

# Asset Management Report



Feb 2016 Fiscal Period



8th Fiscal Period

(from September 1, 2015 to February 29, 2016)

**GLP J-REIT**

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

Dividend per unit (Feb 2016 actual)

# 2,367 yen

(including an optimal payable distribution of 300 yen)

Dividend per unit (Aug 2016 forecast)

# 2,307 yen

(including an optimal payable distribution of 298 yen)

Total assets (acquisition price base)

# 384.6 bn yen

(Note) as of Feb 29, 2016

Occupancy (as of Feb 2016)

# 99.1 %

## Contents

Overview of GLP	02
Enhancement of Unitholders' Value	04
Financial Highlights	06
Portfolio Management	07
Portfolio Data	08
Debt Information	09
Sustainability Practices	10
Overview GLP J-REIT	11
Portfolio Map	12
Overview of Portfolio	13
ASSET MANAGEMENT REPORT	24
Balance Sheets	57
Statements of Income	59
Statements of Changes in Net Assets	60
Notes to Financial Statements	61
Statements of Distributions	76
Statements of Cash Flows (Reference information)	78
Investor's Information	80



# To Our Unitholders

I would like to offer my sincere sympathy to those who were affected by the earthquake centered on Kumamoto prefecture, and pray for the reconstruction of the disaster-stricken areas as soon as possible.

On behalf of GLP J-REIT, I am pleased to present the financial results of the eighth fiscal period ended February 2016.

During the six-month period, GLP J-REIT raised 22,385 million yen in September 2015 through its third offering subsequent to its IPO. Together with borrowings, the proceeds were used to acquire five properties for 38,090 million yen from the GLP Group. In January 2016, GLP J-REIT replaced some properties in its portfolio with the aim of improving the quality and profitability of its portfolio by acquiring a scarce property in Greater Tokyo for 2,356 million yen, and selling two properties located in Kyushu for 2,100 million yen (gain on sale of 80 million yen). As a result, GLP J-REIT's portfolio value as of the end of February 2016 grew by 84% over the three years since its listing, to 384,644 million yen<sup>(Note 1)</sup> for 58 properties.

At the same time, GLP J-REIT achieved strong performance through finely-tuned services that met customers' needs, including maintained or increased rent for all rent contracts that expired during the eighth period on the back of growing demand for modern logistics facilities for the seventh consecutive fiscal periods since its listing.

Meanwhile, we continued to carry out stable financial operations, as well as seeking to extend the terms of borrowings while reducing borrowing costs through new borrowings and refinancing on the back of a favorable funding environment. 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 over long terms.

As a result, the eighth period ended with operating revenues of 12,332 million yen, ordinary income of 5,360 million yen, and net income of 5,360 million yen. Reflecting the above performance, the total dividend for the eighth period is 2,367 yen per unit, comprised of a dividend of 2,067 yen per unit and an optimal payable distribution per unit of 300 yen.

In the ninth period (ending August 2016), we expect an increase in expenses as we will begin to record real estate tax for the six properties acquired in 2015 as expenses (110 million yen), as well as a decrease in operating revenue due to the lack of gain on sale of assets (80 million yen) posted in the eighth period. This would entail a 73 yen decrease in dividend per unit; however, this adverse effect is expected to be reduced as part of our effort to achieve a forecast dividend of 2,307 yen due to a reduction in finance-related costs, among other reasons.

NAV (net asset value) per unit as of the end of the eighth period was 94,342 yen, a 55.3% increase from the end of the fiscal period ended February 2013, which immediately followed listing. Adjusted EPU (stabilized EPU after adjustment) grew 24.6% since listing, 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

<sup>(Note 1)</sup> Based on acquisition price.

<sup>(Note 2)</sup> Amounts are rounded down, and percentages are rounded to the first decimal place in this material. The same applies hereafter.

# 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<sup>(Note)</sup> 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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(Note) 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.

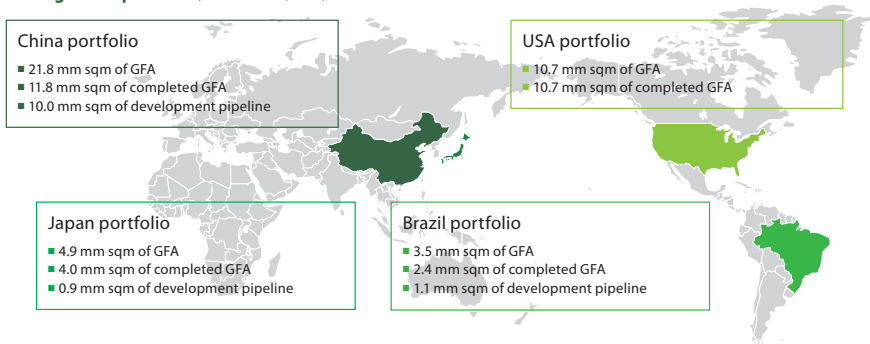
### Investment percentage by location (based on acquisition price)

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, Brazil and the USA, thereby building an efficient value chain within the group. In addition, the asset management company and the GLP Group entered a Right-of-First-Look Agreement between the asset management company and the GLP Group for 20 properties (gross floor area of 1.03 million square meters), which will serve as a tool for expanding our asset portfolio.

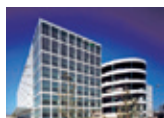
### GLP’s global operation (as of March 31, 2015)



### RoFL assets owned by GLP



GLP Yokohama



GLP Osaka

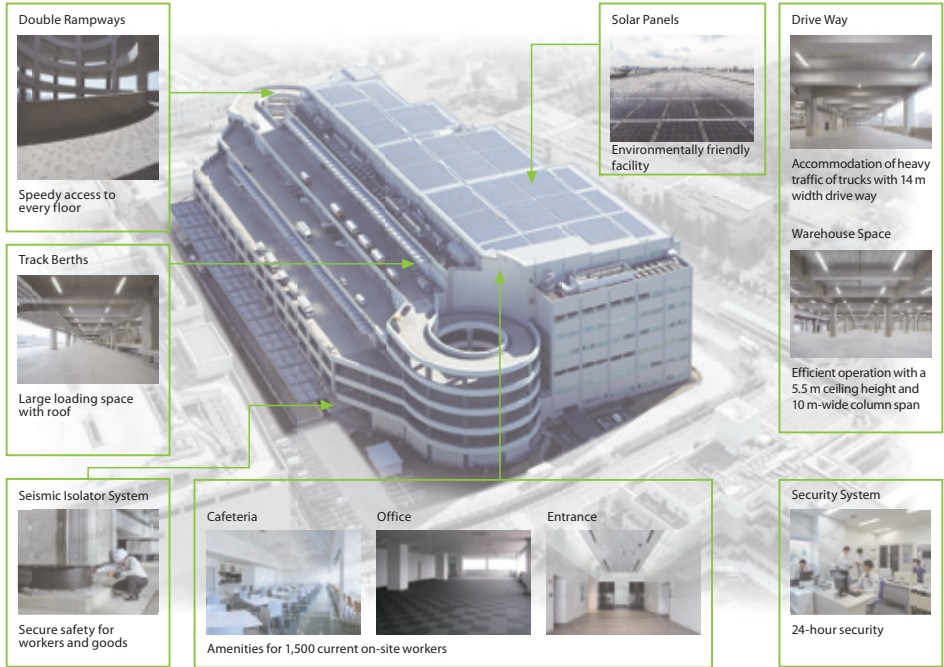


GLP Atsugi II (completion image)

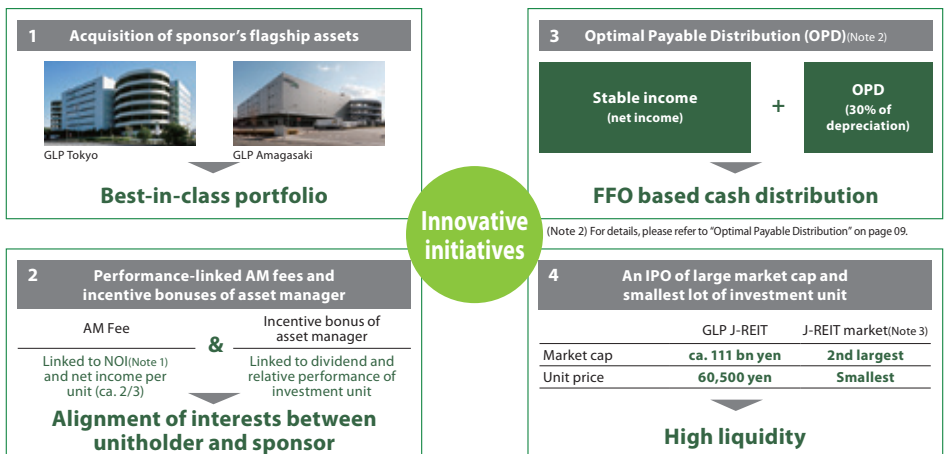
Source: GLP



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



## First-ever Initiatives in J-REIT Sector



(Note 1) NOI = Property-related revenues - Property-related expenses + Depreciation expenses

(Note 3) As of IPO of GLP J-REIT

# Enhancement of Unitholders' Value

Due to the acquisition of six properties including one from a third party and the sale of two properties GLP J-REIT's asset size reached 384,644 million yen in the February 2016 fiscal period, representing growth of 175,913 million yen (84%) over three years.

The offering in September 2015 was made as part of the execution of GLP J-REIT's commitment to unitholders, which led to a growth in net asset value (NAV) and dividend per unit, resulting in an increase in unitholders' value.

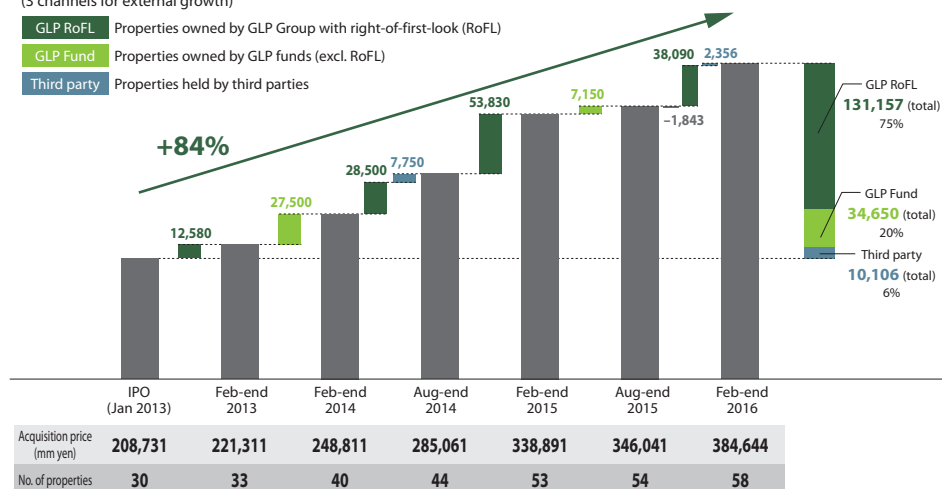
## Steady Expansion of the Portfolio

(3 channels for external growth)

**GLP RoFL** Properties owned by GLP Group with right-of-first-look (RoFL)

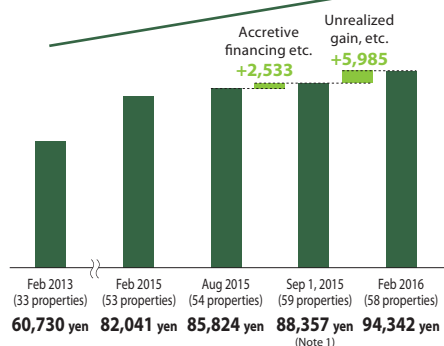
**GLP Fund** Properties owned by GLP funds (excl. RoFL)

**Third party** Properties held by third parties



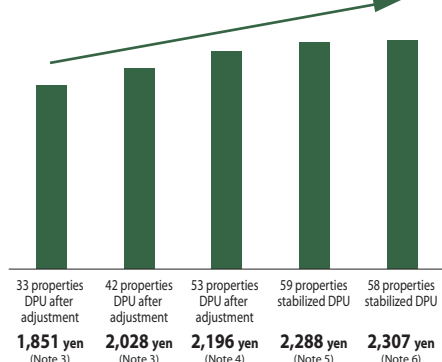
## Achievement of an Increase in NAV per Unit

**+55.3% increase (total)**



## Growth of Dividend per Unit<sup>(Note 2)</sup>

**+24.6% increase (since IPO)**



(Note 1) Based on GLP J-REIT's Aug 2015 fiscal period financial results, and unrealized gains from 5 newly acquired properties.

(Note 2) Distribution per unit including OPD

(Note 3) Adjusted DPU described in the 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.

(Note 4) Adjusted DPU described in the press release "Amendment of Forecast for the Fiscal Period Ending February 29, 2016 and Announcement of Forecast for the Fiscal Period Ending August 31, 2016" dated August 10, 2015.

(Note 5) Forecast DPU for the Aug 2016 fiscal period described in "Summary of Financial Results for the 7th period ended August 31, 2015" dated October 14, 2015.

(Note 6) Forecast DPU for the Aug 2016 fiscal period described in "Summary of Financial Results for the 8th period ended February 29, 2016" dated April 13, 2016.

GLP J-REIT owns a wide range of properties from channels other than RoFL, which we have entered into with the GLP Group. With regard to properties owned by GLP funds, a new development fund “Japan Development Venture II” was established in February 2016. GLP J-REIT will continue to seek steady external growth by using these channels.

## ■ Three Channels of our External Growth Strategy

### 1 GLP Group “Right-of-First-Look” (RoFL)

(Properties owned by GLP Group with right-of-first-look (RoFL))

**20 properties 1.03 mm sqm (GFA) 99% occupancy**



GLP Shinsuna



GLP Osaka



GLP Fukaehama



GLP Shiga



GLP Maishima I



GLP Settsu



GLP Yokohama



GLP Atsugi II (completion image)



GLP Nishinomiya



GLP Narita



GLP Misato



GLP Urayasu II



GLP Urayasu



GLP Soka



GLP Tomiya IV



GLP Funabashi II



GLP Shonan



GLP Urayasu IV



GLP Fujimae



GLP Sapporo



GLP Noda-Yoshiharu

### 2 Properties owned by GLP funds (excl. RoFL)

**23 properties**  
**2.11 mm sqm (GFA)**

**New developments held by development funds etc.**

17 properties ca. 1.57 mm sqm  
(incl. projects under development)



**Stabilized properties held by JVs**

6 properties ca. 0.54 mm sqm



### 3 Properties held by third parties

In addition to straightforward third-party acquisition methods, we aim to secure acquisition opportunities through a new scheme, such as OTA.

**Optimal Takeout Arrangement (OTA)<sup>(Note)</sup> that realizes higher investment returns**

- First-ever scheme in the J-REIT sector
- Flexibility in acquisition timing
- GLP J-REIT is able to acquire a property at a discounted price, in principle

(Note) Please refer to (Note 4) in page 39 of this report.

