-888	8,843
DPU (yen)	Total(1)+(2)	2,802	2,570	-232	2,599
	DPU(1) (excl. OPD)	2,508	2,275	-233	2,306
	OPD(2)	294	295	1	293

Stabilized DPU (winter) based on 75 properties<sup>2</sup> 2,538 yen

Major factors contributing to difference	Impact on DPU (yen)
• Increase in NOI by improved occupancy rate	+25
• Decrease in financing cost	+13
• Increase in asset management fee and others	▲6

**Compared with stabilized DPU: +32**

Feb 2020 forecast

(Unit: mm yen)

**Major factors contributing to difference in net income**

**(vs. Aug 2019): -888**

**-632 Disposition of GLP Fukuoka on March 29, 2019**

• Diminish on sales of property and equipment	- 786
• Decrease in NOI	- 1
• Decrease in asset management fee	+ 80
• Diminish on the gain of cancellation of interest rate swap contract	+ 61

**Impact on DPU (yen)**

**-166**

**- 98 Decrease in NOI after depreciation of existing properties**

• Increase in leasing commission etc.	-74
• Increase in depreciation of existing properties	-12

**- 26**

**+159 Decrease in financing cost and asset management fee**

• Decrease in financing cost	+ 115
• Decrease in asset management fee	+ 44

**+ 42**

**-317 Influence of the seasonal, temporary factors (other than asset disposal)**

• Decrease in rental revenue of solar panels	- 253
• Diminish on extraordinary gain related to damage caused by typhoons in Aug 2019 period	- 36
• Diminish on LED subsidy	- 27

**- 83**

※Figures are rounded down and percentages are rounded to the nearest unit in the above table

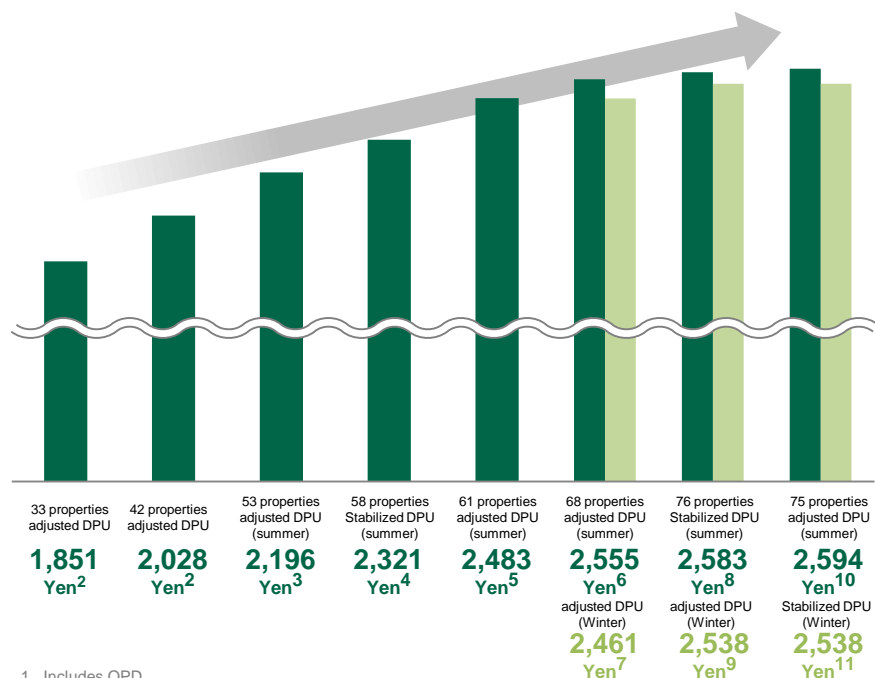
1. Financial forecasts in February 2020 period and August 2020 described in "Summary of financial Results (REIT) for the 15<sup>th</sup> Fiscal Period Ended August 31, 2019" announced on October 16, 2019

2. Refer to note 11 of page 18.

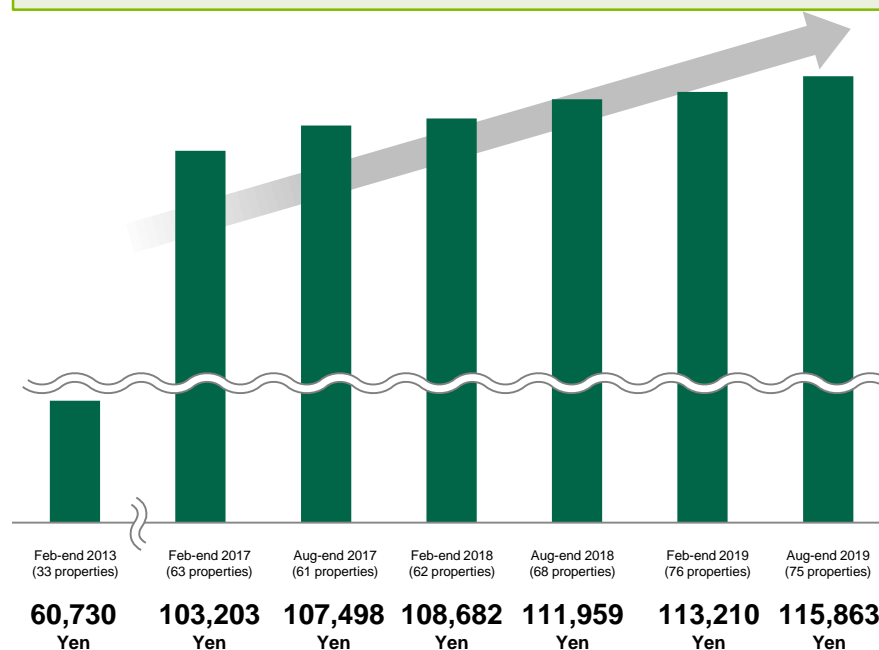


## Track record of growth in DPU and NAV per unit

**Stabilized DPU (Summer)<sup>1</sup> + 40.1%**

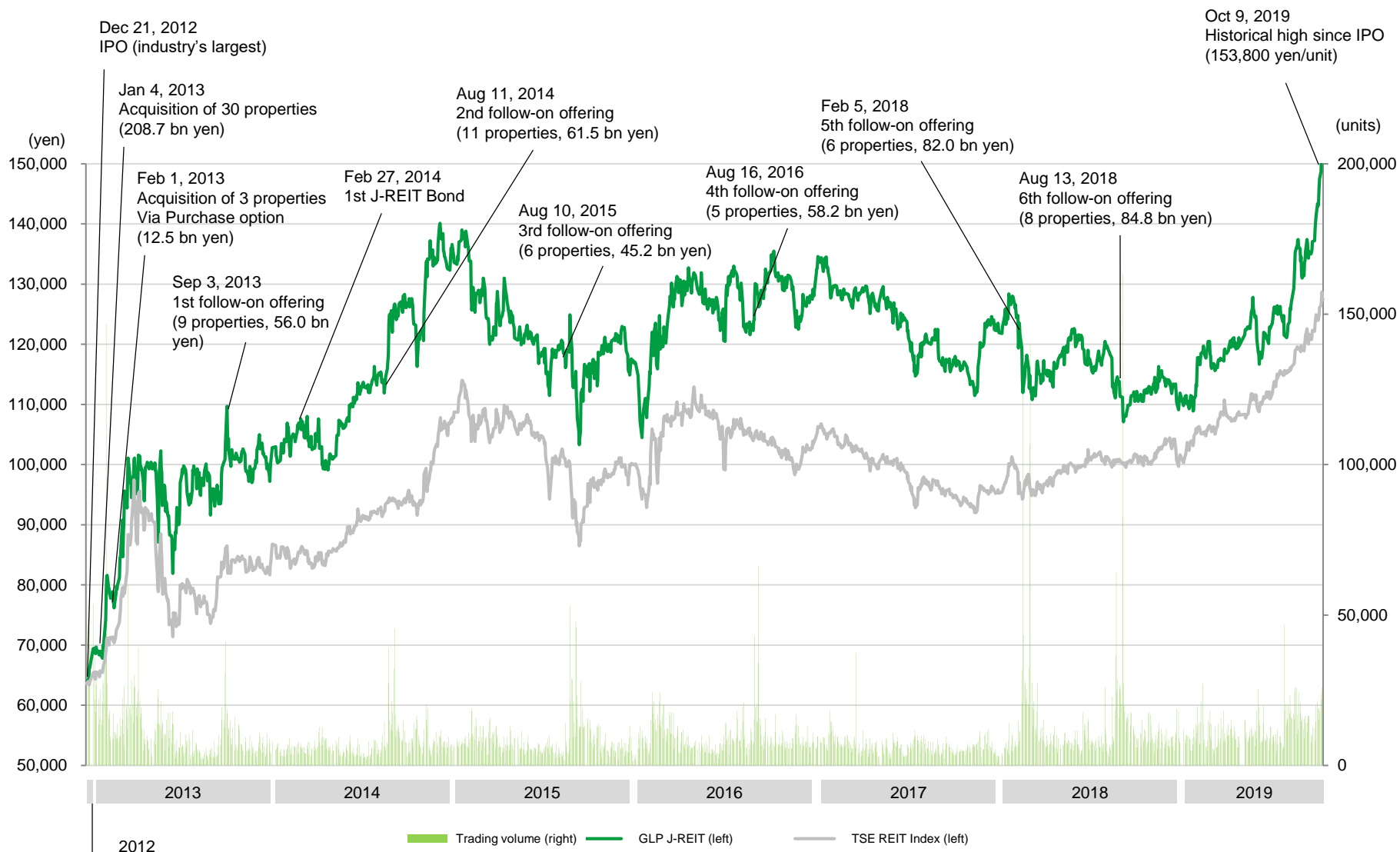


**NAV per unit + 90.8%**



1. Includes OPD
2. Adjusted DPU described in "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
3. Adjusted DPU described in "Announcement of Amendment of Forecast Concerning Operating Status and Distribution for the Fiscal Period Ending February 29, 2016 and Forecast for the Fiscal Period ending August 31, 2016" dated August 10, 2015
4. Actual DPU for the Aug 2016 fiscal period described in "SUMMARY OF FINANCIAL RESULTS (REIT) For the 9th Fiscal Period Ended August 31, 2016" dated October 13, 2016
5. Actual DPU for the Aug 2017 fiscal period described in "SUMMARY OF FINANCIAL RESULTS (REIT) for the 11th Fiscal Period Ended August 31, 2017" dated October 13, 2017 excluding the Asset Disposal Effect (refer to Note 3 on Page no.55)
6. Adjusted DPU described in "Announcement of Amendment of Forecast Concerning Operating Status and Distribution for the Fiscal Period Ending August 31, 2018 and Forecast for the Fiscal Period Ending February 28, 2019"
7. Adjusted DPU before amendment described in "Announcement of Amendment of Forecast Concerning Operating Status and Distribution for the Fiscal Period Ending February 28, 2019 and Forecast for the Fiscal Period Ending August 31, 2019" dated on August 13, 2018
8. Forecast DPU for Aug 2019 fiscal period described in "SUMMARY OF FINANCIAL RESULTS (REIT) For the 13th Fiscal Period Ended August 31, 2018" on October 15 2018.
9. Made the same adjustment as in the adjusted DPU announced on Aug 13, 2018, from the forecast DPU for the Feb 2019
10. DPU calculated by deducting the impact of the asset disposal (refer to note 3 of page 55) from the forecast DPU for Aug 2019 fiscal period described in "SUMMARY OF FINANCIAL RESULTS (REIT) For the 14th Fiscal Period ended February 28, 2019" announced on April 15, 2019
11. Forecast DPU for Feb 2020 fiscal period described in "SUMMARY OF FINANCIAL RESULTS (REIT) For the 14th Fiscal Period ended February 28, 2019" announced on April 15, 2019.

## Change in unit price



## 03 Overview of the logistics real estate market

- 21 Logistics real estate market responding to robust demand
- 22 Main trends supporting the increase in demand for modern logistics facilities
- 23 Logistic real estate cap rate compression continues
- 24 Recognition of market environment and growth strategy

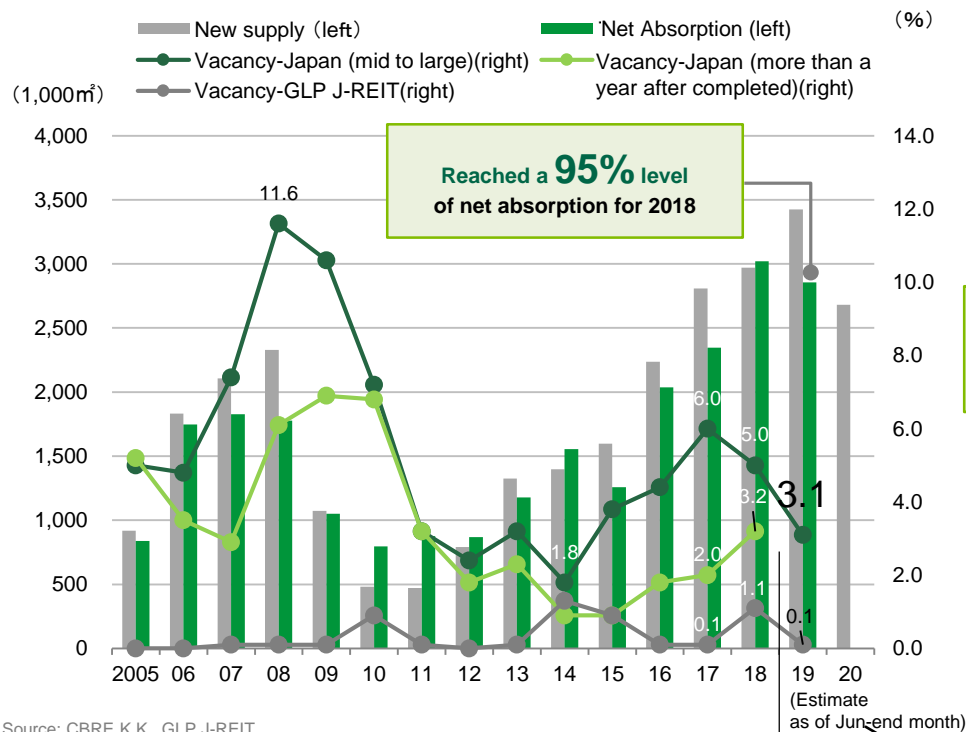


# Logistics real estate market responding to robust demand

## Tight supply-demand balance

despite record high supply

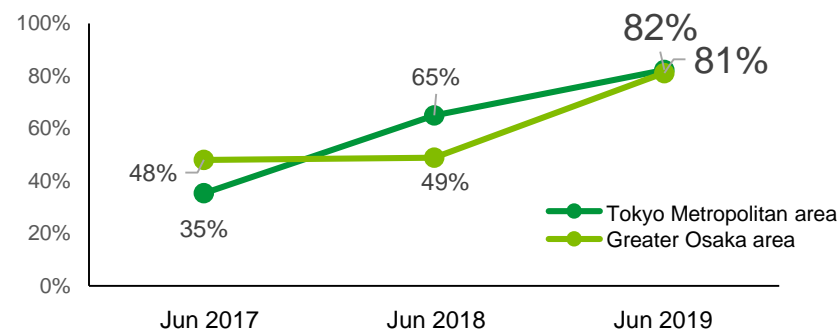
### Supply and vacancy rates in logistics facilities



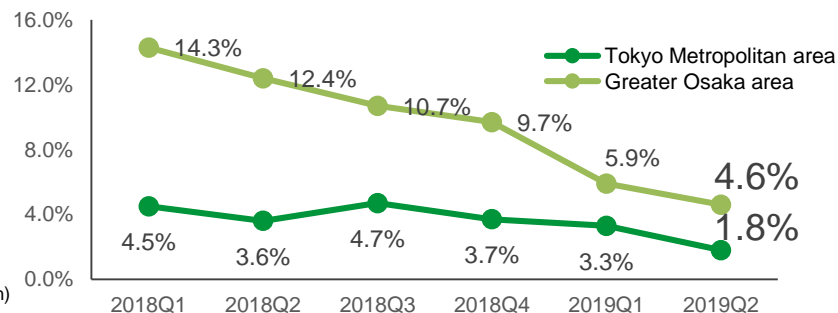
Source: CBRE K.K., GLP J-REIT

- Based on data for leasable logistics facilities nationwide with 5,000 sqm or more of gross floor area
- New supply is the area of newly built leasable logistic facilities (leasable area basis). Figures for 2019 and onwards are estimates as of the end of June 2019 by CBRE
- Net absorption refers to changes in occupied floor area. Changes in occupied floor area are calculated by subtracting tenant withdrawal floor area from floor space under new agreements.
- Vacancy is leasable area basis. Nationwide occupancy rate for properties built over one year ago are listed as of Dec-end month for each year. However, nationwide occupancy rate in 2019 is listed as of Jun-end month.
- Vacancy of GLP J-REIT is based on the properties owned by GLP J-REIT as of the end of December of each year. However, occupancy rate in 2019 is listed as of Jun-end month.

## The pre-leased ratio<sup>1</sup> rose significantly from a year earlier.



## Vacancy rate continues to decline rapidly to a record low level



Source: CBRE KK

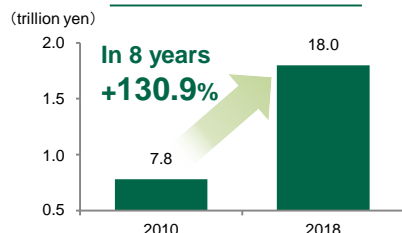
- "The pre-leased ratio" represents the ratio of lease contracts signed or granted as of each survey date; in other words, the ratio of the total floor area for which it is possible to assume to stop looking for tenants as of each survey date to the total floor area of new logistics facilities constructed and planned to be supplied in each year.



