



Semi-Annual Report

Feb 2014 Fiscal Period



4th Fiscal Period

(from September 1, 2013 to February 28, 2014)

GLP J-REIT

1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-7104, Japan <http://www.glpjreit.com/english/>



Dividend per unit
(Feb 2014 actual)

2,190 yen

(including an optimal payable distribution
of 251 yen)

Dividend per unit
(Aug 2014 forecast)

2,150 yen

(including an optimal payable distribution
of 284 yen)

Total assets
(acquisition price base)

285.0 bn yen

(note) as of Apr 1, 2014

Occupancy
(as of Feb 2014)

99.9%

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To Our Unitholders

On behalf of GLP J-REIT, I am pleased to present the financial results of the fourth fiscal period ended February 2014.

During the six months, GLP J-REIT raised 23.9 billion yen through its first follow-on offering subsequent to its IPO. The proceeds were used for the acquisition of seven properties, which was completed in October 2013. At the same time, GLP J-REIT achieved strong performance through effective management of its properties, including a rent increase for all rent contracts that expired during the fourth period on the back of growing demand for modern logistics facilities. In addition, we continued to reduce costs while extending terms of borrowings. As a result, the fourth period ended with operating revenues of 8,080 million yen, ordinary income of 4,069 million yen, and net income of 4,068 million yen. Reflecting the above performance, the total dividend for the fourth period is 2,190 yen per unit, comprising a dividend of 1,939 yen per unit and an optimal payable distribution per unit of 251 yen.

GLP J-REIT acquired two properties in March 2014 and two additional properties in April 2014 (during the fifth period, ending August 2014). Continuous property acquisitions since the IPO are aimed at enhancing our asset portfolio value, which has grown by 37% since listing to 285.0 billion yen (based on acquisition price) for 44 properties, thereby increasing our financial stability and risk diversification while maintaining portfolio quality.

We anticipate that the above portfolio expansion will lead to an increase in operating revenues to 9,289 million yen for the fifth period. In the same period, we will begin to record real estate tax as expenses for the properties acquired in 2013, with 745 million yen in such expenses expected for the period. This would entail a 355 yen decrease in the dividend per share; however, this adverse effect will be reduced to the minimum level as part of our effort to achieve a forecast dividend of 2,150 yen, due to the above successful accretive offering and property acquisitions.

The benefits from the follow-on offering and new acquisitions include an increase of 15.4% and 14.2% in NAV per unit and adjusted EPU*, respectively, over the course of a little more than one year, thereby enhancing our unitholders' value, which is our primary goal.

* Stabilized EPU after adjustment. See page 4 for more details.

GLP J-REIT is determined to maximize investor value through its best-in-class asset management services, recognized both in Japan and around the world, harnessing GLP's extensive experience in operating logistics facilities.

I thank you for your ongoing support.





Masato Miki
Executive Director, GLP J-REIT
President & CEO, GLP Japan Advisors Inc.

Overview of GLP

Investment in Modern Logistics Facilities

Our investment is intended to focus on “modern logistics facilities,” which we define as large-scale, highly functional leasable logistics facilities. This policy is strategically developed based on our market analysis, which tells us that demand for modern logistics facilities is expected to increase, reflecting the growth of Japanese 3PL business* as well as the e-commerce market, while such facilities remaining scarce.

Large scale	Gross floor area: 10,000 sqm or more	High functionality	(For more than 50% of the gross floor area) Floor-to-ceiling height: 5.5 meters or more Floor load tolerance: 1.5 tons/sqm or more
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* Third-party logistics (“3PL”) operators provide partial or complete supply chain management services for corporate clients. Typically, 3PL companies provide unified services for operational, storage and transportation processes that can be adjusted and customized to fit the needs of individual clients in response to relevant market trends, including regarding user demand and delivery service requests.

Investment Areas

We plan to invest primarily in logistics facilities located near airports and trading ports, along main traffic routes connecting major consumption districts, and around logistics hubs in production or consumption areas. Location selection is intended to ensure geographical diversification of the portfolio in consideration of local characteristics such as population distribution, overall production trends, and logistics dynamics within the region.

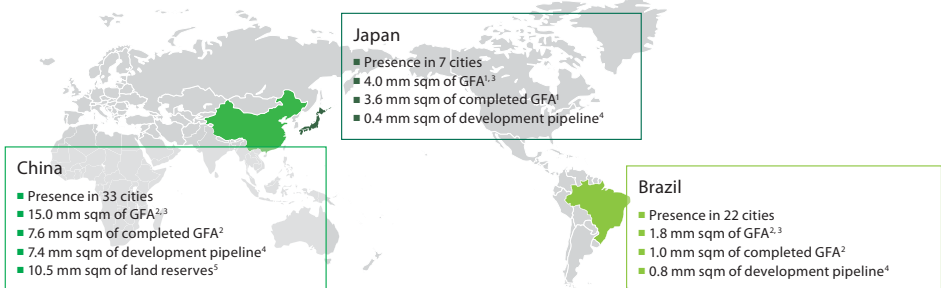
Investment percentage by location (based on acquisition price)

Location	Investment percentage
Tokyo metropolitan area	50-70%
Greater Osaka area	20-40%
Others	5-20%

Utilization of the GLP Group’s Value Chain

The GLP Group provides a variety of logistics facility-related solutions, ranging from acquisition, development, investment, operation and leasing to property management and consulting, utilizing experience developed through its portfolio management in Japan, China and Brazil, thereby building an efficient value chain within the group. In addition, the asset management company and GLP Group entered a Right-of-First-Look Agreement between the asset management company and the GLP Group for 33 properties (a total of 1.24 million square meters leasable area), which will serve as a tool for expanding our asset portfolio.

GLP’s global operation (As of March 31, 2013)



Source: GLP
Notes:
1. Includes properties owned by GLP J-REIT and managed by the GLP Group, as well as properties owned, operated and managed by GLP joint ventures with an external co-owner or co-owners.
2. Includes properties owned, operated and managed by GLP joint ventures with an external co-owner or co-owners.
3. Includes GFA for completed properties, stabilized properties (in the second year or later after completion, or with occupancy at 93% or above), properties under development/redevelopment, and land held for future development. Excludes land for which acquisition agreement has been partially reached (“land reserve”).
4. Indicates GFA for properties under development/redevelopment and maximum possible GFA for land held for future development. Excludes land reserves.
5. Land reserves are not recognized on the balance sheet, indicating a possibility that such land may not be used by GLP for development.
6. Due to rounding off, there may be discrepancies between individual amounts and their sum.

RoFL assets owned by GLP



Functions of Modern Logistics Facilities

In investing in modern logistics facilities, we also consider the following functions:

GLP Amagasaki

Wind-generated power



High-intensity lighting



24-hour security



Wide column space

Offers our tenants flexibility for the layout and operation. Also, appropriate floor load tolerance accommodates various types of goods



Office space

Supports tenants by providing comfortable workplaces for on-site workers



Amenity space

Supports tenants by providing comfortable workplaces for on-site workers



Rampways allowing access to upper floors



Large truck loading yards

Accommodates heavy truck traffic and supports efficient operation that can shorten lead time and deal with frequent transport

The above shows major features of "GLP Amagasaki," one of the properties we acquired. Please note that this is an example of a modern logistics facility and does not fully illustrate our investment criteria.

First-ever Initiatives in J-REIT Sector

1 Acquisition of sponsor's flagship assets



GLP Tokyo



GLP Amagasaki

Best-in-class portfolio

2 Performance-linked AM fees and incentive bonuses of asset manager

AM Fee

Linked to NOI*1 and dividend (ca. 2/3)

&

Incentive bonus of asset manager

Linked to dividend and relative performance of investment unit

Alignment of interests between unitholder and sponsor

*1 NOI=Property-related revenues – Property-related expenses + Depreciation expenses

3 Optimal Payable Distribution (OPD)*2

Stable income
(net income)

+

OPD
(30% of depreciation)

FFO based cash distribution

*2 For details, please refer to "Optimal Payable Distribution" on page 9.

4 An IPO of large market cap and smallest lot of investment unit

	GLP J-REIT	J-REIT market*3
Market cap	ca. 111 bn yen	2nd largest
Unit price	60,500 yen	Smallest

High liquidity

*3 As of IPO of GLP J-REIT

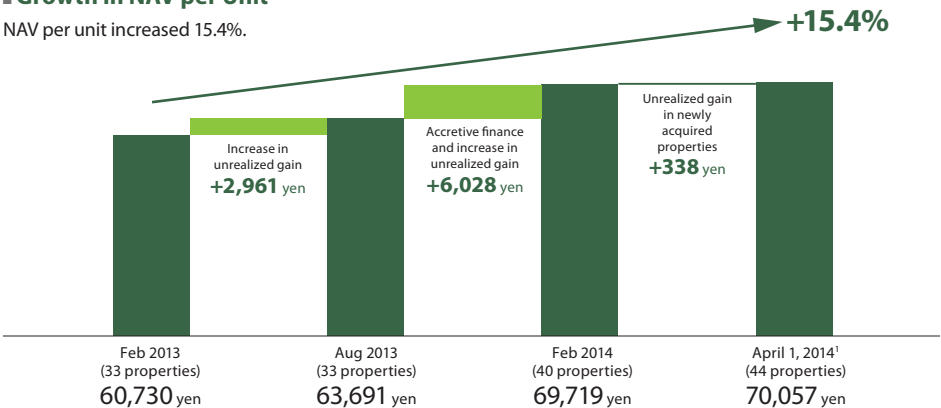
Innovative initiatives

Enhancement of Unitholders' Value

GLP J-REIT raised 23.9 billion yen through its first follow-on offering in September 2013 subsequent to its IPO. GLP J-REIT completed acquisition of seven properties in October 2013 and two properties in March 2014 using funds from the offering as well as loans payable. Furthermore, it purchased properties from a third party for the first time since its IPO.

■ Growth in NAV per Unit

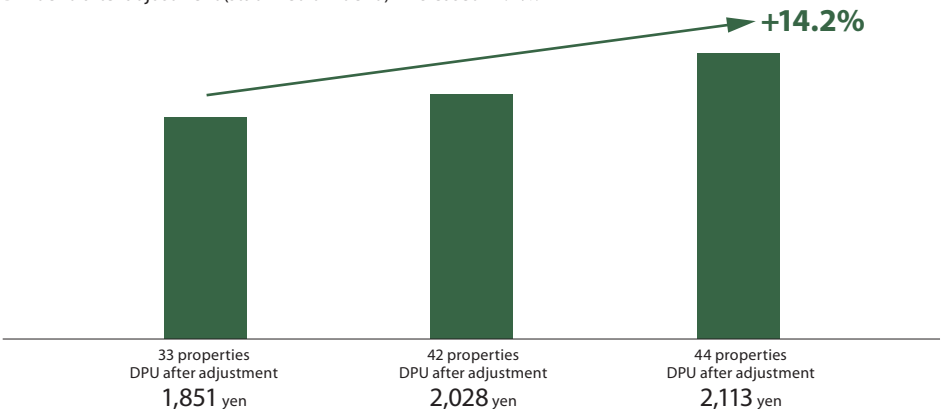
NAV per unit increased 15.4%.



1. Based on Feb 2014 financial results, and unrealized gain of 4 newly acquired properties are added

■ Dividend Growth

Dividend after adjustment (stabilized dividend)* increased 14.2%.



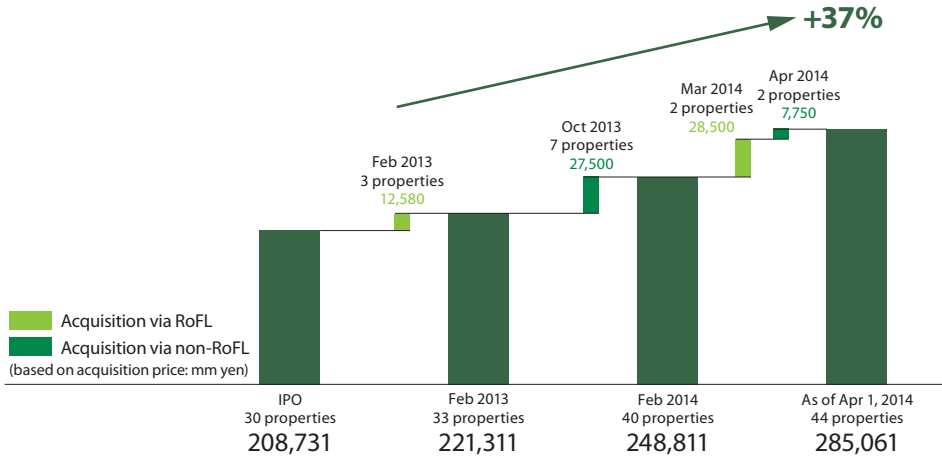
* Dividend after adjustment (stabilized dividend)

In accordance with real estate tax accounting rules, for the year of acquisition, real estate tax obligations etc. are included in acquisition costs and capitalized. Such obligations are recorded as expense annually from the subsequent year. Our actual and forecast dividends for the periods beginning in the year of acquisition and ending in February of the following year of acquisition do not reflect such real estate tax etc. expenses.

To expressly provide the effect of the follow-on offering on dividend value, dividends after adjustment, shown above, have been calculated on the assumption that all the owned properties are in full-period operation and by excluding the effect of variable factors such as real estate tax capitalization.

Strong Portfolio Growth

We have achieved continuous external growth since the IPO, expanding our asset portfolio to 285 billion yen in April 2014, up 37% from the time of the IPO in December 2012.



Portfolio Quality Maintained

By adding nine properties, we will expand our portfolio while maintaining its quality.

	33 properties (as of Apr 1, 2014)	PO 9 properties (as of Apr 1, 2014)	2 new properties (as of Apr 1, 2014)	44 properties (as of Apr 1, 2014)	
No. of properties	33	9	2	44	↑
Acquisition price (mm yen)	221,311	56,000	7,750	285,061	↑
Average NOI yield ²	5.7%	5.7%	5.0%	5.7 %	→
WALE ³	3.7 years	6.1 years	8.1 years	4.2 years	↑
Fixed-term lease ratio	94.2%	100.0%	83.6%	95.2%	↑
Average building age	13.2 years	7.6 years	27.1 years	12.3 years	↑
Leasable area	1,178,472 sqm	291,330 sqm	20,467 sqm	1,490,270 sqm	↑
Occupancy rate	99.9%	100.0%	100.0%	99.9 %	→

2. Based on Appraisal NOI yield. Appraisal NOI yield for this purpose is based on NOI assumptions used for the direct capitalization analysis included in the appraisal report on each property.
3. Weighted Average of Lease Expiry, or WALE are based on leased area excluding vacant area.

Financial Highlights

Financials

Feb 2014 (forecast)

(from September 1, 2013 to
February 28, 2014)

Aug 2014 (forecast)

(from March 1 to
August 31, 2014)

Operating revenue (mm yen)	8,080	9,289
	(1) ↑	
Operating income (mm yen)	4,852	4,893
	(2) ↑	
Ordinary income (mm yen)	4,069	3,917
	(3) ↑	
Net income (mm yen)	4,068	3,916
No. of properties at fiscal end	40	44

Major factors for variation

- (1) Increase in rent revenues related to four newly acquired properties
(3) Increase in borrowing cost related to additional loans for acquiring properties

- (2) Real estate tax expenses recorded for properties acquired in 2013

Dividend per Unit (yen)

Feb 2014 (forecast)

(from September 1, 2013 to
February 28, 2014)

Aug 2014 (forecast)

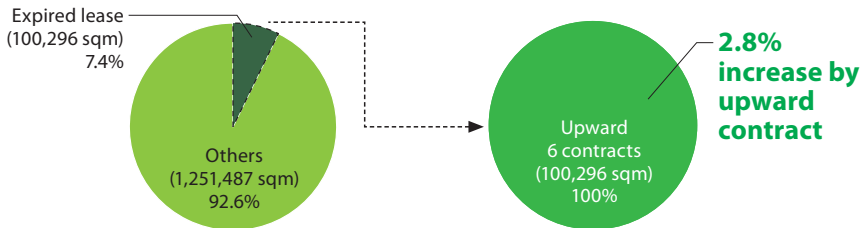
(from March 1 to
August 31, 2014)

Dividend per unit (total)	2,190	2,150
Dividend per unit (excl. OPD)	1,939	1,866
Optimal payable distribution per unit	251	284

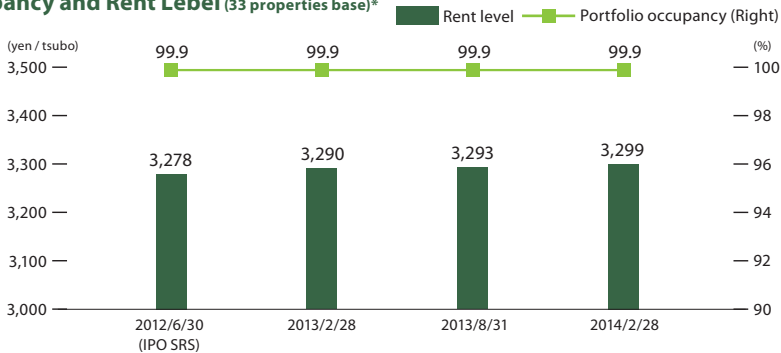
Portfolio Management

As of the end of February 2014, the occupancy rate remained at 99.9%, the same level as the previous period. Also, we have achieved rental growth by fully leveraging the GLP Group's capabilities in asset and property management.

Rental Growth (From September 1, 2013 to February 28, 2014)



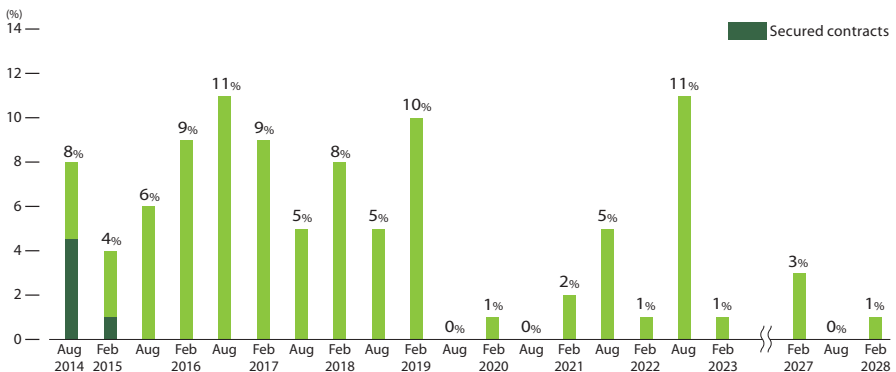
Occupancy and Rent Level (33 properties base)*



* The above data is as of February 28, 2014, based on 33 properties held by GLP J-REIT for one year or more.

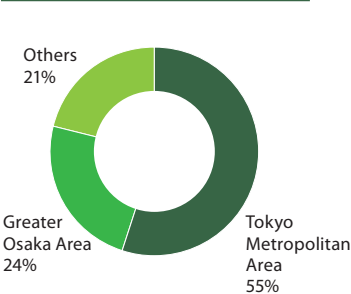
Lease Expiry Profile

The expiry dates of our lease contracts are adequately diversified, which is likely to provide steady opportunities for pursuing rent increases, thereby achieving steady rental growth.

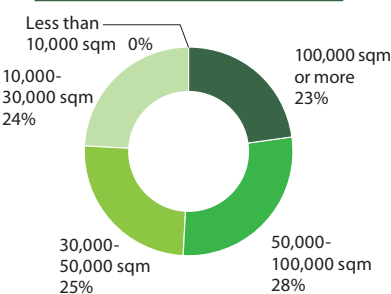


Portfolio Data

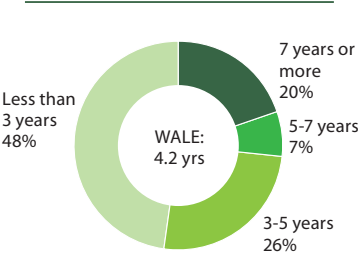
Location



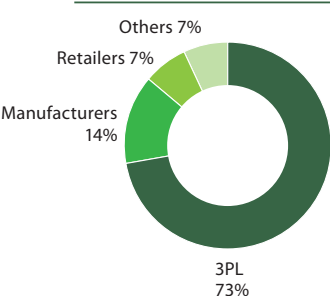
Building scale



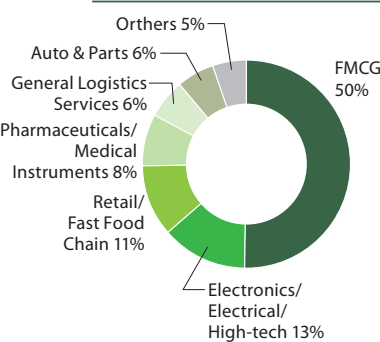
Lease expiry



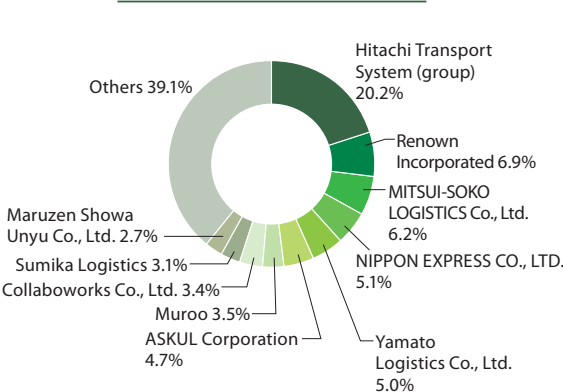
Tenant industry



End-user industry



Top 10 tenants



* The above data is as of April 1, 2014. The data is based on 44 properties, including those acquired in March and April 2014. Data for location and building scale is based on gross floor area. Other data is based on leased area.

