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For Immediate Release

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

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

**Amendment of Forecasts Concerning Operating Status and Distribution  
 for the Fiscal Periods Ending February 28, 2021 and Ending August 31, 2021**

GLP J-REIT announces today an amendment to its forecasts for the fiscal period ending February 28, 2021 (from September 1, 2020 to February 28, 2021) and the fiscal period ending August 31, 2021 (from March 1, 2021 to August 31, 2021), which was announced on October 13, 2020.

Details

1. Amendment of Forecasts Concerning Operating Status and Distribution

(1) Amendment to the forecast concerning operating status and distribution for the fiscal period ending February 28, 2021

	Operating revenue (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (yen) (including optimal payable distributions)	Distributions per unit (yen) (excluding optimal payable distributions) (Note 1)	Optimal payable distribution per unit (yen) (Note 1)
Previous forecast (A)	20,823	11,466	10,362	10,361	2,887	2,601	286
Amended forecast (B)	21,902	12,205	10,969	10,968	2,945	2,525	420
Increase or decrease (B-A)	+1,078	+739	+606	+606	+58	-76	+134
Rate of increase or decrease	+5.2%	+6.4%	+5.9%	+5.9%	+2.0%	-2.9%	+46.9%

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(2) Amendment to the forecast concerning operating status and distribution for the fiscal period ending August 31, 2021

	Operating revenue (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (yen) (including optimal payable distributions)	Distributions per unit (yen) (excluding optimal payable distributions)	Optimal payable distribution per unit (yen)
Previous forecast (A)	19,621	10,306	9,195	9,193	2,594	2,308	286
Amended forecast (B)	22,189	11,729	10,432	10,431	2,691	2,401	290
Increase or decrease (B – A)	+2,567	+1,422	+1,237	+1,237	+97	+93	+4
Rate of increase or decrease	+13.1%	+13.8%	+13.5%	+13.5%	+3.7%	+4.0%	+1.4%

(Reference)

Fiscal period ending February 28, 2021: Forecast number of investment units issued and outstanding at period-end: 4,343,664 units (3,982,980 units as of the time of the previous announcement)

Fiscal period ending August 31, 2021: Forecast number of investment units issued and outstanding at period-end: 4,343,664 units (3,982,980 units as of the time of the previous announcement)

(Notes)

- The amount of distribution per unit (excluding optimal payable distributions) for the fiscal period ending February 28, 2021 is expected to decrease temporarily due to the financing such as the issuance of new investment units and borrowings. Therefore, optimal payable distribution per unit for the fiscal period ending February 28, 2021 is calculated by assuming that a temporary optimal payable distribution of 143 yen per unit will be implemented in addition to the continuous optimal payable distribution for the fiscal period. For the details, please refer to attachment: "Assumptions Underlying the Forecasts for the Fiscal Periods Ending February 28, 2021 and Ending August 31, 2021".
- The forecasts are calculated based on the assumptions stated in attachment: "Assumptions Underlying the Forecasts for the Fiscal Periods Ending February 28, 2021 and Ending August 31, 2021." The actual operating revenue, operating income, ordinary income, net income, distributions per unit and optimal payable distributions per unit may vary due to future acquisition or sale of real estate and other assets, trends in the real estate and other markets, additional issuance of new investment units, changes in other circumstances surrounding GLP J-REIT and other factors. In addition, the forecasts are not intended to guarantee the amount of distributions or optimal payable distributions.
- GLP J-REIT may revise its forecasts in the event that it expects discrepancies beyond a certain level from the forecast above.
- Figures are rounded down and percentages are rounded to the nearest decimal place.

2. Reasons for the Amendment

Due to the issuance of new investment units, which was announced today in the "Issuance of New Investment Units and Secondary Offering of Investment Units", as well as the acquisition of assets (hereinafter referred to as the "Assets to be Acquired"), which was announced today in the "Acquisition of Assets and Lease Contract with New Tenants", the assumptions underlying the forecasts for the fiscal periods ending February 28, 2021 and ending August 31, 2021 announced on October 13, 2020 have been changed. Therefore, the forecasts for the fiscal periods ending February 28, 2021 and ending August 31, 2021 have been amended.

