

Asset Management Report

Aug 2020 Fiscal Period

from March 1, 2020 to August 31, 2020



To Our Unitholders

On behalf of GLP J-REIT, I am pleased to present the financial results for the 17th fiscal period, ended in August 2020.

During the 17th fiscal period, GLP J-REIT carried out its seventh public offering and acquired four logistics facilities, which include properties developed by the GLP Group (GLP Yokohama and GLP Kawajima) and properties developed by third parties (GLP Funabashi IV, GLP Higashi-Ogishima II), on July 1, 2020. In addition, on the back of strong demand for logistics properties, it sold its trust beneficiary right to an existing property, GLP Seishin, on July 30, 2020, with the aim of returning to unitholders the gain on sale of the property and equipment as dividends.

As to internal growth, GLP J-REIT achieved rent increases for the 16th consecutive fiscal period since its listing in collaboration with the strong leasing team of the GLP Group, its sponsor, while maintaining a high average occupancy rate of more than 99% for its portfolio.

On the financial front, amid the uncertain market environment, in May 2020, GLP J-REIT conducted early refinancing of 27,450 million yen of existing debts with repayment dates on or before February 28, 2021. This enabled a 0.28-point reduction in financing costs and a 2.2-year extension of the average borrowing period.

In terms of ESG-related initiatives, GLP J-REIT obtained CASBEE for Real Estate certifications for two properties and established an Employee Stock Ownership Plan (ESOP) in May 2020 with the intention of further enhancing the alignment of interests between the officers and employees of GLP Japan Inc. and GLP J-REIT's asset management company and our unitholders.

As a result of the above, the 17th period ended with an operating revenue of 19,893 million yen and a net income of 9,695 million yen. DPU was 2,831 yen (of which 106 yen was the effect of property sales), the highest since the IPO.

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, by continuing to harness the GLP Group's extensive experience in operating logistics facilities in the future.

I thank you for your ongoing support.



Yoshiyuki Miura
Executive Director, GLP J-REIT



Yoshiyuki Miura
Executive Director, GLP J-REIT

Financial Highlights

	Aug 2020 Initial Forecast (in Apr 2020)	Aug 2020 Actual	Differences
Dividend per unit	2,624 yen	2,831 yen	+7.9%
Property-related revenues (NOI)	16.0 bn yen	16.4 bn yen	+2.2%
Average occupancy rate	99.8%	99.8%	—
Loan-To-Value ratio (LTV on total assets)	44.5%	44.4%	-0.1 bps

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Overview and Growth Strategy of GLP J-REIT

Overview of GLP J-REIT

1 Top-tier asset size (Note 1) **644.8** bn yen
among logistics J-REITs

2 Continuous commitment from GLP Group,
which is the largest logistics operator in Japan

3 Largest pipeline (Note 2) **1** tn yen
among logistics J-REITs
Asset size Approx. **4,000K** sqm
Gross floor area Approx.

4 Growth and stability
3 Years (6 fiscal periods)
Average Annual Rent Increase (Note 3) **+3.8%**
Occupancy (Note 4) **99.9%**

5 Financial soundness
JCR credit rating **AA** (Stable)
Net asset LTV **44.4%**

(Note 1) "Asset size" is based on the acquisition price as of the end of August 2020.

(Note 2) "Pipeline" is the total gross floor area for RoFL properties and properties owned by JV funds as of the end of September 2020.

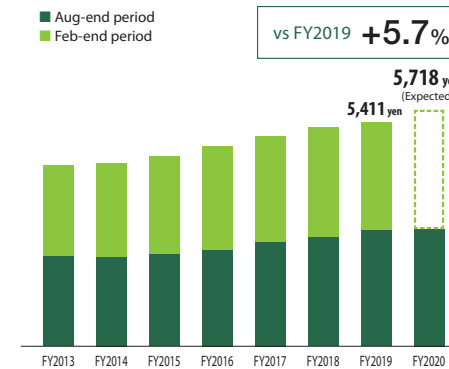
(Note 3) "Average annual rent increase" is a rounded number calculated at weighted average method among renewed or replaced tenants with increased rents over the three-year period ended August 31, 2020 (based on leased area). Also, it is calculated based on only warehouse area for multi type properties, while for BTS type properties, it is calculated based on total leasable area including office space. The calculation is based on monthly rent and common-area charge stipulated in the lease contract excluding free rent arrangements.