Debt Information

■ Loan Details (as of Feb 2014)

Average remaining period

3.5 years

LTV (Total loan/
total asset)

44.2%

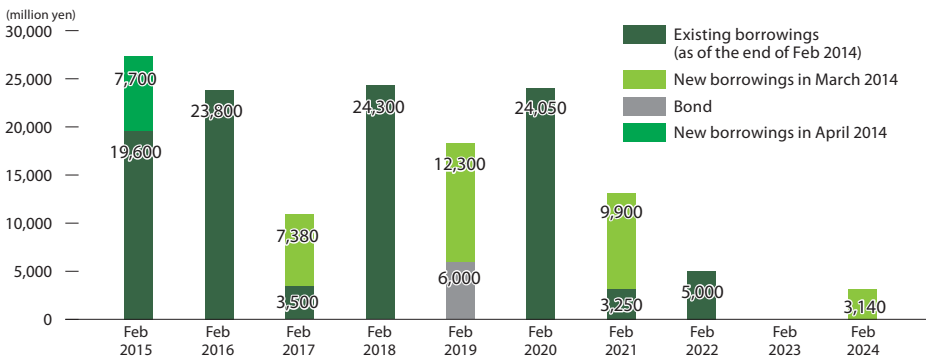
Fixed interest ratio

76.3%

Long-term loan ratio

79.3%

■ Debt Maturity Diversification (as of Apr 1, 2014)



■ Credit Ratings

Credit Rating Agency	Subject	Rating	Outlook
JCR (Japan Credit Rating Agency, Ltd.)	Long-term issuer rating	AA-	Stable
JCR (Japan Credit Rating Agency, Ltd.)	Bond rating (Note)	AA-	—

(Note) It is the rating for the 1st unsecured investment corporate bond.

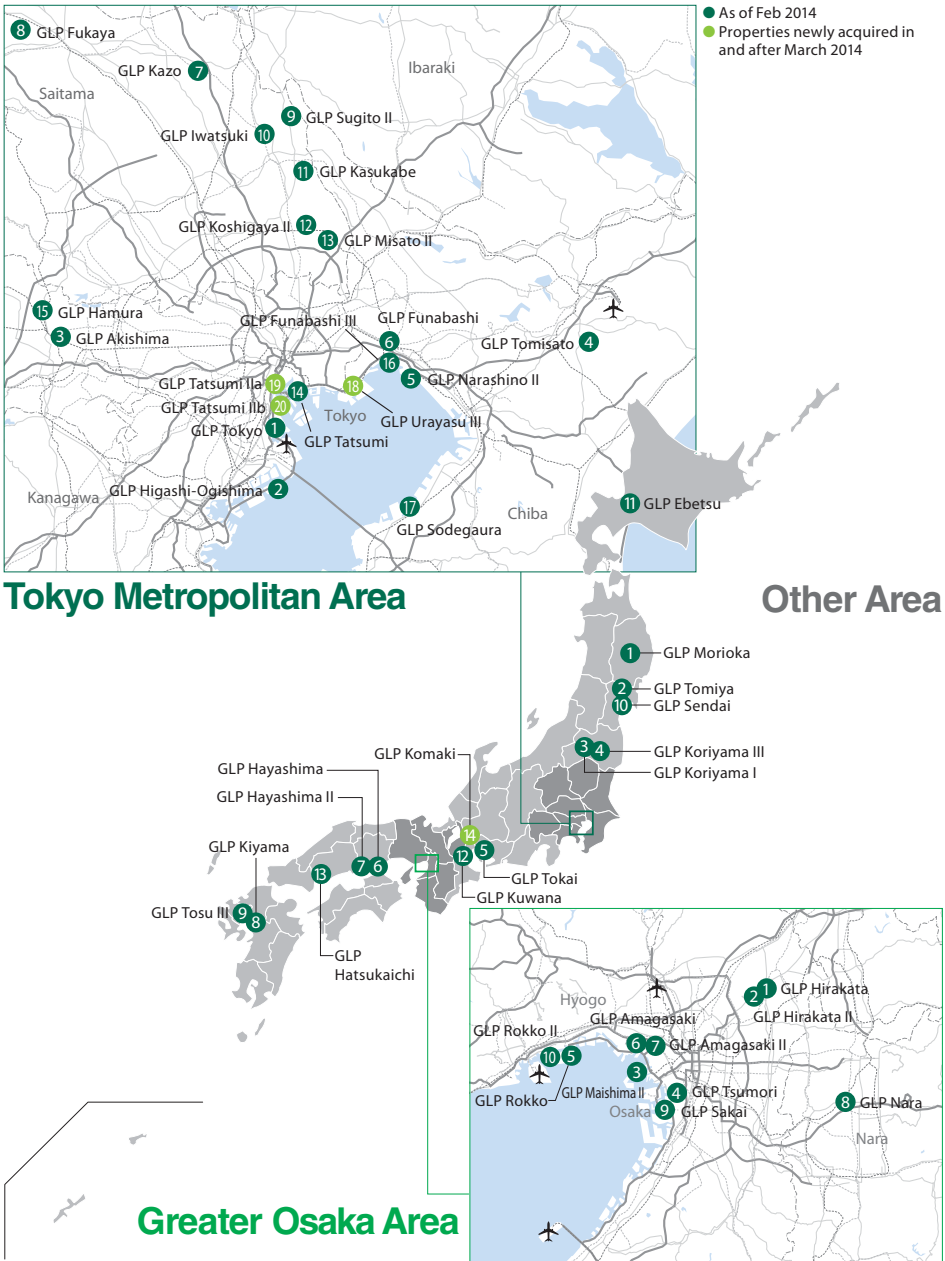
■ Optimal Payable Distribution

Our basic management policies include “optimal payable distribution” (OPD), which refers to profit distribution in excess of retained earnings implemented under our scheme that takes advantage of characteristics specific to the logistics facilities accounting, as a way of seeking efficient capital allocation.

In addition to ordinary profit distributions from retained earnings, it is our policy to implement optimal payable distribution on a continuous basis in accordance with the following principles:

- The amount of the optimal payable distribution made for any given fiscal period will be determined by GLP J-REIT. The amount will not exceed that of depreciation expenses posted for the immediately prior fiscal period less the amount of capital expenditure for the same period.
- The implementation and amount of the above optimal payable distribution will be determined in consideration of the amount of capital expenditure and the financial condition (especially as measured by the LTV benchmark) of GLP J-REIT, among other relevant factors. If it is deemed inappropriate to make such optimal payable distribution for reasons including but not limited to the macroeconomic environment and real estate market conditions as well as the condition of our portfolio and financials, such optimal payable distribution will not be executed.

Portfolio Map



Overview of Portfolio in Tokyo Metropolitan Area



1 GLP Tokyo Ota, Tokyo



2 GLP Higashi-Ogishima
Kawasaki, Kanagawa



3 GLP Akishima Akishima, Tokyo



4 GLP Tomisato Tomisato, Chiba



9 GLP Sugito II Kita-katsushika, Saitama



6 GLP Funabashi Funabashi, Chiba

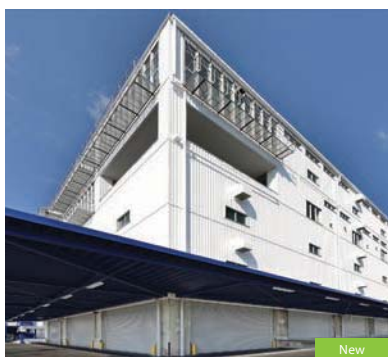
Overview of Portfolio in Tokyo Metropolitan Area



10 GLP Iwatsuki Saitama, Saitama



5 GLP Narashino II Narashino, Chiba



19 GLP Tatsumi Ila Koto, Tokyo



12 GLP Koshigaya II Koshigaya, Saitama



15 GLP Hamura Hamura, Tokyo



11 GLP Kasukabe Kasukabe, Saitama



13 GLP Misato II Misato, Saitama



7 GLP Kazo Kazo, Saitama



17 GLP Sodegaura Sodegaura, Chiba



18 GLP Urayasu III Urayasu, Chiba



16 Funabashi III Funabashi, Chiba



14 GLP Tatsumi Koto, Tokyo



8 GLP Fukaya Fukaya, Saitama



20 GLP Tatsumi IIb Koto, Tokyo

Overview of Portfolio in Greater **Osaka** Area



1 GLP Hirakata Hirakata, Osaka



2 GLP Hirakata II Hirakata, Osaka



3 GLP Maishima II Osaka, Osaka



4 GLP Tsumori Osaka, Osaka



5 GLP Rokko Kobe, Hyogo



6 GLP Amagasaki Amagasaki, Hyogo



7 GLP Amagasaki II Amagasaki, Hyogo



8 GLP Nara Yamato koriyama, Nara



9 GLP Sakai Sakai, Osaka



10 GLP Rokko II Kobe, Hyogo

Overview of Portfolio in Other^{Area}



1 GLP Morioka Shiwa, Iwate



2 GLP Tomiya Kurokawa, Miyagi



10 GLP Sendai Sendai, Miyagi



4 GLP Koriyama III Koriyama, Fukushima



6 GLP Hayashima Tsukubo, Okayama



5 GLP Tokai Tokai, Aichi



7 GLP Hayashima II Tsukubo, Okayama



3 GLP Koriyama I Koriyama, Fukushima



8 GLP Kiyama Miyaki, Saga



9 GLP Tosu III Tosu, Saga



11 GLP Ebetsu Ebetsu, Hokkaido



12 GLP Kuwana Kuwana, Mie



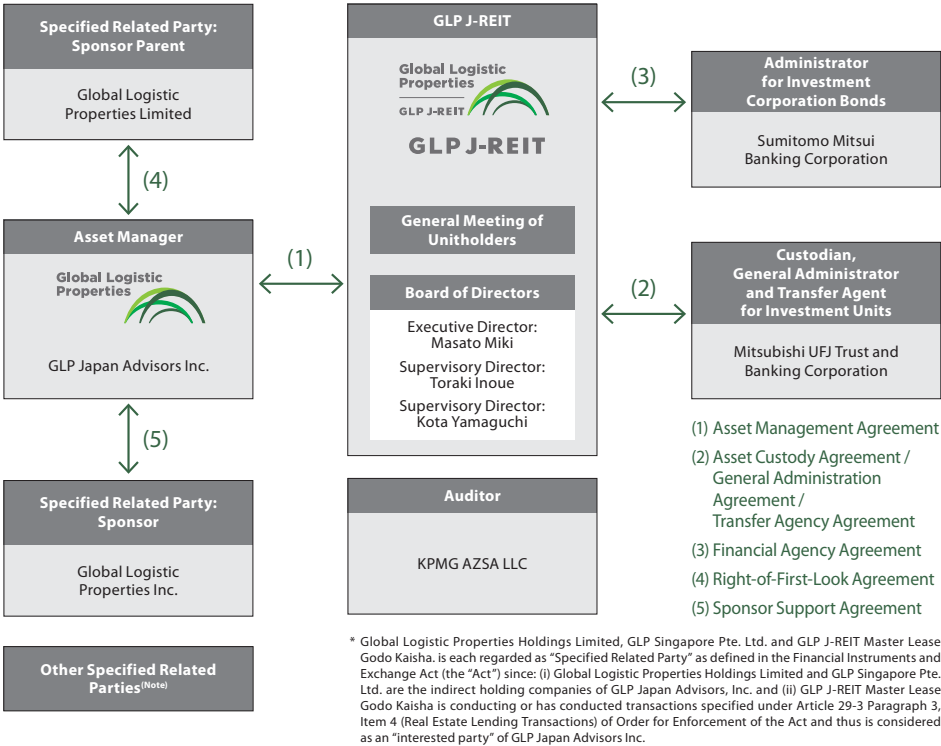
13 GLP Hatsukaichi Hatsukaichi, Hiroshima



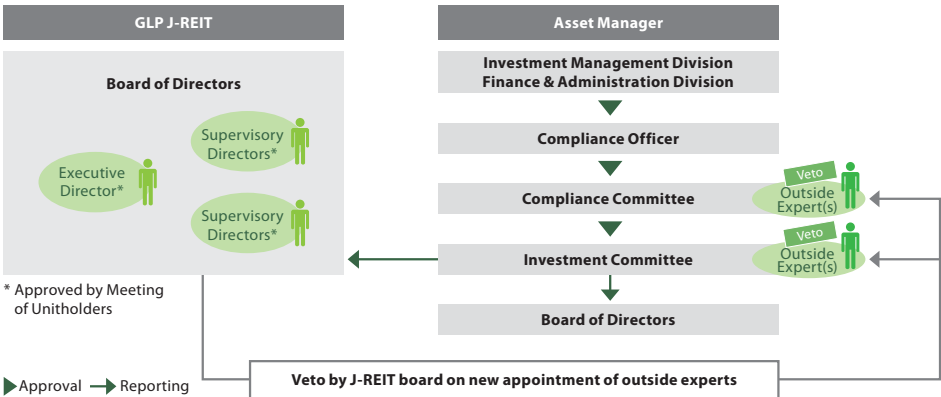
14 GLP Komaki Komaki, Aichi

Overview GLP J-REIT

Structure of GLP J-REIT

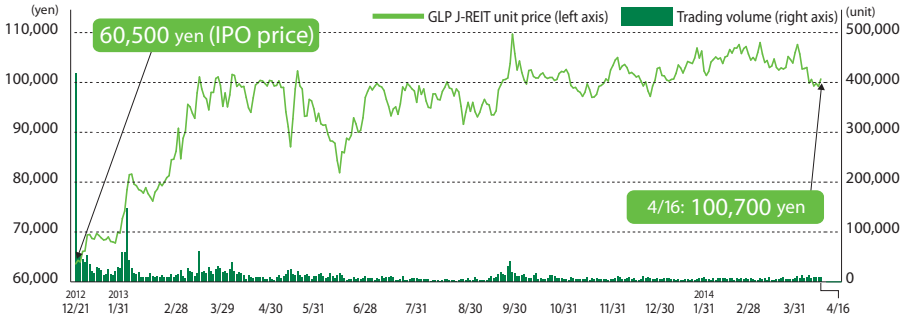


Governance Structure for Related Party Transactions

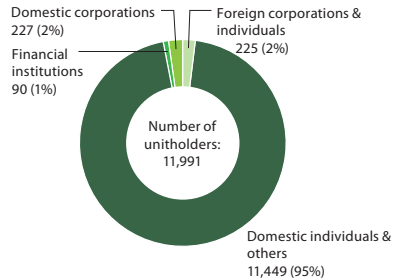
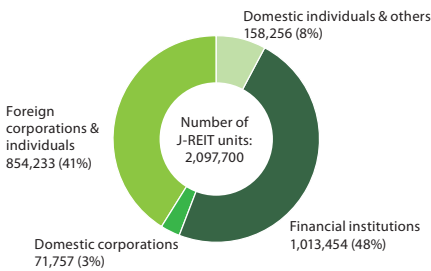


Investor's Information

Historical Investment Unit Price (closing price)



Unitholder Composition



ASSET MANAGEMENT REPORT

[Overview of Asset Management]

1. Trends in Key Indicators

		1st Period	2nd Period	3rd Period	4th Period
		Sept.16, 2011 to June 30, 2012	July 1, 2012 to Feb. 28, 2013	Mar. 1, 2013 to Aug. 31, 2013	Sept. 1, 2013 to Feb. 28, 2014
Operating revenues	Million yen	—	2,236	7,272	8,080
Of which, Property-related revenues	Million yen	—	2,236	7,272	8,080
Operating expenses	Million yen	8	908	2,971	3,228
Of which, Property-related expenses	Million yen	—	665	2,124	2,323
Operating income (loss)	Million yen	(8)	1,328	4,301	4,852
Ordinary income (loss)	Million yen	(85)	910	3,547	4,069
Net income (loss)	Million yen	(85)	907	3,546	4,068
Total assets	Million yen	456	231,353	233,875	256,107
[Period-on-period changes]	%	[—]	[—]	[1.1]	[9.5]
Total net assets	Million yen	114	108,323	110,894	134,011
[Period-on-period changes]	%	[—]	[—]	[2.4]	[20.8]
Unitholders' capital, net (Note 4)	Million yen	200	107,501	107,347	129,942
Number of investment units issued and outstanding	Unit	400	1,837,700	1,837,700	2,097,700
Net assets per unit (Note 5)	Yen	35,705	58,945	60,344	63,884
Distributions	Million yen	—	975	4,022	4,593
Of which, Distributions of earnings	Million yen	—	821	3,546	4,067
Of which, Distributions in excess of retained earnings	Million yen	—	154	475	526
Distributions per unit	Yen	—	531	2,189	2,190
Of which, Distributions of earnings per unit	Yen	—	447	1,930	1,939
Of which, Distributions in excess of retained earnings per unit	Yen	—	84	259	251
Ordinary income to total assets (Note 6)	%	(37.4)	0.8	1.5	1.7
[Annualized ordinary income to total assets]	%	[(47.3)]	[1.2]	[3.0]	[3.3]
Return on unitholders' equity (Note 6)	%	(150.1)	1.7	3.2	3.3
[Annualized return on unitholders' equity]	%	[(189.6)]	[2.5]	[6.4]	[6.7]
Unitholders' equity to total assets (Note 6)	%	25.0	46.8	47.4	52.3
[Period-on-period changes]	%	[—]	[21.8]	[0.6]	[4.9]
Payout ratio (Note 6)	%	—	90.5	100.0	99.9
【Other Information】					
Number of operating days (Note 7)		—	56	184	181
Number of investment properties		—	33	33	40
Occupancy ratio	%	—	99.9	99.9	99.9
Depreciation expense	Million yen	—	515	1,588	1,755
Capital expenditures	Million yen	—	59	217	480
Rental NOI (Net Operating Income) (Note 6)	Million yen	—	2,086	6,736	7,513
FFO (Funds from Operation) (Note 6)	Million yen	—	1,422	5,134	5,823
FFO per unit (Note 6)	Yen	—	774	2,794	2,776
Total distributions / FFO ratio (Note 6)	%	—	68.6	78.3	78.9
Debt service coverage ratio (Note 6)		—	6.8	7.6	8.8
The ratio of interest bearing liabilities to total assets	%	—	49.4	48.9	44.2

(Note 1) The fiscal period of GLP J-REIT is two six-month operating periods from March 1 to August 31 and from September 1 to February 28/29 of the following year. However, the 1st fiscal period is from the date of inception (September 16, 2011) to June 30, 2012 and the 2nd fiscal period is from July 1, 2012 to February 28, 2013.

(Note 2) Operating revenues and expenses are stated net of consumption taxes.

(Note 3) Any fraction is rounded down for monetary amounts unless otherwise stated. Ratios are rounded off to the first decimal places.

(Note 4) It represents the amount of unitholders' capital, net of distributions in excess of retained earnings deducted from total unitholders' capital amount.

(Note 5) GLP J-REIT executed an 8-for-1 unit split on October 31, 2012. Net assets per unit are calculated as if the unit split was executed on September 16, 2011.

(Note 6) The following formula is used for the calculation.

Ordinary income to total assets	$\text{Ordinary income (loss)} / [(\text{Total assets at beginning of period} + \text{Total assets at end of period}) / 2] \times 100$
Return on unitholders' equity	$\text{Net income (loss)} / [(\text{Net assets at beginning of period} + \text{Net assets at end of period}) / 2] \times 100$
Unitholders' equity to total assets	$\text{Net assets at end of period} / \text{Total assets at end of period} \times 100$
Payout ratio	Distributions per unit (excluding OPD**) / Net income per unit (Any fraction is rounded down to the first decimal place.) For the 2nd Period and the 4th Period, the following formula is used due to issuance of new units during the period. $\text{Total distributions (excluding OPD**)} / \text{Net income} \times 100$
Rental NOI (Net Operating income)	$\text{Property-related revenues} - \text{Property-related expenses} + \text{Depreciation expenses}$
FFO (Funds From Operation)	$\text{Net income (loss)} + \text{Depreciation expenses} - \text{Gain (loss) on sale of properties}$
FFO per unit	$\text{FFO} / \text{Number of investment units issued and outstanding}$
Total distributions / FFO ratio	$\text{Total distributions (including OPD**)} / \text{FFO} \times 100$
Debt service coverage ratio	$(\text{Net income} + \text{Interest expenses} + \text{Interest expenses on investment corporation bonds}) / (\text{Interest expenses} + \text{Interest expenses on investment corporation bonds})$

**: "OPD" stands for "Optimal Payable Distribution" that means distributions in excess of retained earnings.

(Note 7) "Number of operating days" represents the number of actual days to conduct management operation of properties and properties in trust. For the 2nd fiscal period, the actual operating days were from January 4, 2013 to February 28, 2013.

2. Performance Review for the 4th Period

(1) Brief Background of GLP J-REIT

GLP J-REIT is a real estate investment corporation (J-REIT) specializing in logistics facilities that primarily invests in modern logistics facilities. GLP J-REIT was founded in accordance with the Act on Investment Trusts and Investment Corporations (hereinafter the “Investment Trust Act”) with GLP Japan Advisors Inc. as the founder. It had its units listed on the Real Estate Investment Trust Market of the Tokyo Stock Exchange on December 21, 2012 (securities code: 3281). Subsequently, GLP J-REIT issued new investment units through a public offering in September 2013 and through a third party allocation in October 2013. The number of investment units issued and outstanding as of the end of the current fiscal period was 2,097,700 units with unitholders’ net capital of 129,942 million yen. Moreover, as of the end of the current fiscal period, GLP J-REIT owns 40 properties (total acquisition price of 248,811 million yen).

(2) Investment Environment and Business Performance

During the current fiscal period, the Japanese economy continued on a path of moderate recovery. With the business economy receiving underlying support from various policy measures by the government, there was improvement in the areas of employment and personal income. In the J-REIT market, the favorable financing environment gave rise to a number of asset acquisitions and capital increases through public offerings, while the transaction volume in the area of logistics real estate continued its upward trend.

In the leasing market for logistics facilities, although there was an increase in the new supply of large-scale logistics facilities, the new supply space was steadily taken up against the backdrop of the expansion of the third-party logistics (3PL) business and the e-commerce market, and as a result, vacancy rates remained at a low level across Japan.

