

For Immediate Release

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### **Notice of Acquisition of Asset**

GLP Japan Advisors Inc. (“the asset management company”), to which GLP J-REIT (“GLP J-REIT”) entrusts management of its assets, has made a determination today to acquire the property shown below (hereinafter referred to as “asset planned for acquisition”) in the form of trust beneficiary interest described in below.

#### 1. Overview of the acquisition

Property number	Property name	Location (city or ward, prefecture)	Scheduled acquisition date	Acquisition price (million yen)	Seller
Tokyo-27	GLP Matsudo (Note 1)	Matsudo, Chiba	January 15, 2016	2,356	Not disclosed (Note 2)

- (1) Agreement date: December 18, 2015  
 (2) Scheduled acquisition date: Refer to the item “Scheduled acquisition date” in the table above.  
 (3) Seller: Not disclosed (Note 2)  
 (4) Financing for acquisition: Proceeds from borrowing of funds and cash on hand (Note 3)  
 (5) Settlement method: To be paid in a lump sum upon delivery.

(Note 1) Name of the asset planned for acquisition will be changed to GLP Matsudo as of January 15, 2016.

(Note 2) We have not obtained permission to disclose the name of the seller, which is a domestic industrial company.

(Note 3) Please refer to GLP J-REIT press release “Notice Concerning Borrowing of Funds” announced today.

#### 2. Reason for the acquisition

The asset planned for acquisition, namely GLP Matsudo, is located in the Matsudo area, approximately 20 km from the central business district of Tokyo, and within a 10-minute walking distance of JR Kita Matsudo station, in a densely populated area. The area also has a high scarcity value where the supply of logistics facilities has been difficult in recent years. Furthermore, the property has been used as a strategic base by the same prime company since its completion, and stable operation is expected to continue going forward. The asset planned for acquisition will be acquired at a 10.4% discount from the appraisal value as the result of continuous one-on-one negotiations for approximately one year since we have obtained first



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refusal right. The acquisition will be also made at an NOI yield (Note) of 6.0%, which is attractive for the Matsudo area. The FAR of the asset planned for acquisition is 132%, which is lower than the 200% FAR ceiling, thereby offering the potential of improvement in property value through expansion or renovation in the medium- to long-term.

The asset planned for acquisition is expected to create stable income pursuant to GLP J-REIT's objective of implementing the asset management to secure both steady income over the medium to long term and steady growth of our asset value. Through the acquisition of the asset planned for acquisition, GLP J-REIT aims to further reinforce its competitive best-in-class portfolio.

(Note) Calculated by dividing appraisal NOI by the acquisition price.

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

The following tables provide an overview of the property in trust and the associated trust beneficiary rights, which are the asset planned for acquisition.

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 planned for acquisition at the time of acquisition.
- (2) "Scheduled acquisition date" is the date written in the trust beneficiary right purchase and sales agreement of asset planned for acquisition.
- (3) "Planned acquisition price" indicates the sale price of the trust beneficiary right (excluding tax) indicated in the trust beneficiary right sales agreement relating to the asset planned for acquisition.
- (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 responsible.
- (16) "Appraisal value" indicates the appraisal value as of November 16, 2015 described in the real estate appraisal report that was prepared by real estate appraiser retained by GLP



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- (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 each 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.

(Tokyo-27) GLP Matsudo

Property name		GLP Matsudo ((1) Warehouse building; (2) Office building)
Type of specified asset		Real estate trust beneficiary rights
Scheduled acquisition date		January 15, 2016
Planned acquisition price		2,356 million yen
Trust start date		January 15, 2016 (scheduled)
Trustee		Mitsubishi UFJ Trust and Banking Corporation (scheduled)
Trust expiration date		January 31, 2026 (scheduled)
Land	Location (Residential address)	520-1, Kamihongo, Matsudo, Chiba
	Land area	12,088.34 m <sup>2</sup>
	Zoning	Exclusively industrial district
	FAR / BCR	200% / 60%
	Type of ownership	Ownership
Building	Date constructed	(1) April 5, 1999 (2) July 24, 1984
	Construction / No. of floors	(1) Five-story steel-frame building with galvanized steel sheet roof (2) Two-story reinforced concrete building
	Gross floor area	(1) 11,400.56 m <sup>2</sup> (2) 770.00m <sup>2</sup>
	Use	(1) Warehouse (2) 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
Appraisal value		2,630 million yen
Appraiser		Morii Appraisal & Investment Consulting, Inc.
Details of tenants		
	Number of tenants	1
	Major tenant	Not disclosed (Note 2)
	Annual contracted rent	Not disclosed (Note 2)
	Leasehold and security deposits	Not disclosed (Note 2)
	Leased area	14,904.60 m <sup>2</sup>
	Leasable area	14,904.60 m <sup>2</sup>
	Occupancy rate	100.0%
Remarks		-
<p>(Note 1) Trustee is scheduled to sign into the property management contract with Global Logistic Properties Inc. as of January 15, 2016</p> <p>(Note 2) Unable to disclose as consent has not been obtained from the tenant.</p>		



#### 4. Seller Profile

We have not obtained permission to disclose the name of the seller, which is a domestic industrial company. As of today, there are no capital, personnel or business relationships between the seller and GLP J-REIT or the asset management company that must be disclosed. In addition, the seller does not fall under the category of a related party of GLP J-REIT or the asset management company.

