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For Immediate Release

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**Status Updates for GLP Maishima II and  
Amendment of Forecasts Concerning Operating Status and Distribution for  
the Fiscal Periods Ending February 28, 2022 and Ending August 31, 2022**

GLP J-REIT announces today the obtainment of the report from the construction company of GLP Maishima II, which indicates the building of GLP Maishima II, owned by GLP J-REIT and was suffered by the fire (the "Fire") on November 29, 2021, is no longer usable even repair and maintenance works are carried out going forward. Based on the indication in the report, GLP J-REIT and the tenant, Hitachi Transport System West Japan Co., Ltd., agreed today to terminate the lease agreement at GLP Maishima II as of February 28, 2022. The scope of compensation and the timing of payment of insurance claims in connection with the fire insurance and the business interruption insurance (the "Insurance") for GLP Maishima II will take time to be determined.

In accordance with those events, GLP J-REIT is expected to capture the extraordinary loss for GLP Maishima II and to amend its forecast for the fiscal periods ending February 28, 2022 (from September 1, 2021 to February 28, 2022) and ending August 31, 2022 (from March 1, 2022 to August 31, 2022), announced on December 13, 2021. The details are as follows.

## 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, 2022

	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 distributions per unit (yen)
Previous forecast (A)	24,819	13,788	12,466	12,464	3,069	2,775	294
Amended forecast (B)	24,658	14,117	12,799	8,380	3,141	1,866	1,275
Increase or decrease (B-A)	(160)	+328	+333	(4,083)	+72	(909)	+981
Rate of increase or decrease	(0.6%)	+2.4%	+2.7%	(32.8%)	+2.3%	(32.8%)	+333.7%

### (2) Amendment to the forecast concerning operating status and distribution for the fiscal period ending August 31, 2022

	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 distributions per unit (yen)
Previous forecast (A)	24,650	13,477	12,121	12,120	2,995	2,699	296
Amended forecast (B)	24,543	12,930	11,594	16,393	3,017	2,667	350
Increase or decrease (B-A)	(107)	(547)	(526)	+4,273	+22	(32)	+54
Rate of increase or decrease	(0.4%)	(4.1%)	(4.3%)	+35.3%	+0.7%	(1.2%)	+18.2%

(Notes)

- The forecasts are calculated based on the assumptions stated in Attachment 1: "Assumptions Underlying the Forecasts for the Fiscal Periods Ending February 28, 2022 and 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. Especially, the actual amount and coverages of the Insurance is not determined yet today and the insurance amount included in the forecast for the period ending August 31, 2022 may be different from the actual amount. The estimated loss and income are calculated

based on the available information as of today, which may be different from the actual amount. The Forecast should not be deemed a commitment or a guarantee of the amount of distributions and optimal payable distributions.

2. GLP J-REIT may revise its forecasts in the event that it expects discrepancies beyond a certain level from the forecast above.
3. Figures are rounded down and percentages are rounded to the nearest decimal place.

## 2. Reasons for the Amendment

### (1) Amendment to the forecast concerning operating status and distribution for the fiscal period ending February 28, 2022

Since the Fire burned down the building of GLP Maishima II, GLP J-REIT will record an extraordinary loss from the Fire (the "Fire Loss") of 4,417 million yen for the February 2022 Fiscal Period. The amount of the Fire Loss shall be equivalent to the book value of a trust certificate of tangible assets (i.e. the building and other ancillary equipment/facilities, excluding land) in connection with GLP Maishima II.

As of today, the scope of compensation and the timing of payment of insurance claims in connection with the Insurance covering GLP Maishima II are yet to be determined. Therefore, GLP J-REIT will not record the fire insurance income in the February 2022 Fiscal Period.

On the other hand, according to general J-REIT tax practices, the Fire Loss is not deductible from GLP J-REIT's taxable income until the fire insurance income is recorded. Therefore, for the February 2022 Fiscal Period, a discrepancy between GLP J-REIT's taxation and accounting (the "Tax-Accounting Discrepancy") will occur where GLP J-REIT's taxable income will materially exceed the accounting profit by the amount of the Fire Loss. According to the J-REIT tax code, GLP J-REIT loses its tax-exempt status in case it fails to distribute more than 90% of its taxable income in each fiscal period.

Accordingly, to prevent the loss of GLP J-REIT's tax-exempt status and avoid leakage of unitholders' value, GLP J-REIT is planning to increase the amount of its optimal payable distributions for the February 2022 Fiscal Period by 4,414 million yen which is approximately equivalent to the amount of the Fire Loss. This tax/distribution treatment is called the "Allowance for Temporary Difference Adjustments" ("ATA"), as defined by the J-REIT tax code.

Therefore, the forecasts for the February 2022 Fiscal Period have been amended at this point.

### (2) Amendment to the forecast concerning operating status and distribution for the fiscal period ending August 31, 2022

GLP J-REIT is expected to record the fire insurance income of 4,800 million yen, the amount of which is based on our best knowledge as of today, as extraordinary income for the August 2022 Fiscal Period. As the amount of the fire insurance income is determined, the Tax-Accounting Discrepancy shall be resolved since the Fire Loss shall be accounted as a deduction from GLP J-REIT's taxable income.

