

———— Green Bond Evaluation by Japan Credit Rating Agency, Ltd. ————

Japan Credit Rating Agency, Ltd. (JCR) announces the following Green Bond Evaluation Results.

## JCR Assigned Green1 to Bonds Issued by GLP J-REIT

Subject	:	GLP J-REIT 13th Unsecured Bonds (Special pari passu conditions among investment corporation bonds) (Green Bonds)
Type	:	Investment Corporation Bonds
Issue Amount	:	JPY 8 billion
Interest Rate	:	0.608% (per annum)
Issue Date	:	July 8, 2019
Redemption Date	:	July 6 2029
Method of Repayment	:	Bullet
Use of Proceeds	:	Refinancing of logistics facilities with environmental certification

### <Green Bond Evaluation Results>

Overall evaluation	Green 1
Greenness Evaluation (use of proceeds)	g1
Management, Operation and Transparency Evaluation	m1

## Chapter 1: Evaluation Overview

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 March 29, 2019, GLP J-REIT has 75 assets with an aggregate amount acquisition price of JPY 607.9 billion. GLP J-REIT has built a strong cooperative relationship with the sponsor. In the case of acquiring properties, GLP J-REIT utilizes the sponsor pipeline such as by focusing on properties that the sponsor develops and owns to make a growth.

GLP Group (the “Group”), which the sponsor belongs, own a logistics facility portfolio in Japan, China, the United States, Europe, Brazil and India. GLP Japan, the sponsor, substantially controls the business in Japan.

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 ESG Policy stated above.

The bonds subject to this evaluation (the "Bonds") are investment corporation bonds (investment corporation bonds) issued by GLP J-REIT. The proceeds will be used to refinance the loan for acquisition of a logistics facility (Green Building).

GLP J-REIT defines Green Building which constitutes "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 properties with environmental improvement effects.

JCR has confirmed that the asset to be refinanced by the Bonds belongs to "Green Eligible Assets" as defined in the Green Finance Framework of GLP J-REIT. Based on the evaluation material of environmental certification and interviews with GLP Japan Advisors, JCR has also confirmed that there are few possibilities of serious negative impact on the environment that outweigh the environmental improvement effect. Based on the above, JCR has evaluated that the use of proceeds of the Bonds will contribute to environmental improvements, including reductions in CO<sub>2</sub> 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, it 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.

As a result, based on the JCR Green Bond Evaluation Methodology, JCR assigns "g1" for the evaluation of the "Greenness Evaluation (Use of Proceeds)" and "m1" for the evaluation of the "Management, Operation and Transparency Evaluation." Consequently, JCR assigns "Green1" for overall "JCR Green Bond Evaluation." Detailed evaluation results are discussed in the next chapter.

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.<sup>12</sup>

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<sup>1</sup> ICMA(International Capital Market Association) Green Bond Principles 2018  
<https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2018/Green-Bond-Principles---June-2018-140618-WEB.pdf>

<sup>2</sup> Ministry of the Environment Green Bond Guidelines 2017  
[http://greenbondplatform.env.go.jp/pdf/greenbond\\_guideline2017.pdf](http://greenbondplatform.env.go.jp/pdf/greenbond_guideline2017.pdf)

## Chapter 2: Current Status of the Project on Each Evaluation Factor and JCR's Evaluations

### Evaluation Phase 1: Greenness Evaluation

Based on the current status described below and JCR's evaluation of the subject, JCR evaluated 100% of the use of proceeds was green project, and assigned "g1", the highest rank for Phase 1: Greenness Evaluation.

#### (1) JCR's key consideration in this factor

In this section, JCR first assesses whether the proceeds will be allocated to green projects that have explicit improvement effects on environment. Next, JCR assesses whether an internal department/division which is exclusively in charge of environment issues or a third party agency prove it sufficiently and have taken necessarily workaround or mitigation measures, in case of possibility on the use of proceeds has negative impact on the environment. Finally, JCR confirms consistency with the Sustainable Development Goals (SDGs).

