

July 13, 2015

For Immediate Release

Real Estate Investment Trust Securities Issuer:  
GLP J-REIT  
Shiodome City Center,  
1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo  
Representative: Masato Miki, Executive Director  
(Security Code: 3281)

Asset Management Company:  
GLP Japan Advisors Inc.  
Representative: Masato Miki,  
Representative Director and President  
Contact: Yoji Tatsumi,  
Chief Financial Officer  
(TEL: 03-3289-9630)

### **Notice of Conclusion of Sales and Purchase Contract concerning Acquisition of Asset**

GLP Japan Advisors Inc., to which GLP J-REIT entrusts management of its assets, decided to conclude the sales and purchase contract (hereinafter referred to as "sales contract") concerning acquisition of the asset shown below (hereinafter referred to as the "asset") in the form of trust beneficiary interest described below.

#### 1. Overview of the sales and purchase contract

- |                                    |   |
|------------------------------------|---|
| (1) Property name:                 | GLP Noda-Yoshiharu (Note 1)   |
| (2) Location:                      | Noda, Chiba   |
| (3) Contractor (Seller):           | Central Compass Co., Ltd. ("Central Compass") (Note 2)  |
| (4) Scheduled acquisition date:    | July 13, 2020, or a date specified by GLP J-REIT from the period between July 14, 2016 and July 13, 2020 (hereinafter referred to as the "scheduled acquisition period", of which GLP J-REIT will notice the seller no less than 15 business days in advance.         |
| (5) Scheduled acquisition price:   | To be determined between 4,170 million yen and 4,650 million yen in accordance to the length of the period up to the date the acquisition is to be executed, after adjustments made for certain factors, as agreed upon by GLP J-REIT and Central Compass beforehand. |
| (6) Financing for the acquisition: | To be determined<br>GLP J-REIT will announce the acquisition details when it decides acquisition date and price.  |

(Note 1) The asset will change its name to GLP Noda-Yoshiharu as of July 14, 2015.

(Note 2) Central Compass is scheduled to acquire the asset for 4,770 million yen from SBS Logicom Co., Ltd. ("SBS Logicom") on July 14, 2015. The sales and purchase contract will become effective upon the condition that Central Compass will acquire the asset by August 31, 2015.

#### 2. Reason for conclusion of the sales and purchase contract

GLP Noda-Yoshiharu, the asset under the sales and purchase contract, is located adjacent to National Route 16 (Kasukabe Noda Bypass) in Yoshiharu, Noda in Chiba Prefecture. The asset is a large-scale modern logistics facility with a gross floor area of 26,631m<sup>2</sup>, consisting of four floors above ground and has been newly build in 2012. A long-term (10 years) lease agreement is scheduled to be concluded on July 14, 2015 with SBS Logicom, a leading 3PL provider. This lease contract is expected to generate stable cash flow.

The sales and purchase contract is expected to provide GLP J-REIT with an acquisition opportunity of a high-quality asset in the future pursuant to GLP J-REIT's objective of implementing asset management to secure both steady income over the medium to long term and steady growth of its asset value.

Prior to the conclusion of the sales and purchase contract, GLP Japan Advisors Inc. (hereinafter referred to as the “asset management company”) initially negotiated for a direct purchase from SBS Logicom, the actual seller of this asset. However, seeking an alternative approach to reduce the acquisition price, it was decided in cooperation with the Mitsubishi UFJ Lease & Finance (“MUFJ L&F”) Group that the asset will be temporarily owned by Central Compass Co., Ltd., a real estate related company and a wholly-owned subsidiary of MUFJ L&F (Note1), and GLP J-REIT will then acquire the asset during the scheduled acquisition period. The acquisition price (Note2) will be determined between 4,170 million yen and 4,650 million yen which correspond to the value to be reduced generally in proportion to the length of Central Compass’s ownership period, as agreed upon by GLP J-REIT and Central Compass beforehand.

This structure will enable GLP J-REIT to acquire the asset with designated timing (Note 3) within the scheduled acquisition period and at a discounted value, provided certain conditions are met (Note 4). Given the current market conditions, in which competition to acquire such assets from third parties is intensifying, GLP J-REIT believes this acquisition strategy will contribute to securing investment opportunities of higher return (Note 5).

