

Asset Management Report

Global Logistic
Properties

GLP J-REIT



Feb 2015 Fiscal Period



6th Fiscal Period

(from September 1, 2014 to February 28, 2015)

GLP J-REIT

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



Dividend per unit
(Feb 2015 actual)

2,256 yen

(including an optimal payable distribution
of 292 yen)

Dividend per unit
(Aug 2015 forecast)

2,195 yen

(including an optimal payable distribution
of 292 yen)

Total assets
(acquisition price base)

338.8 bn yen

(note) as of Feb 28, 2015

Occupancy
(as of Feb 2015)

98.6%

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To Our Unitholders

On behalf of GLP J-REIT, I am pleased to present the financial results of the sixth fiscal period ended February 2015.

During the six month period, GLP J-REIT raised 32.2 billion yen in September 2014 through its second offering subsequent to its IPO. Together with new borrowings, the proceeds were used to acquire nine properties for 53.8 billion yen* from the GLP Group, GLP J-REIT's sponsor. As a result, GLP J-REIT's portfolio value after the acquisition grew by 62.4% over 27 months since listing to 338.8 billion yen* for 53 properties. At the same time, GLP J-REIT achieved strong performance through effective management of its properties and finely-tuned services that met tenants' needs, including stable or increased rent for all rent contracts that expired during the sixth period on the back of growing demand for logistics facilities for the fifth consecutive fiscal period since listing. Meanwhile, as part of financial operations, we continued to reduce borrowing costs while extending the terms of borrowings, and we issued the Third, Fourth and Fifth J-REIT Bonds with terms of six years, eight years and 12 years, respectively (9,000 million yen in total), during the sixth period.

As a result, the sixth period ended with operating revenues of 10,991 million yen, ordinary income of 4,695 million yen, and net income of 4,695 million yen. Reflecting the above performance, the total dividend for the sixth period is 2,256 yen per unit, comprised of a dividend of 1,964 yen per unit and an optimal payable distribution per unit of 292 yen.

In the seventh period, we will begin to record real estate tax as expenses for the 13 properties acquired in 2014, with 227 million yen in such expenses expected additionally for the period. This would entail a 95 yen decrease in the dividend per unit; however, this adverse effect is expected to be reduced as part of our effort to achieve a forecast dividend of 2,195 yen due to improved operating income from property leasing, among other reasons.

The above offering and new acquisitions as well as an increase in unrealized gain on real estate led to NAV per unit of 82,041 yen as of the end of the fiscal period ended February 2015 and an adjusted EPU (stabilized EPU after adjustment) of 2,195 yen. NAV per unit increased 35.1% from the end of the fiscal period ended February 2013, which immediately followed listing, while adjusted EPU grew 18.6% since listing (please refer to page 4 of this report), thereby enhancing our unitholders' value, which is our primary goal.

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.



Toraki Inoue Supervisory Director
Masato Miki Executive Director
GLP J-REIT
Kota Yamaguchi Supervisory Director

* Based on acquisition price.

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.

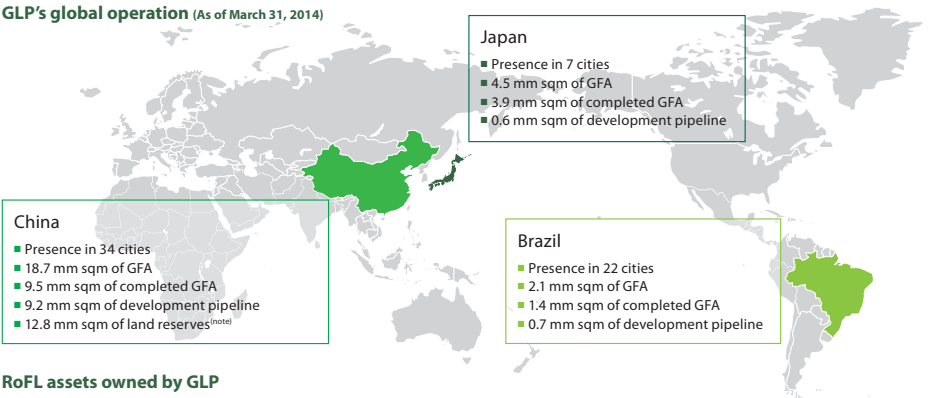
Investment percentage by location (based on acquisition price)

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 24 properties (a total of 1.05 million square meters leasable area), which will serve as a tool for expanding our asset portfolio.

GLP’s global operation (As of March 31, 2014)



RoFL assets owned by GLP



GLP Yokohama



GLP Shinkiba



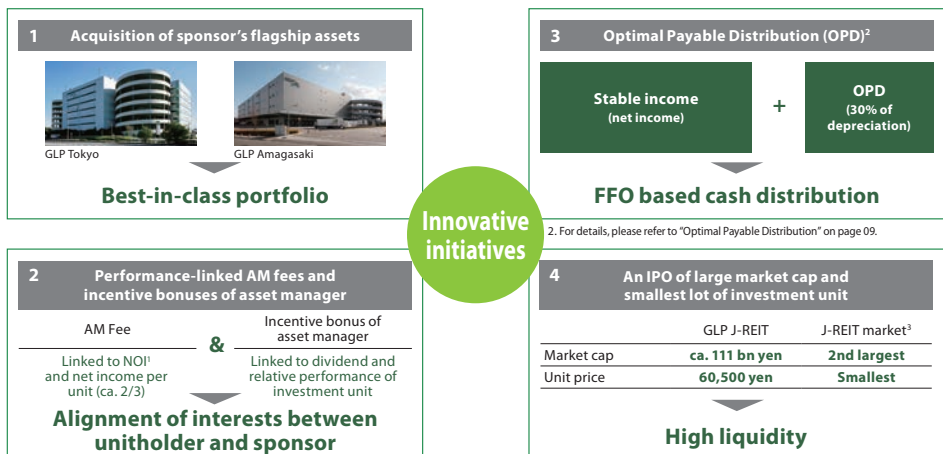
GLP Osaka

Source: GLP
Note: Land reserves are properties that are under a certain level of agreement for purchase and are not recognized on the balance sheet of GLP. There is a possibility that these pieces of land may not be transferred for future development use by GLP.

State-of-the-art Modern Logistics Facility (Example: GLP Tokyo II)



First-ever Initiatives in J-REIT Sector



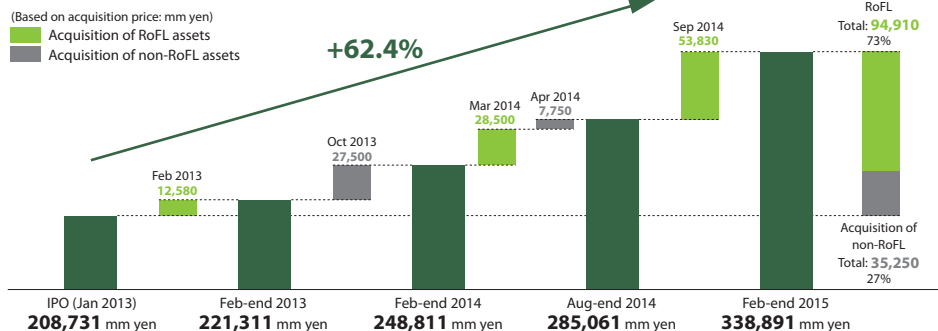
1. NOI=Property-related revenues – Property-related expenses + Depreciation expenses

3. As of IPO of GLP J-REIT

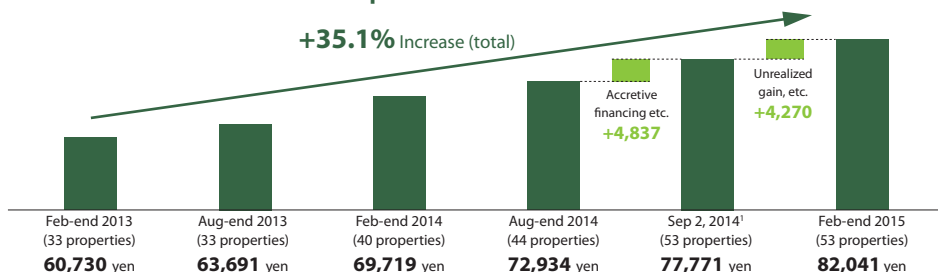
Enhancement of Unitholders' Value

Due to the acquisition of properties in September 2014, GLP J-REIT's asset size reached 338,891 million yen, representing 62.4% growth over 27 months. Net asset value (NAV) and dividend per unit grew, resulting in an increase in unitholders' value.

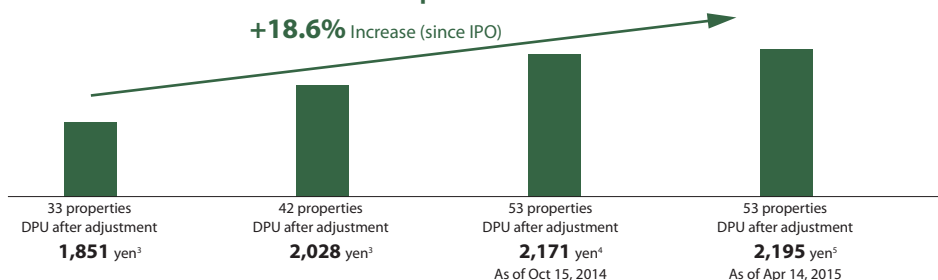
Steady Expansion of the Portfolio



Achievement of Increase in NAV per Unit



Achievement of Increase in dividend per unit²



1. Based on Aug 2014 financial results, and unrealized gain of 9 newly acquired properties are added

2. Dividend per unit including optimal payable distribution

3. DPU described in its press release "Amendment of Forecast for the Fiscal Period Ending February 28, 2014 and Announcement of Forecast for the Fiscal Period Ending August 31, 2014" dated September 3, 2013.

4. Forecast DPU for Aug 2015 period described in "Summary of Financial Results for the 5th period ended August 31, 2014" dated on October 15, 2014.

5. DPU forecast for Aug 2015 in "Summary of Financial Results for the 6th period ended February 28, 2015" dated on April 14, 2015.

Strategy for Future External Growth

External growth via RoFL

We will continue to seek steady external growth mainly in regard to the 24 properties of the RoFL^{*} pipeline, which we have entered into with the GLP Group.

The RoFL^{*} pipeline (24 properties)

RoFL properties that GLP owns in Japan



GLP Yokohama



GLP Misato



GLP Tosu I



GLP Shinkiba



GLP Sugito



GLP Funabashi II



GLP Narashino



GLP Soka



GLP Shinsuna



GLP Maishima I



GLP Urayasu



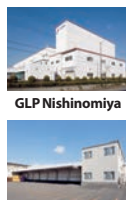
GLP Urayasu II



GLP Urayasu IV



GLP Settsu



GLP Nishinomiya



GLP Shiga



GLP Tomiya IV



GLP Fukaehama



GLP Osaka

^{*} "RoFL" refers to right of first look, which is a contractual right that obliges the sponsor to provide the information about the sales of its properties to GLP J-REIT and undergo exclusive good faith negotiations with GLP J-REIT before negotiating with other parties. The sponsor has no obligation to sell any properties subject to our right of first look.

External growth via non-RoFL channels

The basic external growth strategy of GLP J-REIT is to pursue acquisitions through the RoFL agreement with the GLP Group. At the same time, GLP J-REIT has been pursuing opportunities through non-RoFL channels, and acquired a total of 9 non-RoFL properties after IPO. These comprise 7 properties (27.5 billion yen) from the joint venture fund managed by the GLP Group and 2 properties (7.7 billion yen) from outside the Group.

Financial Highlights

Financials

Feb 2015

(from September 1, 2014 to
February 28, 2015)

Aug 2015 (forecast)

(from March 1 to
August 31, 2015)

Operating revenue (mm yen)	10,991	10,929
Operating income (mm yen)	5,801	5,625
Ordinary income (mm yen)	4,695	4,550
Net income (mm yen)	4,695	4,549
No. of properties at fiscal end	53	53

Dividend per Unit (yen)

Feb 2015

(from September 1, 2014 to
February 28, 2015)

Aug 2015 (forecast)

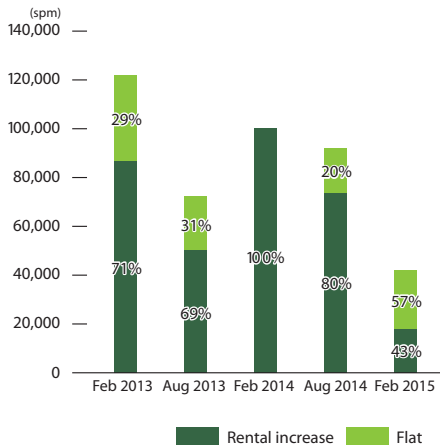
(from March 1 to
August 31, 2015)

Dividend per unit (total)	2,256	2,195
Dividend per unit (excl. OPD)	1,964	1,903
Optimal payable distribution per unit	292	292

Portfolio Management

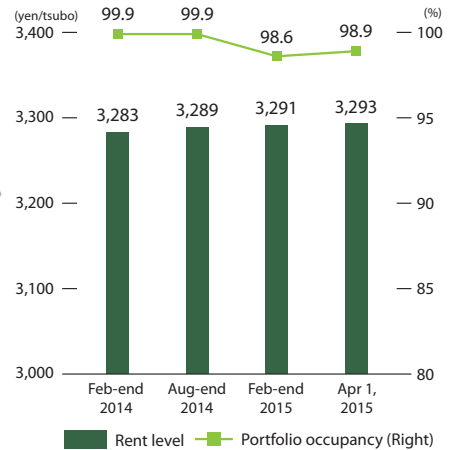
GLP J-REIT's portfolio maintained high occupancy. Also, we have achieved rental growth by fully leveraging the GLP Group's capabilities in asset and property management.

Rental growth in 5 successive periods*



* Renewal date basis

Occupancy¹ and monthly rent level²

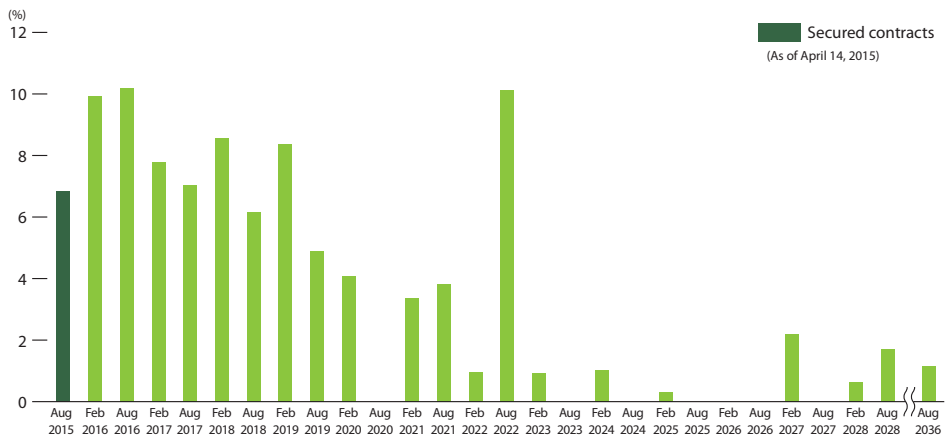


1. Occupancy: Based on GLP J-REIT's portfolio at each fiscal period-end.

2. Monthly rent level: Based on 38 properties (Of the 40 properties that GLP J-REIT has owned for 1 year or more as of the end of February 2015; 2 properties are excluded as they have vacant spaces.)

