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For Immediate Release

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Partial Amendment on Business Plan of Redevelopment Project (GLP Narashino II)

GLP Japan Advisors Inc. (hereinafter “GLPJA”), to which GLP J-REIT entrusts management of its assets, announced today its decision to agree with preferred securities investors for the partial amendment on the business plan of the redevelopment project at GLP Narashino II announced in the press release titled “Redevelopment Project (Sale of Building, Acquisition of Preferred Securities and Obtention of Preferential Negotiation Right)” (hereinafter “Announcement as of September 2023”) dated on September 25, 2023, which project is a part of GLP J-REIT’s various growth strategies to expand unitholder’s value. The amendment of the maximum amount of preferred securities for the redevelopment project which was disclosed in the Announcement as of September 2023 is agreed as well.

The details of the amendment including the changes on and after the fourth acquisition of the preferred securities to be issued by Acacia Special Purpose Company (hereinafter “The SPC”)(Note) are as follows:

(Note) The developer of the redevelopment building at GLP Narashino II site.

1. Background of the partial amendment on the business plan

The total cost of the redevelopment project has been submitted by the construction company through the completion of assessment of the redevelopment plan which construction is planned to be commenced in February 2025(Note).

Due to the increase of the total cost of the redevelopment project including the cost increase on the building equipment such as air conditioning system and soil measures, as well as the implementation of strategic works on building specifications to enhance leasing capabilities, the total amount of preferred securities will be amended. All factors related to the cost increase are reviewed and confirmed its validity by GLPJA.

The amendment of the preferred securities amount is as follows:

Changes on the business plan

- Required additional capital due to the increase of the total cost: Approximately 3 billion yen
(Expected to be financed by contribution from new investors and GLP J-REIT)
- Additional contribution by GLP J-REIT (maximum): 0.65 billion yen
(Total contribution (maximum) is 1.92 billion yen: Approximately 20.1% of the total preferred securities of the SPC)

There are no changes on the redevelopment schedule including the planned completion date of the building, which was disclosed in the Announcement as of September 2023.

(Note) Total redevelopment cost may change due to the reassessment of building design by the ordering party.

2. Summary of this property

The following is a summary of the property before and after the commencement and completion of this redevelopment project. The summary of this property and the information related to the SPC is current as of the date of this press release based on the information provided by the SPC. In general, information mentioned for after the completion of this redevelopment project is based on the development plan provided by the SPC as of January 27, 2025 or appraisal report provided by a real estate appraiser in accordance with an appraisal conducted on December 31, 2024. The summary of this actual property after completion of this redevelopment project is likely to differ significantly.

Note that explanations regarding the matters in each column in the tables are as follows.

- (1) “Type of specified asset” indicates the type of the assets for sale at the time of the sale.
- (2) “Location” of “Land” indicates the residential address. For the property that has no residential address, the building address on the registry is indicated. For the property that has multiple addresses, one of the addresses on the registry is indicated.
- (3) “Land area” of “Land” is based on what is described in the registry, and may not necessarily be identical with the actual figure.
- (4) “Zoning” of “Land” indicates the type of zoning as depicted in Article 8-1-1 of the City Planning Act (Act No. 100 of 1968).
- (5) “FAR” of “Land” represents the ratio of the total floor area of building to the site area, as depicted in Article 52 of the Building Standards Act (Act No. 201 of 1950), and indicates the upper limit of the floor area ratio as determined in city planning in accordance with zoning regulations.
- (6) “BCR” of “Land” represents the ratio of the building area of building to the site area, as depicted in Article 53 of the Building Standards Act, and indicates the upper limit of the building coverage ratio as determined in city planning in accordance with the zoning regulations.
- (7) “Type of ownership” of “Land” and “Building” indicates the type of rights owned by the trustee.
- (8) “Date constructed” for the “Building” indicates, as a rule, the registered date when the main

building was newly completed. For the period after the redevelopment project is completed, the reference value is based on the newest redevelopment plan as of January 27, 2025.