Under these conditions, in September 2013, GLP J-REIT issued new investment units through a public offering for the first time since listing and decided to acquire nine properties in the form of trust beneficiary rights, concentrating on properties located in prime areas. Of those properties, GLP J-REIT completed the acquisition of seven properties (total acquisition price of 27,500 million yen) on October 1, 2013.

Moreover, while providing detailed services to meet the needs of tenants of the portfolio properties, GLP J-REIT actively strove to increase rents in renewed lease contracts in an environment of strong demand for logistics facilities.

As a result of these operations, GLP J-REIT owns 40 properties with a total acquisition price of 248,811 million yen and a total leasable area of 1,352,894.63m² as of the end of the current fiscal period. The occupancy rate of the entire portfolio continued to remain stable, and at the end of the current fiscal period, it was at the high level of 99.9%.

(3) Overview of Financing

GLP J-REIT maintains a target Loan-To-Value ratio (hereinafter “LTV”) of 45% to 55% and operates with a stable financial condition.

In the current fiscal period, GLP J-REIT received 23,071 million yen from issuing new investment units through a public offering in September 2013 and through a third party allocation in October 2013, and used these funds to acquire the trust

beneficiary rights of the aforementioned seven properties and repay short-term loans. In addition, in January 2014, GLP J-REIT borrowed funds through short-term loans of 8,800 million yen and long-term loans of 8,500 million yen and refinanced short-term loans. Furthermore, in February 2014, responding to the congenial environment for financing in the J-REIT market, GLP J-REIT issued 6,000 million yen of its first investment corporation bonds since listing. GLP J-REIT used these funds to repay short-term loans and long-term loans and successfully achieved to extend terms and reduce costs of borrowings.

As a result of the above, outstanding interest-bearing liabilities as of the end of the current fiscal period totaled 113,300 million yen (outstanding loans 107,300 million yen, outstanding investment corporation bonds 6,000 million yen), and the ratio of interest-bearing liabilities to total assets (LTV) was 44.2%.

GLP J-REIT has been assigned the following credit rating as of the end of the current fiscal period.

Credit Rating Agency	Type	Rating	Outlook
JCR (Japan Credit Rating Agency, Ltd.)	Long-term issuer rating	AA-	Stable
JCR (Japan Credit Rating Agency, Ltd.)	Bond rating (Note)	AA-	—

(Note) It is the rating for GLP J-REIT 1st Unsecured Bonds.

(4) Overview of Financial Results and Cash Distribution

As a result of these management efforts, GLP J-REIT reported operating revenues of 8,080 million yen, operating income of 4,852 million yen, ordinary income of 4,069 million yen and net income of 4,068 million yen for the current fiscal period.

As for cash distribution for the current fiscal period, in accordance with the distribution policy set forth in its Articles of Incorporation, GLP J-REIT decided to distribute 4,067,440,300 yen, which represents the multiple of the number of investment units issued and outstanding (2,097,700 units) from unappropriated retained earnings that is eligible for the special tax treatment on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). Accordingly, distribution per unit for the fiscal period was 1,939 yen.

In addition, GLP J-REIT intends to distribute funds in excess of the amount of retained earnings (Optimal Payable Distribution (hereinafter “OPD”)) each fiscal period on a continuous basis, in accordance with the distribution policy set forth in the Articles of Incorporation (Note). Based on this, GLP J-REIT decided to distribute 526,522,700 yen, an amount almost equivalent to 30% of depreciation (1,755 million yen) for the current fiscal period, as a refund of investment. As a result, the amount of OPD per unit was 251 yen.

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 480 million yen of capital expenditure for the current fiscal period from 1,755 million yen of depreciation expense for the period is 1,275 million yen.

For the time being, GLP J-REIT intends to make an OPD distribution in an amount equal to approximately 30% of depreciation expenses for the operating period immediately before the period in which the distribution is made, unless GLP J-REIT determines that the OPD payment would have a negative impact on its long-term repair plan or financial conditions in light of the estimated amount of capital expenditure for each fiscal term based on its long-term repair

plan.

With respect to all 40 properties held as of February 28, 2014, the six-month period average of the total amount of the emergency short-term repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set out in the Engineering Reports dated September 19, 2012 and August 20, 2013 for each property prepared by Deloitte Tohmatsu Property Risk Solution Co., Ltd.(*), is 333 million yen.

(*): PROPERTY RISK SOLUTION Corporation has changed its trade name to Deloitte Tohmatsu Property Risk Solution Co., Ltd. on December 25, 2013.

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3. Changes in Number of Investment Units Issued and Outstanding

Changes in number of investment units issued and outstanding and net unitholders' capital from the date of establishment to the end of current period are as follows:

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Unitholders' capital, net (Note 1) (Million yen)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
September 16, 2011	Establishment through private placement	200	200	100	100	(Note 2)
December 14, 2011	Issuance of new units through allocation to a third party	20	220	10	110	(Note 3)
June 22, 2012	Issuance of new units through allocation to a third party	180	400	90	200	(Note 4)
October 31, 2012	Unit split	2,800	3,200	—	200	(Note 5)
December 20, 2012	Public offering	1,747,100	1,750,300	102,189	102,389	(Note 6)
January 21, 2013	Issuance of new units through allocation to a third party	87,400	1,837,700	5,112	107,501	(Note 7)
May 22, 2013	Distributions in excess of retained earnings (a refund of investment)	—	1,837,700	(154)	107,347	(Note 8)
September 26, 2013	Public offering	249,955	2,087,655	22,179	129,527	(Note 9)
October 16, 2013	Issuance of new units through allocation to a third party	10,045	2,097,700	891	130,418	(Note 10)
November 19, 2013	Distributions in excess of retained earnings (a refund of investment)	—	2,097,700	(475)	129,942	(Note 11)

(Note 1) "Unitholders' capital, net" represents the amount of unitholders' capital, net of distributions in excess of retained earnings deducted from total unitholders' capital.

(Note 2) At establishment of GLP J-REIT, new units were issued at the issue price of 500,000 yen per unit.

(Note 3) In order to obtain necessary operating funds, GLP J-REIT issued new investment units through a third party allocation at 500,000 yen per unit.

(Note 4) In order to obtain necessary operating funds, GLP J-REIT issued new investment units through a third party allocation at 500,000 yen per unit.

(Note 5) GLP J-REIT executed an 8-for-1 unit split.

(Note 6) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 58,491 yen or the offer price of 60,500 yen per unit.

(Note 7) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 58,491 yen.

(Note 8) At the Board of Directors' Meeting held on April 16, 2013, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 84 yen per unit for the 2nd fiscal period (the period ended February 28, 2013). The payment of distributions was commenced on May 22, 2013.

(Note 9) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 88,735 yen or the offer price of 91,942 yen per unit.

(Note 10) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 88,735 yen.

(Note 11) At the Board of Directors' Meeting held on October 16, 2013, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 259 yen per unit for the 3rd fiscal period (the period ended August 31, 2013). The payment of distributions was commenced on November 19, 2013.

[Changes in Unit Price at TSE]

The highest and lowest closing prices of the investment units listed on J-REIT section of the Tokyo Stock Exchange for each period are as follows:

(Unit: Yen)

Fiscal Period	1st Period	2nd Period	3rd Period	4th Period
For the period ended	June 30, 2012	February 28, 2013	August 31, 2013	February 28, 2014
Highest	—	84,600	102,300	109,700
Lowest	—	63,600	81,900	93,100

4. Distributions

Actual amounts of distributions are as follows:

(Unit: Thousand yen, unless otherwise stated)

	1st Period	2nd Period	3rd Period	4th Period
	Sept. 16, 2011 to June 30, 2012	July 1, 2012 to Feb. 28, 2013	Mar. 1, 2013 to Aug. 31, 2013	Sept. 1, 2013 to Feb. 28, 2014
Unappropriated retained earnings or accumulated deficit	(85,743)	822,090	3,547,322	4,068,649
Retained earnings (deficit) carried forward	(85,743)	638	561	1,209
Total distributions	—	975,818	4,022,725	4,593,963
(Distributions per unit)	(— yen)	(531 yen)	(2,189 yen)	(2,190 yen)
Of which, distributions of earnings	—	821,451	3,546,761	4,067,440
(Distributions of earnings per unit)	(— yen)	(447 yen)	(1,930 yen)	(1,939 yen)
Of which, Distributions in excess of retained earnings	—	154,366	475,964	526,522
(Distributions in excess of retained earnings per unit)	(— yen)	(84 yen)	(259 yen)	(251 yen)

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings, which do not exceed the amount obtained by deducting an amount of capital expenditures for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 480 million yen of capital expenditures for the current fiscal period from 1,755 million yen of depreciation expense for the period is 1,275 million yen.

For the time being, GLP J-REIT intends to make Optimal Payable Distribution (the “OPD”), that means distributions in excess of retained earnings, in an amount equal to approximately 30% of depreciation expenses for the operating period immediately before the period in which the distribution is made, unless GLP J-REIT determines that the OPD payment would have a negative impact on its long-term repair plan or financial conditions in light of the estimated amount of capital expenditures for each fiscal term based on the long-term repair plan of GLP J-REIT.

With respect to all 40 properties held as of February 28, 2014, the six-month period average of total amount of the short-term emergency repair costs and the medium- to long-term repair costs, which are set out in the Engineering Report dated September 19, 2012 and August 20, 2013 for each property prepared by Deloitte Tohmatsu Property Risk Solution Co., Ltd. (the former PROPERTY RISK SOLUTION Corporation), is 333 million yen.

5. Future Management Policy and Issues To Be Addressed

(1) Operational Environment in Next Fiscal Period

The Japanese economy is expected to continue its recovery, owing to the effectiveness of various policy measures by the government. Although the congenial investment environment is expected to continue in the short term, it is necessary to continue to be watchful of a reactive effect following the surge in demand in the run up to the consumption tax increase, the trends of the economies of the emerging countries and the resource-rich countries, and the pace of recovery in the U.S. economy.

As for transactions of leasable logistics facilities, although the volume of distribution facilities continues to be smaller compared with other asset types, investor interest is rising, and there is an upward trend in transactions. In the leasing market, although the new supply of modern logistics facilities is expected to increase, the current growth in leasing demand among tenant companies is expected to keep vacancy rates at a low level and rent on a solid trajectory.

With regard to the financing environment, financial institutions are expected to maintain their current positive lending attitude, and a persistent capital inflow into the J-REIT market is anticipated.

(2) Future Management Policy and Issues To Be Addressed

Under these circumstances, GLP J-REIT is committed to implementing the following measures in pursuit of growth over the medium to long term.

In its internal growth strategy, while enjoying the stable cash flows that characterize its portfolio of assets, GLP J-REIT will work on renewing lease contracts with upwardly revised rents, giving consideration to market rents, upon the expiration of lease period.

As for external growth strategy, the Asset Manager of GLP J-REIT has entered into a right-of-first-look agreement with Global Logistics Properties Limited, which is the sponsor parent, and its group companies (hereinafter “GLP Group”), allowing GLP J-REIT to preferentially obtain information regarding the sale of logistics facilities with regard to the 33 properties wholly owned by the GLP Group (as of the date of this document). Taking advantage of this agreement as a valuable pipeline and continuously collecting information from third parties regarding prospective properties, GLP J-REIT will pursue further expansion of its portfolio size.

In terms of financial strategy, GLP J-REIT will examine such financing activities as extending debt maturities through refinancing, issuing more investment corporation bonds and raising funds through public offerings, while closely monitoring the trends in the financing environment. By doing so, GLP J-REIT will work to achieve the optimal balance of financing methods and financing costs.

6. Significant Subsequent Events

(1) Acquisition of Assets

GLP J-REIT acquired the four properties shown below in the form of trust beneficiary interests (with a total acquisition price of 36,250 million yen). The acquisition price (the purchase price stated in the Sales and Purchase Agreement of Beneficiary Rights of Real Estate in Trust) excludes acquisition costs such as related expenses for acquisition, property-related taxes and consumption taxes.

Property name	Acquisition date	Location	Seller	Acquisition price (Million yen)
GLP Urayasu III	March 3, 2014	Urayasu, Chiba	Urayasu Three Logistic Special Purpose Company	18,200
GLP Komaki	March 3, 2014	Komaki, Aichi	Komaki Logistic Special Purpose Company	10,300
GLP Tatsumi IIa	April 1, 2014	Koto-ku, Tokyo	Tokyo Bay Property Special Purpose Company	6,694
GLP Tatsumi IIb	April 1, 2014	Koto-ku, Tokyo	Tokyo Bay Property Special Purpose Company	1,056
Total	—	—	—	36,250

(2) Borrowing of Funds

GLP J-REIT borrowed funds for acquisition of specified assets and related costs as stated in “(a) Acquisition of Assets” above.

Lender	Loan amount (Million yen)	Interest rate	Loan execution date	Repayment date	Repayment method	Collateral
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Citibank Japan Ltd., The Bank of Fukuoka, Ltd., The Norinchukin Bank, Resona Bank, Limited., Sumitomo Mitsui Trust Bank, Limited, Shinsei Bank, Limited, Aozora Bank, Ltd., and The 77 Bank, Ltd.	7,380	JBA yen 3month TIBOR plus 0.35%	March 3, 2014	February 28, 2017	Lump-sum repayment on repayment date	Unsecured not guaranteed
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Citibank Japan Ltd., The Bank of Fukuoka, Ltd., The Norinchukin Bank and Resona Bank, Limited.	12,300	JBA yen 3month TIBOR plus 0.45%		February 28, 2019		
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Development Bank of Japan Inc.	6,100	JBA yen 3month TIBOR plus 0.55% (Note 1)		February 26, 2021		
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., and Development Bank of Japan Inc.	3,140	JBA yen 3month TIBOR plus 0.70% (Note 2)		February 29, 2024		
Sumitomo Mitsui Banking Corporation	3,150	JBA yen 1month TIBOR plus 0.20%	April 1, 2014	September 30, 2014	Lump-sum repayment on repayment date	Unsecured not guaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,150					
Sumitomo Mitsui Trust Bank, Limited	1,400					
Total	36,620	-	-	-	-	-

(Note 1): GLP J-REIT entered into an interest rate swap agreement on April 4, 2014 and the interest rate has been substantially fixed at 1.0855% on and after April 8, 2014.

(Note 2): GLP J-REIT entered into an interest rate swap agreement on April 4, 2014 and the interest rate has been substantially fixed at 1.5585% on and after April 8, 2014.

[Profile of GLP J-REIT]

1. Status of Unitholders' Capital

	1st Period As of June 30, 2012	2nd Period As of February 28, 2013	3rd Period As of August 31, 2013	4th Period As of February 28, 2014
Number of investment units authorized (units)	2,000,000	16,000,000	16,000,000	16,000,000
Number of investment units issued and outstanding (units)	400	1,837,700	1,837,700	2,097,700
Unitholders' capital, net (million yen) (Note)	200	107,501	107,347	129,942
Number of unitholders	1	14,585	12,238	11,991

(Note) It represents the amount of unitholders' capital, net of distributions in excess of retained earnings deducted from total unitholders' capital amount.

2. Matters Concerning Investment Units

The following is a list of major unitholders as of February 28, 2014.

Name	Location	Number of units held (Units)	Ratio to total units issued and outstanding (%) (Note)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	391,787	18.67
GLP Capital Japan 2 Private Limited	Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo	311,455	14.84
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Tower Z, Harumi Triton Square, 1-8-12 Harumi, Chuo-ku, Tokyo	198,025	9.44
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	158,809	7.57
The Nomura Trust and Banking Co., Ltd. (Trust Account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	115,599	5.51
Nomura Bank Luxembourg SA	1-2-3, Otemachi, Chiyoda-ku, Tokyo Standing proxy: Sumitomo Mitsui Banking Corporation	58,482	2.78
The Bank of New York, Non-Treaty Jasdec Account	2-7-1 Marunouchi, Chiyoda-ku, Tokyo, Standing proxy: The Bank of Tokyo Mitsubishi UFJ, Ltd., Settlement & Clearing Service Division	50,504	2.40
JPMorgan Chase Bank, N.A.	4-16-13, Tsukishima, Chuo-ku, Tokyo Standing proxy: Mizuho Bank, Ltd. (Settlement & Clearing Services Division)	23,527	1.12
State Street Bank and Trust Company	4-16-13, Tsukishima, Chuo-ku, Tokyo Standing proxy: Mizuho Bank, Ltd. (Settlement & Clearing Services Division)	19,870	0.94
The Gibraltar Life Insurance Co., Ltd. (General Account J-REIT)	1-8-11, Harumi, Chuo-ku, Tokyo Standing proxy: Japan Trustee Services Bank, Ltd.	16,532	0.78
Total		1,344,590	64.09

(Note) "Ratio to total units issued and outstanding" is rounded down to the second decimal place.

3. Matters Concerning Directors and Auditors

Names of Directors and Independent Auditor for the current period

Title	Name	Other concurrent title	Total amount of fees paid during the Period (Thousand yen)
Executive Director (Notes 1 and 2)	Masato Miki	President and CEO, GLP Japan Advisors Inc.	—
Supervisory Director (Note 2)	Toraki Inoue	Representative CPA, Toraki Inoue CPA Firm President, Account Advisory Co., Ltd. Outside Corporate Auditor, Pioneer Co., Ltd.	1,860
	Kota Yamaguchi	Partner, Kimura Takushima & Yamaguchi Law Firm Outside Director, Heiwa Corporation	1,860
Independent Auditor (Note 3)	KPMG AZSA LLC	—	32,000

(Note 1) Masato Miki owns 1,367 units of GLP J-REIT under his own name.

(Note 2) Executive Director and Supervisory Director may be an officer of entities other than above; however, any of such entities including the above has no interest with GLP J-REIT.

(Note 3) Auditor's Fee includes fees in connection with the agreed upon procedures and preparation of comfort letter in the total amount of 18,000 thousand yen.

Policy on dismissal and non-reappointment of Independent Auditor

The dismissal and non-reappointment of Independent Auditor is to be resolved by the Board of Directors' meeting of GLP J-REIT after comprehensively considering various circumstances.

4. Asset Management Company, Custodian and General Administrator

The asset management company, the custodian and administrators as of the current period end are as follows:

Operational role	Company name
Asset Management Company	GLP Japan Advisors Inc.
Custodian, General Administrator and Transfer Agent for Investment Units	Mitsubishi UFJ Trust and Banking Corporation
Administrator for Investment Corporation Bonds	Sumitomo Mitsui Banking Corporation

[Status on Investment Properties]

1. Composition of GLP J-REIT's Assets

Type of asset	Use of asset	Area (Note 1)	3rd Period As of August 31, 2013		4th Period As of February 28, 2014	
			Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)	Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)
Property and equipment in trust (Note 4)	Logistics facility	Tokyo metropolitan area	130,022	55.6	146,419	57.2
		Greater Osaka area	59,729	25.5	62,755	24.5
		Other	31,300	13.4	38,262	14.9
Sub Total			221,053	94.5	247,437	96.6
Deposits and other assets			12,822	5.5	8,669	3.4
Total assets (Note 5)			233,875 [221,053]	100.0 [94.5]	256,107 [247,437]	100.0 [96.6]

(Note 1) "Tokyo metropolitan area" includes Tokyo, Kanagawa, Saitama, Chiba, Ibaraki, Tochigi, Gunma, and Yamanashi prefectures. "Greater Osaka area" includes Osaka, Hyogo, Kyoto, Shiga, Nara and Wakayama prefectures. "Other" includes areas other than the above.

(Note 2) "Total amount held" represents the carrying value (for property and equipment or property and equipment in trust, the book value after deducting depreciation).

(Note 3) "Ratio to total assets" is rounded off to the first decimal place.

(Note 4) The amounts of "Property and equipment in trust" do not include the amounts of construction in progress.

(Note 5) "Total assets" represents the total asset balance shown on the balance sheet as of the period end. In addition, the figures in square brackets represent the holding properties portion to total assets.

2. Major Properties Owned

The major components of assets (the 10 largest properties by book value) as of the current period end are as follows:

Name of properties	Book value (Million yen)	Leasable area (m ²) (Note 1)	Leasable area (m ²) (Note 2)	Occupancy ratio (%) (Note 3)	Ratio to total rental revenues (%) (Note 3)	Primary use
GLP Amagasaki	24,304	110,314.00	110,314.00	100.0	10.0	Logistics facility
GLP Tokyo	22,591	56,105.95	56,105.95	100.0	8.7	Logistics facility
GLP Sugito II	18,782	101,272.40	100,162.57	98.9	8.1	Logistics facility
GLP Narashino II	15,387	104,543.59	104,543.59	100.0	(Note 4)	Logistics facility
GLP Misato II	14,502	59,208.59	59,208.59	100.0	(Note 4)	Logistics facility
GLP Kazo	11,320	76,532.71	76,532.71	100.0	(Note 4)	Logistics facility
GLP Koshigaya II	9,714	43,537.47	43,537.47	100.0	(Note 4)	Logistics facility
GLP Maishima II	8,818	56,511.10	56,511.10	100.0	(Note 4)	Logistics facility
GLP Hirakata II	7,901	43,283.01	43,283.01	100.0	(Note 4)	Logistics facility
GLP Hamura	7,669	40,277.93	40,277.93	100.0	(Note 4)	Logistics facility
Total	140,991	691,586.75	690,476.92	99.8	55.7	

(Note 1) “Leasable area” is the area of property or property in trust that is available for lease in accordance with the relevant lease agreement or architectural drawing, and rounded down to the second decimal place.

(Note 2) “Leased area” is the total area leased to building tenants in accordance with the relevant lease agreement of each property or property in trust, and rounded down to the second decimal place. When the property or property in trust is leased through a master lease agreement, the leased area represents the total space actually leased based on the lease agreement concluded with end-tenants.