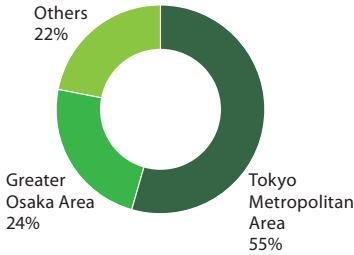
Lease Expiry Profile

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.

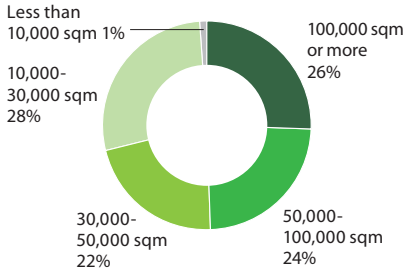


Portfolio Data

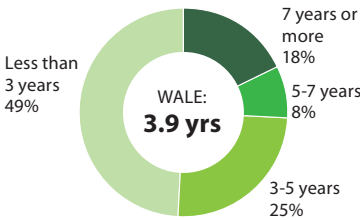
Location



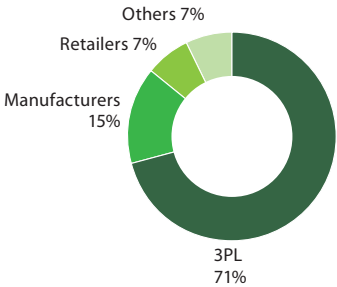
Building scale



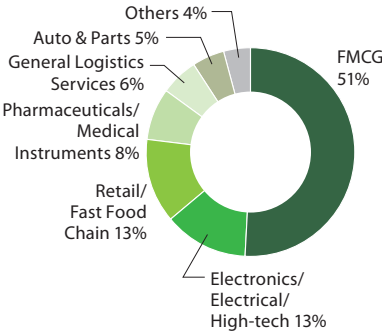
Lease expiry



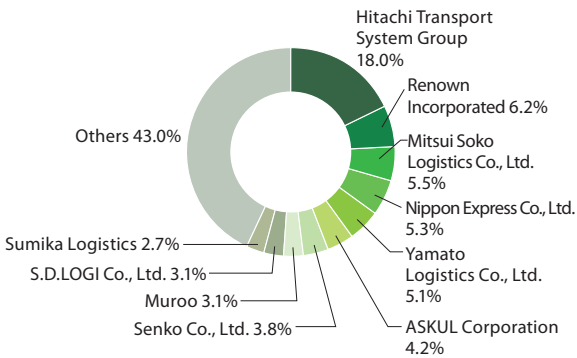
Tenant industry



End-user industry



Top 10 tenants



* The above data is as of February 28, 2015. Data for location and building scale is based on gross floor area. Other data is based on leased area excluding vacant area.

Debt Information

■ Loan Details (as of the end of Feb 2015)

Average remaining period

4.2 years

LTV (Total loan/
total asset)

49.1%

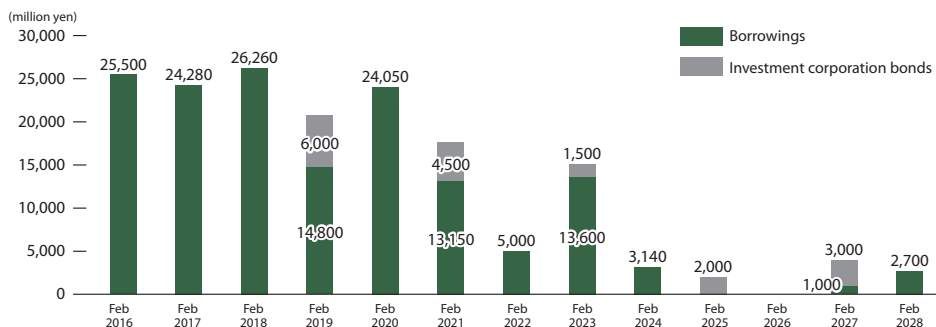
Fixed interest ratio

83.6%

Long-term loan ratio

85.0%

■ Debt Maturity Diversification (as of the end of Feb 2015)



* Indicates loans which maturities are from March 1st of the previous year till February-end.

■ Credit Ratings

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

* Rating for the 1st to 5th unsecured investment corporation bonds

■ 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.

Sustainability Practices

GLP J-REIT provides high quality services and environmental friendly functions in the logistics facilities that it manages in order to maintain and improve the customers' convenience and satisfaction. In recognition of our efforts, we obtained environmental certifications for 11 properties in February 2015 from a third-party accreditation organization.

Services for customers

Amenities for customers' comfort and security



Cafeteria



Universal design washroom



Emergency cabinet in elevators

Service improvement

- Customer satisfaction survey every year
- Improve service quality based on customer feedback
(ex. Longer opening hours of convenience stores
More frequent patrol by security personnel)

Environmental friendly items



Wind electricity



Solar panel



LED lighting



Ice thermal air conditioning system



Installed greenery



Photocatalyst pavement

DBJ Green Building Certification (9 properties)

Certification level ★★★★★

Properties with the best class environmental & social awareness



GLP Tokyo II



GLP Amagasaki

Certification level ★★★★★

Properties with exceptionally high environmental & social awareness



GLP Tokyo



GLP Sugito II



GLP Misato II

Certification level ★★★

Properties with excellent environmental & social awareness



GLP Maishima II



GLP Sendai



GLP Komaki



GLP Koriyama II

BELS Assessment (2 properties)

Certification level ★★★★★



GLP Koriyama I



GLP Iwatsuki

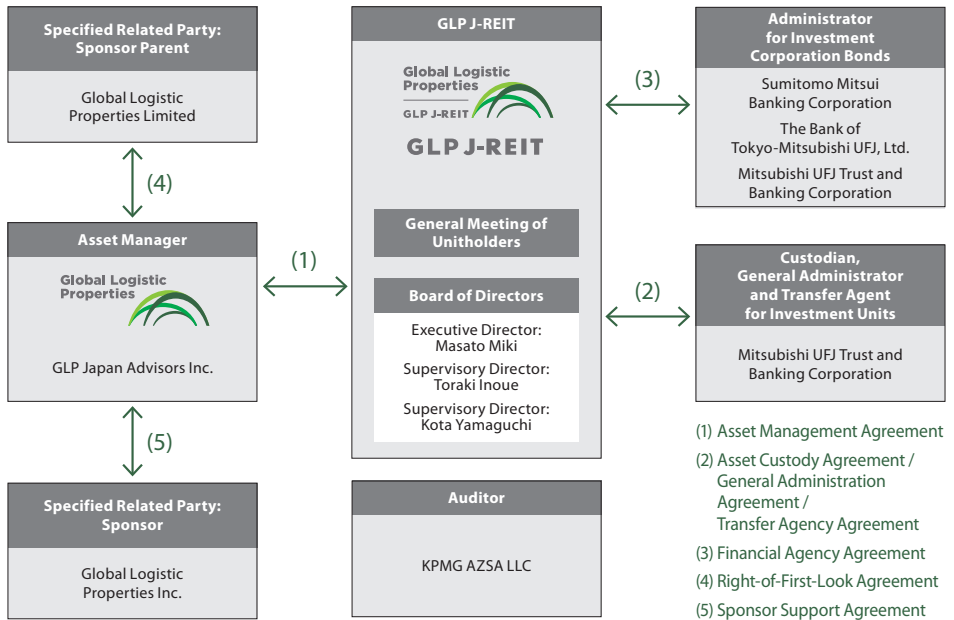
Participation in the GRESB survey

GLP J-REIT has participated in the GRESB sustainability benchmarking survey of realtors every year since listing.



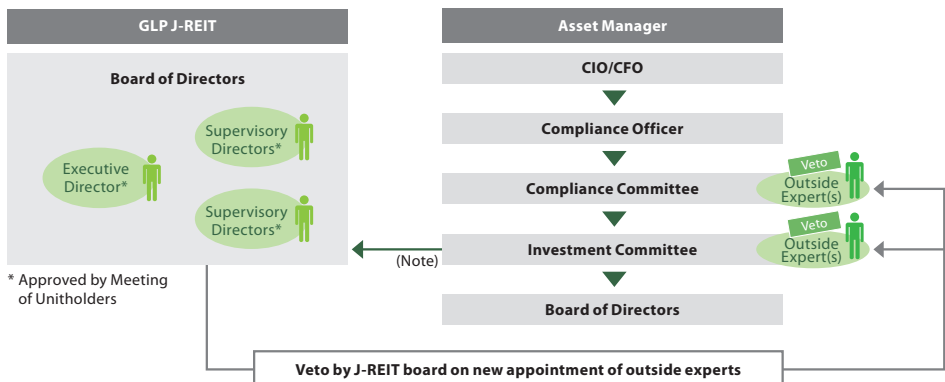
Overview GLP J-REIT

Structure of GLP J-REIT



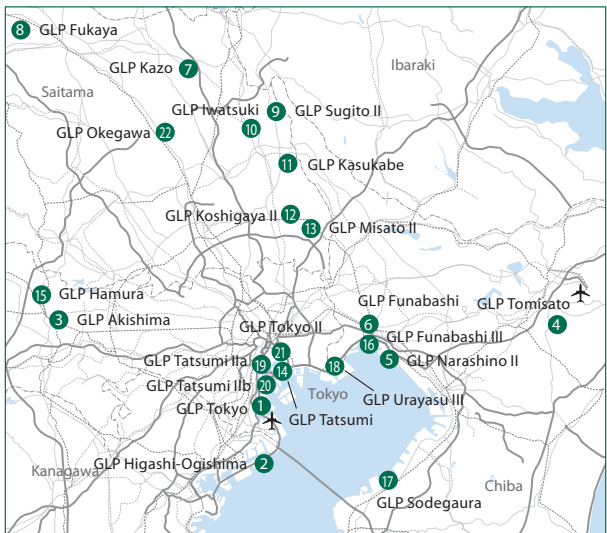
* Global Logistic Properties Holdings Limited, GLP Singapore Pte. Ltd. and GLP J-REIT Master Lease Godo Kaisha, is each regarded as "Specified Related Party" as defined in the Financial Instruments and Exchange Act (the "Act") since: (i) Global Logistic Properties Holdings Limited and GLP Singapore Pte. Ltd. are the indirect holding companies of GLP Japan Advisors, Inc. and (ii) GLP J-REIT Master Lease Godo Kaisha is conducting or has conducted transactions specified under Article 29-3 Paragraph 3, Item 4 (Real Estate Lending Transactions) of Order for Enforcement of the Act and thus is considered as an "interested party" of GLP Japan Advisors Inc.

Governance Structure for Related Party Transactions

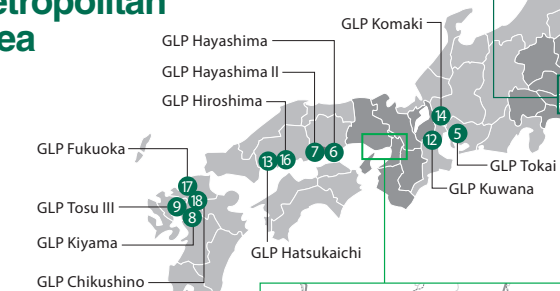


Note: Approval of the J-REIT board is necessary for transactions that require the consent of J-REIT based on the resolution of the J-REIT board, and reporting to the board is necessary for other cases.

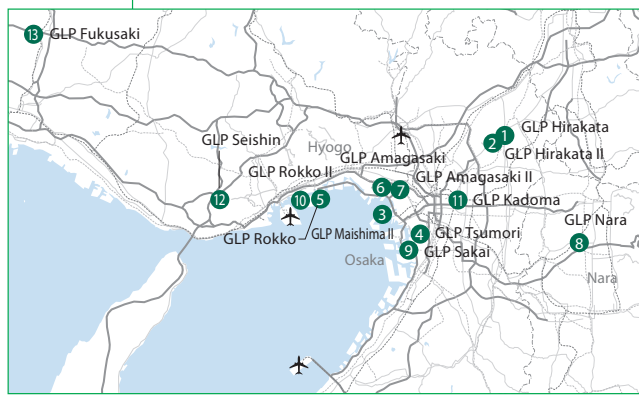
Portfolio Map



Tokyo Metropolitan Area



Greater Osaka Area



Other Area

● As of Feb 2015

Overview of Portfolio in Tokyo Metropolitan Area



1 GLP Tokyo Ota, Tokyo



5 GLP Narashino II Narashino, Chiba



4 GLP Tomisato Tomisato, Chiba



8 GLP Fukaya Fukaya, Saitama



6 GLP Funabashi Funabashi, Chiba

Overview of Portfolio in Tokyo Metropolitan Area



18 GLP Urayasu III Urayasu, Chiba



2 GLP Higashi-Ogishima
Kawasaki, Kanagawa



3 GLP Akishima Akishima, Tokyo



17 GLP Sodegaura Sodegaura, Chiba



16 GLP Funabashi III Funabashi, Chiba



9 GLP Sugito II Kita-katsushika, Saitama



10 GLP Iwatsuki Saitama, Saitama



11 GLP Kasukabe Kasukabe, Saitama



7 GLP Kazo Kazo, Saitama



20 GLP Tatsumi IIb Koto, Tokyo



21 GLP Tokyo II Koto, Tokyo

Acquired in
6th period

Overview of Portfolio in Tokyo Metropolitan Area



13 GLP Misato II Misato, Saitama



14 GLP Tatsumi Koto, Tokyo



19 GLP Tatsumi Ila Koto, Tokyo



12 GLP Koshigaya II Koshigaya, Saitama



15 GLP Hamura Hamura, Tokyo



22 GLP Okegawa Okegawa, Saitama

Acquired in
6th period

Overview of Portfolio in Greater **Osaka** Area



1 GLP Hirakata Hirakata, Osaka



2 GLP Hirakata II Hirakata, Osaka



4 GLP Tsumori Osaka, Osaka



5 GLP Rokko Kobe, Hyogo



7 GLP Amagasaki II Amagasaki, Hyogo



11 GLP Kadoma Kadoma, Osaka

Acquired in
6th period

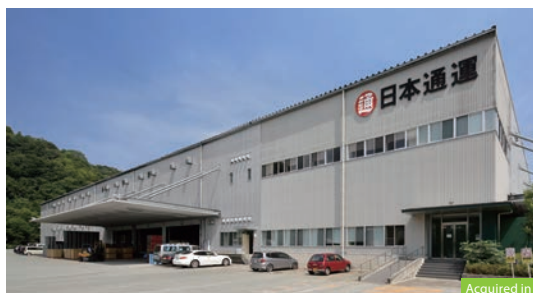


3 GLP Maishima II Osaka, Osaka

Overview of Portfolio in Greater **Osaka** Area



6 GLP Amagasaki Amagasaki, Hyogo



13 GLP Fukusaki Kanzaki, Hyogo

Acquired in
6th period



8 GLP Nara Yamato koriyama, Nara



9 GLP Sakai Sakai, Osaka



10 GLP Rokko II Kobe, Hyogo



12 GLP Seishin Kobe, Hyogo

Acquired in
6th period

Overview of Portfolio in Other Area



1 GLP Morioka Shiwa, Iwate



2 GLP Tomiya Kurokawa, Miyagi



3 GLP Koriyama I Koriyama, Fukushima



4 GLP Koriyama III Koriyama, Fukushima



5 GLP Tokai Tokai, Aichi



6 GLP Hayashima Tsukubo, Okayama

Overview of Portfolio in Other^{Area}



11 GLP Ebetsu Ebetsu, Hokkaido



8 GLP Kiyama Miyaki, Saga



7 GLP Hayashima II Tsukubo, Okayama



9 GLP Tosu III Tosu, Saga



10 GLP Sendai Sendai, Miyagi



12 GLP Kuwana Kuwana, Mie



13 GLP Hatsukaichi Hatsukaichi, Hiroshima



14 GLP Komaki Komaki, Aichi



16 GLP Hiroshima Hiroshima, Hiroshima

Acquired in
6th period



17 GLP Fukuoka Fukuoka, Fukuoka

Acquired in
6th period



15 GLP Ogimachi Sendai, Miyagi

Acquired in
6th period



18 GLP Chikushino Chikushino, Fukuoka

Acquired in
6th period

ASSET MANAGEMENT REPORT

[Overview of Asset Management]