This represents the first time that GLP J-REIT has ever applied this type of structure for securing acquisition opportunities. We will position this strategy, calling it Optimal Takeout Arrangement (OTA), as one of GLP J-REIT’s strategic bridge structures to secure acquisition opportunities of high-quality assets. Using this structure, GLP J-REIT will further strengthen its highly-competitive portfolio by expanding acquisition opportunities.

(Note 1) MUFJ L&F has been granted an AA- long-term issuer rating by Japan Credit Rating Agency, Ltd.

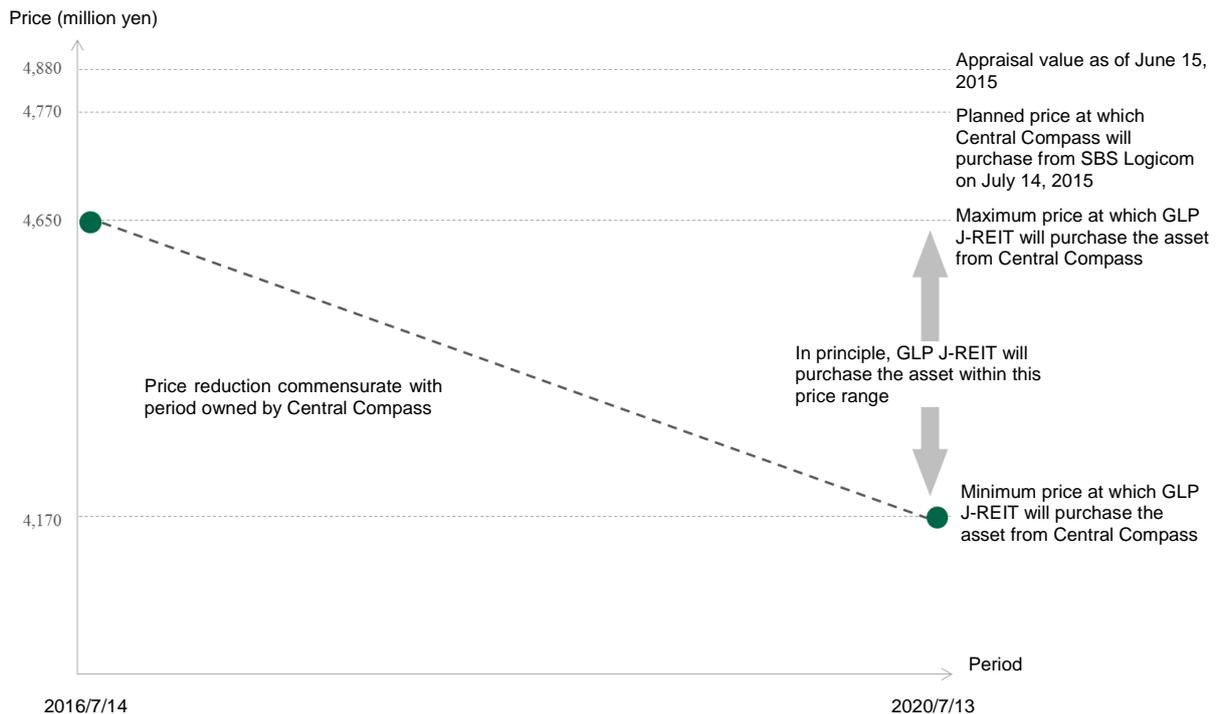
(Note 2) The acquisition price will be determined in correspondence to the value to be reduced in proportion to the length of Central Compass’s ownership period, as agreed upon by GLP J-REIT and Central Compass beforehand, which, then, will be adjusted to determine the final value by adjusting the difference between planned outlays including repair and maintenance costs and capital expenditures, etc. as agreed upon by both parties beforehand, and the actual expense incurred cumulatively over the period from the conclusion date to the date of the acquisition executed under the sales and purchase contract. (Please refer to “Reference: Chart showing how the acquisition price is to be reduced” below.)

(Note 3) For deciding on the execution of acquisition, GJP J-REIT will take into consideration factors such as whether it can secure an adequate yield from the asset as a result of the acquisition at the price to be determined at the time of acquisition.

(Note 4) The actual outlays for repair and maintenance costs and capital expenditures, etc. are not to exceed a set budget.

(Note 5) The acquisition price will be determined based on the value to be reduced generally in proportion to the length of Central Compass’s ownership period, which will gradually decrease to the minimum of 4,170 million yen on the expiry date of the scheduled acquisition period. Assuming a certain degree of deterioration in the real estate market trends, acquisition of the asset at a price determined using the above method is expected to contribute to an improvement in profitability at GLP J-REIT.

