

Asset Management Report

Global Logistic
Properties

GLP J-REIT



Feb 2014 Fiscal Period



4th Fiscal Period

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

GLP J-REIT

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



Dividend per unit
(Feb 2014 actual)

2,190 yen

(including an optimal payable distribution
of 251 yen)

Dividend per unit
(Aug 2014 forecast)

2,150 yen

(including an optimal payable distribution
of 284 yen)

Total assets
(acquisition price base)

285.0 bn yen

(note) as of Apr 1, 2014

Occupancy
(as of Feb 2014)

99.9%

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To Our Unitholders

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

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

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

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

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

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

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

I thank you for your ongoing support.





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

Overview of GLP

Investment in Modern Logistics Facilities

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

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

Investment Areas

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

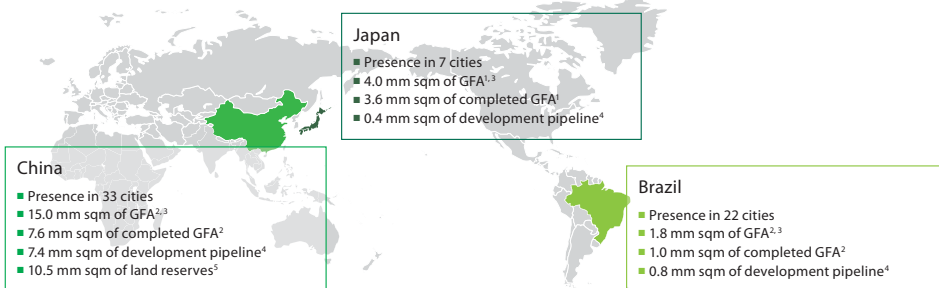
Investment percentage by location (based on acquisition price)

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

Utilization of the GLP Group’s Value Chain

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

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



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

RoFL assets owned by GLP



Functions of Modern Logistics Facilities

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

GLP Amagasaki

Wind-generated power



High-intensity lighting



24-hour security



Wide column space

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



Office space

Supports tenants by providing comfortable workplaces for on-site workers



Amenity space



Rampways allowing access to upper floors



Large truck loading yards

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

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

First-ever Initiatives in J-REIT Sector

1 Acquisition of sponsor's flagship assets



GLP Tokyo



GLP Amagasaki

Best-in-class portfolio

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

AM Fee

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

&

Incentive bonus of asset manager

Linked to dividend and relative performance of investment unit

Alignment of interests between unitholder and sponsor

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

3 Optimal Payable Distribution (OPD)*2

Stable income
(net income)

+

OPD
(30% of depreciation)

FFO based cash distribution

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

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

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

High liquidity

*3 As of IPO of GLP J-REIT

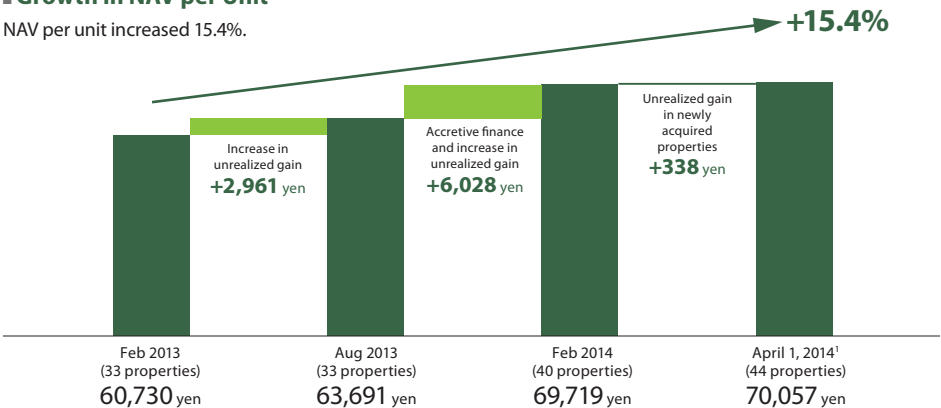
Innovative initiatives

Enhancement of Unitholders' Value

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

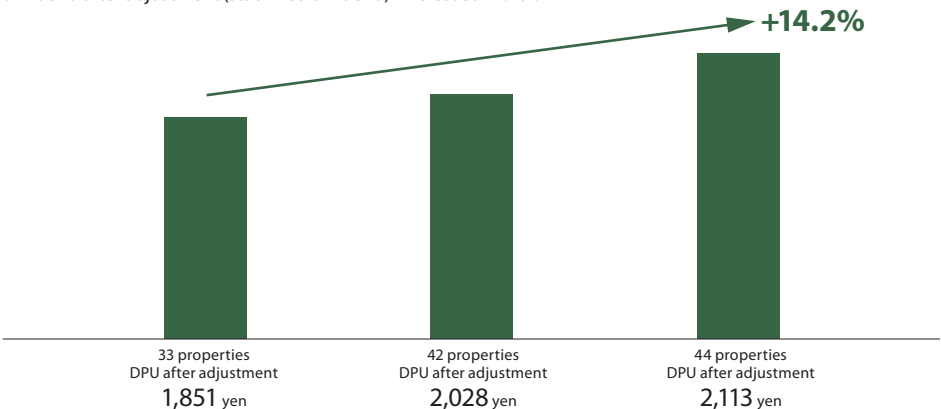
■ Growth in NAV per Unit

NAV per unit increased 15.4%.



■ Dividend Growth

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

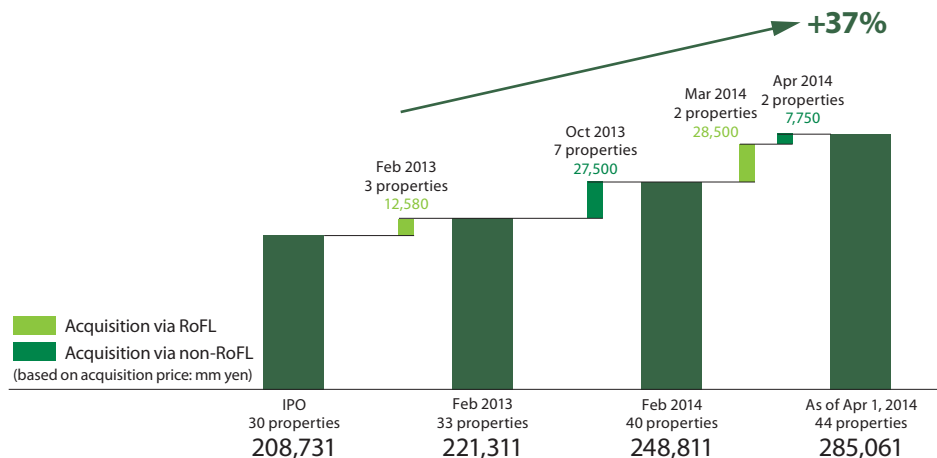


* Dividend after adjustment (stabilized dividend)

In accordance with real estate tax accounting rules, for the year of acquisition, real estate tax obligations etc. are included in acquisition costs and capitalized. Such obligations are recorded as expense annually from the subsequent year. Our actual and forecast dividends for the periods beginning in the year of acquisition and ending in February of the following year of acquisition do not reflect such real estate tax etc. expenses. To expressly provide the effect of the follow-on offering on dividend value, dividends after adjustment, shown above, have been calculated on the assumption that all the owned properties are in full-period operation and by excluding the effect of variable factors such as real estate tax capitalization.