1. Trends in Key Indicators

		2nd Period	3rd Period	4th Period	5th Period	6th Period
		July 1, 2012 to Feb. 28, 2013	Mar. 1, 2013 to Aug. 31, 2013	Sept. 1, 2013 to Feb. 28, 2014	Mar. 1, 2014 to Aug. 31, 2014	Sept. 1, 2014 to Feb. 28, 2015
Operating revenues	Million yen	2,236	7,272	8,080	9,322	10,991
Of which, Property-related revenues	Million yen	2,236	7,272	8,080	9,322	10,991
Operating expenses	Million yen	908	2,971	3,228	4,410	5,189
Of which, Property-related expenses	Million yen	665	2,124	2,323	3,438	4,051
Operating income	Million yen	1,328	4,301	4,852	4,911	5,801
Ordinary income	Million yen	910	3,547	4,069	3,973	4,695
Net income	Million yen	907	3,546	4,068	3,971	4,695
Total assets	Million yen	231,353	233,875	256,107	293,223	347,501
[Period-on-period changes]	%	[—]	[1.1]	[9.5]	[14.5]	[18.5]
Total net assets	Million yen	108,323	110,894	134,011	133,388	165,737
[Period-on-period changes]	%	[—]	[2.4]	[20.8]	[(0.5)]	[24.3]
Unitholders' capital, net (Note 4)	Million yen	107,501	107,347	129,942	129,415	161,040
Number of investment units issued and outstanding	Unit	1,837,700	1,837,700	2,097,700	2,097,700	2,390,731
Net assets per unit (Note 5)	Yen	58,945	60,344	63,884	63,588	69,324
Distributions	Million yen	975	4,022	4,593	4,564	5,393
Of which, Distributions of earnings	Million yen	821	3,546	4,067	3,970	4,695
Of which, Distributions in excess of retained earnings	Million yen	154	475	526	593	698
Distributions per unit	Yen	531	2,189	2,190	2,176	2,256
Of which, Distributions of earnings per unit	Yen	447	1,930	1,939	1,893	1,964
Of which, Distributions in excess of retained earnings per unit	Yen	84	259	251	283	292
Ordinary income to total assets (Note 6)	%	0.8	1.5	1.7	1.4	1.5
[Annualized ordinary income to total assets]	%	[1.2]	[3.0]	[3.3]	[2.9]	[3.0]
Return on unitholders' equity (Note 6)	%	1.7	3.2	3.3	3.0	3.1
[Annualized return on unitholders' equity]	%	[2.5]	[6.4]	[6.7]	[5.9]	(6.3)
Unitholders' equity to total assets (Note 6)	%	46.8	47.4	52.3	45.5	47.7
[Period-on-period changes]	%	[21.8]	[0.6]	[4.9]	[(6.8)]	[2.2]
Payout ratio (Note 6)	%	90.5	100.0	99.9	100.0	100.0
【Other Information】						
Number of operating days (Note 7)		56	184	181	184	181
Number of investment properties		33	33	40	44	53
Occupancy ratio	%	99.9	99.9	99.9	99.9	98.6
Depreciation expense	Million yen	515	1,588	1,755	1,985	2,329
Capital expenditures	Million yen	59	217	480	342	655
Rental NOI (Net Operating Income) (Note 6)	Million yen	2,086	6,736	7,513	7,869	9,274
FFO (Funds from Operation) (Note 6)	Million yen	1,422	5,134	5,823	5,957	7,029
FFO per unit (Note 6)	Yen	774	2,794	2,776	2,840	2,940
Total distributions / FFO ratio (Note 6)	%	68.6	78.3	78.9	76.6	76.7
Debt service coverage ratio (Note 6)		6.8	7.6	8.8	6.8	7.1
The ratio of interest bearing liabilities to total assets	%	49.4	48.9	44.2	51.1	49.1

(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 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 the 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 July 1, 2012.

(Note 6) The following formulas are 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, 4th and 6th Period, the following formula is used due to the issuance of new units during the period. $\text{Total distributions (excluding OPD**)} / \text{Net income} \times 100$
Rental NOI (Net Operating income)	$\text{Property-related revenues} - \text{Property-related expenses} + \text{Depreciation expenses} + \text{Loss on retirement of noncurrent assets}$
FFO (Funds From Operation)	$\text{Net income (loss)} + \text{Depreciation expenses} + \text{Loss on retirement of noncurrent assets} - \text{Gain (loss) on sale of properties}$
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 6th Period

(1) Brief Background of GLP J-REIT

GLP J-REIT is a real estate investment corporation (J-REIT) specializing in logistics facilities, and it 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).

Since starting its operation as a listed J-REIT with 30 properties (total acquisition price of 208,731 million yen) as at January 2013, GLP J-REIT has been steadily expanding its assets through continuous acquisition of properties. As of the end of the current fiscal period, GLP J-REIT owns 53 properties (total acquisition price of 338,891 million yen).

(2) Investment Environment and Business Performance

During the current fiscal period, certain weaknesses had been seen in private consumption and companies’ production, as shown in the real GDP growth rate for July to September period of 2014, which was released in November 2014 with a lower than expected result due to decline in private consumption after a consumption tax increase in April 2014. However, the steady recovery of the economy was attributed to the effects of government policy announced in November 2014 to postpone an additional consumption tax increase and the additional monetary easing policy announced by the Bank of Japan in October 2014. Thus, the Japanese economy continued a recovery trend as a whole for the current fiscal period.

The favorable financing environment in the real estate market has continuously led to a number of asset acquisitions by J-REIT and increases of its capital through public offerings, while transactions and investments by private placement funds and foreign investors also continued to be active.

In the leasing market for logistics facilities, although there was an increase in the new supply of large-scale logistics facilities, the newly supplied space was steadily taken up and vacancy rate decreased against the backdrop of the expansion of the third-party logistics (3PL) business, the e-commerce market and others.

Under these conditions, GLP J-REIT acquired nine properties (total acquisition price 53,830 million yen) on September 2, 2014 pursuant to the Trust Beneficial Interest Transfer Agreement entered on August 11, 2014. Thus, GLP J-REIT managed to continuously expand the size of its assets and steadily grow its portfolio while maintaining the quality of its asset portfolio.

Moreover, while providing services which satisfy the needs of its portfolio property tenants, GLP J-REIT actively strove to increase rents in an environment of strong demand for logistics facilities. Thus, lease renewals have been all executed with the same existing or higher rents during the five consecutive fiscal periods since its listing on the Tokyo Stock Exchange.

As a result of these operations, GLP J-REIT owns 53 properties with the total acquisition price of 338,891 million yen and the total leasable area of 1,692,532.27m² 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 98.6%.

(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. Under the favorable financing environment, GLP J-REIT also pursues lengthening of debt maturity and reduction of its borrowing costs.

In the current fiscal period, GLP J-REIT raised 32,217 million yen through a public offering in September 2014 and accompanying third party allotment, and 21,650 million yen through new bank borrowings for the purpose of acquiring trust beneficiary rights of the aforementioned nine properties and repaying borrowings. In addition, GLP-J REIT made early repayment of certain bank loans in December 2014 by using 9,000 million yen raised through issuances of investment corporation bonds with the following maturity periods: 6-year-maturity for the 3rd series, 8-year-maturity for the 4th series and 12-year maturity for the 5th series. GLP J-REIT achieved lengthening of debt maturities while reducing borrowing costs, by refinancing 11,160 million yen with new loan contracts in January 2015. Besides, GLP J-REIT further strengthened its financial stability by utilizing interest rate swap contracts to convert floating interest rates of some loans into fixed rates for a long term.

As a result of the above, outstanding interest-bearing liabilities as of the end of the current fiscal period totaled 170,480 million yen (outstanding loans 153,480 million yen, outstanding investment corporation bonds 17,000 million yen), and the ratio of interest-bearing liabilities to total assets (LTV) was 49.1%.

GLP J-REIT was assigned the following credit ratings 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-	Positive
	Bond rating (Note)	AA-	—

(Note 1) It is the rating for the 1st to the 5th Unsecured Investment Corporation Bonds.

(4) Overview of Financial Results and Cash Distribution

As a result of these management efforts, GLP J-REIT reported operating revenues of 10,991 million yen, operating income of 5,801 million yen, ordinary income of 4,695 million yen and net income of 4,695 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 4,695,395,684 yen. This cash distribution is eligible for the special tax treatment on investment corporations (Section 67.15 of the Special Taxation Measures Act) and represents the multiple of the number of investment units issued and outstanding (2,390,731 units) from unappropriated retained earnings. Accordingly, distribution per unit for the current fiscal period was 1,964 yen.

In addition, GLP J-REIT intends to distribute funds in excess of the amount of retained earnings (Optimal Payable Distribution (hereinafter “OPD”)) for 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 698,093,452 yen, an amount almost equivalent to 30% of depreciation (2,329 million yen) for the current fiscal period, as a refund of investment. As a result, the amount of OPD per unit was 292 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 655 million yen of capital expenditure for the current fiscal period from 2,329 million yen of depreciation expenses for the period is 1,673 million yen.

For the time being, GLP J-REIT intends to make an OPD distribution in the 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 and maintenance plan or financial conditions in light of the estimated amount of capital expenditure for each fiscal period based on the plan.

With respect to all 53 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the short-term emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports dated September 19, 2012, August 20, 2013, March 20, 2014 and July 25, 2014 for each property prepared by Deloitte Tohmatsu Property Risk Solution Co., Ltd., is 423 million yen.

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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)
May 19, 2014	Distributions in excess of retained earnings (a refund of investment)	—	2,097,700	(526)	129,415	(Note 12)
September 1, 2014	Public offering	281,709	2,379,409	30,973	160,389	(Note 13)
September 24, 2014	Issuance of new units through allocation to a third party	11,322	2,390,731	1,244	161,633	(Note 14)
November 19, 2014	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(593)	161,040	(Note 15)

(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.
- (Note 12) At the Board of Directors' Meeting held on April 15, 2014, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 251 yen per unit for the 4th fiscal period (the period ended February 28, 2014). The payment of distributions was commenced on May 19, 2014.
- (Note 13) 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 109,947 yen or the offer price of 113,827 yen per unit.
- (Note 14) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 109,947 yen.
- (Note 15) At the Board of Directors' Meeting held on October 15, 2014, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 283 yen per unit for the 5th fiscal period (the period ended August 31, 2014). The payment of distributions was commenced on November 19, 2014.

[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	2nd Period	3rd Period	4th Period	5th Period	6th Period
For the period ended	February 28, 2013	August 31, 2013	February 28, 2014	August 31, 2014	February 28, 2015
Highest	84,600	102,300	109,700	125,600	140,100
Lowest	63,600	81,900	93,100	99,100	116,300

4. Distributions

Actual amount of distributions is as follows:

(Unit: Thousand yen, unless otherwise stated)

	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	5th Period Mar. 1, 2014 to Aug. 31, 2014	6th Period Sept. 1, 2014 to Feb. 28, 2015
Unappropriated retained earnings	822,090	3,547,322	4,068,649	3,972,883	4,697,068
Retained earnings carried forward	638	561	1,209	1,937	1,672
Total distributions	975,818	4,022,725	4,593,963	4,564,595	5,393,489
[Distributions per unit]	[531 yen]	[2,189 yen]	[2,190 yen]	[2,176 yen]	[2,256 yen]
Of which, distributions of earnings	821,451	3,546,761	4,067,440	3,970,946	4,695,395
[Distributions of earnings per unit]	[447 yen]	[1,930 yen]	[1,939 yen]	[1,893 yen]	[1,964 yen]
Of which, Distributions in excess of retained earnings	154,366	475,964	526,522	593,649	698,093
[Distributions in excess of retained earnings per unit]	[84 yen]	[259 yen]	[251 yen]	[283 yen]	[292 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 655 million yen of capital expenditure for the current fiscal period from 2,329 million yen of depreciation expenses for the period is 1,673 million yen.

For the time being, GLP J-REIT intends to make an OPD distribution in the 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 and maintenance plan or financial conditions in light of the estimated amount of capital expenditure for each fiscal period based on the plan.

With respect to all 53 properties held as of the end of the current fiscal period, 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 forth in the Engineering Reports dated September 19, 2012, August 20, 2013, March 20, 2014 and July 25, 2014 for each property prepared by Deloitte Tohmatsu Property Risk Solution Co., Ltd., is 423 million yen.

5. Future Management Policy and Matters to be Addressed

(1) Operational Environment in Next Fiscal Period

The Japanese economy is expected to recover owing to the effectiveness of various governmental economic policy measures, the effects of a downfall in oil prices, and the improvement of employment and individual income. While a favorable investment environment is expected to continue in the short term, it is necessary to continuously monitor weak consumer sentiment, the impact of oil price fluctuation and the recovery pace of the U.S. economy.

