

July 12, 2017

For Immediate Release

Real Estate Investment Trust Securities Issuer:
GLP J-REIT
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Representative: Yoji Tatsumi, Executive Director
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Asset Management Company:
GLP Japan Advisors Inc.
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Notice Concerning Sale of Assets

GLP Japan Advisors Inc. (hereinafter, “the asset management company”), to which GLP J-REIT entrusts management of its assets, has determined the sales of the two properties shown below (hereinafter, “the assets for sale”) in the form of trust beneficiary interest (hereinafter, “the sale”) today.

1. Overview of the sale

Property number	Property name	Type of specified asset	Sale price (Note 1)	Book value (Note 2)	Difference between sale price and book value
Tokyo-20	GLP Tatsumi IIb	Beneficiary interest of real estate in trust	Not disclosed (Note 3)	1,064 million yen	Not disclosed (Note 3)
Tokyo-25	GLP Narita II	Beneficiary interest of real estate in trust	Not disclosed (Note 3)	3,662 million yen	Not disclosed (Note 3)
Total	—	—	5,070 million yen	4,726 million yen	343 million yen

(Note 1) The “sale price” excludes miscellaneous expenses of the sale, property tax, urban planning tax, consumption tax and local consumption tax.

(Note 2) Figures for “book value” represent the reference value as of February 28, 2017 rounded down to the nearest million yen, and are different from the value as of the sale date.

(Note 3) The assets for sale are sold to one buyer according to one agreement. Unable to disclose the sale price of individual assets, as consent has not been obtained from the buyer. Accordingly, the differences between individual sale prices and book values are also undisclosed.

(Note 4) GLP Tatsumi IIb and GLP Narita II are collectively referred to as “the assets for sale” hereinafter.

- (1) Agreement Date: July 12, 2017
- (2) Scheduled Delivery Date: July 14, 2017
- (3) Buyer: Please refer to “4. Buyer Profile”
- (4) Method of Payment: Full payment at the time of delivery
- (5) Use of funds from the sale of the properties: To make an early repayment for an outstanding borrowing disclosed in the press release titled “Notice Concerning Early Repayment of Borrowing and Cancellation of Swap Contract” dated today.

2. Reason for the sale

GLP J-REIT has decided to carry out asset replacement through the sale of the assets and the acquisition of GLP Noda-Yoshiharu as described in the press release titled “Notice of Determination of Scheduled Acquisition Date Concerning Acquisition of Asset (GLP Noda-Yoshiharu)” dated as of today with the aim of enhancing the quality of its portfolio, the stability of cash distributions from a medium- to long-term perspective and operational efficiency based on GLP J-REIT’s objective of implementing asset management to secure both steady income over the medium to long term and the steady growth of its asset value. For details of the asset replacement, please refer to “On the series of initiatives”, the reference material separately disclosed as of today.

Funds from the sale of properties will be utilized to repay outstanding borrowing before the repayment date described in “1. Summary of partial early repayment, (2) Reason for repayment” of the press release titled “Notice Concerning Early Repayment of Borrowing and Cancellation in Swap Contract” dated as of today. Further, gain on sale of the assets will be partially offset by temporary expenses described in “3. One-time cost incurred upon the early repayment etc.” of the press release titled “Notice Concerning Early Repayment of Borrowing and Cancellation of Swap Contract” dated as of today, and the remaining will be paid as cash distribution for the fiscal period ending August 2017.

3. Details of the assets for sale

The following tables provide an overview of the properties in trust and the associated trust beneficiary rights, which are the assets for sale.

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 assets for sale at the time of the sale.
- (2) “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.
- (3) “Land area” of “Land” is based on what is described in the registry, and may not necessarily be identical with the actual figure.
- (4) “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).
- (5) “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.
- (6) “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.
- (7) “Type of ownership” of “Land” and “Building” indicates the type of right owned by the trustee.
- (8) “Date constructed” of “Building” indicates, as a rule, the registered date when the main building was newly completed.
- (9) “Construction / No. of floors” and “Use” of “Building” is based on the description of the main building on the registry.
- (10) “Gross floor area” of “Building” is based on the description on the registry, and does not include annex buildings.
- (11) “Appraisal value” indicates the appraisal value as of February 28, 2017 described in the real estate appraisal report that was prepared by real estate appraiser retained by GLP J-REIT.