#### (2) Current status of evaluation targets and JCR's evaluation

##### Overview of Use of Proceeds

##### a. On the environmental improvement effects of the project

**i. 100% of proceeds will be for refinancing of the loan to acquire an asset that is classified as "Green Eligible Assets" which have environmental improvement effect.**

GLP J-REIT defines Green Eligible Assets as follows.

<p>Green Finance Framework, GLP Investment Corporation (excerpt)</p> <p>Green Eligible Assets for investment in Green Finance</p> <p>I. Green Building</p> <p style="padding-left: 20px;">DBJ Green Building Certification: Three Stars or more (top to third)</p> <p style="padding-left: 20px;">CASBEE: B+ or higher (top to third)</p> <p style="padding-left: 20px;">BELS: 3 or more (top to third)</p> <p style="padding-left: 20px;">LEED: Silver or higher (top to third)</p> <p>II. Renewable Energy power plants facilities</p>
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100% of the use of proceeds will be for the refinancing of the loan to acquire an asset that belongs to the Green Eligible Assets stipulated in the Green Finance Framework above, and the proceeds will be allocated to the following logistics facility (GLP Maishima II). The logistics facility has been evaluated and certified as S (Excellent) in CASBEE for Real Estate. GLP Maishima II is a property with highly energy efficiency in architecture, structure and equipment, along with resource conservation such as ice thermal storage systems as well as installed solar power generation facilities within the logistic facility. GLP J-REIT is also working with tenants to reduce energy consumption, both in hardware and software.

As a result, JCR evaluates this building as having highly environmental improvement effect.

## Property

Project name	GLP Maishima II
Location	2-1-92, Hokukoryokuchi, Konohana-ku, Osaka, Osaka
Principal uses	Logistic facility
Land area	24,783m <sup>2</sup>
Total floor area	52,934m <sup>2</sup>
Number of stories	6 floors
Completion	October 2006
Acquisition value (Note)	JPY 9,288 million
Environmental certification	CASBEE for Real Estate S
Features and environmental performance	<ul style="list-style-type: none"> <li>Logistics facility located 1.8km from the Hanshin Expressway "Wangan Maishima" IC.</li> <li>GLP Maishima II is a property with highly energy efficiency in architecture, structure and equipment, along with resource conservation such as ice thermal storage systems as well as installed solar power generation facilities within the logistic facility.</li> </ul>

(Note: The value consists of logistic facilities value and solar power facilities value)

**ii. The use of proceeds falls under the category of green projects defined in the Green Bond Principles or the Green Bond Guidelines of the Ministry of the Environment of Japan that are "energy efficiency" or "green buildings which meet regional, national or internationally recognised standards or certifications".**

According to a survey conducted by the World Green Building Council, carbon dioxide emissions from buildings account for 39% of total emissions. As a measure to prevent global warming in Japan, it is important to further promote green buildings with high energy efficiency performance that reduce CO<sub>2</sub> emissions from buildings. In addition, the Basic Energy Plan decided by the Cabinet of Japan in July 2018 stipulates that new housing and buildings will be obligated to comply with the Energy Efficiency Standards in stages by 2020.

Therefore, it is consistent with Japan's energy conservation policy that GLP J-REIT actively acquires properties with high environmental certification levels.

**b. Negative impact on the environment**

GLP Japan Advisors conducts due diligence and checks items related to sustainability and environmental protection when acquiring properties. Through confirmation of the evaluation materials of CASBEE for Real Estate certification and other documents and interviews with GLP Japan Advisors, JCR has confirmed that there are few possibilities of negative impact on the environment from a logistics facility which the use of proceeds will be allocated. In addition to this, JCR has confirmed that, in the event of a negative impact on the environment occurs, GLP Japan Advisors requests the seller to take corrective actions as a measure to avoid or mitigate such negative impact.

