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For Immediate Release

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Amendment of Forecast for the Fiscal Period Ending February 28, 2014 and Announcement of Forecast for the Fiscal Period Ending August 31, 2014

GLP J-REIT ("GLP J-REIT") announces today an amendment to its forecast for the fiscal period ending February 28, 2014 (from September 1, 2013 to February 28, 2014), which was announced on April 16, 2013. The forecast for the fiscal period ending August 31, 2014 (from March 1, 2014 to August 31, 2014) is presented below.

The forecast for the fiscal period ended August 31, 2013 (from March 1, 2013 to August 31, 2013), which was announced on April 16, 2013, has not been amended.

Details

1. Amendment and Announcement of Forecasts

(1) Amendment to the forecast for the fiscal period ending February 28, 2014

	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)	7,232	4,246	3,493	3,492	1,900	262	2,162
Amended forecast (B)	8,063	4,836	4,020	4,019	1,916	251	2,167
Increase or decrease (B－A)	+830	+590	+526	+526	+16	-11	+5
Rate of increase or decrease	+11.5%	+13.9%	+15.1%	+15.1%	+0.8%	-4.2%	+0.2%

(2) Forecast for the fiscal period ending August 31, 2014

	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 2014	9,093	4,782	3,745	3,744	1,784	282	2,066

(Reference)

Fiscal period ending February 28, 2014: Forecast period-end number of investment units issued and outstanding: 2,097,700 units (1,837,700 units as of the time of the previous announcement)

Fiscal period ending August 31, 2014: Forecast period-end number of investment units issued and outstanding: 2,097,700 units

(Notes)

1. The fourth fiscal period of GLP J-REIT is from September 1, 2013 to February 28, 2014, and its fifth fiscal period is from March 1, 2014 to August 31, 2014.
2. The forecasts are calculated based on the assumptions stated in the attached “Assumptions Underlying the Forecasts for the Fiscal Period Ending February 28, 2014 and the Fiscal Period Ending August 31, 2014.” 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 a guarantee of 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 of rounded down and the percentage is rounded to the nearest dismal place.

2. Reasons for Amendment

Due to the issue 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,” there were changes in the assumptions underlying the forecast for the fiscal period ending February 28, 2014, which was announced on April 16, 2013. Therefore, the forecast for the fiscal period ending February 28, 2014 has been amended.

Accordingly, a new forecast was prepared concerning the forecast for the fiscal period ending August 31, 2014 that is based on the above-mentioned changes in assumptions.

<Reference>

The forecast for the fiscal period ending August 31, 2014, which was announced today, will be impacted by temporary factors, including the acquisition of assets during the fiscal period and property-related taxes dues on assets to be acquired. Therefore, GLP J-REIT calculated, on a hypothetical basis, income excluding the impact of the above temporary factors and assuming that all assets to be acquired will operate throughout the fiscal period (hereinafter referred to as “the income adjusted assuming acquisition of assets to be acquired”), with the aim of 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 management status of GLP J-REIT. Such hypothetical results are set forth in attachment 2: “Income after Adjustment.” GLP J-REIT also used a similar method for calculating a hypothetical result based on income after adjustment without considering the issue of new investment units and the acquisition of assets to be acquired, etc. (hereinafter referred to as “the income adjusted assuming no assets were acquired”) based on other assumptions underlying the forecast for the fiscal period ending August 31, 2014, which was announced today, on the premise of assets held by GLP J-REIT as of today and the number of outstanding investment units as of today. Such hypothetical results are set forth in attachment 2: “Income after Adjustment” for the purpose of comparison.

The purpose of presenting income after adjustment is not to calculate income for specified fiscal periods. Income after adjustment does not in any sense represent a forecast of income, etc. for specified fiscal periods. Please be aware that the actual profit for the fiscal period ending August 31, 2014 and other specified fiscal periods will be different from the income adjusted after considering the assets to be acquired. Please refer to attachment 2: “Income after Adjustment” for details of the method for the calculation of income after adjustment, etc.