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

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**Assumptions Underlying the Forecasts for  
the Fiscal Periods Ending February 28, 2021 and Ending August 31, 2021**

Item	Assumption
Calculation period	18 <sup>th</sup> Fiscal Period (from September 1, 2020 to February 28, 2021) (181 days) 19 <sup>th</sup> Fiscal Period (from March 1, 2021 to August 31, 2021) (184 days)
Portfolio Assets	<ul style="list-style-type: none"> <li>The forecasts are based on the assumption that in addition to the trust beneficiary interests mainly consisting of real estate (77 properties as of today, decreasing in number due to the disposition of beneficiary interest in GLP Hatsukaichi on October 9, 2020 from 78 properties as of the end of August 2020), GLP J-REIT will acquire on December 11, 2020 the trust beneficiary interests for the Assets to be Acquired by the proceeds raised through the issuance of investment units as resolved at the meeting of the board of directors of GLP J-REIT held on November 24, 2020, borrowings to be made in December 2020 (as defined below in “Interest-bearing liabilities”) and cash on hand, totaling to the 83 properties, after which there will be no change in the assets under management (acquisition of new property, disposition of property held, etc.) until the end of August 2021. However, in reality, there is the possibility of fluctuation due to acquisition of new properties other than those mentioned above or disposal of properties.</li> </ul>
Number of outstanding investment units	<ul style="list-style-type: none"> <li>The forecasts are based on the assumption that in addition to the 3,982,980 units currently issued and outstanding, 360,684 new investment units will be issued, which is the sum of the new investment units issued through the offering (upper limit: 345,346 units) (investment units to be underwritten and purchased by the domestic underwriters and the international managers in the domestic and overseas offerings and investment units to be additionally issued, which are subject to the right to purchase granted to the international managers) and the new investment units issued through a third-party allotment (upper limit: 15,338 units), which has been resolved at the meeting of the board of directors held on November 24, 2020.</li> </ul>
Interest-bearing liabilities	<ul style="list-style-type: none"> <li>The balance of interest-bearing liabilities of GLP J-REIT is 283,900 million yen as of today.</li> <li>We assumed that on December 11, 2020, we would borrow 46,870 million yen in total (including short-term borrowing amount of 5,000 million yen, hereinafter referred to as the “borrowings to be made in December 2020” and such short-term borrowings are hereinafter referred to as the “short-term borrowings to be made in December 2020”).</li> <li>We assumed that with respect to the short-term borrowings to be made in December 2020, we would prepay 2,120 million yen at the end of January 2021 using the funds procured by the issuance of investment units by way of a third-party allotment in connection with the over-allotment option in the domestic offering.</li> <li>We assumed that with respect to the remaining 2,880 million yen of the short-term borrowings to be made in December 2020 after the partial prepayment above, we would refinance and prepay its whole amount by issuing investment corporation bonds or using new borrowings during the fiscal period ending August 31, 2021.</li> <li>We assumed that we would refinance on the maturity date investment corporation bonds maturing on December 25, 2020 in the amount of 4,500 million yen by using new borrowings or issuing investment corporation bonds.</li> <li>We assumed that we would refinance the borrowings maturing in April 2021 in the amount of 3,800 million yen by issuing investment corporation bonds or using new</li> </ul>

