

For Immediate Release

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

Asset Management Company:
 GLP Japan Advisors Inc.
 Representative: Yoji Tatsumi,
 President
 Contact: Hisatake Miki,
 CFO & Head of Corporate Planning
 Department
 (TEL: 03-3289-9630)

Announcement of Amendment of Forecast Concerning Operating Status and Distribution for the Fiscal Period Ending August 31, 2019

GLP J-REIT announces today an amendment to its forecast for the fiscal period ending August 31, 2019 (from March 1, 2019 to August 31, 2019) which was announced on October 15, 2018 presented below.

The forecast for the fiscal period ended February 28, 2019 (from September 1, 2018 to February 28, 2019), which was announced on October 15, 2018, has not been amended.

Details

1. Amendment of Forecasts Concerning Operating Status and Distribution

(1) Amendment to the forecast concerning operating status and distribution for the fiscal period ending August 31, 2019

	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)	18,988	9,999	8,766	8,765	2,286	297	2,583
Amended forecast (B)	19,875	10,737	9,462	9,462	2,468	296	2,764
Increase or decrease (B-A)	+887	+737	+696	+696	182	Δ1	+181
Rate of increase or decrease	+4.7%	+7.4%	+7.9%	+7.9%	+8.0%	Δ0.3%	+7.0%

(Notes)

- The forecasts are calculated based on the assumptions stated in attachment 1: "Assumptions Underlying the Forecasts for the Fiscal Period Ending August 31, 2019." The actual operating revenue, operating income, ordinary income, net income, distributions per unit and optimal payable distributions per unit may vary due to future acquisition or sale of real estate and other assets, trends in the real estate and other markets, 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.
- GLP J-REIT may revise its forecasts in the event that it expects discrepancies beyond a certain level from the forecast above.
- Figures are rounded down and percentages are rounded to the nearest decimal place.



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2. Reasons for the Amendment

Due to the sales of asset announced today in the “Notice Concerning Sale of Asset” which generates 784 million yen of gain on sale, the assumptions underlying the forecast for the fiscal period ending August 31, 2019 announced on October 15, 2018 have been changed and there is a 5% or more change in distribution per unit for such fiscal period. Therefore, the forecast for the fiscal period ending August 31 2019 has been amended.

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



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Attachment 1

Assumptions Underlying the Forecasts for the Fiscal Period Ending August 31, 2019

Item	Assumption
Calculation period	15 th Fiscal Period (from March 1, 2019 to August 31, 2019) (184 days)
Portfolio Assets	<ul style="list-style-type: none"> • It is assumed that the portfolio assets will consist of the trust beneficiary rights of 75 properties which have excluded GLP Fukuoka disposed as of today. It is also assumed that there will be no changes to the portfolio assets (acquisition of new assets, disposal of portfolio assets, etc.) until the end of the 15th Fiscal Period. In practice, however, changes such as the acquisition of new assets other than those properties stated above or the disposal of portfolio assets may occur.
Number of outstanding investment units	<ul style="list-style-type: none"> • It is assumed to be 3,833,420 units, which is the number of investment units issued and outstanding as of the date of this document.
Interest-bearing liabilities	<ul style="list-style-type: none"> • The outstanding interest-bearing liabilities of GLP J-REIT as of today are 274,100 million yen. • It is assumed that 6,000 million yen of borrowings with a repayment date of February 2020 will be refinanced with borrowings or issuance of investment corporation bonds in the 15th Fiscal Period. • It is assumed that a part of 20,800 million yen of borrowings with a repayment date of January 2020 will be refinanced with borrowings or issuance of investment corporation bonds in the 15th Fiscal Period. • It is assumed that LTV as of August 31, 2019 (the 15th Fiscal Period) will be 44.8 %. The following formula is used to compute LTV. LTV=(Balance of interest-bearing liabilities / Total assets) x 100
Operating revenue	<ul style="list-style-type: none"> • The forecasts assume that 784 million yen of gain on sales of the above asset will be booked in the 15th Fiscal Period. • Concerning operating revenues, the forecasts assume that there is no delinquent rent payment by tenants.
Operating expense	<ul style="list-style-type: none"> • With respect to taxes on property and equipment (fixed asset tax, city planning tax and depreciable asset tax on real estate, etc. hereinafter “property-related taxes”) held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant accounting period are recognized as rental expenses. However, if property and equipment is newly acquired and adjusted amounts of property-related taxes for the year under the same accounting period (the “amounts equivalent to property-related taxes”) arise between GLP J-REIT and the transferor, the relevant adjusted amounts are capitalized as part of the acquisition cost of the relevant property. • Taxes and dues are expected to be 1,570 million yen for the 15th Fiscal Period. • Repair and maintenance expenses are expected to be 109 million yen for the 15th Fiscal Period. • Property and facility management fees are expected to be 682 million yen for the 15th Fiscal Period. • Depreciation is expected to be 3,788 million yen for the 15th Fiscal Period. • Of rental expenses that are the main operating expenses, expenses other than depreciation are estimated based on the historical experiences and fluctuation factors. • Please be aware that actual amount of repair and maintenance expenses of each accounting period may be significantly different from the estimated amount due to the following reasons: repair and maintenance (1) may emergently arise due to property damages occurred by unpredictable incidents; (2) generally



