

For Immediate Release

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**Announcement of Amendment of Forecast Concerning Operating Status and Distribution for the Fiscal Period Ending February 29, 2016 and Forecast for the Fiscal Period Ending August 31, 2016**

GLP J-REIT announces today an amendment to its forecast for the fiscal period ending February 29, 2016 (from September 1, 2015 to February 29, 2016), which was announced on April 14, 2015 as well as the forecast for the fiscal period ending August 31, 2016 (from March 1, 2016 to August 31, 2016) presented below.

The forecast for the fiscal period ending August 31, 2015 (from March 1, 2015 to August 31, 2015), which was announced on April 14, 2015, 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 February 29, 2016

	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)	10,959	5,592	4,552	4,550	1,903	292	2,195
Amended forecast (B)	12,276	6,423	5,263	5,262	2,026	301	2,327
Increase or decrease (B - A)	+1,317	+831	+711	+711	+123	+9	+132
Rate of increase or decrease	+12.0%	14.9%	+15.6%	+15.6%	+6.5%	+3.1%	+6.0%

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(2) Forecast for the fiscal period ending August 31, 2016

	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 August 31, 2016	12,283	6,281	5,161	5,159	1,987	300	2,287

(Reference)

Fiscal period ending February 29, 2016: Forecast number of investment units issued and outstanding at period-end: 2,596,267 units (2,390,731 units as of the time of the previous announcement)

Fiscal period ending August 31, 2016: Forecast number of investment units issued and outstanding at period-end: 2,596,267 units

(Notes)

1. The eighth fiscal period of GLP J-REIT is from September 1, 2015 to February 29, 2016, and its ninth fiscal period is from March 1, 2016 to August 31, 2016.
2. The forecasts are calculated based on the assumptions stated in attachment 1: "Assumptions Underlying the Forecasts for the Fiscal Period Ending February 29, 2016 and the Fiscal Period Ending August 31, 2016." The actual operating revenue, operating income, ordinary income, net income, distributions per unit and optimal payable distributions per unit may vary due to the future acquisition or sale of real estate and other assets, trends in the real estate and other markets, the 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," and the acquisition of assets, which was announced today in the "Notice of Acquisition of Assets and Lease Contract with New Tenants" (hereinafter referred to as the "five assets to be acquired"), there were changes in the assumptions that underlie the forecast for the fiscal period ending February 29, 2016, which was announced on April 14, 2015. Therefore, the forecast for the fiscal period ending February 29, 2016 has been amended.

Accordingly, a new forecast was prepared concerning the forecast for the fiscal period ending August 31, 2016 that is based on the above-mentioned changes in assumptions.

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<Reference>

For the purpose of illustratively presenting the expected impact of the acquisition of trust beneficiary rights pertaining to GLP Kobe-Nishi which was announced on April 24, 2015 (hereinafter referred to as the “asset acquired in May”) as well as the issuance of new investment units and the acquisition of the five assets to be acquired (together with the asset acquired in May, hereinafter referred to as the “assets for acquisition since May”) on the management status of GLP J-REIT, GLP J-REIT calculated, on a hypothetical basis, the adjusted management status assuming that the issuance of new investment units and acquisition of assets for acquisition since May were not carried out (hereinafter referred to as the “hypothetical results (assuming 53 properties)”), based on assumptions of the forecast for the fiscal period ending August 31, 2016, which was announced today. Such assumptions are set forth in attachment 2: “Comparison of the forecast and the hypothetical results (assuming 53 properties) for the fiscal period ending August 31, 2016.”

The purpose of the hypothetical results (assuming 53 properties) is not to estimate income for specified fiscal periods. Hypothetical results (assuming 53 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, 2016 and other specified fiscal periods will be different from the hypothetical results (assuming 53 properties). Please refer to attachment 2: “Comparison of the forecast and the hypothetical results (assuming 53 properties) for the fiscal period ending August 31, 2016” for details of the method of calculation of hypothetical results (assuming 53 properties).

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

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Attachment 1

**Assumptions Underlying the Forecasts for  
the Fiscal Period Ending February 29, 2016 and the Fiscal Period Ending August 31, 2016**

