

August 29, 2017

For Immediate Release

Real Estate Investment Trust Securities Issuer:
GLP J-REIT
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Notice of Signing of Sales and Purchase Contract concerning Acquisition of Assets

GLP Japan Advisors Inc., to which GLP J-REIT entrusts management of its assets, decided to sign the sales and purchase contract (hereinafter referred to as the “Sales Contract”) concerning acquisition of the four properties shown below (hereinafter referred to as the “Assets”) in the form of trust beneficiary interest described below.

1. Overview of the Sales Contract

Property name	Location	Contractor (Seller) (Note 1)	Scheduled acquisition date	Scheduled acquisition price	Financing for the acquisition
GLP Urayasu	Urayasu, Chiba	Sumitomo Mitsui Finance and Leasing Company, Limited	February 28, 2023, or a date specified by GLP J-REIT from the period between March 1, 2018 and February 28, 2023 (hereinafter the “scheduled acquisition period”) of which GLP J-REIT will notice the seller no less than 10 business days in advance (Note 2)	The amount calculated by certain adjustments on the acquisition price of the contractor (see Note 1) of each property, as agreed upon beforehand (Note 3)	To be determined (Note 4)
GLP Funabashi II	Funabas hi, Chiba				
GLP Misato	Misato, Saitama				
GLP Maishima I	Osaka, Osaka				

- (Note 1) • Sumitomo Mitsui Finance and Leasing Company, Limited (“SMFL”) will, as of September 1, 2017, acquire each of the Assets from the current beneficiaries at the total acquisition price of 51,600 million yen (GLP Urayasu: 7,450 million yen, GLP Funabashi II: 7,800 million yen, GLP Misato: 16,950 million yen, GLP Maishima I: 19,400 million yen). In the case where each of the Assets cannot be acquired due to reasons not attributable to SMFL, SMFL may cancel the Sales Contract related to the Assets.
- GLP J-REIT will acquire the Assets collectively.
- (Note 2) • GLP J-REIT may determine the acquisition date to be on or before February 28, 2018, if it pays to SMFL the extra charge, which is separately agreed upon.
- GLP J-REIT will issue a separate notice upon the determination of scheduled acquisition date.
- (Note 3) • The scheduled acquisition price shall be reduced generally in proportion to the length of SMFL’s ownership period. Please refer to “2. Reason for signing of the Sales Contract” with respect to the outline thereof.
- GLP J-REIT will issue a separate notice upon the determination of scheduled acquisition price.
- (Note 4) • GLP J-REIT will announce the details when it decides acquisition date and price.

2. Reason for signing of the Sales Contract

Signing of the Sales Contract for acquisition of the Assets is aimed at taking an opportunity to acquire modern logistics facilities that are able to produce steady income pursuant to GLP J-REIT's objective of implementing asset management with the aim of securing steady income over the medium- to long-term and steady growth of GLP J-REIT's asset value. The characteristics of each of the Assets are shown below.

■ GLP Maishima I

- ✓ The property is a large, cutting-edge logistics facility with two rampways that allow large trucks direct access to every floor. As it is designed for multiple tenants, it is highly versatile.
- ✓ It appeals tenants who care about BCP through the incorporation of a seismic isolator system.
- ✓ Located approximately 1.6km from the Wangan Maishima Interchange of the Hanshin Expressway Bayshore Route and is within a 10km radius of Osaka station, the property is in close proximity to the Greater Osaka area, a major consumption area, and is highly convenient as a distribution base for consumer goods.
- ✓ Many logistics facilities have traditionally been located in this area due to its excellent access not only to Osaka Port but also to Kobe Port and Kansai International Airport.

■ GLP Misato

- ✓ Located within a 20km radius of central Tokyo, a major consumption area, and in close proximity to Misato Junction, which connects the Tokyo-Gaikan Expressway and the Joban Expressway, the location offers high competitiveness that can cover the entire Greater Tokyo area.
- ✓ The property is highly versatile, with a structure that enables the installation of freezer and refrigeration facilities in various temperature zones, as well as a high floor loading capacity and ceiling height.
- ✓ An ultra-long-term lease contract has been exchanged with a large retailer, who has been using the facility since its completion as a base to distribute food and beverages that require temperature control to retail stores in the Greater Tokyo area.

■ GLP Urayasu

- ✓ Located approximately 3.4km from the Urayasu Interchange of the Metropolitan Expressway Bayshore Route, the property is within a 15km radius of central Tokyo, a major consumption area. The location is optimal as a logistics center for consumer goods.
- ✓ A large manufacturer has been a tenant since the completion of the property as a distribution center that covers all of east Japan.
- ✓ Developed by the GLP Group (Note 1), it is a large logistics facility with a double-sided truck berth equipped with a 10 meter canopy, enabling speedy and efficient operation without being affected by the weather.

■ GLP Funabashi II

- ✓ A large logistics facility acquired by the GLP Group from outside, the property underwent renovations to accommodate multiple tenants, and has since replaced its tenants.
- ✓ The property, which consists of two warehouse buildings and an office building, is highly versatile, with a high floor loading capacity and ceiling height.
- ✓ Many logistic facilities have traditionally been located in the Funabashi area. Solid demand can be expected from this location.

The Assets is the properties with the Right-of-First-Look (hereinafter, "RoFL") that are owned and operated by the GLP Group, the sponsor of GLP J-REIT. As needed, GLP Japan Advisors Inc. has negotiated with the sponsor on acquiring from RoFL properties, and agreed on the current sale by the sponsor and the sale price for the Assets. However, considering the influence to our financing due to the fact that the sponsor's proposed privatization is underway, GLP J-REIT decided to adopt the arrangement in which SMFL (Note 2) will temporarily own the Assets during the scheduled acquisition period in order to make it possible to acquire the Assets at the timing and by the financing method determined as appropriate by GLP J-REIT. The scheduled acquisition price will be the price equivalent to the acquisition price by SMFL if the Assets were to be acquired on March 1, 2018, and, if acquired after such date, the acquisition price will be the amount calculated by deducting the amount calculated by deducting (a) the amount calculated based on preliminarily provided yield and (b) certain expenses, from

the Net Cash Flow (NCF) (Note 3) related to the Assets from March 1, 2018 until the acquisition of the Assets by GLP J-REIT, from the acquisition price by SMFL. Such amount is expected to be the value to be reduced generally in proportion to the length of SMFL's ownership period after March 1, 2018 (Note 4). This structure is expected to enable GLP J-REIT to acquire the Assets at the designated timing within the scheduled acquisition period and at a price which SMFL is to acquire the Assets from GLP group or at a price that is discounted to some extent from such price. GLP J-REIT believes this acquisition strategy will contribute to its profit, as it enables GLP J-REIT to secure flexible acquisition opportunities and an upper limit on acquisition price (Note 5). We will position this strategy, calling it Optimal Takeout Arrangement (hereinafter, "OTA"), as one of GLP J-REIT's strategic bridge structures to secure acquisition opportunities of high-quality assets. Regarding the above OTA, GLP J-REIT's main purpose is not the decrease of the acquisition price, but the flexibility of the acquisition timing. GLP J-REIT will further strengthen its highly-competitive portfolio and consider structure such as OTA.