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Item	Assumption
	<p>varies in amount from period to period and (3) may not arise regularly.</p> <ul style="list-style-type: none"> • Depreciation is estimated using the straight-line method based on acquisition costs including incidental expenses assumed and additional capital expenditure in the future.
Net Operating Income (NOI)	<ul style="list-style-type: none"> • NOI (the amount calculated by deducting rental expenses, excluding depreciation, from operating revenues) is expected to be 16,014 million yen for the 15th Fiscal Period.
Non-operating expenses	<ul style="list-style-type: none"> • The total amount of interest expenses on loans, interest expenses on investment corporation bonds, amortization of investment corporation bonds issuance expenses and other finance-related expenses are expected to be 1,212 million yen for the 15th Fiscal Period. Investment corporation bonds issuance expenses are amortized monthly for the period from issuance to redemption. • Investment unit issuance expenses are amortized monthly for three years from occurrence, and amortization expenses are expected to be 46 million yen for the 15th Fiscal Period.
Distributions per unit (excluding optimal payable distributions)	<ul style="list-style-type: none"> • Distribution per unit is calculated in accordance with the distribution policy set forth in the Articles of Incorporation of GLP J-REIT. • Distributions per unit (excluding OPD) may change due to various factors including changes in portfolio assets, changes in rental revenues in connection with changes in tenants, unexpected repair, changes in interest rates and additional issuance of investment units.
Optimal payable distribution per unit	<ul style="list-style-type: none"> • The forecasts assume that all of the amounts of OPD for the 15th Period will be the refund of its investment categorized as a distribution from unitholders' capital for tax purposes. • OPD per unit is calculated in accordance with the policy on cash distributions in excess of retained earnings provided in the Management Guidelines, the internal policy of the Asset Manager. It is calculated by assuming distribution of approximately 30% of respective depreciation arising in the 15th Fiscal Period. • Depreciation may vary from the current expected amount due to change in portfolio assets, the amount of incidental expenses incurred and the amount of capital expenditure. Therefore, the total amount of OPD calculated on the basis of depreciation may also vary due to these and other various factors. In addition, in order to maintain the value of assets held by GLP J-REIT, in the event that GLP J-REIT is to pay out OPD, GLP J-REIT sets the maximum as the amount of depreciation less capital expenditure incurred in the accounting period in which the concerned depreciation was recognized. Therefore, when urgent capital expenditure arises from unforeseen factors causing building damage and other, the amount of OPD per unit may decrease. Moreover, when the appraisal LTV provided below exceeds 60%, GLP J-REIT will not pay out OPD. • Appraisal LTV (%) = $A/B \times 100$ (%) <ul style="list-style-type: none"> A= Interest-bearing liabilities balance (including investment corporation bonds balance and short-term investment corporation bonds balance) at the end of the period + Deposit release amount at the end of the period B= Total amount of appraisal value or research price of portfolio assets at the end of the period + Cash and deposits balance at the end of the period – Scheduled total amount of distributions of earnings – Scheduled total amount of OPD • The scheduled total amount of distributions of earnings and scheduled total amount of OPD are assumed to be the same as the actual figures of the most recent fiscal period.



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Item	Assumption
Others	<ul style="list-style-type: none"><li data-bbox="475 309 1453 456">• The forecasts assume an extraordinary loss (repair and maintenance expenses) of 192 million yen in the 15th Fiscal Period caused by Typhoon Jebi and Typhoon Trami that occurred in September 2018. However it is estimated that an extraordinary income (insurance income) equal to the amount equivalent to said repair expenses will be obtained.<li data-bbox="475 465 1453 591">• The forecasts assume that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations of the Tokyo Stock Exchange, Inc., rules of the Investment Trusts Association, Japan, (“JITA”), etc. that will impact the forecast figures above.<li data-bbox="475 600 1453 654">• The forecasts assume that there will be no unforeseen material change in general economic trends and real estate market conditions, etc.