Strong Portfolio Growth

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



Portfolio Quality Maintained

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

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

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

Financial Highlights

Financials

Feb 2014 (forecast)

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

Aug 2014 (forecast)

(from March 1 to
August 31, 2014)

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

Major factors for variation

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

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

Dividend per Unit (yen)

Feb 2014 (forecast)

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

Aug 2014 (forecast)

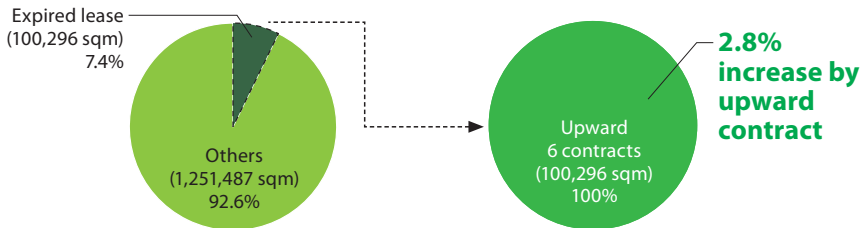
(from March 1 to
August 31, 2014)

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

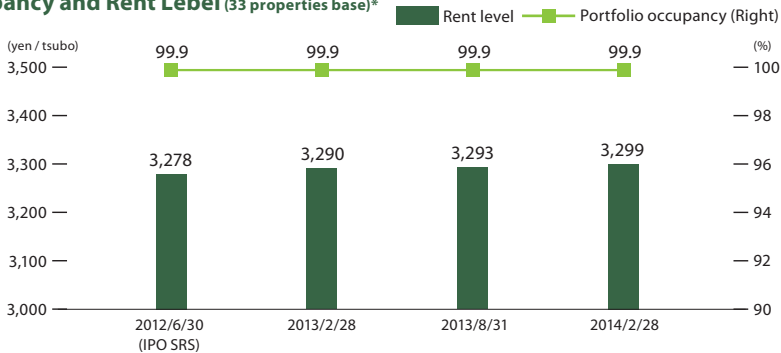
Portfolio Management

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

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



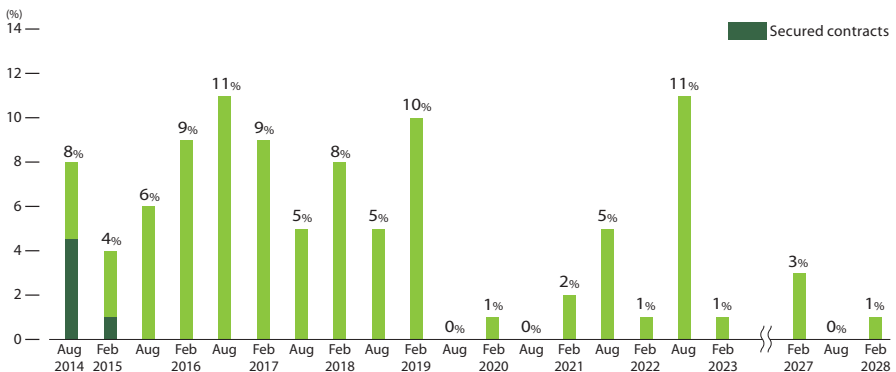
Occupancy and Rent Level (33 properties base)*



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

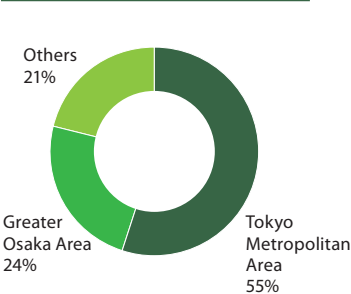
Lease Expiry Profile

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

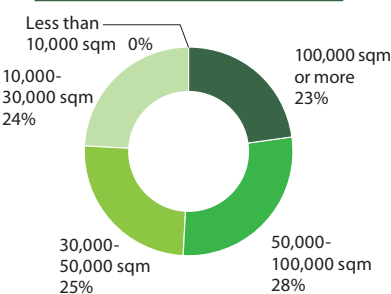


Portfolio Data

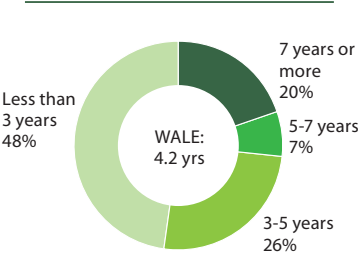
Location



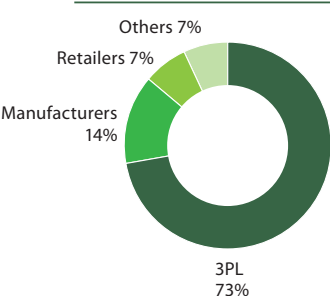
Building scale



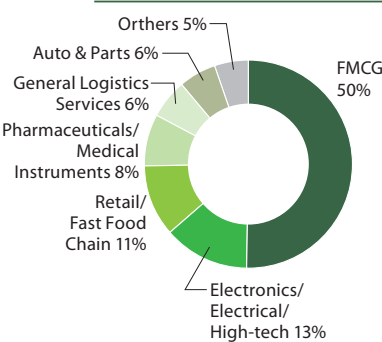
Lease expiry



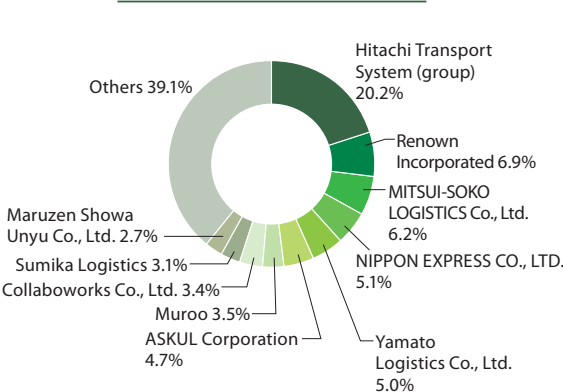
Tenant industry



End-user industry



Top 10 tenants



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

Debt Information

■ Loan Details (as of Feb 2014)

Average remaining period

3.5 years

LTV (Total loan/
total asset)