**c. Consistency with SDGs goals and Targets**

This project is classified into "Energy Efficiency" and "Green Buildings Which Meet Regional, National or Internationally Recognised Standards or Certifications" as defined in the Green Bond Principles or the Ministry

of the Environment's Green Bond Guidelines. Based on the SDGs mappings of the ICMA, JCR evaluated the project as contributing to the following SDGs targets and targets.



**Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all.**

**Target 7.3. By 2030, double the global rate of improvement in energy efficiency.**



**Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.**

**Target 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.**



**Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable.**

**Target 11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.**

(Reference) Certification System for Each Green Building

① CASBEE

CASBEE is an acronym for the English name of Comprehensive Assessment System for Built Environment Efficiency.

This is a method for evaluating and rating the environmental performance of buildings. In April 2001, the Comprehensive Environmental Evaluation Research Committee for buildings was established as a joint project with industry, government, and academia with the support of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism. Since then, the committee has been continuously conducting development and maintenance. In addition to CASBEE for Buildings and CASBEE for Urban Development, assessment tools include CASBEE for Real Estate developed to provide easy-to-understand environmental performance to the real estate market.

The evaluation results are divided into five grades: Rank S (Excellent), Rank A (Very Good), Rank B+ (Good), Rank B (Slightly Poor), and Rank C (Poor) (CASBEE-real estate scoring has four grades: Rank S (Excellent), Rank A (Very Good), Rank B+ (Good), and Rank B (Satisfaction of mandatory items)).

② DBJ Green Building Certification

A certification system provided by DBJ (Development Bank of Japan) that evaluates properties with environmental and social considerations. The evaluation results are expressed as the number of stars, and the evaluation axis is "Buildings with consideration for the environment and society." Each is represented by five stars (the best class in Japan), four stars (exceptionally high), three stars (excellent), two stars (high), and one star (satisfactory). Although it is not an environmental performance-specific evaluation, it is highly recognized in Japan and has a certain evaluation item regarding environmental performance. Therefore, JCR has evaluated this certification as equivalent to "Green buildings with regional, national or internationally recognized standards and certifications" in the category of green projects as defined in Green Bond Principle. However, since the certification is not limited to environmental performance, JCR believes that it is desirable to confirm the evaluation of environmental performance individually.

### ③ BELS

"BELS" is an acronym for the English name of Building-housing Energy-efficiency Labeling System.

In October 2013, the Ministry of Land, Infrastructure, Transport and Tourism formulated the "Guidelines for Labeling Energy Conservation Performance for Non-Residential Buildings (2013)." Based on these guidelines, a third-party organization was established with the purpose of properly evaluating and labeling the energy-saving performance of non-residential buildings. Subsequently, in July 2015, the Act on Improvement of Building Energy Consumption Performance (Building Energy Conservation Act) was promulgated, and Article 7 of the Act stipulates that business owner of housing business and other businesses selling or leasing buildings must make efforts to indicate the energy consumption performance of buildings. Along with the enforcement of the Act on the Rational Use of Energy in Buildings, BELS is positioned as a third-party certification system for the guideline for energy conservation performance labeling based on Article 7 of the Act. From April 2016, housing was added to the scope of evaluation and currently all new and existing buildings are subject to evaluation.

The evaluation results are expressed in stars by the achievement values of the energy efficiency standards.

They are represented by five stars, four stars, three stars (guidance criteria), two stars (energy efficiency criteria), and one star (existing energy efficiency criteria).

### ④ LEED

LEED is the Environmental Performance Assessment System for Construction and Urban Environments, development and operation by the U.S. Green Building Council (USGBC), a non-profit organization. As of 2019, there are buildings certifications in over 160 countries or territories.

"LEED" is an acronym for Leadership in Energy and Environment Design. The draft was published in 1996 and is updated once every few years.

There are five types of certification: BD+C (Architectural Design and Construction), ID+C (Interior Design and Construction), O+M (Operation and Maintenance of Existing Buildings), ND (Neighborhood Development), and HOMES (Home).

The authentication level is represented by the sum of the points acquire for each item and is from above Platinum (80 points or more), Gold (60-79 points), Silver (50-59 points), and Certified (40-49 points).