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Item	Assumption
	<p>borrowings during the fiscal period ending August 31, 2021.</p> <ul style="list-style-type: none"> <li>Consequently, LTV as of the end of the fiscal period ending February 28, 2021 is expected to be around 44.4% (we expected around 44.4% as the LTV of the fiscal period ending February 28, 2021 on our previous forecast as of October 13, 2020), while LTV as of the end of the fiscal period ending August 31, 2021 is expected to be around 44.5% (we expected around 44.6% as the LTV of the fiscal period ending August 31, 2021 on our previous forecast as of October 13, 2020).</li> </ul> <p>The following formula is used for calculating LTV:  <math display="block">\text{LTV (\%)} = \frac{\text{the balance of interest-bearing liabilities}}{\text{total assets}} \times 100 (\%)</math></p>
Operating revenue	<ul style="list-style-type: none"> <li>We assumed that 1,078 million yen would be recorded for the fiscal period ending February 28, 2021 as gain on sales of property and equipment concerning the disposition of beneficiary interest in GLP Hatsukaichi on October 9, 2020.</li> <li>We assumed no impact on operating revenue from COVID-19 pandemic because of the absence of rent decreases related to the pandemic as of today.</li> <li>The lease of the solar panels installed at the real estate employs variable rent calculated taking the effect of seasonal factors into consideration. We assumed the operating revenue from the solar panels is 378 million yen for the fiscal period ending February 28, 2021 and 614 million yen for the fiscal period ending August 31, 2021.</li> <li>Operating revenue is premised on the assumption that there will be no delay or failure in the payment of rents by lessees.</li> </ul>
Operating expense	<ul style="list-style-type: none"> <li>With respect to property-related taxes (fixed assets tax, city planning tax and depreciable assets tax), which are levied on real estate holdings, etc., the amount of taxes that has been decided to be imposed and corresponds to the fiscal period concerned is recorded as rental expenses. However, when the real estate, etc. was acquired and the adjustment of property-related taxes (the “amount equivalent to property-related taxes, etc.”) with the seller is required for the year that belongs to the calculation period, the amount of the adjustment equivalent to property-related taxes, etc. will be included in the acquisition cost of the real estate. Accordingly, the property-related taxes (fixed assets tax, city planning tax and depreciable assets tax) for four properties (GLP Yokohama, GLP Kawajima, GLP Funabashi IV and GLP Higashi-Ogishima II) that were acquired in July 2020 and the Assets to be Acquired will not be recorded as expenses for the fiscal period ending February 28, 2021, and will be recorded from the fiscal period ending August 31, 2021. The total amount of the property-related taxes (fixed assets tax, city planning tax and depreciable assets tax), which will be included in the acquisition cost of the properties acquired in July 2020 is 80 million yen, and that of the Assets to be Acquired is expected to be 121 million yen.</li> <li>Property-related taxes are assumed to be 1,566 million yen for the fiscal period ending February 28, 2021, and 1,855 million yen for the fiscal period ending August 31, 2021.</li> <li>Repair costs are assumed to be 171 million yen for the fiscal period ending February 28, 2021, and 139 million yen for the fiscal period ending August 31, 2021.</li> <li>Property and facility management fees are assumed to be 762 million yen for the fiscal period ending February 28, 2021, and 815 million yen for the fiscal period ending August 31, 2021.</li> <li>Depreciation is assumed to be 4,010 million yen for the fiscal period ending February 28, 2021, and 4,208 million yen for the fiscal period ending August 31, 2021.</li> <li>Of rental expenses, which are the main operating expenses, expenses (excluding depreciation) have been calculated based on previous actual figures and reflect</li> </ul>

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Item	Assumption
	<p>the variable factors of expenses.</p> <ul style="list-style-type: none"> <li>• Please note that repair costs for each calculation period may differ significantly from the forecast amounts because 1) repair costs may be urgently required due to damage, etc. to buildings based on factors that are difficult to predict, 2) the amount for each fiscal period generally differs significantly, and 3) repair costs are not incurred periodically.</li> <li>• Depreciation, including incidental expenses and future additional capital expenditure, is calculated using the straight-line method.</li> </ul>
Net Operating Income (NOI)	<ul style="list-style-type: none"> <li>• NOI (the amount obtained by deducting rental expenses other than depreciation from operating revenue excluding gains on sales of property and equipment) is assumed to be 17,600 million yen for the fiscal period ending February 28, 2021, and 18,579 million yen for the fiscal period ending August 31, 2021.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• Interest expenses, investment corporation bond interest expenses, amortization of investment corporation bond issuance expenses and finance-related expenses are expected to be 1,116 million yen for the fiscal period ending February 28, 2021, and 1,243 million yen for the fiscal period ending August 31, 2021. Amortization of investment corporation bond issuance expenses is carried out on a monthly basis over the period from issuance to maturity and it is expected to be 13 million yen for the fiscal period ending February 28, 2021, and 15 million yen for the fiscal period ending August 31, 2021.</li> <li>• Amortization of investment unit issuance expenses is carried out on a monthly basis over three years after the month of issuance of new units, and is expected to be 67 million yen for the fiscal period ending February 28, 2021, and 51 million yen for the fiscal period ending August 31, 2021.</li> <li>• In addition, temporary expenses associated with the issuance of investment units are expected to be 50 million yen for the fiscal period ending February 28, 2021.</li> </ul>
Distributions per unit (excluding optimal payable distributions)	<ul style="list-style-type: none"> <li>• This amount is calculated based on the policy on cash distributions that is stipulated in the internal regulations of GLP J-REIT.</li> <li>• There is a possibility that the amount of distributions per unit (excluding optimal payable distributions) will vary due to various factors such as changes in assets under management, fluctuation in rental revenues owing to changes in tenants, unexpected repairs, fluctuation in interest rates, and the issuance of new investment units.</li> </ul>
Optimal payable distribution per unit	<ul style="list-style-type: none"> <li>• All of the amount of optimal payable distribution per unit for the fiscal periods ending February 28, 2021 and ending August 31, 2021 is assumed to be the refund of its investment categorized as a distribution from unitholders' capital for tax purposes.</li> <li>• We intend to continuously distribute optimal payable distribution, taking into consideration the assumed amount of capital expenditure for each fiscal period based on our long-term repair plan, as a cash distribution in excess of earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) to the extent that it does not affect our long-term repair plan or adversely affect our financial condition, in an amount equal to approximately 30% of depreciation expense recorded in the fiscal period immediately preceding the fiscal period in which the distribution will be implemented. Optimal payable distribution per unit (continuous optimal payable distribution) is calculated in accordance with the policy on cash distributions in excess of earnings, which is provided in the Management Guidelines, the internal rules of our asset management company. It is calculated by assuming distributions (continuous optimal payable distribution) of around 30% of depreciation expected to be recorded in the fiscal period ending February 28, 2021, 30% of depreciation to be recorded in the fiscal period ending August 31, 2021, respectively.</li> </ul>