Reference: Chart showing how the acquisition price is to be reduced



(Note) The diagram above outlines for reference how the acquisition price is to be reduced in proportion to the length of Central Compass's ownership period, as agreed upon by GLP J-REIT and Central Compass beforehand. The amount, in principle, will decline monthly at a constant rate over the period up to the date the acquisition is to be executed. The final value will be determined by adjusting from this amount the difference between planned outlays including repair and maintenance costs and capital expenditures, etc. as agreed upon by both parties beforehand, and the actual expense incurred cumulatively over the period from the conclusion date to the date of acquisition executed under the sales and purchase contract. As such, the amount shown above may differ from an actual amount.

### 3. Details of the asset planned for acquisition

The following tables provide an overview of the property in trust and the associated trust beneficiary right, which is the asset under the sales and purchase contract.

Furthermore, explanations of the items described in the respective columns of the tables are as follows:

- (1) "Type of specified asset" indicates the type of the asset at the time of acquisition.
- (2) "Scheduled acquisition date" is the date written in the trust beneficiary right purchase and sales agreement of the asset.
- (3) "Scheduled acquisition price" indicates the sale price of the trust beneficiary right (excluding tax) indicated in the trust beneficiary right sales agreement relating to the respective the asset.
- (4) "Location" of "Land" indicates the residential address. For the property that has no residential address, the building address on the registry is indicated. For that property that has multiple addresses, one of the addresses on the registry is indicated.
- (5) "Land area" of "Land" is based on what is described in the registry, and may not necessarily be identical with the actual figure.
- (6) "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).
- (7) "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.
- (8) "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.
- (9) "Type of ownership" of "Land" and "Building" indicates the type of right owned by the trustee.

- (10) "Date constructed" of "Building" indicates, as a rule, the registered date when the main building was newly completed.
- (11) "Construction / No. of floors" and "Use" of Building is based on the description of the main building on the registry.
- (12) "Gross floor area" of "Building" is based on the description on the registry, and does not include annex buildings.
- (13) "Master lessee" is the master lease company which concludes the master lease agreement for real estate and subleased to end-tenant.
- (14) "Pass-through master lease" indicated in "Type of master lease" refers to master lease agreement that has no rent guarantee.
- (15) "Collateral" indicates the collateral for which GLP J-REIT is scheduled to be responsible after acquiring the asset.
- (16) "Appraisal value" indicates the appraisal value as of the end of June 15, 2015 described in the respective real estate appraisal report that was prepared by real estate appraiser retained by GLP J-REIT.
- (17) "Number of tenants" of "Details of tenants" indicates the sum of the number of lease contracts for the buildings described in the respective lease contracts for each real estate. Furthermore, when master lease contract is concluded for the real estate, the number of end tenants is indicated.
- (18) "Leased area" of "Details of tenants" indicates the sum of the leased area of the buildings described in the respective lease contracts related to real estate as of the date of this press release.
- (19) "Remarks" indicates items believed to be important in 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 real estate, 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 tenants
  - Major matters when there are structures that cross the real estate borders or when there are problems in confirming the real estate borders.

GLP Noda-Yoshiharu

Property name	GLP Noda-Yoshiharu	
Type of specified asset	Real estate trust beneficiary rights	
Scheduled date of acquisition	Please refer to the above 1. Overview of the sales and purchase contract (4) Scheduled acquisition date	
Scheduled acquisition price	Please refer to the above 1. Overview of the sales and purchase contract (5) Scheduled acquisition price	
Trust start date	July 14, 2015	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Trust expiration date	July 31, 2025	
Land	Location	722-2 Aza Tameshita, Yoshiharu, Noda, Chiba (Lot number)
	Land area	17,026.44 m <sup>2</sup>
	Zoning	Urbanization control area
	FAR / BCR	200% / 70%
	Type of ownership	Ownership
Building	Date constructed	September 19, 2012
	Construction / No. of floors	Four-steel-frame reinforced concrete building with alloy coated steel sheet roof
	Gross floor area	26,631.40 m <sup>2</sup>
	Use	Warehouse/Office
	Type of ownership	Ownership
Master lessee	GLP J-REIT Master Lease Godo Kaisha (scheduled)	
Type of master lease	Pass-through master lease (scheduled)	
Property manager (Note 1)	Global Logistic Properties Inc. (scheduled)	
Collateral	None (scheduled)	
Appraisal value	4,880 million yen	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Details of tenants		
	Number of tenants	1
	Major tenant	SBS Logicom Co., Ltd.
	Annual contracted rent	- (Note 2)
	Leasehold and security deposits	- (Note 2)
	Leased area	26,631.40 m <sup>2</sup>
	Leasable area	26,631.40 m <sup>2</sup>
	Occupancy rate	100.0%
Remarks		
(Note 1) Trustee is scheduled to sign into the property management contract with Global Logistic Properties Inc. as of July 14, 2015		
(Note 2) Unable to disclose as consent has not been obtained from the tenant.		