# Financial Highlights

## Financials

**Feb 2016**  
(from September 1, 2015  
to February 29, 2016)

**Aug 2016 (forecast)**  
(from March 1, 2016  
to August 31, 2016)

Operating revenue (mm yen)	12,332	12,255
Operating income (mm yen)	6,510	6,303
Ordinary income (mm yen)	5,360	5,213
Net income (mm yen)	5,360	5,211
No. of properties at fiscal end	58	58

## Dividend per Unit (yen)

**Feb 2016**  
(from September 1, 2015  
to February 29, 2016)

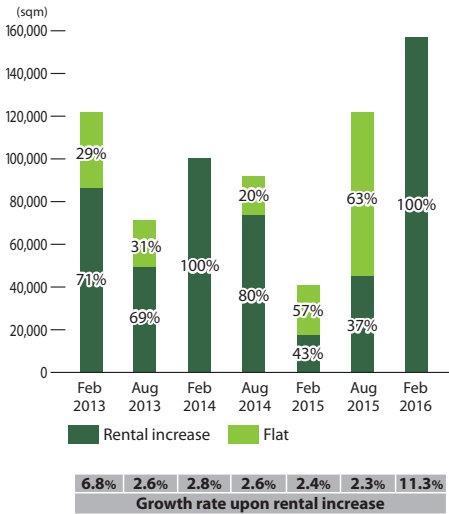
**Aug 2016 (forecast)**  
(from March 1, 2016  
to August 31, 2016)

Dividend per unit (total) (yen)	2,367	2,307
Dividend per unit (excl. OPD) (yen)	2,067	2,009
Optimal payable distribution per unit (yen)	300	298

# Portfolio Management

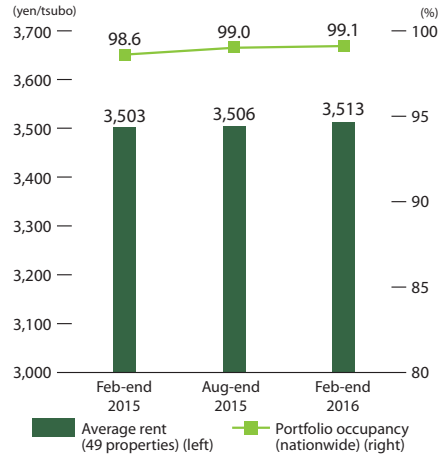
GLP J-REIT's portfolio maintained high occupancy. Also, we have achieved rental growth by fully leveraging the GLP Group's capabilities in asset and property management.

## Rental Growth in 7 Successive Periods (Note)



(Note) Based on leased area as of the rent renewal date.

## Occupancy (Note 1) and Monthly Rent Level (Note 2)



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

(Note 2) The monthly rent level indicates the unit rent based on 49 of the 51 properties that GLP J-REIT has owned for more than one year as of the end of February, 2016 (excluding two properties with vacant spaces).

## Strong Leasing Track Record

For leases that were renewed in and after the February 2016 fiscal period, GLP J-REIT secured rental growth while signing long-term leases by taking advantage of prime locations in Tokyo and the stability of operating logistics facilities matched to tenant's needs.



### Case 1: Tenant replacement

Property name	GLP Tokyo II
Location	Tokyo metropolitan
Type	Multi
Applicable leased area	16,362 sqm
Current lease expiry	Aug 2016

#### Track record

- Tenant replaced **without downtime**
- +17%** rental growth, **10-year** lease



### Case 2: Lease renewal

Property name	GLP Nara
Location	Greater Osaka
Type	BTS
Applicable leased area	19,545 sqm
Current lease expiry	Aug 2017

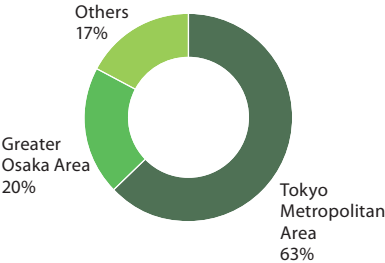
#### Track record

- Long term lease renewal**
- +4%** rental growth, **7-year** lease

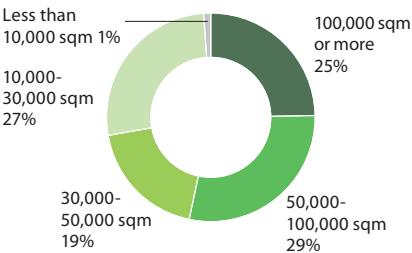


# Portfolio Data (Note 1)

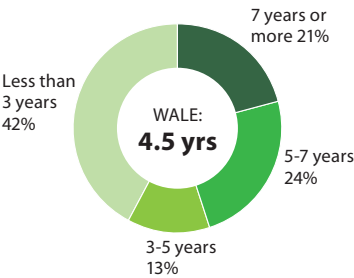
Location



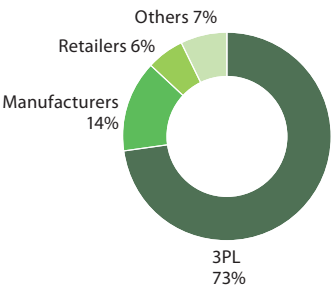
Building scale



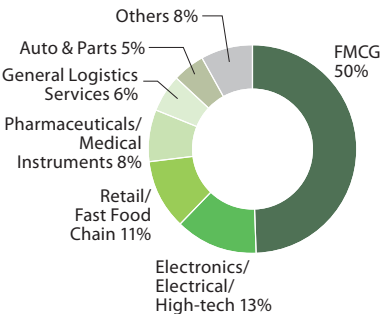
Lease expiry



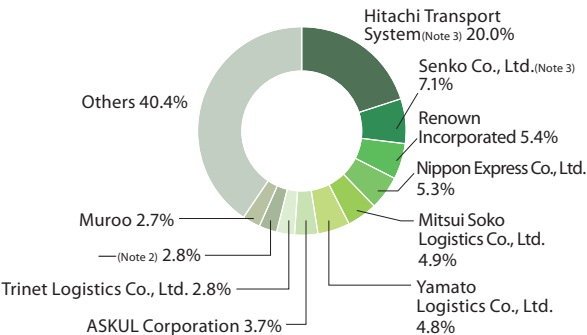
Tenant industry



End-user industry



Top 10 tenants



(Note 1) The above data is as of February 29, 2016. Data for location and building scale is based on acquisition price. Other data is based on leased area excluding vacant area.  
 (Note 2) We have not obtained permission to disclose the name of the tenant group, an international courier and third-party logistics provider.  
 (Note 3) Hitachi Transport System and Senko include group companies.

# Debt Information

## ■ Details of Interest Bearing Debt (as of the end of Feb 2016)

Average remaining period

**4.6** years

LTV (Total loan/  
total asset)

**49.0**%

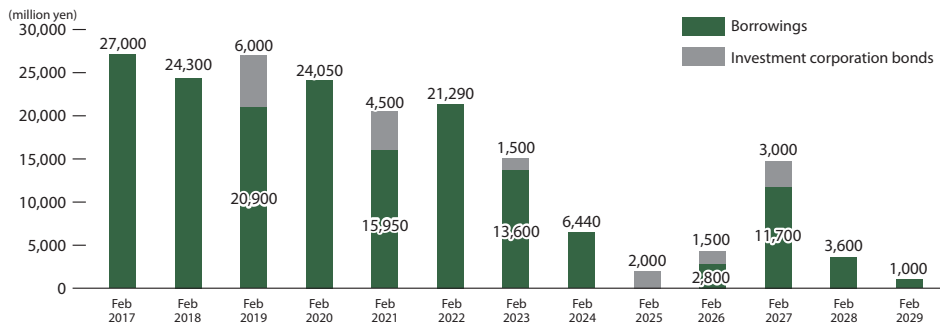
Fixed interest ratio

**85.9**%

Long-term debt ratio

**91.9**%

## ■ Debt Maturity Diversification<sup>(Note)</sup> (as of the end of Feb 2016)



(Note) The balance for each year is the aggregation of interest bearing debt whose maturities fall between March 1st of the previous year and February-end.

## ■ Credit Ratings

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

(Note) Rating for the 1<sup>st</sup> to 6<sup>th</sup> 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 customers' convenience and satisfaction.

As part of such initiatives, GLP J-REIT acquired the BELS<sup>(Note)</sup> assessment for four properties in February 2016. Going forward, GLP J-REIT will continuously and actively make efforts to realizing a sustainable society through its investment and asset management of logistics properties.

(Note) "BELS (Building Energy-efficiency Labeling System)" assessment is provided under a public evaluation system, which evaluates the energy conservation performance of non-residential buildings, established on April 2014 by the Ministry of Land, Infrastructure, Transport and Tourism.

## ■ Properties that Have Received Sustainability or Environmental Certificates

### DBJ Green Building Certification<sup>(Note 1)</sup> (9 properties)



### CASBEE<sup>(Note 2)</sup> — Kobe **Grade A**



(Note 1) DBJ Green Building Certification System is a system to certify excellent buildings that meet the various stakeholders' social requirements, such as environmental design, security or disaster prevention based on the scoring model originally developed by DBJ. This system aims to promote the expansion of "Green Buildings" that are friendly to the environment.  
(Note 2) "CASBEE (Comprehensive Assessment System for Built Environmental Efficiency)" is an evaluation system that ranks buildings and structures in terms of their environmental performance. In addition to each building's ability to reduce its environmental impact across a variety of areas including energy and resource conservation as well as recycling, this system comprehensively evaluates the environmental performance of each building and structure including its aesthetic appeal.

### BELS Assessment (6 properties)



(Note) Certification acquired during the eighth fiscal period (February 17, 2016)

## ■ Environmental Friendly Items



## ■ Environmental, Social & Governance Policy

GLP J-REIT together with its asset management company, GLP Japan Advisors Inc., shares the sustainability objectives, and continues to embed sustainability into our business. For details, please see the website of the asset management company.

## ■ 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)

## ■ Participation in the GRESB Survey

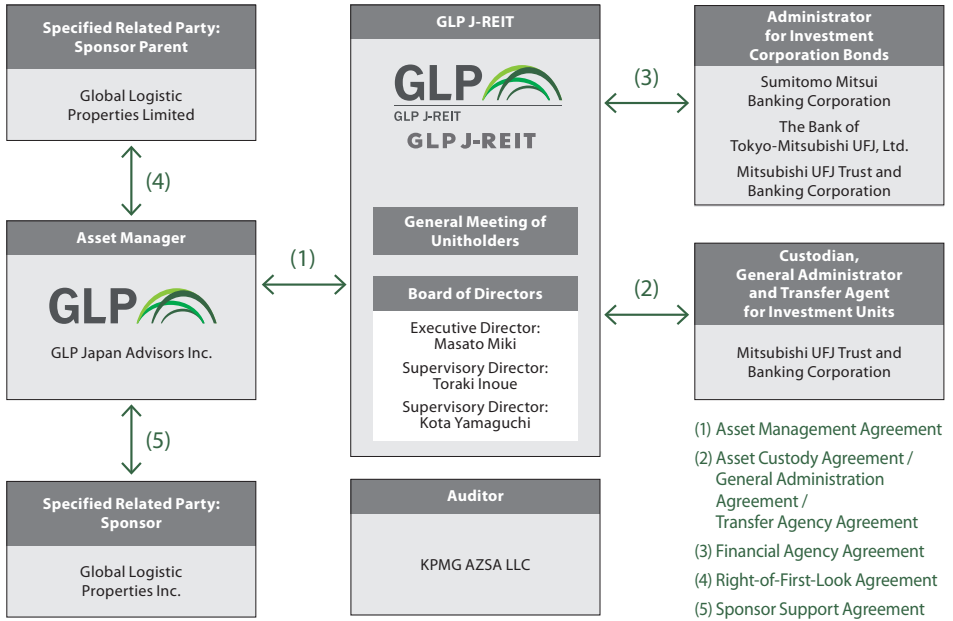
Our sustainability practices received "Green Star," the highest rating in the GRESB survey<sup>(Note)</sup> (2015)

(Note) GRESB is an industry-driven organization widely regarded as a global standard for real estate sustainability. Its benchmark is used by leading global institutional investors to evaluate their investment portfolios.



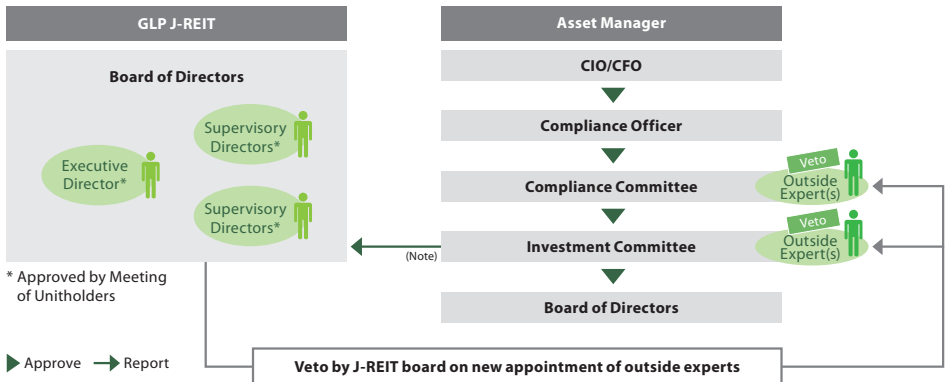
# Overview GLP J-REIT

## Structure of GLP J-REIT



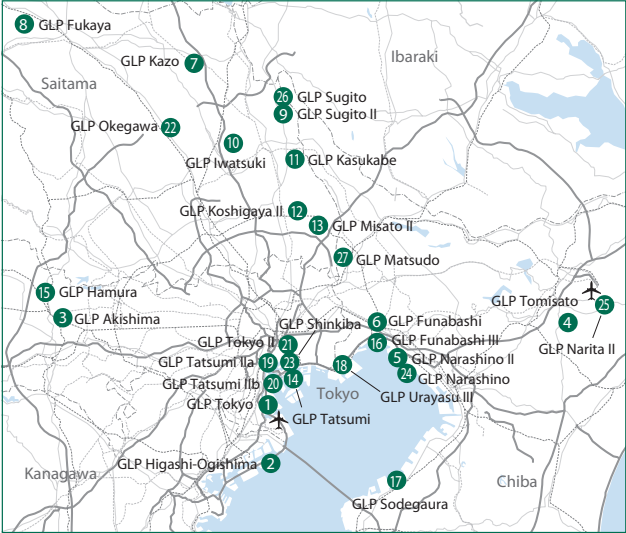
(Note) Global Logistic Properties Holdings Limited, GLP Singapore Pte. Ltd. and GLP J-REIT Master Lease Godo Kaisha, is each regarded as "Specified Related Party" as defined in the Financial Instruments and Exchange Act (the "Act") since: (i) Global Logistic Properties Holdings Limited and GLP Singapore 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



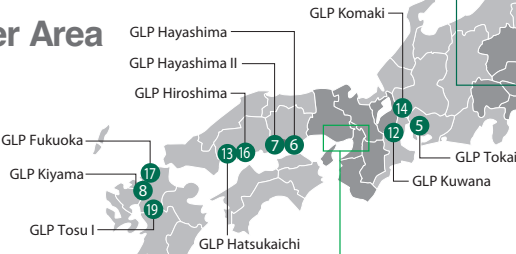
(Note) Approval of the J-REIT board is necessary for transactions that require the consent of J-REIT based on the resolution of the J-REIT board, and reporting to the board is necessary for other cases.