(Note 3) “Occupancy ratio” and “Ratio to total rental revenues” are rounded off to the first decimal place.

(Note 4) Not disclosed because tenant’s consent is not obtained.

3. Summary of Portfolio Properties

The following table summarizes the investment properties held by GLP J-REIT as of the current period end.

Name of property	Location (Note 1)	Type of ownership	Leasable area (m ²) (Note 2)	Appraisal value (Million yen) (Note 3)	Book value (Million yen)
GLP Tokyo	2-1-2, Tokai, Ota-ku, Tokyo	Beneficiary right of real estate in trust	56,105.95	23,600	22,591
GLP Higashi-Ogishima	23-9, Higashi-Ogishima, Kawasaki-ku, Kawasaki, Kanagawa		34,582.00	5,470	5,004
GLP Akishima	4-13-41, Mihori-cho, Akishima, Tokyo 4-13-42, Mihori-cho, Akishima, Tokyo		27,356.63	7,600	7,162
GLP Tomisato	3-1, Misawa, Tomisato, Chiba		27,042.59	5,170	4,934
GLP Narashino II	3-6-3, Akanehama, Narashino, Chiba		104,543.59	18,200	15,387
GLP Funabashi	1-1389-2, Kaijincho-minami, Funabashi, Chiba		12,017.00	1,840	1,745
GLP Kazo	1-5-1, Minamishinozaki, Kazo, Saitama		76,532.71	12,500	11,320
GLP Fukaya	1900-2, Mizugahara, Orinokuchi, Fukaya, Saitama		19,706.00	2,590	2,383
GLP Sugito II	398-2, Fuwaka, Sugito-machi, Kita-Katsushika, Saitama		101,272.40	19,700	18,782
GLP Iwatsuki	2-9-10, Kokaba, Iwatsuki-ku, Saitama, Saitama		31,839.99	7,190	6,887
GLP Kasukabe	1155, Anzai, Suikaku, Kasukabe, Saitama		18,460.72	4,330	4,179
GLP Koshigaya II	2-2-1, Ryutsu-Danchi, Koshigaya, Saitama		43,537.47	10,100	9,714
GLP Misato II	3-2-1, Lala-city, Shinmisato, Misato, Saitama		59,208.59	15,400	14,502
GLP Tatsumi	3-11-10, Tatsumi, Koto-ku, Tokyo		12,925.58	5,280	4,950
GLP Hamura	4-9-8 Shinmeidai, Hamura, Tokyo		40,277.93	8,030	7,669
GLP Funabashi III	2-15-1 Nishiura, Funabashi, Chiba		18,281.84	3,470	3,055
GLP Sodegaura	385-18 Shiinomori, Sodegaura, Chiba		45,582.06	7,010	6,148
GLP Hirakata	3-2-27, Minami-nakaburi, Hirakata, Osaka 3-2-7, Minami-nakaburi, Hirakata, Osaka		29,829.56	4,970	4,752
GLP Hirakata II	3-3-1, Minami-nakaburi, Hirakata, Osaka		43,283.01	8,080	7,901
GLP Maishima II	2-1-92, Hokukoryokuchi, Konohana-ku, Osaka, Osaka		56,511.10	9,900	8,818
GLP Tsumori	2-1-30, Minami-tsumori, Nishinari-ku, Osaka, Osaka		16,080.14	2,080	2,026
GLP Rokko	3-10, Koyocho-higashi, Higashinada-ku, Kobe, Hyogo		39,339.00	5,350	5,148
GLP Amagasaki	231-2, Nishimukojima-cho, Amagasaki, Hyogo		110,314.00	24,900	24,304
GLP Amagasaki II	16, Nishitakas-cho, Amagasaki, Hyogo		12,342.95	2,090	2,038
GLP Nara	6-4, Imago-cho, Yamatokoriyama, Nara		19,545.35	2,660	2,352
GLP Sakai	1-63, Chikkouyawatamachi, Sakai-ku, Sakai, Osaka		10,372.10	2,050	1,984
GLP Rokko II	4-15-1 Koyochohigashi, Higashinada-ku, Kobe, Hyogo		20,407.30	3,860	3,427
GLP Morioka	59, Urata, Sakuramachi, Shiwa-cho, Shiwa, Iwate		10,253.80	841	805
GLP Tomiya	9-1-2, Narita, Tomiyama-machi, Kurokawa, Miyagi		20,466.98	2,880	2,784
GLP Koriyama I	3-2-2, Oroshi, Kikuta-cho, Koriyama, Fukushima		24,335.96	4,250	4,013
GLP Koriyama III	5-12, Mukaihara, Horinouchi, Kikuta-machi, Koriyama, Fukushima		27,671.50	2,690	2,618
GLP Tokai	2-47, Asayama, Tokai, Aichi		32,343.30	6,630	6,157
GLP Hayashima	823, Yao, Hayashima-cho, Tsukubo, Okayama		13,574.58	1,260	1,211
GLP Hayashima II	4507-40, Hayashima, Hayashima-cho, Tsukubo, Okayama		14,447.48	2,500	2,422
GLP Kiyama	2950-1, Urata, Sonobe, Kiyama-cho, Miyaki, Saga		23,455.96	4,980	4,664
GLP Tosu III	1-2, Wakasa, Fujinokimachi, Tosu, Saga		11,918.00	849	819
GLP Sendai	12-1, Niinuma, Nakano, Miyagino-ku, Sendai, Miyagi		37,256.23	5,800	5,547
GLP Ebetsu	69-3 Kakuyama, Ebetsu, Hokkaido		18,489.25	1,860	1,590
GLP Kuwana	3646-1 Kanegaya, Mizono, Tado-cho, Kuwana, Mie		20,402.12	4,090	3,645
GLP Hatsukaichi	14-2 Mokuzaikokita, Hatsukaichi, Hiroshima		10,981.89	2,220	1,982
Total			1,352,894.63	264,270	247,437

- (Note 1) “Location” represents the indication of residential address. If no indication of residential address exists, the location of the building (one of those if there are multiple buildings) shown on the registry is stated.
- (Note 2) “Leasable area” is the area of property or property in trust that is available for lease in accordance with the relevant lease agreement or architectural drawing, and rounded down to the second decimal place.
- (Note 3) “Appraisal value” represents the appraisal value or research price as set forth on the relevant study reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trust Association.

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The trend of property-related business of GLP J-REIT is as follows.

Name of property	3rd Period From March 1, 2013 To August 31, 2013				4rd Period From September 1, 2013 To February 28, 2014			
	At Period End		Rental revenues (Million yen)	Ratio to total rental revenues (%) (Note 2)	At Period End		Rental Revenues (Million yen)	Ratio to total rental revenue (%) (Note 2)
	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)			Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)		
GLP Tokyo	5	100.0	702	9.7	5	100.0	702	8.7
GLP Higashi-Ogishima	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Akishima	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
GLP Tomisato	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Narashino II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Funabashi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kazo	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukaya	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sugito II	4	99.1	655	9.0	4	98.9	654	8.1
GLP Iwatsuki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kasukabe	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koshigaya II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Misato II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hamura	–	–	–	–	1	100.0	(Note 3)	(Note 3)
GLP Funabashi III	–	–	–	–	1	100.0	(Note 3)	(Note 3)
GLP Sodegaura	–	–	–	–	1	100.0	(Note 3)	(Note 3)
GLP Hirakata	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hirakata II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Maishima II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tsumori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Rokko	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Amagasaki	6	100.0	804	11.1	6	100.0	811	10.0
GLP Amagasaki II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Nara	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sakai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Rokko II	–	–	–	–	1	100.0	(Note 3)	(Note 3)
GLP Morioka	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tomiya	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koriyama I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koriyama III	4	100.0	131	1.8	4	100.0	132	1.6
GLP Tokai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hayashima	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hayashima II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kiyama	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tosu III	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sendai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Ebetsu	–	–	–	–	1	100.0	(Note 3)	(Note 3)
GLP Kuwana	–	–	–	–	1	100.0	(Note 3)	(Note 3)
GLP Hatsukaichi	–	–	–	–	1	100.0	(Note 3)	(Note 3)
Total	53	99.9	7,272	100.0	60	99.9	8,080	100.0

(Note 1) “Number of tenants” represents the total number of building tenants stated on the lease agreement of each property or property in trust.

(Note 2) “Occupancy ratio” and “Ratio to total rental revenues” are rounded off to the first decimal place.

(Note 3) Not disclosed because tenant’s consent is not obtained.

4. Specified Transaction

As of the current period end, the contract amount and fair value of the outstanding transaction under the specified transaction account of GLP J-REIT are as follows.

	Type	Contract amount (Million yen) (Note 1)		Fair value (Million yen) (Note 2)
			Due after one year	
OTC	Interest rate swaps: Receive floating/ Pay fix	77,150	77,150	(595)
Total		77,150	77,150	(595)

(Note 1) The contract amount of interest rate swaps is based on its notional principal.

(Note 2) The fair value is the amount measured by the counterparty of the transaction based on data such as market rates.

(Note 3) For the financial reporting purpose, the transaction was not measured at fair value but accounted for under special treatment for interest rate swaps based on “Accounting Standard for Financial Instruments” under Japanese GAAP.

5. Investments and Other Assets

(1) Investment securities – Equity securities

Name of stock	Number of share	Acquisition cost (Thousand yen)		Fair value (Thousand yen)		Unrealized gain/loss (Thousand yen)	Remarks
		Per share	Total	Per share	Total		
Okayama General Distribution Center Co., Ltd.	16 shares	100	1,600	100	1,600	—	(Note)

(Note) The book value is used as its fair value of the unlisted equity securities.

(2) Details of other specified assets

Beneficiary rights of real estate in trust held by GLP J-REIT are disclosed in aforementioned “3. Summary of Portfolio Properties.” GLP J-REIT has no other specified assets.

[Capital Expenditures for Properties Owned]

1. Future Plan of Capital Expenditures

The following table summarizes the major capital expenditure plan in connection with scheduled renovation and others for properties owned as of the current period end. Estimated construction cost includes the amounts to be expensed for accounting purpose.

Name of property	Location	Purpose	Planned period	Estimated construction cost (Million yen)		
				Total amount	Paid during the period	Total amount paid
GLP Narashino II	Narashino, Chiba	Repair of control board of fire extinguishing system	From July 2014 to August 2014	60	—	—
GLP Koriyama III	Koriyama, Fukushima	Renewal of GR-type fire alarm equipment	From January 2015 to January 2015	46	—	—
GLP Hamura	Hamura, Tokyo	Repair of exterior wall	From November 2014 to January 2015	42	—	—
GLP Higashi-Ogishima	Kawasaki, Kanagawa	Renewal of water cooled chillers	From May 2014 to June 2014	35	—	—
GLP Morioka	Shiwa-gun, Iwate	Warehouse roof paint work	From November 2014 to December 2014	20	—	—
GLP Morioka	Shiwa-gun, Iwate	Repair of exterior wall-south side	From July 2014 to August 2014	16	—	—
GLP Hayashima	Tsukubo-gun, Okayama	Repair of elevators	From November 2014 to February 2015	15	—	—
GLP Morioka	Shiwa-gun, Iwate	Repair of exterior wall-west side	From October 2014 to November 2014	10	—	—
GLP Tosu III	Tosu, Saga	Renewal of air conditioners	From June 2014 to August 2014	9	—	—
GLP Tosu III	Tosu, Saga	Renewal of air conditioners	From October 2014 to December 2014	9	—	—

2. Capital Expenditures During the Current Period

The following table summarizes the major constructions to holding properties that resulted in capital expenditure for the current period. Capital expenditure for the current period was 480 million yen. The total construction cost amounted to 495 million yen, including repair and maintenance of 15 million yen that was accounted for as expenses.

Name of property	Location	Purpose	Period	Construction cost (Million yen)
GLP Narashino II	Narashino, Chiba	Repair of control board of fire extinguishing system	From August 2013 to December 2013	257
GLP Tokyo	Ota-ku, Tokyo	Renewal of security system	From December 2013 to February 2014	21
GLP Narashino II	Narashino, Chiba	Repair of evacuation lights	From November 2013 to December 2013	20
GLP Tosu III	Tosu, Saga	Renewal of air conditioners	From February 2014 to February 2014	8
Other	—	—	—	173
Total				480

3. Funds Reserved for Long-Term Repair Plans

Based on the long-term repair plan established for each property, GLP J-REIT accounted for the following reserves from the operating cash flows to be appropriated for the large-scale engineering works in the mid- to long-term future.

(Unit: Million yen)

Operating period	1st Period Sept. 16, 2011 to June 30, 2012	2nd Period July 1, 2012 to Feb. 28, 2013	3rd Period Mar. 1, 2013 to Aug. 31, 2013	4th Period Sept. 1, 2013 to Feb. 28, 2014
Balance brought forward from the previous period	—	—	—	—
Amount reserved during the period	—	—	—	—
Amount used during the period	—	—	—	—
Balance brought forward to the next period	—	—	—	—

(Note 1) GLP J-REIT intends not to account for reserves if the estimated amount of capital expenditures of the following period does not exceed the amount equivalent to 70% of the estimated depreciation expenses for the same period. GLP J-REIT estimates the amount of capital expenditures for the 5th period (for the period ending August 2014) to be 387 million yen, which does not exceed 1,391 million yen, the amount equivalent to 70% of 1,988 million yen that is the estimated depreciation expenses for the same period.

(Note 2) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings, which do not exceed the amount obtained by deducting an amount of capital expenditures for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 480 million yen of capital expenditures for the current fiscal period from 1,755 million yen of depreciation expense for the period is 1,275 million yen.

For the time being, GLP J-REIT intends to make OPD in an amount equal to approximately 30% of depreciation expenses for the operating period immediately before the period in which the distribution is made, unless GLP J-REIT determines that the OPD payment would have a negative impact on its long-term repair plan or financial conditions in light of the estimated amount of capital expenditures for each fiscal term based on the long-term repair plan of GLP J-REIT.

With respect to all 40 properties held as of February 28, 2014, the six-month period average of total amount of the short-term emergency repair costs and the medium- to long-term repair costs, which are set out in the Engineering Report dated September 19, 2012 and August 20, 2013 for each property prepared by Deloitte Tohmatsu Property Risk Solution Co., Ltd. (the former PROPERTY RISK SOLUTION Corporation), is 333 million yen. Please refer to the “Summary of Engineering Due Diligence Report” below for short-term emergency repair costs and mid-to-long term repair costs for each asset.

(Reference) Summary of Engineering Due Diligence Report

Reference) Summary of Engineering Due Diligence Report					
Property number	Name of property	Engineering due diligence company	Date of report	Short-term emergency repair costs (Thousand yen) (Note 1)	Mid-to-Long term repair costs (Thousand yen) (Note2)
Tokyo-1	GLP Tokyo	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	September 19, 2012	—	219,100
Tokyo-2	GLP Higashi-Ogishima			—	561,650
Tokyo-3	GLP Akishima			—	168,950
Tokyo-4	GLP Tomisato			—	75,700
Tokyo-5	GLP Narashino II			—	1,292,600
Tokyo-6	GLP Funabashi			—	240,050
Tokyo-7	GLP Kazo			—	303,800
Tokyo-8	GLP Fukaya			—	410,950
Tokyo-9	GLP Sugito II			—	365,100
Tokyo-10	GLP Iwatsuki			—	50,120
Tokyo-11	GLP Kasukabe			—	170,650
Tokyo-12	GLP Koshigaya II			—	136,530
Tokyo-13	GLP Misato II			—	78,600
Tokyo-14	GLP Tatsumi			—	43,100
Tokyo-15	GLP Hamura		August 20, 2013	—	55,940
Tokyo-16	GLP Funabashi III			—	125,360
Tokyo-17	GLP Sodegaura			—	60,000
Osaka-1	GLP Hirakata		September 19, 2012	—	315,300
Osaka-2	GLP Hirakata II			—	305,900
Osaka-3	GLP Maishima II			—	152,100
Osaka-4	GLP Tsumori			—	142,750
Osaka-5	GLP Rokko			—	476,400
Osaka-6	GLP Amagasaki			—	307,700
Osaka-7	GLP Amagasaki II			—	142,500
Osaka-8	GLP Nara			—	102,910
Osaka-9	GLP Sakai			—	42,200
Osaka-10	GLP Rokko II		August 20, 2013	—	296,150
Other-1	GLP Morioka		September 19, 2012	—	59,600
Other-2	GLP Tomiya			—	61,800
Other-3	GLP Koriyama I			—	28,650
Other-4	GLP Koriyama III			—	350,300
Other-5	GLP Tokai			—	123,880
Other-6	GLP Hayashima			—	126,880
Other-7	GLP Hayashima II	—		33,150	
Other-8	GLP Kiyama	—		95,190	
Other-9	GLP Tosu III	—		201,000	
Other-10	GLP Sendai	—		159,450	
Other-11	GLP Ebetsu	August 20, 2013	—	47,690	
Other-12	GLP Kuwana		—	51,170	
Other-13	GLP Hatsukaichi		—	33,980	
Total				—	8,014,850

(Note 1) "Short-term emergency repair costs" represents the repair costs deemed to be required within one year from the date of the report.

(Note 2) "Mid-to-Long term repair costs" represents the total repair costs deemed to be required within 12 years from the date of the report.

[Expenses and Liabilities]

1. Status of Expenses related to Asset Management

(Unit: Thousand yen)

	3rd Period From March 1, 2013 To August 31, 2013	4th Period From September 1, 2013 To February 28, 2014
Asset management fee	754,275	819,258
Asset custody fee	4,113	4,147
Administrative service fees	11,190	11,722
Directors' remuneration	3,720	3,720
Audit fee	15,000	14,000
Taxes and dues	80	44
Other operating expenses	58,551	52,148
Total	846,930	905,041

2. Status of Borrowings

The following summarizes the outstanding loans payable by financial institutions as of the current period end.

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Due date (Note 3)	Repayment	Use	Remarks
Short-term loans payable	Name of financial institution								
	Sumitomo Mitsui Banking Corporation	January 4, 2013	4,000	-	0.46%	January 4, 2014 (Note 6)	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		4,000	-					
	Mizuho Bank, Ltd.		4,000	-					
	Mitsubishi UFJ Trust and Banking Corporation		1,800	-					
	Citibank Japan Ltd.		1,300	-					
	The Bank of Fukuoka, Ltd.		1,300	-					
	The Norinchukin Bank		1,000	-					
	Resona Bank, Limited.		1,000	-					
	Sumitomo Mitsui Banking Corporation	January 6, 2014	-	-	0.38%	April 6, 2014 (Note 7)	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	January 6, 2014	-	3,800	0.39%	March 3, 2014	Lump-sum	(Note 10)	Unsecured not guaranteed
	Subtotal		18,400	3,800					
Long-term loans payable	Sumitomo Mitsui Banking Corporation	January 4, 2013	5,400	5,137	0.58%	January 4, 2015 (Note 8)	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		4,500	4,281					
	Mizuho Bank, Ltd.		4,000	3,805					
	Mitsubishi UFJ Trust and Banking Corporation		1,800	1,712					
	Citibank Japan Ltd.		1,800	1,712					
	The Bank of Fukuoka, Ltd.		1,300	1,236					
	The Norinchukin Bank		900	856					
	Resona Bank, Limited.		900	856					
	Sumitomo Mitsui Banking Corporation	January 4, 2013	6,300	6,300	0.85% (Note 4)	January 4, 2016	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		5,900	5,900					
	Mizuho Bank, Ltd.		4,000	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		1,800	1,800					
	Citibank Japan Ltd.		1,800	1,800					
	The Bank of Fukuoka, Ltd.		1,400	1,400					
	The Norinchukin Bank		1,300	1,300					
	Resona Bank, Limited.		1,300	1,300					

Sumitomo Mitsui Banking Corporation	January 4, 2013	6,400	6,400	1.13% (Note 4)	January 4, 2018	Lump-sum	(Note 9)	Unsecured not guaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		5,900	5,900					
Mizuho Bank, Ltd.		4,000	4,000					
Mitsubishi UFJ Trust and Banking Corporation		1,800	1,800					
Citibank Japan Ltd.		1,800	1,800					
The Bank of Fukuoka, Ltd.		1,800	1,800					
The Norinchukin Bank		1,300	1,300					
Resona Bank, Limited.		1,300	1,300					
Sumitomo Mitsui Banking Corporation	January 4, 2013	5,000	5,000	1.41% (Note 4)	January 4, 2020	Lump-sum	(Note 9)	Unsecured not guaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		4,600	4,600					
Mizuho Bank, Ltd.		4,000	4,000					
Mitsubishi UFJ Trust and Banking Corporation		1,800	1,800					
The Bank of Fukuoka, Ltd.		900	900					
Development Bank of Japan Inc.		4,500	4,500					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 1, 2013	3,250	3,250	1.03%	January 31, 2020	Lump-sum	(Note 9)	Unsecured not guaranteed
Sumitomo Mitsui Banking Corporation	February 1, 2013	3,250	3,250	1.30% (Note 4)	February 1, 2021	Lump-sum	(Note 9)	Unsecured not guaranteed
Sumitomo Mitsui Banking Corporation	January 6, 2014	-	1,200	0.44%	December 20, 2016	Lump-sum	(Note 10)	Unsecured not guaranteed
Mizuho Bank, Ltd.	January 6, 2014	-	1,150	0.44%	December 20, 2016	Lump-sum	(Note 10)	Unsecured not guaranteed
Sumitomo Mitsui Trust Bank, Limited	January 6, 2014	-	1,150	0.44%	December 20, 2016	Lump-sum	(Note 10)	Unsecured not guaranteed
Sumitomo Mitsui Banking Corporation	January 6, 2014	-	1,800	0.78% (Note 5)	December 20, 2021	Lump-sum	(Note 10)	Unsecured not guaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	500					
Mizuho Bank, Ltd.		-	900					
Mitsubishi UFJ Trust and Banking Corporation		-	800					
The Bank of Fukuoka, Ltd.		-	550					
Resona Bank, Limited.		-	450					
Subtotal		96,000	103,500					
Total		114,400	107,300					

(Note 1) "Long term loans payable" include the current portion of long term loans payable as of each period end.