## Evaluation Phase 2: Management, Operation and Transparency Evaluation

Based on the current situation described below and JCR's evaluation of the subject, JCR evaluated that the management and operational system had been well developed, that transparency was very high, and that it was fully expected that the project would be implemented as planned and that the proceeds would be adequately allocated.

In Phase 2, JCR evaluated "m1" as the highest level in terms of management, operation and transparency.

## 1. Appropriateness and Transparency Concerning Selection Standard and Processes of the Use of Proceeds

### (1) JCR's key consideration in this factor

In this section, JCR confirms that the objectives to be achieved through the green bonds, the criteria for selecting green projects, the appropriateness of the process, and the series of processes are appropriately disclosed to investors.

### (2) Current status of evaluation targets and JCR's evaluation

#### a. Goal

GLP Group has established the ESG policy as the "Environmental and Social and Governance (ESG) Principles" and is available on the website of GLP Japan Advisors. GLP J-REIT, together with GLP Japan Advisors, an asset management company, actively engages in sustainability initiatives. The objective of GLP J-REIT is to realize the following items of the ESG Policy through the issuance of the Bonds.

- 2) Embedding material ESG risks and opportunities into decision-making
- 7) Taking the lead in building better communities
- 8) Creating a culture of entrepreneurial value creation
- 9) Protecting and enhancing the environment across all of our operations
- 11) Promoting Energy Efficiency & Renewables
- 12) Building sustainably certified new developments

The use of proceeds of the Bonds is the refinancing for the acquisition of GLP Maishima II and JCR considers that it is appropriate that objectives stated above to be realized through the issuance of the Bonds. It can be said as an example of implementing their ESG Policy that GLP Japan Advisors established the rules for checking items related to sustainability and environmental protection in the due diligence process when considering acquiring properties.

#### b. Selection standard

In the Green Finance Framework, GLP J-REIT's "Green Eligible Assets" selection criteria are new or existing operational assets that have acquired or are expected to acquire one of three stars or more of DBJ Green Building Certification, B+ or higher of CASBEE Certification, three stars or more of BELS assessment or Silver or higher of LEED Certification. JCR has evaluated these selection criteria are for properties with environmental improvements.

GLP Maishima II was selected by the Sustainability Task Force established within GLP Japan Advisors (see the next section for details) as a property that meets the Green Eligible Assets of GLP J-REIT.

### c. Processes

At GLP Japan Advisors, the Finance Team of the Corporate Planning Department submits a draft of a decision regarding the greenness of the green bonds, which are intended to be used for the acquisition of assets that belong to the "Green Eligible Assets" and the refinancing for the acquisition of such properties. After that, the Sustainability Task Force evaluates and determines the greenness.

The Sustainability Task Force was established in 2014 and consists of management level of GLP Japan Advisors such as the President, the head of the Investments Department and the head of Corporate Planning Department. It was established to formulate and implement ESG policies for GLP J-REIT. Specifically, it has the power to determine and revise the Green Finance Framework and Green Eligible Assets standards.

The goals, selection standard and processes of GLP J-REIT are to be disclosed in the Amended Shelf Registration Statement and Shelf Registration Supplements for the issuance of the Bonds and in the this evaluation report, schedule ensuring transparency to investors.



## 2. Appropriateness and Transparency of Management of the Proceeds

### (1) JCR's key consideration in this factor

The management method of the procured funds is usually assumed to be diverse by the issuer. JCR assesses whether the proceeds firmly allocated to the green project, the issuer has internal systems to easily track the allocation of the proceeds and the proceeds funded by the green bonds will be allocated to the green projects at once.

JCR also focuses on the evaluation of asset management of unallocated funds, as well as to confirming that the funds procured from the green bonds will be allocated to the green projects at an early stage.