Leasable logistics facilities transactions have exhibited an upward trend due to rising investor interest in such transactions and the level of competition in bidding has become increasingly severe. While new modern logistics facilities continue to be built, the current growth in leasing demand among tenant companies absorbed vacancies from such facilities; thus, the vacancy rate declined. The leasing market is also expected to continue steady expansion for a while because it shows a solid trend in rent increases for new leasing facilities.

With regard to the financing environment, financial institutions are expected to maintain their current positive lending policies, and this financial environment will further ensure a steady capital inflow into the J-REIT market.

(2) Future Management Policy and Matters to be Addressed

Under these circumstances, GLP J-REIT is committed to implementing the following measures to further its 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 negotiate for higher rents for lease contracts subject to renewal, giving consideration to market rents, upon the expiration of lease period. At the same time, GLP J-REIT will manage to enhance the value of existing assets by appropriate maintenance of such assets and capital expenditure.

As for external growth strategy, the Asset Manager of GLP J-REIT has entered into a right-of-first-look agreement with Global Logistic Properties Limited, 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 24 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 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

None

[Profile of GLP J-REIT]

1. Status of Unitholders' Capital

	2nd Period As of February 28, 2013	3rd Period As of August 31, 2013	4th Period As of February 28, 2014	5th Period As of August 31, 2014	6th Period As of February 28, 2015
Number of investment units authorized (units)	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Number of investment units issued and outstanding (units)	1,837,700	1,837,700	2,097,700	2,097,700	2,390,731
Unitholders' capital, net (million yen) (Note)	107,501	107,347	129,942	129,415	161,040
Number of unitholders	14,585	12,238	11,991	12,389	15,509

(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, 2015.

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	363,186	15.19
GLP Capital Japan 2 Private Limited	Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo	355,410	14.86
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	190,906	7.98
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Tower Z, Harumi Triton Square, 1-8-12 Harumi, Chuo-ku, Tokyo	169,596	7.09
Nomura Bank Luxembourg S.A.	1-2-3, Otemachi, Chiyoda-ku, Tokyo Standing proxy: Sumitomo Mitsui Banking Corporation	112,792	4.71
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	99,014	4.14
CBLDN-STICHTING PGGM DEPOSITARY-LISTED REAL ESTATE PF FUND	6-27-30 Shinjuku, Shinjuku-ku, Tokyo Standing proxy: Citibank Japan Ltd.	85,386	3.57
The Bank of New York Mellon SA/NV 10	2-7-1 Marunouchi, Chiyoda-ku, Tokyo Standing proxy: The Bank of Tokyo Mitsubishi UFJ, Ltd., Transaction Services Division	37,003	1.54
State Street Bank and Trust Company	3-11-1, Nihonbashi, Chuo-ku, Tokyo Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch	25,993	1.08
State Street Bank-West Pension Fund Clients-Exempt	4-16-13 Tsukishima, Chuo-ku, Tokyo Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division	21,451	0.89
Total		1,460,737	61.10

(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, Accounting Advisory Co., Ltd. Outside Corporate Auditor, Pioneer Corporation	1,920
	Kota Yamaguchi	Partner, Kimura Takushima & Yamaguchi Law Firm Outside Director, Heiwa Corporation	1,920
Independent Auditor (Note 3)	KPMG AZSA LLC	—	27,000

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

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

(Note 3) The auditor's fee includes fees of a comfort letter of which total amount is 13,500 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 Administrators

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, Transfer Agent for Investment Units	Mitsubishi UFJ Trust and Banking Corporation
Administrator for Investment Corporation Bonds	Sumitomo Mitsui Banking Corporation
Administrator for Investment Corporation Bonds	The Bank of Tokyo Mitsubishi UFJ, Ltd.
Administrator for Investment Corporation Bonds	Mitsubishi UFJ Trust and Banking Corporation

[Status on Investment Properties]

1. Composition of GLP J-REIT's Assets

Type of asset	Use of asset	Area (Note 1)	5th Period As of August 31, 2014		6th Period As of February 28, 2015	
			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	171,678	58.5	209,463	60.3
		Greater Osaka area	62,349	21.3	69,501	20.0
		Other	48,310	16.5	55,835	16.1
Subtotal			282,337	96.3	334,800	96.3
Deposits and other assets			10,886	3.7	12,700	3.7
Total assets (Note 5)			293,223 [282,337]	100.0 [96.3]	347,501 [334,800]	100.0 [96.3]

(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 book 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 amount of "Property and equipment in trust" does not include the amount of construction in progress.

(Note 5) The total assets above are stated at the book value. 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)	Leased area (m ²) (Note 2)	Occupancy ratio (%) (Note 3)	Ratio to total rental revenues (%) (Note 3)	Primary use
GLP Tokyo II	36,093	79,073.21	79,073.21	100.0	9.3	Logistics facility
GLP Amagasaki	24,017	110,224.41	110,224.41	100.0	7.4	Logistics facility
GLP Tokyo	22,386	56,105.95	56,105.95	100.0	6.4	Logistics facility
GLP Sugito II	18,517	101,272.40	100,162.57	98.9	6.0	Logistics facility
GLP Urayasu III	18,146	64,198.11	64,198.11	100.0	(Note 4)	Logistics facility
GLP Narashino II	15,183	104,543.59	104,543.59	100.0	(Note 4)	Logistics facility
GLP Misato II	14,351	59,208.59	59,208.59	100.0	(Note 4)	Logistics facility
GLP Kazo	11,117	76,532.71	76,532.71	100.0	(Note 4)	Logistics facility
GLP Komaki	10,269	52,709.97	52,709.97	100.0	(Note 4)	Logistics facility
GLP Koshigaya II	9,626	43,537.47	43,537.47	100.0	(Note 4)	Logistics facility
Total	179,709	747,406.42	746,296.59	99.9	51.8	

(Note 1) “Leasable area” is the area of property or property in trust that is available for lease in accordance with relevant lease agreements or architectural drawings. The figures are rounded down to the second decimal place. Leasable area may change upon renewal of agreements.

(Note 2) “Leased area” is the total area leased to building tenants in accordance with the relevant lease agreements of each property or property in trust. The figures are rounded down to the second decimal place. When a 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 the tenants’ 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	25,400	22,386
GLP Higashi-Ogishima	23-9, Higashi-Ogishima, Kawasaki-ku, Kawasaki, Kanagawa		34,582.00	5,820	5,004
GLP Akishima	4-13-41, Mihori-cho, Akishima, Tokyo 4-13-42, Mihori-cho, Akishima, Tokyo		27,356.63	8,060	7,116
GLP Tomisato	3-1, Misawa, Tomisato, Chiba		27,042.59	5,370	4,858
GLP Narashino II	3-6-3, Akanehama, Narashino, Chiba		104,543.59	18,200	15,183
GLP Funabashi	1-1389-2, Kaijincho-minami, Funabashi, Chiba		10,668.05	1,840	1,935
GLP Kazo	1-5-1, Minamishinozaki, Kazo, Saitama		76,532.71	12,900	11,117
GLP Fukaya	1900-2, Mizugahara, Orinokuchi, Fukaya, Saitama		19,706.00	2,660	2,346
GLP Sugito II	398-2, Fukawa, Sugito-machi, Kita-Katsushika, Saitama		101,272.40	21,000	18,517
GLP Iwatsuki	2-9-10, Kokaba, Iwatsuki-ku, Saitama, Saitama		31,839.99	7,630	6,797
GLP Kasukabe	1155, Anzai, Suikaku, Kasukabe, Saitama		18,460.73	4,640	4,108
GLP Koshigaya II	2-2-1, Ryutsu-Danchi, Koshigaya, Saitama		43,537.47	10,700	9,626
GLP Misato II	3-2-1, Lala-city, Shinmisato, Misato, Saitama		59,208.59	16,400	14,351
GLP Tatsumi	3-11-10, Tatsumi, Koto-ku, Tokyo		12,925.58	5,640	4,925
GLP Hamura	4-9-8, Shinmeidai, Hamura, Tokyo		40,277.93	8,520	7,642
GLP Funabashi III	2-15-1, Nishiura, Funabashi, Chiba		18,281.84	3,710	3,025
GLP Sodegaura	385-18, Shiinomor, Sodegaura, Chiba		45,582.06	7,280	6,066
GLP Urayasu III	15-27, Chidori, Urayasu, Chiba		64,198.11	19,300	18,146
GLP Tatsumi IIa	3-8-10, Tatsumi, Koto-ku, Tokyo		17,108.52	7,210	6,727
GLP Tatsumi IIb	3-7-7, Tatsumi, Koto-ku, Tokyo		3,359.00	1,140	1,065
GLP Tokyo II	3-4-11 Shinsuna, Koto-ku, Tokyo		79,073.21	36,700	36,093
GLP Okegawa	2-6 Akabori, Okegawa, Saitama		17,062.92	2,530	2,421
GLP Hirakata	3-2-27, Minami-nakaburi, Hirakata, Osaka 3-2-7, Minami-nakaburi, Hirakata, Osaka		29,829.56	5,000	4,711
GLP Hirakata II	3-3-1, Minami-nakaburi, Hirakata, Osaka		43,283.01	8,380	7,800
GLP Maishima II	2-1-92, Hokukoryokuchi, Konohana-ku, Osaka, Osaka		56,511.10	10,200	8,643
GLP Tsumori	2-1-30, Minami-tsumori, Nishinari-ku, Osaka, Osaka		16,080.14	2,160	2,021
GLP Rokko	3-10, Koyocho-higashi, Higashinada-ku, Kobe, Hyogo		39,339.00	5,540	5,116
GLP Amagasaki	231-2, Nishimukojima-cho, Amagasaki, Hyogo		110,224.41	25,900	24,017
GLP Amagasaki II	16, Nishitakasu-cho, Amagasaki, Hyogo		12,342.95	2,160	2,028
GLP Nara	6-4, Imago-cho, Yamatokoriyama, Nara		19,545.35	2,700	2,303
GLP Sakai	1-63, Chikkouyawatamachi, Sakai-ku, Sakai, Osaka		10,372.10	2,120	1,951
GLP Rokko II	4-15-1 Koyochohigashi, Higashinada-ku, Kobe, Hyogo		20,407.30	4,060	3,372
GLP Kadoma	4-2-1 Shinomiya, Kadoma, Osaka		12,211.73	2,660	2,441
GLP Seishin	2-5-1 Yasakadai, Suma-ku, Kobe		9,533.88	1,510	1,473
GLP Fukusaki	1714-14 Saiji, Fukusaki-cho, Kanzaki-gun, Hyogo		24,167.83	3,920	3,618
GLP Morioka	59, Urata, Sakuramachi, Shiwa-cho, Shiwa, Iwate		10,253.80	855	822
GLP Tomiya	9-1-2, Narita, Tomiyama-machi, Kurokawa, Miyagi		20,466.98	2,950	2,737
GLP Koriyama I	3-2-2, Oroshi, Kikuta-cho, Koriyama, Fukushima		24,335.96	4,360	3,918
GLP Koriyama III	5-12, Mukaihara, Horinouchi, Kikuta-machi, Koriyama, Fukushima		27,671.50	2,690	2,664
GLP Tokai	2-47, Asayama, Tokai, Aichi		32,343.31	7,040	6,095
GLP Hayashima	823, Yao, Hayashima-cho, Tsukubo, Okayama		13,574.58	1,280	1,215

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 Hayashima II	4507-40, Hayashima, Hayashima-cho, Tsukubo, Okayama	Beneficiary right of real estate in trust	14,447.48	2,570	2,374
GLP Kiyama	2950-1, Urata, Sonobe, Kiyama-cho, Miyaki, Saga		23,455.96	5,160	4,555
GLP Tosu III	1-2, Wakasa, Fujinokimachi, Tosu, Saga		11,918.00	880	833
GLP Sendai	2-5-2 Sendaikou Kita, Miyagino-ku, Sendai, Miyagi		37,256.23	6,170	5,457
GLP Ebetsu	69-3 Kakuyama, Ebetsu, Hokkaido		18,489.25	1,930	1,557
GLP Kuwana	3646-1 Kanegaya, Mizono, Tado-cho, Kuwana, Mie		20,402.12	4,200	3,586
GLP Hatsukaichi	14-2 Mokuzaikokita, Hatsukaichi, Hiroshima		10,981.89	2,310	1,952
GLP Komaki	1-31 Shinkoki, Komaki, Aichi		52,709.97	11,000	10,269
GLP Ogimachi	1-8-5 Ogimachi, Miyagino-ku, Sendai, Miyagi		13,155.28	1,510	1,456
GLP Hiroshima	2-7-11 Kusatsukou, Nishi-ku, Hiroshima, Hiroshima 2-7-4 Kusatsukou, Nishi-ku, Hiroshima, Hiroshima		21,003.04	3,870	3,742
GLP Fukuoka	1-10-1 Itaduke, Hakata-ku, Fukuoka, Fukuoka		14,641.22	1,600	1,537
GLP Chikushino	174-2 Morota, Chikushino, Fukuoka		12,851.46	1,260	1,059
Total			1,692,532.27	370,595	334,800

(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 relevant lease agreements or architectural drawings. The figures are rounded down to the second decimal place. The leasable area may be changed upon renewal of lease agreements.

(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 Trusts Association, Japan.