- (9) “Construction / No. of floors” and “Use” of “Building” is based on the description of the main building on the registry. For the period after the redevelopment project is completed, the reference value is based on the newest redevelopment plan as of January 27, 2025.
- (10) “Gross floor area” of the “Building” is based on the description in the registry and does not include annex buildings. For the period after the redevelopment project is completed, the reference value is based on the newest redevelopment plan as of January 27, 2025.
- (11) The “appraisal value” prior to the commencement of this redevelopment project is the appraisal value of the building subject to transfer therefore, in accordance with asset valuation methods and standards set forth by GLP J-REIT in its regulations and the regulations set by the Investment Trusts Association of Japan, the appraisal value stated in the appraisal report for the building on this property as leasehold building by the real estate appraiser as of the appraisal on August 31, 2023. Then after completion of this redevelopment project, the appraisal value is stated for the land and building together as a reference, assuming the acquisition of the building by GLP J-REIT after completion of redevelopment. The appraisal report by the real estate appraiser as of the appraisal on December 31, 2024 states the survey price of the land and building after redevelopment..
- (12) “Remarks” indicates items believed to be important in the consideration of their impact on the rights and duties, use and safety, as well as the appraisal value, profitability and possibility of disposal of the property, as of the date of this press release, and includes the following items:
 - Major restrictions or regulations under laws and other rules
 - Major burdens or restrictions related to rights and duties
 - Major matters concerning leases agreed with tenants or end tenants, or major status information, etc. regarding property use by tenants or end tenant
 - Major matters when there are structures that cross the real estate borders or when there are problems in confirming the real estate borders
- (13) Information updated from the Announcement as of September 2023 is underlined in the After completion of the redevelopment project

(Tokyo-05) GLP Narashino II

		Prior to the redevelopment project	After completion of the redevelopment project
Property name		GLP Narashino II (Building)	
Type of specified asset		Domestic real estate trust beneficiary interest	
Date of acquisition		January 4, 2013	
Acquisition price of building		6,879 million yen (Reference) Acquisition price of land and building as a whole: 15,220 million yen	-
Land (Not subject to transfer)	Location (Residential address)	3-6-3 Akanehama, Narashino City, Chiba Prefecture	
	Area	55,185.00 m ²	
	Zoning	Exclusive industrial district	
	FAR/BCR	200% / 50%	
	Type of ownership	Ownership rights (Note) The land will not be transferred. A general fixed-term land lease shall be set up with a lifetime of 70 years in conjunction with the transfer of the buildings.	
Building	Date constructed	August 26, 1991	December 2026 (planned)
	Construction/No. of floors	8-floor steel reinforced concrete building with a flat roof	Five-story building made of reinforced concrete (planned)
	Gross floor area	100,402.03 m ²	128,425 m ² (planned) → <u>127,680 m² (planned)</u>
	Use	Office/warehouse	Warehouse (planned)
	Type of ownership	Ownership	
Building appraisal value		5,790 million yen (Appraisal value as a building with leasehold rights)	- (Reference) The survey price of both the land and buildings: 45,800 million yen → <u>49,700 million yen</u>
Date of appraisal		August 31, 2023	August 31, 2023 → <u>December 31, 2024</u>
Real estate appraiser		Tanizawa Sogo Appraisal Co., Ltd.	
Remarks		An ordinary fixed-term land lease agreement is set for the land in this project as stipulated by Article 22 of the Act on Land and Building Leases. The land lessee is the SPC. GLP J-REIT obtains the preferential negotiation right for the acquisition of the building to be developed on the land.	

3. Details for the acquisition of the preferred securities

Updated information (Note 1)