- (12) “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.
- (13) “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 end of May, 2017.
- (14) “Annual contracted rent” is a figure derived by multiplying by 12 the monthly rent (including common area charges) of the building indicated in the lease contract of each property or property in trust as of the end of May, 2017 (or the sum amount for the property or property in trust for which multiple lease contracts are concluded) (excluding consumption tax). The figure is rounded down to the nearest million yen. Therefore, the sum of “annual contracted rent” of each property or property in trust may not necessarily be identical with the subtotal or portfolio total.
- (15) “Leasehold and security deposits” is a figure equivalent to the total outstanding leasehold and security deposits indicated in the lease contract of each property or property in trust as of the end of May, 2017. The figure is rounded down to the nearest million yen. Therefore, the sum of “leasehold and security deposits” of each property may not necessarily be identical with the subtotal or portfolio total.
- (16) “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 end of May, 2017, 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-20) GLP Tatsumi IIb

Property name		GLP Tatsumi IIb
Type of specified asset		Beneficiary interest of real estate in trust
Date of acquisition		April 1, 2014
Acquisition price		1,056 million yen
Trust start date		April 1, 2014
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust expiration date		April 30, 2024
Land	Location (Residential address)	3-7-7 Tatsumi, Koto-ku, Tokyo
	Land area	961.01 m ²
	Zoning	Quasi-industrial district
	FAR / BCR	300% / 60%
	Type of ownership	Ownership
Building	Date constructed	April 30, 1990
	Construction / No. of floors	Seven-story steel-frame building with galvanized steel sheet roof
	Gross floor area	3,358.95 m ²
	Use	Warehouse
	Type of ownership	Ownership
Appraisal value		1,140 million yen
Date of appraisal		February 28, 2017
Real estate appraiser		Morii Appraisal & Investment Consulting, Inc.
Details of tenants		
	Number of tenants	1
	Major tenant	Not disclosed (Note)
	Annual contracted rent	Not disclosed (Note)
	Leasehold and security deposits	Not disclosed (Note)
	Leased area	3,276.00 m ²
	Leasable area	3,276.00 m ²
	Occupancy rate	100.0%
Remarks		—
(Note) Unable to disclose as consent has not been obtained from the tenant.		

(Tokyo-25) GLP Narita II

Property name		GLP Narita II
Type of specified asset		Beneficiary interest of real estate in trust
Date of acquisition		September 1, 2015
Acquisition price		3,700 million yen
Trust start date		December 3, 2004
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust expiration date		August 31, 2035
Land	Location (Residential address)	1033-1 Yamada, Shibayama, Sambu, Chiba
	Land area	33,112.83 m ²
	Zoning	N/A
	FAR / BCR	200% / 60%
	Type of ownership	Ownership
Building	Date constructed	February 15, 2005
	Construction / No. of floors	Two-story steel-frame reinforced concrete building with alloy plating copper sheet roof
	Gross floor area	21,802.36 m ²
	Use	Warehouse/Office
	Type of ownership	Ownership
Appraisal value		3,870 million yen
Date of appraisal		February 28, 2017
Real estate appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Details of tenants		
	Number of tenants	3
	Major tenant	Kuehne + Nagel Ltd., VANTEC HTS FORWARDING, LTD. and Hitachi Transport System Metropolitan Co., Ltd.
	Annual contracted rent	254 million yen
	Leasehold and security deposits	67 million yen
	Leased area	20,927.35 m ²
	Leasable area	20,927.35 m ²
	Occupancy rate	100.0%
Remarks		Fujita Corporation, the contractor of this property, and Chiba Prefecture entered into an afforestation agreement concerning this property on May 20, 2004. Thus, GLP J-REIT has an obligation to properly maintain and operate 10% of the total operating area as a green area.

4. Buyer Profile

The buyer of the assets for sale is one company. We have not obtained permission to disclose the buyer information including company form. As of today, there are no capital, personnel or business relationships between the buyer and GLP J-REIT or the asset management company that must be disclosed. In addition, the buyer does not fall under the category of a related party of GLP J-REIT or the asset management company.

5. Broker Profile

No broker was used in the sale of the assets.

6. Future outlook

The financial impact from the sale is immaterial and GLP J-REIT makes no change in the future outlook of earnings forecasts for the fiscal period ending August 2017 (March 1, 2017 to August 31, 2017) and the fiscal period ending February 2018 (September 1, 2017 to February 28, 2018) disclosed in “Summary of Financial Results (REIT) for the 10th Fiscal Period Ended February 28, 2017” on April 13, 2017.