44.2%

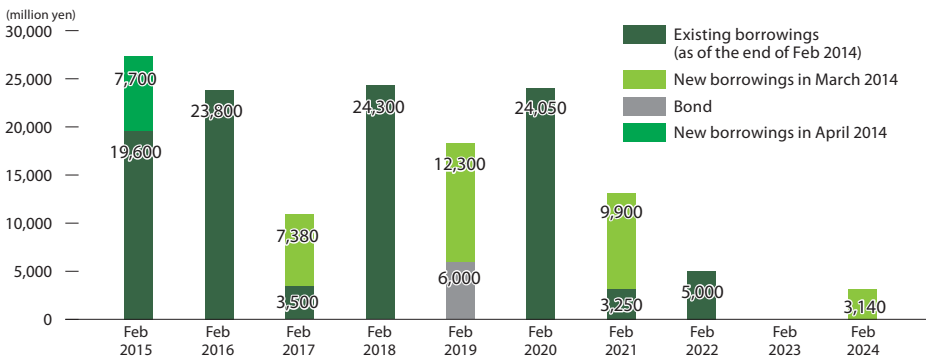
Fixed interest ratio

76.3%

Long-term loan ratio

79.3%

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



■ Credit Ratings

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

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

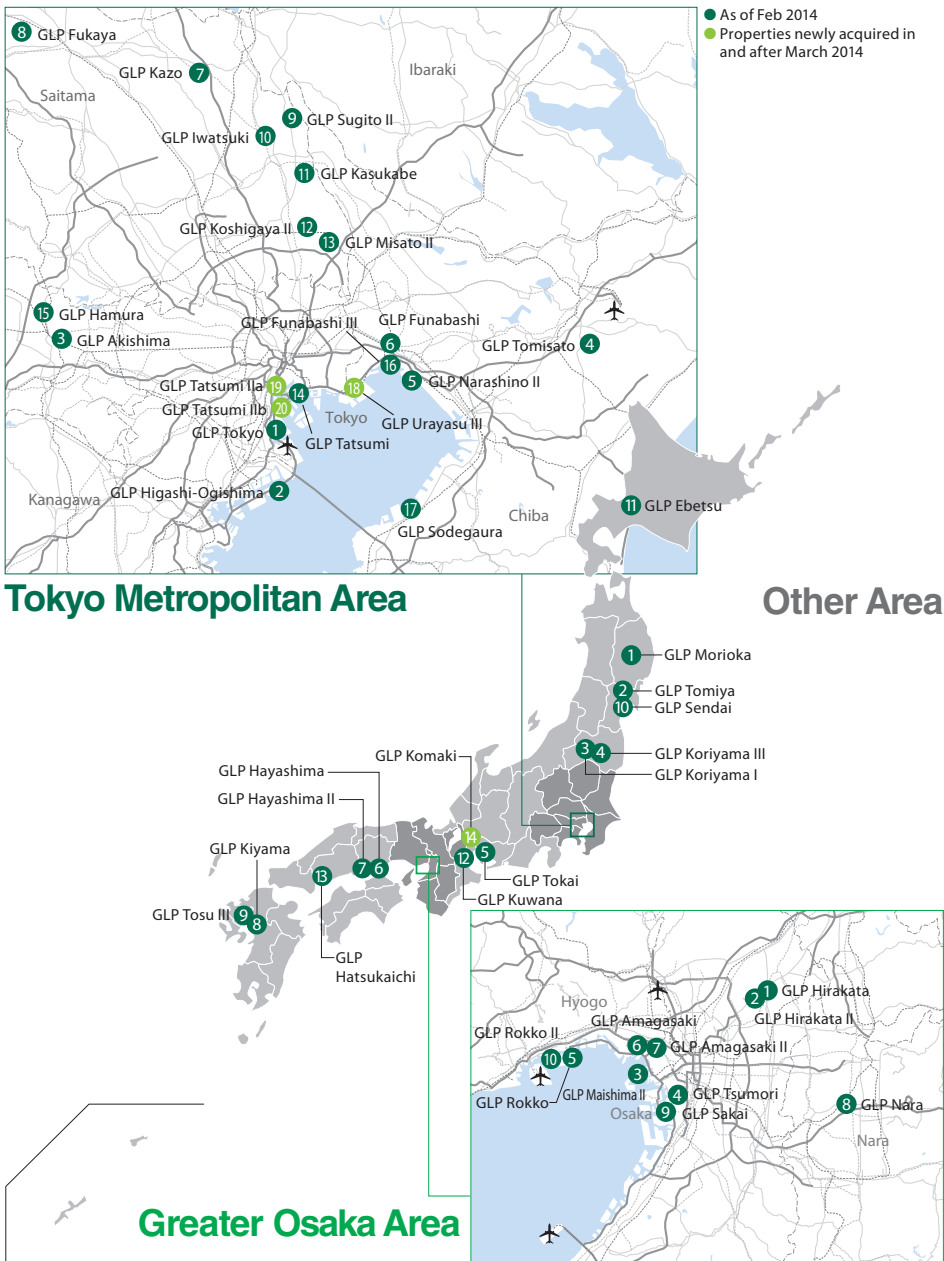
■ Optimal Payable Distribution

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

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

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

Portfolio Map



Overview of Portfolio in Tokyo Metropolitan Area



1 GLP Tokyo Ota, Tokyo



2 GLP Higashi-Ogishima
Kawasaki, Kanagawa



3 GLP Akishima Akishima, Tokyo



4 GLP Tomisato Tomisato, Chiba



9 GLP Sugito II Kita-katsushika, Saitama



6 GLP Funabashi Funabashi, Chiba

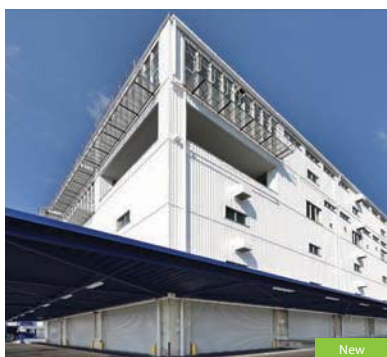
Overview of Portfolio in Tokyo Metropolitan Area