(Note 4) "Occupancy" is calculated by rounding off the average occupancy at the end of each month. Occupancy at the end of each month refers to the ratio of "total leased area" to "total leasable area" of each asset as of the end of the relevant month.

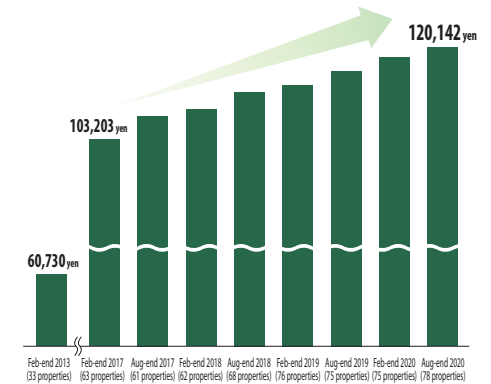
Solid Trend of Dividend per Unit and NAV per Unit

DPU and NAV per unit are showing robust growth as a result of the initiatives described on the following pages. The expected growth of DPU for FY2020 reached a record high of +5.7% year on year.

Change in YoY DPU growth since IPO (Note 1)



Proven track record: NAV per unit

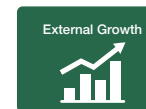


(Note 1) Figures for each year are the sum of distributions for the fiscal periods ended August and ended February of the each year. Distribution for the fiscal year ending February 2021 is the forecast figure of 2,887 yen.

(Note 2) Per unit is calculated based on (Net assets - dividend + unrealized gains based on appraisal at the end of each fiscal period) / the number of investment units issued.

Overview of Our Growth Strategy

GLP J-REIT will formulate and carry out the following growth strategies to continue to maximize unitholder value.



- Continuing external growth based on huge pipeline among the logistics J-REITs
- Timely acquisition of properties by using a bridge fund



- Enhance unitholder's returns through timely dispositions leveraging its unique portfolio characteristics of high unrealized gains and the highest number of properties among logistics REITs



- Achieving strong rent increase and stable occupancy through collaboration with sponsor's leasing team having extensive market network
- Pursue further NOI improvement through active asset management by leveraging GLP Group's various functions



- Reduction of finance costs through flexible selection of bank loans/bonds
- Enhance ESG initiatives based on GLP Group's professional knowledge

Initiatives to Enhance Unitholder Value



External Growth: Acquisition of Four New Properties through Public Offering

In July 2020, GLP J-REIT issued, for the first time in J-REIT history, new investment units by way of an international offering through an accelerated book building process ("ABB"), which allows the determination of the terms and conditions, etc. of the issuance in a short period after the announcement of the issuance of new investment units. Using the funds from the issuance and new borrowings, GLP J-REIT acquired a total of four new properties, consisting of two properties developed by the GLP Group and two properties developed by third parties. GLP J-REIT will continue to aim to enhance both the quality and profitability of its portfolio through the acquisition of the extensive lineup of properties developed by GLP Japan Inc., its sponsor, and properties developed by third parties.

The 7th Follow-on Offering

Acquisition price 38.3 bn yen	Appraisal NOI yield 4.4%	Occupancy rate 100%
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GLP Group developed properties: 28.3 bn yen

GLP Yokohama (40% of co-ownership)



Acquisition price	NOI yield
16.1 bn yen	4.1%

GLP Kawajima



Acquisition price	NOI yield
12.1 bn yen	4.4%

Third party developed properties: 10.0 bn yen

GLP Funabashi IV



Acquisition price	NOI yield
7.7 bn yen	4.9%

GLP Higashi-Ogishima II



Acquisition price	NOI yield
2.3 bn yen	5.0%



External Growth: Potential for External Growth

GLP's sponsor, GLP Japan, invests 100–150 bn yen in development of modern logistics facilities on a yearly basis and owns a massive pipeline of about 1 trillion yen. The supply and demand environment for the pipeline to be completed is robust. With five of the eight properties to be completed in 2021 having already been pre-leased, leasing is proceeding from an early stage prior to completion.