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

Attachment 1

Assumptions Underlying the Forecasts for
the Fiscal Period Ending February 28, 2014 and the Fiscal Period Ending August 31, 2014

Item	Assumption
Calculation period	4th Fiscal Period (from September 1, 2013 to February 28, 2014) (181 days) 5th Fiscal Period (from March 1, 2014 to August 31, 2014) (184 days)
Portfolio assets	・The forecasts are based on the assumption that GLP J-REIT will acquire trust beneficiary rights for GLP Hamura, GLP Funabashi III, GLP Sodegaura, GLP Rokko II, GLP Ebetsu, GLP Kuwana and GLP Hatsukaichi (hereinafter referred to as “the seven assets to be acquired”) on October 1, 2013, using part of the fund procured by issuance of investment units decided in the board of directors of GLP J-REIT on September 3, 2013 and 4,900 million yen of cash on hand, and trust beneficiary rights for GLP Urayasu III and GLP Komaki (hereinafter referred to as “the two assets to be acquired”) on March 3, 2014 by borrowing, in addition to the trust beneficiary rights (33 assets) which are held by GLP J-REIT as of today (hereinafter referred to as “the existing 33 assets”). They 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, 2014. 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.
Number of outstanding investment units	・The forecasts are based on the assumption, that in addition to the 1,837,700 units currently outstanding, 260,000 new investment units will be issued, which is a sum of the entire third-party allocation of units through overallotment sale (upper limit: 10,045 units) as well as the units through the offering (upper limit: 249,955 units) (investment units to be underwritten and purchased by the domestic underwriters and the overseas underwriters in the public offerings investment units in maximum to be additionally issued, which are subject to the right to purchase granted to the overseas underwriters in the overseas offering) which is decided in board of directors on September 3, 2013 will be issued.
Interest bearing liabilities	・The balance of interest bearing liabilities of GLP J-REIT was 114,400 million yen as of today. ・GLP J-REIT will repay 980 million yen of short-term borrowing in total at the end of November 2013, with cash on hand and the funds paid for the issue of investment units by third-party allocation through the overallotment sale. ・It is assumed that the remaining 17,420 million yen in short-term borrowings after the above repayment, which will become due on January 4, 2014, will be refinanced at the same amount. ・GLP J-REIT will borrow 28,920 million yen in total from qualified institutional investors as provided in item 1 of paragraph 3 of Article 2 of the Financial Instruments and Exchange Act on March 3, 2014. ・It is assumed that, because consumption tax paid corresponding to the fiscal period ending February 28, 2014 will be refunded during the fiscal period ending August 31, 2014, 1,800 million yen in long-term debts will be repaid at the end of August 31, 2014 using refunded consumption tax as funds and cash on hand.
Operating revenue	・Operating revenue is premised on the assumption that there will be no delay or failure in the payment of rents by lessees.
Operating expense	・With respect to property-related taxes (municipal property taxes and city planning tax), which are levied on real estate holdings, etc., the amount of taxes 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 a seller is required for a year belonging to a calculation period, the amount of the adjustment will be included in the acquisition cost of the real estate. Accordingly, the existing 33 assets and the seven assets to be acquired will not be recorded as a cost for the fiscal period ending February 28, 2014. 742 million yen is assumed as property-related taxes for the fiscal period ending August 31, 2014. The two assets to be acquired will not be recorded as a cost for the fiscal period ending August 31, 2014 and the fiscal period ending February 28, 2015, and fixed asset tax, city planning tax and depreciable asset tax will be recorded as a cost from the fiscal period ending August 31, 2015. The total amount of fixed asset tax, city planning tax and depreciable asset tax, which will be included in the acquisition cost of the seven assets to be acquired and the two assets to be acquired, is assumed to be 47 million yen and 128 million yen, respectively. ・Repair expenses are assumed to be 20 million yen for the fiscal period ending February 28, 2014, and 21 million yen for the fiscal period ending August 31, 2014. ・Property and facility management fees are assumed to be 288 million yen for the fiscal period ending February 28, 2014, and 326 million yen for the fiscal period ending August 31, 2014. ・Depreciation expense is assumed to be 1,759 million yen for the fiscal period ending February 28, 2014, and 1,972 million yen for the fiscal period ending August 31, 2014. ・With respect to expenses other than depreciation, or rental expenses which are the main operating expenses, such expenses are calculated based on past actual figures reflecting the variable factors of expenses. ・Please note that repair expenses for each calculation period may possibly differ significantly from the forecast amounts because repair expenses may be urgently required due to damage, etc. to buildings based on factors that are difficult to predict, because the difference in amount will generally depend on the year, and because repair expenses will not accrue periodically. ・Depreciation expense, 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 expense from operating revenue) is assumed to be 7,503 million yen for the fiscal period ending February 28, 2014, and 7,715 million yen for the fiscal period ending August 31, 2014.
Non-operating expenses	・Interest expenses and other finance-related expenses are expected to be 714 million yen for the fiscal period ending February 28, 2014, and 961 million yen for the fiscal period ending August 31, 2014. ・With respect to amortization of investment unit issuance expenses, amortization is carried out on a monthly basis over three years after the time of accrual, and is expected to be 75 million yen for both the fiscal period ending February 28, 2014 and the fiscal period ending August 31, 2014. ・Other temporary expenses associated with the issuance of investment units are expected to be 25 million yen for the fiscal period ending February 28, 2014.
Distributions per unit (excluding optimal payable distributions)	・This amount is calculated based on the policy on cash distributions that is included in the regulations of GLP J-REIT. ・There is a possibility that the amount of distributions per unit (excluding optimal payable distributions) will change due to various factors such as a fluctuation in rental revenues owing to a change in assets under management and tenants, etc., unexpected repair, changes in interest rates, and the issue of new investment units.