10 GLP Iwatsuki Saitama, Saitama



5 GLP Narashino II Narashino, Chiba



19 GLP Tatsumi Ila Koto, Tokyo



12 GLP Koshigaya II Koshigaya, Saitama



15 GLP Hamura Hamura, Tokyo



11 GLP Kasukabe Kasukabe, Saitama



13 GLP Misato II Misato, Saitama



7 GLP Kazo Kazo, Saitama



17 GLP Sodegaura Sodegaura, Chiba



18 GLP Urayasu III Urayasu, Chiba



16 Funabashi III Funabashi, Chiba



14 GLP Tatsumi Koto, Tokyo



8 GLP Fukaya Fukaya, Saitama



20 GLP Tatsumi IIb Koto, Tokyo

Overview of Portfolio in Greater **Osaka** Area



1 GLP Hirakata Hirakata, Osaka



2 GLP Hirakata II Hirakata, Osaka



3 GLP Maishima II Osaka, Osaka



4 GLP Tsumori Osaka, Osaka



5 GLP Rokko Kobe, Hyogo



6 GLP Amagasaki Amagasaki, Hyogo



7 GLP Amagasaki II Amagasaki, Hyogo



8 GLP Nara Yamato koriyama, Nara



9 GLP Sakai Sakai, Osaka



10 GLP Rokko II Kobe, Hyogo

Overview of Portfolio in Other^{Area}



1 GLP Morioka Shiwa, Iwate



2 GLP Tomiya Kurokawa, Miyagi



10 GLP Sendai Sendai, Miyagi



4 GLP Koriyama III Koriyama, Fukushima



6 GLP Hayashima Tsukubo, Okayama



5 GLP Tokai Tokai, Aichi



7 GLP Hayashima II Tsukubo, Okayama



3 GLP Koriyama I Koriyama, Fukushima



8 GLP Kiyama Miyaki, Saga



9 GLP Tosu III Tosu, Saga



11 GLP Ebetsu Ebetsu, Hokkaido



12 GLP Kuwana Kuwana, Mie



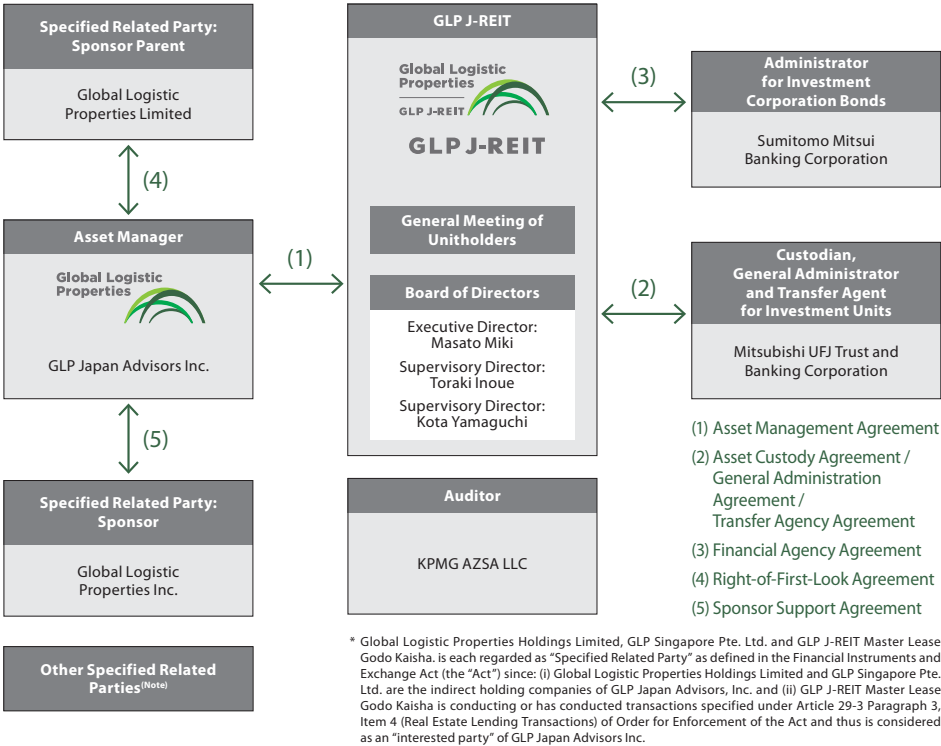
13 GLP Hatsukaichi Hatsukaichi, Hiroshima



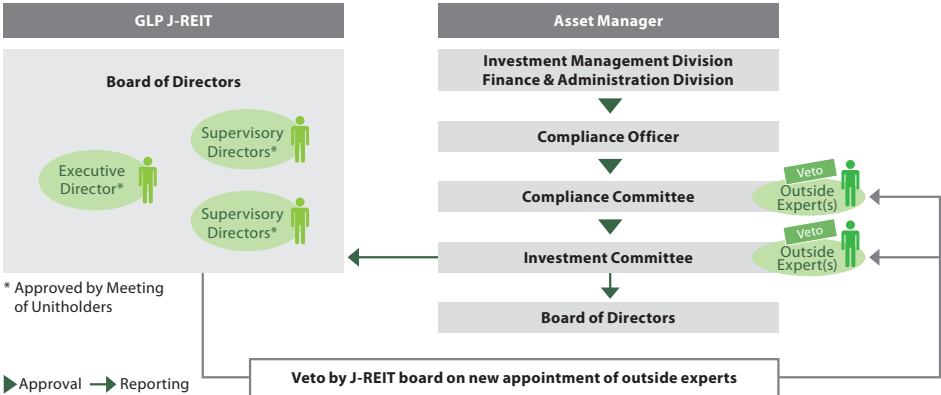
14 GLP Komaki Komaki, Aichi

Overview GLP J-REIT

Structure of GLP J-REIT

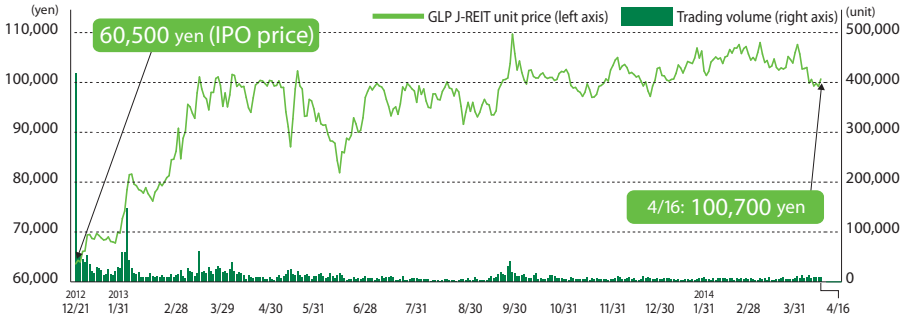


Governance Structure for Related Party Transactions

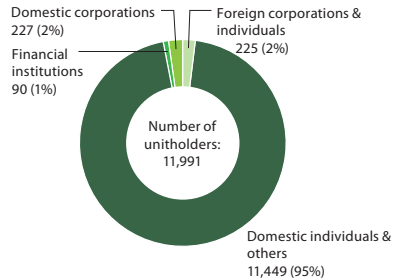
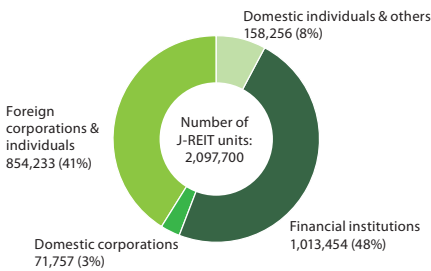


Investor's Information

Historical Investment Unit Price (closing price)



Unitholder Composition



ASSET MANAGEMENT REPORT

[Overview of Asset Management]

1. Trends in Key Indicators

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

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

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

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

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

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

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

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

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

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

2. Performance Review for the 4th Period

(1) Brief Background of GLP J-REIT

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

(2) Investment Environment and Business Performance

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

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

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

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

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

(3) Overview of Financing

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

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

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

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

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

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

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

(4) Overview of Financial Results and Cash Distribution

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

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

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

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

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

plan.