Sponsor pipeline (Note)

Asset size Approx. 1 tn yen	Gross floor area Approx. 4,000K sqm	Sponsor's annual development 100-150 bn yen
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Pipeline to be completed in 2021

8 properties/**750K** sqm
(Gross floor area)



Gross floor area: 306,000 m²

GLP ALFALINK Sagamiyama I



Gross floor area: 155,000 m²

GLP ALFALINK Nagareyama VIII



Lease up

Gross floor area: 106,000 m²

GLP ALFALINK Sagamiyama IV



Lease up

Gross floor area: 61,000 m²

GLP Joso



Lease up

Gross floor area: 20,000 m²

GLP Yasu



Lease up

Gross floor area: 17,000 m²

GLP Amagasaki III



Lease up

Gross floor area: 59,000 m²

GLP Yachiyo III



Gross floor area: 55,000 m²

GLP Kitamoto

Part of pipeline to be completed after 2022



Gross floor area: 32,000 m²

GLP Soja III (left edge in photo)



Gross floor area: 43,000 m²

GLP Nagoya Moriyama

(Note) As of October 13, 2020



Initiatives to Enhance Unitholder Value



Sales Strategy: Continuous Return of Unrealized Gains through Disposition of Properties

GLP J-REIT aims to continuously return unrealized gains to unitholders through strategic divestment of properties leveraging unrealized gains of 150 bn yen and the largest portfolio (78 properties) among logistics REITs.

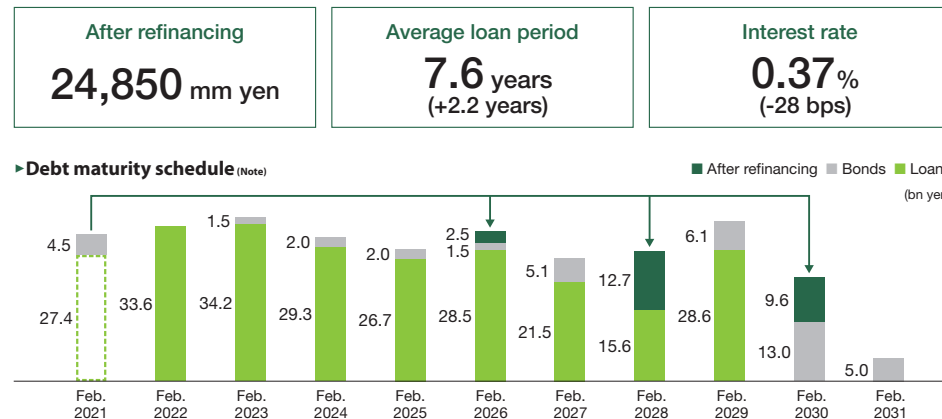
GLP J-REIT divested GLP Seishin in the August 2020 fiscal period and GLP Hatsukaichi in the February 2021 fiscal period. Their contribution to DPU was +106 yen for the August 2020 fiscal period and +230 yen (expected) for the February 2021 fiscal period.

Aug. 2020 Period GLP Seishin		
	Positive Effects on DPU	+106 yen
	Gain on Sale	492 mm yen
	Sale Price/ Appraisal Price	+18%
	Appraisal Value	1,640 mm yen
	Sale Price	1,931 mm yen
Feb. 2021 Period GLP Hatsukaichi		
	Positive Effects on DPU	+230 yen
	Gain on Sale	1,078 mm yen
	Sale Price/ Appraisal Price	+24%
	Appraisal Value	2,360 mm yen
	Sale Price	2,930 mm yen
	Book Value	1,788 mm yen



Financial Strategy: Proactive Debt Management to Enhance Financial Strength

In May 2020, we refinanced existing loans due by the end of February 2021 (27,450 million yen in total) to extend loan maturities and reduce finance costs amid an uncertain market environment.



(Note) As of October 13, 2020



Internal Growth: Continuous Internal Growth Driven by Strong Rent Growth

In collaboration with the strong leasing team of GLP Group, its sponsor, GLP J-REIT has achieved rent increase for 16 consecutive fiscal periods since its IPO.