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

Name of property	5th Period From March 1, 2014 To August 31, 2014				6th Period From September 1, 2014 To February 28, 2015			
	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	706	7.6	5	100.0	708	6.4
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)	-	-	(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	98.9	661	7.1	4	98.9	657	6.0
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)	1	100.0	(Note 3)	(Note 3)
GLP Funabashi III	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sodegaura	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Urayasu III	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi Ila	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tatsumi Iib	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tokyo II	-	-	-	-	6	100.0	1,020	9.3
GLP Okegawa	-	-	-	-	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	822	8.8	7	100.0	816	7.4
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)	1	100.0	(Note 3)	(Note 3)
GLP Kadoma	-	-	-	-	1	100.0	(Note 3)	(Note 3)
GLP Seishin	-	-	-	-	1	100.0	(Note 3)	(Note 3)
GLP Fukusaki	-	-	-	-	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	132	1.4	3	60.0	87	0.8
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)

Name of property	5th Period From March 1, 2014 To August 31, 2014				6th Period From September 1, 2014 To February 28, 2015			
	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 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)	1	100.0	(Note 3)	(Note 3)
GLP Kuwana	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hatsukaichi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Komaki	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Ogimachi	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Hiroshima	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Fukuoka	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Chikushino	—	—	—	—	1	100.0	(Note 3)	(Note 3)
Total	66	99.9	9,322	100.0	79	98.6	10,991	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 the tenants’ 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	115,990	92,190	(1,269)
Total		115,990	92,190	(1,269)

(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 is not measured at fair value but accounted for under special treatment for interest rate swaps based on “Accounting Standards 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 for 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 Expenditure for Properties Owned]

1. Future Plan of Capital Expenditure

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

Property name	Location	Purpose	Planned period	Estimated construction cost (Million yen)		
				Total amount	Amount paid during the period	Total amount paid
GLP Funabashi III	Funabashi, Chiba	Renovation of exterior wall joint of warehouse	From July 2015 to August 2015	58	—	—
GLP Ogimachi	Sendai, Miyagi	Roof renovation	From October 2015 to November 2015	47	—	—
GLP Sendai	Sendai, Miyagi	Renovation of South-side exterior walls	From October 2015 to November 2015	46	—	—
GLP Higashi-Ogishima	Kawasaki, Kanagawa	Replacement of water cooled chillers	From April 2015 to June 2015	35	—	—
GLP Chikushino	Chikushino, Fukuoka	Roof renovation	From July 2015 to August 2015	30	—	—
GLP Ogimachi	Sendai, Miyagi	Roof renovation	From July 2015 to August 2015	27	—	—
GLP Chikushino	Chikushino, Fukuoka	Renovation of walls and cleaning of rust stains	From July 2015 to August 2015	21	—	—
GLP Morioka	Shiwa-gun, Iwate	Renovation of East-side exterior walls of warehouse	From July 2015 to August 2015	17	—	—
GLP Tosu III	Tosu, Saga	Renovation of asphalt pavement around an administration building	From April 2015 to May 2015	10	—	—
GLP Tosu III	Tosu, Saga	Renovation of asphalt pavement of track berth	From December 2015 to January 2016	10	—	—
GLP Tosu III	Tosu, Saga	Replacement of air conditioners	From April 2015 to June 2015	9	—	—
GLP Tosu III	Tosu, Saga	Replacement of air conditioners	From October 2015 to December 2015	9	—	—

2. Capital Expenditure Incurred for the 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 655 million yen. The total construction cost amounted to 824 million yen, including repair and maintenance of 169 million yen that was accounted for as expenses.

Property name	Location	Purpose	Period	Construction cost (Million yen)
GLP Funabashi	Funabashi, Chiba	Restoration and refurbishment work	From October 2014 to February 2015	149
GLP Hamura	Hamura, Tokyo	Renovation of exterior walls	From December 2014 to February 2015	41
GLP Koriyama III	Koriyama, Fukushima	Replacement of automatic fire alarm receivers	From October 2014 to February 2015	35
GLP Koriyama III	Koriyama, Fukushima	Refurbishment work	From September 2014 to September 2014	23
GLP Funabashi	Funabashi, Chiba	Replacement of air conditioners	From October 2014 To December 2014	20
GLP Tosu III	Tosu, Saga	Replacement of air conditioners	From November 2014 to December 2014	8
Other	—	—	—	376
Total				655

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	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	5th Period Mar. 1, 2014 to Aug. 31, 2014	6th Period Sept. 1, 2014 to Feb. 28, 2015
Balance brought forward from the previous period	—	—	—	—	—
Amount reserved during the period	—	—	—	—	—
Amount used during the period	—	—	—	—	—
Balance to be carried forward to the next period	—	—	—	—	—

(Note 1) GLP J-REIT intends not to account for reserves if the estimated amount of capital expenditure 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 expenditure for the 7th period (for the period ending August 2015) to be 660 million yen, which does not exceed 1,630 million yen, the amount equivalent to 70% of 2,329 million yen, which 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 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 655 million yen of capital expenditure for the current fiscal period from 2,329 million yen of depreciation expenses for the period is 1,673 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 expenditure for each fiscal term based on the long-term repair plan of GLP J-REIT.

With respect to all 53 properties held as of February 28, 2015, 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, August 20, 2013, March 20, 2014 and July 25, 2014 for each property prepared by Deloitte Tohmatsu Property Risk Solution Co., Ltd., is 423 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

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
Tokyo-18	GLP Urayasu III			—	289,550
Tokyo-19	GLP Tatsumi Ila		March 20, 2014	—	86,120
Tokyo-20	GLP Tatsumi IIb			—	93,183
Tokyo-21	GLP Tokyo II		July 25, 2014	—	333,550
Tokyo-22	GLP Okegawa			—	209,530
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
Osaka-11	GLP Kadoma		July 25, 2014	—	114,160
Osaka-12	GLP Seishin			—	186,900
Osaka-13	GLP Fukusaki		September 19, 2012	—	137,800
Other-1	GLP Morioka			—	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

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)
Other-11	GLP Ebetsu	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 20, 2013	—	47,690
Other-12	GLP Kuwana			—	51,170
Other-13	GLP Hatsukaichi			—	33,980
Other-14	GLP Komaki			—	115,500
Other-15	GLP Ogimachi		July 25, 2014	—	110,170
Other-16	GLP Hiroshima			—	198,660
Other-17	GLP Fukuoka			—	134,110
Other-18	GLP Chikushino			—	150,990
Total				—	10,175,073

(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.

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[Expenses and Liabilities]

1. Status of Expenses related to Asset Management

(Unit: Thousand yen)

	5th Period From March 1, 2014 To August 31, 2014	6th Period From September 1, 2014 To February 28, 2015
Asset management fee (Note 1)	881,580	1,042,210
Asset custody fee	4,447	4,948
Administrative service fees	11,612	17,178
Directors' remuneration	3,720	3,840
Audit fee	14,000	13,500
Taxes and dues	128	111
Other operating expenses	56,491	56,196
Total	971,979	1,137,985

(Note 1) In addition to the amount shown, the amount of asset management fee capitalized as part of acquisition cost were 124,250 thousand yen for the 5th Period and 161,490 thousand yen for the 6th Period.

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
	Name of financial institution								
Short-term loans payable	Sumitomo Mitsui Banking Corporation	September 2, 2014	—	—	0.34%	February 28, 2015 (Note 6)	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 2, 2014	—	—	0.34%	February 28, 2015 (Note 7)	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Fukuoka, Ltd.	January 5, 2015	—	1,300	0.23%	January 4, 2016	Lump-sum	(Note 10)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation		—	400					
	Subtotal		—	1,700					
Long-term loans payable	Sumitomo Mitsui Banking Corporation	January 4, 2013	5,137	—	0.54%	January 4, 2015 (Note 8)	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		4,281	—					
	Mizuho Bank, Ltd.		3,805	—					
	Mitsubishi UFJ Trust and Banking Corporation		1,712	—					
	Citibank Japan Ltd.		1,712	—					
	The Bank of Fukuoka, Ltd.		1,236	—					
	The Norinchukin Bank		856	—					
	Resona Bank, Limited.		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					

	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
	Name of financial institution								
Long-term loans payable	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	1,200	0.43%	December 20, 2016	Lump-sum	(Note 10)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	January 6, 2014	1,150	1,150	0.43%	December 20, 2016	Lump-sum	(Note 10)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 6, 2014	1,150	1,150	0.43%	December 20, 2016	Lump-sum	(Note 10)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	January 6, 2014	1,800	1,800	1.20% (Note 4)	December 20, 2021	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		500	500					
	Mizuho Bank, Ltd.		900	900					
	Mitsubishi UFJ Trust and Banking Corporation		800	800					
	The Bank of Fukuoka, Ltd.		550	550					
	Resona Bank, Limited.		450	450					
	Sumitomo Mitsui Banking Corporation	March 3, 2014	1,000	1,000	0.55%	February 28, 2017	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,000	1,000					
	Mizuho Bank, Ltd.		1,000	1,000					
	Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000					
	Citibank Japan Ltd.		750	750					
	The Bank of Fukuoka, Ltd.		750	750					
	The Norinchukin Bank		500	500					
	Resona Bank, Limited.		500	500					
	Sumitomo Mitsui Trust Bank, Limited		220	220					
	Shinsei Bank, Limited		220	220					
	Aozora Bank, Ltd.		220	220					
	The 77 Bank, Ltd.		220	220					

	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
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	March 3, 2014	3,720	3,720	0.76% (Note 4)	February 28, 2019	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		3,230	3,230					
	Mizuho Bank, Ltd.		2,550	2,550					
	Mitsubishi UFJ Trust and Banking Corporation		500	500					
	Citibank Japan Ltd.		700	700					
	The Bank of Fukuoka, Ltd.		700	700					
	The Norinchukin Bank		450	450					
	Resona Bank, Limited.		450	450					
	Sumitomo Mitsui Banking Corporation	March 3, 2014	2,000	2,000	1.09% (Note 4)	February 26, 2021	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,900	1,900					
	Mizuho Bank, Ltd.		1,250	1,250					
	Mitsubishi UFJ Trust and Banking Corporation		500	500					
	Development Bank of Japan Inc.		450	450					
	Sumitomo Mitsui Banking Corporation	March 3, 2014	1,470	1,470	1.56% (Note 4)	February 29, 2024	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,170	1,170					
	Development Bank of Japan Inc.		500	500					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 3, 2014	3,800	3,800	0.92%	February 26, 2021	Lump-sum	(Note 10)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	June 30, 2014	1,500	1,500	0.32%	February 28, 2017	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,200	1,200					
	Citibank Japan Ltd.		200	200					
	Development Bank of Japan Inc.		500	500					
	The Norinchukin Bank		500	500					
	Sumitomo Mitsui Trust Bank, Limited		800	800					
	Sumitomo Mitsui Banking Corporation	June 30, 2014	500	500	1.12% (Note 5)	June 30, 2026	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		500	500					
	Mizuho Bank, Ltd.	September 2, 2014	—	480	0.31%	September 2, 2016	Lump-sum	(Note 9)	Unsecured not guaranteed
	Mitsubishi UFJ Trust and Banking Corporation		—	410					
	Citibank Japan Ltd.		—	640					
	The Bank of Fukuoka, Ltd.		—	370					
	The Norinchukin Bank		—	300					
	Resona Bank, Limited.		—	380					
	Sumitomo Mitsui Trust Bank, Limited		—	340					
	Shinsei Bank, Limited		—	260					
	Aozora Bank, Ltd.		—	260					
	The 77 Bank, Ltd.		—	260					

	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
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	September 2, 2014	—	3,890	0.86% (Note 4)	September 2, 2022	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	3,470					
	Mizuho Bank, Ltd.		—	2,830					
	Mitsubishi UFJ Trust and Banking Corporation		—	970					
	The Bank of Fukuoka, Ltd.		—	610					
	Development Bank of Japan Inc.		—	650					
	The Norinchukin Bank		—	350					
	Resona Bank, Limited.		—	270					
	Sumitomo Mitsui Trust Bank, Limited		—	560					
	Sumitomo Mitsui Banking Corporation	September 2, 2014	—	1,530	1.85% (Note 4)	September 2, 2027	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	1,170					
	Sumitomo Mitsui Banking Corporation	January 5, 2015	—	4,500	0.28%	December 20, 2016	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Fukuoka, Ltd.		—	500					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	January 5, 2015	—	1,960	0.30%	June 30, 2017	Lump-sum	(Note 10)	Unsecured not guaranteed
	Development Bank of Japan Inc.		—	1,250					
	Sumitomo Mitsui Trust Bank, Limited	January 5, 2015	—	1,250	0.31%	December 20, 2018	Lump-sum	(Note 10)	Unsecured not guaranteed
	Subtotal		141,920	151,780					
	Total		141,920	153,480					

(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 January 28, 2015, the interest rate has been substantially fixed at 1.4809% on and after January 30, 2015.

(Note 6) GLP J-REIT borrowed 990 million yen on September 2, 2014 and made repayments of 990 million yen on January 5, 2015 before its due date.

(Note 7) GLP J-REIT borrowed 660 million yen on September 2, 2014 and made repayments of 660 million yen on January 5, 2015 before its due date.

(Note 8) Of the balance of 19,600 million yen at the beginning of the period, GLP J-REIT made repayments of 1,090 million yen on September 30, 2014 and 9,000 million yen on December 29, 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	6,000	0.47%	February 27, 2019	Lump-sum	(Note 1)	(Note 2)
GLP J-REIT 2nd Unsecured Bonds	July 30, 2014	2,000	2,000	0.98%	July 30, 2024	Lump-sum	(Note 1)	(Note 2)
GLP J-REIT 3rd Unsecured Bonds	December 26, 2014	—	4,500	0.51%	December 25, 2020	Lump-sum	(Note 1)	(Note 2)
GLP J-REIT 4th Unsecured Bonds	December 26, 2014	—	1,500	0.68%	December 26, 2022	Lump-sum	(Note 1)	(Note 2)
GLP J-REIT 5th Unsecured Bonds	December 26, 2014	—	3,000	1.17%	December 25, 2026	Lump-sum	(Note 1)	(Note 2)
Total		8,000	17,000					

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

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

4. Status of Short-Term Investment Corporation Bonds

None

5. Status of Subscription Rights to New Investment Units

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 Tokyo II	September 2, 2014	36,100
Beneficiary right of real estate in trust	GLP Okegawa	September 2, 2014	2,420
Beneficiary right of real estate in trust	GLP Kadoma	September 2, 2014	2,430
Beneficiary right of real estate in trust	GLP Seishin	September 2, 2014	1,470
Beneficiary right of real estate in trust	GLP Fukusaki	September 2, 2014	3,640
Beneficiary right of real estate in trust	GLP Ogimachi	September 2, 2014	1,460
Beneficiary right of real estate in trust	GLP Hiroshima	September 2, 2014	3,740
Beneficiary right of real estate in trust	GLP Fukuoka	September 2, 2014	1,520
Beneficiary right of real estate in trust	GLP Chikushino	September 2, 2014	1,050
Total			53,830

(Note) “Acquisition price” represents the 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 Estate 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 Tokyo II	September 2, 2014	36,100	36,100	Japan Real Estate Institute	June 30, 2014
Acquisition	GLP Okegawa	September 2, 2014	2,420	2,440	The Tanizawa Sogo Appraisal Co., Ltd.	June 30, 2014
Acquisition	GLP Kadoma	September 2, 2014	2,430	2,570	Japan Real Estate Institute	June 30, 2014
Acquisition	GLP Seishin	September 2, 2014	1,470	1,490	Japan Real Estate Institute	June 30, 2014
Acquisition	GLP Fukusaki	September 2, 2014	3,640	3,850	Japan Real Estate Institute	June 30, 2014
Acquisition	GLP Ogimachi	September 2, 2014	1,460	1,510	The Tanizawa Sogo Appraisal Co., Ltd.	June 30, 2014
Acquisition	GLP Hiroshima	September 2, 2014	3,740	3,800	Japan Real Estate Institute	June 30, 2014
Acquisition	GLP Fukuoka	September 2, 2014	1,520	1,560	Japan Real Estate Institute	June 30, 2014
Acquisition	GLP Chikushino	September 2, 2014	1,050	1,230	Japan Real Estate Institute	June 30, 2014

(Note 1) “Acquisition price” represents the 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 Trusts and Investment Corporations, KPMG AZSA LLC performs an investigation of transactions other than those stated in “(1) Real Estate Properties” above. For the period from September 1, 2014 to February 28, 2015, 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 transactions.