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Item	Assumption
	<ul style="list-style-type: none"> <li>• Depreciation may differ from the currently assumed amount due to changes in assets under management, incurred amount of incidental expenses, etc. and capital expenditure, etc. There is, therefore, a possibility that the total amount of optimal payable distributions, which is calculated based on depreciation, will change due to various factors including those mentioned above. GLP J-REIT has set the upper limit of optimal payable distributions at the amount obtained by deducting capital expenditure incurred in the calculation period when depreciation was recorded from the depreciation, in order to preserve the value of the assets held by GLP J-REIT. Accordingly, if capital expenditure is urgently required due to damage, etc. to buildings based on factors that are difficult to predict, there is a possibility that the amount of optimal payable distributions per unit (continuous optimal payable distribution) will decrease.</li> <li>• In addition to the amount of the continuous optimal payable distribution as described above, depending on the circumstances, we may also make temporary distributions for the purpose to stabilize the level of distribution per unit in cases where the amount of distribution per unit is expected to decrease temporarily to a certain degree due to a financing transactions, such as the issuance of new investment units or investment corporation bonds or loans, an increase in loss on the retirement of buildings or equipment, an incurrence of significant repair costs or other reasons. For the fiscal period ending February 28, 2021, we expect a temporary decrease in distribution per unit due to the procurement of funds through the issuance of new investment units and borrowing. Therefore, in addition to the above-mentioned continuous optimal payable distribution, we assume that a temporary distribution of 143 yen per unit will be implemented in the fiscal period ending February 28, 2021.</li> <li>• Provided, however, that the total amounts of such optimal payable distributions may not exceed the amount prescribed under the rules of the Investment Trusts Association, Japan.</li> <li>• If the amount generated by the following formula exceeds 60%, GLP J-REIT will not pay out optimal payable distributions.  <math display="block">A/B \times 100 (\%)</math> <p>A = the balance of interest-bearing liabilities at the end of the fiscal period (including the balance of investment corporation bonds and the balance of short-term investment corporation bonds) + amount of security deposits released as of the end of the fiscal period</p> <p>B = total amount of appraisal value or investigated value of assets under management as of the end of the fiscal period + cash on hand as of the end of the fiscal period – total amount of expected distributions of earnings – total amount of expected optimal payable distributions</p> <p>The total amount of expected distributions of earnings and the total amount of expected optimal payable distributions are based on the actual amount for the latest fiscal period.</p> </li> </ul>
Others	<ul style="list-style-type: none"> <li>• The forecasts assume that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations prescribed by the Tokyo Stock Exchange, and the rules, etc. established by the Investment Trusts Association, Japan that will influence the above forecasts.</li> <li>• The forecasts assume that there will be no unforeseen material changes in general economic trends and real estate market conditions, etc.</li> </ul>

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