### (2) Current status of evaluation targets and JCR's evaluation

- a. The proceeds of the Bonds will be allocated for the refinancing for the acquisition of GLP Maishima II in full amount, and will not be used for any other purposes.
- b. Regarding account management, JCR has confirmed that the Corporate Planning Department of GLP Japan Advisors will manage the use of proceeds, date, balances, etc. via electronic software such as Excel files. JCR has also confirmed that the proceeds of the bonds will be allocated to refinance the loans for the acquisition of GLP Maishima II as soon as possible after the funds are procured. Therefore, it is sufficient to implement the tracking management at the time of the allocation.
- c. GLP Japan Advisors entrusts cash receipts and disbursements to the trust bank, liability of administrative agents. Cash flow is approved by the CFO and the President of GLP Japan Advisors, and it is also possible to verify whether businesses were carried out as directed. Auditing firm also periodically checks whether the cash receipts and withdrawals have been duly made by the trust bank.
- d. GLP Japan Advisors conducts internal audits on a regular basis. In addition, JCR has confirmed that the accounting is subject to external audits by an auditing firm.
- e. The use of proceeds will be allocated for the refinancing of GLP Maishima II as soon as possible after the funding. Therefore, no unallocated proceeds will be generated.
- f. In case of the existence of unallocated proceeds which is generated by sale etc. before the redemption of the bonds, JCR has confirmed that GLP J-REIT will disclose any unallocated proceeds arising from the sale of GLP Maishima II on its website after the approval of the CFO. Unallocated proceeds will be kept as cash or cash equivalents until new uses of proceeds are appropriated.

JCR has confirmed that the funds management will be securely allocated to refinancing of the loan for the acquisition of GLP Maishima II, the account management is managed by GLP J-REIT in an appropriate manner, an internal audit and external audit system is in place and GLP J-REIT's website disclosures any unallocated proceeds. Therefore, JCR has evaluated that the appropriateness and transparency of management of the proceeds is high.

### 3. Reporting

#### **(1) JCR's key consideration in this factor**

In this section, JCR evaluates whether the disclosure system for investors, etc. before and after the issuance of green bonds is planned in a detailed and effective manner at the time of the issuance of the green bonds.

#### **(2) Current status of evaluation targets and JCR's evaluation**

##### **a. Reporting on the proceeds allocation**

The use of proceeds for the Bonds will be announced on the revised Shelf Registration Statement, Shelf Registration Supplements and on GLP J-REIT's website. In addition, the proceeds of the Bonds will be immediately allocated to refinance the loans for the acquisition of GLP Maishima II, so it is not currently assumed that the reports on unallocated proceeds will be made during the term. However, JCR has confirmed that in the event of a major change in circumstances, such as the occurrence of unallocated proceeds due to the sale of GLP Maishima II which refinanced with the Bonds, the disclosure will be made on GLP J-REIT's website after the approval of the CFO.

##### **b. Reporting on environmental improvement effects**

An overview of GLP Maishima II, which is a target asset, is showed in the list of the uses of proceeds in the evaluation phase 1 of this report. GLP J-REIT schedules to report environmental improvement effects by disclosure obtained valid environmental certifications in accordance with the Green Finance Framework. GLP J-REIT also plans to announce it on its website.

JCR evaluates that the reporting plan will appropriately disclose to investors both the allocation of proceeds and the effects on environmental improvement.

## Organization's Environmental Activities

### (1) JCR's key consideration in this factor

In this section, JCR evaluates whether the issuer's management positions environmental issues as a high-priority management issue, and whether the green bond policy, process and the criteria for selecting green projects are clearly defined through the establishment of a department specializing in the environmental field or through the assistance of external organizations.

### (2) Current status of evaluation targets and JCR's evaluation

GLP Japan Advisors established the Sustainability Task Force in 2014. The Sustainability Task Force is an organization established with the awareness that the management of GLP Japan Advisors must pay attention to sustainability in managing GLP J-REIT. GLP Japan Advisors sets top-down objectives by the Sustainability Task Force and implements various ESG-related operations through the Corporate Planning Department and the Investments Department.

