February 5, 2018

For Immediate Release

Real Estate Investment Trust Securities Issuer:
GLP J-REIT
Shiodome City Center,
1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo
Representative: Yoji Tatsumi, Executive Director
(Security Code: 3281)
Asset Management Company:
GLP Japan Advisors Inc.
Representative: Yoji Tatsumi,
President and CFO
Contact: Aki Sadahiro,
Head of Corporate Planning Department
(TEL: 03-3289-9630)

Announcement of Amendment of Forecast Concerning Operating Status and Distribution for the Fiscal Period Ending August 31, 2018 and Forecast for the Fiscal Period Ending February 28, 2019

GLP J-REIT announces today an amendment to its forecast for the fiscal period ending August 31, 2018 (from March 1, 2018 to August 31, 2018), which was announced on October 13, 2017 as well as the forecast for the fiscal period ending February 28, 2019 (from September 1, 2018 to February 28, 2019) presented below.

The forecast for the fiscal period ending February 28, 2018 (from September 1, 2017 to February 28, 2018), which was announced on October 13, 2017, has not been amended.

Details

1. Amendment and Announcement of Forecasts Concerning Operating Status and Distribution

(1) Amendment to the forecast concerning operating status and distribution for the fiscal period ending August 31, 2018

	Operating revenue (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (yen) (excluding optimal payable distributions)	Optimal payable distribution per unit (yen)	Distributions per unit (yen) (including optimal payable distributions)
Previous forecast (A)	14,114	7,334	6,259	6,258	2,193	299	2,492
Amended forecast (B)	16,671	8,959	7,802	7,801	2,282	298	2,580
Increase or decrease (B－A)	+2,557	+1,624	+1,542	+1,542	+89	-1	+88
Rate of increase or decrease	+18.1%	+22.1%	+24.6%	+24.6%	+4.1%	-0.3%	+3.5%

GLP J-REIT

(2) Forecast for the fiscal period ending February 28, 2019

	Operating revenue (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (yen) (excluding optimal payable distributions)	Optimal payable distribution per unit (yen)	Distributions per unit (yen) (including optimal payable distributions)
Fiscal period ending February 28, 2019	16,307	8,590	7,536	7,534	2,204	299	2,503

(Reference)

Fiscal period ending August 31, 2018: Forecast number of investment units issued and outstanding at period-end: 3,417,243 units (2,853,078 units as of the time of the previous announcement)

Fiscal period ending February 28, 2019: Forecast number of investment units issued and outstanding at period-end: 3,417,243 units

(Notes)

1. The thirteenth fiscal period of GLP J-REIT is from March 1, 2018 to August 31, 2018, and its fourteenth fiscal period is from September 1, 2018 to February 28, 2019.
2. The forecasts are calculated based on the assumptions stated in attachment 1:"Assumptions Underlying the Forecasts for the Fiscal Period Ending August 31, 2018 and the Fiscal Period Ending February 28, 2019." 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.
3. GLP J-REIT may revise its forecasts in the event that it expects discrepancies beyond a certain level from the forecast above.
4. 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 "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units", as well as the acquisition of assets, which was announced today in the "Notice of Acquisition of Assets and Lease Contract with New Tenants (Real Estate Trust Beneficiary Interests and Solar Panel Trust Beneficiary Interests)" and "Notice of Determination of Scheduled Acquisition Date and Planned Acquisition Price Concerning the Acquisition of Assets as well as Lease Contract with New Tenants (GLP Urayasu, GLP Funabashi II, GLP Misato and GLP Maishima I)" (hereinafter referred to as the "assets to be acquired"), the assumptions underlying the forecast for the fiscal period ending August 31, 2018 changed and there is a 10% change or more in operating income for such fiscal period, which was announced on October 13, 2017. Therefore, the forecast for the fiscal period ending August 31, 2018 has been amended.

Accordingly, a new forecast was prepared concerning the forecast for the fiscal period ending February 28, 2019 that is based on the above-mentioned changes in assumptions.

<Reference>

The forecast concerning operating status for the fiscal period ending August 31, 2018, which was amended and announced today, will be impacted by temporary factors, including expenses associated with the issuance of new investment units and borrowings, property-related taxes due on the assets to be acquired. Therefore, GLP J-REIT calculated, on a hypothetical basis, income excluding the impact of the temporary factors (hereinafter referred to as “the hypothetical results of the amended forecast (assuming 68 properties)”), with the aim of illustratively presenting the impact that the issuance of new investment units and the acquisition of the assets to be acquired are expected to have on the operating status of GLP J-REIT. Such hypothetical results are together with the previous forecast for the fiscal period ending August 31, 2018 released on October 13, 2017 (hereinafter referred to as the " previous forecast for the fiscal period ending August 31, 2018”) set forth in attachment 2: “Comparison of the previous forecast for the fiscal period ending August 31, 2018 and the hypothetical results of the amended forecast for the period ending August 31, 2018 (assuming 68 properties)”.