Optimal payable distributions per unit	・Optimal payable distributions per unit is calculated in accordance with the policy on cash distributions in excess of earnings, which is provided in the Management Guidelines and the internal rules of the asset management company. It is calculated by assuming distributions of around 30% of depreciation expense to be recorded in the fiscal period ending February 2014 and the fiscal period ending August 2014. ・There is a possibility that depreciation expense will change from the currently assumed amount due to a change in assets under management, the amount of accrual 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 expense, will change due to various factors including those above. GLP J-REIT has decided that an upper limit in the event that GLP J-REIT pays out optimal payable distributions should be an amount obtained by deducting capital expenditure for a calculation period when depreciation expense is recorded from the depreciation expense 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 decline. In addition, if the appraised LTV, which is defined below, exceeds 60%, GLP J-REIT will not pay out the optimal payable distributions. ・Appraised LTV (%) ＝A/B×100 (%) A＝interest-bearing liabilities balance 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 B＝total amount of appraised value or investigated value of assets under management 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 forecast 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 (hereinafter “Investment Trusts Association”) 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.

Attachment 2

Income after Adjustment

	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (yen) (excl. OPD)	OPD per unit (yen)	(a)+(b)	Number of outstanding investment units
Hypothetical results of the income adjusted assuming no investment units were issued and no assets were acquired (A)	7,282	3,733	2,919	2,918	1,588	263	1,851	1,837,700
Hypothetical results of the income adjusted assuming the acquisition of assets to be acquired (B)	9,102	4,704	3,665	3,664	1,746	282	2,038	2,097,700
Difference (B)-(A)	+1,819	+971	+745	+745	+158	+19	+177	260,000
Rate of increase of decrease	+25.0%	+26.0%	+25.5%	+25.6%	+9.9%	+7.2%	+9.6%	+14.1%

<Assumptions for hypothetical results of the income adjusted assuming no investment units were issued an no assets were acquired>

The income adjusted assuming no investment units were issued and no assets were acquired was calculated on a hypothetical basis on the premise of the assets already acquired by GLP J-REIT 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, 2014.

