

Green Bond / Green Bond Programme

Independent External Review Form

Section 1. Basic Information

Issuer name:

GLP J-REIT

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:

GLP J-REIT 12th Unsecured Bonds ("Green Bonds")

Independent External Review provider's name:

Japan Credit Rating Agency, Ltd.

Completion date of this form:

November 27, 2018

Publication date of review publication:

November 27, 2018

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|--|--|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

GLP J-REIT is a J-REIT that specializes in logistics facilities sponsored by GLP Japan Inc. (formerly Global Logistics Properties; GLPKK). GLP J-REIT was established in September 2011 and listed on the Tokyo Stock Exchange (Real Estate Investment Trusts market) in December 2012. As of September 3, 2018, GLP J-REIT had 76 assets with an aggregate amount acquisition price of JPY609.4bn. GLP J-REIT has built a strong

cooperative relationship with the sponsor. In the case of acquiring properties, GLP J-REIT has utilized the sponsor pipeline such as by focusing on properties that the sponsor develops and owns. It enables GLP J-REIT to make a growth.

GLP Group, which the sponsor belongs, owns a logistics facility portfolio in Japan, China, the United States, Europe and Brazil, and the sponsor, GLP Japan, substantially controls the business in Japan.

The GLP Group has established the "Environmental, Social and Governance (ESG) principles" and has an overarching commitment to integrate sustainability into the heart of its business practice. GLP Japan Advisors Co., Ltd., the asset management company of GLP J-REIT, has declared that it will operate asset management business of GLP J-REIT in accordance with the action guidelines stated above.

The bonds to be evaluated are specified investment corporation bonds issued by GLP J-REIT. The proceeds will be used to refinancing the loan which has been appropriated for acquisition of a logistics facility (Green Building) by GLP J-REIT.

The GLP J-REIT defines Green Building which constitute "Green Eligible Assets" that are applicable to green bonds under the Green Finance Framework. Properties that have obtained or are expected to obtain either three stars or more of DBJ Green Building Certification, B+ or more of CASBEE Certification, three stars or more of BELS Certification, or LEED assessment Silver or more can be classified as Green Building. JCR assesses that the definition of "Green Eligible Assets" established by GLP J-REIT covers buildings with environmental improvement effects.

JCR has confirmed that the assets to be refinanced by the bonds belong to "Green Eligible Assets" as defined in the Green Finance Framework of GLP J-REIT. Based on the Environmental Performance Assessment Report and interviews with GLP Japan Advisors, JCR has also confirmed that there are few possibilities of serious negative impact on the environment impacts that outweigh the environmental improvement effect. Based on the above, JCR has evaluated that use of proceeds of the bonds will contribute environmental improvements, including reductions in CO2 emissions.

GLP Japan Advisors, the asset management company of GLP J-REIT, has established a Sustainability Task Force in advance of each group company and plays a leading role within the group in ESG initiatives. As part of these efforts, the company actively obtains environmental assessments and certifications for acquired properties, accounting for more than half of the total. In addition, JCR has confirmed a robust management and operation system and high transparency for GLP J-REIT, such as when conducting due diligence at the time of property acquisition, GLP Japan Advisors has made into the rules for checking items related to sustainability and environmental protection and regular internal and external audits for audits.

As a result, JCR assigns "g1" for "Greenness Evaluation (Use of Proceeds)" and "m1" for "Management, Operation and Transparency Evaluation". Consequently, JCR assigns "Green1" as an overall preliminary evaluation results to the bonds. The bonds are considered to meet the standards for items required by the Green Bond Principles and the Green Bond Guidelines of The Ministry of Environment of Japan.

<https://www.jcr.co.jp/en/greenfinance/>

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

a. On the environmental improvement effects of the project

- i. 100% of proceeds will be for refinancing the loans for the acquisition of an asset that is classified as "Green Eligible Assets" which has environmental improvement effect.
- ii. The use of proceeds falls under the category of a green project defined in the Green Bond Principles or the Green Bond Guidelines of the Ministry of the Environment of Japan that are "energy efficient" or "green buildings which meet regional, national or internationally recognized standards or certifications".

b. Negative impact on Environment

JCR has confirmed that there are few possibilities of negative impact on the environment from logistics facilities where the use of proceeds will be allocated.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (please specify): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

GLP-J REIT have clear environmental goal, project selection criteria and process to determine the proceeds, which will be in the Amended Shelf Registration Statement and Shelf Registration Supplements for the issuance of the bonds and in the this Evaluation report composed by JCR.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

The proceeds of the bonds to be evaluated will be allocated for the refinancing of GLP Neyagawa in full amount, and will not be used for any other purposes.

Tracking of proceeds:

- | |
|--|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other <i>(please specify)</i> : |

Additional disclosure:

- | | |
|--|--|
| <input type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other <i>(please specify)</i> : |

4. REPORTING

Overall comment on section *(if applicable)*:

- a. Reporting on proceeds allocation
The proceeds of the bond will be immediately allocated to refinance the loans for the acquisition of GLP Neyagawa, so it is not currently assumed that the reports on unallocated proceeds will be made during the term.
- b. Impact reporting for environmental benefits

In the future, GLP J-REIT schedules to report environmental improvement effects by disclosing obtained valid environmental certifications in accordance with the Green Finance Framework. It schedules that the information is made public on its website.

Use of proceeds reporting:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Project-by-project
<input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> On a project portfolio basis
<input type="checkbox"/> Other <i>(please specify)</i> : |
|--|---|

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts
<input type="checkbox"/> Other <i>(please specify)</i> : | <input type="checkbox"/> Green Bond financed share of total investment |
|---|--|

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual
<input checked="" type="checkbox"/> Other <i>(please specify)</i> : | <input type="checkbox"/> Semi-annual |
|---|--------------------------------------|

All the proceeds will be allocated to the projects promptly after issuing the bonds.

Impact reporting:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Project-by-project
<input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> On a project portfolio basis
<input type="checkbox"/> Other <i>(please specify)</i> : |
|--|---|

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual
<input type="checkbox"/> Other <i>(please specify)</i> : | <input type="checkbox"/> Semi-annual |
|--|--------------------------------------|

Information reported (expected or ex-post):

- | | |
|--|--|
| <input type="checkbox"/> GHG Emissions / Savings
<input type="checkbox"/> Decrease in water use | <input type="checkbox"/> Energy Savings
<input checked="" type="checkbox"/> Other ESG indicators <i>(please specify)</i> :
<i>Acquired valid environmental certification</i> |
|--|--|

Means of Disclosure

- | | |
|--|---|
| <input type="checkbox"/> Information published in financial report
<input type="checkbox"/> Information published in ad hoc documents
<input checked="" type="checkbox"/> Reporting reviewed | <input type="checkbox"/> Information published in sustainability report
<input type="checkbox"/> Other <i>(please specify)</i> : |
|--|---|

Yes, both use of proceeds and impact reporting are subject to external review.

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

Sustainability practices of GLP Group

<http://www.glpja.com/en/sustainability.html>

JCR's website about green bond evaluation methodology

<https://www.jcr.co.jp/en/greenfinance/>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

Japan Credit Rating Agency, Ltd.

Date of publication:

November 27, 2018

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.