(Note 1) GLP Group presents Global Logistic Properties Limited, the parent company of the Sponsor of GLP J-REIT, (hereinafter "GLP") and its group companies.

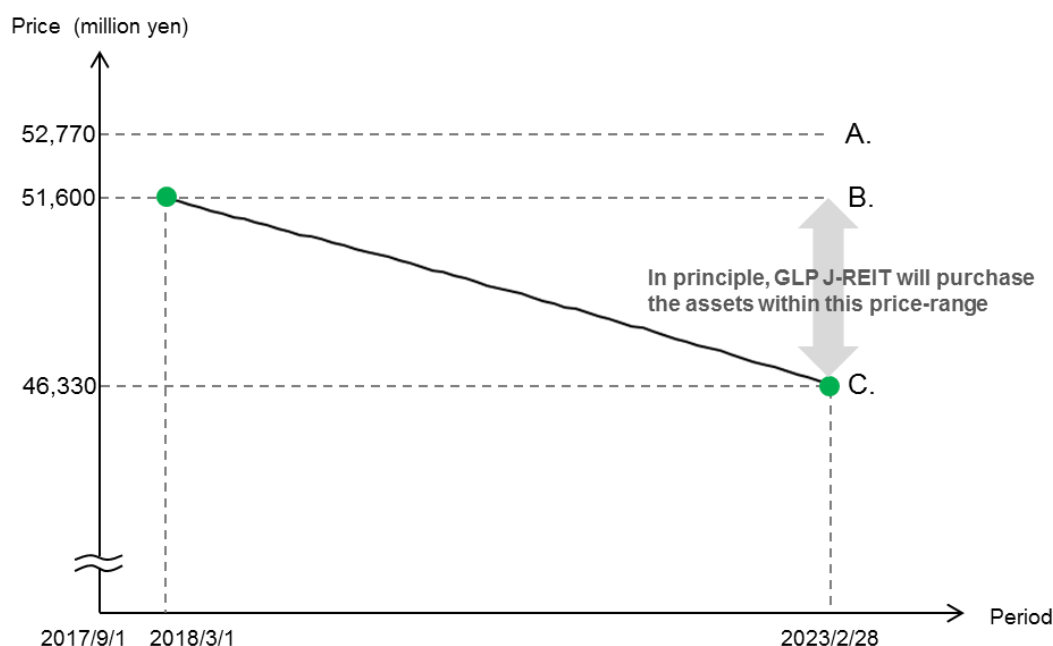
(Note 2) SMFL has been granted an AA- (stable) long-term issuer rating by Japan Credit Rating Agency, Ltd.

(Note 3) NCF=Rent revenue-rent expense-Capital expenditure during the period (Actual basis)

(Note 4) Please refer to "Reference: Chart showing how the acquisition price is to be reduced" below.

(Note 5) The acquisition price of the Assets is expected to be the value to be generally reduced in proportion to the length of SMFL's ownership period. Even if the trend in the real property market deteriorates to some extent, GLP J-REIT considers that the acquisition price determined based on the amount above will be contribute to improving the profitability of GLP J-REIT.

Reference: Chart showing how the scheduled acquisition price is to be reduced



- A. Appraisal value as of August 20, 2017
- B. Planned price at which SMFL will purchase from GLP group on September 1, 2017/ Maximum price at which GLP J-REIT will purchase the asset from SMFL
- C. This is the minimum price at which GLP J-REIT will purchase the Assets from SMFL assuming that the terms of the lease for each of the Assets as of the date of this release are maintained.

(Note) The diagram above outlines for reference how the acquisition price is to shift in proportion to the length of SMFL's ownership period (the time of acquisition by GLP J-REIT), and the amount is expected to be reduced depending on the date when the acquisition is to be executed. Also, as the actual acquisition price will vary in accordance with the amount of the lease revenues that SMFL obtained from the Assets or the interest rate trends, etc. and may differ from the amount shown in the diagram above.

3. Details of the Assets planned for acquisition

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

Furthermore, explanations of the items described in the respective columns of the tables are as follows:

- (1) "Scheduled acquisition date" is the date stated in the trust beneficiary rights purchase and sales agreement of each asset planned for acquisition.
- (2) "Type of specified asset" indicates the type of the Assets planned for acquisition at the time of acquisition.
- (3) "Planned acquisition price" indicates the sale price of the trust beneficiary rights (excluding tax) indicated in the trust beneficiary rights purchase and sales agreements relating to the respective assets planned for acquisition.
- (4) "Location" of "Land" indicates the residential address. For those properties that have no residential address, the building address on the registry is indicated. For those properties that have multiple addresses, one of the addresses on the registry is indicated.
- (5) "Land area" of "Land" is based on the description in the registry, and may not necessarily be identical with the actual state.
- (6) "Zoning" of "Land" indicates the type of zoning as shown 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 buildings to the site area, as stipulated 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 the buildings to the site area, as stipulated 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 rights owned by the trustee.
- (10) "Date constructed" of "Building" indicates, in principle, the registered date when the main building was completed. If the registry does not indicate the completion date for the main building, "Date constructed" of "Building" indicates the date when the inspection certification was issued.
- (11) "Construction / No. of floors" and "Use" of "Building" is based on the description of the main buildings 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 in cases where a master lease agreement is concluded for the Assets planned for acquisition that is subleased to the end-tenant.
- (14) "Pass-through master lease" indicated in "Type of master lease" refers to master lease agreements that have no rent guarantee.
- (15) "Property manager" indicates the property management company scheduled to be retained by GLP J-REIT.
- (16) "Collateral" indicates the collateral for which GLP J-REIT is responsible.
- (17) "Appraisal value" indicates the appraisal value as of August 20, 2017 described in the respective real estate appraisal reports that were prepared by real estate appraisers retained by GLP J-REIT.
- (18) "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 contracts are concluded for the real estate, the number of end tenants is indicated.
- (19) "Annual contracted rent" of "Details of tenants" indicates the amount obtained by multiplying by 12 the monthly rent (including common area charges) for the building described in the respective lease contracts of each real estate as of the end of July 31, 2017 (or the sum amount for the real estate in trust for which multiple lease contracts are concluded) (excluding consumption tax), rounded down to the nearest million yen.
- (20) "Leasehold and security deposits" of "Details of tenants" indicates the sum of the balance of the Leasehold and security deposits for each real estate in trust of GLP J-REIT, designated in the respective lease contracts of each trust beneficiary interest as of July 31, 2017, rounded down to the nearest million yen.
- (21) "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 asset planned for acquisition as of July 1, 2016.
- (22) "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 each

asset planned for acquisition, as of the date of this press release, and include 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.