# Portfolio Map



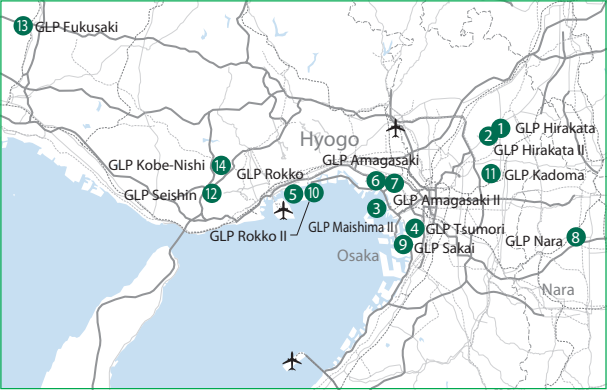
## Tokyo Metropolitan Area

## Other Area



● : As of the end of Feb 2016

## Greater Osaka Area





# Overview of Portfolio in Tokyo Metropolitan Area

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**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



# Overview of Portfolio in Tokyo Metropolitan Area



**12** GLP Koshigaya II Koshigaya, Saitama



Acquired in  
8th period

**27** GLP Matsudo Matsudo, Chiba



Acquired in  
8th period

**25** GLP Narita II Sambu, Chiba



**14** GLP Tatsumi Koto, Tokyo



**19** GLP Tatsumi Ila Koto, Tokyo



**13** GLP Misato II Misato, Saitama



Acquired in  
8th period

**26** GLP Sugito Kita-Katsushika, Saitama



**15** GLP Hamura Hamura, Tokyo



**22** GLP Okegawa Okegawa, Saitama

Acquired in  
8th period



**24** GLP Narashino Narashino, Chiba



Acquired in  
8th period

**23** GLP Shinkiba Koto, Tokyo



# Overview of Portfolio in Greater **Osaka** Area



**1** GLP Hirakata Hirakata, Osaka



**2** GLP Hirakata II Hirakata, Osaka



**4** GLP Tsumori Osaka, Osaka



**11** GLP Kadoma Kadoma, Osaka



**3** GLP Maishima II Osaka, Osaka



**6** GLP Amagasaki Amagasaki, Hyogo



**9** GLP Sakai Sakai, Osaka



**8** GLP Nara Yamato koriyama, Nara



**13** GLP Fukusaki Kanzaki, Hyogo



**10** GLP Rokko II Kobe, Hyogo

# Overview of Portfolio in Greater **Osaka** Area

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**7** GLP Amagasaki II Amagasaki, Hyogo



**12** GLP Seishin Kobe, Hyogo



**5** GLP Rokko Kobe, Hyogo



**14** GLP Kobe-Nishi Kobe, Hyogo

# 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<sup>Area</sup>



**7** GLP Hayashima II Tsukubo, Okayama



**8** GLP Kiyama Miyaki, Saga



**12** GLP Kuwana Kuwana, Mie



**11** GLP Ebetsu Ebetsu, Hokkaido



**13** GLP Hatsukaichi Hatsukaichi, Hiroshima



**14** GLP Komaki Komaki, Aichi



Acquired in  
8th period



**19** GLP Tosu | Tosu, Saga



**16** GLP Hiroshima | Hiroshima, Hiroshima



**15** GLP Ogimachi | Sendai, Miyagi



**17** GLP Fukuoka | Fukuoka, Fukuoka



**10** GLP Sendai | Sendai, Miyagi

# ASSET MANAGEMENT REPORT

## [Overview of Asset Management]

### 1. Trends in Key Indicators

		4th Period	5th Period	6th Period	7th Period	8th Period
		Sept. 1, 2013 to Feb. 28, 2014	Mar. 1, 2014 to Aug. 31, 2014	Sept. 1, 2014 to Feb. 28, 2015	Mar. 1, 2015 to Aug. 31, 2015	Sept. 1, 2015 to Feb. 29, 2016
Operating revenues	Million yen	8,080	9,322	10,991	11,075	12,332
Of which, Property-related revenues	Million yen	8,080	9,322	10,991	11,075	12,252
Operating expenses	Million yen	3,228	4,410	5,189	5,341	5,821
Of which, Property-related expenses	Million yen	2,323	3,438	4,051	4,148	4,474
Operating income	Million yen	4,852	4,911	5,801	5,733	6,510
Ordinary income	Million yen	4,069	3,973	4,695	4,649	5,360
Net income	Million yen	4,068	3,971	4,695	4,648	5,360
Total assets	Million yen	256,107	293,223	347,501	353,068	390,197
[Period-on-period changes]	%	[9.5]	[14.5]	[18.5]	[1.6]	[10.5]
Total net assets	Million yen	134,011	133,388	165,737	164,991	187,382
[Period-on-period changes]	%	[20.8]	[(0.5)]	[24.3]	[(0.4)]	[13.6]
Unitholders' capital, net (Note 3)	Million yen	129,942	129,415	161,040	160,342	182,020
Number of investment units issued and outstanding	Unit	2,097,700	2,097,700	2,390,731	2,390,731	2,593,784
Net assets per unit	Yen	63,884	63,588	69,324	69,013	72,243
Distributions	Million yen	4,593	4,564	5,393	5,355	6,139
Of which, Distributions of earnings	Million yen	4,067	3,970	4,695	4,647	5,361
Of which, Distributions in excess of retained earnings	Million yen	526	593	698	707	778
Distributions per unit	Yen	2,190	2,176	2,256	2,240	2,367
Of which, Distributions of earnings per unit	Yen	1,939	1,893	1,964	1,944	2,067
Of which, Distributions in excess of retained earnings per unit	Yen	251	283	292	296	300
Ordinary income to total assets (Note 4)	%	1.7	1.4	1.5	1.3	1.4
[Annualized ordinary income to total assets]	%	[3.3]	[2.9]	[3.0]	[2.6]	[2.9]
Return on unitholders' equity (Note 4)	%	3.3	3.0	3.1	2.8	3.0
[Annualized return on unitholders' equity]	%	[6.7]	[5.9]	[6.3]	[5.6]	[6.1]
Unitholders' equity to total assets (Note 4)	%	52.3	45.5	47.7	46.7	48.0
[Period-on-period changes]	%	[4.9]	[(6.8)]	[2.2]	[(1.0)]	[1.3]
Payout ratio (Note 4)	%	99.9	100.0	100.0	100.0	100.0
【Other Information】						
Number of operating days		181	184	181	184	182
Number of investment properties		40	44	53	54	58
Occupancy ratio	%	99.9	99.9	98.6	99.0	99.1
Depreciation expense	Million yen	1,755	1,985	2,329	2,361	2,601
Capital expenditures	Million yen	480	342	655	404	557
Rental NOI (Net Operating Income) (Note 4)	Million yen	7,513	7,869	9,274	9,287	10,379
FFO (Funds from Operation) (Note 4)	Million yen	5,823	5,957	7,029	7,009	7,882
FFO per unit (Note 4)	Yen	2,776	2,840	2,940	2,931	3,038
Total distributions / FFO ratio (Note 4)	%	78.9	76.6	76.7	76.4	77.9
Debt service coverage ratio (Note 4)		8.8	6.8	7.1	6.8	7.4
The ratio of interest bearing liabilities to total assets	%	44.2	51.1	49.1	50.0	49.0

(Note 1) Operating revenues and expenses are stated net of consumption taxes.

(Note 2) Any fraction is rounded down for monetary amounts unless otherwise stated. Ratios are rounded to the first decimal places.

(Note 3) It represents the amount of unitholders' capital, net of distributions in excess of retained earnings deducted from the total unitholders' capital amount.

(Note 4) The following formulas are used for the calculation.

Ordinary income to total assets	$\text{Ordinary income} / [(\text{Total assets at beginning of period} + \text{Total assets at end of period}) / 2] \times 100$
Return on unitholders' equity	$\text{Net income} / [(\text{Net assets at beginning of period} + \text{Net assets at end of period}) / 2] \times 100$
Unitholders' equity to total assets	$\text{Net assets at end of period} / \text{Total assets at end of period} \times 100$
Payout ratio	$\text{Distributions per unit (excluding OPD**)} / \text{Net income per unit} \times 100$ (Any fraction is rounded down to the first decimal place.) For the 4th, 6th and 8th 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)	$\text{Property-related revenues} - \text{Property-related expenses} + \text{Depreciation expenses} + \text{Loss on disposal of property and equipment}$
FFO (Funds From Operation)	$\text{Net income} + \text{Depreciation expenses} + \text{Loss on disposal of property and equipment} - \text{Gain on sale of properties}$
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.

## 2. Performance Review for the 8th 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 58 properties (total acquisition price of 384,644 million yen).

### (2) Investment Environment and Business Performance

During the current fiscal period, the Japanese economy is on a moderate recovery, as shown primarily in steady corporate earnings thanks to Abenomics and the Bank of Japan (“BOJ”)’s monetary policy, followed by improvement in the employment and personal income. Weakness can be seen in some areas, such as a weak tone in exports, resulting from the slowdown in the economic growth of China and other emerging nations.

The real estate investment market continues to be active thanks to the favorable financing environment, in spite of continuous decline in expected rates of return, alongside rises in real estate prices in metropolitan areas, primarily in Tokyo. According to the Association for Real Estate Securitization, in 2015, J-REITs acquired property assets amounting to a total of 1,600 billion yen, which was higher than the previous year. Many acquisitions were made not only through public offering, but also through direct negotiation with J-REITs’ sponsors upon IPO. In the logistics property market, the number of market players has been increasing thanks to new market entries by investors and entities that have never previously acquired logistics properties. In the leasing market for logistics facilities, while there was a continuous increase in the supply of large-scale facilities, this newly-supplied space in a good location was steadily taken up due to new demand from mail-order firms and retailers, in concurrence with the expansion of the third-party logistics (3PL) business, the e-commerce market and others.

Under these conditions, GLP J-REIT successfully increased funds through global public offering for three consecutive years. Using funds generated through global offerings as well as bank borrowing, in September 2015, GLP J-REIT acquired trust beneficiary rights of five properties (total acquisition price: 38,090 million yen) selected from the properties defined in the Right-of-First-Look (“RoFL”) (Note 1), comprising prime and modern logistics facilities. In January 2016, GLP J-REIT replaced some properties in its portfolio to improve quality and profitability by (i) acquiring one trust beneficiary right of a property (acquisition price: 2,356 million yen) in a rare location in the Tokyo metropolitan area with an attractive NOI yield of 6.0% and (ii) selling trust beneficiary rights of two holding properties (total sales price: 2,100 million yen) with 80 million yen of capital gains. Thus, GLP J-REIT successfully promoted steady growth of its entire portfolio by continuously expanding holding assets while strengthening quality.

While providing services which satisfy the needs of its existing tenants, GLP J-REIT actively sought to increase rents in an environment of strong demand for modern logistics facilities. Thus, all lease agreements, including (i) lease agreements newly entered-into on the day following the last day of the previous lease period or (ii) lease agreements modified for rent during lease periods (excluding automatic rent increases based on the provision of rent revisions), have been concluded with equal or higher

rents for the seven consecutive fiscal periods since its listing on the Tokyo Stock Exchange.

As a result of these operations, GLP J-REIT owns 58 properties with the total acquisition price of 384,644 million yen and a total leasable area of 1,914,680.35 m<sup>2</sup> as of the end of the current fiscal period. The occupancy rate across the entire portfolio continued to remain stable, and at the end of the current fiscal period, it was at the high level of 99.1%. Furthermore, the appraisal value of the entire portfolio reached 440,252 million yen with an unrealized gain of 63,459 million yen and the unrealized gain ratio (Note 2) of 16.8%.

(Note 1) Logistics properties held and managed by Global Logistic Properties Limited, the Sponsor of GLP J-REIT, and its group companies (collectively, “GLP Group”) are expected to be a valuable pipeline for the future external growth of GLP J-REIT. Based on such basic understanding, the Asset Manager of GLP J-REIT entered into a Right-of-First-Look agreement with GLP Group on November 13, 2012 in order to acquire logistics properties held by GLP Group on a stable and continuous basis. Properties subject to the agreement, including all amendments thereto, are referred to as the “RoFL properties.”

(Note 2) Unrealized gain ratio = Unrealized gain (Appraisal value at the fiscal period end – Book value) / Book value.

### (3) Overview of Financing

As a policy, GLP J-REIT flexibly operates with a target Loan-To-Value ratio (hereinafter “LTV”) of 45% to 55%, with an upper limit set at 60%. Operating under stable financial conditions, GLP J-REIT pursues the lengthening of debt maturity and the reduction of borrowing costs under a favorable financing environment.

In the current fiscal period, GLP J-REIT raised 22,385 million yen through a public offering in September 2015 and accompanying third party allotment, and 14,550 million yen through new bank borrowings for the purpose of acquiring the trust beneficiary rights of five properties and repaying borrowings. In addition, GLP-J REIT newly borrowed 2,440 million yen to acquire a trust beneficiary right in January 2016. On the other hand, GLP J-REIT made an early repayment of bank borrowings in the amount of 1,960 million yen in February 2016 by using the sales proceeds of two trust beneficiary rights. GLP J-REIT refinanced 25,500 million yen in January 2016 and achieved the lengthening of debt maturities while reducing borrowing costs. Thus, GLP J-REIT further strengthened its financial stability by utilizing interest rate swap contracts to convert the floating interest rates of some loans into fixed rates over long terms.

As a result of the above, outstanding interest-bearing liabilities as of the end of the current fiscal period totaled 191,130 million yen (outstanding loans 172,630 million yen, outstanding investment corporation bonds 18,500 million yen), and the ratio of interest-bearing liabilities to total assets (LTV) was 49.0 %.

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	Stable
	Bond rating (Note)	AA	—

(Note) It is the rating for the 1st to the 6th Unsecured Investment Corporation Bonds.

### (4) Overview of Financial Results and Cash Distribution

As a result of these management efforts, GLP J-REIT reported total operating revenues of 12,332 million yen, operating income of 6,510 million yen, ordinary income of 5,360 million yen and net income of 5,360 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 5,361,351,528 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 (2,593,784 units) from unappropriated retained earnings. Accordingly, distribution per unit for the current fiscal period was 2,067 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 778,135,200 yen, an amount almost equivalent to 30% of depreciation (2,601 million yen) for the current fiscal period, as a refund of investment which falls under a distribution through the reduction in unitholders’ capital for tax purposes. As a result, the amount of OPD per unit was 300 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 557 million yen of capital expenditure for the current fiscal period from 2,601 million yen of depreciation expenses for the period is 2,043 million yen.

For the time being, GLP J-REIT intends to make an OPD distribution (a refund of investment which falls under a distribution through the reduction in unitholders’ capital for tax purposes) 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 58 properties held as of the end of the current fiscal period, the six-month period average of the total amount of 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, July 25, 2014, January 28, 2015 or July 27, 2015 for each property prepared by Deloitte Tohmatsu Property Risk Solution Co., Ltd. and those dated July 27, 2015 or December 14, 2015 for each property prepared by Tokio Marine & Nichido Risk Consulting Co., Ltd., is 460 million yen.