Accordingly, GLP J-REIT is expected to counter-record the full amount of ATA, 4,414 million yen, at the time of distributions payment for the August 2022 Fiscal Period. The subject counter-record of ATA shall reduce the amount of GLP J-REIT's distributions, which is, however, primarily offset by the fire insurance income.

Therefore, the forecasts for the August 2022 Fiscal Period have been amended at this point.

Distributions per unit including optimal payable distributions is expected to be increased from the previous forecast for the fiscal period ending February 28, 2022 and ending August 31, 2022 mainly due to the progress of leasing activity and decrease of asset management fee.

The breakdowns of distributions per unit for the fiscal period ending February 28, 2022 and ending August 31, 2022 are described in the attachment 2 titled "Components of Distributions in the Forecast Assumptions".

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

**Assumptions Underlying the Forecasts for  
the Fiscal Periods Ending February 28, 2022 and Ending August 31, 2022**

Item	Assumption
Calculation period	<ul style="list-style-type: none"> <li>• 20<sup>th</sup> Fiscal Period (from September 1, 2021 to February 28, 2022) (181 days)</li> <li>• 21<sup>st</sup> Fiscal Period (from March 1, 2022 to August 31, 2022) (184 days)</li> </ul>
Portfolio assets	<ul style="list-style-type: none"> <li>• GLP J-REIT transferred trust beneficiary interests in GLP Fukusaki in two separate transactions on December 28, 2021 and March 1, 2022, from the trust beneficiary interests in real estate (86 properties) held by GLP J-REIT as of August 31, 2021, to bring the total number of assets held by GLP J-REIT to 85 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 2022.</li> <li>• The trust beneficiary interests in land included in the portfolio for GLP Maishima II after November 30, 2021 since the Fire burned down the building of GLP Maishima II on November 29, 2021.</li> <li>• There is a 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>• It is assumed to be 4,490,369 units, which is the number of investment units issued and outstanding as of today.</li> </ul>
Interest-bearing liabilities	<ul style="list-style-type: none"> <li>• The outstanding of interest-bearing liabilities of GLP J-REIT is 346,520 million yen as of today.</li> <li>• It is assumed that LTV as of the end of the 20th Fiscal Period will be 44.4% (the estimated LTV as of December 13, 2021: 44.1%) and LTV as of the end of the 21st Fiscal Period will be 44.3% (the estimated LTV as of December 13, 2021: 44.3%).</li> </ul> <p style="margin-left: 20px;">The following formula is used to compute LTV.  <math display="block">\text{LTV} = (\text{Balance of interest-bearing liabilities} / \text{Total assets}) \times 100 (\%)</math></p>
Operating revenue	<ul style="list-style-type: none"> <li>• Due to the disposition of trust beneficiary interest in GLP Fukusaki on December 28, 2021 and March 1, 2022, GLP J-REIT is expected to recognize gains on sales of property of 1,511 million yen in the 20th Fiscal Period and 1,518 million yen in the 21st Fiscal Period, respectively.</li> <li>• No impact is assumed 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 on the properties employs variable rent calculated taking the effect of seasonal factors into consideration. We assumed the operating revenue from the solar panels is 418 million yen for the 20th Fiscal Period and 634 million yen for the 21st Fiscal Period.</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> <li>• Rent is assumed to be paid based on the lease agreement for GLP Maishima II till February 28, 2022, and no rent payment is assumed in the 21st Fiscal Period.</li> </ul>

Item	Assumption
Operating expense	<ul style="list-style-type: none"> <li>• With respect to taxes on property and equipment (fixed asset tax, city planning tax and depreciable asset tax on real estate, etc. hereinafter “property-related taxes”) held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant accounting period are recognized as rental expenses. However, if property and equipment is newly acquired and adjusted amounts of property-related taxes for the year under the same accounting period (the “amounts equivalent to property-related taxes”) arise between GLP J-REIT and the transferor, the relevant adjusted amounts are capitalized as part of the acquisition cost of the relevant property. Accordingly, as to four properties (GLP Zama, GLP Niiza, GLP Sayama Hidaka I and GLP Rokko IV) acquired in July 2021, the corresponding property-related taxes, in the amount of 103 million yen, are assumed to be accounted for as expenses in the 21st Fiscal Period instead of the 20th Fiscal Period. The amount of property-related taxes capitalized as part of the acquisition cost is 98 million yen.</li> <li>• Taxes and dues are expected to be 1,821 million yen for the 20th Fiscal Period and 1,915 million yen for the 21st Fiscal Period.</li> <li>• Repair and maintenance expenses are expected to be 123 million yen for the 20th Fiscal Period and 98 million yen for the 21st Fiscal Period.</li> <li>• Property and facility management fees are expected to be 880 million yen for the 20th Fiscal Period and 866 million yen for the 21st Fiscal Period.</li> <li>• Depreciation is expected to be 4,372 million yen for the 20th Fiscal Period and 4,340 million yen for the 21st Fiscal Period.</li> <li>• Of rental expenses, which are the main operating expenses, expenses (excluding depreciation) have been calculated based on previous actual figures and reflect the variable factors of expenses.</li> <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 calculated by deducting rental expenses, excluding depreciation and loss on retirement of noncurrent assets, from operating revenues excluding gain on sales of property and equipment) is expected to be 19,402 million yen for the 20th Fiscal Period and 19,035 million yen for the 21st Fiscal Period.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• The total amount of interest expenses on loans, interest expenses on investment corporation bonds, amortization of investment corporation bonds issuance expenses and other finance-related expenses are expected to be 1,271 million yen for the 20th Fiscal Period and 1,285 million yen for the 21st Fiscal Period. Investment corporation bonds issuance expenses are amortized monthly for the period from issuance to redemption.</li> <li>• Investment unit issuance expenses are amortized monthly for three years from occurrence, and amortization expenses are expected to 45 million yen for the 20th Fiscal Period and 45 million yen for the 21st Fiscal Period.</li> </ul>
Extraordinary Income	<ul style="list-style-type: none"> <li>• Fire insurance income of 4,800 million yen shall be recorded as extraordinary income for the 21st Fiscal Period.</li> </ul>