(Note 2) "Average rate" represents the weighted average interest rate during the fiscal period and is rounded off to the second decimal place.

(Note 3) When the due date falls on a day other than a business day, it shall be the next business day.

(Note 4) GLP J-REIT uses interest rate swaps to hedge the interest rate risk exposure. The rate stated above is the effective rate of interest after interest rate swaps.

(Note 5) Based on the interest rate swap agreement entered on February 25, 2014, the interest rate has been substantially fixed at 1.197% on and after February 28, 2014.

(Note 6) Of outstanding loan balance of 18,400 million yen at beginning of the period, 1,100 million yen was repaid on November 1, 2013 before its due date.

(Note 7) GLP J-REIT borrowed 5,000 million yen on January 6, 2014 and made full repayment on February 28, 2014 before its due date.

(Note 8) Of outstanding loan balance of 20,600 million yen at beginning of the period, 1,000 million yen was repaid on February 28, 2014 before its due date.

(Note 9) The fund was used to acquire properties or beneficiary rights of real estate in trust.

(Note 10) The fund was used to make repayment of bank borrowing.

3. Status of Investment Corporation Bonds

The following summarizes the status of investment corporation bonds issued as of the current period end.

Description	Issued date	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Interest rate	Maturity date	Maturity method	Use	Remarks
GLP J-REIT 1st Unsecured Bonds	February 27, 2014	-	6,000	0.47%	February 27, 2019	Lump-sum	(Note 1)	(Note 2)
Total		-	6,000					

(Note 1) The fund was used to make repayment of bank borrowing.

(Note 2) The bond is subject to special *pari passu* clause among specified investment corporation bonds.

4. Status of Short-Term Investment Corporation Bonds

None

[Acquisition and Disposition]

1. Acquisition and Disposition of Real Estate Properties and Asset-Backed Securities

Type of asset	Name of property	Acquisition	
		Acquisition date	Acquisition price (Million yen) (Note)
Beneficiary right of real estate in trust	GLP Hamura	October 1, 2013	7,660
	GLP Funabashi III		3,050
	GLP Sodegaura		6,150
	GLP Rokko II		3,430
	GLP Ebetsu		1,580
	GLP Kuwana		3,650
	GLP Hatsukaichi		1,980
Total			27,500

(Note) "Acquisition price" represents purchase amount (excluding acquisition costs and consumption taxes) of each property or beneficiary right of real estate in trust as stated in the Sales and Purchase Agreement.

2. Acquisition and Disposition of Investments and Other Assets

Other assets except real estate properties and asset-backed securities mentioned above mostly consist of cash and deposits and cash and deposits in trust.

3. Appraisal Values of Specific Assets

(1) Real Estates Properties

Acquisition or transfer	Name of property	Acquisition date	Acquisition price (Million yen) (Note 1)	Appraisal value (Million yen)	Name of appraiser	Date of appraisal
Acquisition	GLP Hamura	October 1, 2013	7,660	7,860	The Tanizawa Sogo Appraisal Co., Ltd.	July 31, 2013
Acquisition	GLP Funabashi III	October 1, 2013	3,050	3,160	Morii Appraisal & Investment Consulting, Inc.	July 31, 2013
Acquisition	GLP Sodegaura	October 1, 2013	6,150	6,720	Morii Appraisal & Investment Consulting, Inc.	July 31, 2013
Acquisition	GLP Rokko II	October 1, 2013	3,430	3,790	The Tanizawa Sogo Appraisal Co., Ltd.	July 31, 2013
Acquisition	GLP Ebetsu	October 1, 2013	1,580	1,720	Morii Appraisal & Investment Consulting, Inc.	July 31, 2013
Acquisition	GLP Kuwana	October 1, 2013	3,650	4,020	The Tanizawa Sogo Appraisal Co., Ltd.	July 31, 2013
Acquisition	GLP Hatsukaichi	October 1, 2013	1,980	2,180	The Tanizawa Sogo Appraisal Co., Ltd.	July 31, 2013

(Note 1) “Acquisition price” represents purchase amount (excluding acquisition costs and consumption taxes) of each property or beneficiary right of real estate in trust as stated in the Sales and Purchase Agreement.

(Note 2) “Appraisal value” of specific assets above was calculated in accordance with the guideline of “Real Estate Appraisal Standards, Chapter 3, Appraisal of Securitized Real Estate.”

(2) Other

With regard to transactions and contracts entered by GLP J-REIT whose values shall be investigated based on the Article 201 of the Act on Investment Trust and Investment Corporations, KPMG AZSA LLC performs an investigation of transactions other than those stated in “(1) Real estates and other” above. For the period from September 1, 2013 to February 28, 2014, the transaction subject to such investigation was one interest rate swap transaction, for which GLP J-REIT received a report from KPMG AZSA LLC. The investigation of the interest rate swap included the name of its counterparty, value, contract period and other details in relation to the interest rate swap transaction.

4. Transactions with Interested Parties and Major Shareholders

(1) Transactions

	Transaction price	
	Purchase	Sale
Total amount	27,500,000 thousand yen Of which, purchase from interested parties and major shareholders 27,500,000 thousand yen (100.0%)	— thousand yen Of which, sale to interested parties and major shareholders — thousand yen (—%)
Transactions with interested parties and major shareholders		
Light Year Special Purpose Company	27,500,000 thousand yen (100.0%)	— thousand yen (—%)

(2) Amounts of fees paid

	Total fees (A) (Thousand yen)	Name of interested parties and major shareholders and the amounts of transactions		(B)/(A) (%)
		Paid to	Amount paid (B) (Thousand yen)	
Property management fee	156,077	Global Logistic Properties Inc.	156,077	100.0
Royalty fee	7,500	Global Logistic Properties Inc.	7,500	100.0
Agency commission	11,865	Global Logistic Properties Inc.	11,865	100.0

(Note) The term “interested parties” refers to interested parties of Asset Management Company (Asset Manager) as stipulated by Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations and Article 26, Item 27 of the Regulations Concerning Investment Reports of Investment Trusts and Investment Corporations issued by The Investment Trust Association of Japan. The term “major shareholder” refers to major shareholders of Asset Management Company as defined by Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Act.

5. Status on Transactions with Asset Manager in connection with Concurrent Business conducted by the Asset Manager

No item to report since GLP Japan Advisors Inc., the Asset Manager of GLP J-REIT, does not concurrently engaged in any of the Type I Financial Instruments Business, Type II Financial Instruments Business, Building Lots and Buildings Transaction Business or Real Estate Specified Joint Business.

[Accounting]

1. Status on Assets, Liabilities, Principals, and Income and Losses

Please refer to the “Balance Sheets,” “Statements of Operations,” “Statements of Net Assets,” “Notes to Financial Statements” and “Statements of Distributions” presented later in this report.

2. Change in Calculation of Depreciation

None

3. Change in Valuation of Real Estate Properties

None

4. Status of Beneficiary Certificates of Investment Trust Established by Self

None

[Other information]

1. Notice

The following summarizes an overview of major contracts that the Board of Directors of GLP J-REIT approved to conclude or modify for the current period.

Date of approval	Item	Summary
September 3, 2013	Conclusion of Underwriting Agreement and other relating to new investment units	<p>On September 18, 2013, it was approved to conclude the following agreements and other relating to the issuance of new investment units.</p> <p>(1) Underwriting Agreement, relating to the issuance of new investment units through a domestic public offering, concluded among GLP Japan Advisors Inc., Nomura Securities Co., Ltd., Citigroup Global Markets Japan Inc., Goldman Sachs Japan Co., Ltd., SMBC Nikko Securities Inc., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Mizuho Securities Co., Ltd.</p> <p>(2) Memorandum with Nomura Securities co., Ltd., relating to the issuance of new investment units through a third party allotment in connection with the domestic public offering.</p> <p>(3) International Purchase Agreement, relating to an overseas public offering, concluded among GLP Japan Advisors Inc., Goldman Sachs International, Citigroup Global Markets Limited, Nomura International plc. and J.P. Morgan Securities plc.</p>
January 28, 2014	Conclusion of Underwriting Agreement and other relating to investment corporation bonds	<p>On February 7, 2014, it was approved to conclude the following agreements relating to the underwriting of investment corporation bonds.</p> <p>(1) Underwriting Agreement, relating to the public offering of GLP J-REIT 1st Unsecured Bonds, concluded among GLP Japan Advisors Inc., SMBC Nikko Securities Inc., Mizuho Securities Co., Ltd. and Daiwa Securities Co., Ltd.</p> <p>(2) Financial Agency Agreement for GLP J-REIT 1st Unsecured Bonds with special pari passu conditions among specified investment corporation bonds, concluded with Sumitomo Mitsui Banking Corporation (“SMBC”). Under the Agreement, SMBC is designated as the fiscal agent, issuing agent and payment agent in connection with the public offering of the investment corporation bonds.</p>

2. Other

In this report, any fraction is rounded down for monetary amounts and rounded off for ratios unless otherwise stated.

SUPPLEMENTAL INFORMATION

Diversification of Portfolio

The following summarizes the diversification of properties in trust.

a. By Geographical Area

Area	Total floor space (m ²) (Note 1)	Ratio (%) (Note 2)	Acquisition cost (Million yen)	Ratio (%) (Note 2)
Tokyo metropolitan area	797,337.58	54.4	147,030	59.1
Greater Osaka area	392,288.98	26.8	63,190	25.4
Other	276,514.37	18.9	38,591	15.5
Total	1,466,140.93	100.0	248,811	100.0

(Note 1) “Total floor space” is based on the floor space stated on any of the followings: certificate of completion of the major building, notice of verification of building construction or application for verification of building construction.

(Note 2) “Ratio” is rounded off to the first decimal place. Thus, the totals shown do not necessarily agree with the sums of the individual ratios.

b. By Building Age

Building age (Note 1)	Number of properties	Total floor space (m ²) (Note 2)	Ratio (%) (Note 3)	Acquisition cost (Million yen)	Ratio (%) (Note 3)
20 years or more	13	365,655.76	24.9	46,061	18.5
15 years or more but less than 20 years	-	-	-	-	-
10 years or more but less than 15 years	6	202,127.47	13.8	49,240	19.8
5 years or more but less than 10 years	21	898,357.70	61.3	153,510	61.7
Less than 5 years	-	-	-	-	-
Total	40	1,466,140.93	100.0	248,811	100.0

(Note 1) As a general rules, “Building age” shows the period of years from a completion date of new construction of major building stated on real estate register to February 28, 2014.

(Note 2) “Total floor space” is based on the floor space stated on any of the followings: certificate of completion of the major building, notice of verification of building construction or application for verification of building construction.

(Note 3) “Ratio” is rounded off to the first decimal place. Thus, the totals shown do not necessarily agree with the sums of the individual ratios.

c. By Total Floor Space

Total floor space (m ²) (Note 1)	Number of properties	Total floor space (m ²) (Note 1)	Ratio (%) (Note 2)	Acquisition cost (Million yen)	Ratio (%) (Note 2)
100,000 m ² or more	3	370,672.10	25.3	58,720	23.6
50,000 m ² or more but less than 100,000 m ²	5	319,686.74	21.8	63,920	25.7
30,000 m ² or more but less than 50,000 m ²	11	405,716.80	27.7	66,650	26.8
10,000 m ² or more but less than 30,000 m ²	21	370,065.29	25.2	59,521	23.9
Less than 10,000 m ²	-	-	-	-	-
Total	40	1,466,140.93	100.0	248,811	100.0

(Note 1) “Total floor space” is based on the floor space stated on any of the followings: certificate of completion of the major building, notice of verification of building construction or application for verification of building construction.

(Note 2) “Ratio” is rounded off to the first decimal place. Thus, the totals shown do not necessarily agree with the sums of the individual ratios.

d. By Remaining Lease Period

Lease period (Remaining period) (Note 1)	Leased area (m ²) (Note 2)	Ratio (%) (Note 3)	Annual contracted rent (Million yen) (Note 4)	Ratio (%) (Note 3)
7 years or more	293,209.51	21.7	3,244	20.3
5 years or more but less than 7 years	94,044.21	7.0	1,293	8.1
3 years or more but less than 5 years	384,772.92	28.5	5,142	32.1
1 year or more but less than 3 years	497,351.00	36.8	5,267	32.9
Less than 1 year	82,407.14	6.1	1,068	6.7
Total	1,351,784.80	100.0	16,015	100.0

(Note 1) “Lease period” represents the remaining lease period subsequent to February 28, 2014 based on the lease agreement of each property in trust as of February 28, 2014.

(Note 2) “Leased area” represents the total leased area by remaining lease period, based on the relevant lease agreement of each property or property in trust as of February 28, 2014, and is rounded off to the second decimal place.

(Note 3) “Ratio” is rounded off to the first decimal place. Thus, the sums of individual ratios may not agree to 100%.

(Note 4) “Annual contracted rent” represents the total of annualized individual rent and classified by remaining lease period. It is calculated by multiplying the monthly contracted rent for building (including CAM but excluding consumption taxes. If the property or property in trust has multiple tenants, the total of all monthly rents.) indicated in the relevant lease agreement(s) of each property or property in trust as of February 28, 2014 by 12, rounded down to the nearest one million yen.

Summary of Portfolio Properties

Area	Property number	Name of property	Location	Construction date (Note 1)	Annual contracted rent (Million yen) (Note 2)	Tenant leasehold and security deposit (Million yen) (Note 3)	Land area (m ²)
Tokyo	Tokyo-1	GLP Tokyo	Ota-ku, Tokyo	November 17, 2003	1,286	269	14,879.68
	Tokyo-2	GLP Higashi-Ogishima	Kawasaki, Kanagawa	August 27, 1987	(Note 4)	(Note 4)	25,313.64
	Tokyo-3	GLP Akishima	Akishima, Tokyo	February 10, 2001	(Note 4)	(Note 4)	30,939.95
	Tokyo-4	GLP Tomisato	Tomisato, Chiba	July 3, 2007	(Note 4)	(Note 4)	39,398.15
	Tokyo-5	GLP Narashino II	Narashino, Chiba	August 26, 1991	(Note 4)	(Note 4)	55,185.00
	Tokyo-6	GLP Funabashi	Funabashi, Chiba	April 14, 1990	(Note 4)	(Note 4)	5,804.04
	Tokyo-7	GLP Kazo	Kazo, Saitama	March 11, 2005	(Note 4)	(Note 4)	38,278.86
	Tokyo-8	GLP Fukaya	Fukaya, Saitama	January 23, 1991	(Note 4)	(Note 4)	31,666.62
	Tokyo-9	GLP Sugito II	Kitakatsushika-gun, Saitama	January 18, 2007	1,221	372	53,792.06
	Tokyo-10	GLP Iwatsuki	Saitama, Saitama	August 5, 2008	(Note 4)	(Note 4)	17,277.60
	Tokyo-11	GLP Kasukabe	Kasukabe, Saitama	July 15, 2004	(Note 4)	(Note 4)	18,269.08
	Tokyo-12	GLP Koshigaya II	Koshigaya, Saitama	July 28, 2006	(Note 4)	(Note 4)	16,056.14
	Tokyo-13	GLP Misato II	Misato, Saitama	September 19, 2008	(Note 4)	(Note 4)	30,614.09
	Tokyo-14	GLP Tatsumi	Koto-ku, Tokyo	September 8, 2003	(Note 4)	(Note 4)	6,500.01
	Tokyo-15	GLP Hamura	Hamura, Tokyo	January 13, 2009	(Note 4)	(Note 4)	26,712.92
	Tokyo-16	GLP Funabashi III	Funabashi, Chiba	January 24, 2001	(Note 4)	(Note 4)	9,224.00
	Tokyo-17	GLP Sodegaura	Sodegaura, Chiba	June 15, 2007	(Note 4)	(Note 4)	32,524.00
Tokyo metropolitan area, total					9,149	3,700	452,435.84
Osaka	Osaka-1	GLP Hirakata	Hirakata, Osaka	September 20, 1985	(Note 4)	(Note 4)	25,290.30
	Osaka-2	GLP Hirakata II	Hirakata, Osaka	December 11, 2000	(Note 4)	(Note 4)	31,131.17
	Osaka-3	GLP Maishima II	Osaka, Osaka	October 15, 2006	(Note 4)	(Note 4)	24,783.06
	Osaka-4	GLP Tsumori	Osaka, Osaka	October 14, 1981	(Note 4)	(Note 4)	9,021.75
	Osaka-5	GLP Rokko	Kobe, Hyogo	March 4, 1991	(Note 4)	(Note 4)	24,969.30
	Osaka-6	GLP Amagasaki	Amagasaki, Hyogo	December 8, 2006	1,498	561	59,078.60
	Osaka-7	GLP Amagasaki II	Amagasaki, Hyogo	February 12, 1992	(Note 4)	(Note 4)	4,310.06
	Osaka-8	GLP Nara	Yamatokoriyama, Nara	November 22, 1969	(Note 4)	(Note 4)	13,420.77
	Osaka-9	GLP Sakai	Sakai, Osaka	September 18, 2007	(Note 4)	(Note 4)	10,000.03
	Osaka-10	GLP Rokko II	Kobe, Hyogo	March 25, 2000	(Note 4)	(Note 4)	18,212.00
Greater Osaka area, total					4,127	1,638	220,217.04
Other	Other-1	GLP Morioka	Shiwa-gun, Iwate	August 27, 1980	(Note 4)	(Note 4)	10,244.70
	Other-2	GLP Tomiya	Kurokawa-gun, Miyagi	April 5, 2006	(Note 4)	(Note 4)	19,525.08
	Other-3	GLP Koriyama I	Koriyama, Fukushima	August 21, 2008	(Note 4)	(Note 4)	18,626.32
	Other-4	GLP Koriyama III	Koriyama, Fukushima	February 17, 1993	244	30	22,862.07
	Other-5	GLP Tokai	Tokai, Aichi	July 14, 2004	(Note 4)	(Note 4)	18,987.22
	Other-6	GLP Hayashima	Tsukubo-gun, Okayama	November 28, 1989	(Note 4)	(Note 4)	12,808.41
	Other-7	GLP Hayashima II	Tsukubo-gun, Okayama	December 7, 2007	(Note 4)	(Note 4)	14,675.59
	Other-8	GLP Kiyama	Miyaki-gun, Saga	November 5, 2008	(Note 4)	(Note 4)	73,225.00
	Other-9	GLP Tosu III	Tosu, Saga	September 30, 1982	(Note 4)	(Note 4)	26,187.51
	Other-10	GLP Sendai	Sendai, Miyagi	January 4, 2007	(Note 4)	(Note 4)	19,273.00
	Other-11	GLP Ebetsu	Ebetsu, Hokkaido	January 20, 2009	(Note 4)	(Note 4)	35,111.40
	Other-12	GLP Kuwana	Kuwana, Mie	September 4, 2006	(Note 4)	(Note 4)	46,811.76
	Other-13	GLP Hatsukaichi	Hatsukaichi, Hiroshima	July 10, 2006	(Note 4)	(Note 4)	18,452.00
Other, total					2,738	1,064	336,790.06
Total portfolio					16,015	6,403	1,009,442.94

(Note 1) "Construction date" represents the date of construction of the main building as described in the property registry. For properties with several main buildings, the construction date of the oldest building is listed. For GLP Tsumori, it shows the delivery date of the inspection certificate.

(Note 2) "Annual contracted rent" represents the amount annualized by multiplying the monthly contracted rent (including CAM but excluding consumption taxes, if the property or property in trust has multiple tenants, the total of all monthly rents) as indicated in the relevant lease agreement(s) of each property or property in trust as of February 28, 2014 by 12. Any fraction less than one million yen is rounded down. Accordingly, the sum of annual contracted rent of each property or property in trust may not equal to each subtotal or total of portfolio.

(Note 3) "Tenant leasehold and security deposit" represents total balance of leasehold and security deposit amount stated on the lease agreement of each property or property in trust as of February 28, 2014, rounded down to the nearest million yen. Accordingly, the sum of leasehold and security deposit of each property or property in trust may not equal to each subtotal or total of portfolio.

(Note 4) Not disclosed because tenant's consent is not obtained.