### 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)
May 19, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(698)	160,342	(Note 16)
September 1, 2015	Public offering	197,594	2,588,325	21,784	182,126	(Note 17)
September 25, 2015	Issuance of new units through allocation to a third party	5,459	2,593,784	601	182,728	(Note 18)
November 17, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(707)	182,020	(Note 19)

- (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.
- (Note 16) At the Board of Directors’ Meeting held on April 14, 2015, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 292 yen per unit for the 6th Fiscal Period (the period ended February 28, 2015). The payment of distributions was commenced on May 19, 2015.
- (Note 17) 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 110,247 yen or the offer price of 114,174 yen per unit.
- (Note 18) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 110,247 yen.
- (Note 19) At the Board of Directors’ Meeting held on October 14, 2015, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment, which falls under a distribution through the reduction in unitholders’ capital for tax purposes) of 296 yen per unit for the 7th Fiscal Period (the period ended August 31, 2015). The payment of distributions was commenced on November 17, 2015.

#### [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	4th Period	5th Period	6th Period	7th Period	8th Period
For the period ended	February 28, 2014	August 31, 2014	February 28, 2015	August 31, 2015	February 29, 2016
Highest	109,700	125,600	140,100	131,000	124,800
Lowest	93,100	99,100	116,300	111,500	103,300

## 4. Distributions

Actual amount of distributions is as follows:

(Unit: Thousand yen, unless otherwise stated)

	4th Period	5th Period	6th Period	7th Period	8th Period
	Sept. 1, 2013 to Feb. 28, 2014	Mar. 1, 2014 to Aug. 31, 2014	Sept. 1, 2014 to Feb. 28, 2015	Mar. 1, 2015 to Aug. 31, 2015	Sept. 1, 2015 to Feb. 29, 2016
Unappropriated retained earnings	4,068,649	3,972,883	4,697,068	4,649,872	5,362,512
Retained earnings carried forward	1,209	1,937	1,672	2,291	1,160
Total distributions	4,593,963	4,564,595	5,393,489	5,355,237	6,139,486
[Distributions per unit]	[2,190 yen]	[2,176 yen]	[2,256 yen]	[2,240 yen]	[2,367 yen]
Of which, distributions of earnings	4,067,440	3,970,946	4,695,395	4,647,581	5,361,351
[Distributions of earnings per unit]	[1,939 yen]	[1,893 yen]	[1,964 yen]	[1,944 yen]	[2,067 yen]
Of which, total refund of investments	526,522	593,649	698,093	707,656	778,135
[Total refund of investments per unit]	[251 yen]	[283 yen]	[292 yen]	[296 yen]	[300 yen]
Of total refund of investments, total distributions from Reserve for Temporary difference Adjustments	—	—	—	—	—
[Of total refund of investments per unit, distributions from Reserve for Temporary Difference Adjustments per unit]	[—yen]	[—yen]	[—yen]	[—yen]	[—yen]
Of total refund of investments, total distributions from the unitholders' capital for tax purposes	526,522	593,649	698,093	707,656	778,135
[Of total refund of investments per unit, total distributions from the unitholders' capital for tax purposes per unit]	[251 yen]	[283 yen]	[292 yen]	[296 yen]	[300 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 557 million yen of capital expenditure for the current fiscal period from 2,601 million yen of depreciation expenses for the period is 2,043 million yen.

For the time being, GLP J-REIT intends to make an OPD distribution (a refund of investment which falls under a

distribution through the reduction in unitholders' capital for tax purposes) 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 58 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, July 25, 2014, January 28, 2015 or July 27, 2015 for each property prepared by Deloitte Tohmatsu Property Risk Solution Co., Ltd. and those dated July 27, 2015 or December 14, 2015 for each property prepared by Tokio Marine & Nichido Risk Consulting Co., Ltd., is 460 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 moderately thanks to the effectiveness of various governmental policy measures including the BOJ's qualitative and quantitative monetary easing policy with an introduction of a negative interest rate and continuous improvements in employment and individual income.

However, there are downside risks and uncertainties in overseas economies, including the effects of monetary policy in the U.S., such as raising interest rates, the effect of the downfall in crude oil prices, as well as economic slowdowns in resource-rich countries and emerging Asian countries including China. It will be necessary to give attention to increased uncertainties in overseas economies and the effects of fluctuations in the financial and capital markets.

Regarding the leasable logistics facilities market, the number of market players in the Tokyo metropolitan area and Osaka area has been on the increase due to the substantially lower interest rate, so the level of competition in bidding will continue to be fierce. In the leasing market, there is a possibility that vacancy rates might present a temporary rise in certain markets due to a continuous increase in new supply of modern logistics facilities. On the other hand, not only active demand among tenant companies but also new demand from mail-order firms and retailers has been increasing. Thus, the supply-demand condition is expected to remain sound in the mid-to-long term. In addition, it is foreseen that such solid demand will contribute to a certain degree of increase in rents.

With respect to the financing environment, financial institutions are likely to maintain their current positive lending policies. In the J-REIT market, it is expected that the negative interest rate and favorable investment unit prices will lead to an increase in fund inflows from domestic investors such as local financial institutions.

### (2) Future Management Policy and Matters to be Addressed

Under these circumstances, GLP J-REIT is committed to implementing the following measures to advance 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 agreements subject to renewal, giving consideration to market rents, upon the expirations of lease periods. At the same time, GLP J-REIT will seek to enhance the value of existing assets through appropriate maintenance of such assets and capital expenditures.



In its external growth strategy, GLP J-REIT will not only take advantage of the 20 RoFL properties (as of the date of this document) as a valuable pipeline, but also seek opportunities to acquire other properties held by a joint venture formed by GLP Group with a third party. GLP J-REIT will pursue further expansion of its portfolio by continuously collecting information from third parties regarding prospective properties and considering utilizing the Optimal Takeout Arrangement (“OTA”) (\*) as the bridge scheme.

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.

(\*): Please refer to (Note 4) on p. 38 “3. Summary of Portfolio Properties” for the OTA Assets.

## **6. Significant Subsequent Events**

None to report.

## [Profile of GLP J-REIT]

### 1. Status of Unitholders' Capital

	4th Period As of February 28, 2014	5th Period As of August 31, 2014	6th Period As of February 28, 2015	7th Period As of August 31, 2015	8th Period As of February 29, 2016
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)	2,097,700	2,097,700	2,390,731	2,390,731	2,593,784
Unitholders' capital, net (Million yen) (Note)	129,942	129,415	161,040	160,342	182,020
Number of unitholders	11,991	12,389	15,509	15,182	15,914

(Note) It represents the amount of unitholders' capital, net of accumulated 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 29, 2016.

Name	Location	Number of units held (Units)	Ratio to total number of units issued and outstanding (%) (Note)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	439,880	16.95
GLP Capital Japan 2 Private Limited	Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo	386,240	14.89
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	189,028	7.28
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Office Tower Z, Harumi Island Triton Square, 1-8-12 Harumi, Chuo-ku, Tokyo	176,965	6.82
Nomura Bank (Luxembourg) S.A.	1-3-2, Marunouchi, Chiyoda-ku, Tokyo Standing proxy: Sumitomo Mitsui Banking Corporation	126,511	4.87
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	92,152	3.55
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	31,675	1.22
The Bank of New York, Non-Treaty Jasdec Account	2-7-1 Marunouchi, Chiyoda-ku, Tokyo Standing proxy: The Bank of Tokyo Mitsubishi UFJ, Ltd., Transaction Services Division	30,921	1.19
State Street Bank and Trust Company 505001	4-16-13, Tsukishima, Chuo-ku, Tokyo Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department	27,247	1.05
State Street Bank –West Pension Fund Clients – Exempt 505233	4-16-13, Tsukishima, Chuo-ku, Tokyo Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department	25,588	0.98
Total		1,526,207	58.84

(Note) "Ratio to total number of 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.	1,980
	Kota Yamaguchi	Partner, Kimura Takushima & Yamaguchi Law Firm Outside Director, Heiwa Corporation	1,980
Independent Auditor (Note 3)	KPMG AZSA LLC	—	25,500

(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 related to issuing comfort letters in the total amount is 12,000 thousand yen.

#### Policy on dismissal and non-reappointment of Independent Auditor

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

### 4. Asset Management Company, Custodian and General 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. Investment Status

Type of asset	Use of asset	Area (Note 1)	7th Period As of August 31, 2015		8th Period As of February 29, 2016	
			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	208,378	59.0	238,686	61.2
		Greater Osaka area	76,156	21.6	75,657	19.4
		Other	55,497	15.7	62,449	16.0
Subtotal			340,033	96.3	376,792	96.6
Deposits and other assets			13,035	3.7	13,405	3.4
Total assets (Note 5)			353,068 [340,033]	100.0 [96.3]	390,197 [376,792]	100.0 [96.6]

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

(Note 2) “Total amount held” represents the 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 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 <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy ratio (%) (Note 3)	Ratio to total rental revenues (%) (Note 3)	Primary use
GLP Tokyo II	35,753	79,073.21	79,073.21	100.0	8.4	Logistics facility
GLP Amagasaki	23,720	110,224.41	110,224.41	100.0	6.7	Logistics facility
GLP Tokyo	22,171	56,105.95	56,105.95	100.0	5.7	Logistics facility
GLP Sugito II	18,240	101,272.40	100,162.57	98.9	5.4	Logistics facility
GLP Urayasu III	17,959	64,198.11	64,198.11	100.0	(Note 4)	Logistics facility
GLP Narashino II	14,993	104,543.59	104,543.59	100.0	(Note 4)	Logistics facility
GLP Misato II	14,203	59,208.59	59,208.59	100.0	(Note 4)	Logistics facility
GLP Shinkiba	11,610	18,341.73	18,341.73	100.0	(Note 4)	Logistics facility
GLP Kazo	10,924	76,532.71	76,532.71	100.0	(Note 4)	Logistics facility
GLP Komaki	10,136	52,709.97	52,709.97	100.0	(Note 4)	Logistics facility
Total	179,714	722,210.68	721,100.85	99.8	46.3	

(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 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 and OTA Assets (Note 4) held by GLP J-REIT as of the current period end.

Name of property	Location (Note 1)	Type of ownership	Leasable area (m <sup>2</sup> ) (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	27,300	22,171
GLP Higashi-Ogishima	23-9, Higashi-Ogishima, Kawasaki-ku, Kawasaki, Kanagawa		34,582.00	6,230	4,994
GLP Akishima	4-13-41, Mihori-cho, Akishima, Tokyo 4-13-42, Mihori-cho, Akishima, Tokyo		27,356.63	8,640	7,062
GLP Tomisato	3-1, Misawa, Tomisato, Chiba		27,042.59	5,590	4,783
GLP Narashino II	3-6-3, Akanehama, Narashino, Chiba		104,543.59	19,200	14,993
GLP Funabashi	1-1389-2, Kaijincho-minami, Funabashi, Chiba		10,668.05	1,840	1,915
GLP Kazo	1-5-1, Minamishinozaki, Kazo, Saitama		76,532.71	13,500	10,924
GLP Fukaya	1900-2, Mizugahara, Orinokuchi, Fukaya, Saitama		19,706.00	2,770	2,308
GLP Sugito II	398-2, Fukawa, Sugito-machi, Kita-Katsushika, Saitama		101,272.40	22,500	18,240
GLP Iwatsuki	2-9-10, Kokaba, Iwatsuki-ku, Saitama, Saitama		31,839.99	8,150	6,708
GLP Kasukabe	1155, Anzai, Suikaku, Kasukabe, Saitama		18,460.73	4,950	4,046
GLP Koshigaya II	2-2-1, Ryutsu-Danchi, Koshigaya, Saitama		43,537.47	11,500	9,521
GLP Misato II	3-2-1, Lala-city, Shinmisato, Misato, Saitama		59,208.59	17,500	14,203
GLP Tatsumi	3-11-10, Tatsumi, Koto-ku, Tokyo		12,925.58	6,040	4,895
GLP Hamura	4-9-8, Shinmeidai, Hamura, Tokyo		40,277.93	8,850	7,582
GLP Funabashi III	2-15-1, Nishiura, Funabashi, Chiba		18,281.84	3,870	3,043
GLP Sodegaura	385-18, Shiinomori, Sodegaura, Chiba		45,582.06	7,580	5,984
GLP Urayasu III	15-27, Chidori, Urayasu, Chiba		64,198.11	20,200	17,959
GLP Tatsumi IIa	3-8-10, Tatsumi, Koto-ku, Tokyo		17,108.52	7,740	6,700
GLP Tatsumi IIb	3-7-7, Tatsumi, Koto-ku, Tokyo		3,359.00	1,140	1,058
GLP Tokyo II	3-4-11 Shinsuna, Koto-ku, Tokyo		79,073.21	38,800	35,753
GLP Okegawa	2-6 Akabori, Okegawa, Saitama		17,062.92	2,620	2,403
GLP Shinkiba	1-10-9, Shinkiba, Koto-ku, Tokyo		18,341.73	12,200	11,610
GLP Narashino	2-6-6, Shibazono, Narashino, Chiba		23,548.03	5,530	5,325
GLP Narita II	1033-1, Yamada, Shibayama-machi, Sambu, Chiba		20,927.35	3,870	3,720
GLP Sugito	398-13, Fukawa, Sugito-machi, Kita-Katsushika, Saitama		58,918.12	9,240	8,309
GLP Matsudo	520-1, Kamihongo, Matsudo, Chiba		14,904.60	2,700	2,465
GLP Hirakata	3-2-27, Minami-nakaburi, Hirakata, Osaka 3-2-7, Minami-nakaburi, Hirakata, Osaka		29,829.56	6,090	4,670
GLP Hirakata II	3-3-1, Minami-nakaburi, Hirakata, Osaka		43,283.01	8,770	7,699
GLP Maishima II	2-1-92, Hokuokoryokuchi, Konohana-ku, Osaka, Osaka		56,511.10	10,700	8,455
GLP Tsumori	2-1-30, Minami-tsumori, Nishinari-ku, Osaka, Osaka		16,080.14	2,250	2,019
GLP Rokko	3-10, Koyochi-higashi, Higashinada-ku, Kobe, Hyogo		39,339.00	5,710	5,082
GLP Amagasaki	231-2, Nishimukojima-cho, Amagasaki, Hyogo		110,224.41	27,100	23,720
GLP Amagasaki II	16, Nishitakas-cho, Amagasaki, Hyogo		12,342.95	2,240	2,005
GLP Nara	6-4, Imago-cho, Yamatokoriyama, Nara		19,545.35	2,860	2,238
GLP Sakai	1-63, Chikkouyawatamachi, Sakai-ku, Sakai, Osaka		10,372.10	2,200	1,917
GLP Rokko II	4-15-1 Koyochihigashi, Higashinada-ku, Kobe, Hyogo		20,407.30	4,230	3,317
GLP Kadoma	4-2-1 Shinomiya, Kadoma, Osaka		12,211.73	3,050	2,440
GLP Seishin	2-5-1 Yasakadai, Suma-ku, Kobe, Hyogo		9,533.88	1,610	1,462
GLP Fukusaki	1714-14 Saiji, Fukusaki-cho, Kanzaki-gun, Hyogo		24,167.83	4,080	3,535
GLP Kobe-Nishi	7-1-1, Mitsugaoka, Nishi-ku, Kobe, Hyogo		35,417.31	7,590	7,091