Item	Assumption
Calculation period	8 <sup>th</sup> Fiscal Period (from September 1, 2015 to February 29, 2016) (182 days) 9 <sup>th</sup> Fiscal Period (from March 1, 2016 to August 31, 2016) (184 days)
Portfolio assets	<ul style="list-style-type: none"> <li>• The forecasts are based on the assumption that GLP J-REIT will possess 59 properties in total through the acquisition of trust beneficiary rights for GLP Shinkiba, GLP Tosu I, GLP Sugito, GLP Narashino and GLP Narita II (the “five assets to be acquired”) on September 1, 2015, using the funds procured by the issuance of investment units decided at the board of directors of GLP J-REIT on August 10, 2015, borrowings to be made in September 2015 (defined in “Interest-bearing liabilities” below) and 2,600 million yen of cash on hand, in addition to trust beneficiary rights for GLP Kobe-Nishi, which was acquired on May 1, 2015 (the “asset acquired in May”) and the trust beneficiary rights for 53 assets which are held by GLP J-REIT as of the end of its 6<sup>th</sup> fiscal period. The forecasts also assume that there will be no subsequent changes in the portfolio assets (acquisition of a new asset, disposal of a portfolio asset, etc.) through August 31, 2016. In practice, however, changes may arise due to the acquisition of new assets other than the above assets and the disposal of portfolio assets, etc.</li> </ul>
Number of outstanding investment units	<ul style="list-style-type: none"> <li>• The forecasts are based on the assumption that in addition to the 2,390,731 units currently outstanding, 205,536 new investment units will be issued, which is the sum of the new investment units issued through third-party allocation (upper limit: 7,942 units) and the new units issued through the offering (upper limit: 197,594 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 decided at the meeting of the board of directors held on August 10, 2015.</li> </ul>
Interest-bearing liabilities	<ul style="list-style-type: none"> <li>• The balance of interest-bearing liabilities of GLP J-REIT was 176,580 million yen as of today.</li> <li>• It is assumed that GLP J-REIT will borrow 14,180 million yen in total from qualified institutional investors as provided in item 1, paragraph 3, Article 2 of the Financial Instruments and Exchange Act on September 1, 2015 (includes short-term borrowings; hereinafter referred to as the “borrowing to be made in September 2015”).</li> <li>• It is assumed that GLP J-REIT will repay 770 million yen of long-term borrowings at the end of October, 2015 using the funds procured by issuance of investment units by third-party allocation through the over-allotment option in the domestic offering.</li> <li>• It is assumed that the current portion (23,800 million yen) of long-term borrowings, which will become due on January 4, 2016, and the short-term borrowings of 1,700 million yen made in January 2015 will be refinanced through borrowings on the same day.</li> <li>• It is assumed that, because consumption taxes paid corresponding to the fiscal period ending February 29, 2016 will be refunded during the fiscal period ending August 31, 2016, 3,230 million yen in long-term debts will be repaid at the end of August, 2016 using the refunded consumption tax and cash on hand.</li> <li>• LTV as of the end of the fiscal period ending February 29, 2016 is expected to be</li> </ul>

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Item	Assumption
	around 48.7%, while LTV as of the end of the fiscal period ending August 31, 2016 is expected to be around 48.3%. The following formula is used for calculating LTV: $\text{LTV} = \frac{\text{the balance of interest-bearing liabilities}}{\text{total assets}} \times 100$
Operating revenue	<ul style="list-style-type: none"> <li>Operating revenue is premised on the assumption that there will be no delay or failure in the payment of rents by lessees.</li> </ul>
Operating expense	<ul style="list-style-type: none"> <li>With respect to property-related taxes (fixed assets tax, city planning tax and depreciable assets tax), which are levied on real estate holdings, etc., the amount of taxes that has been decided to be imposed and corresponding to the fiscal period concerned is recorded as rental expenses. However, when 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 for the asset acquired in May and the five assets to be acquired (assets for acquisition since May) will not be recorded as expenses for the fiscal period ending February 29, 2016, and 110 million yen is assumed as property-related taxes for the fiscal period ending August 31, 2016. The total amount of fixed assets tax, city planning tax and depreciable assets tax, which will be included in the acquisition cost of the assets for acquisition since May, is assumed to be 2 million yen (asset acquired in May) and 59 million yen (the five assets to be acquired).</li> <li>Property-related taxes are assumed to be 958 million yen for the fiscal period ending February 29, 2016, and 1,068 million yen for the fiscal period ending August 31, 2016.</li> <li>Repair costs are assumed to be 72 million yen for the fiscal period ending February 29, 2016, and 62 million yen for the fiscal period ending August 31, 2016.</li> <li>Property and facility management fees are assumed to be 432 million yen for the fiscal period ending February 29, 2016, and 429 million yen for the fiscal period ending August 31, 2016.</li> <li>Depreciation is assumed to be 2,606 million yen for the fiscal period ending February 29, 2016, and 2,599 million yen for the fiscal period ending August 31, 2016.</li> <li>Of rental expenses, which are the main operating expenses, expenses other than depreciation have been calculated based on the previous actual figures and reflect the variable factors of expenses.</li> <li>Please note that repair costs for each calculation period may differ significantly from the forecast amounts since 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 year generally differs significantly, and 3) repair costs are not incurred periodically.</li> <li>Depreciation, including incidental expenses and future additional capital expenditure, is calculated using the straight-line method.</li> </ul>
Net Operating Income (NOI)	<ul style="list-style-type: none"> <li>NOI (the amount obtained by deducting rental expenses other than depreciation from operating revenue) is assumed to be 10,350 million yen for the fiscal period ending February 29, 2016, and 10,211 million yen for the fiscal period ending August 31, 2016.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expenses, investment corporation bond interest expenses, amortization of investment corporation bond issuance expenses and finance-related expenses are expected to be 1,057 million yen for the fiscal period ending</li> </ul>