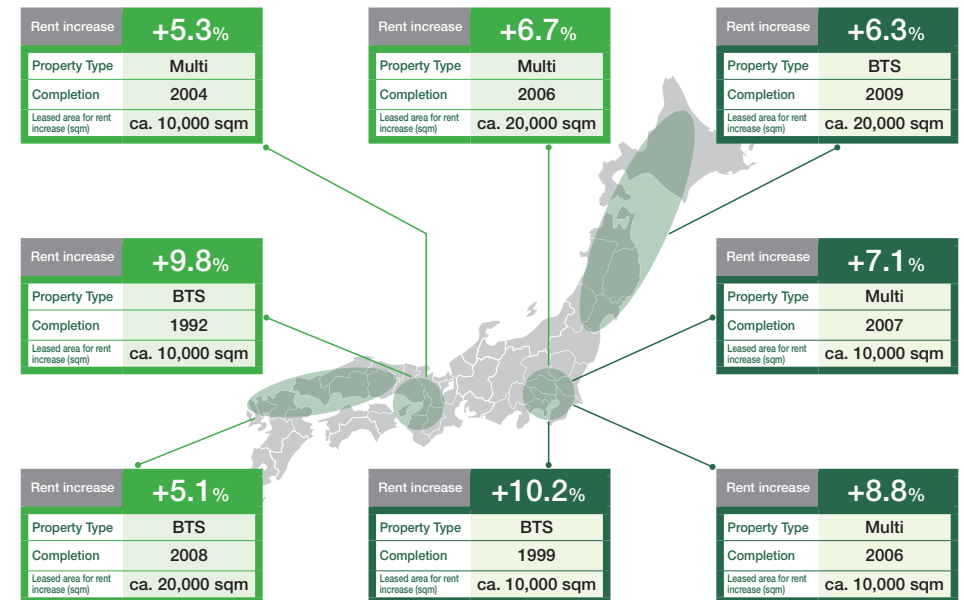
Rent Growth in Aug 2020 period	Renewal Contract	Rent Increase (Note 1)	3 Years (6 fiscal periods) Average Annual Rent Increase
	► #of renewal contract	20	► Upward revision only
	► Renewal contract area	Approx. 160K sqm	► All leases maturing in the period
			► All leases maturing in the period
Potential Leases in Feb 2021 Period (Leases to be matured in the period)	Assumptions for Renewal Contracts	Estimated ratio of the leases to be secured as of 13 Oct. 2020 (Note 2)	Estimated Rent Increase
	► #of renewal contract	15	► All leases maturing in the period
	► Renewal contract area	Approx. 250K sqm	Approx. 80%
			+3~5%

(Note 1) Rent increase is calculated based on only warehouse area for multi type properties, while for BTS type properties, it is calculated based on total leasable area including office space.

(Note 2) Estimated ratio of renewal and replacement leases refers to the percentage of leased area for which new contracts have been concluded or agreed to be concluded (including a lease agreement that the Asset Management Company believes is under discussion for the conclusion of a new agreement and that an agreement can be reached) out of the leased area for which the contract term expires in the fiscal period ending February 2021.

► Successful Rent Increases in Multiple Regions

Lease Maturity: ■ Period ended in Aug. 2020 ■ Period ended in Feb. 2021



(Note) Rent increase is calculated based on only warehouse area for multi type properties, while for BTS type properties, it is calculated based on total leasable area including office space.