Name of property	Location (Note 1)	Type of ownership	Leasable area (m <sup>2</sup> ) (Note 2)	Appraisal value (Million yen) (Note 3)	Book value (Million yen)
GLP Morioka	59, Urata, Sakuramachi, Shiwa-cho, Shiwa, Iwate	Beneficiary right of real estate in trust	10,253.80	872	816
GLP Tomiya	9-1-2, Narita, Tomiya-machi, Kurokawa, Miyagi		20,466.98	3,000	2,691
GLP Koriyama I	3-2-2, Oroshi, Kikuta-cho, Koriyama, Fukushima		24,335.96	4,480	3,897
GLP Koriyama III	5-12, Mukaihara, Horinouchi, Kikuta-machi, Koriyama, Fukushima		27,671.52	2,690	2,628
GLP Tokai	2-47, Asayama, Tokai, Aichi		32,343.31	7,340	6,021
GLP Hayashima	823, Yao, Hayashima-cho, Tsukubo, Okayama		13,574.58	1,340	1,206
GLP Hayashima II	4507-40, Hayashima, Hayashima-cho, Tsukubo, Okayama		14,447.48	2,670	2,325
GLP Kiyama	2950-1, Urata, Sonobe, Kiyama-cho, Miyaki, Saga		23,455.96	5,390	4,444
GLP Sendai	2-5-2 Sendaikou Kita, Miyagino-ku, Sendai, Miyagi		37,256.23	6,240	5,408
GLP Ebetsu	69-3 Kakuyama, Ebetsu, Hokkaido		18,489.25	2,000	1,520
GLP Kuwana	3646-1 Kanegaya, Mizono, Tado-cho, Kuwana, Mie		20,402.12	4,360	3,527
GLP Hatsukaichi	14-2 Mokuzaikokita, Hatsukaichi, Hiroshima		10,981.89	2,390	1,923
GLP Komaki	1-31 Shinkoki, Komaki, Aichi		52,709.97	11,900	10,136
GLP Ogimachi	1-8-5 Ogimachi, Miyagino-ku, Sendai, Miyagi		13,155.28	1,560	1,499
GLP Hiroshima	2-7-11 Kusatsukou, Nishi-ku, Hiroshima, Hiroshima 2-7-4 Kusatsukou, Nishi-ku, Hiroshima, Hiroshima		21,003.04	4,020	3,702
GLP Fukuoka	1-10-1 Itaduke, Hakata-ku, Fukuoka, Fukuoka		14,641.22	1,630	1,510
GLP Tosu I	1715, Hirata, Hatazaki-machi, Tosu, Saga	74,860.38	9,840	9,187	
Total			1,914,680.35	440,252	376,792

OTA Assets (Note 4)					
GLP Noda-Yoshiharu	722-2 Tameshita, Yoshiharu, Noda, Chiba	Beneficiary right of real estate in trust	26,631.40	5,030	—

(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. Concerning the OTA assets, the research price as of February 29, 2016 is stated.

(Note 4) On July 14, 2015, GLP J-REIT entered into a forward commitment contract concerning acquisition of GLP Noda-Yoshiharu held by a third party. Under the contract, it is agreed in cooperation with the Mitsubishi UFJ Lease & Finance (“MUFJ L&F”) Group that the asset will be temporarily owned by MUL Property Co., Ltd. (\*), a real estate-related company and a wholly-owned subsidiary of MUFJ L&F, and that GLP J-REIT will acquire the asset on the date designated by GLP J-REIT during the scheduled period from July 14, 2016 to July 13, 2020. The purpose of this scheme is to reduce the acquisition price of the asset. The acquisition price of GLP Noda-Yoshiharu will be determined between 4,170 million yen and 4,650 million yen, the reduction in value proportional to the length of the seller’s ownership period, as agreed upon in advance by GLP J-REIT and the seller, MUL Property Co., Ltd. The final acquisition price will be determined by adjusting the difference between (i) planned outlays, including repairs and maintenance costs, and capital expenditures as agreed in advance upon by both parties and (ii) actual expenses incurred cumulatively over the period from the conclusion date to the date of acquisition executed under the forward commitment contract. GLP J-REIT refers to the scheme as “Optimal Takeout Agreement (OTA)” and the assets subject to the OTA as “OTA Assets”.

(\*) Central Compass Co., Ltd. has changed its business name to MUL Property Co., Ltd. on February 1, 2016. (hereinafter the same)

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

Name of property	7th Period From March 1, 2015 To August 31, 2015				8th Period From September 1, 2015 To February 29, 2016			
	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	708	6.4	5	100.0	702	5.7
GLP Higashi-Ogishima	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Akishima	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
GLP Tomisato	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Narashino II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Funabashi	—	—	2	0.0	—	—	2	0.0
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	659	6.0	4	98.9	657	5.4
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	1,028	9.3	6	100.0	1,028	8.4
GLP Okegawa	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Shinkiba	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Narashino	—	—	—	—	3	100.0	160	1.3
GLP Narita II	—	—	—	—	3	100.0	139	1.1
GLP Sugito	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Matsudo	—	—	—	—	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	7	100.0	823	7.4	7	100.0	818	6.7
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)	1	100.0	(Note 3)	(Note 3)
GLP Seishin	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukusaki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kobe-Nishi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)

Name of property	7th Period From March 1, 2015 To August 31, 2015				8th Period From September 1, 2015 To February 29, 2016			
	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 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	78.0	107	1.0	4	78.0	100	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)
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 (Note 4)	1	100.0	(Note 3)	(Note 3)	–	–	(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)	1	100.0	(Note 3)	(Note 3)
GLP Hiroshima	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Fukuoka	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Chikushino (Note 4)	1	100.0	(Note 3)	(Note 3)	–	–	(Note 3)	(Note 3)
GLP Tosu I	–	–	–	–	1	100.0	(Note 3)	(Note 3)
Total	82	99.0	11,075	100.0	90	99.1	12,252	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 to the first decimal place.

(Note 3) Not disclosed because the tenants’ consent is not obtained.

(Note 4) On January 27, 2016, GLP J-REIT sold GLP Tosu III and GLP Chikushino to a third party.

## 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	134,430	134,430	(3,354)
Total		134,430	134,430	(3,354)

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

(Note 2) 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 for Capital Expenditure

The following table summarizes the major capital expenditure plan in connection with scheduled renovation and others for properties owned as of current fiscal 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 Koriyama III	Koriyama, Fukushima	Renovation of roof waterproofing	From August 2016 to October 2016	90	—	—
GLP Funabashi III	Funabashi, Chiba	Extensive renovation of North-side exterior walls and roof surfaces	From April 2016 to July 2016	52	—	—
GLP Sendai	Sendai, Miyagi	Renovation of West-side exterior walls	From September 2016 to December 2016	51	—	—
GLP Shinkiba	Koto-ku, Tokyo	Renovation of exterior walls	From May 2016 to September 2016	45	—	—
GLP Higashi-Ogishima	Kawasaki, Kanagawa	Replacement of water-cooled chillers	From April 2016 to May 2016	35	—	—
GLP Narashino II	Narashino, Chiba	Renovation of exterior walls Phase III	From November 2016 to January 2017	30	—	—
GLP Amagasaki	Amagasaki, Hyogo	Sealing South-side exterior walls	From July 2016 to August 2016	27	—	—
GLP Amagasaki	Amagasaki, Hyogo	Sealing West-side exterior walls	From January 2017 to February 2017	24	—	—
GLP Narashino II	Narashino, Chiba	Renovation of exterior walls Phase II	From July 2016 to August 2016	20	—	—

## 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 557 million yen. The total construction cost amounted to 628 million yen, including repair and maintenance of 70 million yen that was accounted for as expenses.

Property name	Location	Purpose	Period	Construction cost (Million yen)
GLP Koriyama I	Koriyama, Fukushima	Earthquake-proof reinforcement of piping for foam fire extinguishing system	From December 2015 to February 2016	73
GLP Ogimachi	Sendai, Miyagi	Renovation of existing building roof	From July 2015 to October 2015	46
GLP Sendai	Sendai, Miyagi	Renovation of South-side exterior walls	From January 2016 to February 2016	35
GLP Shinkiba	Koto-ku, Tokyo	Extensive renovation of West-side exterior walls	From September 2015 to December 2015	29
GLP Tosu III	Tosu, Saga	Renovation of the track berth of the Rack Building	From January 2016 to January 2016	9
GLP Tosu III	Tosu, Saga	Replacement of air conditioners in picking-up areas	From January 2016 to January 2016	9
Other	—	—	—	353
Total				557

### 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	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	7th Period Mar. 1, 2015 to Aug. 31, 2015	8th Period Sept. 1, 2015 to Feb. 29, 2016
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 9th period (for the period ending August 2016) to be 783 million yen, which does not exceed 1,805 million yen, the amount equivalent to 70% of 2,578 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 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 557 million yen of capital expenditure for the current fiscal period from 2,601 million yen of depreciation expenses for the period is 2,043 million yen.

For the time being, GLP J-REIT intends to make an OPD distribution (a refund of investment which falls under a distribution through the reduction in unitholders' capital for tax purposes) 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 58 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, July 25, 2014, January 28, 2015 or July 27, 2015 for each property prepared by Deloitte Tohmatsu Property Risk Solution Co., Ltd. and those dated July 27, 2015 or December 14, 2015 for each property prepared by Tokio Marine & Nichido Risk Consulting Co., Ltd., is 460 million yen. Please refer to the "Summary of Engineering Due Diligence Report" below for the short-term emergency repair and maintenance expenses and the mid-to-long term repair and maintenance expenses 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 and maintenance expenses (Thousand yen) (Note 1)	Mid-to-Long term repair and maintenance expenses (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		March 20, 2014	—	289,550
Tokyo-19	GLP Tatsumi IIa			—	86,120
Tokyo-20	GLP Tatsumi IIb		July 25, 2014	—	93,183
Tokyo-21	GLP Tokyo II			—	333,550
Tokyo-22	GLP Okegawa		July 27, 2015	—	209,530
Tokyo-23	GLP Shinkiba			—	243,980
Tokyo-24	GLP Narashino		Tokio Marine & Nichido Risk Consulting Co., Ltd.	—	230,950
Tokyo-25	GLP Narita II			—	149,872
Tokyo-26	GLP Sugito			—	266,119
Tokyo-27	GLP Matsudo		December 14, 2015	—	142,870
Osaka-1	GLP Hirakata	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	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		January 28, 2015	—	137,800
Osaka-14	GLP Kobe-Nishi			—	57,340
Other-1	GLP Morioka		September 19, 2012	—	59,600
Other-2	GLP Tomiya			—	61,800
Other-3	GLP Koriyama I			—	28,650
Other-4	GLP Koriyama III			—	350,300
Other-5	GLP Tokai			—	123,880
Other-6	GLP Hayashima			—	126,880
Other-7	GLP Hayashima II			—	33,150
Other-8	GLP Kiyama			—	95,190
Other-10	GLP Sendai			—	159,450

Property number	Name of property	Engineering due diligence company	Date of report	Short-term emergency repair and maintenance expenses (Thousand yen) (Note 1)	Mid-to-Long term repair and maintenance expenses (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-19	GLP Tosu I	Tokio Marine & Nichido Risk Consulting Co., Ltd.	July 27, 2015	—	165,694
Total				—	11,079,908

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

(Note 2) “Mid-to-Long term repair and maintenance expenses” 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)

	7th Period From March 1, 2015 To August 31, 2015	8th Period From September 1, 2015 To February 29, 2016
Asset management fee (Note 1)	1,096,931	1,219,077
Asset custody fee	5,574	5,637
Administrative service fees	18,130	19,230
Directors' remuneration	3,960	3,960
Audit fee	13,000	13,500
Taxes and dues	82	14,455
Other operating expenses	54,991	71,480
Total	1,192,671	1,347,341

(Note 1) In addition to the amount shown, the amount of asset management fee capitalized as part of acquisition cost were 21,450 thousand yen for the 7th Period and 126,050 thousand yen for the 8th Period. Asset management fees for properties sold, which were included in the calculation of gain or loss on sales, were 10,500 thousand yen for the 8th 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	The Bank of Fukuoka, Ltd.	January 5, 2015	1,300	—	0.23%	January 4, 2016	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation		400	—					
	Subtotal		1,700	—					
Long-term loans payable	Sumitomo Mitsui Banking Corporation	January 4, 2013	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	—					
	Mizuho Bank, Ltd.		4,000	—					
	Mitsubishi UFJ Trust and Banking Corporation		1,800	—					
	Citibank Japan Ltd.		1,800	—					
	The Bank of Fukuoka, Ltd.		1,400	—					
	The Norinchukin Bank		1,300	—					
	Resona Bank, Limited.		1,300	—					
	Sumitomo Mitsui Banking Corporation	January 4, 2013	6,400	6,400	1.13% (Note 4)	January 4, 2018	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		5,900	5,900					
	Mizuho Bank, Ltd.		4,000	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		1,800	1,800					
	Citibank Japan Ltd.		1,800	1,800					
	The Bank of Fukuoka, Ltd.		1,800	1,800					
	The Norinchukin Bank		1,300	1,300					
	Resona Bank, Limited.		1,300	1,300					

	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	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	0.42%	December 20, 2016	Lump-sum	(Note 8)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	January 6, 2014	1,150	1,150	0.42%	December 20, 2016	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 6, 2014	1,150	1,150	0.42%	December 20, 2016	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	January 6, 2014	1,800	1,800	1.20% (Note 4)	December 20, 2021	Lump-sum	(Note 8)	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	934	0.52%	February 28, 2017 (Note 6)	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,000	934					
	Mizuho Bank, Ltd.		1,000	934					
	Mitsubishi UFJ Trust and Banking Corporation		1,000	934					
	Citibank Japan Ltd.		750	701					
	The Bank of Fukuoka, Ltd.		750	701					
	The Norinchukin Bank		500	467					
	Resona Bank, Limited.		500	467					
	Sumitomo Mitsui Trust Bank, Limited		220	205					
	Shinsei Bank, Limited		220	205					
	Aozora Bank, Ltd.		220	205					
	The 77 Bank, Ltd.		220	205					
	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					

	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	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 8)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	June 30, 2014	1,500	1,500	0.31%	February 28, 2017	Lump-sum	(Note 8)	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	1.48% (Note 4)	June 30, 2026	Lump-sum	(Note 8)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		500	500					
	Mizuho Bank, Ltd.	September 2, 2014	480	480	0.30%	September 2, 2016	Lump-sum	(Note 9)	Unsecured not guaranteed
	Mitsubishi UFJ Trust and Banking Corporation		410	410					
	Citibank Japan Ltd.		640	640					
	The Bank of Fukuoka, Ltd.		370	370					
	The Norinchukin Bank		300	300					
	Resona Bank, Limited.		380	380					
	Sumitomo Mitsui Trust Bank, Limited		340	340					
	Shinsei Bank, Limited		260	260					
	Aozora Bank, Ltd.		260	260					
	The 77 Bank, Ltd.		260	260					
	Sumitomo Mitsui Banking Corporation	September 2, 2014	3,890	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	3,470					
	Mizuho Bank, Ltd.		2,830	2,830					
	Mitsubishi UFJ Trust and Banking Corporation		970	970					
	The Bank of Fukuoka, Ltd.		610	610					
	Development Bank of Japan Inc.		650	650					
	The Norinchukin Bank		350	350					
	Resona Bank, Limited.		270	270					
	Sumitomo Mitsui Trust Bank, Limited		560	560					
	Sumitomo Mitsui Banking Corporation	September 2, 2014	1,530	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	1,170					
	Sumitomo Mitsui Banking Corporation	January 5, 2015	4,500	4,500	0.28%	December 20, 2016	Lump-sum	(Note 8)	Unsecured not guaranteed
	The Bank of Fukuoka, Ltd.		500	500					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	January 5, 2015	1,960	—	0.31%	June 30, 2017 (Note 7)	Lump-sum	(Note 8)	Unsecured not guaranteed