- It is assumed that the assets to be acquired as announced today will not be acquired, and real estate rental revenues and real estate rental expenses (including depreciation expense) relating to the assets to be acquired will not accrue.
- It is assumed that funds will not be raised through the issue of new investment units and interest-bearing debt relating to the acquisition of assets to be acquired, and that fund-raising expenses and interest expenses, etc. that would accrue relating to such debt will not accrue.
- Asset management fee is calculated based on total assets, NOI and net income per unit, which will change based on the above assumptions. 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, 2014 was adjusted using the above assumptions, differences from the forecast for the fiscal period ending August 31, 2014, which was announced today, were calculated as hypothetical results as follows:
  - Operating income from property leasing: a decline of 1,239 million yen

- ➢ Asset management fee: a decline of 179 million yen
- ➢ Other operating expenses: (note) a decrease of 10 million yen
- ➢ Interest expenses and borrowing related expenses: a decrease of 201 million yen
- ➢ Amortization of investment unit issuance expenses: a decline of 21 million yen

(note) Operating expenses excluding rental expenses and asset management fee

<Assumptions for hypothetical results of the income adjusted assuming acquisition of the assets to be acquired>

The hypothetical results were determined by making the following adjustments based on the forecast for the fiscal period ending August 31, 2014 after considering the issuance of new investment units and the acquisition of assets to be acquired, which were announced today.

- ■ With respect to property-related revenues and property-related expenses (excluding depreciation expense) relating to the assets to be acquired, it is assumed that all assets to be acquired will operate throughout the fiscal period. Accordingly, with regard to the two assets to be acquired on March 3, 2014, the forecast was adjusted considering two operating days.
- ■ It is assumed that property-related taxes such as municipal property taxes and city planning tax on the two assets to be acquired on March 3, 2014 will be levied beginning with the fiscal period ending August 31, 2014, and 77 million yen (for six months) as property-related taxes will be recorded as costs.
- ■ It is assumed that property and facility management fees will decrease by 2 million yen due to a change in NOI reflecting the above.
- ■ It is assumed that interest expenses, etc., which will accrue in relation to the acquisition of two assets to be acquired, will be recorded for the full fiscal period (six months), and non-operating expenses will increase by 2 million yen.
- ■ As to the calculation of asset management fee that is linked to the amount of total assets, it is assumed that the amount of total assets for a period from one day following the end of the previous fiscal period to the date that is three months after the end of the previous fiscal period is the same as the amount of total assets for a period from one day following the end of such period to a closing date of the fiscal period.
- ■ Asset management fees are is based on total assets, NOI and net income per unit, which will change due to the above adjustments. It is assumed that operating expenses will increase, reflecting an increase in the asset management fee that is linked to these factors.
- ■ When the forecast for the fiscal period ending August 31, 2014 was adjusted using the above assumptions, differences from the forecast for the fiscal period ending August 31, 2014, which was announced today, were calculated as hypothetical results as follows:
  - ➢ Operating income from property leasing: a decline of 66 million yen
  - ➢ Asset management fee: an increase of 10 million yen
  - ➢ Other operating expenses (note): no change
  - ➢ Interest expenses and borrowing related expenses: an increase of 2 million yen

  (note) Operating expense excluding rental expenses and asset management fee

The purpose of presenting income after adjustment is not to calculate income for the fiscal period ending August 31, 2014 and other fiscal periods. Such income after adjustment does not in any sense represent a forecast of income, etc. for specified fiscal periods. Please be aware that the forecasts, including actual profit for the fiscal period ending August 31, 2014 and other fiscal periods, will be different from the hypothetical results of the income after adjustment.