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

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

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3. Changes in Number of Investment Units Issued and Outstanding

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

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

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

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

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

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

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

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

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

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

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

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

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

[Changes in Unit Price at TSE]

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

(Unit: Yen)

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

4. Distributions

Actual amounts of distributions are as follows:

(Unit: Thousand yen, unless otherwise stated)

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

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

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

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

5. Future Management Policy and Issues To Be Addressed

(1) Operational Environment in Next Fiscal Period

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

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

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

(2) Future Management Policy and Issues To Be Addressed

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

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

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

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

6. Significant Subsequent Events

(1) Acquisition of Assets

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

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

(2) Borrowing of Funds

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

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

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

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

[Profile of GLP J-REIT]

1. Status of Unitholders' Capital

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

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

2. Matters Concerning Investment Units

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

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

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

3. Matters Concerning Directors and Auditors

Names of Directors and Independent Auditor for the current period

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

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

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

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

Policy on dismissal and non-reappointment of Independent Auditor

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

4. Asset Management Company, Custodian and General Administrator

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

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

[Status on Investment Properties]

1. Composition of GLP J-REIT's Assets

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

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

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

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

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

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

2. Major Properties Owned

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

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

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

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

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

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

3. Summary of Portfolio Properties

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

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

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

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

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

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

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

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

4. Specified Transaction

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

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

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

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

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

5. Investments and Other Assets

(1) Investment securities – Equity securities

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

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

(2) Details of other specified assets

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

[Capital Expenditures for Properties Owned]

1. Future Plan of Capital Expenditures

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

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

2. Capital Expenditures During the Current Period

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

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

3. Funds Reserved for Long-Term Repair Plans

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

(Unit: Million yen)

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

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

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

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

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

(Reference) Summary of Engineering Due Diligence Report

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

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

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

[Expenses and Liabilities]

1. Status of Expenses related to Asset Management

(Unit: Thousand yen)

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

2. Status of Borrowings

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Status of Investment Corporation Bonds

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

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

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

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

4. Status of Short-Term Investment Corporation Bonds

None

[Acquisition and Disposition]

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

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

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

2. Acquisition and Disposition of Investments and Other Assets

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

3. Appraisal Values of Specific Assets

(1) Real Estates Properties

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

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

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

(2) Other

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

4. Transactions with Interested Parties and Major Shareholders

(1) Transactions

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

(2) Amounts of fees paid

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

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

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

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

[Accounting]

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

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

2. Change in Calculation of Depreciation

None

3. Change in Valuation of Real Estate Properties

None

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

None

[Other information]

1. Notice

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

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

2. Other

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

Balance Sheets

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2013	Current Period As of February 28, 2014
Assets		
Current assets		
Cash and deposits	8,110,467	3,017,637
Cash and deposits in trust	3,359,219	3,796,866
Operating accounts receivable	40,255	39,315
Prepaid expenses	306,792	304,122
Deferred tax assets	8	36
Consumption taxes receivable	—	524,483
Other current assets	78	400
Total current assets	11,816,821	7,682,862
Noncurrent assets		
Property and equipment		
Buildings in trust	90,558,574	103,209,070
Accumulated depreciation	(1,969,518)	(3,615,924)
Buildings in trust, net	88,589,055	99,593,146
Structures in trust	1,938,748	2,348,908
Accumulated depreciation	(120,227)	(218,693)
Structures in trust, net	1,818,520	2,130,214
Machinery and equipment in trust	51,909	51,909
Accumulated depreciation	(5,546)	(9,724)
Machinery and equipment in trust, net	46,363	42,185
Tools, furniture and fixtures in trust	81,573	83,233
Accumulated depreciation	(8,001)	(14,541)
Tools, furniture and fixtures in trust, net	73,571	68,691
Land in trust	130,525,506	145,602,917
Construction in progress	19,641	6,892
Total property and equipment, net	221,072,659	247,444,047
Investments and other assets		
Investment securities	1,600	1,600
Long-term prepaid expenses	732,526	654,067
Security deposits	10,000	10,000
Total investments and other assets	744,126	665,667
Total noncurrent assets	221,816,786	248,109,715
Deferred assets		
Investment unit issuance expenses	241,885	282,476
Investment corporation bond issuance costs	—	31,999
Total deferred assets	241,885	314,476
Total Assets	233,875,492	256,107,053

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2013	Current Period As of February 28, 2014
Liabilities		
Current liabilities		
Operating accounts payable	112,242	97,594
Short-term loans payable	18,400,000	3,800,000
Current portion of long-term loans payable	—	19,600,000
Accounts payable	859,878	894,357
Accrued expenses	8,513	6,646
Income taxes payable	594	1,158
Consumption taxes payable	282,961	—
Advances received	1,167,271	1,392,633
Deposits received	682,167	—
Current portion of tenant leasehold and security deposits	60,988	55,354
Total current liabilities	21,574,619	25,847,745
Noncurrent liabilities		
Investment corporation bonds	—	6,000,000
Long-term loans payable	96,000,000	83,900,000
Tenant leasehold and security deposits	5,228,159	6,170,130
Tenant leasehold and security deposits in trust	178,019	178,019
Total noncurrent liabilities	101,406,178	96,248,149
Total Liabilities	122,980,797	122,095,895
Net Assets		
Unitholders' equity		
Unitholders' capital	107,501,739	130,572,839
Deduction from unitholders' capital	(154,366)	(630,331)
Unitholders' capital, net	107,347,372	129,942,508
Retained earnings		
Unappropriated retained earnings	3,547,322	4,068,649
Total retained earnings	3,547,322	4,068,649
Total unitholders' equity	110,894,695	134,011,158
Total Net Assets *1	110,894,695	134,011,158
Total Liabilities and Net Assets	233,875,492	256,107,053

Statements of Operations

(Unit: Thousand yen)

	Prior Period (Reference) From March 1, 2013 To August 31, 2013	Current Period From September 1, 2013 To February 28, 2014
Operating revenues		
Rental revenues *1	7,038,883	7,836,430
Other rental revenues *1	233,860	244,480
Total operating revenues	7,272,743	8,080,911
Operating expenses		
Rental expenses *1	2,124,755	2,323,089
Asset management fee	754,275	819,258
Asset custody fee	4,113	4,147
Administrative service fees	11,190	11,722
Directors' remuneration	3,720	3,720
Audit fee	15,000	14,000
Taxes and dues	80	44
Other operating expenses	58,551	52,148
Total operating expenses	2,971,685	3,228,131
Operating income	4,301,058	4,852,780
Non-operating income		
Interest income	1,265	968
Interest on refund of consumption taxes	5,426	—
Total non-operating income	6,692	968
Non-operating expenses		
Interest expense	534,039	518,652
Interest expenses on investment corporation bonds	—	77
Amortization of investment corporation bond issuance costs	—	542
Borrowing related expenses	167,956	169,029
Amortization of investment unit issuance expenses	53,752	72,620
Offering costs associated with the issuance of investment units	1,909	22,100
Others, net	2,499	1,311
Total non-operating expenses	760,157	784,334
Ordinary income	3,547,592	4,069,415
Income before income taxes	3,547,592	4,069,415
Income taxes-current	773	1,355
Income taxes-deferred	135	(28)
Total income taxes	908	1,326
Net income	3,546,683	4,068,088
Accumulated earnings brought forward	638	561
Unappropriated retained earnings	3,547,322	4,068,649