#### 5. Status of seller, etc.

The asset planned for acquisition is not acquired from a party having any relationship of special interest with GLP J-REIT or the asset management company.

#### 6. Transactions with interested parties, etc.

The property management company of the asset planned for acquisition will be Global Logistic Properties Inc., which is a major shareholder and parent company of the asset management company. This entity is an 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 corresponds to an interested party under the "regulations concerning transactions with interested parties," which are internal regulations of the asset management company. As such, the asset management company has completed procedures based on the regulations on transactions with interested parties for outsourcing the property management services of the asset planned for acquisition to this party.

#### 7. Status of broker

##### (1) Summary of broker

We have not obtained permission to disclose the name of the broker. The broker does not fall under the category of a related party of GLP J-REIT or the asset management company.

##### (2) Brokerage fee and other fee amount and breakdown

We have not obtained permission to disclose the brokerage fee and other fee amounts of the broker.

#### 8. Future outlook

The financial impact from this acquisition is immaterial and GLP J-REIT makes no change in the future outlook of earnings forecasts for the fiscal period ending February 2016 (September 1, 2015 to February 29, 2016) and the fiscal period ending August 2016 (March 1, 2016 to August 31, 2016) disclosed in "Summary of Financial Results (REIT) for the 7th Fiscal Period Ended August 31, 2015" on October 14, 2015.

## 9. Outline of appraisal

Appraisal value	2,630 million yen
Real estate appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	November 16, 2015

Item	Details	Outline
Income approach value	2,630 million yen	
Direct capitalization approach	2,670 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	140 million yen	
Profit on the investment of a lump sum	Not disclosed (Note)	
Capital expenditure	Not disclosed (Note)	
Net cash flow	133 million yen	
Capitalization rate	5.0%	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	2,590 million yen	
Discount rate	4.8%	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 approach value	2,390 million yen	
Land percentage	75.2%	
Building percentage	24.8%	

(Note) GLP J-REIT has not disclosed 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. Although this appraisal sought a value that represents the investment profitability value, which takes the management method based on the investment corporation regulations as given, the type of the price will be the normal value since the price matches the fair value that represents the market value (normal value).
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\* GLP J-REIT website address: <http://www.glpjreit.com/english/>

<APPENDIX>

Appendix 1 Summary of the Engineering Reports and the Portfolio Seismic Review Report

Appendix 2 List of portfolio after acquisition of the asset planned for acquisition

Appendix 3 Key features of GLP Matsudo

<APPENDIX>

Appendix 1 Summary of the Engineering Reports and the Portfolio Seismic Review Report

Property number	Property name	Engineering firm	Report date	Emergency and short-term repair and maintenance costs (thousand yen) <small>(Notes 1,2)</small>	Medium- to long-term repair and maintenance costs (thousand yen) <small>(Notes 1,3)</small>	PML (%) <small>(Note 4)</small>
Tokyo-27	GLP Matsudo	Tokio Marine & Nichido Risk Consulting Co., Ltd.	December 14, 2015	—	142,870	10.9
Portfolio PML (Note 4)						2.4

(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 of each property.

(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 and the portfolio PML are based on the Portfolio Seismic Review Report dated November 5, 2015 and the Portfolio Seismic Review Report dated November 13, 2015, which covers a total of 60 properties, consisting of 59 properties currently held and the asset planned for acquisition, prepared by Deloitte Tohmatsu Property Risk Solution Co., Ltd.

Appendix 2 List of portfolio after acquisition of the asset planned for acquisition