Property name		GLP Urayasu
Type of specified asset		Real estate trust beneficiary rights
Scheduled date of acquisition		Please refer to Scheduled acquisition date in the above 1. Overview of the Sales Contract
Scheduled acquisition price		Please refer to Scheduled acquisition price in the above 1. Overview of the Sales Contract
Trust start date		August 28, 2002
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust expiration date		September 30, 2027
Land	Location	76-4 Minato Urayasu, Chiba (Lot number)
	Land area	16,054.00 sqm
	Zoning	Quasi-industrial district
	FAR / BCR	200% / 60%
	Type of ownership	Ownership
Building	Date constructed	April 7, 2003
	Construction / No. of floors	Six-story steel-frame building with alloy coated steel sheet roof
	Gross floor area	25,839.60 sqm
	Use	Warehouse / Office
	Type of ownership	Ownership
Master lessee		GLP Urayasu Limited Company
Type of master lease		Pass-through master lease
Property manager (Note 1)		Global Logistic Properties Inc. (Note 1)
Collateral		None
Appraisal value		7,540 million yen
Appraiser		The Tanizawa Sogo Appraisal Co., Ltd.
Details of tenants		
	Number of tenants	1
	Major tenant	Nittsu Panasonic Logistics Co., Ltd.
	Annual contracted rent	Not disclosed (Note 2)
	Leasehold and security deposits	Not disclosed (Note 2)
	Leased area	25,839.60 sqm
	Leasable area	25,839.60 sqm
	Occupancy rate	100.0%
Remarks		As of October 2, 2002, an afforestation agreement was executed by and between the previous owner and the government of Chiba prefecture, and the trust beneficiary succeeds to the obligations under said agreement, such as appropriately maintaining and controlling a certain part of the land (approximately 20% of the business site) as wooded area, as well as making necessary reports as requested by the government of Chiba prefecture.
(Note 1) Trustee is scheduled to sign into the property management contract with Global Logistic Properties Inc. as of September 1, 2017		
(Note 2) Unable to disclose as consent has not been obtained from the tenant.		

Outline of appraisal

Appraisal value	7,540 million yen
Real estate appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Date of appraisal	August 20, 2017

Item	Details	Outline
Income approach value	7,540 million yen	
Direct capitalization approach	7,680 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	327 million yen	
Profit on the investment of a lump sum	Not disclosed (Note)	
Capital expenditure	Not disclosed (Note)	
Net cash flow	322 million yen	
Capitalization rate	4.2%	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	7,480 million yen	
Discount rate (years 1)	4.1%	Assessed by considering regional characteristics and uniqueness of the property
Discount rate (years 2-10)	4.2%	Assessed by considering regional characteristics and uniqueness of the property
Terminal cap rate	4.3%	Assessed based on capitalization rate adjusted by future uncertainty risks etc.
Cost approach	7,300 million yen	
Land percentage	73.7%	
Building percentage	26.3%	

(Note) GLP J-REIT has not disclosed these items because the asset management company has judged the disclosure may cause disadvantage to investors.

Points of attention in the determination of appraisal value	In deciding on 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 the 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.
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(Note) Furthermore, the GLP J-REIT will continuously announce the appraisal value of the asset every fiscal period-end after Feb 2018 period-end based on "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." by Financial Service Agency.

Property name		GLP Funabashi II ((1) building A, (2) building B)
Type of specified asset		Real estate trust beneficiary rights
Scheduled date of acquisition		Please refer to Scheduled acquisition date in the above 1. Overview of the Sales Contract
Scheduled acquisition price		Please refer to Scheduled acquisition price in the above 1. Overview of the Sales Contract
Trust start date		September 1, 2017
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust expiration date		September 30, 2032
Land	Location	6-1 Shiomi cho, Funabashi, Chiba (Lot number)
	Land area	16,346.00 sqm
	Zoning	Quasi-industrial district
	FAR / BCR	300% / 70%
	Type of ownership	Ownership
Building	Date constructed	(1) January 13, 1989 (2) January 13, 1989
	Construction / No. of floors	(1) Five-story steel-frame building with galvanized steel sheet roof (2) Five-story steel-frame building with galvanized steel sheet roof
	Gross floor area	(1) 18,634.06 sqm (2) 16,147.81 sqm
	Use	Warehouse / Office
	Type of ownership	Ownership
Master lessee		GLP Funabashi 2 Limited Company
Type of master lease		Pass-through master lease
Property manager (Note 1)		Global Logistic Properties Inc. (Note 1)
Collateral		None
Appraisal value		8,130 million yen
Appraiser		Morii Appraisal & Investment Consulting, Inc.
Details of tenants		
	Number of tenants	1
	Major tenant	Fujilogitech Next, Inc.
	Annual contracted rent	Not disclosed (Note 2)
	Leasehold and security deposits	Not disclosed (Note 2)
	Leased area	34,349.01 sqm
	Leasable area	34,699.09 sqm
	Occupancy rate	99.0%
Remarks		-
(Note 1) Trustee is scheduled to sign into the property management contract with Global Logistic Properties Inc. as of September 1, 2017		
(Note 2) Unable to disclose as consent has not been obtained from the tenant.		

Outline of appraisal

Appraisal value	8,130 million yen
Real estate appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	August 20, 2017

Item	Details	Outline
Income approach value	8,130 million yen	
Direct capitalization approach	8,320 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	363 million yen	
Profit on the investment of a lump sum	Not disclosed (Note)	
Capital expenditure	Not disclosed (Note)	
Net cash flow	349 million yen	
Capitalization rate	4.2%	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	7,930million yen	
Discount rate	4.0%	Assessed by considering regional characteristics and uniqueness of the property
Terminal cap rate	4.4%	Assessed based on capitalization rate adjusted by future uncertainty risks etc.
Cost approach	3,530 million yen	
Land percentage	78.0%	
Building percentage	22.0%	

(Note) GLP J-REIT has not disclosed these items because the asset management company has judged the disclosure may cause disadvantage to investors.

Points of attention in the determination of appraisal value	In deciding on 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 the 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.
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(Note) Furthermore, the GLP J-REIT will continuously announce the appraisal value of the asset every fiscal period-end after Feb 2018 period-end based on "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." by Financial Service Agency.