	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	Development Bank of Japan Inc.	January 5, 2015	1,250	1,250	0.31%	December 20, 2018	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,250	1,250					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	May 1, 2015	800	800	0.29%	February 28, 2019	Lump-sum	(Note 9)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	May 1, 2015	2,700	2,700	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 9)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	May 1, 2015	700	700	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Norinchukin Bank	May 1, 2015	400	400	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 1, 2015	—	3,200	0.23%	September 2, 2016	Lump-sum	(Note 9)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	September 1, 2015	—	2,922	0.61% (Note 4)	February 28, 2022	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	2,348					
	Mizuho Bank, Ltd.		—	1,640					
	Mitsubishi UFJ Trust and Banking Corporation		—	680					
	Citibank Japan Ltd.		—	320					
	The Bank of Fukuoka, Ltd.		—	480					
	Development Bank of Japan Inc.		—	320					
	The Norinchukin Bank		—	320					
	Resona Bank, Limited.		—	320					
	Sumitomo Mitsui Trust Bank, Limited		—	440					
	Shinsei Bank, Limited		—	130					
	The 77 Bank, Ltd.		—	130					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 1, 2015	—	1,300	0.96% (Note 4)	September 1, 2025	Lump-sum	(Note 9)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	January 4, 2016	—	3,000	0.19% (Note 5)	February 28, 2019	Lump-sum	(Note 8)	Unsecured not guaranteed
	Citibank Japan Ltd.		—	500					
	The Bank of Fukuoka, Ltd.		—	1,800					
	The Bank of Fukuoka, Ltd.	January 4, 2016	—	1,400	0.35% (Note 4)	February 26, 2021	Lump-sum	(Note 8)	Unsecured not guaranteed
	The Norinchukin Bank		—	1,400					
	Mitsubishi UFJ Trust and Banking Corporation	January 4, 2016	—	1,900	0.61% (Note 4)	February 29, 2024	Lump-sum	(Note 8)	Unsecured not guaranteed
	Resona Bank, Limited.		—	1,400					
	Mizuho Bank, Ltd.	January 4, 2016	—	1,500	0.93% (Note 4)	February 27, 2026	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	January 4, 2016	—	5,600	1.22% (Note 4)	December 21, 2026	Lump-sum	(Note 8)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	5,100					
	Sumitomo Mitsui Banking Corporation	January 4, 2016	—	500	1.31% (Note 4)	December 20, 2027	Lump-sum	(Note 8)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	400					
	Sumitomo Mitsui Banking Corporation	January 4, 2016	—	600	1.57% (Note 4)	December 20, 2028	Lump-sum	(Note 8)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	400					

Category	Name of financial institution	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
	Sumitomo Mitsui Banking Corporation	January 15, 2016	—	980	0.42% (Note 4)	January 14, 2022	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	January 15, 2016	—	850	0.42%	January 14, 2022	Lump-sum	(Note 9)	Unsecured not guaranteed
	Mitsubishi UFJ Trust and Banking Corporation	January 15, 2016	—	610	0.42% (Note 4)	January 14, 2022	Lump-sum	(Note 9)	Unsecured not guaranteed
	Subtotal		156,380	172,630					
	Total		158,080	172,630					

(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 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) GLP J-REIT entered into the interest rate swap agreement on February 10, 2016 and substantially fixed the interest rate at (0.009%) on and after February 15, 2016.

(Note 6) Of outstanding loan balance of 7,380 million yen at beginning of the period, 480 million yen was repaid on October 7, 2015 before its due date.

(Note 7) Of outstanding loan balance of 1,960 million yen at beginning of the period, 1,960 million yen was repaid on February 8, 2016 before its due date.

(Note 8) The fund was used to make repayments of bank borrowing.

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

### 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 (Note 1)	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 2)	(Note 3)
GLP J-REIT 2nd Unsecured Bonds	July 30, 2014	2,000	2,000	0.98%	July 30, 2024	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 3rd Unsecured Bonds	December 26, 2014	4,500	4,500	0.51%	December 25, 2020	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 4th Unsecured Bonds	December 26, 2014	1,500	1,500	0.68%	December 26, 2022	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 5th Unsecured Bonds	December 26, 2014	3,000	3,000	1.17%	December 25, 2026	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 6th Unsecured Bonds	June 30, 2015	1,500	1,500	0.89%	June 30, 2025	Lump-sum	(Note 2)	(Note 3)
Total		18,500	18,500					

(Note 1) “Interest rate” is rounded to the second decimal place.

(Note 2) The fund was used to make repayment of bank borrowing.

(Note 3) 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 & Asset-Backed Securities and Infrastructure & Infrastructure Related Assets

Type of asset	Name of property	Acquisition		Disposition			
		Date	Price (Million yen) (Note 1)	Date	Price (Million yen) (Note 2)	Book value (Million yen)	Gain / Loss (Million yen)
Beneficiary right of real estate in trust	GLP Shinkiba	September 1, 2015	11,540	—	—	—	—
Beneficiary right of real estate in trust	GLP Narashino	September 1, 2015	5,320	—	—	—	—
Beneficiary right of real estate in trust	GLP Narita II	September 1, 2015	3,700	—	—	—	—
Beneficiary right of real estate in trust	GLP Sugito	September 1, 2015	8,310	—	—	—	—
Beneficiary right of real estate in trust	GLP Tosu I	September 1, 2015	9,220	—	—	—	—
Beneficiary right of real estate in trust	GLP Matsudo	January 15, 2016	2,356	—	—	—	—
Beneficiary right of real estate in trust	GLP Tosu III	—	—	January 27, 2016	2,100 (Note 3)	866	80 (Note 3)
Beneficiary right of real estate in trust	GLP Chikushino	—	—	January 27, 2016		1,085	
Total			40,446		2,100	1,951	80

(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) “Disposition price” excludes disposition costs, property-related taxes and consumption taxes.

(Note 3) This disposition is pursuant to the single sales and purchase agreement with single counter party. The disposition price of each property is not disclosed since counter party’s consent has not been obtained. Accordingly, gain or loss on sale of each property is also not disclosed.

#### 2. Acquisition and Disposition of Other Assets

Other assets except real estate properties & asset-backed securities and infrastructure & infrastructure related assets 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 / Disposition date	Acquisition / Disposition price (Million yen) (Note 1)	Appraisal value (Million yen) (Note 3)	Name of appraiser	Date of appraisal
Acquisition	GLP Shinkiba	September 1, 2015	11,540	11,900	The Tanizawa Sōgō Appraisal Co., Ltd.	June 30, 2015
Acquisition	GLP Narashino	September 1, 2015	5,320	5,430	The Tanizawa Sōgō Appraisal Co., Ltd.	June 30, 2015
Acquisition	GLP Narita II	September 1, 2015	3,700	3,810	The Tanizawa Sōgō Appraisal Co., Ltd.	June 30, 2015
Acquisition	GLP Sugito	September 1, 2015	8,310	8,910	Morii Appraisal & Investment Consulting, Inc.	June 30, 2015
Acquisition	GLP Tosu I	September 1, 2015	9,220	9,650	Japan Real Estate Institute	June 30, 2015
Acquisition	GLP Matsudo	January 15, 2016	2,356	2,630	Morii Appraisal & Investment Consulting, Inc.	November 16, 2015
Disposition	GLP Tosu III	January 27, 2016	2,100 (Note 2)	892	Japan Real Estate Institute	August 31, 2015
Disposition	GLP Chikushino	January 27, 2016		1,260	Japan Real Estate Institute	August 31, 2015

(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. “Disposition price” excludes disposition costs, property-related taxes and consumption taxes.

(Note 2) This disposition is pursuant to the single sales and purchase agreement with single counter party. The disposition price of each property is not disclosed since each counter party’s consent has not been obtained.

(Note 3) “Appraisal value” of specific assets above was determined 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, 2015 to February 29, 2016, the transactions subject to such investigation were 16 interest rate swap transactions, for which GLP J-REIT received a report from KPMG AZSA LLC. The investigation of the interest rate swaps included the names of its counterparties, values, contract periods and other details in relation to the interest rate swap transactions.

## 4. Transactions with Interested Parties

### (1) Transactions

	Transaction price	
	Purchase	Sale
Total amount	40,446,000 thousand yen	2,100,000 thousand yen
Transactions with interested parties and major shareholders		
Shinkiba Logistic Special Purpose Company (Note 2)	11,540,000 thousand yen (28.5%)	— thousand yen (—%)
Narashino Logistic Special Purpose Company (Note 3)	5,320,000 thousand yen (13.2%)	— thousand yen (—%)
Narita 2 Logistic Special Purpose Company (Note 4)	3,700,000 thousand yen ( 9.1%)	— thousand yen (—%)
Sugito Logistic Special Purpose Company (Note 5)	8,310,000 thousand yen (20.5%)	— thousand yen (—%)
Tosu 1 Logistic Special Purpose Company (Note 6)	9,220,000 thousand yen (22.8%)	— thousand yen (—%)
Total	38,090,000 thousand yen (94.2%)	— 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	224,693	Global Logistic Properties Inc.	224,693	100.0
Royalty fee	7,500	Global Logistic Properties Inc.	7,500	100.0
Leasing commission	59,201	Global Logistic Properties Inc.	59,201	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) Shinkiba Logistic Special Purpose Company has been liquidated effective March 2, 2016.

(Note 3) Narashino Logistic Special Purpose Company has been liquidated effective March 2, 2016.

(Note 4) Narita 2 Logistic Special Purpose Company has been liquidated effective March 2, 2016.

(Note 5) Sugito Logistic Special Purpose Company has been liquidated effective March 2, 2016.

(Note 6) Tosu 1 Logistic Special Purpose Company has been liquidated effective March 2, 2016.

## 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 Income,” “Statements of Changes in 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 and Infrastructure Assets

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
December 22, 2015	Conclusion of Memorandum relating to Transfer Agency Agreement	In line with the enforcement of the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure, GLP J-REIT entrusted Mitsubishi UFJ Trust and Banking Corporation with affairs using unitholders' Individual Number, including collection, registration, disposition, or deletion.

### 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, 2015	Current Period As of February 29, 2016
Assets		
Current assets		
Cash and deposits	5,581,570	4,986,538
Cash and deposits in trust	5,575,223	5,549,044
Operating accounts receivable	256,391	299,990
Prepaid expenses	337,799	390,251
Deferred tax assets	30	—
Consumption taxes receivable	—	598,811
Other current assets	—	134
Total current assets	11,751,015	11,824,771
Noncurrent assets		
Property and equipment		
Buildings in trust	137,450,682	151,491,368
Accumulated depreciation	(9,871,114)	(12,215,546)
Buildings in trust, net	127,579,568	139,275,821
Structures in trust	3,150,562	3,741,652
Accumulated depreciation	(599,478)	(748,332)
Structures in trust, net	2,551,083	2,993,320
Machinery and equipment in trust	53,679	53,679
Accumulated depreciation	(22,358)	(26,610)
Machinery and equipment in trust, net	31,321	27,069
Tools, furniture and fixtures in trust	126,723	143,533
Accumulated depreciation	(41,235)	(52,054)
Tools, furniture and fixtures in trust, net	85,488	91,478
Land in trust	209,785,916	234,404,917
Construction in progress	73,301	65,998
Total property and equipment, net	340,106,680	376,858,606
Investments and other assets		
Investment securities	1,600	1,600
Long-term prepaid expenses	972,626	1,271,286
Security deposits	10,000	10,000
Total investments and other assets	984,226	1,282,886
Total noncurrent assets	341,090,906	378,141,492
Deferred assets		
Investment unit issuance expenses	132,588	145,623
Investment corporation bond issuance costs	93,998	86,092
Total deferred assets	226,587	231,715
Total Assets	353,068,509	390,197,979

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2015	Current Period As of February 29, 2016
Liabilities		
Current liabilities		
Operating accounts payable	227,990	140,047
Short-term loans payable	1,700,000	—
Current portion of long-term loans payable	23,800,000	27,000,000
Accounts payable	1,308,583	1,419,435
Accrued expenses	25,011	25,410
Income taxes payable	1,074	605
Consumption taxes payable	280,136	—
Advances received	1,941,355	2,037,581
Current portion of tenant leasehold and security deposits	185,746	199,290
Current portion of tenant leasehold and security deposits in trust	—	100,000
Total current liabilities	29,469,897	30,922,371
Noncurrent liabilities		
Investment corporation bonds	18,500,000	18,500,000
Long-term loans payable	132,580,000	145,630,000
Tenant leasehold and security deposits	7,248,598	7,584,626
Tenant leasehold and security deposits in trust	278,019	178,019
Total noncurrent liabilities	158,606,617	171,892,645
Total Liabilities	188,076,514	202,815,016
Net Assets		
Unitholders' equity		
Unitholders' capital	162,790,718	185,176,702
Deduction from unitholders' capital	(2,448,596)	(3,156,252)
Unitholders' capital, net	160,342,122	182,020,450
Retained earnings		
Unappropriated retained earnings	4,649,872	5,362,512
Total retained earnings	4,649,872	5,362,512
Total unitholders' equity	164,991,994	187,382,962
Total Net Assets *2	164,991,994	187,382,962
Total Liabilities and Net Assets	353,068,509	390,197,979

## Statements of Income

(Unit: Thousand yen)

	Prior Period (Reference)	Current Period
	From March 1, 2015	From September 1, 2015
	To August 31, 2015	To February 29, 2016
Operating revenues		
Rental revenues *1	10,651,301	11,810,418
Other rental revenues *1	424,001	441,909
Gain on sales of property and equipment *2	—	80,154
Total operating revenues	11,075,303	12,332,482
Operating expenses		
Rental expenses *1	4,148,778	4,474,628
Asset management fee	1,096,931	1,219,077
Asset custody fee	5,574	5,637
Administrative service fees	18,130	19,230
Directors' remuneration	3,960	3,960
Audit fee	13,000	13,500
Taxes and dues	82	14,455
Other operating expenses	54,991	71,480
Total operating expenses	5,341,450	5,821,970
Operating income	5,733,852	6,510,512
Non-operating income		
Interest income	937	880
Total non-operating income	937	880
Non-operating expenses		
Interest expense	734,212	770,388
Interest expenses on investment corporation bonds	60,979	64,207
Amortization of investment corporation bond issuance costs	7,585	7,906
Borrowing related expenses	191,245	208,451
Amortization of investment unit issuance expenses	89,614	77,893
Offering costs associated with the issuance of investment units	897	20,845
Others, net	814	843
Total non-operating expenses	1,085,349	1,150,536
Ordinary income	4,649,440	5,360,856
Income before income taxes	4,649,440	5,360,856
Income taxes-current	1,264	605
Income taxes-deferred	(23)	30
Total income taxes	1,241	635
Net income	4,648,199	5,360,221
Accumulated earnings brought forward	1,672	2,291
Unappropriated retained earnings	4,649,872	5,362,512