Region	Property number	Property name	(Planned) Acquisition price (million yen) (Note 1)	Share (%) (Note 2)	Appraisal value (million yen) (Note 3)	(Scheduled) Date of acquisition
Existing properties						
Tokyo	Tokyo-1	GLP Tokyo	22,700	5.9	25,900	January 4, 2013
Tokyo	Tokyo-2	GLP Higashi-Ogishima	4,980	1.3	5,950	January 4, 2013
Tokyo	Tokyo-3	GLP Akishima	7,160	1.9	8,220	January 4, 2013
Tokyo	Tokyo-4	GLP Tomisato	4,990	1.3	5,480	January 4, 2013
Tokyo	Tokyo-5	GLP Narashino II	15,220	3.9	18,700	January 4, 2013
Tokyo	Tokyo-6	GLP Funabashi	1,720	0.4	1,840	January 4, 2013
Tokyo	Tokyo-7	GLP Kazo	11,500	3.0	13,200	January 4, 2013
Tokyo	Tokyo-8	GLP Fukaya	2,380	0.6	2,710	January 4, 2013
Tokyo	Tokyo-9	GLP Sugito II	19,000	4.9	21,300	January 4, 2013
Tokyo	Tokyo-10	GLP Iwatsuki	6,940	1.8	7,780	January 4, 2013
Tokyo	Tokyo-11	GLP Kasukabe	4,240	1.1	4,740	January 4, 2013
Tokyo	Tokyo-12	GLP Koshigaya II	9,780	2.5	11,000	January 4, 2013
Tokyo	Tokyo-13	GLP Misato II	14,600	3.8	16,800	January 4, 2013
Tokyo	Tokyo-14	GLP Tatsumi	4,960	1.3	5,750	February 1, 2013
Tokyo	Tokyo-15	GLP Hamura	7,660	2.0	8,660	October 1, 2013
Tokyo	Tokyo-16	GLP Funabashi III	3,050	0.8	3,770	October 1, 2013
Tokyo	Tokyo-17	GLP Sodegaura	6,150	1.6	7,410	October 1, 2013
Tokyo	Tokyo-18	GLP Urayasu III	18,200	4.7	19,400	March 3, 2014
Tokyo	Tokyo-19	GLP Tatsumi IIa	6,694	1.7	7,370	April 1, 2014
Tokyo	Tokyo-20	GLP Tatsumi IIb	1,056	0.3	1,140	April 1, 2014
Tokyo	Tokyo-21	GLP Tokyo II	36,100	9.3	37,400	September 2, 2014
Tokyo	Tokyo-22	GLP Okegawa	2,420	0.6	2,570	September 2, 2014
Tokyo	Tokyo-23	GLP Shinkiba	11,540	3.0	11,900	September 1, 2015
Tokyo	Tokyo-24	GLP Narashino	5,320	1.4	5,430	September 1, 2015
Tokyo	Tokyo-25	GLP Narita II	3,700	1.0	3,810	September 1, 2015
Tokyo	Tokyo-26	GLP Sugito	8,310	2.2	8,910	September 1, 2015
Osaka	Osaka-1	GLP Hirakata	4,750	1.2	5,120	January 4, 2013
Osaka	Osaka-2	GLP Hirakata II	7,940	2.1	8,590	January 4, 2013
Osaka	Osaka-3	GLP Maishima II	8,970	2.3	10,500	January 4, 2013
Osaka	Osaka-4	GLP Tsumori	1,990	0.5	2,210	January 4, 2013
Osaka	Osaka-5	GLP Rokko	5,160	1.3	5,600	January 4, 2013
Osaka	Osaka-6	GLP Amagasaki	24,500	6.3	26,500	January 4, 2013
Osaka	Osaka-7	GLP Amagasaki II	2,040	0.5	2,210	January 4, 2013
Osaka	Osaka-8	GLP Nara	2,410	0.6	2,700	January 4, 2013
Osaka	Osaka-9	GLP Sakai	2,000	0.5	2,160	February 1, 2013
Osaka	Osaka-10	GLP Rokko II	3,430	0.9	4,140	October 1, 2013
Osaka	Osaka-11	GLP Kadoma	2,430	0.6	2,780	September 2, 2014
Osaka	Osaka-12	GLP Seishin	1,470	0.4	1,580	September 2, 2014
Osaka	Osaka-13	GLP Fukusaki	3,640	0.9	4,000	September 2, 2014
Osaka	Osaka-14	GLP Kobe-Nishi	7,150	1.8	7,420	May 1, 2015
Other	Other-1	GLP Morioka	808	0.2	858	January 4, 2013
Other	Other-2	GLP Tomiya	2,820	0.7	2,970	January 4, 2013
Other	Other-3	GLP Koriyama I	4,100	1.1	4,430	January 4, 2013
Other	Other-4	GLP Koriyama III	2,620	0.7	2,690	January 4, 2013
Other	Other-5	GLP Tokai	6,210	1.6	7,170	January 4, 2013
Other	Other-6	GLP Hayashima	1,190	0.3	1,310	January 4, 2013
Other	Other-7	GLP Hayashima II	2,460	0.6	2,620	January 4, 2013
Other	Other-8	GLP Kiyama	4,760	1.2	5,290	January 4, 2013
Other	Other-9	GLP Tosu III	793	0.2	892	January 4, 2013
Other	Other-10	GLP Sendai	5,620	1.5	6,220	February 1, 2013
Other	Other-11	GLP Ebetsu	1,580	0.4	1,960	October 1, 2013
Other	Other-12	GLP Kuwana	3,650	0.9	4,280	October 1, 2013
Other	Other-13	GLP Hatsukaichi	1,980	0.5	2,350	October 1, 2013