4. Transactions with Interested Parties

(1) Transactions

	Transaction price	
	Purchase	Sale
Total amount	53,830,000 thousand yen	— thousand yen
Transactions with interested parties and major shareholders		
Tokyo 2 Logistic Special Purpose Company (Note 2)	36,100,000 thousand yen (67.1%)	— thousand yen (—%)
Okegawa Logistic Special Purpose Company (Note 3)	2,420,000 thousand yen (4.5%)	— thousand yen (—%)
Seishin Logistic Special Purpose Company (Note 4)	1,470,000 thousand yen (2.7%)	— thousand yen (—%)
Fukusaki Logistic Special Purpose Company (Note 5)	3,640,000 thousand yen (6.8%)	— thousand yen (—%)
Azalea Logistic Special Purpose Company	10,200,000 thousand yen (18.9%)	— thousand yen (—%)
Total	53,830,000 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 amount of transactions		(B)/(A) (%)
		Paid to	Amount paid (B) (Thousand yen)	
Property management fee	204,023	Global Logistic Properties Inc.	204,023	100.0
Royalty fee	7,500	Global Logistic Properties Inc.	7,500	100.0
Leasing commission	15,508	Global Logistic Properties Inc.	15,508	100.0

(Note 1) 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, Paragraph 1, Item 27 of the Regulations Concerning Investment Reports of Investment Trusts and Investment Corporations issued by The Investment Trust Association, Japan.

(Note 2) Tokyo 2 Logistic Special Purpose Company has been liquidated effective April 8, 2015.

(Note 3) Okegawa Logistic Special Purpose Company has been liquidated effective April 8, 2015.

(Note 4) Seishin Logistic Special Purpose Company has been liquidated effective April 8, 2015.

(Note 5) Fukusaki Logistic Special Purpose Company has been liquidated effective April 8, 2015.

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
June 23, 2014	Conclusion of Underwriting Agreement and other relating to investment corporation bonds	<p>It was approved to conclude the following agreements with effective date of December 12, 2014, relating to the underwriting of the investment corporation bonds.</p> <p>(1) Underwriting Agreement, relating to the public offering of GLP J-REIT 3rd Unsecured Bond, concluded among GLP Japan Advisors Inc., SMBC Nikko Securities Inc., Daiwa Securities Co., Ltd. and Nomura Securities Co., Ltd.</p> <p>(2) Financial Agency Agreement for GLP J-REIT 3rd Unsecured Bond with special pari passu conditions among specified investment corporation bonds, concluded with Mitsubishi UFJ Trust and Banking Corporation ("MUTB"). Under the Agreement, MUTB is designated as the fiscal agent, issuing agent and payment agent.</p> <p>(3) Memorandum agreed with MUTB regarding the financial agency commission prescribed in the Financial Agency Agreement as stated above (2), for GLP J-REIT 3rd Unsecured Bond with special pari passu conditions among specified investment corporation bonds.</p>
June 23, 2014	Conclusion of Underwriting Agreement and other relating to investment corporation bonds	<p>It was approved to conclude the following agreements with effective date of December 12, 2014, relating to the underwriting of the investment corporation bonds.</p> <p>(1) Underwriting Agreement, relating to the public offering of GLP J-REIT 4th Unsecured Bond, concluded among GLP Japan Advisors Inc., SMBC Nikko Securities Inc., Daiwa Securities Co., Ltd. and Nomura Securities Co., Ltd.</p> <p>(2) Financial Agency Agreement for GLP J-REIT 4th Unsecured Bond with special pari passu conditions among specified investment corporation bonds, concluded with MUTB. Under the Agreement, MUTB is designated as the fiscal agent, issuing agent and payment agent.</p> <p>(3) Memorandum agreed with MUTB regarding the financial agency commission prescribed in the Financial Agency Agreement as stated above (2), for GLP J-REIT 4th Unsecured Bond with special pari passu conditions among specified investment corporation bonds.</p>
June 23, 2014	Conclusion of Underwriting Agreement and other relating to investment corporation bonds	<p>It was approved to conclude the following agreements with effective date of December 12, 2014, relating to the underwriting of the investment corporation bonds.</p> <p>(1) Underwriting Agreement, relating to the public offering of GLP J-REIT 5th Unsecured Bond, concluded among GLP Japan Advisors Inc., SMBC Nikko Securities Inc. and Daiwa Securities Co., Ltd.</p> <p>(2) Financial Agency Agreement for GLP J-REIT 5th Unsecured Bond with special pari passu conditions among specified investment corporation bonds, concluded with MUTB. Under the Agreement, MUTB is designated as the fiscal agent, issuing agent and payment agent.</p> <p>(3) Memorandum agreed with MUTB regarding the financial agency commission prescribed in the Financial Agency Agreement as stated above (2), for GLP J-REIT 5th Unsecured Bond with special pari passu conditions among specified investment corporation bonds.</p>
December 25, 2014	Conclusion of Memorandum relating to Transfer Agency Agreement	<p>It was approved to conclude a memorandum, with effective date of December 25, 2014, in connection with Transfer Agency Agreement with MUTB dated September 16, 2011.</p>

2. Other

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

Disclosure regarding investments in real estate holding companies in foreign countries

None

Disclosure regarding properties held by above mentioned real estate holding companies in foreign countries

None

Balance Sheets

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2014	Current Period As of February 28, 2015
Assets		
Current assets		
Cash and deposits	4,910,518	4,691,150
Cash and deposits in trust	4,290,515	5,067,554
Operating accounts receivable	184,297	287,581
Prepaid expenses	329,564	379,601
Deferred tax assets	34	7
Consumption taxes receivable	55,667	852,965
Other current assets	—	821
Total current assets	9,770,598	11,279,681
Noncurrent assets		
Property and equipment		
Buildings in trust	113,702,163	132,188,512
Accumulated depreciation	(5,469,312)	(7,652,161)
Buildings in trust, net	108,232,851	124,536,350
Structures in trust	2,771,918	2,983,924
Accumulated depreciation	(339,426)	(470,860)
Structures in trust, net	2,432,491	2,513,063
Machinery and equipment in trust	51,909	53,679
Accumulated depreciation	(13,903)	(18,106)
Machinery and equipment in trust, net	38,006	35,573
Tools, furniture and fixtures in trust	99,299	124,758
Accumulated depreciation	(22,058)	(31,789)
Tools, furniture and fixtures in trust, net	77,241	92,969
Land in trust	171,556,870	207,622,427
Construction in progress	17,749	—
Total property and equipment, net	282,355,212	334,800,384
Investments and other assets		
Investment securities	1,600	1,600
Long-term prepaid expenses	832,668	1,098,593
Security deposits	10,000	10,000
Total investments and other assets	844,268	1,110,193
Total noncurrent assets	283,199,480	335,910,578
Deferred assets		
Investment unit issuance expenses	209,855	222,203
Investment corporation bond issuance costs	44,045	88,747
Total deferred assets	253,901	310,950
Total Assets	293,223,980	347,501,210

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2014	Current Period As of February 28, 2015
Liabilities		
Current liabilities		
Operating accounts payable	168,180	192,420
Short-term loans payable	—	1,700,000
Current portion of long-term loans payable	19,600,000	23,800,000
Accounts payable	1,123,745	1,545,333
Accrued expenses	15,698	24,138
Income taxes payable	1,191	609
Advances received	1,631,787	1,901,337
Deposits received	75,900	1,644
Current portion of tenant leasehold and security deposits	77,783	71,715
Total current liabilities	22,694,288	29,237,199
Noncurrent liabilities		
Investment corporation bonds	8,000,000	17,000,000
Long-term loans payable	122,320,000	127,980,000
Tenant leasehold and security deposits	6,542,803	7,268,707
Tenant leasehold and security deposits in trust	278,019	278,019
Total noncurrent liabilities	137,140,822	152,526,726
Total Liabilities	159,835,111	181,763,926
Net Assets		
Unitholders' equity		
Unitholders' capital	130,572,839	162,790,718
Deduction from unitholders' capital	(1,156,853)	(1,750,502)
Unitholders' capital, net	129,415,985	161,040,215
Retained earnings		
Unappropriated retained earnings	3,972,883	4,697,068
Total retained earnings	3,972,883	4,697,068
Total unitholders' equity	133,388,869	165,737,284
Total Net Assets *1	133,388,869	165,737,284
Total Liabilities and Net Assets	293,223,980	347,501,210

Statements of Operations

(Unit: Thousand yen)

	Prior Period (Reference)	Current Period
	From March 1, 2014	From September 1, 2014
	To August 31, 2014	To February 28, 2015
Operating revenues		
Rental revenues *1	8,986,824	10,514,131
Other rental revenues *1	335,258	477,733
Total operating revenues	9,322,083	10,991,864
Operating expenses		
Rental expenses *1	3,438,466	4,051,932
Asset management fee	881,580	1,042,210
Asset custody fee	4,447	4,948
Administrative service fees	11,612	17,178
Directors' remuneration	3,720	3,840
Audit fee	14,000	13,500
Taxes and dues	128	111
Other operating expenses	56,491	56,196
Total operating expenses	4,410,446	5,189,917
Operating income	4,911,637	5,801,946
Non-operating income		
Interest income	774	766
Interest on refund of consumption taxes	1,477	20
Total non-operating income	2,252	786
Non-operating expenses		
Interest expense	665,692	738,281
Interest expenses on investment corporation bonds	16,050	35,551
Amortization of investment corporation bond issuance costs	3,513	5,648
Borrowing related expenses	181,063	207,064
Amortization of investment unit issuance expenses	72,620	89,614
Offering costs associated with the issuance of investment units	1,315	29,979
Others, net	609	681
Total non-operating expenses	940,864	1,106,821
Ordinary income	3,973,024	4,695,911
Income before income taxes	3,973,024	4,695,911
Income taxes-current	1,348	753
Income taxes-deferred	1	27
Total income taxes	1,350	780
Net income	3,971,673	4,695,130
Accumulated earnings brought forward	1,209	1,937
Unappropriated retained earnings	3,972,883	4,697,068

Statements of Changes in Net Assets

Prior period (From March 1, 2014 to August 31, 2014) (Reference)

(Unit: Thousand yen)

	Unitholders' equity						Total Net Assets
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Retained earnings		Total unitholders' equity	
				Unappropriated retained earnings	Total retained earnings		
Balance at the beginning of the period	130,572,839	(630,331)	129,942,508	4,068,649	4,068,649	134,011,158	134,011,158
Changes of items during the period							
Distributions in excess of retained earnings		(526,522)	(526,522)			(526,522)	(526,522)
Distributions of earnings				(4,067,440)	(4,067,440)	(4,067,440)	(4,067,440)
Net income				3,971,673	3,971,673	3,971,673	3,971,673
Total changes of items during the period	—	(526,522)	(526,522)	(95,766)	(95,766)	(622,289)	(622,289)
Balance at the end of the period *1	130,572,839	(1,156,853)	129,415,985	3,972,883	3,972,883	133,388,869	133,388,869

Current period (From September 1, 2014 to February 28, 2015)

(Unit: Thousand yen)

	Unitholders' equity						Total Net Assets
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Retained earnings		Total unitholders' equity	
				Unappropriated retained earnings	Total retained earnings		
Balance at the beginning of the period	130,572,839	(1,156,853)	129,415,985	3,972,883	3,972,883	133,388,869	133,388,869
Changes of items during the period							
Issuance of new investment units	32,217,879		32,217,879			32,217,879	32,217,879
Distributions in excess of retained earnings		(593,649)	(593,649)			(593,649)	(593,649)
Distributions of earnings				(3,970,946)	(3,970,946)	(3,970,946)	(3,970,946)
Net income				4,695,130	4,695,130	4,695,130	4,695,130
Total changes of items during the period	32,217,879	(593,649)	31,624,230	724,184	724,184	32,348,415	32,348,415
Balance at the end of the period *1	162,790,718	(1,750,502)	161,040,215	4,697,068	4,697,068	165,737,284	165,737,284

Notes to Financial Statements

(Notes Concerning Significant Accounting Policies)

By period Item	Prior Period (Reference) From March 1, 2014 To August 31, 2014	Current Period From September 1, 2014 To February 28, 2015
1. Basis and method of valuation of assets	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.	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.
2. Depreciation of noncurrent assets	Property and equipment including trust assets 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: <div style="display: flex; justify-content: space-between;"> <div>Buildings</div> <div>2 to 55 years</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Structures</div> <div>2 to 57 years</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Machinery and equipment</div> <div>6 to 12 years</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Tools, furniture and fixtures</div> <div>2 to 15 years</div> </div>	Property and equipment including trust assets 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: <div style="display: flex; justify-content: space-between;"> <div>Buildings</div> <div>2 to 55 years</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Structures</div> <div>2 to 57 years</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Machinery and equipment</div> <div>6 to 12 years</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Tools, furniture and fixtures</div> <div>2 to 15 years</div> </div>
3. Accounting treatment for deferred assets	(1) Investment unit issuance expenses are amortized over three years using the straight-line method. (2) Investment corporation bond issuance costs are amortized over the remaining life of the bonds using the straight-line method.	(1) Investment unit issuance expenses are amortized over three years using the straight-line method. (2) Investment corporation bond issuance costs are amortized over the remaining life of the bonds using the straight-line method.
4. Revenue and expense recognition	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 tax are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 147,145 thousand yen for the current period.	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 tax are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 92,397 thousand yen for the current period.

5. Hedge accounting	<p>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 test 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.</p>	<p>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 test 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.</p>
6. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment of beneficiary right 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 sheets and income statement accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust</p> <p>(b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust</p> <p>(c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes Consumption taxes withheld and paid are not included in the accompanying statements of operations.</p>	<p>(1) Accounting treatment of beneficiary right 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 sheets and income statement accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust</p> <p>(b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust</p> <p>(c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes Consumption taxes withheld and paid are not included in the accompanying statements of operations.</p>

(Notes to Balance Sheets)

Prior Period (Reference) As of August 31, 2014	Current Period As of February 28, 2015
*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.	*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.