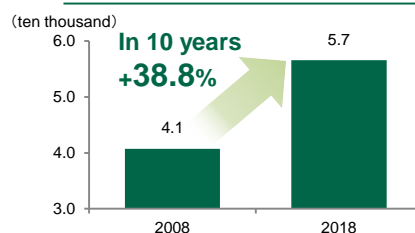
# Main trends supporting the increase in demand for modern logistics facilities

Responses to small lot delivery and complex logistics arising from changes in consumption structure are required

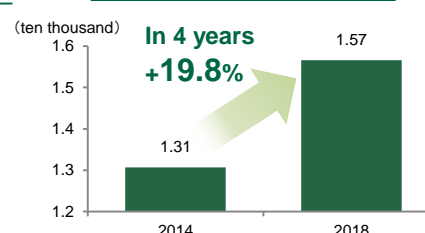
**B-to-C EC Market size<sup>1</sup>**



**Number of convenience stores<sup>2</sup>**

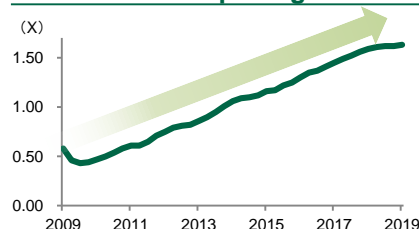


**Number of drugstores<sup>2</sup>**

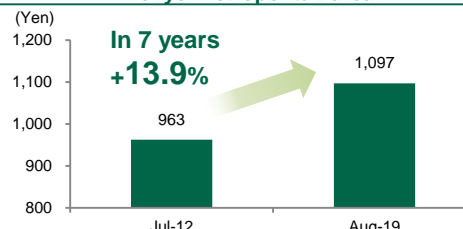


Demand for operational improvement from logistics companies facing rising costs

**Active Opening Rate<sup>4</sup>**



**Part-time hourly wage for warehouse worker in Tokyo metropolitan area<sup>5</sup>**



Diversified needs of tenants for logistics facilities

**Photo studio**



**Robots**



**Development laboratory**



**Manufacturing site**



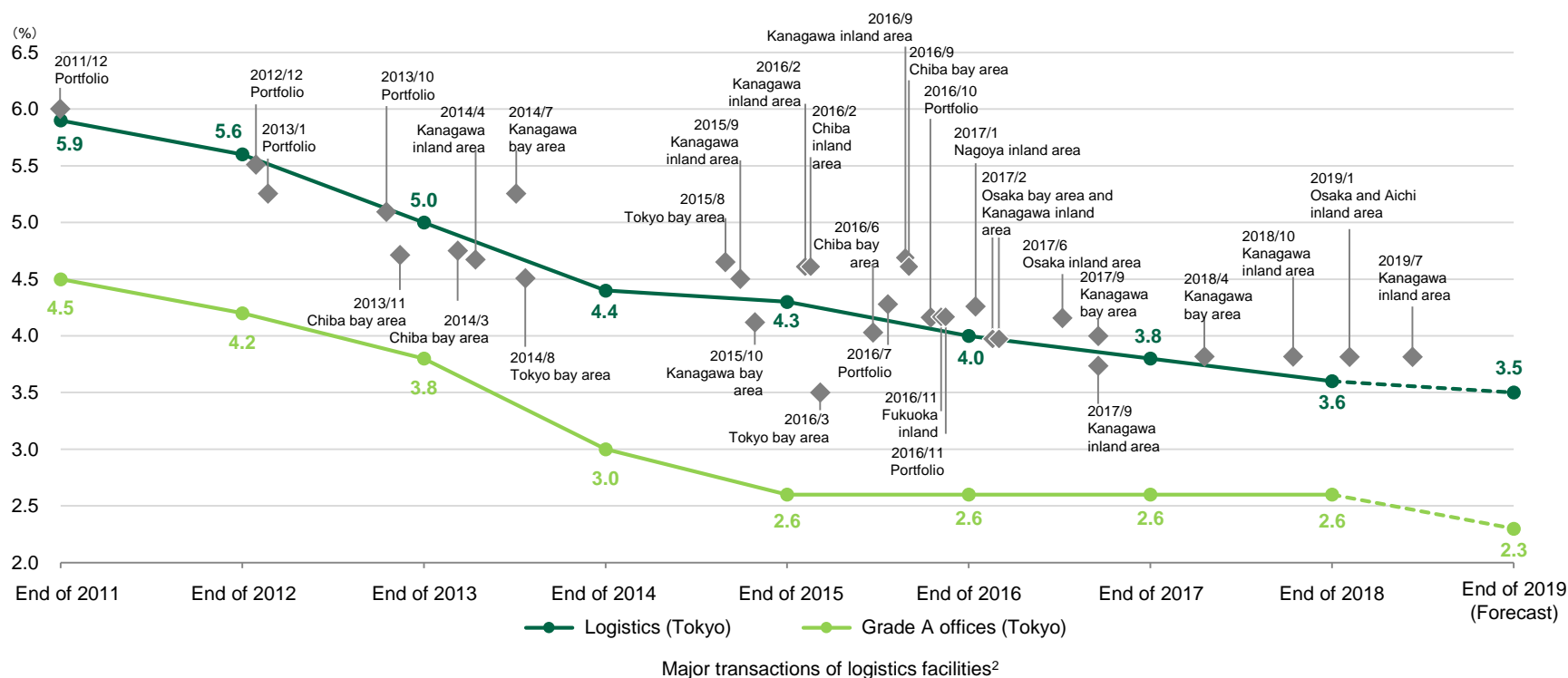
Increase in demand for modern logistics facilities

1. "Infrastructure Development for Data-driven Society in Japan" by the Ministry of Economy, Trade and Industry  
 2. "Current Survey of Commerce" by the Ministry of Economy, Trade and Industry  
 3. "Active Opening Rate (excluding new graduates and including part-timers) Real Numbers" by the Ministry of Health, Labour and Welfare  
 4. "Survey Results of the Current Status of Salaries in Private Sector" by the National Tax Agency

## Logistic real estate cap rate compression continues

**Strong appetite for logistics real estate and low interest rate environment remain unchanged**

### Trends in logistics real estate cap rates<sup>1</sup>



Source: Jones Lang LaSalle K.K.

1. Grade A offices: Calculated by JLL from representative transactions for each year for grade A office buildings

Logistics: Calculated by JLL from representative transactions for each year for logistics facilities based on lower end values within the marketable range

2. Major transactions of logistics facilities: Calculated by GLP J-REIT

## Recognition of market environment and growth strategy

	Recognition of market environment	Growth strategy
<b>Logistics real estate leasing market condition</b>	<ul style="list-style-type: none"> <li>■ Market fundamentals remain robust as witnessed by the continuous demand for logistics real estate.</li> <li>■ Even in 2019 when properties were said to be oversupplied, most of the logistics facilities were successfully leased and the vacancy rate declined.</li> </ul>	<ul style="list-style-type: none"> <li>■ Continue to aggressively increase rent by leveraging favorable locations, rent gaps and leasing power of the sponsor group.</li> <li>■ Maintain high occupancy rate on the back of expanding demand.</li> </ul>
<b>Logistics real estate business conditions</b>	<ul style="list-style-type: none"> <li>■ The cap rate in logistics real estate continues to fall, and the acquisition competition is severe.</li> </ul>	<ul style="list-style-type: none"> <li>■ Continue to acquire properties and increase capital bearing capital cost in mind with the aim of increasing investor value.</li> <li>■ Secure the flexibility of size and timing of acquisition of properties by using the OTA bridge scheme.</li> <li>■ Consider at all times the strategic replacement of properties to secure unrealized gains.</li> </ul>
<b>Financial Market</b>	<ul style="list-style-type: none"> <li>■ Prolonged low interest rate environment allows us to raise funds at low cost.</li> <li>■ Due to interest rate cuts in the United States and other factors, it is highly likely that the low interest rate environment will continue.</li> </ul>	<ul style="list-style-type: none"> <li>■ Maintain favorable relationships with financial institutions.</li> <li>■ Continue cost reductions by refinancing and issuing low-cost investment corporation bonds.</li> <li>■ Maintain debt funding capacity in preparation for a reversal of market trend.</li> </ul>
<b>ESG</b>	<ul style="list-style-type: none"> <li>■ ESG-oriented investments have become steadily widespread.</li> <li>■ Beyond the conventional CSR framework targeting the improvement of corporate value, not only the improvement of corporate value but also sustainable profit contribution are currently regarded as focuses.</li> </ul>	<ul style="list-style-type: none"> <li>■ Build business models that will enable us to be sustainably profitable while co-existing with society through the acquisition of environment-friendly and advanced logistics facilities, and implementing social contribution activities.</li> <li>■ Continue innovative initiatives from the perspectives of unitholders by introducing performance-linked asset management remuneration systems and securing fair disclosure.</li> </ul>

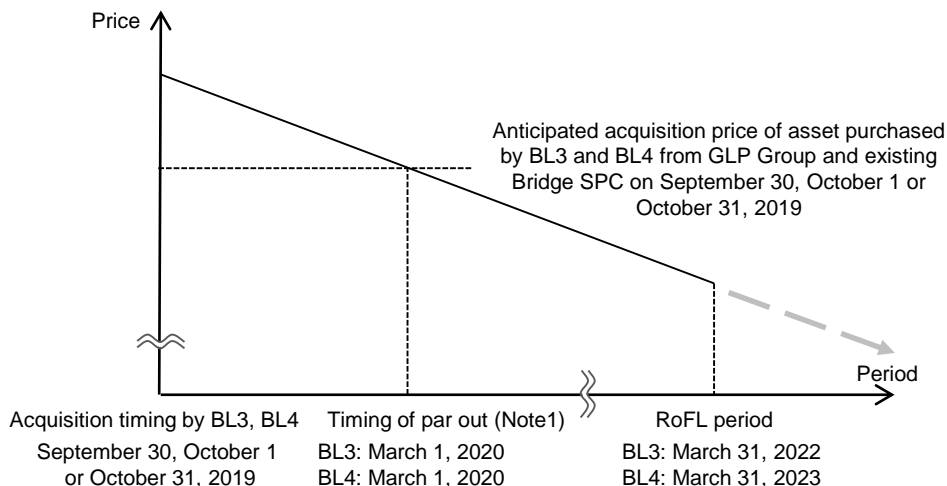
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## Outline of OTA scheme

Chart showing how the asking price for Assets is to be reduced



(Note 1) The asking price from Bridge SPCs as of or after March 1, 2020 for the assets owned by BL3 and BL4, is expected to be lower than the respective prices paid by Bridge SPCs.

(Note 2) The diagram above outlines, for reference, how the asking price (calculated based on the estimated property revenue of the 8 Bridge Assets and reasonably required costs to manage the SPC as at the date the Letter of Intent is submitted) is to be reduced in proportion to the length of Bridge SPCs' ownership period (until the time of acquisition by Buyer) once GLPJA decides to exercise RoFL based on the asking price described in Letter of Intent. Also, as the actual acquisition price will vary in accordance with the amount of the lease revenues that Bridge SPCs obtained from the 8 Bridge Assets or the negotiation with Bridge SPCs based on the interest rate trends, etc. and may differ from the diagram shown above.

### Effects from OTA bridge SPC scheme

#### Reduce acquisition price

The asking price for Assets is the price calculated based on the revenue expected to be gained by Bridge SPCs from each of Assets and reasonable costs necessary to operate Bridge SPCs during the period held by Bridge SPCs. The acquisition price of Assets is expected to be generally reduced in proportion to the length of Bridge SPC's ownership period

#### Control the timing and number of properties to acquire

Can acquire Assets at any time during RoFL period and control the timing and number of properties to acquire during the period of RoFL by leveraging the bridge scheme, have the option not to exercise RoFL

#### Other important information

The buyer of Assets is GLP J-REIT or any other entity designated by GLP Japan Advisors Inc. (including its successor Bridge SPCs (Note 1))

(Note 1) A successor Bridge SPCs refer to SPCs with which GLPJA has RoFL over their owned assets.

- Secure RoFL for high quality Assets with location advantage, developed by GLP Group
- GLP Group will continue to provide with property management to Assets



GLP Rokko III



GLP Yokohama



GLP Niiza



GLP Sayama Hidaka I



GLP Sayama Hidaka II



GLP Kawajima



GLP Zama



GLP Kashiwa II

## Refinancing using the funds gained on transfer of property

- The debts to be redeemed in September 2019 and January 2020 were repaid before maturity using the funds gained on transfer of GLP Fukuoka which was carried out in March 2019, and refinancing was implemented.
- Stabilized dividend per unit increased by 12 yen due to the effect of decreased interest costs realized by this refinancing despite a decrease in revenues caused by the transfer of property.

### (1) GLP Fukuoka was disposed of for 2.3 billion yen (March 2019)

#### Effects on dividends (including temporary ones)

- (+) Distribution of gain on sale
- (-) Decrease in rent income from GLP Fukuoka

#### Disposition in March 2019: GLP Fukuoka



Location	Fukuoka
Acquisition price	1,520 mm yen
Book value	1,462 mm yen
Appraisal Price	1,910 mm yen
Sale price	2,300 mm yen
Gain on sale	786 mm yen
Sale date	Mar 2019

### (2) Refinancing (July 2019)

#### Effects on dividends (including temporary ones)

- (+) Reduction of interest cost
- (-) Cancellation cost of interest rate swap contract

#### Overview of refinancing

Amount of refinance <sup>1</sup>	20,040 mm yen (Avg. interest rate 1.25%)
New borrowings and fixed interest rate	8,000 mm yen (4 yrs/0.194%) 12,040 mm yen (9 yrs/ 0.436%)

Positive effects of the relevant transactions on stabilized dividend per unit<sup>2</sup>

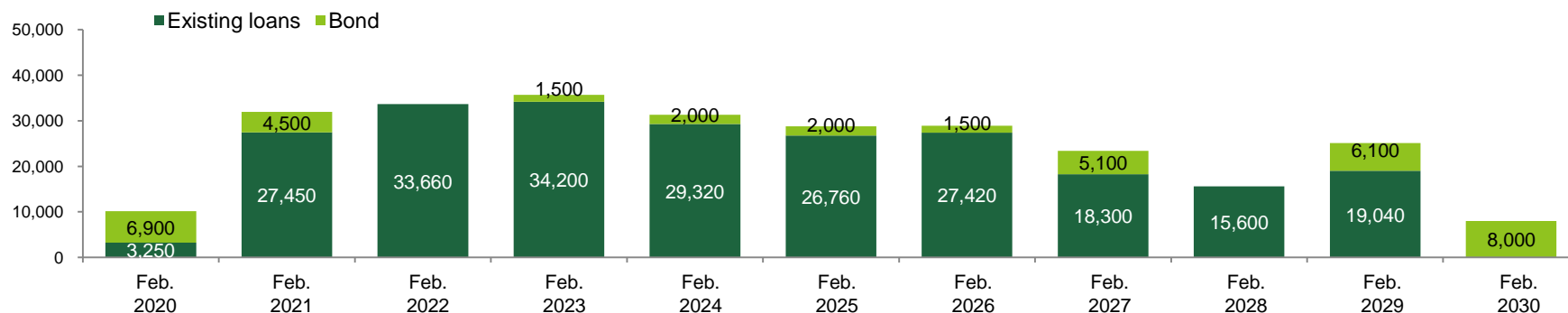
**12 yen**

Avg. Interest rate  
0.65% ⇒ 0.59% (-7bps)

Avg. Debt maturity  
6.9 yrs ⇒ 7.2 yrs (+0.3 yrs)

### Existing debts and maturities of investment corporation bonds (as of August 31, 2019)

(mm yen)



1. Out of the loans repaid in July 2019 before maturity (29.54 billion yen), 8.0 billion yen was procured by issuing the retail green bonds, and 1.5 billion yen was repaid from the proceeds of the transfer of GLP Fukuoka together with cash-on-hand. The remaining balance of 20.04 billion yen was refinanced.

2. The positive effects on stabilized dividend per unit was calculated by taking into consideration the effects of the reduction of interest costs due to the refinancing on the decline of NOI after depreciation due to the transfer of GLP Fukuoka.

## Issuance of green bonds

- GLP issued the second green bonds following the first issuance in December 2018. This issue was the largest ever as investment corporation bonds issued by GLP J-REIT.

### Reasons and effects of the issuance

- To **promote ESG** of the GLP group
- To **diversify fundraising measures** by increasing the number of individual investors, etc.
- The **largest scale issuance** as investment corporation bonds issued by GLP J-REIT.
- Procurement of long-term funds at low interest rates**

### Summary of Green Bonds

Name	GLP J-REIT 13th unsecured bonds (Retail green bonds)
Date of issuance	July 8, 2019
Total issue amount	8.0 bn yen
Duration	10 years
Interest rate	0.608% per annum
Utilization of the proceeds	To refinance the loans taken out before maturity to acquire GLP Maishima II, an eligible green project
Evaluation agency	Obtained a Green 1, the highest JCR Green Bond Evaluation from Japan Credit Rating Agency, Ltd. (JCR)

Name	Total issue amount (billion yen)	Interest rate	Date of issuance	Duration
GLP J-REIT 9th unsecured bonds	1.0	0.470%	Feb 27, 2017	10 years
GLP J-REIT 10th unsecured bonds	2.0	0.230%	Jul 9, 2018	5 years
GLP J-REIT 11th unsecured bonds	1.0	0.560%	Jul 9, 2018	10 years
GLP J-REIT 12th unsecured bonds (Green bond)	5.1	0.680%	Dec 20, 2018	10 years
GLP J-REIT 13th unsecured bonds (Green bond)	8.0	0.608%	Jul 8, 2019	10 years

### Summary of Green Finance Framework

#### Utilization of proceed from Green Finance

- Proceeds are used for the acquisition of Green Eligible Projects, repayments (including refinancing) of loans taken out to acquire specified assets or redemption of existing corporate bonds used for the acquisition of Green Eligible Projects.

#### Eligible green projects

- Eligible green projects are assets or projects that satisfy either of the following requirements.