Region	Property number	Property name	(Planned) Acquisition price (million yen) (Note 1)	Share (%) (Note 2)	Appraisal value (million yen) (Note 3)	(Scheduled) Date of acquisition
Other	Other-14	GLP Komaki	10,300	2.7	11,600	March 3, 2014
Other	Other-15	GLP Ogimachi	1,460	0.4	1,530	September 2, 2014
Other	Other-16	GLP Hiroshima	3,740	1.0	3,950	September 2, 2014
Other	Other-17	GLP Fukuoka	1,520	0.4	1,600	September 2, 2014
Other	Other-18	GLP Chikushino	1,050	0.3	1,260	September 2, 2014
Other	Other-19	GLP Tosu I	9,220	2.4	9,650	September 1, 2015
Subtotal			384,131	99.4	425,280	-
Asset planned for acquisition						
Tokyo	Tokyo-27	GLP Matsudo	2,356	0.6	2,630	January 15, 2016
Total			386,487	100.0	427,910	-

Asset subject to OTA (Note 4)						
Tokyo	-	GLP Noda-Yoshiharu	(Note 5)	-	4,880	From July 14, 2016 through July 13, 2020 (Note 5)

(Note 1) The (planned) acquisition price is the trading value for each real estate or trust beneficiary right included in sales agreements (excludes acquisition-related expenses and consumption tax, etc.).

(Note 2) Share is the ratio of the (planned) acquisition price of each real estate or real estate in trust to the total price and is rounded to the second decimal place.

(Note 3) For existing assets, the figures represent the values that were appraised or investigated by a real estate appraiser as of the time of pricing at the end of August 2015 based on the asset valuation method and standards, which are provided in GLP J-REIT regulations, and the regulations of the Investment Trusts Association, Japan. The figures for the five assets acquired on September 1, 2015 represent the appraisal value as of the time of pricing at the end of June 2015. The figures for the asset planned for acquisition and the asset subject to OTA are appraisal values as of the time of pricing on November 16, 2015 and June 15, 2015, respectively.

(Note 4) With regard to "OTA", please refer to GLP J-REIT press release "[Notice of Conclusion of Sales and Purchase Contract concerning Acquisition of Asset](#)" announced on July 13, 2015.

(Note 5) The planned acquisition price for the asset subject to OTA is an amount between 4,170 million yen and 4,650 million yen that is obtained by adjusting the price that gradually diminishes roughly in proportion to the seller's holding period that was agreed to beforehand between GLP J-REIT and Central Compass Co., Ltd., the seller, by the sum total of the difference between the budget of repair costs and capital expenditure, etc. that were agreed on beforehand and the actual figure for the period between the date the sales contract was concluded and the execution date of the acquisition. The planned acquisition date is July 13, 2020 or on a date between July 14, 2016 and July 13, 2020 that GLP J-REIT designates no later than 15 business days prior.

## Appendix 3 Key features of GLP Matsudo

### 1. Location with good access to the central business district of Tokyo and suitable for logistics

The asset planned for acquisition is located within 20 km from the central business district of Tokyo in an area with a high scarcity value where the supply of logistics facilities has been difficult in recent years. It is located approximately 4.3 km from the Misato Minami IC of the Tokyo Gaikan Expressway and within the Kita Matsudo industrial complex, which is approximately 1 km from Route 6, allowing coverage of not only the Tokyo metropolitan area but also the entire North Japan region.

Furthermore, it offers an excellent recruiting environment as it is located in a densely populated area within a 10-minute walking distance of JR Kita Matsudo Station.

In addition, approximately 16 km between the Misato Minami IC on the Tokyo Gaikan Expressway and the Takaya JCT on the Bayshore Route of Shuto Expressway is scheduled to open in 2017. This is expected to improve access from Tokyo Port as well as Narita and Haneda airports significantly.



### 2. The Logistics base of a prime tenant with high functionality

The asset planned for acquisition is designed for easy entry and dispatching by securing sufficient space for truck handling as well as L-shaped truck berths on two sides. Inside, its facilities and specifications also offer high vertical conveying capability and allow efficient operation.

In addition, since its completion, the asset planned acquisition has been used over a long period of time by the logistics subsidiary of a major electronic parts manufacturer as a strategic base that handles a wide range of electronic parts of the company group and covers a broad area from the Tokyo metropolitan area to North Japan.

The FAR of the asset planned for acquisition is 132%, which is lower than the 200% FAR ceiling, thereby offering the potential of improvement in property value through expansion or renovation in the medium- to long-term.