The purpose of the hypothetical results of the amended forecast (assuming 68 properties) is not to estimate income for specified fiscal periods. The hypothetical results of the amended forecast (assuming 68 properties) do not in any way represent a forecast of performance, etc., for specified fiscal periods. Please be aware that the actual performance for the fiscal period ending August 31, 2018 and other specified fiscal periods will be different from the hypothetical results of the amended forecast (assuming 68 properties). Please refer to attachment 2: “Comparison of the previous forecast for the fiscal period ending August 31, 2018 and the hypothetical results of the amended forecast for the period ending August 31, 2018 (assuming 68 properties)” for details of the method of calculation of the hypothetical results of the amended forecast (assuming 68 properties).

*GLP J-REIT website address: http://www.glpjreit.com/english

Attachment 1

Assumptions Underlying the Forecasts for
The Fiscal Period Ending August 31, 2018 and the Fiscal Period Ending February 28, 2019

Item	Assumption
Calculation period	13th Fiscal Period (from March 1, 2018 to August 31, 2018) (184 days) 14th Fiscal Period (from September 1, 2018 to February 28, 2019) (181 days)
Portfolio assets	・The forecasts are based on the assumption that in addition to the trust beneficiary interests mainly consisting of real estate (62 properties) as of September 1, 2017, GLP J-REIT shall acquire the real estate trust beneficiary interests for GLP Maishima I, GLP Misato, GLP Funabashi II, GLP Urayasu, GLP Soja I and GLP Soja II (the “six properties anticipated for acquisition”), as well as the trust beneficiary interests of 13 solar panels installed at the rooftops of GLP J-REIT’s current logistic facilities using the funds procured by the issuance of investment units resolved at the meeting of the board of directors of GLP J-REIT held on February 5, 2018, borrowings to be made in March 2018 (defined in “Interest-bearing liabilities” below) and cash on hand for a total of 68 properties on March 1, 2018, 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 February 2019. However, in reality, there is the possibility of fluctuation due to acquisition of new properties other than those mentioned above or disposal of properties.
Number of outstanding investment units	・The forecasts are based on the assumption that in addition to the 2,853,078 units currently issued and outstanding, 564,165 new investment units will be issued, which is the sum of the new investment units issued through a third-party allotment (upper limit: 19,681 units) and the new units issued through the offering (upper limit: 544,484 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), which has been resolved at the meeting of the board of directors held on February 5, 2018.
Interest-bearing liabilities	・The balance of interest-bearing liabilities of GLP J-REIT is 213,890 million yen as of today. ・It is assumed that GLP J-REIT will refinance the entire amount of the short-term borrowings in the amount of 5,500 million yen due on February 28, 2018 through short-term borrowings. (herein after referred to as the “borrowings to be made in February 2018”). ・It is assumed that on March 1, 2018, GLP J-REIT will borrow 17,900 million yen in total (including short term borrowings, hereinafter referred to as the “borrowings to be made in March 2018”). ・It is assumed that on March 30, 2018 GLP J-REIT will prepay 840 million yen of the borrowings to be made in March 2018, and 1,330 million yen of the borrowings to be made in February 2018 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. ・We further assumed that we will refinance a portion of the borrowings to be made in February 2018 through new borrowings or the issuance of investment corporation bonds during the fiscal period ending August 31, 2018. ・We also assumed that, because a refund of consumption tax for the fiscal period ending August 31, 2018 scheduled to take place during the fiscal period ending February 28, 2019, we shall use such refund along with cash on hand to prepay a portion of the borrowings to be made in February 2018 and a portion of

Item	Assumption
	long-term borrowings that will become due on February 28, 2019 in the total amount of 5,363 million yen. ・It is assumed that we will refinance the entire amount of the 2,500 million yen of long-term borrowings that will become due on December 20, 2018 ・We finally assumed that the investment corporation bonds in the amount of 6,000 million yen that will become due on February 27, 2019 and the remaining balance after the above prepayments of the long-term borrowings in the amount of 18,400 million yen that will become due on February 28, 2019 will be refinanced through borrowings or investment corporation bonds on their respective maturity dates. ・LTV as of the end of the fiscal period ending August 31, 2018 is expected to be around 43.5%, while LTV as of the end of the fiscal period ending February 28, 2019 is expected to be around 42.9%. The following formula is used for calculating LTV: LTV = the balance of interest-bearing liabilities ÷ total assets × 100
Operating revenue	・The lease of the solar panels installed at the real estate employs variable rent calculated taking the effect of seasonal factors into consideration. ・Operating revenue is premised on the assumption that there will be no delay or failure in the payment of rents by lessees.
Operating expense	・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 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 the six properties anticipated for acquisition and the 13 solar panels anticipated for acquisition will not be recorded as expenses for the fiscal period ending August 31, 2018 as well as February 28, 2019, and is recorded from the fiscal period ending August 31, 2019. The total amount of fixed assets tax, city planning tax and depreciable assets tax, which will be included in the acquisition cost of the six properties anticipated for acquisition and the 13 solar panels anticipated for acquisition, is assumed to be 268 million yen. ・Property-related taxes are assumed to be 1,226 million yen for the fiscal period ending August 31, 2018, and 1,226 million yen for the fiscal period ending February 28, 2019. ・Repair costs are assumed to be 76 million yen for the fiscal period ending August 31, 2018, and 71 million yen for the fiscal period ending February 28, 2019. ・Property and facility management fees are assumed to be 601 million yen for the fiscal period ending August 31, 2018, and 592 million yen for the fiscal period ending February 28, 2019. ・Depreciation is assumed to be 3,405 million yen for the fiscal period ending August 31, 2018, and 3,412 million yen for the fiscal period ending February 28, 2019. ・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. ・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.