Initiatives to Enhance Unitholder Value

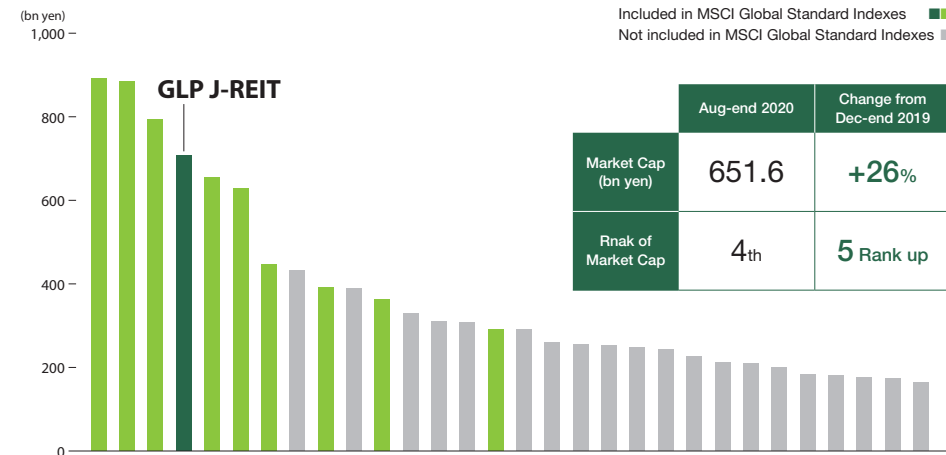
Inclusion in MSCI Global Standard Indexes

GLP J-REIT was included in the MSCI Global Standards Indexes on June 1, 2020 in recognition of its continuous acquisition of properties since its IPO and its stable performance under an uncertain environment. Inclusion in the Indexes is expected to increase the liquidity of our investment units and further broaden our investor universe.

AMU growth



Market cap of J-REIT (Top 30)



(Note) The Indexes are calculated and published by MSCI Inc. in the United States (listed on the New York Stock Exchange), and are used by institutional investors and others around the world.

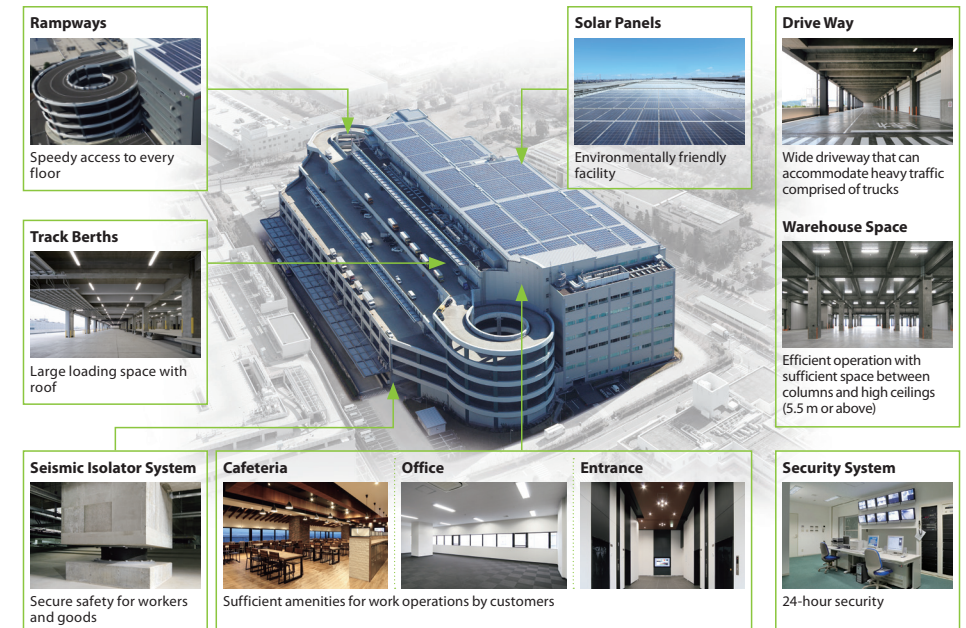
Investment Policy

Investment Target

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 (Note) as well as the e-commerce market, while such facilities will remain scarce. In addition, from the perspective of achieving further income and growing the portfolio of GLP J-REIT, we will also invest in land with leasehold interest, if a logistics facility currently exists on the land or if building a logistics facility on the land in the future is expected to be possible by carrying out redevelopment.

(Note) Third-party logistics (“3PL”) operators provide partial or complete supply chain management services for corporate clients. Typically, 3PL companies provide unified services for operational, storage and transportation processes that can be adjusted and customized to fit the needs of individual clients in response to relevant market trends, including regarding user demand and delivery service requests.