Statements of Changes in Net Assets

Prior period (From March 1, 2013 to August 31, 2013) (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	107,501,739	—	107,501,739	822,090	822,090	108,323,829	108,323,829
Changes of items during the period							
Distributions in excess of retained earnings		(154,366)	(154,366)			(154,366)	(154,366)
Distributions of earnings				(821,451)	(821,451)	(821,451)	(821,451)
Net income				3,546,683	3,546,683	3,546,683	3,546,683
Total changes of items during the period	—	(154,366)	(154,366)	2,725,231	2,725,231	2,570,865	2,570,865
Balance at the end of the period *1	107,501,739	(154,366)	107,347,372	3,547,322	3,547,322	110,894,695	110,894,695

Current period (From September 1, 2013 to February 28, 2014)

(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	107,501,739	(154,366)	107,347,372	3,547,322	3,547,322	110,894,695	110,894,695
Changes of items during the period							
Issuance of new investment units	23,071,100		23,071,100			23,071,100	23,071,100
Distributions in excess of retained earnings		(475,964)	(475,964)			(475,964)	(475,964)
Distributions of earnings				(3,546,761)	(3,546,761)	(3,546,761)	(3,546,761)
Net income				4,068,088	4,068,088	4,068,088	4,068,088
Total changes of items during the period	23,071,100	(475,964)	22,595,135	521,327	521,327	23,116,463	23,116,463
Balance at the end of the period *1	130,572,839	(630,331)	129,942,508	4,068,649	4,068,649	134,011,158	134,011,158

Notes to Financial Statements

(Notes Concerning Significant Accounting Policies)

By period Item	Prior Period (Reference) From March 1, 2013 To August 31, 2013	Current Period From September 1, 2013 To February 28, 2014
1. Basis and method of valuation of assets	Securities Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.	Securities Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.
2. Depreciation of noncurrent assets	Property and equipment including trust assets are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: 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 including trust assets are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: 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	Investment unit issuance expenses are amortized over three years using the straight-line method.	(1) Investment unit issuance expenses are amortized over three years using the straight-line method. (2) Investment corporate 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 is accounted for as rental expenses. Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related tax are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses.	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 is accounted for as rental expenses. Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related tax are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 47,068 thousand yen for the current period.

5. Hedge accounting	GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on variable rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense or income, respectively. The hedge effectiveness for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment.	GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on variable rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense or income, respectively. The hedge effectiveness for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment.
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</p> <p>As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheets and income statement accounts. Of which, the following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust</p> <p>(b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust</p> <p>(c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes</p> <p>Consumption taxes withheld and paid are not included in the accompanying statements of operations.</p>	<p>(1) Accounting treatment of beneficiary right of real estate in trust</p> <p>As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheets and income statement accounts. Of which, the following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust</p> <p>(b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust</p> <p>(c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes</p> <p>Consumption taxes withheld and paid are not included in the accompanying statements of operations.</p>

(Notes to Balance Sheets)

Prior Period (Reference) As of August 31, 2013	Current Period As of February 28, 2014
*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.	*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.

(Notes to Statements of Operations)

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

(Notes to Statements of Changes in Net Assets)

Prior Period (Reference) From March 1, 2013 To August 31, 2013		Current Period From September 1, 2013 To February 28, 2014	
*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	1,837,700 units	Number of investment units issued and outstanding	2,097,700 units

(Deferred Tax Accounting)

Prior Period (Reference) As of August 31, 2013	Current Period As of February 28, 2014
<p>1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen)</p> <p>(Deferred tax assets)</p> <p>Enterprise tax payable <u>8</u></p> <p>Total <u>8</u></p> <p>Net deferred tax assets <u>8</u></p>	<p>1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen)</p> <p>(Deferred tax assets)</p> <p>Enterprise tax payable <u>36</u></p> <p>Total <u>36</u></p> <p>Net deferred tax assets <u>36</u></p>
<p>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 operations for each period is as follows.</p> <p>(Unit: %)</p> <p>Statutory effective tax rate 36.59</p> <p>(Adjustments)</p> <p>Distributions deductible for tax purposes (36.58)</p> <p>Other <u>0.02</u></p> <p>Actual tax rate <u>0.03</u></p>	<p>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 operations for each period is as follows.</p> <p>(Unit: %)</p> <p>Statutory effective tax rate 36.59</p> <p>(Adjustments)</p> <p>Distributions deductible for tax purposes (36.57)</p> <p>Other <u>0.01</u></p> <p>Actual tax rate <u>0.03</u></p>
	<p>3. Change in tax rate after the fiscal period end</p> <p>In line with the promulgation on March 31, 2014 of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 10, 2014), the additional tax as Special Corporate Tax for Reconstruction will not be imposed effective from the fiscal period beginning on or after April 1, 2014.</p> <p>In this connection, for temporary differences reversing on or after September 1, 2014, statutory effective tax rate to calculate deferred tax assets or liabilities will be changed from 36.59% to 34.16%.</p> <p>There is no impact from this change.</p>

(Capital Lease)

Prior Period (Reference) From March 1, 2013 To August 31, 2013	Current Period From September 1, 2013 To February 28, 2014
—	—

(Financial Instruments)

Prior Period (from March 1, 2013 to August 31, 2013) (Reference)

1. Status of financial instruments

(1) Policy for financial instruments

GLP J-REIT procures funds for acquisition of assets 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 are mainly made to procure funds for acquisition of properties. GLP J-REIT mitigates the liquidity risk exposure upon repayment and redemption of loans by diversifying the maturities and lending institutions, and manages such liquidity risk by preparing and monitoring the forecasted cash flows.

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

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

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

(Unit: Thousand yen)			
	Book value	Fair value	Difference
(1) Cash and deposits	8,110,467	8,110,467	—
(2) Cash and deposits in trust	3,359,219	3,359,219	—
Total assets	11,469,687	11,469,687	—
(1) Short-term loans payable	18,400,000	18,400,000	—
(2) Long-term loans payable	96,000,000	96,148,873	148,873
Total liabilities	114,400,000	114,548,873	148,873
Derivative transactions	—	—	—

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

Assets:

(1) Cash and 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) Long-term loans payable

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

Derivative transactions:

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

None

(2) Derivative transactions for which hedge accounting is applied

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

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transactions	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	72,150,000	72,150,000	*1	*2

*1 Interest rate swaps under special accounting treatment are accounted for as the integral part of long-term loans payable designated as hedged items. Thus, their fair value is included in that of long-term loans payable disclosed in aforementioned "2. Estimated Fair Value of Financial Instruments, (Note 1) Methods to Estimate Fair Value of Financial Instruments, Liabilities: (2) Long-term loans payable."