Item	Assumption
Extraordinary Losses	<ul style="list-style-type: none"> <li>4,417 million yen shall be recorded as an extraordinary loss in the 20th Fiscal Period, which is equivalent to the book value of a trust certificate of tangible assets in connection with the GLP Maishima II excluding land.</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 distributions per unit	<ul style="list-style-type: none"> <li>It is assumed that the optimal payable distributions in the 20<sup>th</sup> Fiscal period will be 5,725 million yen, calculated by summing the amount of the regular optimal payable distributions and the distributions of ATA. The optimal payable distributions in the 21<sup>st</sup> Fiscal period is assumed to be 1,571 million yen, which is calculated by summing the amount of the regular optimal payable distributions and the amount deducting the difference between the fire insurance income and the amount of counter-record of ATA from the lost profits by the Fire.</li> <li>We intend to continuously distribute optimal payable distributions, 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 distributions per unit (continuous optimal payable distributions) 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 distributions) of around 30% of depreciation expected to be recorded in the 20th Fiscal Period, and 30% of depreciation to be recorded in the 21st Fiscal Period, respectively.</li> <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 distributions) will decrease.</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">\text{Appraisal LTV (\%)} = \text{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> </li> </ul>

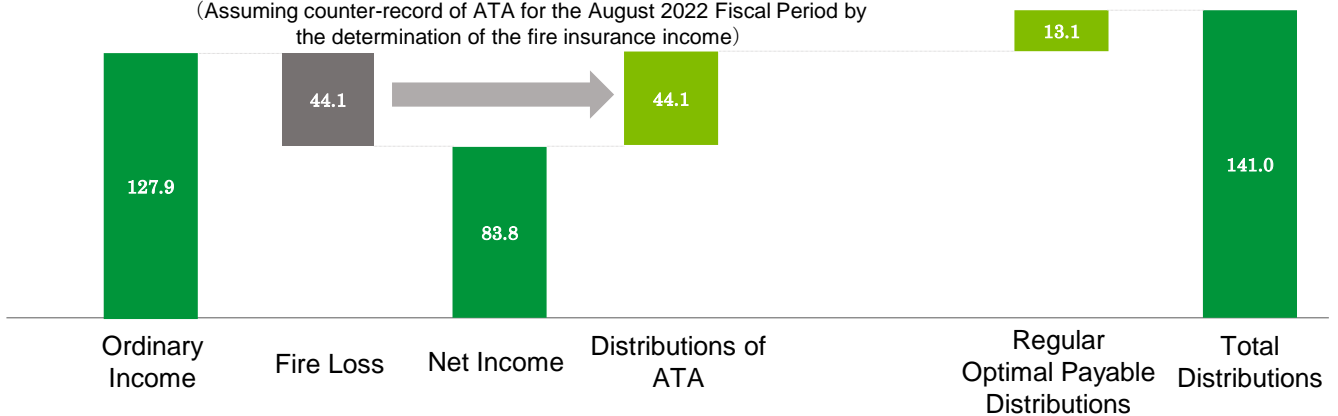
Item	Assumption
	<p>B = total amount of appraisal value or investigated value of assets under management as of the end of the fiscal period + cash on hand as of the end of the fiscal period – total amount of expected distributions of earnings – total amount of expected optimal payable distributions</p> <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>
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, which 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>

## Components of Distributions in the Forecast Assumptions

### February 2022 Fiscal Period Forecast

(100 million yen)

To protect GLP J-REIT's tax-exempt status, GLP J-REIT is planning to make optimal payable distributions by 4.41 billion yen as ATA, which is approximately equivalent to the amount of the Fire Loss  
(Assuming counter-record of ATA for the August 2022 Fiscal Period by the determination of the fire insurance income)



### August 2022 Fiscal Period Forecast

(100 million yen)

Deducting the difference between the fire insurance income and the amount of counter-record of ATA from the lost profits by the Fire as one-time optimal payable distributions