GLP Misato

Property name		GLP Misato
Type of specified asset		Real estate trust beneficiary rights
Scheduled date of acquisition		Please refer to Scheduled acquisition date in the above 1. Overview of the Sales Contract
Scheduled acquisition price		Please refer to Scheduled acquisition price in the above 1. Overview of the Sales Contract
Trust start date		November 29, 2005
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust expiration date		September 30, 2032
Land	Location	3-1-3 Izumi Misato, Saitama (Lot number)
	Land area	38,992.48 sqm
	Zoning	Quasi-industrial district
	FAR / BCR	200% / 70%
	Type of ownership	Ownership
Building	Date constructed	January 25, 2006
	Construction / No. of floors	Four-story reinforced concrete building with galvanized steel sheet roof
	Gross floor area	45,807.25 sqm
	Use	Warehouse / Office
	Type of ownership	Ownership
Master lessee		GLP Misato Limited Company
Type of master lease		Pass-through master lease
Property manager (Note 1)		Global Logistic Properties Inc. (Note 1)
Collateral		None
Appraisal value		17,700 million yen
Appraiser		Morii Appraisal & Investment Consulting, Inc.
Details of tenants		
	Number of tenants	1
	Major tenant	Seiyu GK
	Annual contracted rent	Not disclosed (Note 2)
	Leasehold and security deposits	Not disclosed (Note 2)
	Leased area	46,892.00 sqm
	Leasable area	46,892.00 sqm
	Occupancy rate	100.0%
	Remarks	
(Note 1) Trustee is scheduled to sign into the property management contract with Global Logistic Properties Inc. as of September 1, 2017		
(Note 2) Unable to disclose as consent has not been obtained from the tenant.		

Outline of appraisal

Appraisal value	17,700 million yen
Real estate appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	August 20, 2017

Item	Details	Outline
Income approach value	17,700 million yen	
Direct capitalization approach	18,000 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	742 million yen	
Profit on the investment of a lump sum	Not disclosed (Note)	
Capital expenditure	Not disclosed (Note)	
Net cash flow	738 million yen	
Capitalization rate	4.1%	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	17,400 million yen	
Discount rate	3.9%	Assessed by considering regional characteristics and uniqueness of the property
Terminal cap rate	4.3%	Assessed based on capitalization rate adjusted by future uncertainty risks etc.
Cost approach	10,200 million yen	
Land percentage	77.4%	
Building percentage	22.6%	

(Note) GLP J-REIT has not disclosed these items because the asset management company has judged the disclosure may cause disadvantage to investors.

Points of attention in the determination of appraisal value	In deciding on 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 the 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.
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(Note) Furthermore, the GLP J-REIT will continuously announce the appraisal value of the asset every fiscal period-end after Feb 2018 period-end based on "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." by Financial Service Agency.

Property name		GLP Maishima I
Type of specified asset		Real estate trust beneficiary rights
Scheduled date of acquisition		Please refer to Scheduled acquisition date in the above 1. Overview of the Sales Contract
Scheduled acquisition price		Please refer to Scheduled acquisition price in the above 1. Overview of the Sales Contract
Trust start date		July 15, 2005
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust expiration date		September 30, 2032
Land	Location	2-1-66 Hokusoryokuchi Konohana-ku, Osaka, Osaka (residential address)
	Land area	25,834.92 sqm
	Zoning	Quasi-industrial district
	FAR / BCR	300% / 70%
	Type of ownership	Ownership
Building	Date constructed	July 10, 2006
	Construction / No. of floors	Six-story steel-frame reinforced concrete building with galvanized steel sheet roof
	Gross floor area	68,476.52 sqm
	Use	Warehouse / Office
	Type of ownership	Ownership
Master lessee		GLP Maishima 1 Limited Company
Type of master lease		Pass-through master lease
Property manager (Note 1)		Global Logistic Properties Inc. (Note 1)
Collateral		None
Appraisal value		19,400 million yen
Appraiser		Japan Real Estate Institute
Details of tenants		
	Number of tenants	1
	Major tenant	ASKUL Corporation
	Annual contracted rent	Not disclosed (Note 2)
	Leasehold and security deposits	Not disclosed (Note 2)
	Leased area	72,948.78 sqm
	Leasable area	72,948.78 sqm
	Occupancy rate	100.0%
Remarks		-
(Note 1) Trustee is scheduled to sign into the property management contract with Global Logistic Properties Inc. as of September 1, 2017		
(Note 2) Unable to disclose as consent has not been obtained from the tenant.		

Outline of appraisal

Appraisal value	19,400 million yen
Real estate appraiser	Japan Real Estate Institute
Date of appraisal	August 20, 2017

Item	Details	Outline
Income approach value	19,400 million yen	
Direct capitalization approach	19,600 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	882 million yen	
Profit on the investment of a lump sum	Not disclosed (Note)	
Capital expenditure	Not disclosed (Note)	
Net cash flow	863 million yen	
Capitalization rate	4.4%	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	19,200 million yen	
Discount rate	4.2%	Assessed by considering regional characteristics and uniqueness of the property
Terminal cap rate	4.6%	Assessed based on capitalization rate adjusted by future uncertainty risks etc.
Cost approach	12,300 million yen	
Land percentage	36.7%	
Building percentage	63.3%	

(Note) GLP J-REIT has not disclosed these items because the asset management company has judged the disclosure may cause disadvantage to investors.

Points of attention in the determination of appraisal value	In deciding on 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 the 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.
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(Note) Furthermore, the GLP J-REIT will continuously announce the appraisal value of the asset every fiscal period-end after Feb 2018 period-end based on "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." by Financial Service Agency.

4. Profile of SMFL

Trade name	Sumitomo Mitsui Finance and Leasing Company, Limited
Head office address	1-3-2, Marunouchi, Chiyoda-ku, Tokyo
Representative's position title and name	Kazuhisa Togashi, Chairman of the Board Masaki Tachibana, President
Major business	Leasing and installment sales of a variety of equipment and machinery, loans and factoring and services relating to above-mentioned businesses
Capital	15 billion yen
Major shareholders	Sumitomo Mitsui Financial Group, Inc. (60%) Sumitomo Corporation (40%)
Date of foundation	February 1963
Relationship with either GLP J-REIT or its asset management company	There is no capital relationship, personnel relationship, and business relationship between SMFL and GLP J-REIT or its asset management company that must be disclosed.
Status as Related Parties	SMFL is not a related party of either GLP J-REIT or its asset management company. The related parties of SMFL and its affiliates also are not related parties of either GLP J-REIT or its asset management company.

5. Status of contractor, etc.

Acquisition of properties from specially related parties are described below. The following table indicates (1) company name/name, (2) relationship with the specially related party, and (3) transaction history, reasons, etc. Although SMFL, the counterparty of the Sales Contract and the previous owner and trust beneficiary, is not a specially related party, the owner of the trust beneficiary prior to the previous one and further former owners are also stated since SMFL is the owner as the so-called bridge, entering into the Sales Contract with GLP J-REIT, simultaneously with the acquisition from the subsidiaries, etc. of Global Logistic Properties Limited, the parent company, etc. of the asset management company.