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| (1) Newly acquired assets | : Preferred securities issued by the SPC | |
| (2) Assets scheduled to be acquired (Note 2) | : No. 1 issuance of preferred securities | 233 million yen |
| | : No. 2 issuance of preferred securities | 23 million yen |
| | : No. 3 issuance of preferred securities | 5 million yen |
| | : No. 4 issuance of preferred securities | 57 million yen (planned)
→ <u>60 million yen</u> |
| | : No. 5 issuance of preferred securities | 153 million yen (planned)
→ <u>131 million yen</u>
(planned) |
| | : No. 6 issuance of preferred securities | 212 million yen (planned)
→ <u>152 million yen</u>
(planned) |
| | : No. 7 issuance of preferred securities | 579 million yen (planned)
→ <u>1,315 million yen</u>
(planned) |
| | <u>(Total balance of No.1, No.2 and No.3 preferred securities are equivalent to approximately 19.4% of the total balance of the first, second and third round of preferred securities issued by the SPC. The total amount of No.1 to No.7 preferred securities (1.92 billion yen as maximum) is expected to be approximately 20.1% of the total amount of the preferred securities issued and to be issued by the SPC).</u> | |
| (3) Acquisition date scheduled | : No. 1 issuance September 28, 2023 | |
| | : No. 2 issuance November 29, 2023 | |
| | : No. 3 issuance June 27, 2024 | |
| | : No. 4 issuance January 30, 2025 | |
| | : No. 5 issuance March 28, 2025 | |
| | : No. 6 issuance February 26, 2026 | |
| | : No. 7 issuance December 29, 2026 | |
| (4) Buyer | Refer to “5. Summary of transferee and acquirer” in the Announcement as of September 2023 | |
| (5) Underlying real estate | GLP Narashino II (the building of the asset) | |

(Note 1) Updated information from the Announcement as of September 2023 is highlighted with underline

(Note 2) The underwriting and payment for the preferred securities is established in the investor agreement between GLP J-REIT and other preferred investors. GLP J-REIT has no obligation on underwriting or payment on and after No.5 preferred security issuance and has own discretion on participation with consent separately executed. The amount of each preferred security after No.5 issuance is estimated based on the business plan as of today and may vary within the upper limit of the total amount (1,920 million yen).

(Note 3) The private placement for the preferred securities is handled by Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

4. Forecast

The impact of this project will have a minimal impact on earnings and there are no changes to the operating status forecast for the fiscal period ending February 2025 (September 1, 2024 - February 28, 2025) and August 2025 (March 1, 2025 - August 31, 2025).

For the details of the forecast for the operating status in the fiscal period ending February 2025 and August 2025, please refer to "SUMMARY OF FINANCIAL RESULTS (REIT) For the 25th Fiscal Period Ended August 31, 2024" dated on October 15, 2024.

5. Overview of the appraisal report (After completion of the redevelopment project)

(Tokyo-05) GLP Narashino II

Survey price	49,700 million yen
Real estate appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of appraisal	December 31, 2024

Item	Detail	Summary, etc.
Income approach value	49,700 million yen	
Direct capitalization method value	51,800 million yen	
Operating revenues	Undisclosed (Note)	
Total potential revenue	Undisclosed (Note)	
Loss including vacancies	Undisclosed (Note)	
Operating expenses	Undisclosed (Note)	
Maintenance	Undisclosed (Note)	
Utilities expenses	Undisclosed (Note)	
Repairs	Undisclosed (Note)	
Property Management fee	Undisclosed (Note)	
Expenses for recruiting tenants	Undisclosed (Note)	
Real estate taxes	Undisclosed (Note)	
Casualty insurance premium	Undisclosed (Note)	
Other expenses	Undisclosed (Note)	
Net operating income	1,745 million yen	
Lump-sum management gain	Undisclosed (Note)	
Capital expenditure	Undisclosed (Note)	
Net income	1,709 million yen	
Capitalization rate	3.3%	Appraisal based on regional characteristics/individualities and net operating income of target real estate, mainly the market capitalization rate related to distribution facilities
DCF method value	48,800 million yen	
Discount rate	3.4%	Appraisal with consideration to risks of regional characteristics/individualities of the target real estate
Terminal cap rate	3.5%	Appraisal that factors in future forecast uncertainties into the capitalization rate

(Note) The assessment references numeric figures that are based on actual numbers. As GLPJA has assessed that the disclosure of these figures could have an adverse impact on the competitiveness of GLP J-REIT and by extension could potentially hinder unitholder gains, it has determined not to disclose these figures.

Points to note in the determination of survey price	Taking into account the price formation process and the purpose of the request, both of which focus on the profitability of the target property for market participants (consumers), and the fact that the property is rental house and its site, we employed the income approach value as a standard as it will appropriately reflect the investment profitability for investors. The survey price was determined by using the income approach value.
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