## Statements of Changes in Net Assets

Prior period (From March 1, 2015 to August 31, 2015) (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	162,790,718	(1,750,502)	161,040,215	4,697,068	4,697,068	165,737,284	165,737,284
Changes of items during the period							
Distributions in excess of retained earnings		(698,093)	(698,093)			(698,093)	(698,093)
Distributions of earnings				(4,695,395)	(4,695,395)	(4,695,395)	(4,695,395)
Net income				4,648,199	4,648,199	4,648,199	4,648,199
Total changes of items during the period	—	(698,093)	(698,093)	(47,196)	(47,196)	(745,289)	(745,289)
Balance at the end of the period *1	162,790,718	(2,448,596)	160,342,122	4,649,872	4,649,872	164,991,994	164,991,994

Current period (From September 1, 2015 to February 29, 2016)

(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	162,790,718	(2,448,596)	160,342,122	4,649,872	4,649,872	164,991,994	164,991,994
Changes of items during the period							
Issuance of new investment units	22,385,984		22,385,984			22,385,984	22,385,984
Distributions in excess of retained earnings		(707,656)	(707,656)			(707,656)	(707,656)
Distributions of earnings				(4,647,581)	(4,647,581)	(4,647,581)	(4,647,581)
Net income				5,360,221	5,360,221	5,360,221	5,360,221
Total changes of items during the period	22,385,984	(707,656)	21,678,327	712,640	712,640	22,390,967	22,390,967
Balance at the end of the period *1	185,176,702	(3,156,252)	182,020,450	5,362,512	5,362,512	187,382,962	187,382,962

## Notes to Financial Statements

### (Notes Concerning Significant Accounting Policies)

By period Item	Prior Period (Reference) From March 1, 2015 To August 31, 2015	Current Period From September 1, 2015 To February 29, 2016
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 are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: Buildings 2 to 55 years Structures 2 to 57 years Machinery and equipment 6 to 12 years Tools, furniture and fixtures 2 to 15 years	Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: Buildings 2 to 55 years Structures 2 to 57 years Machinery and equipment 6 to 12 years Tools, furniture and fixtures 2 to 15 years
3. 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 taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 2,025 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 taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 77,001 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 floating 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.</p> <p>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 as permitted under the Japanese GAAP.</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 floating 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.</p> <p>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 as permitted under the Japanese GAAP.</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 sheet and statement of income accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust (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 income.</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 sheet and statement of income accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust (c) Current portion of tenant leasehold and security deposits in trust (d) 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 income. The nondeductible portion of consumption taxes imposed in connection with assets is charged to expense in the period incurred.</p>

## (Notes to Balance Sheets)

### 1. Commitment line agreements

GLP J-REIT has a commitment line agreement with two financial institutions as follows:

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2015	Current Period As of February 29, 2016
Total amount of commitment line agreement	6,000,000	6,000,000
Balance executed as loans	—	—
Unused line of credit	6,000,000	6,000,000

Prior Period (Reference) As of August 31, 2015	Current Period As of February 29, 2016
*2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.	*2. 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 Income)**

Prior Period (Reference) From March 1, 2015 To August 31, 2015	Current Period From September 1, 2015 To February 29, 2016																																																																
<p>*1. Breakdown of operating income from property leasing are as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>A. Property-related revenues</p> <p>Rental revenues:</p> <table> <tr> <td>Rental revenues</td><td>10,312,736</td></tr> <tr> <td>Common area charges</td><td>338,565</td></tr> <tr> <td>Total</td><td>10,651,301</td></tr> </table> <p>Other revenues related to property leasing</p> <table> <tr> <td>Utility charges</td><td>300,414</td></tr> <tr> <td>Parking lots</td><td>32,093</td></tr> <tr> <td>Others</td><td>91,493</td></tr> <tr> <td>Total</td><td>424,001</td></tr> </table> <p>Total property-related revenues 11,075,303</p> <p>B. Property-related expenses</p> <p>Rental expenses:</p> <table> <tr> <td>Taxes and dues</td><td>958,288</td></tr> <tr> <td>Property and facility management fees</td><td>404,170</td></tr> <tr> <td>Utilities</td><td>310,901</td></tr> <tr> <td>Repairs and maintenance</td><td>53,880</td></tr> <tr> <td>Casualty insurance</td><td>18,097</td></tr> <tr> <td>Depreciation</td><td>2,361,268</td></tr> <tr> <td>Loss on disposal of property and equipment</td><td>—</td></tr> <tr> <td>Others</td><td>42,171</td></tr> <tr> <td>Total property-related expenses</td><td>4,148,778</td></tr> </table> <p>C. Operating income from property leasing (A – B) 6,926,524</p>	Rental revenues	10,312,736	Common area charges	338,565	Total	10,651,301	Utility charges	300,414	Parking lots	32,093	Others	91,493	Total	424,001	Taxes and dues	958,288	Property and facility management fees	404,170	Utilities	310,901	Repairs and maintenance	53,880	Casualty insurance	18,097	Depreciation	2,361,268	Loss on disposal of property and equipment	—	Others	42,171	Total property-related expenses	4,148,778	<p>*1. Breakdown of operating income from property leasing are as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>A. Property-related revenues</p> <p>Rental revenues:</p> <table> <tr> <td>Rental revenues</td><td>11,444,192</td></tr> <tr> <td>Common area charges</td><td>366,225</td></tr> <tr> <td>Total</td><td>11,810,418</td></tr> </table> <p>Other revenues related to property leasing</p> <table> <tr> <td>Utility charges</td><td>294,394</td></tr> <tr> <td>Parking lots</td><td>32,646</td></tr> <tr> <td>Others</td><td>114,869</td></tr> <tr> <td>Total</td><td>441,909</td></tr> </table> <p>Total property-related revenues 12,252,328</p> <p>B. Property-related expenses</p> <p>Rental expenses:</p> <table> <tr> <td>Taxes and dues</td><td>959,379</td></tr> <tr> <td>Property and facility management fees</td><td>434,379</td></tr> <tr> <td>Utilities</td><td>287,081</td></tr> <tr> <td>Repairs and maintenance</td><td>70,330</td></tr> <tr> <td>Casualty insurance</td><td>23,967</td></tr> <tr> <td>Depreciation</td><td>2,601,733</td></tr> <tr> <td>Loss on disposal of property and equipment</td><td>474</td></tr> <tr> <td>Others</td><td>97,281</td></tr> <tr> <td>Total property-related expenses</td><td>4,474,628</td></tr> </table> <p>C. Operating income from property leasing (A – B) 7,777,699</p>	Rental revenues	11,444,192	Common area charges	366,225	Total	11,810,418	Utility charges	294,394	Parking lots	32,646	Others	114,869	Total	441,909	Taxes and dues	959,379	Property and facility management fees	434,379	Utilities	287,081	Repairs and maintenance	70,330	Casualty insurance	23,967	Depreciation	2,601,733	Loss on disposal of property and equipment	474	Others	97,281	Total property-related expenses	4,474,628
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—	<p>*2. Breakdown of gain on sales of property and equipment are as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>GLP Tosu III and GLP Chikushino</p> <table> <tr> <td>Sales proceed</td><td>2,100,000</td></tr> <tr> <td>Book value of properties sold</td><td>1,951,576</td></tr> <tr> <td>Other sales expenses</td><td>68,269</td></tr> <tr> <td>Gain on sales of property and equipment</td><td>80,154</td></tr> </table> <p>Sales price of each property is not disclosed since counter party's consent is not obtained.</p>	Sales proceed	2,100,000	Book value of properties sold	1,951,576	Other sales expenses	68,269	Gain on sales of property and equipment	80,154																																																								
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**(Notes to Statements of Changes in Net Assets)**

Prior Period (Reference) From March 1, 2015 To August 31, 2015		Current Period From September 1, 2015 To February 29, 2016	
*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	2,390,731 units	Number of investment units issued and outstanding	2,593,784 units

**(Deferred Tax Accounting)**

Prior Period (Reference) As of August 31, 2015		Current Period As of February 29, 2016	
1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen)			
(Deferred tax assets)			
Enterprise tax payable	30	—	
Total	30		
Net deferred tax assets	30		
2. Reconciliation between Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of income for each period is as follows. (Unit: %)		2. Reconciliation between Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of income for each period is as follows. (Unit: %)	
Statutory effective tax rate	34.15	Statutory effective tax rate	32.31
(Adjustments)		(Adjustments)	
Distributions deductible for tax purposes	(34.14)	Distributions deductible for tax purposes	(32.31)
Other	0.02	Other	0.01
Actual tax rate	0.03	Actual tax rate	0.01
—		3. Change in tax rate after the fiscal period end  In line with the promulgation on March 31, 2016 of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 15, 2016) and the “Act for Partial Revision of Local Taxation Act, etc.” (Act No. 13, 2016), statutory effective tax rate to calculate deferred tax assets or liabilities will be changed for temporary differences reversing on or after September 1, 2016. There is no impact from these changes.	

**(Property and Equipment under Capital Lease)**

Prior Period (Reference) From March 1, 2015 To August 31, 2015	Current Period From September 1, 2015 To February 29, 2016
—	—

## **(Financial Instruments)**

### Prior Period (From March 1, 2015 to August 31, 2015) (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 mainly made to procure funds for acquisition of properties and refinancing of bank loans or investment corporation bonds upon their maturities. GLP J-REIT mitigates the liquidity risk exposure upon repayment and redemption of loans by diversifying the maturities and lending institutions and concluding a commitment line agreement, and manages such liquidity risk by preparing and monitoring the forecasted cash flows.

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

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

##### (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 differences between the values as of August 31, 2015 are as follows. Financial instruments for which the 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	5,581,570	5,581,570	—
(2) Cash and deposits in trust	5,575,223	5,575,223	—
Total assets	11,156,794	11,156,794	—
(1) Short-term loans payable	1,700,000	1,700,000	—
(2) Current portion of long-term loans payable	23,800,000	23,819,091	19,091
(3) Investment corporation bonds	18,500,000	18,640,350	140,350
(4) Long-term loans payable	132,580,000	133,722,453	1,142,453
Total liabilities	176,580,000	177,881,895	1,301,895
Derivative transactions	—	(8,758)	(8,758)

## (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 and (4) Long-term loans payable

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

- (3) Investment corporation bonds

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

## Derivative transactions:

- (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	131,140,000 *1	107,340,000 *1	(8,758) *2	*3

\*1 The amount includes the contract amount of interest rate swap (11,350 million yen) entered on August 28, 2015. The start date of the loan that is the hedged item is September 1, 2015.

\*2 The fair value of the aforementioned interest rate swap entered on August 28, 2015 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 no such loan payable is not yet recognized as of the fiscal period then ended. 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 “Liabilities” (2) and (4).

\*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	7,248,598
Tenant leasehold and security deposits in trust	278,019
Total	7,526,617

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 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	5,581,570
Cash and deposits in trust	5,575,223
Total	11,156,794

(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	—	12,500,000
Long-term loans payable	23,800,000	26,240,000	24,300,000	15,600,000	24,050,000	42,390,000
Total	23,800,000	26,240,000	24,300,000	21,600,000	24,050,000	54,890,000

#### Current Period (From September 1, 2015 to February 29, 2016)

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

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

effectiveness test is omitted. Derivative transactions are executed and managed under the Management Guidelines of the Asset Manager.

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

### (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 differences between the values as of February 29, 2016 are as follows. Financial instruments for which the 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	4,986,538	4,986,538	—
(2) Cash and deposits in trust	5,549,044	5,549,044	—
Total assets	10,535,582	10,535,582	—
(1) Current portion of long-term loans payable	27,000,000	27,000,000	—
(2) Investment corporation bonds	18,500,000	18,983,350	483,350
(3) Long-term loans payable	145,630,000	149,239,818	3,609,818
Total liabilities	191,130,000	195,223,168	4,093,168
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) Current portion of long-term loans payable and (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 principal and interest amount at the current rates that are reasonably estimated to be applicable if GLP J-REIT enters into new similar loans. The fair value of interest rate swaps under the special accounting treatment is included in long-term loans payable designated as a hedged item.

#### (2) Investment corporation bonds

The reference value published 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	134,430,000	134,430,000	*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 “Liabilities” (1) and (3).

\*2 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	7,584,626
Tenant leasehold and security deposits in trust	178,019
Total	7,762,645

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 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	4,986,538
Cash and deposits in trust	5,549,044
Total	10,535,582

(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	—	4,500,000	8,000,000
Long-term loans payable	27,000,000	24,300,000	20,900,000	24,050,000	15,950,000	60,430,000
Total	27,000,000	24,300,000	26,900,000	24,050,000	20,450,000	68,430,000

## (Investment and Rental Properties)

### Prior Period (From March 1, 2015 to August 31, 2015) (Reference)

Property and equipment consists of leasable logistic 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)

Book value			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
334,800,384	5,232,993	340,033,378	385,580,000

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

(Note 2) Of the change in book value during each period, the major increase for the current period was primarily due to the acquisition of GLP Kobe-Nishi in the amount of 7,189,385 thousand yen, whereas the major decrease was due to depreciation of 2,361,268 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 Income.”

### Current Period (From September 1, 2015 to February 29, 2016)

Property and equipment consists of leasable logistic 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)

Book value			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
340,033,378	36,759,229	376,792,607	440,252,000

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

(Note 2) Of the change in book value during the period, the major increase was primarily due to the acquisition of the following six properties in the total amount of 40,755,176 thousand yen: GLP Shinkiba, GLP Narashino, GLP Narita II, GLP Sugito, GLP Matsudo and GLP Tosu I, whereas the major decrease was due to the sales of GLP Tosu III and GLP Chikushino in the total amount of 1,951,576 thousand yen and depreciation of 2,601,733 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 Income.”

## (Restriction on Asset Management)

### Prior Period (From March 1, 2015 to August 31, 2015) (Reference)

None

### Current Period (From September 1, 2015 to February 29, 2016)

None

## (Related Party Transactions)

Prior Period (From March 1, 2015 to August 31, 2015) (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	203,774	Operating accounts payable	40,353
				Royalty fee (Note 2)	7,500	—	—
				Leasing commission	14,329	—	—
Interested party	GLP Solar Special Purpose Company	Equipment leasing	—	Rental income from rooftop leasing (Note 2)	30,534	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	Kobe-Nishi Logistic Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	7,150,000	—	—
				Acceptance of security deposits	102,851	—	—
Interested party	GLP J-REIT Solar GK	Equipment leasing	—	Rental income from solar panel leasing	7,152	Operating accounts receivable	628
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Interest expense	45,001	Current portion of long-term loans payable	1,800,000
						Long-term loans payable	7,780,000
						Accrued expenses	244
				Trust fee	8,545	Operating accounts payable	3,090
				Administrative service fee	18,130	Accounts payable	8,136

(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.