Property Name (Location)	Owner, Trust Beneficiary Prior to Previous Owner	Owner, Trust Beneficiary Prior to Second Previous Owner	Owner, Trust Beneficiary Prior to Third Previous Owner
	(1), (2), (3) Acquisition (transfer) price Timing of acquisition (transfer)	(1), (2), (3) Acquisition (transfer) price Timing of acquisition (transfer)	(1), (2), (3) Acquisition (transfer) price Timing of acquisition (transfer)
GLP Urayasu (Urayasu, Chiba)	(1) Fukaehama Logistic Special Purpose Company (2) A Special Purpose Company that corresponds to a subsidiary of Global Logistic Properties Limited, the parent company of the asset management company (3) Acquired for the purpose of investment (retention period: more than one year)	(1) Urayasu Logistic Special Purpose Company (2) A Special Purpose Company that corresponds to a subsidiary of Global Logistic Properties Limited, the parent company of the asset management company (3) Acquired for the purpose of development (retention period: more than one year)	Not a related party

Property Name (Location)	Owner, Trust Beneficiary Prior to Previous Owner	Owner, Trust Beneficiary Prior to Second Previous Owner	Owner, Trust Beneficiary Prior to Third Previous Owner
	(1), (2), (3) Acquisition (transfer) price Timing of acquisition (transfer)	(1), (2), (3) Acquisition (transfer) price Timing of acquisition (transfer)	(1), (2), (3) Acquisition (transfer) price Timing of acquisition (transfer)
	Omitted as the holding period was longer than one year.	Omitted as the holding period was longer than one year.	
	September 2015	August 2002 (Land)	
GLP Funabashi II (Funabashi, Chiba)	(1) Funabashi two Logistic Special Purpose Company (2) A Special Purpose Company that corresponds to a subsidiary of Global Logistic Properties Limited, the parent company of the asset management company (3) Acquired for the purpose of investment (retention period: more than one year)	Not a related party	-
	Omitted as the holding period was longer than one year		
	May 2006		
GLP Misato (Misato, Saitama)	(1) Misato Logistic Special Purpose Company (2) A Special Purpose Company that corresponds to a subsidiary of Global Logistic Properties Limited, the parent company of the asset management company (3) Acquired for the purpose of development (retention period: more than one year)	Not a related party	-
	Omitted as the holding period was longer than one year.		
	November 2005 (Land)		

Property Name (Location)	Owner, Trust Beneficiary Prior to Previous Owner	Owner, Trust Beneficiary Prior to Second Previous Owner	Owner, Trust Beneficiary Prior to Third Previous Owner
	(1), (2), (3) Acquisition (transfer) price Timing of acquisition (transfer)	(1), (2), (3) Acquisition (transfer) price Timing of acquisition (transfer)	(1), (2), (3) Acquisition (transfer) price Timing of acquisition (transfer)
GLP Maishima I (Osaka, Osaka)	(1) Maishima one Special Purpose Company (2) A Special Purpose Company that corresponds to a subsidiary of Global Logistic Properties Limited, the parent company of the asset management company (3) Acquired for the purpose of development (retention period: more than one year) Omitted as the holding period was longer than one year July 2005 (Land)	Not a related party	-

6. Transactions with interested parties, etc.

Although SMFL, which is the counterparty of the Sales Contract, is not an interested party with respect to GLP J-REIT and the asset management company, the sellers of the Assets are all subsidiaries, etc. of Global Logistic Properties Limited, which is the parent company, etc. of the asset management company. These entities are interested parties under Article 201 of the Investment Trust Act as well as Article 123 of the Enforcement Order of the Investment Trust Act and correspond to interested parties under the “regulations concerning transactions with interested parties,” which are internal regulations of the asset management company. SMFL is the owner as the so-called bridge, entering into the Sales Contract with GLP J-REIT, simultaneously with the acquisition of the Assets, and the acquisition price for GLP J-REIT shall be decided based on SMFL’s acquisition price for the Assets. As such, upon the transaction for the acquisition of the Assets, the asset management company shall treat the relevant acquisition equivalent to a transaction with interested parties and completed procedures (including receipt of consent of GLP J-REIT under Article 201-2 of the Investment Trust Act, based on the approval at the board meeting which was held on August 28, 2017) based on the regulations on transactions with interested parties.

Furthermore, Global Logistic Properties Inc., which is the property management company of the Assets, is a major shareholder and parent company of the asset management company and is considered as 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 under the “regulations concerning transactions with interested parties”, which are internal regulations of the asset management company. As such, for outsourcing the property management service for the Assets before acquiring to Global Logistic Properties Inc., the asset management company completed procedures (including receipt of consent of GLP J-REIT under Article 201-2 of the Investment Trust Act, based on the approval at the board meeting which was held on August 28, 2017) based on the regulations on transactions with interested parties for executing the transactions. Also, upon GLP J-REIT’s acquiring the Assets, the asset management company will outsource the property management service to Global Logistic Properties Inc. and will follow the procedures based on the regulations concerning transactions with interested parties.

7. Status of broker

There is no broker with regard to these transactions.

8. Future outlook

There is no financial impact from signing of the Sales Contract. Furthermore, the impact in case GLP J-REIT acquires the Assets will be announced once the acquisition is determined.

9. Other matters necessary for investors to properly understand and evaluate the related information

(1) Assets to be acquired that correspond to forward commitment contracts, etc.

The Sales Contract constitutes a forward commitment (contracts for sale or purchase at a later date, being contracts and the like for the settlement and transfer of goods not less than one month after the signing of the contract) as defined in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. set by the Financial Services Agency.

(2) Impact, etc. on GLP J-REIT's finance when forward commitment contracts, etc. cannot be executed

The following are details on the terms and conditions for termination by SMFL as stipulated in the Sales Contract.

In the event of default under the Sales Contract due to reasons attributable to GLP J-REIT or in the event that the Sales Contract expires due to reasons, such as GLP J-REIT's failure in respect of the financing necessary for implementation of the purchase of the Assets, GLP J-REIT shall pay to SMFL a cancellation charge in the amount obtained by deducting a certain amount from the scheduled acquisition price of the Assets based on the assumption that the relevant Assets were acquired at that time (Note 1) and if any damages exceeding the amount of the cancellation charge occur, any recovery of or claim for damages for such excess amount shall not be precluded.