Valuation and Appraisal

Property number	Name of property	Appraiser (Note 2)	Date of valuation	Appraisal value (Million yen) (Note 1)	Indicated value				
					Direct Capitalization method		Discount Cash Flow method		
					Value (Million yen)	Cap rate (%)	Value (Million yen)	Discount rate (%)	Yield (%)
Tokyo-1	GLP Tokyo	Morii Appraisal & ICI	February 28, 2014	23,600	23,900	4.6	23,200	4.4	4.8
Tokyo-2	GLP Higashi-Ogishima	Morii Appraisal & ICI	February 28, 2014	5,470	5,550	5.0	5,390	4.8	5.2
Tokyo-3	GLP Akishima	Morii Appraisal & ICI	February 28, 2014	7,600	7,700	5.1	7,490	4.9	5.3
Tokyo-4	GLP Tomisato	Tanizawa Sogo Appraisal	February 28, 2014	5,170	5,170	5.3	5,170	1Y-4Y 5.3 / 5Y-10Y 5.4	5.5
Tokyo-5	GLP Narashino II	Tanizawa Sogo Appraisal	February 28, 2014	18,200	19,200	5.3	17,700	1Y-2Y 5.0 / 3Y-10Y 5.2	5.3
Tokyo-6	GLP Funabashi	Tanizawa Sogo Appraisal	February 28, 2014	1,840	1,800	5.0	1,850	1Y 4.9 / 2Y-10Y 5.1	5.2
Tokyo-7	GLP Kazo	Tanizawa Sogo Appraisal	February 28, 2014	12,500	12,900	5.3	12,300	1Y 5.3 / 2Y-10Y 5.4	5.5
Tokyo-8	GLP Fukaya	Tanizawa Sogo Appraisal	February 28, 2014	2,590	2,650	5.3	2,570	1Y-3Y 5.2 / 4Y-8Y 5.3 / 9Y-10Y 5.4	5.5
Tokyo-9	GLP Sugito II	Morii Appraisal & ICI	February 28, 2014	19,700	20,100	5.1	19,300	4.9	5.3
Tokyo-10	GLP Iwatsuki	Morii Appraisal & ICI	February 28, 2014	7,190	7,290	5.1	7,080	4.9	5.3
Tokyo-11	GLP Kasukabe	Morii Appraisal & ICI	February 28, 2014	4,330	4,380	5.4	4,270	5.2	5.6
Tokyo-12	GLP Koshigaya II	Morii Appraisal & ICI	February 28, 2014	10,100	10,200	5.0	9,940	4.8	5.2
Tokyo-13	GLP Misato II	Morii Appraisal & ICI	February 28, 2014	15,400	15,600	5.0	15,100	4.8	5.2
Tokyo-14	GLP Tatsumi	Morii Appraisal & ICI	February 28, 2014	5,280	5,360	4.7	5,190	4.5	4.9
Tokyo-15	GLP Hamura	Tanizawa Sogo Appraisal	February 28, 2014	8,030	8,090	5.2	8,000	1Y-5Y 5.1 / 6Y-10Y 5.2	5.4
Tokyo-16	GLP Funabashi III	Morii Appraisal & ICI	February 28, 2014	3,470	3,550	5.0	3,380	4.8	5.2
Tokyo-17	GLP Sodegaura	Morii Appraisal & ICI	February 28, 2014	7,010	7,100	5.4	6,920	5.2	5.6
Osaka-1	GLP Hirakata	Japan Real Estate Institute	February 28, 2014	4,970	5,020	5.5	4,920	5.1	5.8
Osaka-2	GLP Hirakata II	Japan Real Estate Institute	February 28, 2014	8,080	8,150	5.2	8,010	5.0	5.4
Osaka-3	GLP Maishima II	Japan Real Estate Institute	February 28, 2014	9,900	9,930	5.5	9,860	4.9	5.6
Osaka-4	GLP Tsumori	Japan Real Estate Institute	February 28, 2014	2,080	2,100	5.8	2,060	5.5	6.1
Osaka-5	GLP Rokko	Japan Real Estate Institute	February 28, 2014	5,350	5,380	5.6	5,320	5.2	5.9
Osaka-6	GLP Amagasaki	Japan Real Estate Institute	February 28, 2014	24,900	25,300	5.0	24,400	4.8	5.2
Osaka-7	GLP Amagasaki II	Japan Real Estate Institute	February 28, 2014	2,090	2,110	5.6	2,060	5.3	6.0
Osaka-8	GLP Nara	Morii Appraisal & ICI	February 28, 2014	2,660	2,680	6.0	2,630	5.8	6.2
Osaka-9	GLP Sakai	Japan Real Estate Institute	February 28, 2014	2,050	2,080	5.6	2,020	5.4	5.9
Osaka-10	GLP Rokko II	Tanizawa Sogo Appraisal	February 28, 2014	3,860	3,960	5.5	3,820	1Y-7Y 5.5 / 8Y-10Y 5.7	5.7
Other-1	GLP Morioka	Tanizawa Sogo Appraisal	February 28, 2014	841	856	6.5	834	6.3	6.7
Other-2	GLP Tomiya	Tanizawa Sogo Appraisal	February 28, 2014	2,880	2,870	5.9	2,880	1Y-2Y 5.6 / 3Y-10Y 5.8	6.1
Other-3	GLP Koriyama I	Tanizawa Sogo Appraisal	February 28, 2014	4,250	4,270	6.0	4,240	1Y-5Y 5.8 / 6Y-10Y 5.9	6.2
Other-4	GLP Koriyama III	Tanizawa Sogo Appraisal	February 28, 2014	2,690	2,720	5.9	2,680	1Y 5.6 / 2Y-7Y 5.7 / 8Y-10Y 5.8	6.1
Other-5	GLP Tokai	Morii Appraisal & ICI	February 28, 2014	6,630	6,720	5.2	6,530	5.0	5.4
Other-6	GLP Hayashima	Japan Real Estate Institute	February 28, 2014	1,260	1,270	6.2	1,240	6.0	6.4
Other-7	GLP Hayashima II	Japan Real Estate Institute	February 28, 2014	2,500	2,530	5.7	2,460	5.5	6.0
Other-8	GLP Kiyama	Japan Real Estate Institute	February 28, 2014	4,980	5,000	5.6	4,960	5.0	6.0
Other-9	GLP Tosu III	Japan Real Estate Institute	February 28, 2014	849	852	5.8	846	5.4	6.1
Other-10	GLP Sendai	Tanizawa Sogo Appraisal	February 28, 2014	5,800	5,740	5.8	5,820	1Y-3Y 5.5 / 4Y-10Y 5.7	6.0
Other-11	GLP Ebetsu	Morii Appraisal & ICI	February 28, 2014	1,860	1,880	6.0	1,830	5.8	6.2
Other-12	GLP Kuwana	Tanizawa Sogo Appraisal	February 28, 2014	4,090	4,120	5.9	4,070	1Y-8Y 5.9 / 9Y-10Y 6.1	6.1
Other-13	GLP Hatsukaichi	Tanizawa Sogo Appraisal	February 28, 2014	2,220	2,220	5.9	2,220	1Y-9Y 5.9 / 9Y-10Y 6.1	6.1

(Note 1) “Appraisal value” represents the appraisal value or research price as set forth on the relevant review reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trust Association.

(Note 2) “Morii Appraisal & ICI” stands for Morii Appraisal & Investment Consulting, Inc. and “Tanizawa Sogo Appraisal” stands for The Tanizawa Sogo Appraisal Co., Ltd.

Summary of Engineering Reviews and Seismic Risk Assessment

Property number	Name of property	Engineering due diligence company	Date of report	Short-term emergency repair costs (Thousand yen) (Note 1 and 2)	Mid-to-Long term repair costs (Thousand yen) (Note 1 and 3)	PML (%) (Note 1)
Tokyo-1	GLP Tokyo	Deloitte Tomatsu Property Risk Solution Co., Ltd	September 19, 2012	-	219,100	8.5
Tokyo-2	GLP Higashi-Ogishima			-	561,650	11.4
Tokyo-3	GLP Akishima			-	168,950	11.7
Tokyo-4	GLP Tomisato			-	75,700	7.9
Tokyo-5	GLP Narashino II			-	1,292,600	11.6
Tokyo-6	GLP Funabashi			-	240,050	13.2
Tokyo-7	GLP Kazo			-	303,800	12.9
Tokyo-8	GLP Fukaya			-	410,950	4.9
Tokyo-9	GLP Sugito II			-	365,100	9.3
Tokyo-10	GLP Iwatsuki			-	50,120	14.8
Tokyo-11	GLP Kasukabe			-	170,650	14.8
Tokyo-12	GLP Koshigaya II			-	136,530	8.8
Tokyo-13	GLP MisatoII			-	78,600	11.7
Tokyo-14	GLP Tatsumi			-	43,100	14.7
Tokyo-15	GLP Hamura		August 20, 2013	-	55,940	12.5
Tokyo-16	GLP Funabashi III			-	125,360	11.3
Tokyo-17	GLP Sodegaura			-	60,000	9.3
Osaka-1	GLP Hirakata		September 19, 2012	-	315,300	9.5
Osaka-2	GLP Hirakata II			-	305,900	14.8
Osaka-3	GLP Maishima II			-	152,100	10.7
Osaka-4	GLP Tsumori			-	142,750	16.8
Osaka-5	GLP Rokko			-	476,400	12.7
Osaka-6	GLP Amagasaki			-	307,700	13.1
Osaka-7	GLP Amagasaki II			-	142,500	10.9
Osaka-8	GLP Nara			-	102,910	26.4
Osaka-9	GLP Sakai			-	42,200	13.1
Osaka-10	GLP Rokko II		August 20, 2013	-	296,150	8.5
Other-1	GLP Morioka		September 19, 2012	-	59,600	13.9
Other-2	GLP Tomiya			-	61,800	12.5
Other-3	GLP Koriyama I			-	28,650	9.4
Other-4	GLP Koriyama III			-	350,300	8.8
Other-5	GLP Tokai			-	123,880	14.8
Other-6	GLP Hayashima			-	126,880	8.8
Other-7	GLP Hayashima II			-	33,150	6.6
Other-8	GLP Kiyama			-	95,190	7.8
Other-9	GLP Tosu III			-	201,000	8.9
Other-10	GLP Sendai			-	159,450	11.1
Other-11	GLP Ebetsu		August 20, 2013	-	47,690	9.5
Other-12	GLP Kuwana			-	51,170	10.5
Other-13	GLP Hatsukaichi			-	33,980	9.6
Total (Note 4)						2.7

(Note 1) “Short-term emergency repair costs,” “Mid-to-Long term repair costs” and “PML” per property are based on “Engineering Due Diligence Report.” When calculating the PML, the effect of the Great East Japan Earthquake that has been currently identified is taken into account..

(Note 2) “Short-term emergency repair costs” represents the repair costs deemed to be required within one year from the date of the report.

(Note 3) “Mid-to-Long term repair costs” represents the repair costs deemed to be required within 12 years from the date of the report.

(Note 4) Probable Maximum Loss (“PML”) of the entire portfolio is calculated based on the “Portfolio Seismic Risk Assessment Review” dated on May 8, 2014, and rounded off to the first decimal place. When calculating the portfolio PML, the effect of the Great East Japan Earthquake that has been currently identified is taken into account.

Information on Major Properties

The following is the major property accounting for 10% or more of total property-related revenues for the period ended February 28, 2014.

Name of property	GLP Amagasaki	
Property-related revenues (Million yen)	811	
Ratio to total property-related revenues (%)	10.0	
Occupancy trend in recent 5 years (%)	February 28, 2013	100.0
	August 31, 2013	100.0
	February 28, 2014	100.0

(Note) “Occupancy trend in recent 5 years” represents the occupancy ratio after the commencement of operation by GLP J-REIT, rounded off to the first decimal place.

Information on Major Tenants

The following is the major tenant to whom GLP J-REIT leases 10% or more of total leased area of the entire portfolio as of February 28, 2014.

Name of major tenant	Industry	Name of property	Annual contracted rent (Million yen) (Note 1)	Ratio to total rent (%) (Note 2)	Leased area (m ²) (Note 3)	Ratio to total leased area (%) (Note 4)
Hitachi Transport System, Ltd. (Note 5)	3PL	GLP Kazo	(Note 6)	(Note 6)	76,532.71	5.7
		GLP Maishima II			56,511.10	4.2
		GLP Tomiya			20,466.98	1.5
		GLP Kiyama			23,455.96	1.7
Subtotal			1,749	10.9	176,966.75	13.1

The entire portfolio	16,015	100.0	1,351,784.80	100.0
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(Note 1) “Annual contracted rent” represents the amount annualized by multiplying the monthly contracted rent (including CAM but excluding consumption taxes) as indicated in the relevant lease agreement(s) of each property or property in trust as of February 28, 2014 by 12. Any fraction less than one million yen is rounded down. Accordingly, the sum of annual contracted rent of each property or property in trust may not equal to each subtotal or total of portfolio.

(Note 2) “Ratio to total rent” represents the ratio of annual contracted rent of each major tenant to total annual rents of the entire portfolio, rounded off to the first decimal place.

(Note 3) “Leased area” is the leased area as indicated in the relevant lease agreement for each property or property in trust as of February 28, 2014.

(Note 4) “Ratio to total leased area” represents the ratio of area leased by each major tenant to the total leased area of the entire portfolio, rounded off to the first decimal place.

(Note 5) Master lease agreements are signed between current owners and master leasing companies, and the relevant master leasing companies enter into a sub-lease agreement with key tenants. However, the rent of relevant master lease agreements is equivalent to that of sub-lease agreement, and they are so-called pass-through master lease agreements.

(Note 6) Not disclosed because tenant’s consent is not obtained.

Terms and conditions of contract with major tenant are as follows.

Name of major tenant	Name of property	Expiry date	Tenant leasehold and security deposits (Million yen) (Note 1)
Hitachi Transport System, Ltd.	GLP Kazo	(Note 2)	(Note 2)
	GLP Maishima II		
	GLP Tomiya		
	GLP Kiyama		
Subtotal		—	415

(Note 1) The amount of “Tenant leasehold and security deposits” is rounded down to the nearest one million yen.

(Note 2) Not disclosed because tenant’s consent is not obtained.

Short-Term and Long-Term Loans Payable

	Category	Balance at beginning of the period (Thousand yen)	Increase (Thousand yen)	Decrease (Thousand yen)	Balance at end of the period (Thousand yen)	Average rate (Note 2)	Due date (Note 3)	Use	Remarks
	Name of financial institution								
Short-term loans payable	Sumitomo Mitsui Banking Corporation	4,000,000	—	4,000,000	—	0.46%	January 4, 2014 (Note 6)	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,000,000	—	4,000,000	—				
	Mizuho Bank, Ltd.	4,000,000	—	4,000,000	—				
	Mitsubishi UFJ Trust and Banking Corporation	1,800,000	—	1,800,000	—				
	Citibank Japan Ltd.	1,300,000	—	1,300,000	—				
	The Bank of Fukuoka, Ltd.	1,300,000	—	1,300,000	—				
	The Norinchukin Bank	1,000,000	—	1,000,000	—				
	Resona Bank, Limited.	1,000,000	—	1,000,000	—				
	Sumitomo Mitsui Banking Corporation	—	5,000,000	5,000,000	—	0.38%	April 6, 2014 (Note 7)	(Note 10)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	—	3,800,000	—	3,800,000	0.39%	March 3, 2014	(Note 10)	Unsecured not guaranteed
	Subtotal	18,400,000	8,800,000	23,400,000	3,800,000				
Long-term loans payable	Sumitomo Mitsui Banking Corporation	5,400,000	—	262,135	5,137,864	0.58%	January 4, 2015 (Note 8)	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,500,000	—	218,446	4,281,553				
	Mizuho Bank, Ltd.	4,000,000	—	194,174	3,805,825				
	Mitsubishi UFJ Trust and Banking Corporation	1,800,000	—	87,378	1,712,621				
	Citibank Japan Ltd.	1,800,000	—	87,378	1,712,621				
	The Bank of Fukuoka, Ltd.	1,300,000	—	63,106	1,236,893				
	The Norinchukin Bank	900,000	—	43,689	856,310				
	Resona Bank, Limited.	900,000	—	43,689	856,310				
	Sumitomo Mitsui Banking Corporation	6,300,000	—	—	6,300,000	0.85% (Note 4)	January 4, 2016	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,900,000	—	—	5,900,000				
	Mizuho Bank, Ltd.	4,000,000	—	—	4,000,000				
	Mitsubishi UFJ Trust and Banking Corporation	1,800,000	—	—	1,800,000				
	Citibank Japan Ltd.	1,800,000	—	—	1,800,000				
	The Bank of Fukuoka, Ltd.	1,400,000	—	—	1,400,000				
	The Norinchukin Bank	1,300,000	—	—	1,300,000				
	Resona Bank, Limited.	1,300,000	—	—	1,300,000				
	Sumitomo Mitsui Banking Corporation	6,400,000	—	—	6,400,000	1.13% (Note 4)	January 4, 2018	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,900,000	—	—	5,900,000				
	Mizuho Bank, Ltd.	4,000,000	—	—	4,000,000				
	Mitsubishi UFJ Trust and Banking Corporation	1,800,000	—	—	1,800,000				
	Citibank Japan Ltd.	1,800,000	—	—	1,800,000				
	The Bank of Fukuoka, Ltd.	1,800,000	—	—	1,800,000				
	The Norinchukin Bank	1,300,000	—	—	1,300,000				
	Resona Bank, Limited.	1,300,000	—	—	1,300,000				
	Sumitomo Mitsui Banking Corporation	5,000,000	—	—	5,000,000	1.41% (Note 4)	January 4, 2020	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,600,000	—	—	4,600,000				
	Mizuho Bank, Ltd.	4,000,000	—	—	4,000,000				
	Mitsubishi UFJ Trust and Banking Corporation	1,800,000	—	—	1,800,000				
	The Bank of Fukuoka, Ltd.	900,000	—	—	900,000				
	Development Bank of Japan Inc.	4,500,000	—	—	4,500,000				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,250,000	—	—	3,250,000	1.03%	January 31, 2020	(Note 9)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	3,250,000	—	—	3,250,000	1.30% (Note 4)	February 1, 2021	(Note 9)	Unsecured not guaranteed

Sumitomo Mitsui Banking Corporation	—	1,200,000	—	1,200,000	0.44%	December 20, 2016	(Note 10)	Unsecured not guaranteed
Mizuho Bank, Ltd.	—	1,150,000	—	1,150,000	0.44%	December 20, 2016	(Note 10)	Unsecured not guaranteed
Sumitomo Mitsui Trust Bank, Limited	—	1,150,000	—	1,150,000	0.44%	December 20, 2016	(Note 10)	Unsecured not guaranteed
Sumitomo Mitsui Banking Corporation	—	1,800,000	—	1,800,000	0.78% (Note 5)	December 20, 2021	(Note 10)	Unsecured not guaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	—	500,000	—	500,000				
Mizuho Bank, Ltd.	—	900,000	—	900,000				
Mitsubishi UFJ Trust and Banking Corporation	—	800,000	—	800,000				
The Bank of Fukuoka, Ltd.	—	550,000	—	550,000				
Resona Bank, Limited.	—	450,000	—	450,000				
Subtotal	96,000,000	8,500,000	1,000,000	103,500,000				
Total	114,400,000	17,300,000	24,400,000	107,300,000				

(Note 1) "Long term loans payable" include the current portion of long term loans payable as of each period end.

(Note 2) "Average rate" represents the weighted average interest rate during the fiscal period and is rounded off to the second decimal place.

(Note 3) When the due date falls on a day other than a business day, it shall be the next business day.

(Note 4) GLP J-REIT uses interest rate swaps to hedge the interest rate risk exposure. The rate stated above is the effective rate of interest after interest rate swaps.

(Note 5) Based on the interest rate swap agreement entered on February 25, 2014, the interest rate has been substantially fixed at 1.197% on and after February 28, 2014.

(Note 6) Of outstanding loan balance of 18,400,000 thousand yen at beginning of the period, 1,100,000 thousand yen was repaid on November 1, 2013 before its due date.

(Note 7) GLP J-REIT borrowed 5,000,000 thousand yen on January 6, 2014 and made full repayment on February 28, 2014 before its due date.

(Note 8) Of outstanding loan balance of 20,600,000 thousand yen at beginning of the period, 1,000,000 thousand yen was repaid on February 28, 2014 before its due date.

(Note 9) The fund was used to acquire properties or beneficiary rights of real estate in trust.

(Note 10) The fund was used to make repayment of bank borrowing.

(Note 11) Redemption schedule for long-term loans payable excluding current portion within five years after the balance sheet date is as follows:

(Unit: Thousand yen)

	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years
Long term loans payable	23,800,000	3,500,000	24,300,000	—

Investment Corporation Bonds

(Unit: Thousand yen)

Description	Issued date	Balance at beginning of the period	Decrease during the period	Balance at end of the period	Interest rate	Maturity date	Use	Collateral
GLP J-REIT 1st Unsecured Bonds (Note 1)	February 27, 2014	—	—	6,000,000	0.47%	February 27, 2019	(Note 1)	Unsecured (Note 2, 3)
Total				6,000,000				

(Note 1) The fund was used to repay bank borrowings.

(Note 2) The bond is subject to special *pari passu* clause among specified investment corporation bonds.

(Note 3) Redemption schedule for investment corporation bonds within five years after the balance sheet date is as follows:

(Unit: Thousand yen)

	Within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years
Investment corporation bonds	—	—	—	—	6,000,000

Property and Equipment

(Unit: Thousand yen)

(Unit: Thousand yen)

Class of assets		Balance as of August 31, 2013	Increase	Decrease	Balance as of February 28, 2014	Accumulated depreciation		Net book value	Note
							Depreciation for the period		
Property and equipment									
	Buildings in trust	90,558,574	12,650,496	-	103,209,070	3,615,924	1,646,405	99,593,146	Acquisition of property
	Structures in trust	1,938,748	410,160	-	2,348,908	218,693	98,466	2,130,214	Acquisition of property
	Machinery and equipment in trust	51,909	-	-	51,909	9,724	4,178	42,185	
	Tools, furniture and fixtures in trust	81,573	1,660	-	83,233	14,541	6,539	68,691	
	Land in trust	130,525,506	15,077,410	-	145,602,917	-	-	145,602,917	Acquisition of property
	Construction in progress	19,641	6,892	19,641	6,892	-	-	6,892	
	Sub total	223,175,954	28,146,620	19,641	251,302,932	3,858,884	1,755,590	247,444,047	
	Total	223,175,954	28,146,620	19,641	251,302,932	3,858,884	1,755,590	247,444,047	

(*)“Increase” was primarily due to acquisition of seven properties: GLP Hamura, GLP Funabashi III, GLP Sodegaura, GLP Rokko II, GLP Ebetsu, GLP Kuwana and GLP Hatsukaichi. (27,659,430 thousand yen)



Independent Auditor's Report

To the Board of Directors of
GLP J-REIT:

We have audited the accompanying financial statements of GLP J-REIT (a Japanese Real Estate Investment Trust), which comprise the balance sheets as at February 28, 2014 and August 31, 2013, and the statements of income and retained earnings, statements of changes in net assets and statements of cash flows for each of the periods from September 1, 2013 to February 28, 2014 and from March 1, 2013 to August 31, 2013 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of GLP J-REIT as at February 28, 2014 and August 31, 2013, and their financial performance and cash flows for each of the periods from September 1, 2013 to February 28, 2014 and from March 1, 2013 to August 31, 2013 in accordance with accounting principles generally accepted in Japan.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 15 to the financial statements that describes GLP J-REIT's subsequent acquisition of trust beneficiary rights of four properties and execution of borrowings.