*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 sheets
Tenant leasehold and security deposits	5,228,159
Tenant leasehold and security deposits in trust	178,019
Total	5,406,178

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

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

(Unit: Thousand yen)

	Due within one year
Cash and deposits	8,110,467
Cash and deposits in trust	3,359,219
Total	11,469,687

(Note 4) Redemption schedule for long-term loans payable

(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
Long-term loans payable	—	20,600,000	23,800,000	—	24,300,000	27,300,000
Total	—	20,600,000	23,800,000	—	24,300,000	27,300,000

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

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

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

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

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

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

(Unit: Thousand yen)

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

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

Assets:

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

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

Liabilities:

(1) Short-term loans payable

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

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

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

(3) Investment corporation bonds

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

Derivative transactions:

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

None

(2) Derivative transactions for which hedge accounting is applied

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

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transactions	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	77,150,000	77,150,000	*1	*2

*1 Interest rate swaps under special accounting treatment are accounted for as the integral part of long-term loans payable designated as hedged items. Thus, their fair value is included in that of long-term loans payable disclosed in aforementioned "2. Estimated Fair Value of Financial Instruments, (Note 1) Methods to Estimate Fair Value of Financial Instruments, Liabilities: (4) Long-term loans payable."

*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 sheets
Tenant leasehold and security deposits	6,170,130
Tenant leasehold and security deposits in trust	178,019
Total	6,348,149

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

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

(Unit: Thousand yen)

	Due within one year
Cash and deposits	3,017,637
Cash and deposits in trust	3,796,866
Total	6,814,504

(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	—
Long-term loans payable	19,600,000	23,800,000	3,500,000	24,300,000	—	32,300,000
Total	19,600,000	23,800,000	3,500,000	24,300,000	6,000,000	32,300,000

(Investment and Rental Properties)

Prior Period (from March 1, 2013 to August 31, 2013) (Reference)

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

(Unit: Thousand yen)

Amount on the balance sheet			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
222,424,265	(1,371,248)	221,053,017	231,226,000

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

(Note 2) The major decrease is primarily due to depreciation of 1,588,291 thousand yen.

(Note 3) The fair value at the end of the period is determined based on the third-party appraisal value or research price.

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

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

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

(Unit: Thousand yen)

Amount on the balance sheet			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
221,053,017	26,384,137	247,437,155	264,270,000

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

(Note 2) The major increase was primarily due to the acquisition of the following 7 properties in the total amount of

27,659,430 thousand yen: GLP Hamura, GLP Funabashi III, GLP Sodegaura, GLP Rokko II, GLP Ebetsu, GLP Kuwana and GLP Hatsukaichi, where the major decrease was due to depreciation of 1,755,590 thousand yen.

(Note 3) The fair value at the end of the period is determined based on the third-party appraisal value or research price.

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

(Related Party Transactions)

Prior Period (from March 1, 2013 to August 31, 2013) (Reference)

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousands yen)	Account title	Balance (Thousands yen)
Interested party	Global Logistics Properties Inc.	Investment advisory/ agency	—	Property management fee	144,127	Operating accounts payable	25,421
				Royalty fee (Note 2)	7,500	—	—
				Agent commission	9,423	—	—
Interested party	GLP Solar Special Purpose Company	Equipment leasing	—	Rental income from rooftop leasing (Note 2)	39	Advances received	649
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Interest expense	33,563	Short-term loans payable	1,800,000
						Long-term loans payable	7,200,000
				Trust fee	7,117	Accrued expenses	355
						Operating accounts payable	2,491
				Administrative service fee	11,190	Accounts payable	4,368

(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 determined based on a mutual agreement after negotiation between both parties, using the initial formula proposed by Global Logistic Properties Inc.
- (b) The rental income from rooftop leasing was determined based on a mutual agreement after negotiation between both parties, using the initial formula proposed by GLP Solar Special Purpose Company.
- (c) Other transactions are determined based on market conditions.

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

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousands yen)	Account title	Balance (Thousands yen)
Interested party	Global Logistics Properties Inc.	Investment advisory/ agency	—	Property management fee	156,077	Operating accounts payable	28,083
				Royalty fee (Note 2)	7,500	—	—
				Agent commission	11,865	—	—
Interested party	GLP Solar Special Purpose Company	Equipment leasing	—	Rental income from rooftop leasing (Note 2)	9,860	Advances received	3,367
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	2,166	Advances received	668
				Purchase of beneficiary right of real estate in trust	27,500,000	—	—
				Deposit receipt	87,847	—	—
				Receipt of leasehold and security deposits	1,022,354	—	—
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Repayment of short-term loans payable	1,800,000	—	—
				Borrowing as long-term loans payable	800,000	Current portion of long term loans payable	1,712,621
				Repayment of long-term loans payable	87,378	Long-term loans payable	6,200,000
				Interest expense	31,378	Accrued expenses	166
				Borrowing related fee	5,137	—	—
				Trust fee	7,120	Operating accounts payable	2,491
				Administrative service fee	11,722	Accounts payable	4,354
				Unitholder identification survey fee	1,800	—	—

(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 determined based on a mutual agreement after negotiation between both parties, using the initial formula proposed by Global Logistic Properties Inc.
- (b) The rental income from rooftop leasing was determined based on a mutual agreement after negotiation between both parties, using the initial formula proposed by GLP Solar Special Purpose Company.
- (c) Other transactions are determined based on market conditions.

(Per Unit Information)

Prior Period (Reference) From March 1, 2013 To August 31, 2013		Current Period From September 1, 2013 To February 28, 2014	
Net assets per unit	60,344 yen	Net assets per unit	63,884 yen
Net income per unit	1,929 yen	Net income per unit	1,974 yen
Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as there are no diluted units.		Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as there are no diluted units.	

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

	Prior Period (Reference) From March 1, 2013 To August 31, 2013	Current Period From September 1, 2013 To February 28, 2014
Net income	3,546,683 thousand yen	4,068,088 thousand yen
Amount not attributable to ordinary unitholders	— thousand yen	— thousand yen
Net income attributable to ordinary unitholders	3,546,683 thousand yen	4,068,088 thousand yen
Average number of investment units during the period	1,837,700 units	2,060,678 units

(Significant Subsequent Events)

Prior Period (from March 1, 2013 to August 31, 2013) (Reference)

1. Issuance of new investment units

At the Board of Directors' Meeting held on September 3 and September 18, 2013, GLP J-REIT resolved to issue new investment units as follows. The payments for new investment units through a public offering and through a third-party allocation were completed on September 26, 2013 and October 16, 2013, respectively.

[Issuance of new investment units through a public offering]

Number of new investment units to be issued:	249,955 units (100,455 units for domestic market, 149,500 units for international market)
Issue price (Offer price):	91,942 yen per unit
Total amount issued (total offering amount):	22,981,362,610 yen
Amount to be paid in (issue amount):	88,735 yen per unit
Total amount to be paid in (total issue amount):	22,179,756,925 yen
Payment date	September 26, 2013
Initial date for calculating distribution:	September 1, 2013

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

Number of new investment units issued:	10,045 units
Amount to be paid in (issue amount):	88,735 yen per unit
Total amount to be paid in (total issue amount):	891,343,075 yen
Payment date	October 16, 2013
Initial date of calculating distribution:	September 1, 2013
Underwriter:	Nomura Securities Co., Ltd.

[Purpose of funding]

The funds procured through the public offering were appropriated for the acquisition of beneficiary rights of real estate in trust stated below in 2. The funds procured through the third-party allocation will be appropriated to repay a part of short-term loans.