However, even if the financing necessary for implementation of the acquisition of the Assets is not completed, if GLP J-REIT, by the date of implementation of acquisition, proposes in writing that the Sales Contract not expire, the Sales Contract shall not expire and in such case GLP J-REIT shall not be asked to pay the cancellation charge on the ground that GLP J-REIT did not complete the financing. In addition, if GLP J-REIT, at least six (6) months prior to the expiration date of the scheduled acquisition period, does not provide notice that it shall acquire the Assets during the scheduled acquisition period, GLP J-REIT shall pay a contract expiration payment in an amount that is the same as the above cancellation charge and if it is impossible or considered difficult for GLP J-REIT to complete the financing during the scheduled acquisition period, GLP-J-REIT may terminate the Sales Contract upon the payment of the contract expiration payment. (Note 2) (Note 3)

(Note 1) The amount of the cancellation charge will vary, depending on the timing of the expiration of the contract and due to changes in the terms of the lease, etc.

(Note 2) For the fiscal year ended February 28, 2017, an amount after deducting the optimal payable distribution and capital expenditures from depreciation expense was 1,395 million yen. Assuming that the terms of the lease of the Assets as of the date of this release be maintained, if GLP J-REIT decides that the acquisition shall not be conducted by at least six months prior to the expiration date of the scheduled acquisition period, the amount of the contract expiration payment shall be equal to 5% of the acquisition price of the Assets (2,580 million yen), and because GLP J-REIT has five and a half years before the expiration date of the scheduled acquisition period, it is possible to accumulate funds if there is a reasonable prospect that the contract expiration payment is to be made, GLP-J-REIT thinks it is possible to cover the contract expiration payment without any significant financial burden.

(Note 3) The contract stipulates that in the event of default under the Sales Contract due to reasons attributable to GLP J-REIT, in addition to the cancellation charge, GLP J-REIT must compensate SMFL for the damages and losses incurred. However, as it is hardly conceivable that any event of default due to reasons attributable to GLP J-REIT, other than that in respect of financing, will occur, GLP J-REIT believes that the likelihood of GLP J-REIT being held liable for paying compensation exceeding the cancellation charge is low.

(3) Others (master lease agreement during a forward commitment period)

As described in "Appendix 2: Structure chart concerning the acquisition of the Assets to be acquired," pass-through method master lease agreements were executed for the Assets as of today with GLP Urayasu Limited Company, GLP Funabashi 2 Limited Company, GLP Misato Limited Company and GLP Maishima 1



Limited Company being the master lessees.

Following SMFL's acquisition of the Assets as of September 1, 2017, GLP J-REIT agrees to execute the master lease agreement for the Assets during the scheduled acquisition period from the date immediately following March 1, 2018 until the acquisition by GLP J-REIT. Although such agreement will be a rent-guarantee-type master lease agreement, the master lease rent will be established reflecting end-tenant rent at the certain times which are predetermined in consideration of the rental periods with end-tenants. Therefore, the variation should be limited between the master lease rent and the end-tenant rent.

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

<APPENDIX>

Appendix 1: Summary of the Engineering Reports

Property number	Property name	Engineering firm	Report date	Emergency and short-term repair and maintenance costs (thousand yen) (Notes 1,2)	Medium- to long-term repair and maintenance costs (thousand yen) (Notes 1,3)	PML (%) (Note 4)
TBD	GLP Urayasu	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 18, 2017	0	82,849	14.3
TBD	GLP Funabashi II	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 18, 2017	0	262,847	14.7
TBD	GLP Misato	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 18, 2017	0	211,734	12.9
TBD	GLP Maishima I	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 18, 2017	0	407,302	2.4

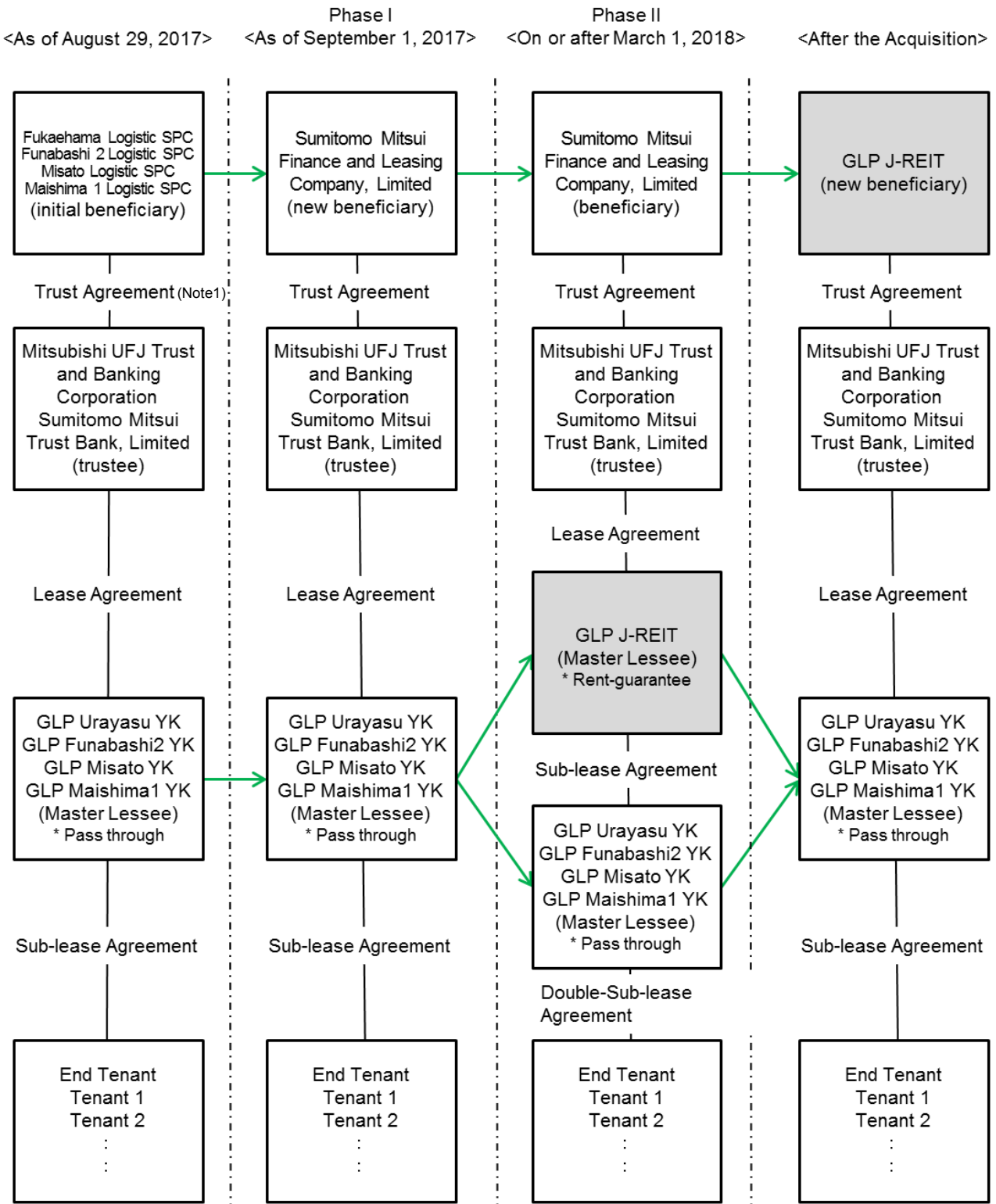
(Note 1) Emergency and short-term repair and maintenance costs and medium- to long-term repair and maintenance costs are as set forth in the Engineering Report.