State-of-the-art Modern Logistics Facility



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

Initiatives for ESG

GLP J-REIT, in collaboration with the GLP Group, gives the utmost consideration to environmental protection, and fulfills its social responsibilities in ensuring the comfort and health of its employees and customers as well as of local communities. As a demonstration of its comprehensive commitment to place its social responsibilities for social sustainability at the core of its business operations, GLP J-REIT has formulated environment, society and governance (ESG) guidelines and has been pursuing various approaches on a corporate and investment property basis.

Environment

Green Lease (Note) Contracts: 100% (as of Aug 2020)

- All leases signed since March 2020 met Green Lease Requirements
- Enhancement cooperation with tenants in reducing environmental load

Rate of Green Leases
100%
(As of Aug 2020)

GRESB Real Estate Assessment

- Obtained "Green Star" rating in the 2019 GRESB Real Estate Assessment in five consecutive years
- "4 Star" rating in GRESB rating in four consecutive years



Sustainability bonds & Green bonds

- Issued JPY 5.0 bn of the first J-REIT sustainability bond in September 2020 (Investment target: GLP Yokohama)
- Cumulative amount of green bonds issued as of Aug-end 2020 is JPY 18.1 bn



Examples of CASBEE certification

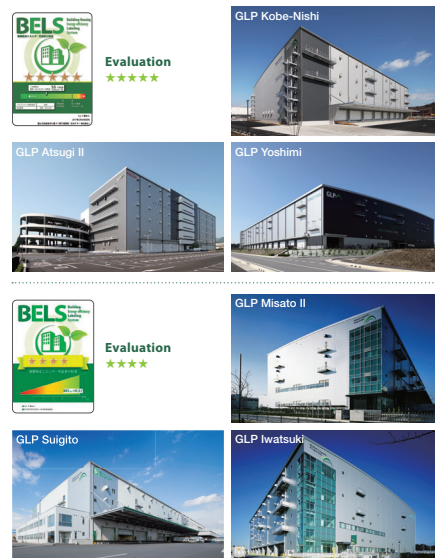
- We acquired 2 "CASBEE Real Estate Valuation Certification" and expanded the number of CASBEE properties to 29 (GLP Yokohama: Rank "S", GLP Neyagawa: RANK "A")



Examples of properties with Rating ★★★★★ (Rank S)



Examples of properties with BELS Assessment



Environmental-friendly buildings



Promotion of environmental impact reduction



(Note) A lease agreement with clauses requiring to cooperate for obtaining environmental certification and share the data on energy consumption, etc.

Society

Contribution to local communities

For 14 properties it owns, including GLP Yokohama, GLP J-REIT has entered into agreements with local governments to use the facilities as restoration support centers and evacuation sites at times of disaster or emergency. In consideration of co-existence with local communities and to contribute to the development of communities that offer safety and comfort, the GLP Group carries out initiatives such as planting trees and installing photocatalytic pavements.



Disaster agreements with local governments



Joint evacuation drills with local governments



GLP Yokohama



GLP Atsugi II



Planting trees



Photocatalyst pavement

Initiatives to ensure safety in anticipation of a disaster

The GLP Group makes efforts to provide buildings and services that gives consideration to the safety of tenant companies and facility users. It also contributes to companies' BCPs by ensuring the safety of the stored cargo and the employees of tenant firms.



Seismic isolation structure



Installation of AEDs



24-hour security



Emergency power source



Distribution/installment of disaster-relief supplies



Groundwater supply system

Governance

Since their listing, GLP J-REIT and GLP Japan Advisors, Inc., have pursued the maximization of unitholders' interest by continuing to enhance their governance systems through various measures including the "adoption of performance-linked asset management fee to meet unitholders' interest" and "introduction of strict governance systems against transactions with stakeholders." We established an Employee Stock Ownership Plan (ESOP) in May 2020 with the intention of further enhancing the alignment of interests between the officers and employees of GLP Japan Inc. and GLP J-REIT's asset management company and our unitholders.