KPMG AZSA LLC

May 26, 2014
Tokyo, Japan

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

GLP J-REIT

Balance Sheets

As of February 28, 2014 and August 31, 2013

	<i>Thousands of yen</i>	
	As of February 28, 2014	As of August 31, 2013
Assets		
Current assets:		
Cash and cash equivalents (Notes 2 and 3)	¥ 6,814,504	¥ 11,469,687
Operating accounts receivable	39,315	40,255
Prepaid expenses	304,122	306,792
Deferred tax assets (Note 11)	36	8
Consumption taxes receivable	524,483	—
Other current assets	400	78
Total current assets	7,682,862	11,816,821
Property and equipment, net (Note 5):		
Land in trust	145,602,917	130,525,506
Buildings in trust	103,209,070	90,558,574
Structures in trust	2,348,908	1,938,748
Machinery and equipment in trust	51,909	51,909
Tools, furniture and fixtures in trust	83,233	81,573
Construction in progress	6,892	19,641
	251,302,932	223,175,954
Accumulated depreciation	(3,858,884)	(2,103,294)
Total property and equipment, net	247,444,047	221,072,659
Investments and other assets:		
Investment securities	1,600	1,600
Long-term prepaid expenses	654,067	732,526
Security deposit	10,000	10,000
Investment unit issuance expenses	282,476	241,885
Investment corporation bond issuance costs	31,999	—
Total investments and other assets	980,143	986,011
Total Assets	¥ 256,107,053	¥ 233,875,492

The accompanying notes are an integral part of these financial statements.

	<i>Thousands of yen</i>	
	As of February 28, 2014	As of August 31, 2013
Liabilities		
Current liabilities:		
Operating accounts payable	¥ 97,594	¥ 112,242
Short-term loans payable (Notes 3 and 9)	3,800,000	18,400,000
Current portion of long-term loans payable (Notes 3 and 9)	19,600,000	—
Accounts payable	894,357	859,878
Accrued expenses	6,646	8,513
Income taxes payable	1,158	594
Consumption taxes payable	—	282,961
Advances received	1,392,633	1,167,271
Deposits received	—	682,167
Current portion of tenant leasehold and security deposits	55,354	60,988
Total current liabilities	25,847,745	21,574,619
Noncurrent liabilities:		
Investment corporation bonds (Notes 3 and 10)	6,000,000	—
Long-term loans payable (Notes 3, 4 and 9)	83,900,000	96,000,000
Tenant leasehold and security deposits (Note 3)	6,170,130	5,228,159
Tenant leasehold and security deposits in trust (Note 3)	178,019	178,019
Total noncurrent liabilities	96,248,149	101,406,178
Total Liabilities	122,095,895	122,980,797
Net Assets (Note 8)		
Unitholders' equity:		
Unitholders' capital, net (Note 8)-	129,942,508	107,347,372
Units authorized:		
16,000,000 units as of February 28, 2014 and August 31, 2013		
Units issued and outstanding:		
2,097,700 units and 1,837,700 units as of February 28, 2014 and August 31, 2013, respectively		
Unappropriated retained earnings	4,068,649	3,547,322
Total unitholders' equity	134,011,158	110,894,695
Total Net Assets	134,011,158	110,894,695
Total Liabilities and Net Assets	¥256,107,053	¥233,875,492

The accompanying notes are an integral part of these financial statements.

GLP J-REIT
Statements of Income and Retained Earnings
For the periods ended February 28, 2014 and August 31, 2013

	<i>Thousands of yen</i>	
	For the period ended February 28, 2014	For the period ended August 31, 2013
Operating revenues:		
Rental revenues (Note 6)	¥7,836,430	¥7,038,883
Other rental revenues	244,480	233,860
Total operating revenues	8,080,911	7,272,743
Operating expenses:		
Rental expenses (Notes 5 and 6)	2,323,089	2,124,755
Asset management fee	819,258	754,275
Asset custody fee	4,147	4,113
Administrative service fees	11,722	11,190
Directors' remuneration	3,720	3,720
Audit fee	14,000	15,000
Taxes and dues	44	80
Other operating expenses	52,148	58,551
Total operating expenses	3,228,131	2,971,685
Operating income	4,852,780	4,301,058
Non-operating income (expenses):		
Interest income	968	1,265
Interest on refund of consumption taxes	—	5,426
Interest expense	(518,652)	(534,039)
Borrowing related expenses	(169,029)	(167,956)
Amortization of investment unit issuance expenses	(72,620)	(53,752)
Offering costs associated with the issuance of investment units	(22,100)	(1,909)
Amortization of investment corporation bond issuance costs	(542)	—
Interest expenses on investment corporation bonds	(77)	—
Others, net	(1,311)	(2,499)
Total non-operating expenses, net	(783,365)	(753,465)
Income before income taxes	4,069,415	3,547,592
Income taxes (Note 11):		
-Current	1,355	773
-Deferred	(28)	135
Total income taxes	1,326	908
Net income	¥4,068,088	¥3,546,683
Accumulated earnings brought forward	561	638
Unappropriated retained earnings	¥4,068,649	¥3,547,322

	For the period ended February 28, 2014	For the period ended August 31, 2013
Earnings per unit (Note 12):		
Net income per unit	1,974 yen	1,929 yen
Weighted average number of units outstanding	2,060,678 units	1,837,700 units

The accompanying notes are an integral part of these financial statements.

GLP J-REIT
Statements of Changes in Net Assets
For the periods ended February 28, 2014 and August 31, 2013

	<i>Thousands of yen</i>			
	Number of units	Unitholders' capital, net	Retained earnings	Total net assets
Balance as of February 28, 2013 (Note 8)	1,837,700	¥107,501,739	¥ 822,090	¥108,323,829
Distributions in excess of retained earnings	—	(154,366)	—	(154,366)
Distributions of earnings	—	—	(821,451)	(821,451)
Net income	—	—	3,546,683	3,546,683
Balance as of August 31, 2013 (Note 8)	1,837,700	¥107,347,372	¥3,547,322	¥110,894,695
Issuance of new units on September 26, 2013	249,955	22,179,756	—	22,179,756
Issuance of new units on October 16, 2013	10,045	891,343	—	891,343
Distributions in excess of retained earnings	—	(475,964)	—	(475,964)
Distributions of earnings	—	—	(3,546,761)	(3,546,761)
Net income	—	—	4,068,088	4,068,088
Balance as of February 28, 2014 (Note 8)	2,097,700	¥129,942,508	¥4,068,649	¥134,011,158

The accompanying notes are an integral part of these financial statements.

GLP J-REIT
Statements of Cash Flows
For the periods ended February 28, 2014 and August 31, 2013

	<i>Thousands of yen</i>	
	For the period ended February 28, 2014	For the period ended August 31, 2013
Operating activities:		
Income before income taxes	¥ 4,069,415	¥ 3,547,592
Depreciation (Notes 5 and 8)	1,755,590	1,588,291
Amortization of investment corporation bond issuance costs	542	—
Amortization of investment unit issuance expenses	72,620	53,752
Interest income	(968)	(1,265)
Interest expense	518,730	534,039
Decrease (increase) in operating accounts receivable	940	(10,672)
Decrease (increase) in prepaid expenses	2,669	47,446
Decrease (increase) in consumption taxes receivable	(524,483)	4,606,628
Decrease (increase) in other current assets	(400)	—
Decrease (increase) in long-term prepaid expenses	78,459	138,630
Increase (decrease) in operating accounts payable	(14,648)	9,646
Increase (decrease) in accounts payable	66,691	390,095
Increase (decrease) in consumption taxes payable	(282,961)	282,961
Increase (decrease) in advances received	225,361	(70,324)
Increase (decrease) in deposits received	(682,167)	(620,746)
Subtotal	5,285,391	10,496,077
Interest received	968	1,265
Interest paid	(520,597)	(530,925)
Income taxes paid	(712)	(2,958)
Net cash provided by (used in) operating activities	4,765,049	9,963,459
Investing activities:		
Purchase of property and equipment	(6,872)	—
Purchase of property and equipment in trust	(28,157,717)	(156,198)
Proceeds from tenant leasehold and security deposits	1,029,200	30,300
Repayments of tenant leasehold and security deposits	(92,862)	(8,073)
Net cash provided by (used in) investing activities	(27,228,252)	(133,971)
Financing activities:		
Proceeds from short-term loans payable	8,800,000	—
Repayments of short-term loans payable	(23,400,000)	—
Proceeds from long-term loans payable	8,500,000	—
Repayments of long-term loans payable	(1,000,000)	—
Proceeds from issuance of investment corporation bonds	6,000,000	—
Payments for investment corporation bond issuance costs	(29,454)	—
Proceeds from issuance of investment units	22,957,887	—
Payment for investment unit issuance expenses	—	(148,991)
Payment of distributions of earnings	(3,544,759)	(817,377)
Payment of distributions in excess of retained earnings	(475,654)	(153,828)
Net cash provided by (used in) financing activities	17,808,019	(1,120,197)
Net increase (decrease) in cash and cash equivalents	(4,655,183)	8,709,289
Cash and cash equivalents at beginning of period	11,469,687	2,760,397
Cash and cash equivalents at end of period (Note 2)	¥ 6,814,504	¥11,469,687

The accompanying notes are an integral part of these financial statements.

GLP J-REIT
Notes to Financial Statements
For the periods ended February 28, 2014 and August 31, 2013

1. Organization and Basis of Presentation

1) Organization

GLP J-REIT, a Japanese real estate investment corporation, was established on September 16, 2011 under the Act on Investment Trusts and Investment Corporations of Japan (hereinafter the “Investment Trust Act of Japan”) with Global Logistic Properties Limited (hereinafter “GLP”) acting as a sponsor. GLP J-REIT was formed to invest primarily in logistic properties in Japan. GLP J-REIT is externally managed by a licensed asset management company, GLP Japan Advisors Inc. (hereinafter “Asset Manager”).

Since its initial public offering on December 20, 2012, GLP J-REIT has occasionally issued units through public offering or through allocation to a third party. Those units are listed on the J-REIT section of the Tokyo Stock Exchange. During the period ended February 28, 2014, GLP J-REIT raised 22,179,756 thousand yen by issuing 249,955 new units through a public offering on September 26, 2013 and 891,343 thousand yen by issuing 10,045 new units through allocation to a third party on October 16, 2013.

As of February 28, 2014, GLP J-REIT held beneficiary rights of real estate in trust with respect to 40 properties located in the Tokyo metropolitan area, the greater Osaka area and other areas. Total leasable space was 1,352,894.63m², of which 1,351,784.80 m² was leased to 60 tenants, and the aggregate occupancy ratio was 99.9%.

2) Basis of presentation

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Investment Trust Act of Japan and the Japanese Financial Instruments and Exchange Act and their related accounting regulations, and in conformity with accounting principles generally accepted in Japan (hereinafter “Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from the International Financial Reporting Standards.

The accompanying financial statements have been reformatted and translated into English from the financial statements of GLP J-REIT prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Act. In preparing these financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the prior period’s financial statements to conform to the classifications used in the current period.

GLP J-REIT does not prepare consolidated financial statements as it has no subsidiaries.

As permitted by the regulations under the Financial Instruments and Exchange Act of Japan, amounts of less than one thousand yen have been omitted. As a result, the totals shown in the accompanying financial statements do not necessarily agree with the sums of the individual amounts.

The fiscal period of GLP J-REIT represents two six-month accounting periods: each period is from September 1 to February 28/29 and March 1 to August 31 of the following year.

2. Summary of Significant Accounting Policies

1) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are liquid and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.

The balance of cash and cash equivalents as of February 28, 2014 and August 31, 2013 included 3,796,866 thousand yen and 3,359,219 thousand yen of cash and deposits in trust, respectively.

2) Property and equipment

Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows:

Buildings	2 to 55 years
Structures	2 to 57 years
Machinery and equipment	6 to 12 years
Tools, furniture and fixtures	2 to 15 years

3) Taxes on property and equipment

With respect to taxes on property and equipment held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant accounting period are accounted for as rental expenses.

Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 47,068 thousand yen for the period ended February 28, 2014. No acquisition of real estate or beneficiary right of real estate in trust was made for the period ended August 31, 2013.

4) Investment securities

Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.

5) Investment unit issuance expenses

Investment unit issuance expenses are amortized over three years using the straight-line method.

6) Hedge accounting

GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on variable rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense or income, respectively.

The hedge effectiveness for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment.

7) Beneficiary rights of real estate in trust

As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts.

8) Consumption taxes

Consumption taxes withheld and paid are not included in the accompanying statements of income.

9) Capitalized borrowing related expenses

Capitalized borrowing related expenses are amortized over the borrowing period on a straight-line basis and the amount amortized is included in borrowing related expenses.

10) Investment corporation bond issuance costs

Investment corporation bond issuance costs are amortized over the respective terms of the bonds using the straight-line method.

3. Financial Instruments

1) Detailed information on financial instruments

(a) Policy for financial instruments

GLP J-REIT procures funds for acquisition of assets or repayment of debts through issuance of new investment units, bank loans and issuance of investment corporation bonds.

GLP J-REIT enters into derivative transactions solely for the purpose of reducing interest rate and other risks. GLP J-REIT does not use derivative transactions for speculative purposes.

GLP J-REIT generally invests surplus funds in deposits considering the safety and liquidity of the investment although surplus funds could be invested in securities and monetary claims as a matter of policy.

(b) Financial instruments, their risks and risk management system

Deposits are used for investment of GLP J-REIT's surplus funds. These deposits are exposed to credit risk, such as bankruptcy of the depository financial institution. GLP J-REIT limits credit risk by using only short-term deposits in financial institutions with high credit ratings.

Bank loans and investment corporation bonds are mainly made to procure funds for acquisition of properties and refinancing of bank loans or investment corporation bonds upon their maturities. GLP J-REIT mitigates the liquidity risk exposure upon repayment and redemption of loans by diversifying the maturities and lending institutions, and manages such liquidity risk by preparing and monitoring the forecasted cash flows.

Certain loans are floating rate and exposed to the risk of rising interest rates. GLP J-REIT mitigates such risk by maintaining a prudent loan-to-value ratio and stabilizing its financial costs with the use of derivative transactions (interest rate swaps) as a hedge. All interest rate swaps meet the specific matching criteria to qualify for the special accounting treatment, thus the hedge effectiveness test is omitted. Derivative transactions are executed and managed under the Management Guidelines of the Asset Manager.

Tenant leasehold and security deposits and tenant leasehold and security deposits in trust are deposits received from tenants. GLP J-REIT is obligated to repay the deposits upon the tenant's termination of the leased property, and is thus exposed to liquidity risk. GLP J-REIT generally minimizes and manages such risk by holding sufficient funds to make the repayments and monitoring its cash flows.

(c) Supplemental explanation regarding fair values of financial instruments

The fair value of financial instruments is based on observable market prices, if available. When there is no available observable market price, the fair value is reasonably estimated. Since various factors are considered in estimating the fair value, different assumptions and factors could result in a range of fair values.

2) Estimated fair value of financial instruments

Book value, fair value and differences between the values as of February 28, 2014 and August 31, 2013 are as follows. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (see Note 2 below).

<i>Thousands of yen</i>			
As of February 28, 2014			
	Book value	Fair value	Difference
(1) Cash and cash equivalents:			
Cash and deposits	¥ 3,017,637	¥ 3,017,637	¥ —
Cash and deposits in trust	3,796,866	3,796,866	—
Total assets	¥ 6,814,504	¥ 6,814,504	¥ —
(1) Short-term loans payable	3,800,000	3,800,000	—
(2) Current portion of long-term loans payable	19,600,000	19,600,000	—
(3) Investment corporation bonds	6,000,000	6,006,000	6,000
(4) Long-term loans payable	83,900,000	84,536,189	636,189
Total liabilities	¥113,300,000	¥113,942,189	¥ 642,189
Derivative transactions	¥ —	¥ —	¥ —

<i>Thousands of yen</i>			
As of August 31, 2013			
	Book value	Fair value	Difference
(1) Cash and cash equivalents:			
Cash and deposits	¥ 8,110,467	¥ 8,110,467	¥ —
Cash and deposits in trust	3,359,219	3,359,219	—
Total assets	¥ 11,469,687	¥ 11,469,687	¥ —
(1) Short-term loans payable	18,400,000	18,400,000	—
(2) Current portion of long-term loans payable	—	—	—
(3) Investment corporation bonds	—	—	—
(4) Long-term loans payable	96,000,000	96,148,873	¥ 148,873
Total liabilities	¥ 114,400,000	¥ 114,548,873	¥ 148,873
Derivative transactions	¥ —	¥ —	¥ —

(Note 1) Methods to estimate fair value of financial instruments

Assets:

(1) Cash and cash equivalents

Due to the short maturities, the book value of these instruments is deemed a reasonable approximation of the fair value; therefore, the book value is used as the fair value.

Liabilities:

(1) Short-term loans payable

Due to the short maturities, the book value of these instruments is deemed a reasonable approximation of the fair value; therefore, the book value is used as the fair value.

(2) Current portion of long-term loans payable and (4) Long-term loans payable

With respect to long-term loans payable, interest rates of floating-rate loans are periodically adjusted or renewed by contract. Thus, the book value of these instruments is deemed a reasonable approximation of the fair value, and the book value is, therefore, used as the fair value. The fair value of fixed-rate loans is measured by discounting the total principle and interest amount at the current rates that are reasonably estimated to be applicable if GLP J-REIT enters into new similar loans. The fair value of interest rate swaps under the special accounting treatment is included in long-term loans payable designated as a hedged item.

(3) Investment corporation bonds

The reference value published by the Japan Securities Dealers Association is used as the fair value.

Derivative transactions:

Please refer to Note 4, “Derivative Transactions.”

(Note 2) Financial instruments for which the fair value is difficult to estimate are as follows:

	<i>Thousands of yen</i>	
	As of February 28, 2014	As of August 31, 2013
Tenant leasehold and security deposits	¥6,170,130	¥5,228,159
Tenant leasehold and security deposits in trust	178,019	178,019
Total	¥6,348,149	¥5,406,178

Regarding tenant leasehold and security deposits and tenant leasehold and security deposits in trust, no observable market prices are available and the timing of repayments is not reliably estimated. Thus, it is impracticable to reasonably estimate their future cash flows and very difficult to estimate their fair value. Therefore, their fair values are not disclosed.

(Note 3) Redemption schedules for monetary claims are as follows:

	<i>Thousands of yen</i>					
	As of February 28, 2014					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and cash equivalents:						
Cash and deposits	¥3,017,637	¥—	¥—	¥—	¥—	¥—
Cash and deposits in trust	3,796,866	—	—	—	—	—
Total	¥6,814,504	¥—	¥—	¥—	¥—	¥—

	<i>Thousands of yen</i>					
	As of August 31, 2013					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and cash equivalents:						
Cash and deposits	¥ 8,110,467	¥—	¥—	¥—	¥—	¥—
Cash and deposits in trust	3,359,219	—	—	—	—	—
Total	¥11,469,687	¥—	¥—	¥—	¥—	¥—

(Note 4) Redemption schedules for long-term loans payable are as follows:

<i>Thousands of yen</i>						
As of February 28, 2014						
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds	¥ —	¥ —	¥ —	¥ —	¥6,000,000	¥ —
Long-term loans payable	19,600,000	23,800,000	3,500,000	24,300,000	—	32,300,000
Total	¥19,600,000	¥23,800,000	¥3,500,000	¥24,300,000	¥6,000,000	¥32,300,000

<i>Thousands of yen</i>						
As of August 31, 2013						
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Long-term loans payable	¥—	¥20,600,000	¥23,800,000	¥—	¥24,300,000	¥27,300,000
Total	¥—	¥20,600,000	¥23,800,000	¥—	¥24,300,000	¥27,300,000

4. Derivative Transactions

For the periods ended February 28, 2014 and August 31, 2013, GLP J-REIT only utilized interest rate swaps which qualified for hedge accounting and met the special matching criteria, as described below.

Hedge accounting method:	Special treatment for interest rate swaps
Type of derivative transaction:	Interest rate swaps, receive floating/ pay fix
Primary hedged item:	Long-term loans payable

<i>Thousands of yen</i>							
As of February 28, 2014				As of August 31, 2013			
Contract amount		Fair value	Fair value measurement	Contract amount		Fair value	Fair value measurement
Total	Due after one year			Total	Due after one year		
¥77,150,000	¥77,150,000	(*)	(*)	¥72,150,000	¥72,150,000	(*)	(*)

(*) Interest rate swaps under the special accounting treatment are accounted for as an integral component of long-term loans payable designated as the hedged item. Thus, their fair value, which is measured by the counterparty of the relevant transaction based on market rates, is included in long-term loans payable disclosed in Note 3, “Financial Instruments, 2) Estimated fair value of financial instruments, (4) Long-term loans payable.”

5. Investment and Rental Properties

Property and equipment consists of leasable logistic facilities for the purpose of earning rental revenues. The following tables summarize the book value, including changes during the fiscal periods and fair value of these rental properties.

	<i>Thousands of yen</i>	
	For the period ended February 28, 2014	For the period ended August 31, 2013
Book value		
Balance at the beginning of the period	¥221,053,017	¥222,424,265
Change during the period	26,384,137	(1,371,248)
Balance at the end of the period	¥247,437,155	¥221,053,017
Fair value at the end of the period	¥264,270,000	¥231,226,000

The fair value of investment and rental properties was determined based on third-party appraisals or research prices.