##### i) CASBEE (Japan): S, A or B+



21 other assets



##### ii) BELS (Japan): 5, 4 or 3



5 other assets

##### iii) DBJ Green Building Certification (Japan): five, four or three stars

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

# Tight supply-demand dynamics and powerful growth drivers

## Scarcity of modern logistics facilities in Japan

(As of Mar-end 2018)

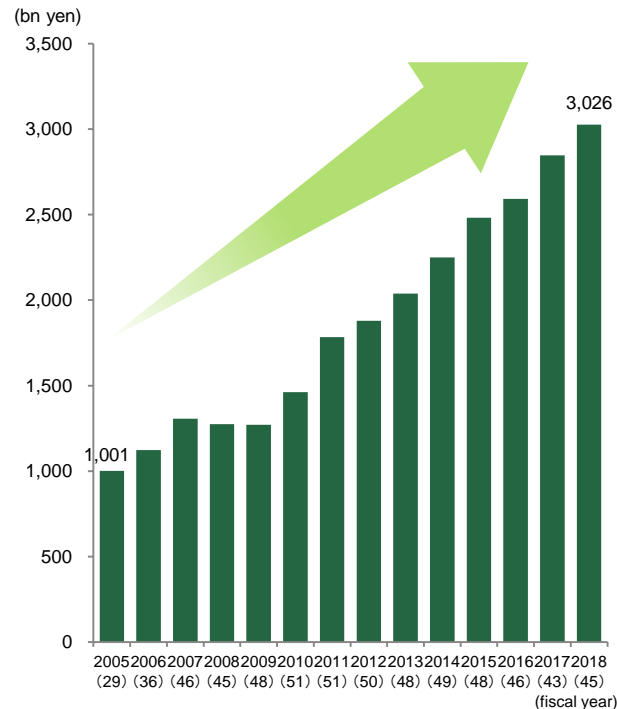
**4.9%**
Modern logistics facilities<sup>3</sup>
**27.1 mm sqm**
**Mar-end 2014: 3.1%**
**60.3%**  
 Mid-and large-size  
 facilities<sup>2</sup>  
**331 mm sqm**
**100%**

 Total logistics facilities<sup>1</sup>  
**548 mm sqm**

Source: Ministry of Internal Affairs and Communications of Japan;  
 Ministry of Land, Infrastructure, Transport and Tourism of Japan;  
 CBRE K.K.

1. Estimated by CBRE using the Survey of the Outline of Fixed Asset Prices as well as the Yearbook of Construction Statistics.
2. Leasable logistics facilities with 5,000 sqm or more of gross floor area.
3. Leasable logistics facilities with 10,000 sqm or more of gross floor area with functional design.

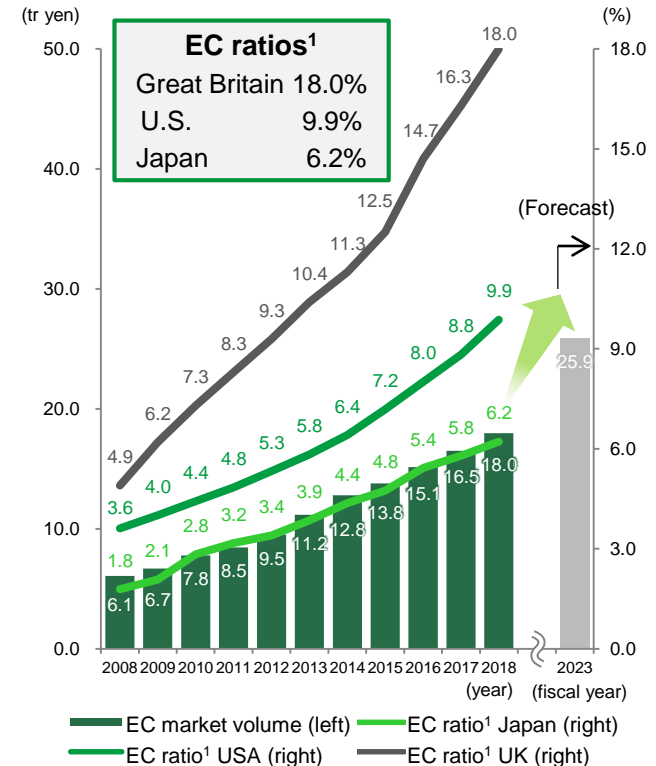
## Growing 3PL market



Source: Logi-Biz

1. Based on responses to a questionnaire sent by Logi-Biz to leading 3PL operators
2. Number between ( ) equals the number of operators who responded to the questionnaire for each given fiscal year

## Expanding E-commerce market



■ EC market volume (left)    — EC ratio<sup>1</sup> Japan (right)  
 ■ EC ratio<sup>1</sup> USA (right)    — EC ratio<sup>1</sup> UK (right)

Source: Sales volume: (Up to 2015) Ministry of Economy, (2020) Nomura Research Institute, Ltd.  
EC ratio: Ministry of Economy (Japan), U.S. Census Bureau (USA), Office for National Statistics (UK)

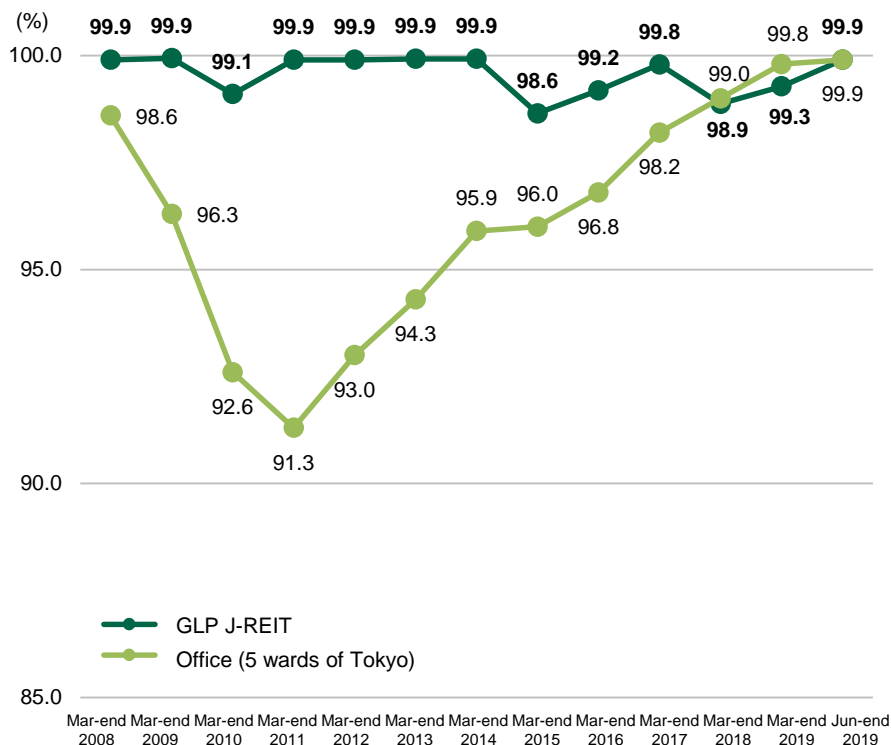
1. EC ratios represent the rates of E-commerce transaction penetration within the consumer markets of the retail sectors in Japan, the US, and the UK



## Stability of logistics properties

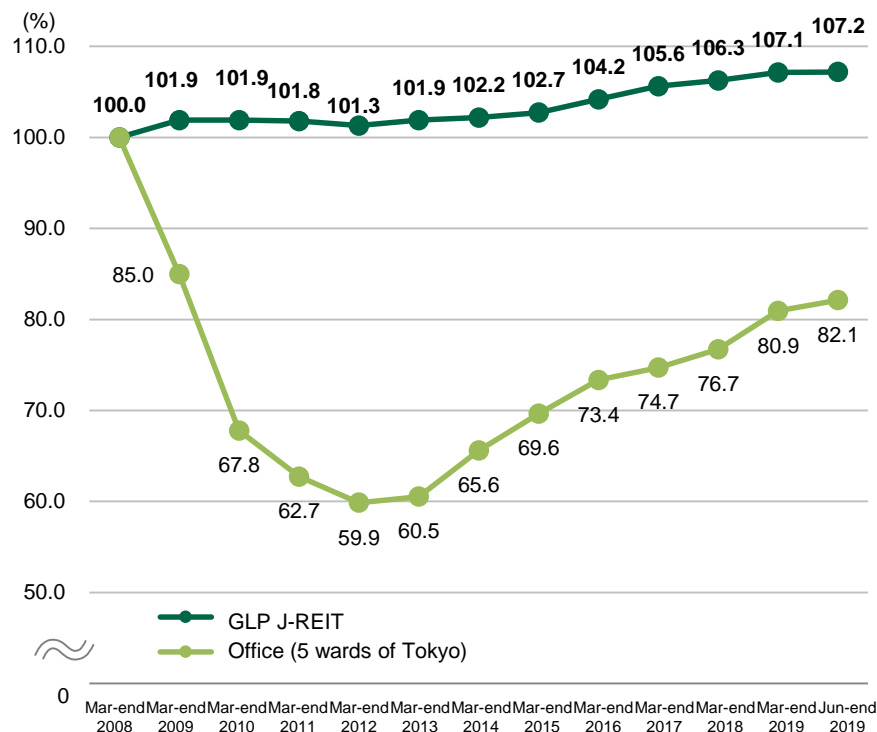
- Stable operation rates and rent levels are expected for logistics facilities that have been in operation, regardless of the wave of the economy and the supply-demand balance, with the characteristics of the logistics facilities and the management capabilities of GLP Group

### Stability of Logistic Properties I (Occupancy<sup>1,2</sup>)



### Stability of Logistic Properties II (Rent level<sup>1,3</sup>)

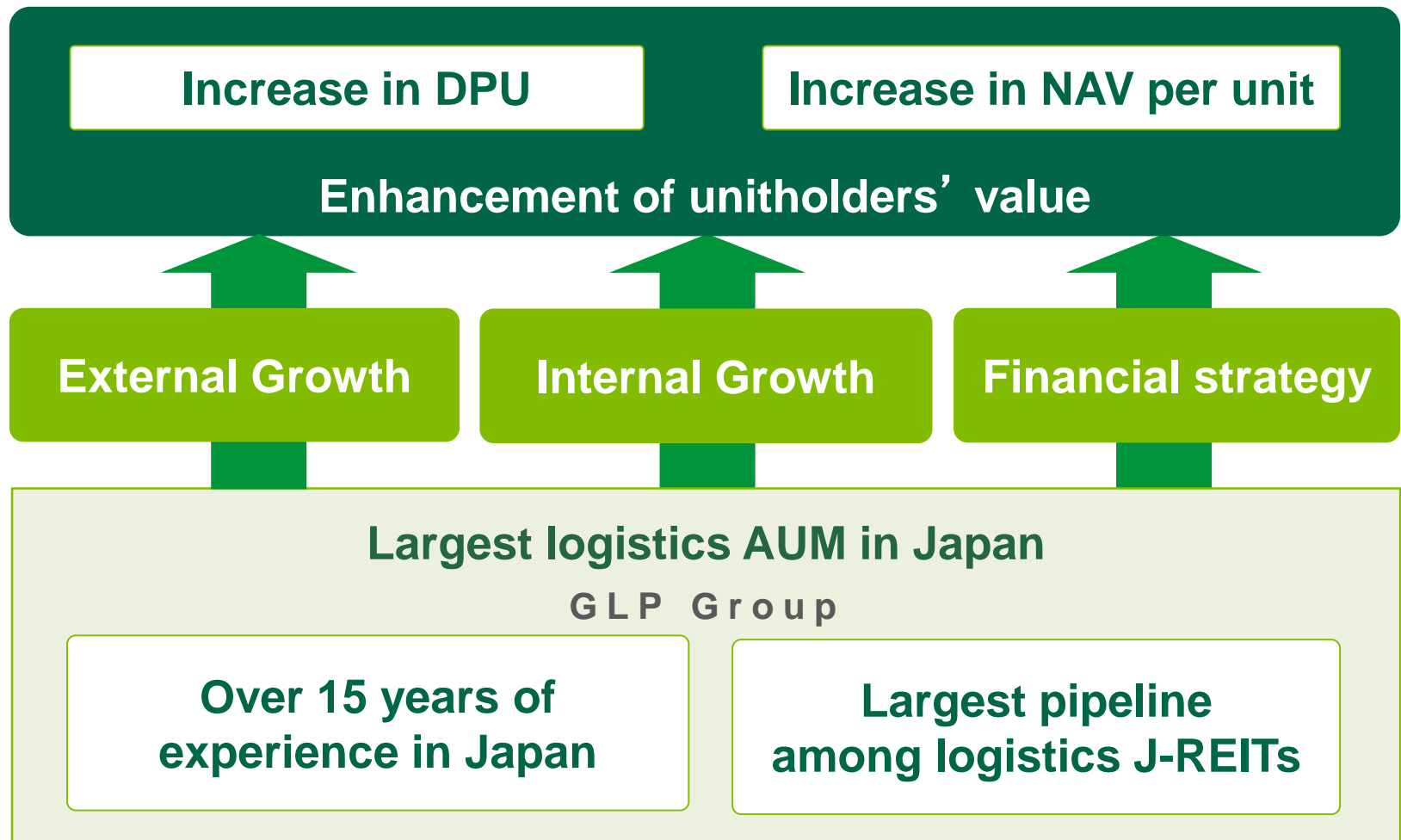
(End of Mar, 2008 = 100)



Source: GLP, CBRE K.K.

1. "Office (5 wards of Tokyo)" generally represents office buildings located in 5 wards (Chiyoda, Chuo, Minato, Shinjuku, and Shibuya) with GFAs of between 2,000 and 7,000 tsubo and standard floor areas of 200 or more tsubo and are calculated as such for both occupancy and rent level.
2. "GLP J-REIT" represents, for the period from Mar 2008 to Mar 2012, the average occupancy of, amongst 33 properties held by GLP J-REIT, those held by GLP Group as of the end of the Feb 2013 period (including properties that were indirectly owned by significant shareholders of GLP Limited as of the end of Mar 2008 and were subsequently acquired by GLP Limited) and, for the period from the end of Mar 2013 to the end of Jun 2019, that for properties held by GLP J-REIT at each point in time.
3. "GLP J-REIT" represents, for the period from the end of Mar 2008 to the end of Mar 2012, the rent level of, amongst 33 properties held by GLP J-REIT, 23 properties continuously held by GLP Group from Mar-end 2008 onwards (including properties that were indirectly owned by significant shareholders of GLP Limited as of the end of Mar 2008 and were subsequently acquired by GLP Limited) and, for the period from the end of Mar 2013 to the end of Jun 2019, that for 32 properties held by GLP Group as of the end of Jun 2019 amongst 33 properties held by GLP J-REIT as of the end of Feb 2013. For the period up until the end of Mar 2013, a 100 point index as of Mar-end 2008 is used and, for the period from the end of Mar 2013 onwards, a 101.9 point index is used.

## Commitments of GLP J-REIT



## Change in equity interest of the sponsor: Sponsor's commitment will continue

- In July 2019, sale of investment units by the GLP Group<sup>1</sup> took place, lowering the equity interest of the GLP Group from 10.15% to 4.42%.
- The sale was implemented based on the financial strategy of the GLP Group, and the commitment by the GLP Group to GLP Investment Corporation will remain unchanged.

**(1) Based on the financial strategy of the GLP Group, the proceeds from this transaction will be applied to the expansion of the investment base concerning logistic real estate development in Japan.**

**(2) After-sale equity interest of 169,440 investment units will continue to be held by the GLP Group, and additional sale of investment units will not take place.**

**(3) The support by the sponsor group will remain unchanged.**

### Sponsor's news release

July 24, 2019

GLP, a leading provider of solutions using advanced logistics facilities and technologies, hereby announces that it has decided to sell part of its investment units of GLP Investment Corporation (hereinafter, "the Corporation") held by the GLP Group.

The proceeds from the relevant sale will be applied to the expansion of the investment base concerning logistics real estate development in Japan based on the financial strategy of the GLP Group.

The GLP Group will continue to own 169,440 investment units of the Corporation after the relevant sale. Furthermore, various sponsor support measures will be maintained including the existing Right of First Look Agreement (an agreement to provide information on properties) to increase unitholder value of the Corporation by positioning the Corporation and GLP Japan Advisors Inc., an asset management company of the assets of the Corporation, in the value chain of the GLP Group, as a whole.

The GLP Group pledged to a securities company involved in the relevant sale not to transfer to a third party the Corporation's 169,440 investment units held subsequent to the relevant sale during a 365-day period on or after July 24, 2019, if selling and buying associated with the relevant transaction takes place.

### Partial Sale of Investment Units by the Major Unitholder

<b>Seller</b>	GLP CAPITAL JAPAN 2 PRIVATE LIMITED
<b>Closing date</b>	July 25, 2019
<b>Method of sale</b>	Sale by block trade thorough a securities firm
<b>Number of Investment Units to be sold in the Anticipated Transaction</b>	220,000 units
<b>Investment unit holdings<sup>2,3</sup> (holdings before the partial sale ➡ Holdings after the partial sale)</b>	389,440 units ➡ 169,440 units
<b>Percentage of total issued and outstanding units<sup>2,3</sup> (holdings before the partial sale ➡ Holdings after the partial sale)</b>	10.15% ➡ 4.42%
<b>Lock-up</b>	<p>The Seller and GLP Capital GK entered into lock-up agreements with the Dealer pursuant to which the Seller and GLP Capital GK agree not to sell any of their remaining investment units of 166,240 units and 3,200 units, respectively, beginning on July 24, 2019 and lasting for a period of 365 calendar days.</p> <p>GLP J-REIT agreed with Dealer to restrictions on the issuance of new GLP J-REIT investment units, beginning on July 24, 2019 and lasting for a period of 90 calendar days.</p>

1. The GLP Group refers to GLP Holdings Limited as the parent company of the Corporation's sponsor, and its group companies.

2. The number of outstanding investment units is assumed to be 3,833,420 as of July 25, 2019. The ratio of the number of investment units held to the total number of outstanding investment units is rounded off to the second decimal place. The number of investment units held includes those held separately by GLP Capital Godo Kaisha, which belongs to the GLP Group, in addition to 3,200 units held by GLP Capital Japan 2 Private Limited.

3. Calculated as to listed investment corporations as of August 31, 2019, by multiplying the price of the investment unit as of the end of fiscal term by the number of investment units held by sponsor group of each investment corporation as of the end of fiscal term.