4. Profile of Central Compass

Trade name	Central Compass Co., Ltd.
Head office address	3-22-24, Marunouchi, Naka-ku, Nagoya, Aichi
Representative's position title and name	Yoshitoshi Kuzuya, Director
Major business	Real estate lease, real estate rent, real estate trading, brokerage and management
Capital	251.25 million yen
Major shareholders	Mitsubishi UFJ Lease & Finance Company Limited (100%)
Date of foundation	November 6, 1989

Relationship with either GLP J-REIT or its asset management company	There is no capital relationship, personnel relationship, and business relationship between the seller and GLP J-REIT or its asset management company that must be disclosed. In addition, there is no special capital relationship, personnel relationship, and business relationship between the related parties or affiliates of Central Compass and related parties or affiliates of GLP J-REIT or its asset management company.
Status as Related Parties	Central Compass is not a related party of either GLP J-REIT or its asset management company. The related parties of Central Compass and its affiliates also are not related parties of either GLP J-REIT or its asset management company.

5. Status of contractor, etc.

Central Compass, the contractor of sales contract, and SBS Logicom, the seller of the asset to Central Compass, are not related parties of either GLP J-REIT or its asset management company.

6. Transactions with interested parties, etc.

The property management company of the asset is scheduled to be Global Logistic Properties Limited, which is a major shareholder and parent company of GLPJ-REIT's asset management company. This entity is considered as interested party under Article 201 of the Investment Trust Act as well as Article 123 of the Enforcement Order of the Investment Trust Act and under the "regulations concerning transactions with interested parties", which are internal regulations of GLPJ-REIT's asset management company. As such, the asset management company and these entities will follow the procedures based on the "regulations concerning transactions with interested parties", when the asset management company will decide to acquire the asset and outsource the property management service to Global Logistic Properties Limited.

7. Status of broker

(1) Overview of broker

Broker	Savills Japan Co., Ltd.
Address	1-11-9 Azabudai, Minato-ku, Tokyo
Representative's position title and name	Representative Director, CEO -Japan Christian Mancini
Major business	Consulting of real estate, property management and asset management, brokerage business of real estate trading and leasing, appraisal and research/consulting services
Capital	50 million yen
Date of foundation	August 23, 2004
Relationship with either GLP J-REIT or its asset management company	There is no capital relationship, personnel relationship, and business relationship between the broker and GLP J-REIT or its asset management company that must be disclosed. In addition, there is no special capital relationship, personnel relationship, and business relationship between the related parties or affiliates of the broker and related parties or affiliates of GLP J-REIT or its asset management company.
Status as Related Parties	The broker is not a related party of either GLP J-REIT or its asset management company. The related parties of the broker and its affiliates also are not related parties of either GLP J-REIT or its asset management company.

(2) Breakdown of brokerage fee and amount

64,800 thousand yen (including tax)

## 8. Future outlook

There is no financial impact from conclusion of the sales and purchase contract. Furthermore, the impact in case GLP J-REIT acquires the asset will be announced once the acquisition is determined.

## 9. Outline of appraisal

Appraisal value	4,880 million yen
Real estate appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of appraisal	June 15, 2015