7. Outline of appraisal
(Tokyo-20) GLP Tatsumi IIb

Appraisal value	1,140 million yen
Real estate appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	February 28, 2017

Item	Details	Outline
Income approach value	1,140 million yen	
Direct capitalization approach	1,140 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	59 million yen	
Profit on the investment of a lump sum	Not disclosed (Note)	
Capital expenditure	Not disclosed (Note)	
Net cash flow	54 million yen	
Capitalization rate	4.8%	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	1,140 million yen	
Discount rate	4.6%	Assessed by considering regional characteristics and uniqueness of the property
Terminal cap rate	5.0%	Assessed based on capitalization rate adjusted by future uncertainly risks etc.
Cost approach value	443 million yen	
Land percentage	81.4%	
Building percentage	18.6%	

(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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(Tokyo-25) GLP Narita II

Appraisal value	3,870 million yen
Real estate appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of appraisal	February 28, 2017

Item	Details	Outline
Income approach value	3,870 million yen	
Direct capitalization approach	4,030 million yen	
Operating revenues	265 million	
Total potential revenue	Not disclosed (Note)	
Loss such as vacancy	Not disclosed (Note)	
Operating expenses	63 million	
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	202 million yen	
Profit on the investment of a lump sum	Not disclosed (Note)	
Capital expenditure	Not disclosed (Note)	
Net cash flow	193 million yen	
Capitalization rate	4.8%	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	3,800 million yen	
Discount rate (first year)	4.7%	Assessed by considering regional characteristics and uniqueness of the property
Discount rate (from the second year on)	4.9%	Assessed by considering regional characteristics and uniqueness of the property
Terminal cap rate	5.0%	Assessed based on capitalization rate adjusted by future uncertainly risks etc.

(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 estimated value	In deciding the estimated value of this property, the appraiser used an income approach that appropriately reflects investors' investment profitability as a standard. The appraiser chose this approach by taking into account the following factors: 1) the pricing process that places emphasis on market participants' (users') profitability of the target property, 2) the reason for GLP J-REIT to obtain an estimate of this property, and 3) the fact that the property is classified as an income property.
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* GLP J-REIT website address: <http://www.glpjreit.com/english/>

<APPENDIX>

Appendix List of portfolio after the sale

Region	Property number	Property name	Acquisition price (million yen) (Note 1)	Share (%) (Note 2)	Appraisal value (million yen) (Note 3)	(Scheduled) Date of acquisition
Tokyo	Tokyo-1	GLP Tokyo	22,700	5.2	28,600	January 4, 2013
Tokyo	Tokyo-2	GLP Higashi-Ogishima	4,980	1.1	6,500	January 4, 2013
Tokyo	Tokyo-3	GLP Akishima	7,160	1.6	8,980	January 4, 2013
Tokyo	Tokyo-4	GLP Tomisato	4,990	1.1	5,600	January 4, 2013
Tokyo	Tokyo-5	GLP Narashino II	15,220	3.5	19,700	January 4, 2013
Tokyo	Tokyo-6	GLP Funabashi	1,720	0.4	1,900	January 4, 2013
Tokyo	Tokyo-7	GLP Kazo	11,500	2.6	14,000	January 4, 2013
Tokyo	Tokyo-8	GLP Fukaya	2,380	0.5	2,800	January 4, 2013
Tokyo	Tokyo-9	GLP Sugito II	19,000	4.3	23,800	January 4, 2013
Tokyo	Tokyo-10	GLP Iwatsuki	6,940	1.6	8,510	January 4, 2013
Tokyo	Tokyo-11	GLP Kasukabe	4,240	1.0	5,040	January 4, 2013
Tokyo	Tokyo-12	GLP Koshigaya II	9,780	2.2	12,800	January 4, 2013
Tokyo	Tokyo-13	GLP Misato II	14,600	3.3	18,600	January 4, 2013
Tokyo	Tokyo-14	GLP Tatsumi	4,960	1.1	6,310	February 1, 2013
Tokyo	Tokyo-15	GLP Hamura	7,660	1.7	9,030	October 1, 2013
Tokyo	Tokyo-16	GLP Funabashi III	3,050	0.7	4,040	October 1, 2013
Tokyo	Tokyo-17	GLP Sodegaura	6,150	1.4	7,850	October 1, 2013
Tokyo	Tokyo-18	GLP Urayasu III	18,200	4.2	20,300	March 3, 2014
Tokyo	Tokyo-19	GLP Tatsumi Ila	6,694	1.5	8,090	April 1, 2014
Tokyo	Tokyo-21	GLP Tokyo II	36,100	8.2	39,900	September 2, 2014
Tokyo	Tokyo-22	GLP Okegawa	2,420	0.6	2,660	September 2, 2014
Tokyo	Tokyo-23	GLP Shinkiba	11,540	2.6	12,500	September 1, 2015
Tokyo	Tokyo-24	GLP Narashino	5,320	1.2	5,540	September 1, 2015
Tokyo	Tokyo-26	GLP Sugito	8,310	1.9	9,650	September 1, 2015
Tokyo	Tokyo-27	GLP Matsudo	2,356	0.5	2,780	January 15, 2016
Tokyo	Tokyo-28	GLP-MFLP Ichikawa Shiohama	15,500	3.5	15,900	September 1, 2016
Tokyo	Tokyo-29	GLP Atsugi II	21,100	4.8	22,200	September 1, 2016
Tokyo	Tokyo-30	GLP Yoshimi	11,200	2.6	11,500	September 1, 2016
Osaka	Osaka-1	GLP Hirakata	4,750	1.1	6,230	January 4, 2013
Osaka	Osaka-2	GLP Hirakata II	7,940	1.8	8,910	January 4, 2013
Osaka	Osaka-3	GLP Maishima II	8,970	2.0	11,600	January 4, 2013
Osaka	Osaka-4	GLP Tsumori	1,990	0.5	2,300	January 4, 2013
Osaka	Osaka-5	GLP Rokko	5,160	1.2	5,800	January 4, 2013
Osaka	Osaka-6	GLP Amagasaki	24,500	5.6	27,900	January 4, 2013
Osaka	Osaka-7	GLP Amagasaki II	2,040	0.5	2,270	January 4, 2013
Osaka	Osaka-8	GLP Nara	2,410	0.6	2,950	January 4, 2013
Osaka	Osaka-9	GLP Sakai	2,000	0.5	2,230	February 1, 2013
Osaka	Osaka-10	GLP Rokko II	3,430	0.8	4,280	October 1, 2013
Osaka	Osaka-11	GLP Kadoma	2,430	0.6	3,110	September 2, 2014
Osaka	Osaka-12	GLP Seishin	1,470	0.3	1,640	September 2, 2014
Osaka	Osaka-13	GLP Fukusaki	3,640	0.8	4,130	September 2, 2014
Osaka	Osaka-14	GLP Kobe-Nishi	7,150	1.6	7,610	May 1, 2015
Osaka	Osaka-15	GLP Fukaehama	4,470	1.0	4,570	September 1, 2016
Other	Other-1	GLP Morioka	808	0.2	873	January 4, 2013
Other	Other-2	GLP Tomiya	2,820	0.6	3,250	January 4, 2013
Other	Other-3	GLP Koriyama I	4,100	0.9	4,540	January 4, 2013
Other	Other-4	GLP Koriyama III	2,620	0.6	2,720	January 4, 2013
Other	Other-5	GLP Tokai	6,210	1.4	7,620	January 4, 2013
Other	Other-6	GLP Hayashima	1,190	0.3	1,350	January 4, 2013
Other	Other-7	GLP Hayashima II	2,460	0.6	2,700	January 4, 2013
Other	Other-8	GLP Kiyama	4,760	1.1	5,560	January 4, 2013
Other	Other-10	GLP Sendai	5,620	1.3	6,640	February 1, 2013