Current Period (From September 1, 2015 to February 29, 2016)

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	224,693	Operating accounts payable	40,520
				Royalty fee (Note 2)	7,500	—	—
				Leasing commission	59,201	—	—
Interested party	GLP Solar Special Purpose Company	Equipment leasing	—	Rental income from rooftop leasing (Note 2)	40,199	Advances received	7,235
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	3,822	Advances received	688
Interested party	Shinkiba Logistic Special Purpose Company (Note 3)	Real estate	—	Purchase of beneficiary right of real estate in trust	11,540,000	—	—
Interested party	Narashino Logistic Special Purpose Company (Note 4)	Real estate	—	Purchase of beneficiary right of real estate in trust	5,320,000	—	—
				Receipt of deposits	2,907	—	—
				Acceptance of security deposits	43,625	—	—
Interested party	Narita 2 Logistic Special Purpose Company (Note 5)	Real estate	—	Purchase of beneficiary right of real estate in trust	3,700,000	—	—
				Receipt of deposits	2,913	—	—
				Acceptance of security deposits	67,058	—	—
Interested party	Sugito Logistic Special Purpose Company (Note 6)	Real estate	—	Purchase of beneficiary right of real estate in trust	8,310,000	—	—
				Receipt of deposits	6,068	—	—
				Acceptance of security deposits	113,755	—	—
Interested party	Tosu 1 Logistic Special Purpose Company (Note 7)	Real estate	—	Purchase of beneficiary right of real estate in trust	9,220,000	—	—
				Receipt of deposits	10,646	—	—
				Acceptance of security deposits	140,312	—	—
Interested party	GLP J-REIT Solar GK	Equipment leasing	—	Rental income from solar panel leasing	20,156	Operating accounts receivable	2,481
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Borrowing as long-term loans payable	3,190,000	Current portion of long-term loans payable	1,344,959
				Repayment of long-term loans payable	1,865,040	Long-term loans payable	9,560,000
				Interest expense	45,367	Accrued expenses	239
				Borrowing related fee	19,599	—	—
				Trust fee	9,191	Operating accounts payable	3,245
				Administrative service fee	19,230	Accounts payable	8,259
				Intermediary fee for the acquisition of beneficiary right of real estate in trust	70,740	—	—

(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) Shinkiba Logistic Special Purpose Company has been liquidated effective March 2, 2016.

(Note 4) Narashino Logistic Special Purpose Company has been liquidated effective March 2, 2016.

(Note 5) Narita 2 Logistic Special Purpose Company has been liquidated effective March 2, 2016.

(Note 6) Sugito Logistic Special Purpose Company has been liquidated effective March 2, 2016.

(Note 7) Tosu 1 Logistic Special Purpose Company has been liquidated effective March 2, 2016.

**(Per Unit Information)**

Prior Period (Reference) From March 1, 2015 To August 31, 2015		Current Period From September 1, 2015 To February 29, 2016	
Net assets per unit	69,013 yen	Net assets per unit	72,243 yen
Net income per unit	1,944 yen	Net income per unit	2,067 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 no dilutive securities were outstanding.		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 no dilutive securities were outstanding.	

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

	Prior Period (Reference) From March 1, 2015 To August 31, 2015	Current Period From September 1, 2015 To February 29, 2016
Net income	4,648,199 thousand yen	5,360,221 thousand yen
Amount not attributable to ordinary unitholders	— thousand yen	— thousand yen
Net income attributable to ordinary unitholders	4,648,199 thousand yen	5,360,221 thousand yen
Average number of investment units outstanding	2,390,731 units	2,593,064 units

*(This part is intentionally left blank)*

## (Significant Subsequent Events)

### Prior Period (From March 1, 2015 to August 31, 2015) (Reference)

#### 1. Issuance of new investment units

At the Board of Directors' Meetings held on August 10, 2015 and August 19, 2015, 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, 2015 while the proceeds from new investment units through a third-party allocation were fully collected on September 25, 2015.

#### [Issuance of new investment units through a public offering]

Number of new investment units issued:	197,594 units (79,411 units for domestic market, 118,183 units for international market)
Issue price (offer price):	114,174 yen per unit
Total amount issued (total offering amount):	22,560,097,356 yen
Amount to be paid in (issue amount):	110,247 yen per unit
Total amount to be paid in (total issue amount):	21,784,145,718 yen
Payment date:	September 1, 2015
Initial date of distribution calculation:	September 1, 2015

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

Number of new investment units issued:	5,459 units
Amount to be paid in (issue amount):	110,247 yen per unit
Total amount to be paid in (total issue amount):	601,838,373 yen
Payment date:	September 25, 2015
Initial date of distribution calculation:	September 1, 2015
Underwriter:	Nomura Securities Co., Ltd.

#### [Purpose of funding]

The funds raised through the public offering were partially appropriated for the acquisition of beneficiary rights of real estate in trust stated below in "2. Acquisition of assets". The funds raised through the third-party allocation will be kept as cash on hand, of which 480 million yen was appropriated to repay a portion of a long-term loan on October 7, 2015, before its maturity date of February 28, 2017.

## 2. Acquisitions of assets

GLP J-REIT acquired the five properties shown below in the form of trust beneficiary interests (with the total acquisition price of 38,090 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 Shinkiba	September 1, 2015	Koto-ku, Tokyo	Shinkiba Logistic Special Purpose Company	11,540
GLP Narashino	September 1, 2015	Narashino, Chiba	Narashino Logistic Special Purpose Company	5,320
GLP Narita II	September 1, 2015	Sanbu, Chiba	Narita 2 Logistic Special Purpose Company	3,700
GLP Sugito	September 1, 2015	Kita-Katsushika, Saitama	Sugito Logistic Special Purpose Company	8,310
GLP Tosu I	September 1, 2015	Tosu, Saga	Tosu 1 Logistic Special Purpose Company	9,220
Total	—	—	—	38,090

## 3. Additional borrowings

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

Lender	Loan amount (Million yen)	Interest rate	Loan execution date	Repayment date	Repayment method	Collateral
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,200	JBA yen 1month TIBOR plus 0.1%	September 1, 2015	September 2, 2016	Lump-sum repayment on repayment date	Unsecured not guaranteed
Sumitomo Mitsui Banking Corporation/ The Bank of Tokyo-Mitsubishi UFJ, Ltd./ Mizuho Bank, Ltd./ Mitsubishi UFJ Trust and Banking Corporation/ Citibank Japan Ltd./ The Bank of Fukuoka, Ltd./ Development Bank of Japan Inc./ The Norinchukin Bank/ Resona Bank, Limited./ Sumitomo Mitsui Trust Bank, Limited/ Shinsei Bank, Limited/ The 77 Bank, Ltd.	10,050	JBA yen 3month TIBOR plus 0.245% (Note 1)		February 28, 2022		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,300	JBA yen 3month TIBOR plus 0.325% (Note 2)		September 1, 2025		
Total	14,550	—	—	—	—	—

(Note 1) GLP J-REIT entered into an interest rate swap agreement on August 28, 2015 and the interest rate has been substantially fixed at 0.612%.

(Note 2) GLP J-REIT entered into an interest rate swap agreement on August 28, 2015 and the interest rate has been substantially fixed at 0.959%.

Current Period (From September 1, 2015 to February 29, 2016)

None

## Statements of Distributions

(Unit: Yen)

	Prior Period (Reference) From March 1, 2015 To August 31, 2015	Current Period From September 1, 2015 To February 29, 2016
I Unappropriated retained earnings	4,649,872,187	5,362,512,271
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	707,656,376	778,135,200
III Distributions	5,355,237,440	6,139,486,728
[Distributions per unit]	[2,240]	[2,367]
Of which, distributions of earnings	4,647,581,064	5,361,351,528
[Of which, distributions of earnings per unit]	[1,944]	[2,067]
Of which, distributions in excess of retained earnings	707,656,376	778,135,200
[Of which, distributions in excess of retained earnings per unit]	[296]	[300]
IV Retained earnings carried forward	2,291,123	1,160,743

### 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 4,647,581,064 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 5,361,351,528 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 in each fiscal period on a continuing basis.

(Continued)

(Continued)

*(Continued)*

Thus, GLP J-REIT declared an OPD amounting to 707,656,376 yen, as a refund of its investment, which was determined as follows: (1) the amount not exceeding the upper limit of 1,956,391,325 yen calculated by deducting capital expenditure of 404,877,278 yen from depreciation expense of 2,361,268,603 yen, and (2) approximately 30% of the depreciation expense of 2,361,268,603 yen for the period.

*(Continued)*

Thus, GLP J-REIT declared an OPD (a refund of its investment, which falls under a distribution through the reduction in unitholders' capital for tax purposes) amounting to 778,135,200 yen, which was determined as follows: (1) the amount not exceeding the upper limit of 2,043,896,175 yen calculated by deducting capital expenditure of 557,837,703 yen from depreciation expense of 2,601,733,878 yen, and (2) approximately 30% of the depreciation expense of 2,601,733,878 yen for the period.

(Note) For the time being, GLP J-REIT intends to make an OPD distribution (a refund of its investment, which falls under a distribution through the reduction in unitholders' capital for tax purposes) 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)	Current Period
	From March 1, 2015 To August 31, 2015	From September 1, 2015 To February 29, 2016
Operating activities:		
Income before income taxes	4,649,440	5,360,856
Depreciation	2,361,268	2,601,733
Amortization of investment corporation bond issuance costs	7,585	7,906
Amortization of investment unit issuance expenses	89,614	77,893
Interest income	(937)	(880)
Interest expense	795,191	834,595
Loss on disposal of property and equipment	—	474
Decrease (increase) in operating accounts receivable	31,190	(43,599)
Decrease (increase) in prepaid expenses	41,801	(52,452)
Decrease (increase) in consumption taxes receivable	852,965	(598,811)
Decrease (increase) in other current assets	810	—
Decrease (increase) in long-term prepaid expenses	125,967	(298,659)
Increase (decrease) in operating accounts payable	35,570	(87,943)
Increase (decrease) in accounts payable	(76,626)	125,980
Increase (decrease) in consumption taxes payable	280,136	(280,136)
Increase (decrease) in advances received	40,017	96,226
Increase (decrease) in deposits received	(1,644)	—
Changes due to sales of property and equipment in trust	—	1,951,576
Sub total	9,232,351	9,694,761
Interest received	937	880
Interest paid	(794,319)	(834,196)
Income taxes paid	(788)	(1,208)
Net cash provided by (used in) operating activities	8,438,182	8,860,236
Investing activities:		
Purchase of property and equipment	(73,220)	(81)
Purchase of property and equipment in trust	(7,756,083)	(41,322,239)
Proceeds from tenant leasehold and security deposits	119,869	619,153
Repayments of tenant leasehold and security deposits	(25,947)	(269,580)
Net cash provided by (used in) investing activities	(7,735,381)	(40,972,747)
Financing activities:		
Proceeds from short-term loans payable	2,000,000	—
Repayments of short-term loans payable	(2,000,000)	(1,700,000)
Proceeds from long-term loans payable	4,600,000	42,490,000
Repayments of long-term loans payable	—	(26,240,000)
Proceeds from issuance of investment corporation bonds	1,500,000	—
Payments for investment corporation bond issuance costs	(12,836)	—
Proceeds from issuance of investment units	—	22,295,056
Payments of distributions of earnings	(4,694,549)	(4,646,775)
Payments of distributions in excess of retained earnings	(697,324)	(706,980)
Net cash provided by (used in) financing activities	695,289	31,491,300
Net increase (decrease) in cash and cash equivalents	1,398,089	(621,211)
Cash and cash equivalents at beginning of period	9,758,704	11,156,794
Cash and cash equivalents at end of period *1	11,156,794	10,535,582

(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)**

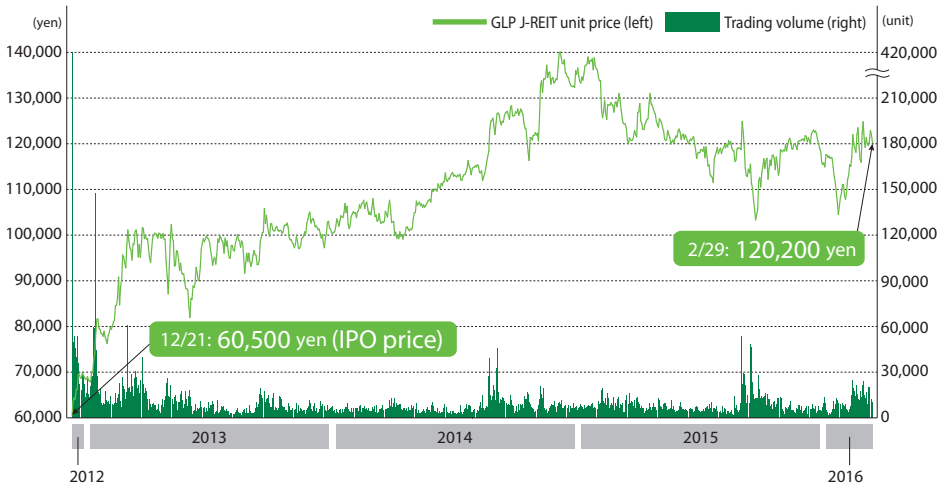
	Prior Period (Reference) From March 1, 2015 To August 31, 2015	Current Period From September 1, 2015 To February 29, 2016
Cash and cash equivalents as stated in the Statements of Cash Flows	Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available 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)**

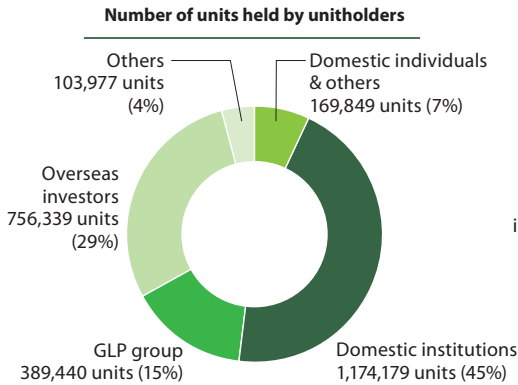
Prior Period (Reference) From March 1, 2015 To August 31, 2015	Current Period From September 1, 2015 To February 29, 2016
*1. Reconciliation of cash and cash equivalents in the Statement of Cash Flows to accounts and amounts in the accompanying balance sheet (As of August 31, 2015) <div style="text-align: right;">(Unit: Thousand yen)</div> <div>             Cash and deposits 5,581,570              Cash and deposits in trust 5,575,223              Cash and cash equivalents <u>11,156,794</u> </div>	*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 29, 2016) <div style="text-align: right;">(Unit: Thousand yen)</div> <div>             Cash and deposits 4,986,538              Cash and deposits in trust 5,549,044              Cash and cash equivalents <u>10,535,582</u> </div>

# Investor's Information

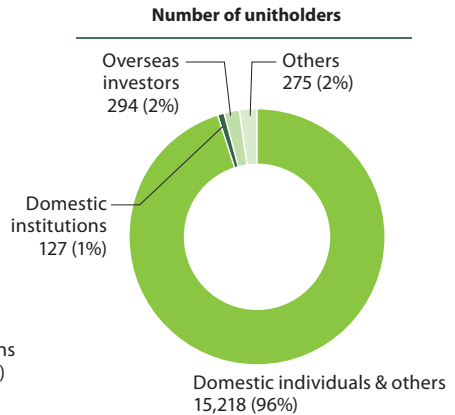
## Historical Investment Unit Price (closing price)



## Unitholder Composition (as of the end of Feb 2016)



Total number of issued units: 2,593,784



Total number of unitholders: 15,914