In particular, the ESG policy of the GLP Group were formulated in order to realize the objective of implementing the efficiency of the supply chain by development logistics facilities in the highest level (best-in-class) that can meet the increasing needs for logistics in a more sustainable manner. GLP Japan Advisors and GLP J-REIT took the lead in promoting sustainability initiatives as a group-wide ESG policy and ESG-related initiatives.

The GLP Group's ESG Policy consists of 12 items, and the GLP J-REIT, together with the asset management company GLP Japan Advisors, conducts its businesses in accordance with this ESG Policy.

#### GLP Group ESG Policy

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- 1) Upholding ethics and corporate integrity as the cornerstones of how we do business at all levels of our company
  - 2) Embedding material ESG risks and opportunities into decision-making
  - 3) Engaging proactively with stakeholders
  - 4) Attracting and retaining talented, motivated employees is vital to our success
  - 5) Maximizing supply chain efficiency and meeting the needs of domestic consumption-led growth in our core markets
  - 6) Drive performance through evidence
  - 7) Taking the lead in building better communities
  - 8) Creating a culture of entrepreneurial value creation
  - 9) Protecting and enhancing the environment across all of our operations
  - 10) Supporting livelihood opportunities in the communities we work in
  - 11) Promoting Energy Efficiency & Renewables
  - 12) Building sustainably certified new developments
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In the ESG Policy, "2) Embedding material ESG risks and opportunities into decision-making" says the Group is always considering ESG risks and opportunities in investment surveys, due diligence, investment selection, portfolio management and other important decisions. In addition, "9) Protecting and enhancing the environment across all of our operations" specifies pursuing a level that exceeds the required environmental standards when performing business operations. "12) Building sustainably certified new developments" specifies that the Group aims at new development or large-scale renovation meet various types of sustainability certification standards. JCR has evaluated that concrete descriptions are made in the ESG Policy.

As part of its efforts, GLP J-REIT has acquired GRESB Real Estate Assessment. In addition, GLP J-REIT has acquired various certifications for its acquired logistics facilities, including CASBEE, BELS, and DBJ Green

Building Certification, and all of these certifications are published on its website. In the GRESB Real Estate Assessment, GLP J-REIT has been awarded the Green Star for the fourth consecutive year to companies that excel in both "Management & Policy" and "Implementation and Measurement," which are the two evaluation criteria in the sustainability assessment. JCR considers that this is indicative of the high reputation of the company's sustainability initiatives by third parties. JCR also assesses that many of the properties acquired by GLP J-REIT have environmental improvement effects, as more than half of the properties have already acquired environmental certification.

GLP Japan Advisors has a CASBEE evaluator, and GLP Japan, the sponsor, has specialists such as property engineers and qualified architect of the first class. In addition, for acquiring GRESB and CASBEE, it consults with outside specialist companies and cooperation with both internal and external specialists.

JCR evaluates management in GLP J-REIT put environmental problems a high priority and that the departments with expert knowledge are clearly involved in the selection of green bond policy and processes and green projects.

#### (Reference) GRESB Real Estate Assessment

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GRESB is an acronym for Global Real Estate Sustainability Benchmark. GRESB is a benchmark established in 2009 that measures and evaluates the degree of consideration given to ESG by companies that holding and manages real estate and infrastructure. GRESB is an acronym for Global Real Estate Sustainability Benchmark. From 2016, the evaluation-results are shown on a five-star scale (five stars, four stars, three stars, two stars, and one star). Companies that have made excellent efforts are given "Green Star" separately from the five-star evaluation. As of 2018, 38 investment corporations have participated in the evaluation from J-REIT.

■ Evaluation result

Based on the JCR Green Bond Evaluation Methodology, JCR assigns “g1” for the evaluation of the “Greenness Evaluation (Use of Proceeds)” and “m1” for the evaluation of the "Management, Operation and Transparency Evaluation." Consequently, JCR assigns “Green1” for overall "JCR Green Bond Evaluation" to the Bonds. The Bonds are considered to meet the standards for items required by the Green Bond Principles and the Green Bond Guideline of the Ministry of the Environment of Japan.