Region	Property number	Property name	Acquisition price (million yen) (Note 1)	Share (%) (Note 2)	Appraisal value (million yen) (Note 3)	(Scheduled) Date of acquisition
Other	Other-11	GLP Ebetsu	1,580	0.4	2,180	October 1, 2013
Other	Other-12	GLP Kuwana	3,650	0.8	4,420	October 1, 2013
Other	Other-13	GLP Hatsukaichi	1,980	0.5	2,430	October 1, 2013
Other	Other-14	GLP Komaki	10,300	2.4	12,400	March 3, 2014
Other	Other-15	GLP Ogimachi	1,460	0.3	1,600	September 2, 2014
Other	Other-16	GLP Hiroshima	3,740	0.9	4,080	September 2, 2014
Other	Other-17	GLP Fukuoka	1,520	0.3	1,690	September 2, 2014
Other	Other-19	GLP Tosu I	9,220	2.1	10,200	September 1, 2015
Other	Other-20	GLP Tomiya IV	5,940	1.4	6,110	September 1, 2016
Total			438,098	100.0	510,973	-

Asset subject to OTA (Note 4)						
Tokyo	Tokyo 31	GLP Noda-Yoshiharu	(Note 5)	-	5,260	September 1, 2017

(Note 1) The 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 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) 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 February 2017 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. As for the asset subject to OTA, the figures represent the values that were appraised by a real estate appraiser at the end of June, 2017.

(Note 4) With regard to "OTA", please refer to GLP J-REIT press releases titled "Notice of Conclusion of Sales and Purchase Contract concerning Acquisition of Asset" announced on July 13, 2015 and titled "Notice of Determination of Scheduled Acquisition Date Concerning Acquisition of Asset (GLP Noda-Yoshiharu)" dated today.

(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 scheduled acquisition date is September 1, 2017.