## Why GLP J-REIT?

**1 Top-tier asset size  
among logistics J-REITs**

**607.9** bn yen<sup>1</sup>

**2 Industry-leading  
sponsor**

**Largest logistics AUM  
in Japan**

**3 Largest pipeline<sup>2</sup>  
among logistics J-REITs**

**3.93** mm sqm

**4 Robust  
internal growth**

Occupancy<sup>3</sup> **99.9%**      Rent increase **4.7%**

**5 Financial  
soundness**

JCR credit rating **AA** (Stable)      LTV **44.7%**  
(Feb 2020 estimates)

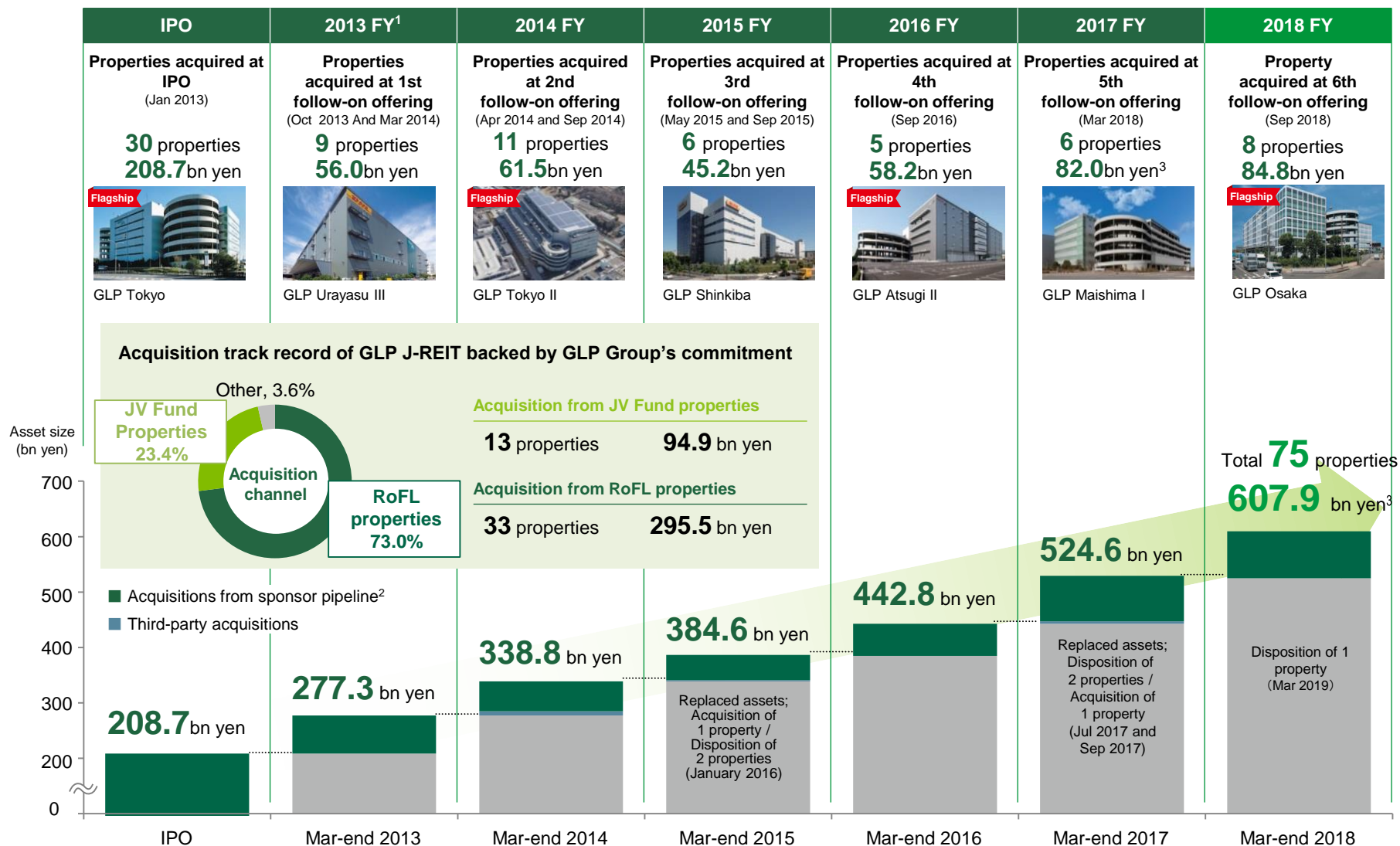
1. "Asset size" is based on the acquisition price as of the end of August 2019

2. "Pipeline" is the total gross floor area for RoFL properties (including one sponsor-owned property under the Rights-of-First-Look agreement, eight OTA Assets acquired or planned to be acquired by Bridge SPCs and two OTA Assets acquired by another bridge scheme (undisclosed).) and properties owned by JV funds as of October 15, 2019.

3. "Occupancy" is calculated by dividing total leased area for each property by the total leasable area at the end of August 2019. Percentage are rounded to the first decimal place. However when it may result in 100.0%, the figure is rounded down to the first decimal place and shown as 99.9%



## Expanding portfolio through consistent sponsor support



※All prices are based on acquisition price

1. FY runs from April 1 till March 31 in the following year

2. Acquisition from sponsor pipeline means properties acquired from sponsor's RoFL or acquired directly / indirectly from GLP funds

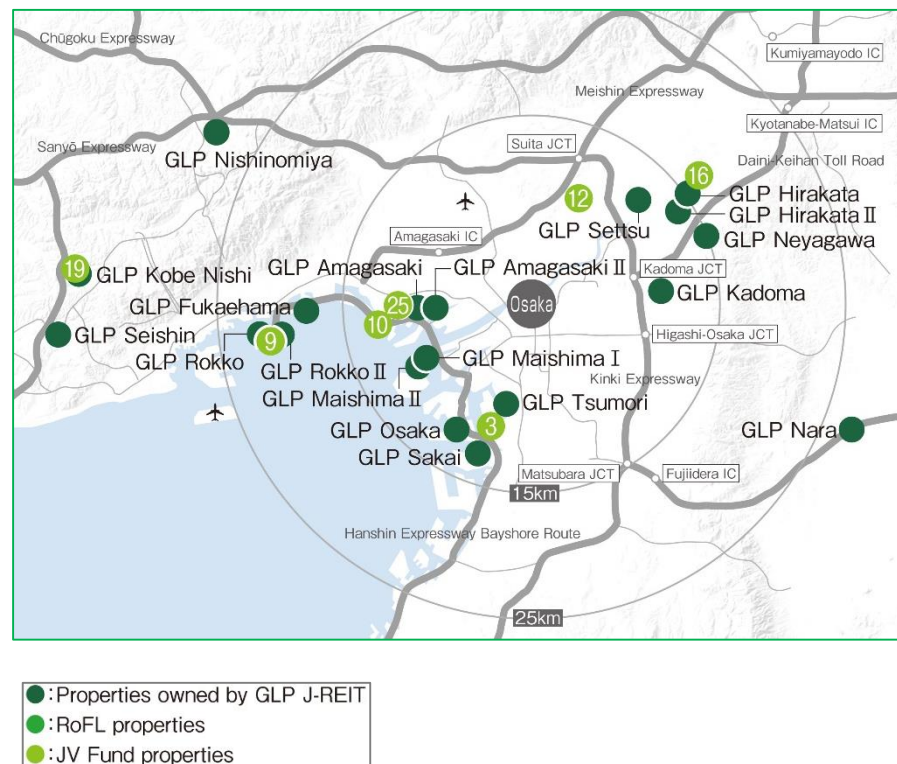
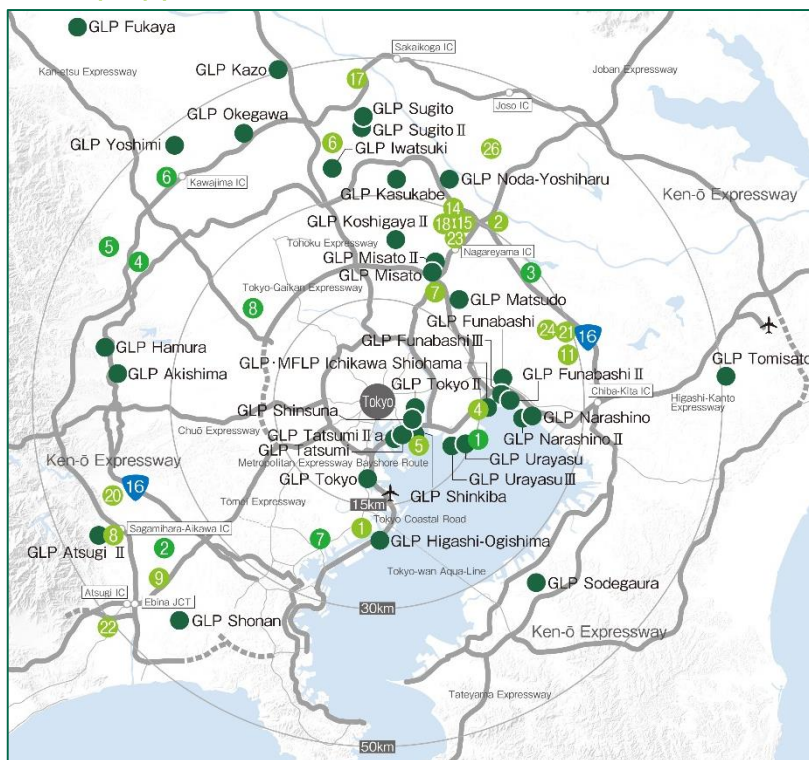
3. 13 solar panels (4.9 bn yen) acquired on March 1, 2018 as 5th public offering are included in the acquisition price and asset size

## The largest and high quality pipeline among logistics J-REITs

## Geographically competitive and high-quality pipeline<sup>1</sup> (as of Oct 15, 2019)

Pipeline		JV Fund properties (The properties owned / developed by GLP JV fund)		RoFL properties <sup>2</sup>		Ave. GFA	
46 properties	3.93 mm sqm of GFA	35 properties 3.36 mm sqm of GFA		11 properties 0.57 mm sqm of GFA		Tokyo Metropolitan area	80 k sqm
						Greater Osaka area	82%
						Other	17%
							1%

### Area map of pipeline<sup>3</sup>



1. The size of pipeline is calculated by totaling gross floor area of RoFL properties and GLP JV Fund properties based on the information as of October 15, 2019. Among pipeline, the size for properties under development or to be developed after October 15, 2019 is calculated based on the expected gross floor area from the development plan as of October 15, 2019.
2. The property partially under re-construction (GLP Urayasu II) as well as 8 properties acquired or planned to be acquired by private equity placement arranged by Mizuho Securities Co., Ltd. (GLP Zama, GLP Kashiwa II, GLP Sayama Hidaka I&II, GLP Kawajima, GLP Yokohama, GLP Niiza, GLP Rokko III) as of September 30 and October 31, 2019 and other 2 properties acquired by other bridge schemes (undisclosed) are included in the RoFL properties
3. "GLP Sagamihara Project" and "GLP Nagareyama Project/2nd phase" will consist of five logistic facilities respectively. Apart from the properties mentioned in the above maps, there are "GLP Sapporo" (RoFL properties) and "GLP Komaki II" (GLP JV Fund properties)

# The list of RoFL

( as of Oct 15, 2019 )

Region	Property Name	Location	Gross Floor Area (sqm)	
Tokyo metropolitan area	GLP Urayasu II	Urayasu, Chiba	49,000 <sup>1</sup>	
Tokyo metropolitan area	GLP Yokohama	Yokohama, Kanagawa	99,352	Asset in OTA
Tokyo metropolitan area	GLP Zama	Zama, Kanagawa	124,392	Asset in OTA
Tokyo metropolitan area	GLP Kashiwa II	Kashiwa, Chiba	39,209	Asset in OTA
Tokyo metropolitan area	GLP Sayama Hidaka I	Hidaka, Saitama	77,501	Asset in OTA
Tokyo metropolitan area	GLP Sayama Hidaka II	Hidaka, Saitama	32,493	Asset in OTA
Tokyo metropolitan area	GLP Kawajima	Hiki, Saitama	45,310	Asset in OTA
Tokyo metropolitan area	GLP Niiza	Niiza, Saitama	30,062	Asset in OTA
Greater Osaka	GLP Rokko III	Kobe, Hyogo	32,153	Asset in OTA

1.Including a portion under re-construction  
 2.Other two RoFL assets (undisclosed) exist

GLP Urayasu II



GLP Yokohama



GLP Zama



GLP Kashiwa II



GLP Sayama Hidaka I



GLP Sayama Hidaka II



GLP Kawajima



GLP Niiza



GLP Rokko III



# Properties owned by GLP JV Fund

( as of Oct 15, 2019 )

## Properties owned by GLP Group development funds

Property name	Prefecture	(Expected) Development start <sup>1</sup>	(Expected) Date of completion	GFA (1,000 sqm)
GLP Misato III	Saitama	Apr 2012	May 2013	95
GLP Atsugi	Kanagawa	Nov 2012	Dec 2013	107
GLP Kuki Shiraoka	Saitama	-	Nov 2014 <sup>2</sup>	17
GLP Ayase	Kanagawa	Feb 2013	Apr 2015	69
GLP Yachiyo	Chiba	Dec 2013	Dec 2015	72
GLP Naruohama	Hyogo	Jan 2014	Sep 2015	111
GLP Suita	Osaka	Mar 2015	Aug 2017	165
GLP Nagareyama I	Chiba	Dec 2015	Feb 2018	131
GLP Nagareyama II	Chiba	Dec 2015	May 2018	96
GLP Nagareyama III	Chiba	Dec 2015	Feb 2019	89
GLP Komaki II	Aichi	Mar 2016	Jan 2018	36
GLP Ken-O Goka	Ibaraki	Mar 2016	Oct 2018	140
GLP Hirakata III	Osaka	Mar 2016	Sep 2018	117
GLP Kobe Nishi II	Hyogo	Jun 2016	Jan 2018	71
GLP Yachiyo II (under development)	Chiba	Jan 2019	Mar 2020	54
GLP Hiratsuka I (under development)	Kanagawa	Oct 2019	Nov 2020	42
GLP Sagamihara I, II, III, IV, V (under development)	Kanagawa	Oct 2019	Nov 2020~ <sup>3</sup>	665
GLP Nagareyama IV~VIII (under development)	Chiba	Feb 2020~ <sup>4</sup>	Aug 2021~ <sup>4</sup>	599
GLP Yachio III (under development)	Chiba	Dec 2019	Dec 2020	59
GLP Amagasaki III (under development)	Hyogo	May 2020	May 2021	17
GLP Joso (under development)	Ibaraki	May 2020	Jul 2021	61
GLP Yasu (under development)	Shiga	Jan 2020	Mar 2021	20

## Properties owned by Japan Income Partners I

Property name	Prefecture	GFA (1,000 sqm)
GLP Kawasaki	Kanagawa	160
GLP Osaka II	Osaka	136
GLP Kashiwa	Chiba	148
GLP Ichikawa	Chiba	66
GLP Wakasu	Tokyo	25

GLP Misato III



GLP Ken-o Goka



GLP Komaki II



GLP Suita



Source: GLP disclosure material \*GFA is rounded to the indicated unit

1. In line with GLP group disclosure, and is different from construction start date.

2. Refers to the date when GLP Kuki Shiraoka was incorporated into a GLP Group development fund

3. GLP Sagamihara I, II, III, IV, V will be completed after November 2020

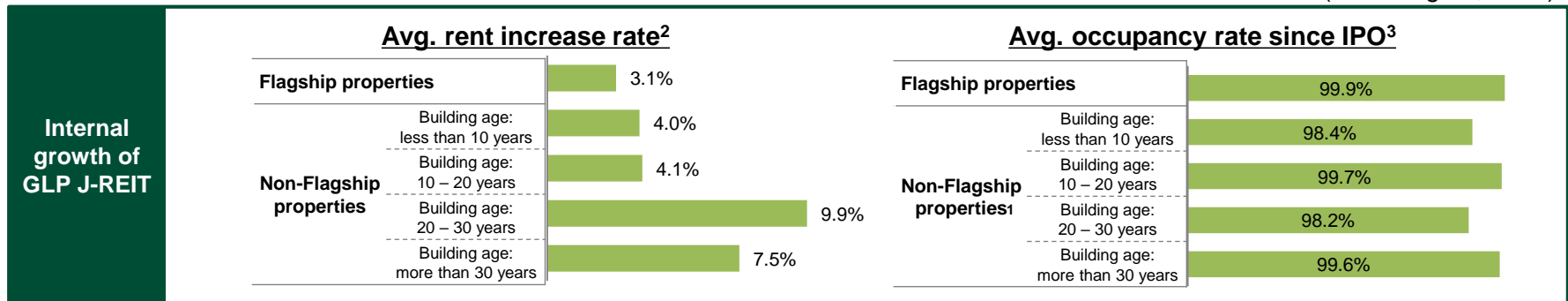
4. GLP Nagareyama IV, V, VI, VII, VIII will be completed after February 2020 start after August 2021.