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Item	Assumption
	<p>February 29, 2016, and 1,067 million yen for the fiscal period ending August 31, 2016. Amortization of investment corporation bond issuance expenses is carried out on a monthly basis over the period from issuance to maturity.</p> <ul style="list-style-type: none"> <li>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 78 million yen for the fiscal period ending February 29, 2016 and 51 million yen for the fiscal period ending August 31, 2016.</li> <li>In addition, temporary expenses associated with the issuance of investment units are expected to be 22 million yen for the fiscal period ending February 29, 2016.</li> </ul>
Distributions per unit (excluding optimal payable distributions)	<ul style="list-style-type: none"> <li>This amount is calculated based on the policy on cash distributions that is stipulated in the regulations of GLP J-REIT.</li> <li>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.</li> </ul>
Optimal payable distribution per unit	<ul style="list-style-type: none"> <li>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 February 29, 2016 and the fiscal period ending August 31, 2016.</li> <li>Depreciation may differ from the currently assumed amount due to changes in assets under management, the 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.</li> <li>Appraised LTV (%) = <math>A/B \times 100</math> (%) <ul style="list-style-type: none"> <li>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 short-term investment corporation bonds) + amount of security deposits released as of the end of the fiscal period</li> <li>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</li> </ul> </li> <li>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.</li> </ul>
Others	<ul style="list-style-type: none"> <li>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.</li> <li>The forecasts assume that there will be no unforeseen material changes in</li> </ul>

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Item	Assumption
	general economic trends and real estate market conditions, etc.

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Attachment 2

**Comparison of the forecast and the hypothetical results (assuming 53 properties) for the fiscal period ending August 31, 2016**

	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
Hypothetical results for the fiscal period ending August 31, 2016 (assuming 53 properties) (A)	10,955	5,574	4,558	4,556	1,906	290	2,196	2,390,731
Forecast for the fiscal period ending August 31, 2016 (assuming 59 properties) (B)	12,283	6,281	5,161	5,159	1,987	300	2,287	2,596,267
Difference (B)-(A)	+1,328	+707	+603	+603	+81	+10	+91	+205,536
Rate of increase or decrease	+12.1%	+12.7%	+13.2%	+13.2%	+4.2%	+3.4%	+4.1%	+8.6%

<Assumptions for the hypothetical results (assuming 53 properties)>

The hypothetical results (assuming 53 properties) disregarding the issuance of new investment units and the acquisition of assets since May 2015, were calculated on a hypothetical basis on the premise of the portfolio as of February 28, 2015 (53 properties that GLP J-REIT owned at the end of the sixth fiscal period) and the number of outstanding investment units as of today, and by making the following adjustments to the forecast for the fiscal period ending August 31, 2016.

- It is assumed that the assets for acquisition since May will not be acquired, and real estate rental revenues and real estate rental expenses (including depreciation expense) relating to the assets for acquisition since May will not accrue.
- It is assumed that additional funds will not be raised through the issuance of new investment units and interest-bearing debt relating to the acquisition of assets for acquisition since May, and that the increase in the number of outstanding investment units, investment unit issuance expenses, interest expenses and borrowing related expenses, etc. that would accrue relating to such debt will not accrue.
- It is assumed that cash on hand planned to be appropriated for part of funds to acquire the five assets to be acquired will be held as cash and deposits.
- Asset management fee 1 is calculated based on the amount of total assets as of the end of the

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sixth fiscal period. Asset management fee 2 and 3 are calculated in consideration of NOI and net income per unit, reflecting the above assumptions. As a result, it is assumed that operating expenses will decrease, reflecting a decline in the asset management fee that is linked to these factors.

- When the forecast for the fiscal period ending August 31, 2016 was adjusted using the above assumptions, the main items for which differences from the forecast for the fiscal period ending August 31, 2016, which was announced today, would result are as follows:
  - Operating income from property leasing: a decline of 869 million yen
  - Other operating expenses (note): a decrease of 162 million yen
  - Interest expenses, investment corporation bond interest expenses, amortization of investment bond issuance expenses, borrowing related expenses, etc.: a decrease of 88 million yen
  - Amortization of investment unit issuance expenses: a decline of 15 million yen(note) Operating expenses exclude rental expenses and include asset management fee.

The purpose of presenting the hypothetical results (assuming 53 properties) is not to calculate performance for the fiscal period ending August 31, 2016 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, 2016 and other fiscal periods, will be different from the above hypothetical results (assuming 53 properties).

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