(Notes to Statements of Operations)

Prior Period (Reference) From March 1, 2014 To August 31, 2014		Current Period From September 1, 2014 To February 28, 2015	
*1. Breakdown of operating income from property leasing are as follows:		*1. Breakdown of operating income from property leasing are as follows:	
(Unit: Thousand yen)		(Unit: Thousand yen)	
A. Property-related revenues		A. Property-related revenues	
Rental revenues:		Rental revenues:	
Rental revenues	8,723,135	Rental revenues	10,176,848
Common area charges	263,689	Common area charges	337,282
Total	8,986,824	Total	10,514,131
Other revenues related to property leasing		Other revenues related to property leasing	
Utility charges	230,956	Utility charges	292,962
Parking lots	28,707	Parking lots	31,911
Others	75,594	Others	152,859
Total	335,258	Total	477,733
Total property-related revenues	9,322,083	Total property-related revenues	10,991,864
B. Property-related expenses		B. Property-related expenses	
Rental expenses:		Rental expenses:	
Taxes and dues	742,745	Taxes and dues	742,745
Property and facility management fees	328,479	Property and facility management fees	401,935
Utilities	254,787	Utilities	316,202
Repairs and maintenance	54,802	Repairs and maintenance	169,472
Casualty insurance	16,334	Casualty insurance	18,466
Depreciation	1,985,815	Depreciation	2,329,317
Loss on retirement of noncurrent assets	—	Loss on retirement of noncurrent assets	5,136
Others	55,502	Others	68,655
Total property-related expenses	3,438,466	Total property-related expenses	4,051,932
C. Operating income from property leasing (A – B)	5,883,616	C. Operating income from property leasing (A – B)	6,939,932

(Notes to Statements of Changes in Net Assets)

Prior Period (Reference) From March 1, 2014 To August 31, 2014		Current Period From September 1, 2014 To February 28, 2015	
*1. Number of investment units authorized and number of investment units issued and outstanding		*1. Number of investment units authorized and number of investment units issued and outstanding	
Number of investment units authorized	16,000,000 units	Number of investment units authorized	16,000,000 units
Number of investment units issued and outstanding	2,097,700 units	Number of investment units issued and outstanding	2,390,731 units

(Deferred Tax Accounting)

Prior Period (Reference) As of August 31, 2014	Current Period As of February 28, 2015
<p>1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen)</p> <p>(Deferred tax assets)</p> <p>Enterprise tax payable <u>34</u></p> <p>Total <u>34</u></p> <p>Net deferred tax assets <u>34</u></p>	<p>1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen)</p> <p>(Deferred tax assets)</p> <p>Enterprise tax payable <u>7</u></p> <p>Total <u>7</u></p> <p>Net deferred tax assets <u>7</u></p>
<p>2. Reconciliation between Japanese statutory tax rate and the effective income tax rate with respect to pre-tax income reflected in the accompanying statement of operations for each period is as follows.</p> <p>(Unit: %)</p> <p>Statutory effective tax rate 36.59</p> <p>(Adjustments)</p> <p>Distributions deductible for tax purposes (36.57)</p> <p>Other <u>0.01</u></p> <p>Actual tax rate <u>0.03</u></p>	<p>2. Reconciliation between Japanese statutory tax rate and the effective income tax rate with respect to pre-tax income reflected in the accompanying statement of operations for each period is as follows.</p> <p>(Unit: %)</p> <p>Statutory effective tax rate 34.16</p> <p>(Adjustments)</p> <p>Distributions deductible for tax purposes (34.16)</p> <p>Other <u>0.02</u></p> <p>Actual tax rate <u>0.02</u></p>
—	<p>3. Change in the statutory effective tax rate after the fiscal period end</p> <p>Pursuant to the “Partial Amendment of the Income Tax Act. etc. (Act No. 9 of 2015)” promulgated on March 31, 2015, the statutory effective tax rate used in the computation of deferred tax assets and liabilities has been changed from 34.15% to 32.31% for temporary differences which are expected to be settled in the fiscal period ending starting on and after September 1, 2015. There is no significant impact from this change.</p>

(Property and Equipment under Capital Lease)

Prior Period (Reference) From March 1, 2014 To August 31, 2014	Current Period From September 1, 2014 To February 28, 2015
—	—

(Financial Instruments)

Prior Period (From March 1, 2014 to August 31, 2014) (Reference)

1. Status of financial instruments

(1) 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.

(2) 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 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, 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.

(3) 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 difference between the values as of August 31, 2014 are as follows. Financial instruments for which fair value is difficult to estimate are excluded from the following table (See Note 2 below).

(Unit: Thousand yen)			
	Book value	Fair value	Difference
(1) Cash and deposits	4,910,518	4,910,518	—
(2) Cash and deposits in trust	4,290,515	4,290,515	—
Total assets	9,201,033	9,201,033	—
(1) Current portion of long-term loans payable	19,600,000	19,600,000	—
(2) Investment corporation bonds	8,000,000	8,042,600	42,600
(3) Long-term loans payable	122,320,000	123,267,473	947,473
Total liabilities	149,920,000	150,910,073	990,073
Derivative transactions	—	(15,106)	(15,106)

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

Assets:

(1) Cash and deposits (2) Cash and deposits in trust

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) Current portion of long-term loans payable (3) 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 and designated as a hedged item.

(2) Investment corporation bonds

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

Derivative transactions:

(1) Derivative transactions for which hedge accounting is not applied

None

(2) Derivative transactions for which hedge accounting is applied

The contract amount or notional amount as of the balance sheet date by hedge accounting method is as follows:

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/ pay fix	Long-term loans payable	114,990,000 *1	114,990,000 *1	(15,106) *2	*3

*1 The amount includes 16,300 million yen of interest rate swap entered on August 29, 2014. The start date of the loan that is the hedged item is September 2, 2014.

*2 The fair value of the aforementioned interest rate swap entered on August 29, 2014 is stated since it is not accounted for as an integral component of long-term loan payable under the special accounting treatment due to the fact that such loan payable is not yet recognized as of August 31, 2014. Interest rate swaps under the special accounting treatment, except for those aforementioned, are accounted for as an integral component of long-term loans payable designated as hedged items. Thus, their fair value is included in that of long-term loans payable disclosed in aforementioned "2. Estimated fair value of financial instruments, (Note 1) Methods to estimate fair value of financial instruments, Liabilities: (3) Long-term loans payable."

*3 Fair value is measured by the counterparty of the relevant transaction based on market rates.

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

(Unit: Thousand yen)

Account name	Amount on the balance sheet
Tenant leasehold and security deposits	6,542,803
Tenant leasehold and security deposits in trust	278,019
Total	6,820,822

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 schedule for monetary claims are as follows:

(Unit: Thousand yen)	
	Due within one year
Cash and deposits	4,910,518
Cash and deposits in trust	4,290,515
Total	9,201,033

(Note 4) Redemption schedule for long-term loans payable and investment corporation bonds

(Unit: Thousand yen)						
	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	2,000,000
Long-term loans payable	19,600,000	23,800,000	15,580,000	24,300,000	12,300,000	46,340,000
Total	19,600,000	23,800,000	15,580,000	24,300,000	18,300,000	48,340,000

Current Period (From September 1, 2014 to February 28, 2015)

1. Status of financial instruments

(1) 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.

(2) 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 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, 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.

(3) 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 difference between the values as of February 28, 2015 are as follows. Financial instruments for which fair value is difficult to estimate are excluded from the following table (See Note 2 below).

(Unit: Thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	4,691,150	4,691,150	—
(2) Cash and deposits in trust	5,067,554	5,067,554	—
Total assets	9,758,704	9,758,704	—
(1) Short-term loans payable	1,700,000	1,700,000	—
(2) Current portion of long-term loans payable	23,800,000	23,849,143	49,143
(3) Investment corporation bonds	17,000,000	17,144,800	144,800
(4) Long-term loans payable	127,980,000	129,333,650	1,353,650
Total liabilities	170,480,000	172,027,593	1,547,593
Derivative transactions	—	—	—

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

Assets:

(1) Cash and deposits (2) Cash and deposits in trust

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 (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 and designated as a hedged item(

(3) Investment corporation bonds

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

Derivative transactions:

(1) Derivative transactions for which hedge accounting is not applied

None

(2) Derivative transactions for which hedge accounting is applied

The contract amount or notional amount as of the balance sheet date by hedge accounting method is as follows:

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/ pay fix	Long-term loans payable	115,990,000	92,190,000	*1	*2

*1 Interest rate swaps under the special accounting treatment are accounted for as an integral component of long-term loans payable designated as hedged items. Thus, their fair value is included in that of long-term loans payable disclosed in aforementioned “(Financial Instruments), 2. Estimated fair value of financial instruments, (2) Current portion of long-term loans payable and (4) Long-term loans payable.”

*2 The fair value is measured by the counterparty of the relevant transaction based on market rates.

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

(Unit: Thousand yen)

Account name	Amount on the balance sheet
Tenant leasehold and security deposits	7,268,707
Tenant leasehold and security deposits in trust	278,019
Total	7,546,726

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 schedule for monetary claims are as follows:

(Unit: Thousand yen)

	Due within one year
Cash and deposits	4,691,150
Cash and deposits in trust	5,067,554
Total	9,758,704

(Note 4) Redemption schedule for long-term loans payable and investment corporation bonds

(Unit: Thousand yen)

	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	—	11,000,000
Long-term loans payable	23,800,000	24,280,000	26,260,000	14,800,000	24,050,000	38,590,000
Total	23,800,000	24,280,000	26,260,000	20,800,000	24,050,000	49,590,000

(Investment and Rental Properties)

Prior Period (From March 1, 2014 to August 31, 2014) (Reference)

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

(Unit: Thousand yen)

Amount on the balance sheet			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
247,437,155	34,900,307	282,337,462	306,507,000

(Note 1) The amount on the balance sheet is based on the acquisition cost less the accumulated amount of depreciation.

(Note 2) The major increase was primarily due to the acquisition of the following 4 properties in the total amount of 36,543,609 thousand yen: GLP Urayasu III, GLP Komaki, GLP Tatsumi Ila and GLP Tatsumi IIb), where the major decrease was due to depreciation of 1,985,815 thousand yen.

(Note 3) The fair value of investment and rental properties was determined based on third-party appraisals or research price.

Income and loss in connection with investment and rental properties are disclosed in “Notes to Statements of Operations.”

Current Period (From September 1, 2014 to February 28, 2015)

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

(Unit: Thousand yen)

Amount on the balance sheet			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
282,337,462	52,462,922	334,800,384	370,595,000

(Note 1) The amount on the balance sheet is based on the acquisition cost less the accumulated amount of depreciation.

(Note 2) The major increase was primarily due to the acquisition of the following nine properties in the total amount of 54,142,047 thousand yen: GLP Tokyo II, GLP Okegawa, GLP Kadoma, GLP Seishin, GLP Fukusaki, GLP Ogimachi, GLP Hiroshima, GLP Fukuoka and GLP Chikushino, whereas the major decrease was due to depreciation of 2,329,317 thousand yen.

(Note 3) The fair value of investment and rental properties was determined based on third-party appraisals or research price.

Income and loss in connection with investment and rental properties are disclosed in “Notes to Statements of Operations.”

(Restriction on Asset Management)

Prior Period (From March 1, 2014 to August 31, 2014) (Reference)

None

Current Period (From September 1, 2014 to February 28, 2015)

None

(Related Party Transactions)

Prior Period (From March 1, 2014 to August 31, 2014) (Reference)

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Interested party	Global Logistic Properties Inc.	Investment advisory/ agency	—	Property management fee	169,768	Operating accounts payable	29,488
				Royalty fee (Note 2)	7,500	—	—
				Leasing commission	28,984	—	—
Interested party	GLP Solar Special Purpose Company	Equipment leasing	—	Rental income from rooftop leasing (Note 2)	26,620	Advances received	4,806
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	3,822	Advances received	688
Interested party	Urayasu Three Logistic Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	18,200,000	—	—
				Receipt of deposits	79,089	Deposits received	39,471
				Acceptance of security deposits	106,203	—	—
Interested party	Komaki Logistic Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	10,300,000	—	—
				Receipt of deposits	75,352	Deposits received	36,429
				Acceptance of security deposits	151,729	—	—
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Borrowing as long-term loans payable	2,000,000	Current portion of long - term loans payable	1,712,621
				Interest expense	45,253	Long-term loans payable	8,200,000
				Borrowing related fee	7,200	Accrued expenses	766
				Trust fee	7,656	Operating accounts payable	2,771
				Administrative service fee	11,612	Accounts payable	4,671
				Unitholders identification survey fee	1,780	—	—

(Note 1) Consumption taxes are not included in the transaction amount but included in the related balance at the end of the period.

(Note 2) Decisions relating to the terms and conditions of transactions:

- The royalty fee was mutually agreed after negotiation between both parties based on the initial formula proposed by Global Logistic Properties Inc.
- 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 or Light Year Special Purpose Company.
- Other transactions are determined based on market conditions.

(Note 3) The business name of Komaki Logistic Special Purpose Company was changed to Azalea 2 Special Purpose Company on September 2, 2014.

Current Period (From September 1, 2014 to February 28, 2015)

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Interested party	Global Logistic Properties Inc.	Investment advisory/ agency	—	Property management fee	204,023	Operating accounts payable	35,357
				Royalty fee (Note 2)	7,500	—	—
				Leasing commission	15,508	—	—
Interested party	GLP Solar Special Purpose Company	Equipment leasing	—	Rental income from rooftop leasing (Note 2)	30,513	Advances received	5,496
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	3,822	Advances received	688
Interested party	Tokyo 2 Logistic Special Purpose Company (Note 3)	Real estate	—	Purchase of beneficiary right of real estate in trust	36,100,000	—	—
				Receipt of deposits	70,824	—	—
				Acceptance of security deposits	431,032	—	—
Interested party	Okegawa Logistic Special Purpose Company (Note 4)	Real estate	—	Purchase of beneficiary right of real estate in trust	2,420,000	—	—
				Acceptance of security deposits	41,808	—	—
Interested party	Seishin Logistic Special Purpose Company (Note 5)	Real estate	—	Purchase of beneficiary right of real estate in trust	1,470,000	—	—
				Acceptance of security deposits	27,734	—	—
Interested party	Fukusaki Logistic Special Purpose Company (Note 6)	Real estate	—	Purchase of beneficiary right of real estate in trust	3,640,000	—	—
				Receipt of deposits	6,059	Deposits received	1,644
				Acceptance of security deposits	60,179	—	—
Interested party	Azalea Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	10,200,000	—	—
				Acceptance of security deposits	166,753	—	—
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Borrowing as long-term loans payable	1,380,000	Current portion of long-term loans payable	1,800,000
				Repayment of long-term loans payable	1,712,621	Long-term loans payable	7,780,000
				Interest expense	47,595	Accrued expenses	489
				Borrowing related fee	16,045	—	—
				Trust fee	8,478	Operating accounts payable	3,047
				Administrative service fee	17,178	Accounts payable	7,466
				Financial agency fee relating to investment corporation bonds	9,600	—	—

(Note 1) Consumption taxes are not included in the transaction amount but included in the related balance at the end of the period.