# Source of GLP's internal growth

## Continuous internal growth regardless of property type and building age

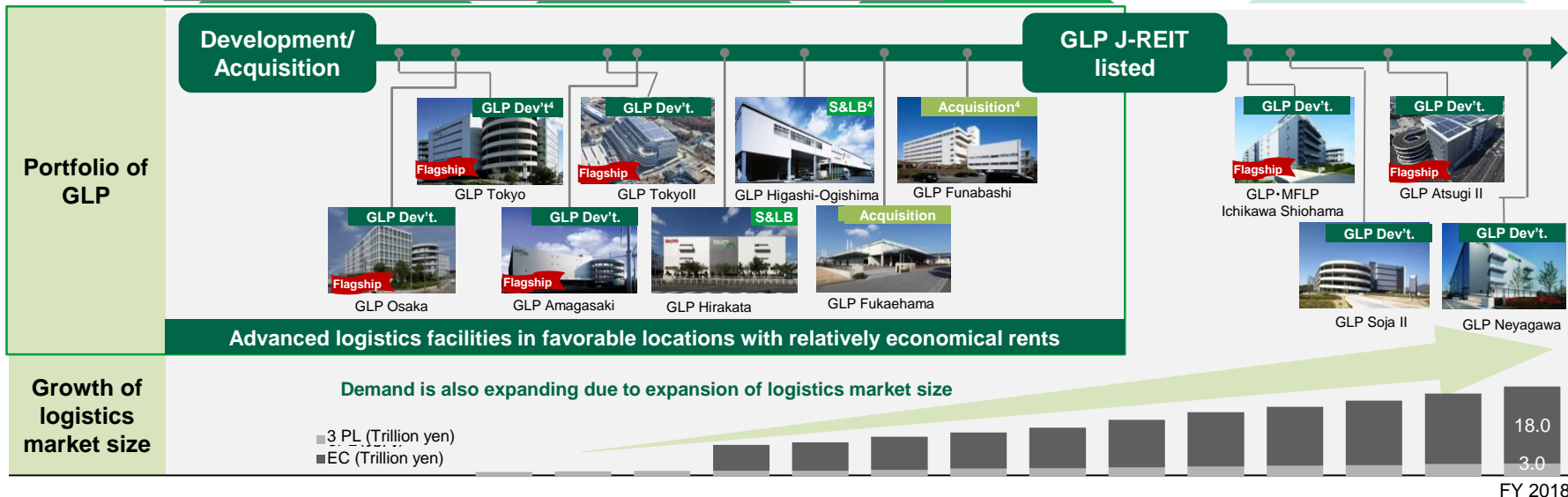
(as of Aug 31, 2019)



From the beginning of the 2000s, secured favorable location through various acquisition methods such as development and external acquisition

2000s: the dawn of modern logistics facilities








2010s: Number of players started to surge



- Especially rare advanced logistics properties which are (1) close to large consumption areas, (2) relatively large among advanced logistics properties and (3) designed to be used by multiple tenants. The properties can be used for delivery of several types of packages, and they also have the following three features: ① location advantage, ② high functionality and ③ high tenant retention rate
- "Average rent increase rate" for renewed leases or new lease contracts with no downtime, are calculated as follow: rent increase rate before each contract execution, multiplied by each rentable area, divided by the aggregated rentable area of all contracts. Monthly rents numbers in the lease agreements are used in the calculation (free-rents are not considered). The ages of each of the properties (except the Flagship properties) are the numbers as of the end of the fiscal period of when each new/renewed contract was executed
- "Average utilization rates since IPO" are calculated as the weighted average of the utilization rates of each categories from the time of IPO to August 2019, to the total rentable area by the end of August 2019
- Properties marked "GLP Dev't" are those developed by GLP Group (incl. those developed by development funds), properties marked "Acquisition" are those acquired from third parties (excluding S&LB), and properties marked "S&LB" are those acquired from third parties through sales & lease-back transaction by GLP Group

# Over 80% of portfolio consists of properties developed and acquired in the 2000s, supporting increases in rent

★ Number of flagship properties

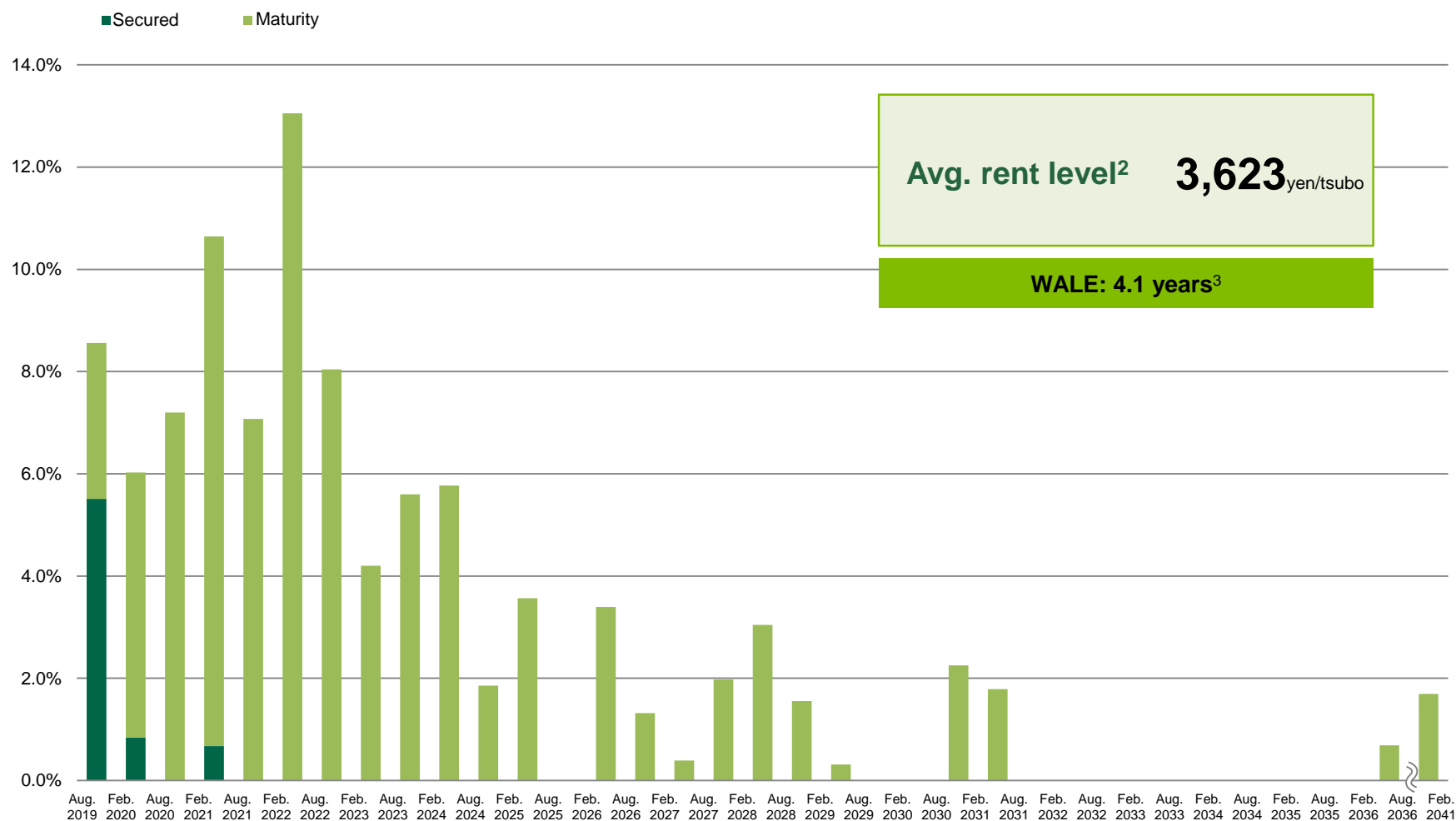
Portfolio as of Aug-end 2019			Characteristics	Properties
<b>Total</b> <b>607.9</b> bn yen <b>75</b> properties	<b>Developed by GLP</b> <b>423.8</b> bn yen <b>34</b> properties	<b>Completed since 2011</b> <b>88.5</b> bn yen <b>7</b> properties	<ul style="list-style-type: none"> <li>Developed and completed since 2011 through GLP development funds, etc.</li> <li><b>Logistics facilities with cutting-edge functions</b> which were developed by GLP Group</li> </ul>	 GLP Atsugi II ★★
		<b>Completed before 2009</b> <b>335.3</b> bn yen <b>27</b> properties	<ul style="list-style-type: none"> <li><b>Logistics facilities with cutting-edge functions</b> which were developed by GLP Group</li> <li>Developed and completed in the 2000s, when competition was not as intense as today. They are located in <b>areas which are ideal for logistics facilities. It is now difficult to acquire land in these areas</b></li> <li>Their rents are often <b>lower than the market rent</b>, which is surging due to rising land prices and construction costs</li> </ul>	 GLP Osaka  GLP Tokyo II ★★★★★
	<b>Acquired from third - parties</b> <b>184.1</b> bn yen <b>41</b> properties	<b>Sale &amp; Lease back</b> <b>71.0</b> bn yen <b>14</b> properties	<ul style="list-style-type: none"> <li>Properties that GLP acquired from former owners through sale and leaseback transactions               <ul style="list-style-type: none"> <li>2006 – A part of 4 facilities acquired from Sanyo Electric and Sanyo Electric Logistics.</li> <li>2007 – A part of 8 facilities acquired from Shiseido.</li> <li>2007 – A part of 17 facilities acquired from Matsushita Logistics.</li> </ul> </li> <li><b>These facilities were developed by major Japanese companies and are located in areas that are ideal for logistics facilities</b></li> <li><b>Long-term and stable low rents are stipulated in most of the lease agreements regardless of the current market rent level</b></li> </ul>	 GLP Shinjoh II  GLP Hirakata II
		<b>Others</b> <b>113.1</b> bn yen <b>27</b> properties	<ul style="list-style-type: none"> <li>Properties that GLP acquired from external funds, etc.</li> <li>Modern logistics facilities which were developed in and before the 2000s and <b>located in areas where it is now to difficult to acquire land</b></li> <li>Many of the properties were renovated and leased to new tenants after acquisition by leveraging GLP's operational experience and leasing capabilities</li> </ul>	 GLP Shinjoh  GLP Funabashi II

**85.4%**  
of the total  
**Excellent**  
locations  
  
**Upside**  
potential  
for  
rent income

**Opportunities**  
for internal  
growth, one of  
GLP J-REIT's  
strengths

# Opportunity for future internal growth

Maturity Ladder (leased area base) <sup>1</sup>



1. As of September 30, 2019

2. Monthly rent calculated using a weighted average on a leased area base is rounded to the nearest yen based on lease agreements in force as of September 30, 2019

3. WALE (Weighted average lease expiry) as of September 30, 2019

## Financial standing

### Outstanding borrowings

As of Aug-end 2019

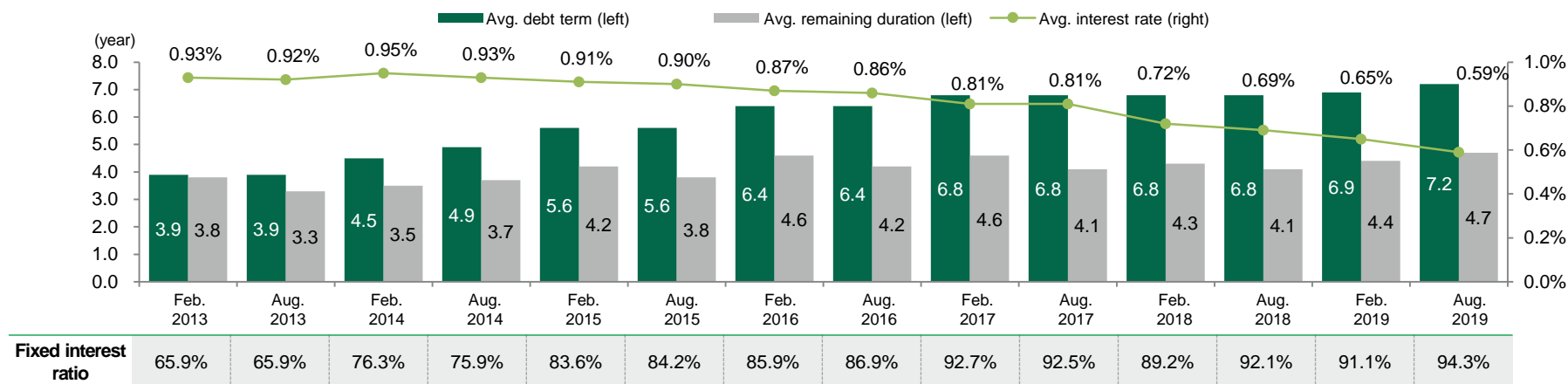
Borrowing	<b>235,000</b> mm yen	( <b>86.2%</b> )
Bonds	<b>37,600</b> mm yen	( <b>13.8%</b> )
Total	<b>272,600</b> mm yen	( <b>100.0%</b> )

### Investment corporation bonds

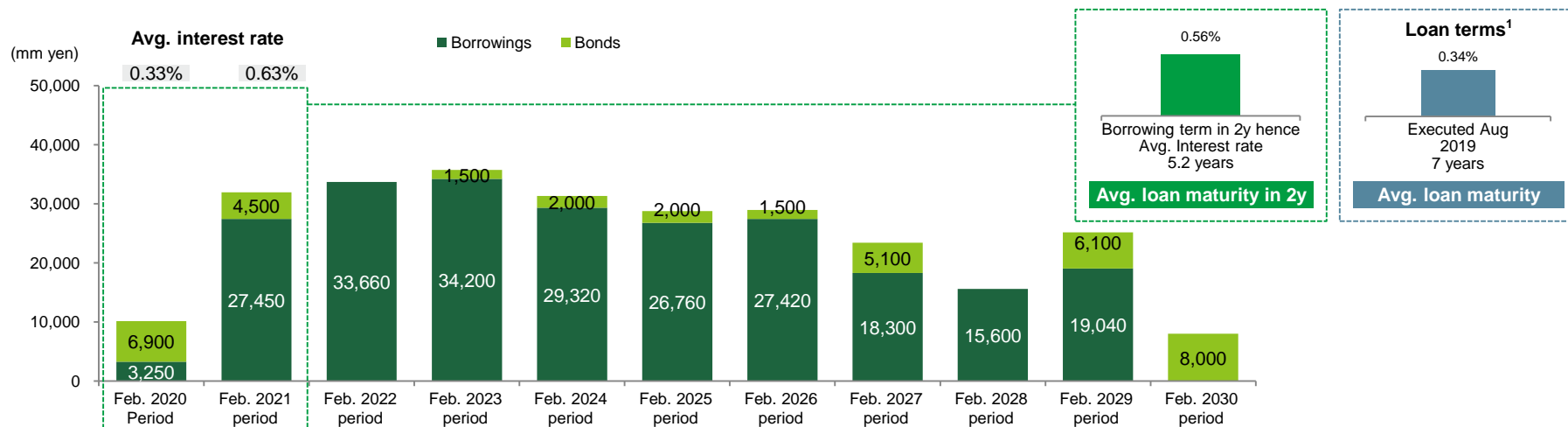
Name	Total Amount (million yen)	Interest Rate	Issuance Date	Maturity Date
2nd Unsecured Bonds	2,000	0.98%	Jul. 30, 2014	Jul. 30, 2024
3rd Unsecured Bonds	4,500	0.51%	Dec. 26, 2014	Dec. 25, 2020
4th Unsecured Bonds	1,500	0.68%	Dec. 26, 2014	Dec. 26, 2022
5th Unsecured Bonds	3,000	1.17%	Dec. 26, 2014	Dec. 25, 2026
6th Unsecured Bonds	1,500	0.889%	Jun. 30, 2015	Jun. 30, 2025
7th Unsecured Bonds	6,900	0.005%	Nov. 28, 2016	Nov. 28, 2019
8th Unsecured Bonds	1,100	0.450%	Nov. 28, 2016	Nov. 27, 2026
9th Unsecured Bonds	1,000	0.470%	Feb. 27, 2017	Feb. 26, 2027
10th Unsecured Bonds	2,000	0.230%	Jul. 9, 2018	Jul 7, 2023
11th Unsecured Bonds	1,000	0.560%	Jul. 9, 2018	Jul 7, 2028
12th Unsecured Bonds (Green Bonds)	5,100	0.680%	Dec. 20, 2018	Dec 20, 2028
13th Unsecured Bonds (Green Bonds)	8,000	0.608%	Jul. 8, 2019	Jul 6, 2029
<b>Total</b>	<b>37,600</b>			

# Track record and further room for debt cost reduction

## Reducing debt costs while extending maturities / increasing fixed-interest ratio



## Staggered debt maturity and further room for debt cost reduction (as of August-end 2019)



1. Loan terms are those for loans executed on July 23, 2019.

2. Figures for February of each year include loans and investment corporation bonds which will mature within one year of the end of each calculation period



# Features of GLP J-REIT's portfolio

## Scarcity and strong demand of MLF



Proportion of the logistics facilities in Japan  
(as of March 31, 2018)

**Modern logistics facilities: 4.9% (27 mm sqm)**

Mid- and large-size facilities: 60.3% (331 mm sqm)

Total logistics facilities: 100.0% (548 mm sqm)

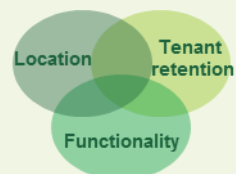
Source: MIC (Ministry of Internal Affairs and Communications of Japan); MLIT (Ministry of Land, Infrastructure, Transport and Tourism of Japan); CBRE

1. Leasable logistics facilities with 10,000 sqm or more of gross floor area with functional design.

2. Leasable logistics facilities with 5,000 sqm or more of gross floor area.

3. Estimated by CBRE using the Survey of the Outline of Fixed Asset Prices as well as the Yearbook of Construction Statistics.

## 3 Investment focuses on MLF



### Location

Suitableness for logistics business  
(Concentration of existing logistics operations, transport convenience, ease of securing employment, proximity to areas of high consumption, etc.)













### Functionality

Specification / equipment that supports operation  
(Floor load tolerance, floor-to-ceiling height, seismic isolation structure, disaster prevention center, amenity facilities, etc.)

### Tenant retention

Likelihood of long-term tenant retention  
(Capex by tenants, distance from production base, importance of current employment, lease period, etc.)