2. Acquisitions of Assets

GLP J-REIT acquired beneficiary rights of real estate in trust of seven properties stated below (with a total acquisition price of 27,500 million yen) on October 1, 2013. The acquisition price (the sales and purchase price in the Sales and Purchase Agreement of Beneficiary Rights of Real Estate in Trust) excludes related costs for the acquisition such as related expenses for acquisition, property-related taxes and consumption taxes.

Property Name	Location	Seller	Acquisition Price (Million yen)
GLP Hamura	Hamura, Tokyo	Light Year Special Purpose Company	7,660
GLP Funabashi III	Funabashi, Chiba	Light Year Special Purpose Company	3,050
GLP Sodegaura	Sodegaura, Chiba	Light Year Special Purpose Company	6,150
GLP Rokko II	Kobe, Hyogo	Light Year Special Purpose Company	3,430
GLP Ebetsu	Ebetsu, Hokkaido	Light Year Special Purpose Company	1,580
GLP Kuwana	Kuwana, Mie	Light Year Special Purpose Company	3,650
GLP Hatsukaichi	Hatsukaichi, Hiroshima	Light Year Special Purpose Company	1,980
Total	-	-	27,500

On September 3, 2013, GLP J-REIT has entered into the Sales and Purchase Agreement of Beneficiary Rights of Real Estate in Trust with sellers of beneficiary rights of the following two properties (with a total acquisition price of 28,500 million yen) with the scheduled acquisition date of March 3, 2014 (Note).

Property Name	Location	Seller	Acquisition Price (Million yen)
GLP Urayasu III	Urayasu, Chiba	Urayasu Three Logistic Special Purpose Company	18,200
GLP Komaki	Komaki, Aichi	Komaki Logistic Special Purpose Company	10,300
Total	-	-	28,500

(Note) The said Sales and Purchase Agreement prescribes that if the Agreement is terminated by the nonfulfillment of conditions exclusively due to grounds attributable to GLP J-REIT, GLP J-REIT shall indemnify or reimburse the seller for any damage caused by the termination or in relation to the termination. However, it is prescribed that the Agreement shall be automatically terminated without any compensation for costs and damages or any other liability imposed upon GLP J-REIT, if GLP J-REIT could not procure funds for the acquisition before the date of ownership transfer due to grounds not attributable to GLP J-REIT.

3. Borrowing of Funds

GLP J-REIT entered into the following Loan Agreements on September 27, 2013, in order to procure funds on the assumption that GLP J-REIT would acquire beneficiary rights of real estate in trust of two properties: GLP Urayasu III and GLP Komaki as stated above in 2.

Lender	Amount (Million yen)	Interest rate	Loan execution date	Repayment date	Repayment method	Collateral
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Citibank Japan Ltd., The Bank of Fukuoka, Ltd., The Norinchukin Bank, Resona Bank, Limited., Sumitomo Mitsui Trust Bank, Limited, Shinsei Bank, Limited, Aozora Bank, Ltd., and The 77 Bank, Ltd.	7,380	JBA yen 3month TIBOR plus 0.35%	March 3, 2014	End of February 2017	Lump-sum repayment on repayment date	Unsecured, not guaranteed
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Citibank Japan Ltd., The Bank of Fukuoka, Ltd., The Norinchukin Bank and Resona Bank, Limited.	12,300	JBA yen 3month TIBOR plus 0.45%		End of February 2019		
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Development Bank of Japan Inc.	6,100	JBA yen 3month TIBOR plus 0.55%		End of February 2021		
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., and Development Bank of Japan Inc.	3,140	JBA yen 3month TIBOR plus 0.70%		End of February 2024		
Total	28,920	-	-	-	-	-

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

1. Acquisitions of Assets

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

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

2. Borrowing of Funds

GLP J-REIT borrowed funds for acquisition of specified assets and related costs as stated in “1. Acquisition of Assets” above.

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

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

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

Statements of Distributions

(Unit: Yen)

	Prior Period (Reference) From March 1, 2013 To August 31, 2013	Current Period From September 1, 2013 To February 28, 2014
I Unappropriated retained earnings	3,547,322,366	4,068,649,852
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	475,964,300	526,522,700
III Distributions	4,022,725,300	4,593,963,000
(Distributions per unit)	(2,189)	(2,190)
Of which, distributions of earnings	3,546,761,000	4,067,440,300
(Of which, distributions of earnings per unit)	(1,930)	(1,939)
Of which, distributions in excess of retained earnings	475,964,300	526,522,700
(Of which, distributions in excess of retained earnings per unit)	(259)	(251)
IV Retained earnings carried forward	561,366	1,209,552

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 limited to the amount of net income but more than 90% of income available for dividends defined in Section 67.15 of the Special Taxation Measures Act.

Accordingly, GLP J-REIT declared a distribution amount of 3,546,761,000 yen, which was the amount equivalent to the maximum integral multiples of the number of investment units issued and outstanding as of 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 limited to the amount of net income but more than 90% of income available for dividends defined in Section 67.15 of the Special Taxation Measures Act.

Accordingly, GLP J-REIT declared a distribution amount of 4,067,440,300 yen, 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.

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Thus, GLP J-REIT declared the OPD of 475,964,300 yen, as a refund of investment, which was determined as follows: (1) the amount not exceeding the upper limit of 1,371,248,002 yen calculated by deducting capital expenditure of 217,043,896 yen from depreciation expense of 1,588,291,898 yen, and (2) approximately 30% of the depreciation expense of 1,588,291,898 yen for the period.

(Continued)

Thus, GLP J-REIT declared the OPD of 526,522,700 yen, as a refund of investment, which was determined as follows: (1) the amount not exceeding the upper limit of 1,275,293,218 yen calculated by deducting capital expenditure of 480,296,839 yen from depreciation expense of 1,755,590,057 yen, and (2) approximately 30% of the depreciation expense of 1,755,590,057 yen for the period.

(Note) For the time being, GLP J-REIT intends to make an OPD distribution in an amount approximated to be 30% of the depreciation expense 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 plan or financial conditions in light of the estimated amount of capital expenditure for each fiscal term based on the long-term repair plan of GLP J-REIT.

Statements of Cash Flows (Reference information)

(Unit: Thousand yen)

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

(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, 2013 To August 31, 2013	Current Period From September 1, 2013 To February 28, 2014
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 very 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 very 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, 2013 To August 31, 2013	Current Period From September 1, 2013 To February 28, 2014
*1. Reconciliation of cash and cash equivalents in Statement of Cash Flows to accounts and amounts in the accompanying balance sheets (As of August 31, 2013)	*1. Reconciliation of cash and cash equivalents in Statement of Cash Flows to accounts and amounts in the accompanying balance sheets (As of February 28, 2014)
(Unit: Thousand yen)	(Unit: Thousand yen)
Cash and deposits 8,110,467	Cash and deposits 3,017,637
Cash and deposits in trust 3,359,219	Cash and deposits in trust 3,796,866
Cash and cash equivalents <u>11,469,687</u>	Cash and cash equivalents <u>6,814,504</u>