[JCR Green Bond Evaluation Matrix]

		Management, Operation and Transparency Evaluation				
		m1	m2	m3	m4	m5
Greenness Evaluation	g1	Green 1	Green 2	Green 3	Green 4	Green 5
	g2	Green 2	Green 2	Green 3	Green 4	Green 5
	g3	Green 3	Green 3	Green 4	Green 5	Not qualified
	g4	Green 4	Green 4	Green 5	Not qualified	Not qualified
	g5	Green 5	Green 5	Not qualified	Not qualified	Not qualified

■ Scope of Evaluation

Issuer: GLP J-REIT (Security Code: 3281)

[Assignment]

Subject	Issue Amount	Issue Date	Redemption Date	Interest Rate	Evaluation
13th Unsecured Bonds (Special pari passu conditions among investment corporation bonds) (Green Bonds)	JPY 8 billion	July 8,2019	July 6,2029	0.608%	JCR Green Bond Evaluation:Green1 Greenness Evaluation :g1 Management, Operation and Transparency Evaluation :m1

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## Important explanation of the Green Bond Evaluation

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### 1. Assumptions, Significance, and Limitations of JCR Green Bond Evaluation

JCR Green Bond Evaluation, which is assigned and provided by Japan Credit Rating Agency (JCR), is a comprehensive expression of JCR's current opinion on the extent to which the proceeds of green bonds, which are subject to evaluation, are allocated to green projects defined by JCR and the extent to which the management, operation, and transparency of the use of green bonds are ensured. This does not perfectly disclose all the efforts taken by the issuer/borrower to ensure the use of proceeds, administration, management of the proceeds and the transparency.

JCR Green Bond Evaluation is to evaluate the plan or status of the proceeds to green projects at the time of issuing green bonds or planning to issue, and does not guarantee the future actual allocation of the proceeds. JCR does not guarantee the positive environmental effects of green bonds nor is liable for their expected impacts. JCR confirms that the environmental impacts, which will be realized by the allocated proceeds, are calculated quantitatively and qualitatively by the issuer or by a third party requested by the issuer, but in principle JCR does not calculate them by itself.

### 2. Methodologies used in the conduct of this evaluation

The methodology used in this evaluation are listed on JCR website (Sustainable Finance & ESG in <https://www.jcr.co.jp/en>) as JCR Green Finance Evaluation Methodology.

### 3. Relationship with Acts Related to Credit Rating Business

JCR Green Bond Evaluation is determined and provided by JCR as a related business, which is different from the activities related to the credit rating business.

### 4. Relationship with Credit Ratings

The Evaluation differs from the Credit Rating and does not promise to provide or make available for inspection a predetermined Credit Rating.

### 5. Third-party character of JCR

There is no conflict of interest related to capital or human resources relationships between the subject of this evaluation and JCR.

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#### ■Disclaimers

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#### ■Glossary

JCR Green Bond Evaluation: JCR Green Bond Evaluation evaluates the extent to which the funds procured from the Green bond are allocated to the Green Project as defined by JCR, and the extent to which the management, operation, and transparency of the Green Bond are ensured. Evaluations are graded on a scale of 5, beginning with the top, using the Green1, Green2, Green3, Green4, and Green5 symbols.

#### ■Status of registration as an external reviewer of green finance

- Ministry of the Environment's external green bond reviewer registration
- ICMA (registered as an observer with the International Capital Markets Association)

#### ■Status of registration as a credit rating agency. etc.

- Credit Rating Agency: the Commissioner of the Financial Services Agency (Rating) No.1
- EU Certified Credit Rating Agency
- NRSRO: JCR has registered with the following four of the five credit rating classes of the Securities and Exchange Commission's NRSRO(Nationally Recognized Statistical Rating Organization. (1)Financial institutions, broker dealers, (2) insurance companies, (3) general business corporations, and (4) government and local governments. If the disclosure is subject to Section 17g-7(a) of the Securities and Exchange Commission Rule, such disclosure is attached to the news releases posted on the JCR website (<https://www.jcr.co.jp/en/>).

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