(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 is based on the Engineering Report.

Appendix 2: Structure chart concerning the acquisition of the Assets to be acquired (only major stakeholders and agreements are shown)



(Note 1) GLP Funabashi II is scheduled to be entrusted as of September 1, 2017 and it is held as actual real estate as of August 29, 2017.

(Note 2) • SPC in the above stands for “special purpose company”.

• YK in the above stands for “Yugen Kaisha” and means “limited company”

Announced signing of agreement to newly acquire four properties

Overview of initiatives as of August 29, 2017

- GLP group sings to sell four properties with Right-of-First-Look (“RoFL”¹) to Sumitomo Mitsui Finance and Leasing Company Limited (hereinafter, “SMFL”)
- GLP J-REIT signs the sales and purchase contract concerning acquisition of the four properties with SMFL



Securing acquisition opportunities for four properties located in long-established prime distribution areas in Greater Tokyo and Greater Osaka



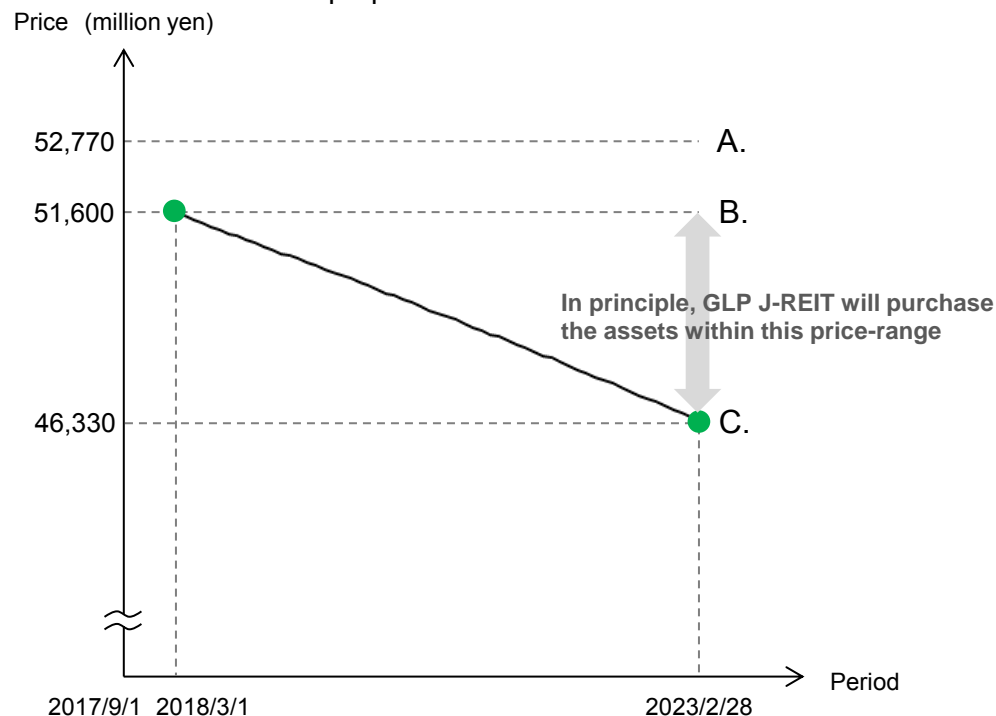
1. “RoFL ” refers to right-of-first-look, which is a contractual right that obliges the sponsor to provide information about sales of properties of GLP Group to GLP J-REIT and undergo exclusive good faith negotiations with GLP J-REIT before negotiating with other parties. The sponsor has no obligation to sell any properties subject to GLP J-REIT’s right-of-first-look.

This scheme enables GLP J-REIT to secure flexible acquisition opportunities and an upper limit on acquisition price

Overview of Sales contract between GLP J-REIT and SMFL

Scheduled acquisition date	February 28, 2023, or a date specified by GLP J-REIT from the period between March 1, 2018 and February 28, 2023
Scheduled acquisition price	Price (total 51,600 million yen) at which SMFL will purchase from GLP group or price that is discounted to some extent from the price at which SMFL is to acquire the Assets from the GLP Group
Other Special contract	GLP J-REIT agrees to execute the master lease agreement for the Assets during the scheduled acquisition period from the date immediately following March 1, 2018 until the acquisition by GLP J-REIT.

Chart showing how the scheduled acquisition price for four properties is to be reduced