Item	Details	Outline
Income-based methods	4,880 million yen	
Direct capitalization method	4,890 million yen	
Operating revenues	Not disclosed (Note)	
Total potential revenue	Not disclosed (Note)	
Loss such as vacancy	Not disclosed (Note)	
Operating expenses	Not disclosed (Note)	
Maintenance	Not disclosed (Note)	
Utilities expenses	Not disclosed (Note)	
Repairs	Not disclosed (Note)	
Property management fee	Not disclosed (Note)	
Expenses for recruiting tenants	Not disclosed (Note)	
Real estate taxes	Not disclosed (Note)	
Casualty insurance premium	Not disclosed (Note)	
Other expenses	Not disclosed (Note)	
Net operating income	263 million yen	
Profit on the investment of a lump sum	Not disclosed (Note)	
Capital expenditure	Not disclosed (Note)	
Net cash flow	259 million yen	
Capitalization rate	5.3%	Assessed mainly based on capitalization rate of logistics facilities in precedent market transactions, supported by regional characteristics and uniqueness as well as stability of net operating income of the property
DCF method	4,870 million yen	
Discount rate (years 1 through 10)	4.9%	Assessed by considering regional characteristics and uniqueness of the property
Discount rate (11th year)	5.1%	Assessed by considering regional characteristics and uniqueness of the property
Terminal cap rate	5.2%	Assessed based on capitalization rate adjusted by future uncertainly risks etc.
Cost method	4,880 million yen	
Land percentage	43.4%	
Building percentage	56.6%	

(Note) GLP J-REIT does not disclose these items because it has judged the disclosure may cause disadvantage to investors.

Points of attention in the determination of appraisal value	In deciding the appraisal value of this property, the appraiser used an income approach that appropriately reflects investors' investment profitability as a standard, after verifying the value indicated by the cost approach. The appraiser chose this approach by taking into account the following factors; 1) the fact that the real estate investors tend to use income approach for real estate valuation, 2) the reason for GLP J-REIT as a real estate investor to obtain the appraisal of this property, and 3) the fact that the property is classified as a rental asset for investment.
---	---

(Note) Furthermore, the GLP J-REIT will continuously announce the appraisal value of the asset every fiscal period-end after Feb 2016 period-end based on "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." by Financial Service Agency

#### 10. Other matters necessary for investors to properly understand and evaluate the related information

The sales and purchase contract constitutes a forward commitment (contracts for sale or purchase at a later date, being contracts and the like for the settlement and transfer of goods not less than one month after the conclusion of the contract) as defined in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. set by the Financial Services Agency. The following are details on the terms and conditions for termination as stipulated in the sales and purchase contract.

GLP J-REIT and the seller (Central Compass) can cancel the sales and purchase contract by notice to the other party not less than 30 days in advance of the transfer (acquisition) execution date and by paying a cancellation charge of 480 million yen. In this event, neither party will hold the other party liable for any guarantees or claims, including compensation for damages or other losses.

Accordingly, in the event that it becomes difficult for GLP J-REIT to perform the duties stipulated in this contract, GLP J-REIT will be able to exercise its right to cancel the sales and purchase contract and the seller will not be able to claim for any amount exceeding the aforementioned cancellation charge from GLP J-REIT. (Note 1) (Note 2)

(Note 1) For the fiscal year ended February 28, 2015, an amount after deducting the optimal payable distribution and capital expenditures from depreciation expense was 980 million yen. As the amount is not expected to reduce significantly as of today, GLP J-REIT retains sufficient cash on hand to cover the cancellation charge should it decides to cancel the sales and purchase contract.

(Note 2) If the sales and purchase contract terminates or is cancelled by either of the parties as a result of failing to fulfill the prerequisites for executing the transaction due to willful misconduct or gross negligence by GLP J-REIT, the contract stipulates that in addition to the cancellation charge, GLP J-REIT must compensate the seller for the damages and losses incurred. However, given the limited possibility of termination of the contract resulting from willful misconduct or gross negligence, GLP J-REIT believes that the likelihood of GLP J-REIT being held liable for paying compensation exceeding the cancellation charge will be very low.

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

#### <APPENDIX>

##### Appendix: Summary of the Engineering Reports

Property number	Property name	Engineering firm	Report date	Emergency and short-term repair and maintenance costs (thousand yen) <sup>(Notes 1,2)</sup>	Medium- to long-term repair and maintenance costs (thousand yen) <sup>(Notes 1,3)</sup>	PML (%) <sup>(Note 4)</sup>
TBD	GLP Noda-Yoshi haru	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	June 19, 2015	—	62,226	11.8

(Note 1) Emergency and short-term repair and maintenance costs and medium- to long-term repair and maintenance costs are as set forth in the Engineering Report.

(Note 2) Emergency and short-term repair and maintenance costs are the repair and maintenance costs that are expected to be required within 12 months from the date of the report.

(Note 3) Medium- to long-term repair and maintenance costs are the repair and maintenance costs that are expected to be required within 12 years from the date of the report.