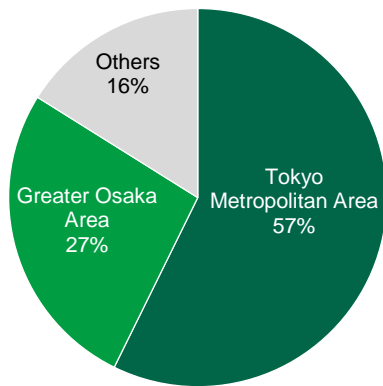
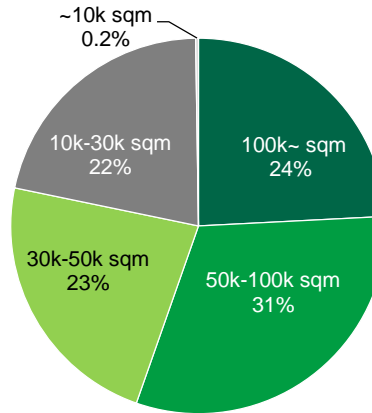
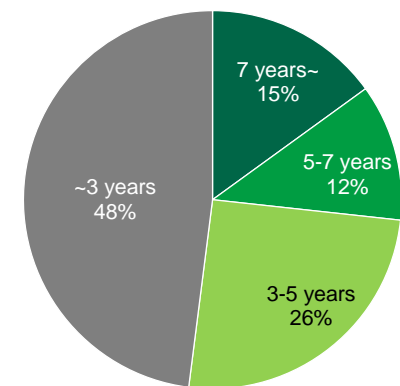
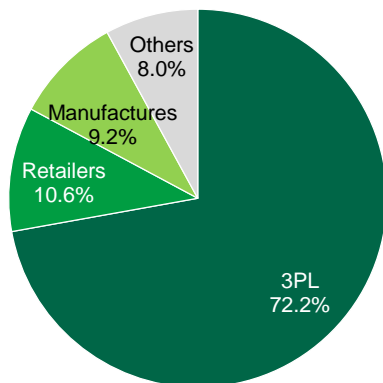
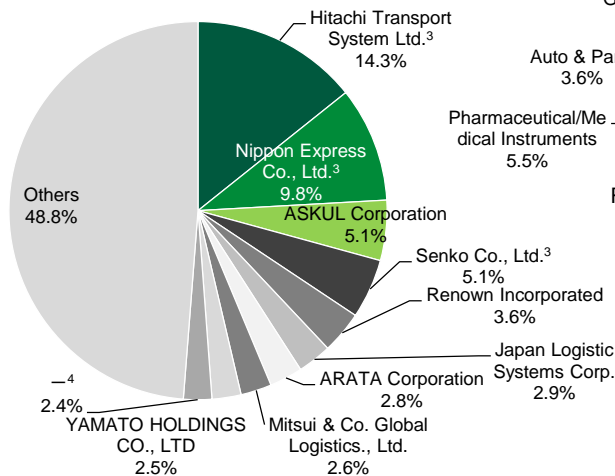
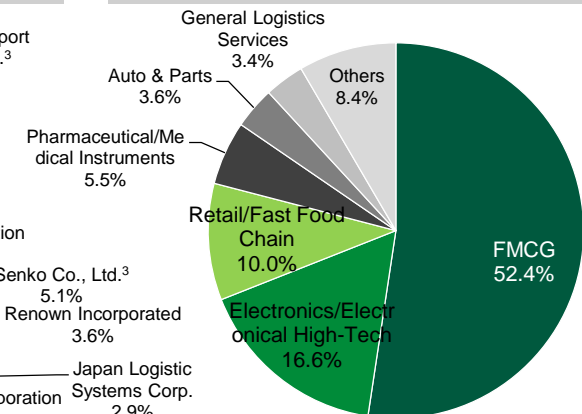
**“Flagship” properties are those that exemplify 3 investment focuses at a high standard and are scarce in the market**

Flagship properties			
<b>GLP Shinkiba</b> 	<b>GLP Tokyo</b>  Acquired in Jan. 2013 74k sqm	<b>Investment focus points on MLF</b> <ul style="list-style-type: none"> <li>✓ Location</li> <li>✓ Functionality</li> <li>✓ Tenant retention</li> </ul>	<b>Features that increase scarcity</b> <ul style="list-style-type: none"> <li>✓ Close proximity to a major consumption area</li> <li>✓ Large-scale</li> <li>✓ High versatility</li> </ul>
<b>GLP Shinsuna</b> 	<b>GLP Tokyo II</b>  Acquired in Sep. 2014 102k sqm	<b>GLP MFLP Ichikawa Shiohama</b>  Acquired in Sep. 2016 121k sqm	<b>GLP Atsugi II</b>  Acquired in Sep. 2016 89k sqm
			<b>GLP Amagasaki</b>  Acquired in Jan. 2013 135k sqm
			<b>GLP Osaka</b>  Acquired in Sep. 2018 155k sqm
			<b>GLP Tomisato</b> 
			<b>GLP Shiga</b> 
			<b>GLP Misato II</b> 
			<b>GLP Neyagawa</b> 

Location
Functionality
Tenant retention

# Well balanced portfolio generates stable returns

(75 properties : as of Aug-end 2019)

**Region<sup>1</sup>**

**Gross floor area<sup>1</sup>**

**Existing lease term<sup>1</sup>**

**WALE<sup>2</sup>: 4.2 years**
**Tenant industry<sup>1</sup>**

**Top 10 tenants<sup>1</sup>**

**End-user industry<sup>1</sup>**


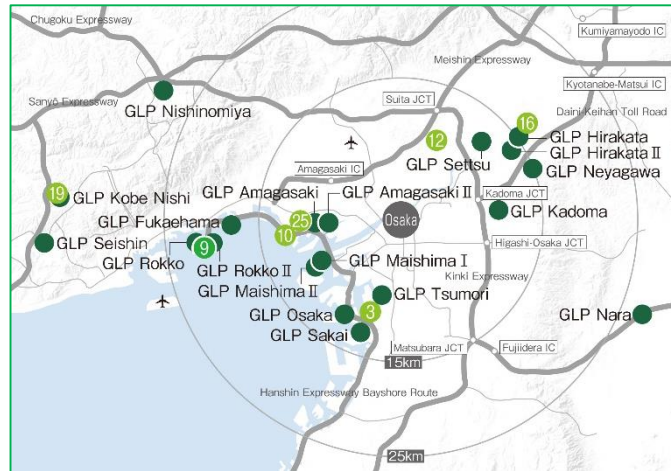
1. Ranking of Gross floor area and Region is calculated based on acquisition price. Other groups, Existing lease term, Tenant industry, Top 10 tenants and End-user industry, are calculated based on leased area.

2. WALE stands for Weighted Average Lease Expiry as of September 30, 2019

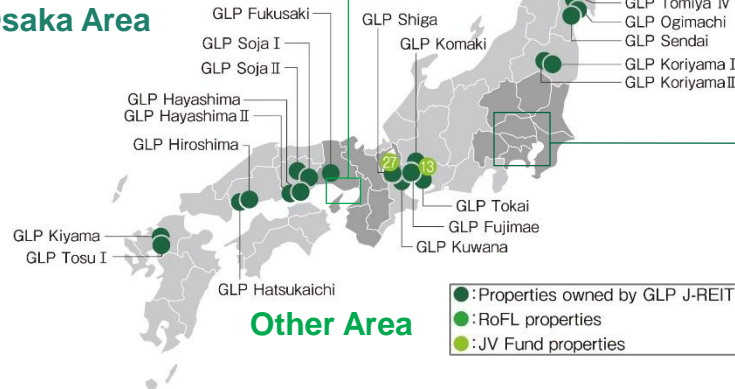
3. Hitachi Logistics, Nippon Express Co., Ltd and Senko Co., Ltd includes group companies

4. We have not obtained permissions to disclose the name of the tenant group, an international courier and third-party logistics provider.

# Map of properties owned by GLP J-REIT and pipeline



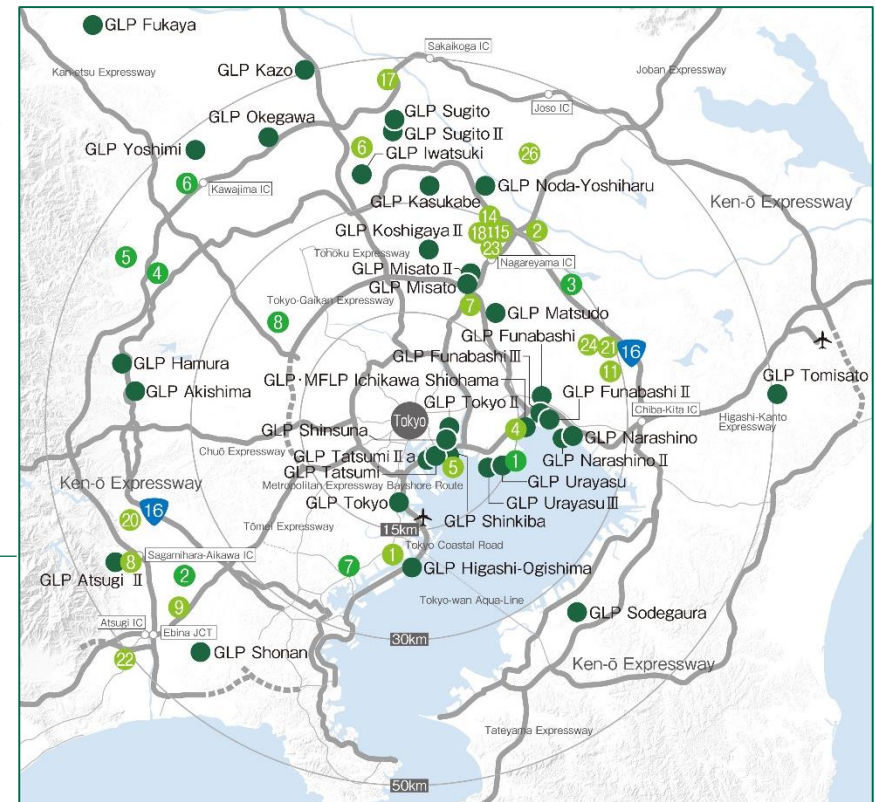
## Greater Osaka Area



- RoFL properties (11 properties)
- |                      |                 |                 |                     |
|----------------------|-----------------|-----------------|---------------------|
| ① GLP UrayasuII      | ② GLP Zama      | ③ GLP KashiwaII | ④ GLP SayamahidakaI |
| ⑤ GLP SayamahidakaII | ⑥ GLP Kawashima | ⑦ GLP Yokohama  |                     |
| ⑧ GLP Niiza          | ⑨ GLP RokkoIII  | ⑩ ⑪ Undisclosed |                     |

## Tokyo Metropolitan Area

(As of Oct 15, 2019)



JV Fund properties (35 properties)

- |   |                      |                     |                    |
|---|----------------------|---------------------|--------------------|
| ① GLP Kawasaki                                      | ② GLP Kashiwa        | ③ GLP Osaka II      | ④ GLP Ichikawa     |
| ⑤ GLP Wakasu  | ⑥ GLP Kuki Shiraoka  | ⑦ GLP Misato III    | ⑧ GLP Atsugi       |
| ⑨ GLP Ayase   | ⑩ GLP Naruhama       | ⑪ GLP Yachiyo       | ⑫ GLP Suita        |
| ⑬ GLP Komaki II                                     | ⑭ GLP Nagareyama     | ⑮ GLP Nagareyama II | ⑯ GLP Hirakata III |
| ⑰ GLP Keno Goka                                     | ⑱ GLP Nagareyama III | ⑲ GLP Kobe Nishi II |                    |
| ⑳ GLP Sagami-hara Project (5 properties)            | ㉑ GLP Yachiyo II     | ㉒ GLP Hiratsuka I   |                    |
| ㉓ GLP Nagareyama Project - 2nd Phase (5 properties) | ㉔ GLP Yachiyo III    |                     |                    |
| ㉕ GLP Amagasaki III                                 | ㉖ GLP Josō           | ㉗ GLP Yasu          |                    |

# Portfolio description 1

(As of Aug-end 2019)

Property number	Property name	Acquisition Price <sup>1</sup> (mm yen)	Investment ratio	Leasable area (sqm)	Leased area (sqm)	Occupancy <sup>2</sup>	No. of tenants
Tokyo-1	GLP Tokyo	22,700	3.7%	56,757	56,757	100%	3
Tokyo-2	GLP Higashi-Ogishima	4,980	0.8%	34,582	34,582	100%	1
Tokyo-3	GLP Akishima	7,555	1.2%	27,356	27,356	100%	3
Tokyo-4	GLP Tomisato	4,990	0.8%	27,042	27,042	100%	1
Tokyo-5	GLP Narashino II	15,220	2.5%	101,623	101,623	100%	2
Tokyo-6	GLP Funabashi	1,720	0.3%	10,465	10,465	100%	1
Tokyo-7	GLP Kazo	11,500	1.9%	76,532	76,532	100%	1
Tokyo-8	GLP Fukaya	2,380	0.4%	19,706	19,706	100%	1
Tokyo-9	GLP Sugito II	19,000	3.1%	101,272	100,345	99.1%	5
Tokyo-10	GLP Iwatsuki	6,940	1.1%	31,839	31,839	100%	1
Tokyo-11	GLP Kasukabe	4,240	0.7%	18,460	18,460	100%	1
Tokyo-12	GLP Koshigaya II	9,780	1.6%	43,533	43,533	100%	2
Tokyo-13	GLP Misato II	14,868	2.4%	59,208	59,208	100%	2
Tokyo-14	GLP Tatsumi	4,960	0.8%	12,925	12,925	100%	1
Tokyo-15	GLP Hamura	7,660	1.3%	40,277	40,277	100%	1
Tokyo-16	GLP Funabashi III	3,050	0.5%	18,281	18,281	100%	1
Tokyo-17	GLP Sodegaura	6,150	1.0%	45,582	45,582	100%	1
Tokyo-18	GLP Urayasu III	18,760	3.1%	64,198	64,198	100%	2
Tokyo-19	GLP Tatsumi IIa	6,694	1.1%	17,108	17,108	100%	1
Tokyo-21	GLP Tokyo II	36,373	6.0%	79,073	79,073	100%	6
Tokyo-22	GLP Okegawa	2,420	0.4%	17,062	17,062	100%	1
Tokyo-23	GLP Shinkiba	11,540	1.9%	18,341	18,341	100%	1
Tokyo-24	GLP Narashino	5,320	0.9%	23,548	23,548	100%	3
Tokyo-26	GLP Sugito	8,481	1.4%	58,918	58,918	100%	1
Tokyo-27	GLP Matsudo	2,356	0.4%	14,904	14,904	100%	1
Tokyo-28	GLP-MFLP Ichikawa Shiohama <sup>3</sup>	15,500	2.5%	50,813	50,813	100%	5
Tokyo-29	GLP Atsugi II	21,100	3.5%	74,176	74,176	100%	2
Tokyo-30	GLP Yoshimi	11,200	1.8%	62,362	62,362	100%	1

1. As for the acquisition price of the properties installed with solar panels acquired on March 1, 2018 via 5th follow-on offering, the acquisition price of the property added with the acquisition price of the solar panel is indicated

2. "Occupancy rate" is calculated by dividing total leased area for each property by the total leasable area, rounded to the first decimal place. However when it may result in 100.0% after rounding, the figure is rounded down to the first decimal place and shown as 99.9%

3. GLP-MFLP Ichikawa Shiohama is a property under joint co-ownership which GLP-JREIT holds 50% beneficiary right of real estate in trust. "Leasable area" and "Leased area" stated above are computed by multiplying 50% of the joint co-ownership ratio.

## Portfolio description 2

(As of Aug-end 2019)

Property number	Property name	Acquisition Price <sup>1</sup> (mm yen)	Investment ratio	Leasable area (sqm)	Leased area (sqm)	Occupancy <sup>2</sup>	No. of tenants
Tokyo-31	GLP Noda yoshiharu	4,496	0.7%	26,631	26,631	100%	1
Tokyo-32	GLP Urayasu	7,440	1.2%	25,839	25,839	100%	1
Tokyo-33	GLP Funabashi II	7,789	1.3%	34,699	34,349	99.0%	1
Tokyo-34	GLP Misato	16,939	2.8%	46,892	46,892	100%	1
Tokyo-35	GLP Shinsuna	18,300	3.0%	44,355	44,355	100%	5
Tokyo-36	GLP Shonan	5,870	1.0%	23,832	23,832	100%	1
Osaka-1	GLP Hirakata	4,750	0.8%	29,829	29,829	100%	1
Osaka-2	GLP Hirakata II	7,940	1.3%	43,283	43,283	100%	1
Osaka-3	GLP Maishima II	9,288	1.5%	56,511	56,511	100%	1
Osaka-4	GLP Tsumori	1,990	0.3%	16,080	16,080	100%	1
Osaka-5	GLP Rokko	5,160	0.8%	39,339	39,339	100%	1
Osaka-6	GLP Amagasaki	24,963	4.1%	110,224	110,224	100%	7
Osaka-7	GLP Amagasaki II	2,040	0.3%	12,342	12,342	100%	1
Osaka-8	GLP Nara	2,410	0.4%	19,545	19,545	100%	1
Osaka-9	GLP Sakai	2,000	0.3%	10,372	10,372	100%	1
Osaka-10	GLP Rokko II	3,430	0.6%	20,407	20,407	100%	1
Osaka-11	GLP Kadoma	2,430	0.4%	12,211	12,211	100%	1
Osaka-12	GLP Seishin	1,470	0.2%	9,533	9,533	100%	1
Osaka-13	GLP Fukusaki	3,928	0.6%	24,167	24,167	100%	1
Osaka-14	GLP Kobe-Nishi	7,150	1.2%	35,417	35,417	100%	1
Osaka-15	GLP Fukaehama	4,798	0.8%	19,386	19,386	100%	1
Osaka-16	GLP Maishima I	19,390	3.2%	72,948	72,948	100%	1
Osaka-17	GLP Osaka	36,000	5.9%	128,504	127,642	99.3%	13
Osaka-18	GLP Settsu	7,300	1.2%	38,997	38,997	100%	1
Osaka-19	GLP Nishinomiya	2,750	0.5%	19,766	19,766	100%	1
Osaka-20	GLP Shiga	4,550	0.7%	29,848	29,848	100%	1
Osaka-21	GLP Neyagawa	8,100	1.3%	26,938	26,938	100%	1

1. As for the acquisition price of the properties installed with solar panels acquired on March 1, 2018 via 5th follow-on offering, the acquisition price of the property added with the acquisition price of the solar panel is indicated
2. "Occupancy rate" is calculated by dividing total leased area for each property by the total leasable area, rounded to the first decimal place. However when it may result in 100.0% after rounding, the figure is rounded down to the first decimal place and shown as 99.9%



## Portfolio description 3

(As of Aug-end 2019)