Item	Assumption
	・Depreciation, including incidental expenses and future additional capital expenditure, is calculated using the straight-line method.
Net Operating Income (NOI)	・NOI (the amount obtained by deducting rental expenses other than depreciation from operating revenue) is assumed to be 14,198 million yen for the fiscal period ending August 31, 2018, and 13,842 million yen for the fiscal period ending February 28, 2019.
Non-operating expenses	・Interest expenses, investment corporation bond interest expenses, amortization of investment corporation bond issuance expenses and finance-related expenses are expected to be 1,043 million yen for the fiscal period ending August 31, 2018, and 1,020 million yen for the fiscal period ending February 28, 2019. Amortization of investment corporation bond issuance expenses is carried out on a monthly basis over the period from issuance to maturity. ・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 46 million yen for the fiscal period ending August 31, 2018 and 31 million yen for the fiscal period ending February 28, 2019. ・In addition, temporary expenses associated with the issuance of investment units are expected to be 64 million yen for the fiscal period ending August 31, 2018.
Distributions per unit (excluding optimal payable distributions)	・This amount is calculated based on the policy on cash distributions that is stipulated in the internal regulations of GLP J-REIT. ・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.
Optimal payable distribution per unit	・All of the amount of optimal payable distribution per unit for the fiscal periods ending August 31, 2018 and February 28, 2019 is assumed to be the refund of its investment categorized as a distribution from unitholders' capital for tax purposes. ・Optimal payable distribution per unit 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 the asset management company. It is calculated by assuming distributions of around 30% of depreciation to be recorded in the fiscal period ending August 31, 2018, and the fiscal period ending February 28, 2019, respectively. ・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 will decrease. In addition, if the appraised LTV, which is defined below, exceeds 60%, GLP J-REIT will not pay out optimal payable distributions. ・Appraised LTV (%) = A/B×100 (%) 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

Item	Assumption
	short-term investment corporation bonds) + amount of security deposits released as of the end of the fiscal period B = total amount of appraised 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 ・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.
Others	・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. ・The forecasts assume that there will be no unforeseen material changes in general economic trends and real estate market conditions, etc.

GLP J-REIT

Attachment 2

Comparison of the previous forecast for the fiscal period ending August 31, 2018 and the hypothetical results of the amended forecast for the period ending August 31, 2018 (assuming 68 properties)

	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (yen) (excl. OPD) (a)	OPD per unit (yen) (b)	(a)+(b)	Number of outstanding investment units
The previous forecast for the fiscal period ending August 31, 2018 (A)	14,114	7,334	6,259	6,258	2,193	299	2,492	2,853,078
The hypothetical results of the amended forecast for the period ending August 31, 2018 (assuming 68 properties) (B)	16,671	8,807	7,715	7,713	2,257	298	2,555	3,417,243
Difference (B-A)	+2,557	+1,472	+1,455	+1,455	+64	-1	+63	+564,165
Rate of increase or decrease	+18.1%	+20.1%	+23.2%	+23.3%	+2.9%	-0.3%	+2.5%	+19.8%

<Assumptions for the hypothetical results of the amended forecast (assuming 68 properties)>

We calculated the hypothetical results based on the amended forecast for the fiscal period ending August 31 (considering the new issuance of investment units and the acquisition of the assets anticipated to be acquired released today, and by applying the assumptions described below to such amended forecast.

- We assumed a six-month portion of annual property-related taxes (fixed assets tax, city planning tax and depreciable assets tax) will occur during the period ending August 31, 2018, and we would expense real estate taxes associated with the six properties and the solar panels installed at 13 current properties to be acquired as of March 1, 2018 in the amount of 160 million yen.
- We assumed our property management fees would be reduced by 3 million yen due to the change in NOI as a result of the above.
- We assumed that Asset Management Fee 2 will decrease by 5 million yen taking into consideration in NOI from to the above adjustment.
- We assumed our one-time expenses associated with the issuance of investment units in the amount of 64 million yen do not occur even though that will occur during the period ending August 31, 2018.

The purpose of presenting the hypothetical results of the amended forecast (assuming 68 properties) is not to calculate performance for the fiscal period ending August 31, 2018 or other fiscal periods. Such hypothetical results do not in any way represent a forecast of performance for specified fiscal periods. Please be aware that the forecasts, including actual performance for the fiscal period ending August 31, 2018 and other fiscal periods, will be different from the above hypothetical results of the amended forecast (assuming 68 properties).