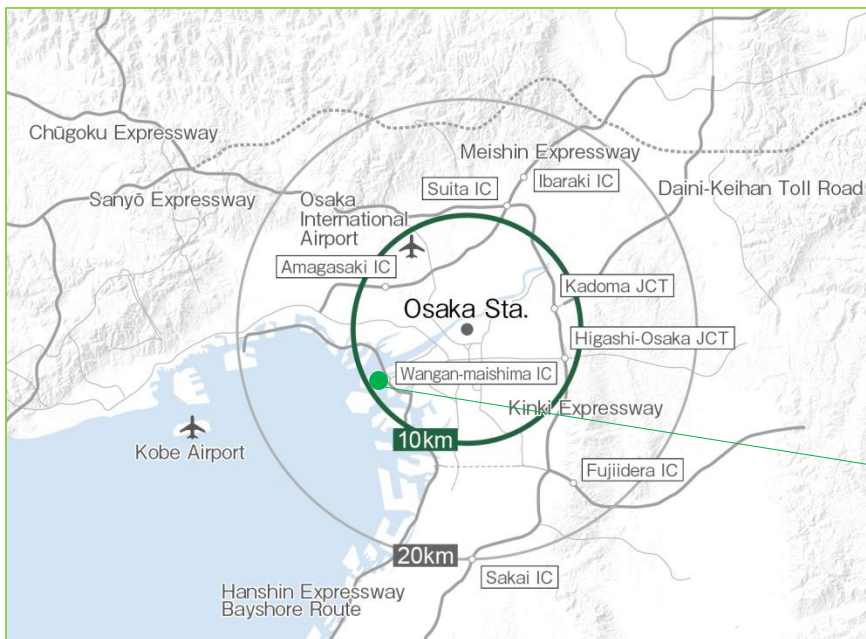
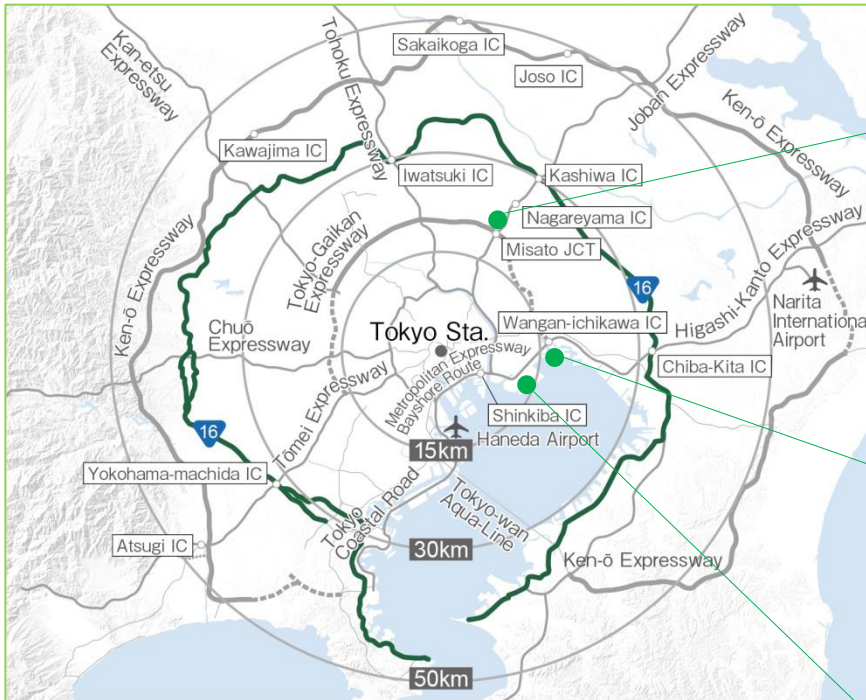
- A. Appraisal value as of August 20, 2017
- B. Planned price at which SMFL will purchase from GLP group on September 1, 2017/ Maximum price at which GLP J-REIT will purchase the asset from SMFL
- C. This is the minimum price at which GLP J-REIT will purchase the Assets from SMFL assuming that the terms of the lease for each of the Assets as of the date of this release are maintained.

Appendix 4. Characteristics for four properties

Securing acquisition opportunities for four properties located in long-established prime distribution areas in Greater Tokyo and Greater Osaka

Of the properties to be acquired, GLP Misato, GLP Urayasu and GLP Funabashi II are located in an area inside National Route 16 where logistic facilities have traditionally been located and which has been the center of distribution for the Tokyo metropolitan area. Today the area has scarcity value due to its limited supply of new facilities.

Within a 10km radius of Osaka station, GLP Maishima I is located in highly competitive area with close proximity to a major consumption base and excellent shipping and distribution convenience.



GLP Maishima I

A cutting edge logistics facility with twin rampways and a seismic isolator system

Development¹



A cutting edge logistics facility

- The property is a large logistics facility with two rampways that allow large trucks direct access to every floor. As it is designed for multiple tenants, it is highly versatile.
- It appeals tenants who care about BCP through the incorporation of a seismic isolator system.

Prime location within a 10km radius of Osaka station

- Located approximately 1.6km from the Wangan Maishima Interchange of the Hanshin Expressway Bayshore Route, the property is in close proximity to the greater Osaka area, a major consumption area, and is highly convenient as a distribution base for consumer goods.
- Many logistics facilities have traditionally been located in this area due to its excellent access not only to Osaka Port but also to Kobe Port and the Kansai International Airport.



1. GLP Group developed properties including properties developed through GLP Japan Development Venture and other property development joint ventures. The same shall apply hereinafter.24

GLP Misato

Long-term stable cash-generating facility located within 20km of central Tokyo

Development

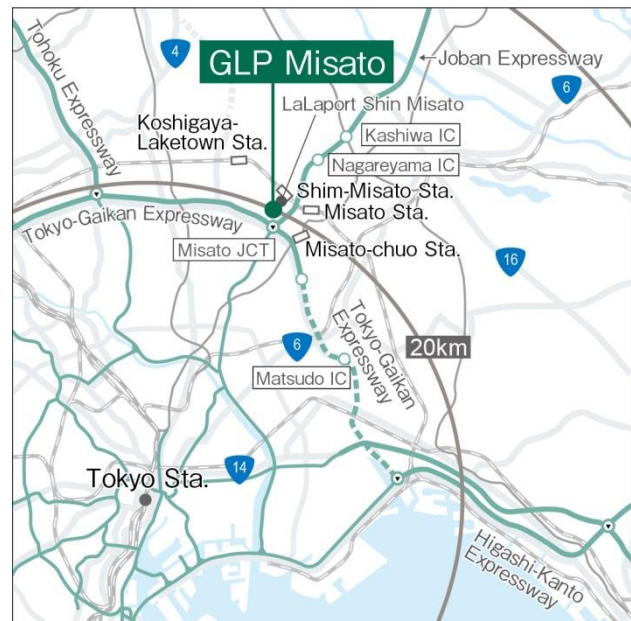


Within a 20km radius of central Tokyo

- Located within a 20km radius of central Tokyo and in close proximity to Tokyo, a huge consumption area, and to Misato Junction, which connects the Tokyo-Gaikan Expressway and the Joban Expressway, the location offers high competitiveness that can cover the entire Greater Tokyo area.

Stable cash flow from a long-term lease

- The property is highly versatile, with a structure that enables the installation of freezer and refrigeration facilities at various temperature zones, as well as a high floor loading capacity and ceiling height.
- An ultra-long-term lease contract has been exchanged with a large retailer, who has been using the facility since its completion as a base to distribute food and beverages that require temperature control to retail stores in the Greater Tokyo area.



GLP Urayasu

Development

Excellent location within a 15km radius of central Tokyo

- Located approximately 3.4km from the Urayasu Interchange of the Metropolitan Expressway Bayshore Route, the property is within a 15km radius of central Tokyo, in close proximity to a major consumption area. The location is optimal as a logistics center for consumer goods.
- A large manufacturer has been a tenant since the completion of the property as a distribution center that covers all of east Japan.
- Developed by the GLP Group, it is a large logistics facility with a double-sided truck berth equipped with a 10 meter canopy, enabling speedy and efficient operation without being affected by the weather.



GLP Funabashi II

Acquisition¹

A logistics facility that can accommodate multiple tenants

- It is a large logistics facility acquired by the GLP Group from outside. The property underwent renovations to accommodate multiple tenants, and has since replaced its tenants.
- The property, which consists of two warehouse buildings and an office building, is highly versatile, with a high floor loading capacity and ceiling height.
- Many logistic facilities have traditionally been located in the Funabashi area. Solid demand can be expected from this location.



GLP Urayasu



GLP Funabashi II

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