Property number	Property name	Acquisition Price <sup>1</sup> (mm yen)	Investment ratio	Leasable area (sqm)	Leased area (sqm)	Occupancy <sup>2</sup>	No. of tenants
Other-1	GLP Morioka	808	0.1%	10,253	10,253	100%	1
Other-2	GLP Tomiya	3,102	0.5%	20,466	20,466	100%	1
Other-3	GLP Koriyama I	4,100	0.7%	24,335	24,335	100%	1
Other-4	GLP Koriyama III	2,620	0.4%	27,671	27,671	100%	4
Other-5	GLP Tokai	6,210	1.0%	32,343	32,343	100%	1
Other-6	GLP Hayashima	1,190	0.2%	13,574	13,574	100%	1
Other-7	GLP Hayashima II	2,460	0.4%	14,447	14,447	100%	1
Other-8	GLP Kiyama	5,278	0.9%	23,455	23,455	100%	1
Other-10	GLP Sendai	5,620	0.9%	37,256	37,256	100%	1
Other-11	GLP Ebetsu	1,580	0.3%	18,489	18,489	100%	1
Other-12	GLP Kuwana	3,650	0.6%	20,402	20,402	100%	1
Other-13	GLP Hatsukaichi	1,980	0.3%	10,981	10,981	100%	1
Other-14	GLP Komaki	10,748	1.8%	52,709	52,709	100%	2
Other-15	GLP Ogimachi	1,460	0.2%	13,155	13,155	100%	1
Other-16	GLP Hiroshima	3,740	0.6%	21,003	21,003	100%	2
Other-19	GLP Tosu I	9,898	1.6%	74,860	74,860	100%	1
Other-20	GLP Tomiya IV	5,940	1.0%	32,562	32,562	100%	1
Other-21	GLP Soja I	12,800	2.1%	63,015	63,015	100%	5
Other-22	GLP Soja II	12,700	2.1%	63,213	62,965	99.6%	7
Other-23	GLP Fujimae	1,980	0.3%	12,609	12,609	100%	1
Total		607,974	100.0%	2,770,669	2,768,282	99.9%	136

1. As for the acquisition price of the properties installed with solar panels acquired on March 1, 2018 via 5th follow-on offering, the acquisition price of the property added with the acquisition price of the solar panel is indicated

2. "Occupancy rate" is calculated by dividing total leased area for each property by the total leasable area, rounded to the first decimal place. However when it may result in 100.0% after rounding, the figure is rounded down to the first decimal place and shown as 99.9%

# Appraisal value 1

(As of Aug-end 2019)

Property number	Property name	Appraiser	Appraisal value <sup>1</sup> (mm yen)	Direct capitalization		DCF method		
				Value (mm yen)	NCF Cap	Value (mm yen)	Discount rate	Yield
Tokyo-1	GLP Tokyo	JLL Morii Valuation & Advisory	30,500	31,100	3.6%	29,800	3.4%	3.8%
Tokyo-2	GLP Higashi-Ogishima	JLL Morii Valuation & Advisory	6,850	6,980	4.1%	6,720	3.9%	4.3%
Tokyo-3	GLP Akishima	JLL Morii Valuation & Advisory	9,930	10,100	4.1%	9,760	3.9%	4.3%
Tokyo-4	GLP Tomisato	Tanizawa Sogo	6,080	6,240	4.6%	6,010	1y-2y 4.6% 3y- 4.7%	4.8%
Tokyo-5	GLP Narashino II	Tanizawa Sogo	20,100	20,500	4.7%	19,900	1y 4.4% 2y- 4.6%	4.7%
Tokyo-6	GLP Funabashi	Tanizawa Sogo	2,090	2,100	4.5%	2,090	1-2y 4.4% 3-4y 4.5% 5y- 4.6%	4.7%
Tokyo-7	GLP Kazo	Tanizawa Sogo	14,400	15,100	4.5%	14,100	1-2y 4.4% 3-10y 4.6%	4.7%
Tokyo-8	GLP Fukaya	Tanizawa Sogo	2,890	2,990	4.8%	2,840	1-3y 4.7% 4-10y 4.9%	5.0%
Tokyo-9	GLP Sugito II	JLL Morii Valuation & Advisory	25,400	25,900	4.0%	24,900	3.8%	4.2%
Tokyo-10	GLP Iwatsuki	JLL Morii Valuation & Advisory	9,750	9,950	4.0%	9,550	3.8%	4.2%
Tokyo-11	GLP Kasukabe	JLL Morii Valuation & Advisory	5,280	5,370	4.3%	5,180	4.1%	4.5%
Tokyo-12	GLP Koshigaya II	JLL Morii Valuation & Advisory	13,800	14,000	3.9%	13,500	3.7%	4.1%
Tokyo-13	GLP Misato II	JLL Morii Valuation & Advisory	21,500	21,900	3.9%	21,100	3.7%	4.1%
Tokyo-14	GLP Tatsumi	JLL Morii Valuation & Advisory	6,590	6,730	3.7%	6,450	3.5%	3.9%
Tokyo-15	GLP Hamura	Tanizawa Sogo	10,000	10,200	4.2%	9,910	1y-4y 4.0% 5y-10y 4.2%	4.4%
Tokyo-16	GLP Funabashi III	JLL Morii Valuation & Advisory	4,340	4,420	4.0%	4,250	3.8%	4.2%
Tokyo-17	GLP Sodegaura	JLL Morii Valuation & Advisory	8,090	8,220	4.6%	7,950	4.4%	4.8%
Tokyo-18	GLP Urayasu III	Tanizawa Sogo	22,800	23,100	3.8%	22,700	1y-3y 3.7% 4y-10y 3.8%	3.9%
Tokyo-19	GLP Tatsumi IIa	JLL Morii Valuation & Advisory	8,500	8,670	3.7%	8,320	3.5%	3.9%

1. "Appraisal value" represents the appraisal value or research price as set forth on the relevant review reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trusts Association, Japan

## Appraisal value 2

(As of Aug-end 2019)

Property number	Property name	Appraiser	Appraisal value <sup>1</sup> (mm yen)	Direct capitalization		DCF method		
				Value (mm yen)	NCF Cap	Value (mm yen)	Discount rate	Yield
Tokyo-21	GLP Tokyo II	Japan Real Estate	46,000	46,300	3.7%	45,600	3.4%	3.8%
Tokyo-22	GLP Okegawa	Tanizawa Sogo	3,100	3,110	4.6%	3,090	1-7y 4.6% 8-10y 4.7%	4.8%
Tokyo-23	GLP Shinkiba	Tanizawa Sogo	12,800	13,400	3.9%	12,500	1y-3y 3.9% 4y-10y 4.0%	4.1%
Tokyo-24	GLP Narashino	Tanizawa Sogo	5,570	5,650	4.6%	5,530	4.6%	4.7%
Tokyo-26	GLP Sugito	JLL Morii Valuation & Advisory	10,700	10,900	4.1%	10,400	3.9%	4.3%
Tokyo-27	GLP Matsudo	JLL Morii Valuation & Advisory	2,890	2,940	4.5%	2,830	4.3%	4.7%
Tokyo-28	GLP・MFLP Ichikawa Shiohama	Japan Real Estate	17,400	17,550	4.1%	17,250	3.8%	4.3%
Tokyo-29	GLP Atsugi II	Tanizawa Sogo	24,200	24,300	4.1%	24,200	1y-7y 4.0% 8y-10y 4.1%	4.2%
Tokyo-30	GLP Yoshimi	Tanizawa Sogo	11,800	12,100	4.6%	11,600	1y-6y 4.5% 7y-11y 4.6%	4.7%
Tokyo-31	GLP Noda-Yoshiharu	Tanizawa Sogo	5,370	5,420	4.8%	5,350	1-6y 4.4% 7y-10y 4.6%	4.8%
Tokyo-32	GLP Urayasu	Tanizawa Sogo	7,910	8,030	4.0%	7,860	1-3y 3.9% 4-10y 4.0%	4.1%
Tokyo-33	GLP Funabashi II	JLL Morii Valuation & Advisory	8,300	8,500	4.1%	8,100	3.9%	4.3%
Tokyo-34	GLP Misato	JLL Morii Valuation & Advisory	18,600	18,900	3.9%	18,200	3.7%	4.1%
Tokyo-35	GLP Shinsuna	Tanizawa Sogo	18,900	19,600	3.9%	18,800	1y-2y 3.9% 3y-10y 4.0%	4.1%
Tokyo-36	GLP Shonan	Tanizawa Sogo	6,190	6,240	4.5%	6,170	1y-4y 4.4% 5y-10y 4.5%	4.6%
Osaka-1	GLP Hirakata	Japan Real Estate	6,400	6,440	4.8%	6,350	4.4%	5.1%
Osaka-2	GLP Hirakata II	Japan Real Estate	9,430	9,550	4.5%	9,310	4.3%	4.7%
Osaka-3	GLP Maishima II	Japan Real Estate	12,200	12,300	4.6%	12,100	4.3%	4.8%
Osaka-4	GLP Tsumori	Japan Real Estate	2,750	2,780	5.1%	2,710	4.8%	5.4%
Osaka-5	GLP Rokko	Japan Real Estate	6,130	6,190	5.0%	6,070	4.6%	5.3%
Osaka-6	GLP Amagasaki	Japan Real Estate	29,500	29,900	4.3%	29,100	4.1%	4.5%

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## Appraisal value 3

(As of Aug-end 2019)

Property number	Property name	Appraiser	Appraisal value <sup>1</sup> (mm yen)	Direct capitalization		DCF method		
				Value (mm yen)	NCF Cap	Value (mm yen)	Discount rate	Yield
Osaka-7	GLP Amagasaki II	Japan Real Estate	2,340	2,370	5.0%	2,300	4.6%	5.4%
Osaka-8	GLP Nara	JLL Morii Valuation & Advisory	3,000	3,030	5.4%	2,960	5.2%	5.6%
Osaka-9	GLP Sakai	Japan Real Estate	2,260	2,260	5.1%	2,250	4.7%	5.3%
Osaka-10	GLP Rokko II	Tanizawa Sogo	4,350	4,410	4.8%	4,330	1y-2y 4.8% 3y-10y 5.0%	5.0%
Osaka-11	GLP Kadoma	Japan Real Estate	3,250	3,260	4.7%	3,240	4.3%	4.8%
Osaka-12	GLP Seishin	Japan Real Estate	1,640	1,660	5.1%	1,620	4.8%	5.4%
Osaka-13	GLP Fukusaki	Japan Real Estate	4,890	4,940	5.1%	4,830	4.7%	5.4%
Osaka-14	GLP Kobe-Nishi	Japan Real Estate	7,630	7,670	4.7%	7,580	4.7%	5.1%
Osaka-15	GLP Fukaehama	Japan Real Estate	4,900	4,970	4.8%	4,820	4.5%	5.0%
Osaka-16	GLP Maishima I	Japan Real Estate	19,400	19,600	4.4%	19,100	4.2%	4.6%
Osaka-17	GLP Osaka	JLL Morii Valuation & Advisory	36,200	37,700	4.0%	35,500	3.8%	4.2%
Osaka-18	GLP Settsu	Japan Real Estate	7,640	7,750	4.8%	7,530	4.6%	5.0%
Osaka-19	GLP Nishinomiya	Japan Real Estate	2,820	2,850	5.3%	2,780	4.7%	5.1%
Osaka-20	GLP Shiga	JLL Morii Valuation & Advisory	4,740	4,820	4.8%	4,650	4.6%	5.0%
Osaka-21	GLP Neyagawa	JLL Morii Valuation & Advisory	8,470	8,630	4.1%	8,310	3.9%	4.3%
Other-1	GLP Morioka	Tanizawa Sogo	871	895	6.3%	860	6.1%	6.5%
Other-2	GLP Tomiya	Tanizawa Sogo	3,890	3,980	5.1%	3,850	1y-3y 4.8% 4y-5y 4.9% 6y-10y 5.0%	5.3%
Other-3	GLP Koriyama I	Tanizawa Sogo	4,590	4,630	5.4%	4,570	1y-2y 5.1% 3y-4y 5.2% 5y-10y 5.3%	5.6%
Other-4	GLP Koriyama III	Tanizawa Sogo	2,780	2,820	5.4%	2,760	1y 5.1% 2y-10y 5.3%	5.6%

1. "Appraisal value" represents the appraisal value or research price as set forth on the relevant review reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trusts Association, Japan

## Appraisal value 4

(As of Aug-end 2019)

Property number	Property name	Appraiser	Appraisal value <sup>1</sup> (mm yen)	Direct capitalization		DCF method		
				Value (mm yen)	NCF Cap	Value (mm yen)	Discount rate	Yield
Other-5	GLP Tokai	JLL Morii Valuation & Advisory	8,190	8,330	4.4%	8,040	4.2%	4.6%
Other-6	GLP Hayashima	Japan Real Estate	1,690	1,710	5.7%	1,660	5.5%	5.9%
Other-7	GLP Hayashima II	Japan Real Estate	2,880	2,900	5.2%	2,860	4.9%	5.4%
Other-8	GLP Kiyama	Japan Real Estate	5,990	6,070	4.9%	5,910	4.4%	5.3%
Other-10	GLP Sendai	Tanizawa Sogo	6,940	7,020	4.9%	6,900	1y-2y 4.6% 3y-10y 4.8%	5.1%
Other-11	GLP Ebetsu	JLL Morii Valuation & Advisory	2,220	2,250	5.2%	2,180	5.0%	5.4%
Other-12	GLP Kuwana	Tanizawa Sogo	4,300	4,360	5.4%	4,280	1y-2y 5.4% 3y-10y 5.6%	5.6%
Other-13	GLP Hatsukaichi	Tanizawa Sogo	2,360	2,370	5.4%	2,360	1y-3y 5.4% 4y-10y 5.6%	5.6%
Other-14	GLP Komaki	JLL Morii Valuation & Advisory	14,000	14,200	4.2%	13,700	4.0%	4.4%
Other-15	GLP Ogimachi	Tanizawa Sogo	1,660	1,670	5.8%	1,660	1y-3y 5.3% 4y-10y 5.5%	5.8%
Other-16	GLP Hiroshima	Japan Real Estate	4,350	4,380	5.5%	4,320	5.1%	5.6%
Other-19	GLP Tosu I	Japan Real Estate	11,100	11,300	4.6%	10,900	4.2%	5.0%
Other-20	GLP Tomiya IV	JLL Morii Valuation & Advisory	6,500	6,600	5.0%	6,390	4.8%	5.2%
Other-21	GLP Soja I	Tanizawa Sogo	13,100	13,200	5.0%	13,000	1y 4.9% 2y 5.1% 3y- 5.1%	5.2%
Other-22	GLP Soja II	Tanizawa Sogo	13,000	13,300	5.0%	12,800	1-2y 4.9% 3y 5.0% 4y- 5.1%	5.2%
Other-23	GLP Fujimae	Tanizawa Sogo	2,040	2,190	4.7%	2,140	1y-3y 4.7% 4y-10y 4.8%	4.9%
Total			721,011	733,765	4.3%	711,090		4.5%

1. "Appraisal value" represents the appraisal value or research price as set forth on the relevant review reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trusts Association, Japan



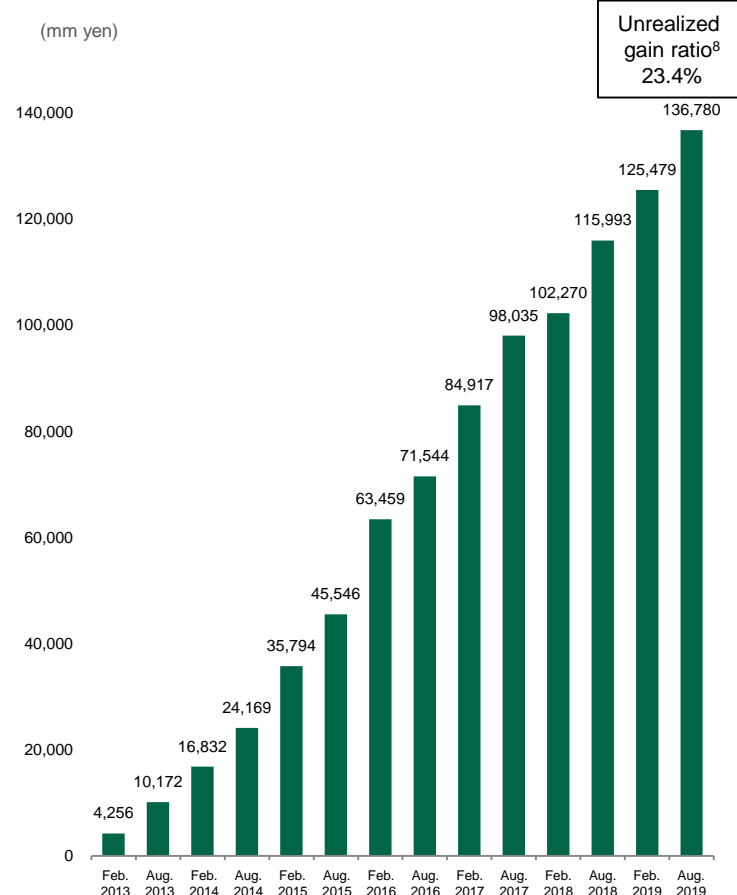
## Increase in unrealized gain

- Cap rate<sup>1</sup> has been compressed, increasing unrealized gain<sup>2</sup>
- Unrealized gain<sup>2</sup> as of Aug-end 2019: 136,780 mm yen

### Change in cap rate<sup>1</sup>

# of properties Acquisition Date <sup>3</sup>	Acquisition price (mm yen)	NOI yield at Acquisition	Appraisal cap rate													
			Feb -end 2013	Aug -end 2013	Feb -end 2014	Aug -end 2014	Feb -end 2015	Aug -end 2015	Feb -end 2016	Aug -end 2016	Feb -end 2017	Aug -end 2017	Feb -end 2018	Aug -end 2018	Feb -end 2019	Aug -end 2019
IPO 32 properties <sup>4</sup> (Jan 2013 / Feb 2013)	220,518	5.7%	5.6%	5.5%	5.4%	5.3%	5.2%	5.1%	4.9%	4.9%	4.8%	4.7%	4.7%	4.6%	4.6%	4.5%
1st PO 9 properties (Oct 2013 / Mar 2014)	56,000	5.6%	—	5.4%	5.3%	5.2%	5.1%	5.0%	4.9%	4.8%	4.7%	4.6%	4.6%	4.6%	4.5%	4.5%
2nd PO 8 properties <sup>5</sup> (Apr 2014 / Sep 2014)	57,954	4.9%	—	—	—	4.9%	4.8%	4.7%	4.6%	4.5%	4.4%	4.3%	4.3%	4.3%	4.2%	4.2%
3rd PO 5 properties <sup>6</sup> (May 2015 / Sep 2015)	41,540	5.2%	—	—	—	—	—	5.0%	4.9%	4.8%	4.7%	4.6%	4.6%	4.6%	4.6%	4.5%
4th PO 5 properties (Sep 2016)	58,210	4.9%	—	—	—	—	—	—	—	4.9%	4.7%	4.6%	4.6%	4.6%	4.5%	4.5%
5th PO 6 properties <sup>7</sup> (Mar 2018)	77,060	4.7%	—	—	—	—	—	—	—	—	—	—	—	4.6%	4.6%	4.5%
6th PO 8 properties (Sep 2018)	84,850	4.5%	—	—	—	—	—	—	—	—	—	—	—	—	4.5%	4.4%

### Change in unrealized gain



1. Cap rate = NOI in appraisal report / appraisal value. Please refer to the page 49, Note 1 regarding "Appraisal Value".