The change in book value for the period ended February 28, 2014 primarily consisted of the decrease due to depreciation of 1,755,590 thousand yen and the increase due to the acquisition of the following seven properties in the total amount of 27,659,430 thousand yen: GLP Hamura, GLP Funabashi III, GLP Sodegaura, GLP Rokko II, GLP Ebetsu, GLP Kuwana and GLP Hatsukaichi. The decrease in book value for the period ended August 31, 2013 was primarily due to depreciation of 1,588,291 thousand yen.

(This part is intentionally left blank)

6. Property-related Revenues and Expenses

The following table summarizes the revenues and expenses generated from the property leasing activities for the periods ended February 28, 2014 and August 31, 2013.

<i>Thousands of yen</i>		
	For the period ended February 28, 2014	For the period ended August 31, 2013
A. Property-related revenues		
Rental revenues:		
Rental revenues	¥7,618,792	¥ 6,824,818
Common area charges	217,638	214,064
Total	7,836,430	7,038,883
Other revenues related to property leasing		
Utility charges	178,854	179,423
Parking lots	27,157	26,106
Others	38,469	28,330
Total	244,480	233,860
Total property-related revenues	¥8,080,911	¥7,272,743
B. Property-related expenses		
Rental expenses:		
Property and facility management fees	¥ 288,406	¥ 270,311
Utilities	209,312	207,035
Repairs and maintenance	15,247	15,444
Casualty insurance	14,965	13,470
Depreciation	1,755,590	1,588,291
Others	39,566	30,202
Total property-related expenses	¥2,323,089	¥ 2,124,755
C. Operating income from property leasing (A – B)	¥5,757,822	¥5,147,988

7. Leases

The future minimum rental revenues from tenants subsequent to each fiscal period end under non-cancelable operating leases of properties are as follows.

<i>Thousands of yen</i>		
	February 28, 2014	August 31, 2013
Due within one year	¥14,874,364	¥13,400,480
Due after one year	51,803,549	46,831,865
Total	¥66,677,914	¥60,232,345

8. Net Assets

1) Stated capital

GLP J-REIT issues only non-par value units in accordance with the Act on Investment Trusts and Investment Corporations of Japan and all issue amounts of new units are designated as stated capital. GLP J-REIT maintains at least 50,000 thousand yen as the minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations.

2) Unitholders' capital, net

Unitholders' capital, net as of February 28, 2014 and August 31, 2013 consists of the following items:

	<i>Thousands of yen</i>	
	As of February 28, 2014	As of August 31, 2013
Unitholders' capital - accumulated paid-in amount	¥107,501,739	¥107,501,739
Issuance of new investment units	23,071,100	—
Deduction from unitholders' capital - accumulated distribution in excess of retained earnings	(630,331)	(154,366)
Unitholders' capital, net	¥129,942,508	¥107,347,372

3) Distributions

Distributions related to the period but declared after the balance sheet date are summarized as follows:

	<i>Yen</i>			
	For the period ended February 28, 2014		For the period ended August 31, 2013	
	Total	Per unit	Total	Per unit
I Unappropriated retained earnings	¥4,068,649,852		¥3,547,322,366	
II Distributions in excess of retained earnings				
Deduction from unitholders' capital	526,522,700		475,964,300	
	4,595,172,552		4,023,286,666	
III Distributions				
Distributions of earnings	4,067,440,300	¥1,939	3,546,761,000	¥1,930
Distributions in excess of retained earnings	526,522,700	251	475,964,300	259
Total Distributions	4,593,963,000	¥2,190	4,022,725,300	¥2,189
IV Retained earnings carried forward	¥ 1,209,552		¥ 561,366	

In accordance with Section 34.1 of the bylaws set forth by GLP J-REIT for distributions of cash dividends, the amount of the distributions shall be limited to the amount of net income but more than 90% of income available for dividends defined in Section 67.15 of the Special Taxation Measures Act.

Accordingly, GLP J-REIT declared a distribution amount of 4,067,440,300 yen and 3,546,761,000 yen, which was the amount equivalent to the maximum integral multiples of the number of investment units issued and outstanding as of February 28, 2014 and August 31, 2013, respectively.

Furthermore, based on the distribution policy as defined in Section 34.2 of its bylaws, GLP J-REIT will make an Optimal Payable Distribution (the "OPD"), which represents a distribution of funds in excess of retained earnings, as a refund of its investment, in each fiscal period on a continuing basis. Accordingly, GLP J-REIT intends to distribute funds in excess of retained earnings, which do not exceed the amount calculated by deducting the amount of capital expenditures for the accounting period immediately preceding the period in which the OPD is made from the depreciation expense for the corresponding period. For the periods ended February 28, 2014 and August 31, 2013, the amount of capital expenditures was 480,296,839 yen and 217,043,896 yen, and the depreciation expense was 1,755,590,057 yen and 1,588,291,898 yen, respectively. Thus, the maximum amount available for the OPD amounted to 1,275,293,218 yen and 1,371,248,002 yen for the periods ended February 28, 2014 and August 31, 2013,

respectively.

Thus, GLP J-REIT declared an OPD amounting to 526,522,700 yen and 475,964,300 yen as refund of its investment, which approximated 30% of the depreciation expense of 1,755,590,057 yen and 1,588,291,898 yen for the periods ended February 28, 2014 and August 31, 2013, respectively.

9. Short-Term and Long-Term Loans Payable

Short-term and long-term loans payable consisted of bank borrowings under loan agreements. The following table summarizes the short-term and long-term loans payable as of February 28, 2014 and August 31, 2013.

	<i>Thousands of yen</i>	
	As of February 28, 2014	As of August 31, 2013
0.39 % unsecured short-term loans	¥ 3,800,000	¥18,400,000
Total short-term loans payable	¥ 3,800,000	¥18,400,000
0.58% unsecured long-term loans due 2015	¥19,600,000	¥20,600,000
0.85% unsecured long-term loans due 2016 (*)	23,800,000	23,800,000
0.44% unsecured long-term loans due 2016	3,500,000	—
1.13% unsecured long-term loans due 2018 (*)	24,300,000	24,300,000
1.41% unsecured long-term loans due 2020 (*)	20,800,000	20,800,000
1.03% unsecured long-term loans due 2020	3,250,000	3,250,000
1.30% unsecured long-term loans due 2021 (*)	3,250,000	3,250,000
0.78% unsecured long-term loans due 2021	5,000,000	—
Less: current portion	(19,600,000)	—
Total long-term loans payable, less current portion	¥83,900,000	¥96,000,000

The stated interest rate is the weighted average interest rate during the period ended February 28, 2014 and is rounded to the second decimal place. For certain loans (*) which GLP J-REIT uses interest rate swaps to hedge their interest rate risk exposure, the effective interest rate which includes the effect of the interest rate swap is stated.

The redemption schedules for long-term loans payable subsequent to February 28, 2014 and August 31, 2013 are disclosed in Note 3, “Financial Instruments.”

10. Investment Corporation Bonds

On February 27, 2014, GLP J-REIT issued the GLP J-REIT 1st Unsecured Bonds with special *pari passu* conditions among specified investment corporation bonds to refinance bank borrowings. The following summarizes the status of investment corporation bonds as of February 28, 2014.

Description	Issued date	Maturity date	Interest rate	Repayment method	<i>Thousands of yen</i>
					As of February 28, 2014
GLP J-REIT 1st Unsecured Bonds	February 27, 2014	February 27, 2019	0.47%	Lump-sum repayment	¥6,000,000
Total					¥6,000,000

11. Income Taxes

GLP J-REIT is subject to Japanese corporate income taxes on its taxable income. The tax effect of temporary differences that give rise to a significant portion of the deferred tax assets and liabilities as of February 28, 2014 and August 31, 2013 were as follows.

	<i>Thousands of yen</i>	
	As of February 28, 2014	As of August 31, 2013
Deferred tax assets		
Enterprise tax payable	¥ 36	¥ 8
Total	36	8
Net deferred tax assets	¥ 36	¥ 8

Reconciliations between the Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of income for the periods ended February 28, 2014 and August 31, 2013 are as follows.

	%	
	For the period ended February 28, 2014	For the period ended August 31, 2013
Statutory effective tax rate	36.59	36.59
(Adjustments)		
Distributions deductible for tax purposes	(36.57)	(36.58)
Other	0.01	0.02
Actual tax rate	0.03	0.03

In line with the promulgation on March 31, 2014 of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 10, 2014), the additional tax as Special Corporate Tax for Reconstruction will not be imposed effective from the fiscal period beginning on or after April 1, 2014.

In connection therewith, for temporary differences reversing on or after September 1, 2014, the statutory effective tax rate used to calculate deferred tax assets or liabilities will be changed from 36.59% to 34.16%. There is no impact from this change.

GLP J-REIT has a policy of making cash distributions of earnings in excess of 90% of distributable income as defined in the Special Taxation Measures Act for the fiscal period to qualify for conditions as set forth in the Special Taxation Measures Act to achieve a deduction of cash distributions for income tax purposes. Based on this policy, GLP J-REIT treated the cash distributions of earnings as a tax deductible distribution as defined in the Special Taxation Measures Act.

12. Per Unit Information

The following table summarizes per unit information for the periods ended and as of February 28, 2014 and August 31, 2013.

	For the period ended February 28, 2014	For the period ended August 31, 2013
Net income per unit:		
Basic net income per unit	1,974 yen	1,929 yen
Weighted average number of units outstanding	2,060,678 units	1,837,700 units
	As of February 28, 2014	As of August 31, 2013
Net assets per unit	63,884 yen	60,344 yen

Diluted earnings per unit and related information are not disclosed as no dilutive securities were outstanding.

13. Transactions with Related Parties

1) Transactions and account balances with the parent company and major unitholders

(For the period ended February 28, 2014)

None

(For the period ended August 31, 2013)

None

2) Transactions and account balances with affiliates

(For the period ended February 28, 2014)

None

(For the period ended August 31, 2013)

None

3) Transactions and account balances with companies under common control

(For the period ended February 28, 2014)

Classification	Name of the company	Location	Stated capital (Thousands of yen)	Type of business	% of voting rights (owned)	Business relationship	Type of transaction	Transaction amount (Thousands of yen)	Account title	Balance at the end of the period (Thousands of yen)
Subsidiary of other related company	Global Logistics Properties Inc.	Minato-ku, Tokyo	¥100,000	Investment advisory/agency	—	Entrustment of property management Patent license	Property management fee	¥156,077	Operating accounts payable	¥28,083
							Royalty fee (*2)	7,500	—	—
							Leasing commission	11,865	—	—
	GLP Japan Advisors Inc.	Minato-ku, Tokyo	100,000	Asset management	—	Concurrently serving directors Entrustment of asset management	Asset management fee (*2, 3)	901,758	Accounts payable	750,017
	GLP Solar Special Purpose Company	Minato-ku, Tokyo	1,630,100	Equipment leasing	—	Rooftop leasing	Rental income from rooftop leasing (*2)	9,860	Advances received	3,367

Notes:

- *1 Consumption taxes are not included in the transaction amount but included in the related balance at the end of the period.
- *2 Decisions relating to the terms and conditions of transactions:
 - (a) The asset management fee was determined in accordance with the rules prescribed in the Articles of Incorporation of GLP J-REIT.
 - (b) The royalty fee was mutually agreed after negotiation between both parties, based on the initial formula proposed by Global Logistic Properties Inc.
 - (c) The rental income from rooftop leasing was mutually agreed after negotiation between both parties, based on the initial formula proposed by GLP Solar Special Purpose Company.
 - (d) Other transactions are determined based on market conditions.
- *3 The asset management fee above includes management fees of 82,500 thousand yen capitalized as part of acquisition costs of properties.

(For the period ended August 31, 2013)

Classification	Name of the company	Location	Stated capital (Thousands of yen)	Type of business	% of voting rights (owned)	Business relationship	Type of transaction	Transaction amount (Thousands of yen)	Account title	Balance at the end of the period (Thousands of yen)
Subsidiary of other related company	Global Logistics Properties Inc.	Minato-ku, Tokyo	¥100,000	Investment advisory/agency	—	Entrustment of property management Patent license	Property management fee	¥144,127	Operating accounts payable	¥25,421
							Royalty fee (*2)	7,500	—	—
							Leasing commission	9,423	—	—
	GLP Japan Advisors Inc.	Minato-ku, Tokyo	100,000	Asset management	—	Concurrently serving directors Entrustment of asset management	Asset management fee (*2)	754,275	Accounts payable	681,775
	GLP Solar Special Purpose Company	Minato-ku, Tokyo	160,100	Equipment leasing	—	Rooftop leasing	Rental income from rooftop leasing (*2)	39	Advances received	649

Notes:

- *1 Consumption taxes are not included in the transaction amount but included in the related balance at the end of the period.
- *2 Decisions relating to the terms and conditions of transactions:
 - (a) The asset management fee was determined in accordance with the rules prescribed in the Articles of Incorporation of GLP J-REIT.
 - (b) The royalty fee was mutually agreed after negotiation between both parties, based on the initial formula proposed by Global Logistic Properties Inc.
 - (c) The rental income from rooftop leasing was mutually agreed after negotiation between both parties, based on the initial formula proposed by GLP Solar Special Purpose Company.
 - (d) Other transactions are determined based on market conditions.

4) Transactions and account balances with Board of Directors and individual unitholders

(For the period ended February 28, 2014)

None

(For the period ended August 31, 2013)

None

14. Segment and Related Information

Segment Information

1) Overview of operating and reportable segments

Operating segments are a component of GLP J-REIT for which separate financial information is available and whose operating results are regularly evaluated by the Board of Directors to make decisions about how resources are allocated and assess their performance. Consequently, each property is considered an operating segment. However, when properties share similar economic characteristic and meet other specific conditions, they may be aggregated for purposes of reporting segment information. Therefore, properties with multiple tenants have been aggregated and presented as the “Multi-tenant Property” reportable segment, whereas build-to-suit (“BTS”) properties developed for single tenants or properties with single tenants have been aggregated and presented as the “BTS Property” reportable segment.

As of February 28, 2014, GLP J-REIT’s properties were classified into each reportable segment as follows:

Multi-tenant Property: GLP Tokyo, GLP Sugito II, GLP Koshigaya II, GLP Misato II, GLP Amagasaki and GLP Koriyama III

BTS Property: GLP Higashi-Ogishima, GLP Akishima, GLP Tomisato, GLP Narashino II, GLP Funabashi, GLP Kazo, GLP Fukaya, GLP Iwatsuki, GLP Kasukabe, GLP Tatsumi, GLP Hirakata, GLP Hirakata II, GLP Maishima II, GLP Tsumori, GLP Rokko, GLP Amagasaki II, GLP Nara, GLP Sakai, GLP Morioka, GLP Tomiya, GLP Koriyama I, GLP Tokai, GLP Hayashima, GLP Hayashima II, GLP Kiyama, GLP Tosu III, GLP Sendai, GLP Hamura, GLP Funabashi III, GLP Sodegaura, GLP Rokko II, GLP Ebetsu, GLP Kuwana and GLP Hatsukaichi.

2) Basis of measurement for the amounts of segment income, segment assets and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those disclosed in Note 2, “Summary of Significant Accounting Policies.” Segment income is measured on the basis of operating income, excluding certain corporate expenses (see reconciling items below). Segment assets are measured on the basis of total assets, excluding certain assets (see reconciling items below).

- 3) Information about segment income, segment assets and other items for the periods ended February 28, 2014 and August 31, 2013 is as described in the following tables.

	<i>Thousands of yen</i>			
	As of February 28, 2014			
	Multi-tenant rental business	BTS rental business	Reconciling items (*2)	Amount on financial statements
Operating revenues (*1)	¥ 3,076,915	¥ 5,003,996	¥ —	¥ 8,080,911
Segment income	2,074,035	3,683,787	(905,041)	4,852,780
Segment assets	93,912,141	157,387,896	4,807,015	256,107,053
Other items				
Depreciation	579,552	1,176,037	—	1,755,590
Increase in property and equipment	68,445	28,071,282	(12,748)	28,126,978

Notes:

*1 Operating revenues are exclusively earned from external parties.

*2 Reconciling items to total segment income consist of corporate expenses that are not allocated to each reportable segment. Corporate expenses represent mainly asset management fee of 819,258 thousand yen, asset custody fee of 4,147 thousand yen, administrative service fees of 11,722 thousand yen, directors' remuneration of 3,720 thousand yen and other expenses.

Reconciling items to total segment assets consist of several assets that are not allocated to each reportable segment. Those assets include cash and cash equivalents of 3,017,637 thousand yen, long-term prepaid expenses of 654,067 thousand yen, consumption taxes receivable of 524,483 thousand yen and investment unit issuance expenses of 282,476 thousand yen.

Reconciling items to total increase in property and equipment under other items consist of corporate assets which are not allocated to each reportable segment. Such corporate assets represent construction in progress.

	<i>Thousands of yen</i>			
	As of August 31, 2013			
	Multi-tenant rental business	BTS rental business	Reconciling items (*2)	Amount on financial statements
Operating revenues (*1)	¥ 3,062,992	¥ 4,209,751	¥ —	¥ 7,272,743
Segment income	2,068,178	3,079,809	(846,930)	4,301,058
Segment assets	94,480,166	129,983,208	9,412,118	233,875,492
Other items				
Depreciation	578,062	1,010,229	—	1,588,291
Increase in property and equipment	44,135	172,908	19,641	236,685

Notes:

*1 Operating revenues are exclusively earned from external parties.

*2 Reconciling items to total segment income consist of corporate expenses that are not allocated to each reportable segment. Corporate expenses represent mainly asset management fee of 754,275 thousand yen, asset custody fee of 4,113 thousand yen, administrative service fees of 11,190 thousand yen, directors' remuneration of 3,720 thousand yen and other expenses.

Reconciling items to total segment assets consist of several assets that are not allocated to each reportable segment. Those assets include cash and cash equivalents of 8,110,467 thousand yen, long-term prepaid

expenses and security deposit of 742,526 thousand yen and investment unit issuance expenses of 241,885 thousand yen.

Reconciling items to total increase in property and equipment under other items consist of corporate assets which are not allocated to each reportable segment. Such corporate assets represent construction in progress.

Related Information

(For the periods ended February 28, 2014 and August 31, 2013)

1) Revenue information by product and service

Disclosure of this information has been omitted as operating revenues earned from external customers for a single product and service have exceeded 90% of operating revenues on the accompanying statement of income.

2) Information by geographic area

(a) Operating revenues

Disclosure of this information has been omitted as operating revenues earned from external customers in Japan have exceeded 90% of operating revenues on the accompanying statement of income.

(b) Property and equipment

Disclosure of this information has been omitted as the amounts of property and equipment in Japan has exceeded 90% of the amount of the total property and equipment on the accompanying balance sheet.

3) Information on major tenants

A major customer accounting for 10% or more of the total operating revenues is as follows. When each property or property in trust is leased through a master lease agreement, the amount of total revenues earned from end-tenants is stated.

Name of customer	Relevant segment	<i>Thousands of yen</i>	
		For period ended February 28, 2014	For period ended August 31, 2013
		Operating revenues	
Hitachi Transport System, Ltd.	BTS rental business	¥874,578	¥874,578

15. Subsequent Events

1) Acquisitions of Assets

GLP J-REIT acquired beneficiary rights of real estate in trust of four properties described below (with a total acquisition price of 36,250 million yen). The acquisition price (the sales and purchase price under the Sales and Purchase Agreement of Beneficiary Rights of Real Estate in Trust) excludes related costs for the acquisition such as related expenses for acquisition, property-related taxes and consumption taxes.

Property Name	Acquisition date	Location	Seller	<i>Millions of yen</i>
				Acquisition Price
GLP Urayasu III	March 3, 2014	Urayasu, Chiba	Urayasu Three Logistic Special Purpose Company	¥18,200
GLP Komaki	March 3, 2014	Komaki, Aichi	Komaki Logistic Special Purpose Company	10,300
GLP Tatsumi IIa	April 1, 2014	Koto-ku, Tokyo	Tokyo Bay Property Special Purpose Company	6,694
GLP Tatsumi IIb	April 1, 2014	Koto-ku, Tokyo	Tokyo Bay Property Special Purpose Company	1,056
Total				¥36,250

2) Borrowing of Funds

GLP J-REIT entered into the following Loan Agreements for acquisition of specified assets and related costs as stated in “1). Acquisitions of Assets” above. Based on the contractual terms, each loan shall be repaid on lump-sum basis on its repayment date. None of them is secured by collateral or guarantee.

Lender	Amount (Millions of yen)	Interest rate	Loan execution date	Repayment date
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Citibank Japan Ltd., The Bank of Fukuoka, Ltd., The Norinchukin Bank, Resona Bank, Limited., Sumitomo Mitsui Trust Bank, Limited, Shinsei Bank, Limited, Aozora Bank, Ltd., and The 77 Bank, Ltd.	¥ 7,380	JBA yen 3month TIBOR plus 0.35%	March 3, 2014	February 28, 2017
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Citibank Japan Ltd., The Bank of Fukuoka, Ltd., The Norinchukin Bank and Resona Bank, Limited.	12,300	JBA yen 3month TIBOR plus 0.45%		February 28, 2019
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Development Bank of Japan Inc.	6,100	JBA yen 3month TIBOR plus 0.55% (Note 1)		February 26, 2021
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., and Development Bank of Japan Inc.	3,140	JBA yen 3month TIBOR plus 0.70% (Note 2)		February 29, 2024
Sumitomo Mitsui Banking Corporation	3,150	JBA yen 1month TIBOR plus 0.20%	April 1, 2014	September 30, 2014
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,150			
Sumitomo Mitsui Trust Bank, Limited	1,400			
Total	¥36,620	—	—	—

(Note 1): GLP J-REIT entered into an interest rate swap agreement on April 4, 2014 and the interest rate has been substantially fixed at 1.0855% on and after April 8, 2014.

(Note 2): GLP J-REIT entered into an interest rate swap agreement on April 4, 2014 and the interest rate has been substantially fixed at 1.5585% on and after April 8, 2014.