(Note 2) Decisions relating to the terms and conditions of transactions:

- (a) The royalty fee was mutually agreed after negotiation between both parties, based on the initial formula proposed by Global Logistic Properties Inc.
- (b) 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 or Light Year Special Purpose Company.
- (c) Other transactions are determined based on market conditions.

(Note 3) Tokyo 2 Logistic Special Purpose Company has been liquidated effective April 8, 2015.

(Note 4) Okegawa Logistic Special Purpose Company has been liquidated effective April 8, 2015.

(Note 5) Seishin Logistic Special Purpose Company has been liquidated effective April 8, 2015.

(Note 6) Fukusaki Logistic Special Purpose Company has been liquidated effective April 8, 2015.

(Per Unit Information)

Prior Period (Reference) From March 1, 2014 To August 31, 2014		Current Period From September 1, 2014 To February 28, 2015	
Net assets per unit	63,588 yen	Net assets per unit	69,324 yen
Net income per unit	1,893 yen	Net income per unit	1,965 yen
Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as there are no diluted units.		Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as there are no diluted units.	

(Note 1) The basis for calculating the net income per unit is as follows:

	Prior Period (Reference) From March 1, 2014 To August 31, 2014	Current Period From September 1, 2014 To February 28, 2015
Net income	3,971,673 thousand yen	4,695,130 thousand yen
Amount not attributable to ordinary unitholders	— thousand yen	— thousand yen
Net income attributable to ordinary unitholders	3,971,673 thousand yen	4,695,130 thousand yen
Average number of investment units during the period	2,097,700 units	2,389,292 units

(Significant Subsequent Events)Prior Period (From March 1, 2014 to August 31, 2014) (Reference)

1. Issuance of New Investment Units

At the Board of Directors' Meetings held on August 11 and August 20, 2014, GLP J-REIT resolved to issue the following new investment units. The proceeds from new investment units through a public offering were fully collected on September 1, 2014 while the proceeds from new investment units through a third-party allocation were fully collected on September 24, 2014.

[Issuance of new investment units through a public offering]

Number of new investment units to be issued:	281,709 units (113,216 units for domestic market, 168,493 units for international market)
Issue price (offer price):	113,827 yen per unit
Total amount issued (total offering amount):	32,066,090,343 yen
Amount to be paid in (issue amount):	109,947 yen per unit
Total amount to be paid in (total issue amount):	30,973,059,423 yen
Payment date:	September 1, 2014
Initial date of distribution calculation:	September 1, 2014

[Issuance of new investment units through a third-party allocation]

Number of new investment units issued:	11,322 units
Amount to be paid in (issue amount):	109,947 yen per unit
Total amount to be paid in (total issue amount):	1,244,819,934 yen
Payment date:	September 24, 2014
Initial date of distribution calculation:	September 1, 2014
Underwriter:	Nomura Securities Co., Ltd.

[Purpose of funding]

The funds raised through the public offering were appropriated for the acquisition of beneficiary rights of real estate in trust stated below in “2. Acquisitions of Assets.” The funds raised through the third-party allocation will be kept as cash on hand, of which 1,090 million yen was appropriated to repay a long-term loan on September 30, 2014, before its maturity date of January 4, 2015.

2. Acquisitions of Assets

GLP J-REIT acquired the nine properties shown below in the form of trust beneficiary rights (with a total acquisition price of 53,830 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 direct expenses for acquisition, property-related taxes and consumption taxes.

Property name	Acquisition date	Location	Seller	Acquisition price (Million yen)
GLP Tokyo II	September 2, 2014	Koto-ku, Tokyo	Tokyo 2 Logistics Special Purpose Company	36,100
GLP Okegawa	September 2, 2014	Okegawa, Saitama	Okegawa Logistics Special Purpose Company	2,420
GLP Kadoma	September 2, 2014	Kadoma, Osaka	Azalea Special Purpose Company	2,430
GLP Seishin	September 2, 2014	Kobe, Hyogo	Seishin Logistics Special Purpose Company	1,470
GLP Fukusaki	September 2, 2014	Kanzaki-gun, Hyogo	Fukusaki Logistics Special Purpose Company	3,640
GLP Ogimachi	September 2, 2014	Sendai, Miyagi	Azalea Special Purpose Company	1,460
GLP Hiroshima	September 2, 2014	Hiroshima, Hiroshima	Azalea Special Purpose Company	3,740
GLP Fukuoka	September 2, 2014	Fukuoka, Fukuoka	Azalea Special Purpose Company	1,520
GLP Chikushino	September 2, 2014	Chikushino, Fukuoka	Azalea Special Purpose Company	1,050
Total	—	—	—	53,830

3. Additional Borrowings

GLP J-REIT obtained bank loans for acquisition of specified assets and related costs as stated in “2. Acquisitions of Assets” above.

Lender	Loan amount (Millions of yen)	Interest rate	Loan execution date	Repayment date	Repayment method	Collateral
Sumitomo Mitsui Banking Corporation	990	JBA yen 1month TIBOR plus 0.2%	September 2, 2014	February 28, 2015	Lump-sum repayment on repayment date	Unsecured not guaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	660	JBA yen 1month TIBOR plus 0.2%		February 28, 2015		
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.	3,700	JBA yen 1month TIBOR plus 0.175%		September 2, 2016		
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Bank of Fukuoka, Ltd., Development Bank of Japan Inc., The Norinchukin Bank, Resona Bank, Limited. and Sumitomo Mitsui Trust Bank, Limited	13,600	JBA yen 3month TIBOR plus 0.36% (Note 1)		September 2, 2022		
Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,700	JBA yen 3month TIBOR plus 0.93% (Note 2)		September 2, 2027		
Total	21,650	-	-	-	-	-

(Note 1) GLP J-REIT entered into an interest rate swap agreement on August 29, 2014 and the interest rate has been substantially fixed at 0.862%.

(Note 2) GLP J-REIT entered into an interest rate swap agreement on August 29, 2014 and the interest rate has been substantially fixed at 1.854%.

Current Period (From September 1, 2014 to February 28, 2015)

Note

Statements of Distributions

(Unit: Yen)

	Prior Period (Reference) From March 1, 2014 To August 31, 2014	Current Period From September 1, 2014 To February 28, 2015
I Unappropriated retained earnings	3,972,883,391	4,697,068,250
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	593,649,100	698,093,452
III Distributions	4,564,595,200	5,393,489,136
[Distributions per unit]	[2,176]	[2,256]
Of which, distributions of earnings	3,970,946,100	4,695,395,684
[Of which, distributions of earnings per unit]	[1,893]	[1,964]
Of which, distributions in excess of retained earnings	593,649,100	698,093,452
[Of which, distributions in excess of retained earnings per unit]	[283]	[292]
IV Retained earnings carried forward	1,937,291	1,672,566

Calculation method of distribution amount

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 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 3,970,946,100 yen, which was the amount equivalent to the maximum integral multiples of the number of investment units issued and outstanding as of the end of the period.

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.

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 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 4,695,395,684 yen, which was the amount equivalent to the maximum integral multiples of the number of investment units issued and outstanding as of the end of the period.

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.

(Continued)

(Continued)

(Continued)

Thus, GLP J-REIT declared the OPD of 593,649,100 yen, as a refund of investment, which was determined as follows: (1) the amount not exceeding the upper limit of 1,643,302,626 yen calculated by deducting capital expenditure of 342,513,135 yen from depreciation expense of 1,985,815,761 yen, and (2) approximately 30% of the depreciation expense of 1,985,815,761 yen for the period.

(Continued)

Thus, GLP J-REIT declared the OPD of 698,093,452 yen, as a refund of investment, which was determined as follows: (1) the amount not exceeding the upper limit of 1,673,989,121 yen calculated by deducting capital expenditure of 655,328,724 yen from depreciation expense of 2,329,317,845 yen, and (2) approximately 30% of the depreciation expense of 2,329,317,845 yen for the period.

(Note) For the time being, GLP J-REIT intends to make an OPD distribution in the amount equal to approximately 30% of the depreciation expenses for the accounting 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 and maintenance plan or financial conditions in light of the estimated amount of capital expenditure for each fiscal period based on the plan.

Statements of Cash Flows (Reference information)

(Unit: Thousand yen)

	Prior Period (Reference) From March 1, 2014 To August 31, 2014	Current Period From September 1, 2014 To February 28, 2015
Operating activities:		
Income before income taxes	3,973,024	4,695,911
Depreciation	1,985,815	2,329,317
Amortization of investment corporation bond issuance costs	3,513	5,648
Amortization of investment unit issuance expenses	72,620	89,614
Interest income	(774)	(766)
Interest expense	681,742	773,833
Loss on retirement of noncurrent assets	—	5,136
Decrease (increase) in operating accounts receivable	(144,982)	(103,284)
Decrease (increase) in prepaid expenses	(25,442)	(50,036)
Decrease (increase) in consumption taxes receivable	468,815	(797,297)
Decrease (increase) in other current assets	400	(810)
Decrease (increase) in long-term prepaid expenses	(178,601)	(265,925)
Increase (decrease) in operating accounts payable	70,585	24,239
Increase (decrease) in accounts payable	117,870	262,892
Increase (decrease) in advances received	239,154	269,549
Increase (decrease) in deposits received	75,900	(74,256)
Sub total	7,339,644	7,163,768
Interest received	774	766
Interest paid	(672,690)	(765,393)
Income taxes paid	(1,315)	(1,347)
Net cash provided by (used in) operating activities	6,666,413	6,397,794
Investing activities:		
Purchase of property and equipment	(17,660)	—
Purchase of property and equipment in trust	(36,768,586)	(54,620,702)
Proceeds from tenant leasehold and security deposits	457,045	944,684
Proceeds from tenant leasehold and security deposits in trust	100,000	—
Repayments of tenant leasehold and security deposits	(61,943)	(224,849)
Net cash provided by (used in) investing activities	(36,291,144)	(53,900,867)
Financing activities:		
Proceeds from short-term loans payable	7,700,000	3,350,000
Repayments for short-term loans payable	(11,500,000)	(1,650,000)
Proceeds from long-term loans payable	38,420,000	29,460,000
Repayments for long-term loans payable	—	(19,600,000)
Proceeds from issuance of investment corporation bonds	2,000,000	9,000,000
Payments for investment corporation bond issuance costs	(17,011)	(51,985)
Proceeds from issuance of investment units	—	32,115,917
Payments of distributions of earnings	(4,065,471)	(3,969,774)
Payments of distributions in excess of retained earnings	(526,256)	(593,412)
Net cash provided by (used in) financing activities	32,011,260	48,060,744
Net increase (decrease) in cash and cash equivalents	2,386,529	557,670
Cash and cash equivalents at beginning of period	6,814,504	9,201,033
Cash and cash equivalents at end of period *1	9,201,033	9,758,704

(Note) “Statements of Cash Flows” are prepared based on the “Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements” (Ordinance of the Ministry of Finance No. 59 of 1963) and attached for reference purpose only. These statements are unaudited since they are out of scope of independent audit under Article 130 of the Act on Investment Trusts and Investment Corporations.

(Notes Concerning Significant Accounting Policies)

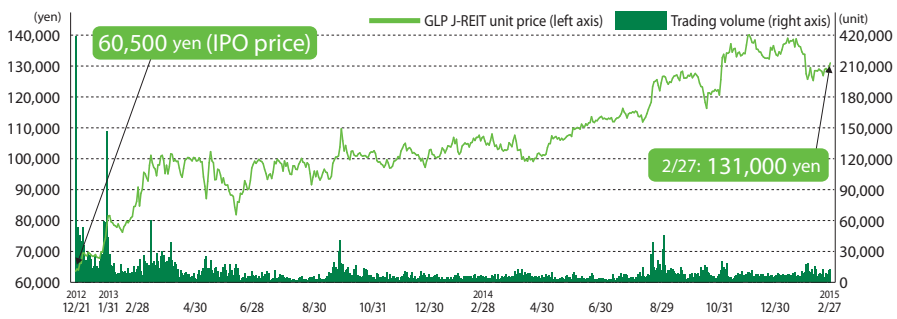
	Prior Period (Reference) From March 1, 2014 To August 31, 2014	Current Period From September 1, 2014 To February 28, 2015
Cash and cash equivalents as stated in the Statements of Cash Flows	Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available 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.	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.

(Notes to Statements of Cash Flows)

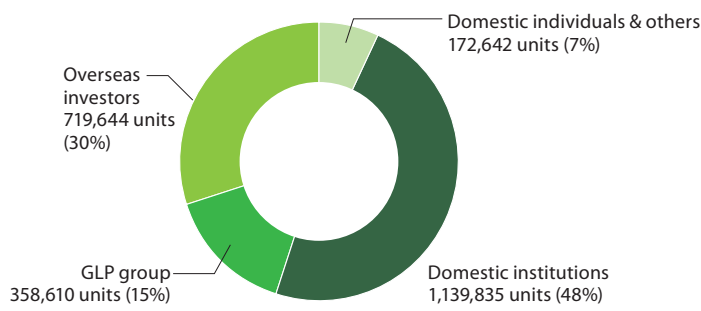
Prior Period (Reference) From March 1, 2014 To August 31, 2014	Current Period From September 1, 2014 To February 28, 2015												
<p>*1. Reconciliation of cash and cash equivalents in the Statement of Cash Flows to accounts and amounts in the accompanying balance sheet (As of August 31, 2014)</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <table> <tr> <td>Cash and deposits</td><td style="text-align: right;">4,910,518</td></tr> <tr> <td>Cash and deposits in trust</td><td style="text-align: right;">4,290,515</td></tr> <tr> <td>Cash and cash equivalents</td><td style="text-align: right;"><u>9,201,033</u></td></tr> </table>	Cash and deposits	4,910,518	Cash and deposits in trust	4,290,515	Cash and cash equivalents	<u>9,201,033</u>	<p>*1. Reconciliation of cash and cash equivalents in the Statement of Cash Flows to accounts and amounts in the accompanying balance sheet (As of February 28, 2015)</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <table> <tr> <td>Cash and deposits</td><td style="text-align: right;">4,691,150</td></tr> <tr> <td>Cash and deposits in trust</td><td style="text-align: right;">5,067,554</td></tr> <tr> <td>Cash and cash equivalents</td><td style="text-align: right;"><u>9,758,704</u></td></tr> </table>	Cash and deposits	4,691,150	Cash and deposits in trust	5,067,554	Cash and cash equivalents	<u>9,758,704</u>
Cash and deposits	4,910,518												
Cash and deposits in trust	4,290,515												
Cash and cash equivalents	<u>9,201,033</u>												
Cash and deposits	4,691,150												
Cash and deposits in trust	5,067,554												
Cash and cash equivalents	<u>9,758,704</u>												

Investor's Information

Historical Investment Unit Price (closing price)



Unitholder Composition (as of the end of Feb 2015)



**Global Logistic
Properties**

GLP J-REIT