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

3. Excluding "GLP Matsudo" acquired as of Jan 15, 2016 and "GLP Noda-Yoshiharu" acquired as of Sep 1, 2017.

4. Excluding "GLP Tosu III" sold as of January 27, 2016.

5. Excluding "GLP Chikushino", "GLP Tatsumi IIb" and "GLP Fukuoka" sold as of January 27, 2016, as of July 14, 2017 and as of March 29, 2019, respectively.

6. Excluding "GLP Narita II" sold as of July 14, 2017.

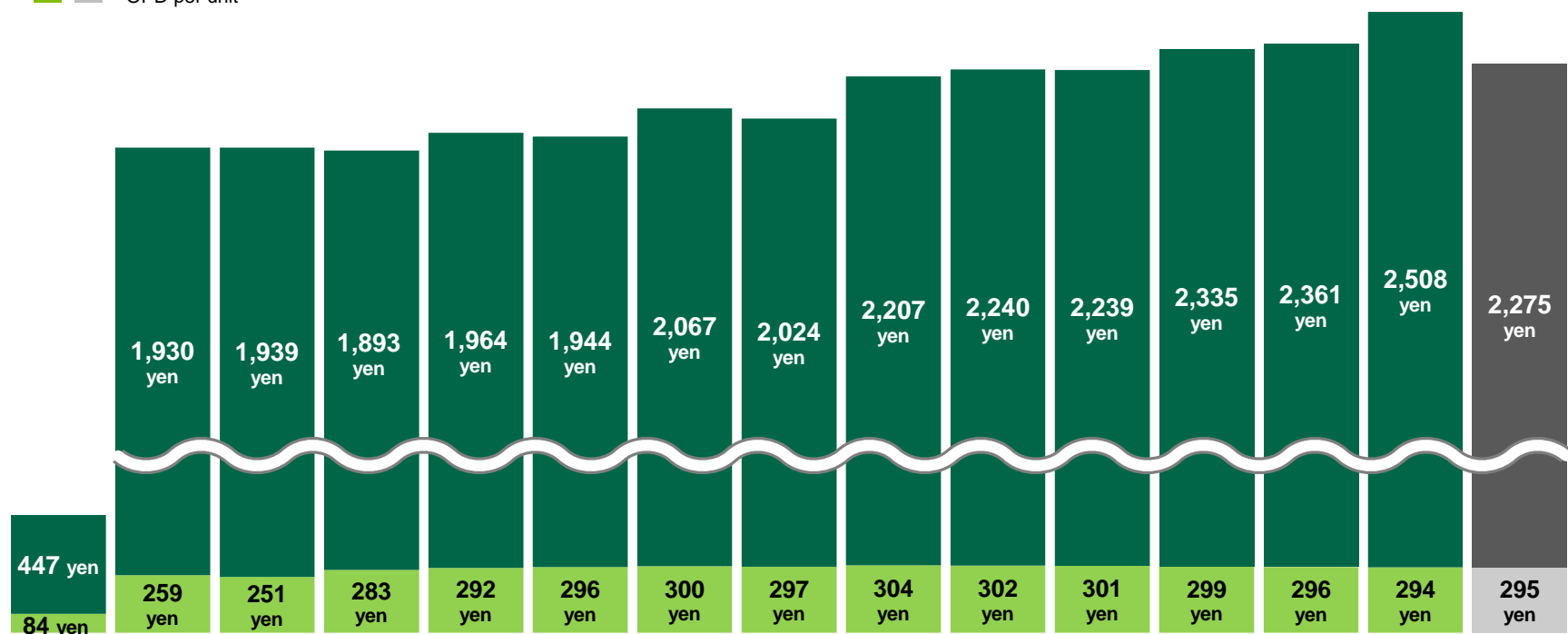
7. Excluding 13 solar panels.

8. Unrealized gain ratio = unrealized gain (period-end appraisal value - period-end book value) / period-end book value

# Change in DPU after the IPO

■ Dividend per unit excluding OPD

■ OPD per unit



Feb 2013 Aug 2013 Feb 2014 Aug 2014 Feb 2015 Aug 2015 Feb 2016 Aug 2016 Feb 2017 Aug 2017 Feb 2018 Aug 2018 Feb 2019 Aug 2019 Feb 2020

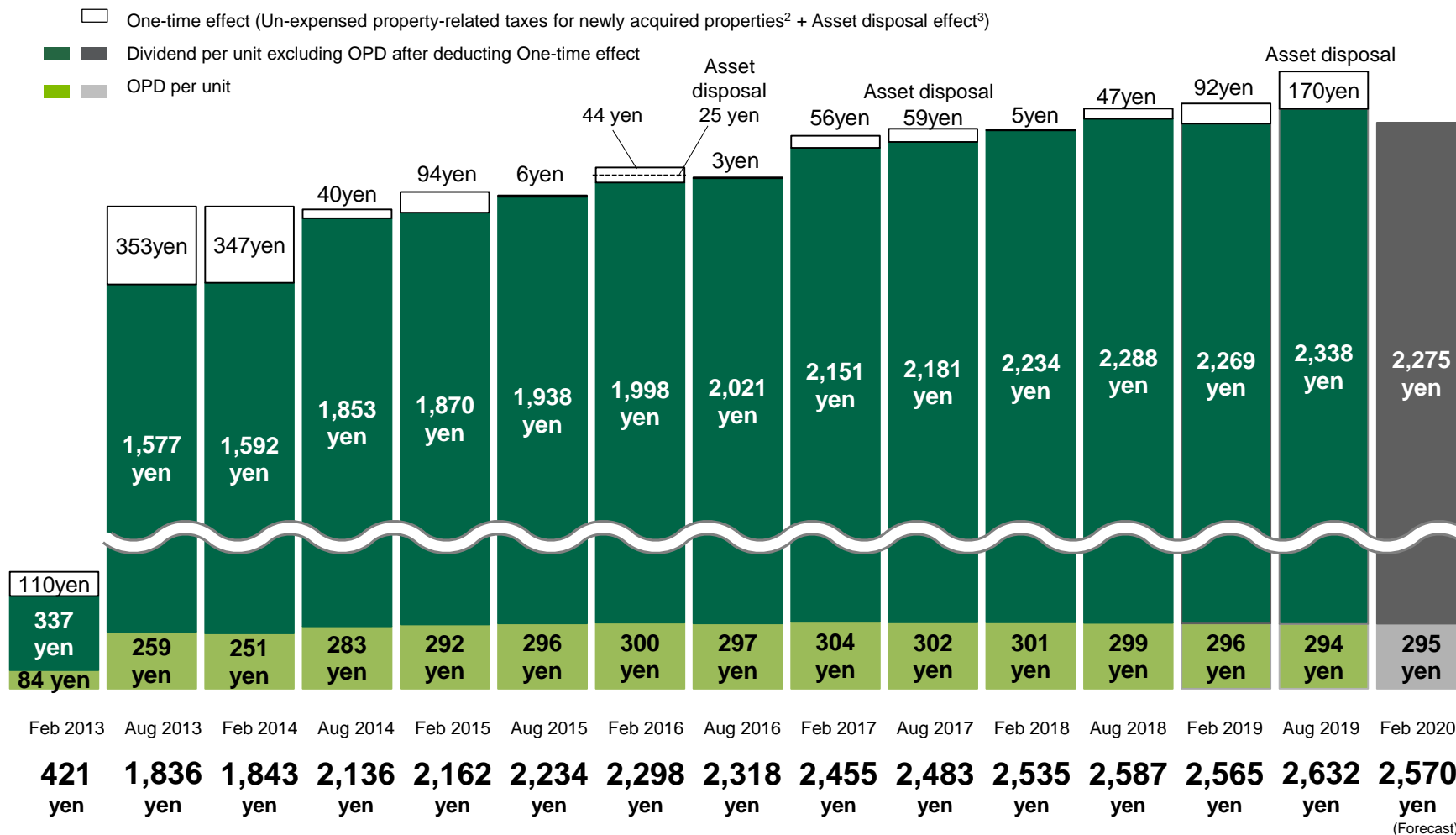
**531** **2,189** **2,190** **2,176** **2,256** **2,240** **2,367** **2,321** **2,511** **2,542** **2,540** **2,634** **2,657** **2,802** **2,570**

yen yen yen yen yen yen yen yen yen yen yen yen yen yen yen

(forecast)  
Announced  
on Oct. 16,  
2019

(forecast)  
Announced  
on Oct. 16,  
2019

## Change in DPU excluding one-time effect<sup>1</sup>



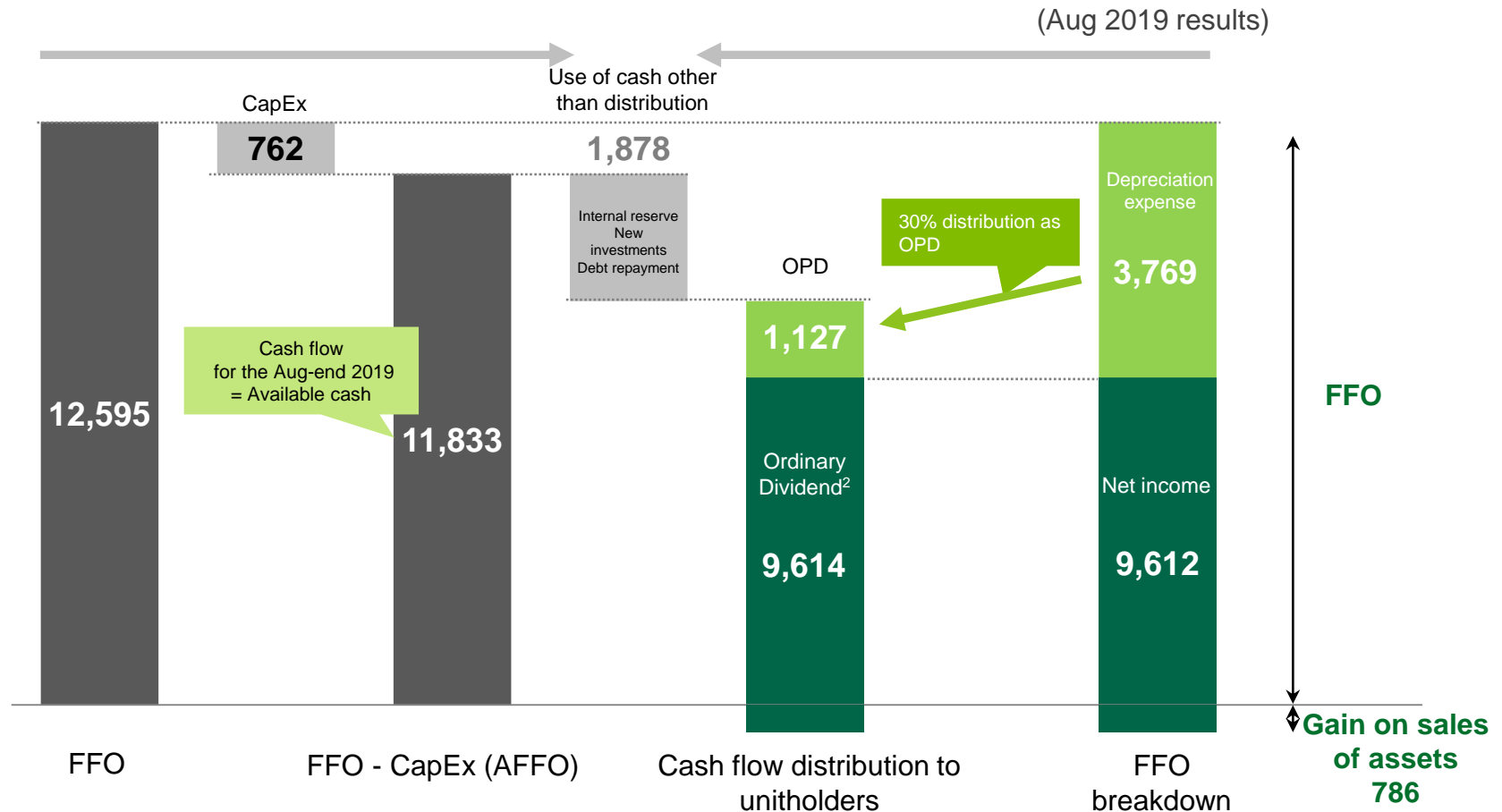
1. "One-time effect" includes un-expensed property-related taxes for newly acquired properties and asset disposal effect

2. When GLP J-REIT acquires properties, property-related taxes etc. to be charged to the properties for the year of acquisition are capitalized as a part of acquisition costs and, hence, are not be recognized as an expense. This "un-expensed real estate taxes for newly acquired properties" in this page is computed by allocating the forecasted amount of real estate taxes etc. charged in the following year of the acquisition based on holding period. All "One-time effect" in this page are un-expensed real estate taxes for newly acquired properties, except 25 yen in Fiscal Period ended February 2016 and 59 yen in Fiscal Period ended August 2017, as well as 170 yen in Fiscal Period ending August 2019 which are asset disposal effect.

3. Asset disposal effect = Gain on sales of assets - Non-deductible portion of consumption taxes. Asset disposal effect is 25 yen in the Fiscal Period ended February 2016 and 59 yen in the Fiscal Period ended August 2017 as well as 170 yen in the Fiscal Period ending August 2019. The value for the Fiscal Period ended August 2017 and August 2019 includes one-time costs due to cancellation of interest rate swaps, etc.

Announced on Oct 16, 2019  
 Announced on Oct 16, 2019

## OPD to ensure sustainable and efficient cash allocation



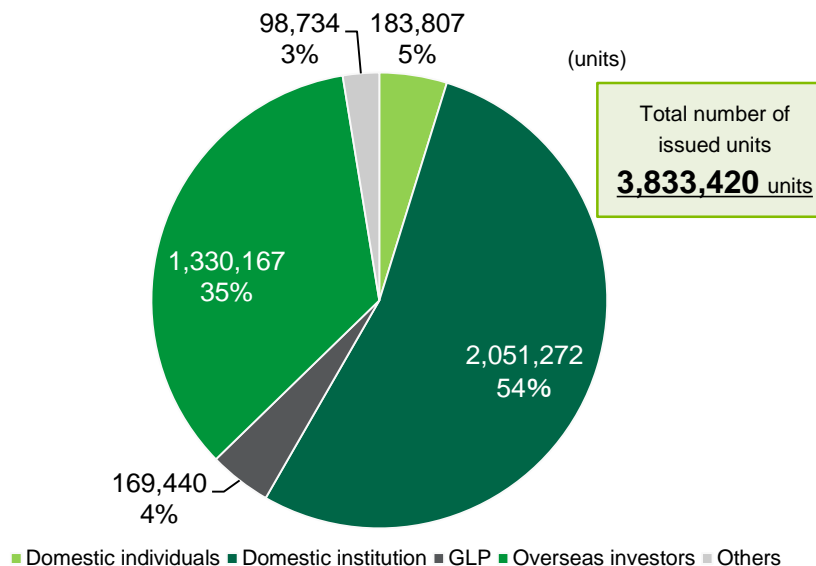
1.Amounts (actual results for Aug-end 2019) are rounded down to the nearest million yen.

2.Ordinary dividend includes unappropriated retained earnings.

# Unitholder composition

(as of August-end 2019)

## Number of Units held by Unitholders<sup>1</sup>



## Major Investors<sup>2</sup>

Name	Number of investment units held (units)	Percentage of Units Issued and Out-standing (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	624,891	16.3%
The Master Trust Bank of Japan ,Ltd. (Trust Account)	585,702	15.2%
J.P.MORGAN BANK LUXEMBOURG S.A. 384500	321,481	8.3%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	148,623	3.8%
GLP CAPITAL JAPAN 2 PRIVATE LIMITED	132,240	3.4%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	104,204	2.7%
STATE STREET BANK AND TRUST COMPANY 505223	52,226	1.3%
SSBTC CLIENT OMNIBUS ACCOUNT	49,707	1.2%
BNYM AS AGT/CLTS 10 PERCENT	47,011	1.2%
STATE STREET BANK WEST CLIENT – TREATY 505234	43,534	1.1%
<b>Total</b>	<b>2,109,619</b>	<b>55.0%</b>

## Number of Unitholders

(Unit: persons)	2nd period	3rd period	4th period	5th period	6th period	7th period	8th period	9th period	10th period	11th period	12th period	13th period	14th period	15th period
Financial institutions	69	71	90	91	128	122	127	144	151	152	149	172	182	187
Domestic companies	290	208	227	224	293	271	275	247	239	244	241	306	332	316
Overseas companies/ individuals	159	191	225	260	272	276	294	292	260	248	287	287	290	326
Individuals, etc.	14,068	11,768	11,449	11,814	14,816	14,513	15,218	13,630	13,871	13,944	13,633	17,055	18,157	16,950
<b>Total</b>	<b>14,586</b>	<b>12,238</b>	<b>11,991</b>	<b>12,389</b>	<b>15,509</b>	<b>15,182</b>	<b>15,914</b>	<b>14,313</b>	<b>14,521</b>	<b>14,588</b>	<b>14,310</b>	<b>17,820</b>	<b>18,961</b>	<b>17,779</b>

1.Percentages are rounded to the unit

2.Percentages are rounded down to the first decimal place



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