(Note 4) The PML of the property is based on the Engineering Report. For calculating the PML, the currently established influence of the Great East Japan Earthquake is factored in.

# GLP Noda-Yoshiharu -Property Characteristics-

## Feature 1: Highly versatile, modern logistics facility



GLP Noda Yoshiharu



Warehouse



Overview

### Stable cash flow from long-term lease

This property is sold by SBS Logicom Co., Ltd, a leading 3PL provider, in a sale and leaseback transaction. A long-term lease agreement (10 years) is scheduled to be concluded with SBS Logicom on July 14, 2015. SBS Logicom plans to use this facility as its logistic branch at Noda-Yoshiharu, mainly to handle beverages and daily goods, with a view to building a strategic operation base for the northern part of Greater Tokyo region in the long term.

### Highly versatile, modern logistics facility

This facility has a GFA of 26,631sqm and was completed in 2012. This is a high-specification modern logistics facility, including a floor loading capacity of 1.5 t/sqm and a ceiling height of 5.5 m. A slope leading directly to the 2nd floor, five freight elevators and three vertical conveyors (1st to 4th floors) provide access to each floor and vertical conveying capability. With these functions, this facility offers a high level of versatility and competitive strength.

### Environmental friendly features

- Solar panels have been installed and a part of the generated power is used for the facility.
- LED lighting and occupancy sensors are used throughout the facility to promote energy conservation.
- Sandwich panels, which offer superior thermal performance, are used in the exterior walls.

### BCP compliant

- Equipped with an onsite power generator in case of power outages. (24-hour operation possible without replenishing fuel)



LED lighting



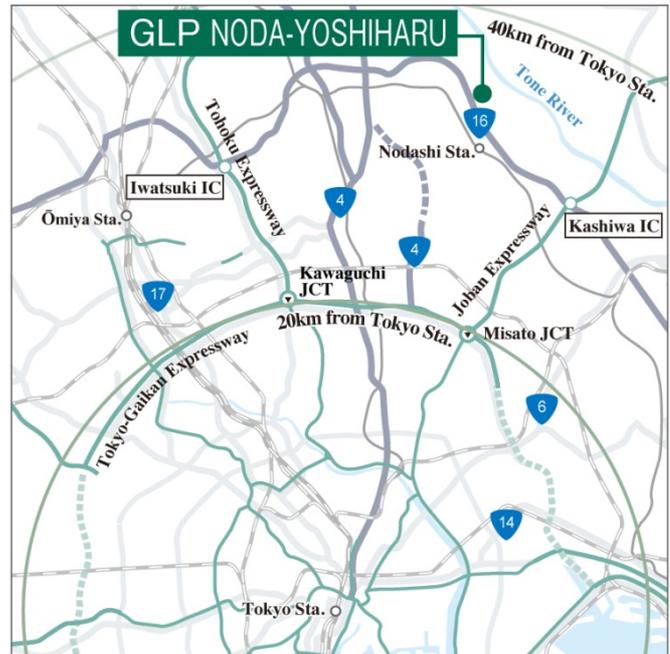
Onsite power generator

## Feature 2: Prime location along National Route 16

### Accessibility to Tokyo metropolitan area and northern Japan

The facility is located adjacent to National Route 16 and is within an 40km range from the Tokyo metropolitan area (Note). National Route 16 connects to other major expressways, such as National Route 4, Joban Expressway and Tohoku Expressway. The area is also very convenient for use as a relay station from the major logistic hubs, such as Port of Tokyo, and Narita and Haneda Airports. Given its prime location, this facility can also be used as a base for carrying out deliveries to areas in northern Japan, as well as the Tokyo metropolitan area.

(Note) Distance from Tokyo metropolitan area is calculated from Tokyo Station.



### Area with growing demand

Distribution bases, mainly for manufacturing companies, have traditionally been located in the area along National Route 16. In recent years, distribution demand for consumer goods, such as food and daily goods, has been rapidly growing in the Tokyo metropolitan area, a major consumption center. The area along National Route 16 is continuing to be primed as a logistics hub by taking advantage of the convenience that this route offers.

### Employee convenience and amenity

This property is located within walking distance of Shimizu-koen Station on the Tobu Noda Line. This line is in close proximity to a residential area, an advantage for hiring personnel to work at the facility. The property is also equipped with various attractive facilities, such as a pleasant entrance space and an employee lounge.



Entrance



Employee lounge