Financial Highlights

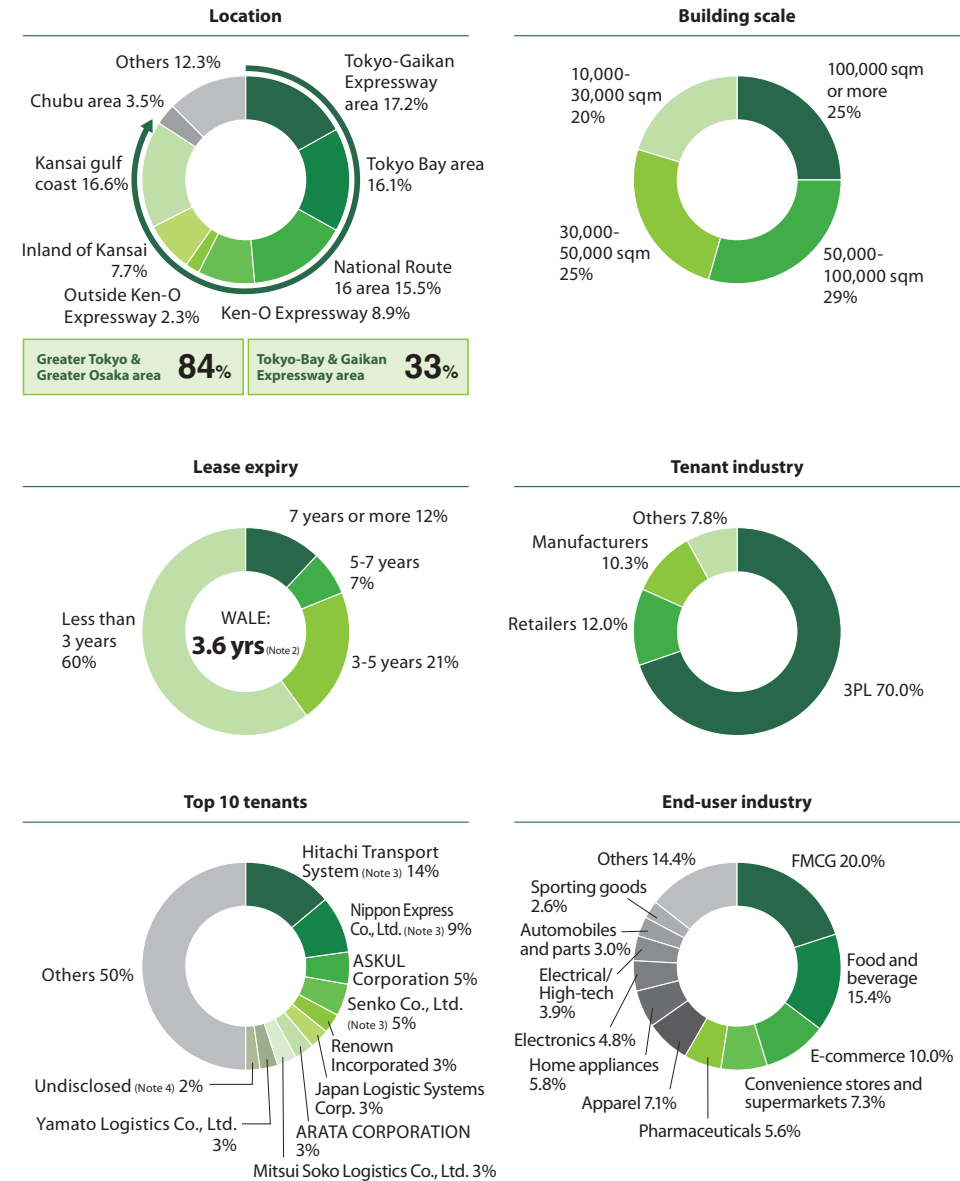
Financials

	Aug 2020 (from March 1, 2020 to August 31, 2020)	Feb 2021 (forecast) (from September 1, 2020 to February 28, 2021)
Operating revenue (mm yen)	19,893	20,823
Operating income (mm yen)	10,881	11,466
Ordinary income (mm yen)	9,693	10,362
Net income (mm yen)	9,695	10,361
No. of properties at fiscal end	78	77

Dividend per Unit

	Aug 2020 (from March 1, 2020 to August 31, 2020)	Feb 2021 (forecast) (from September 1, 2020 to February 28, 2021)
Dividend per unit (total) (yen)	2,831	2,887
Dividend per unit (excl. OPD) (yen)	2,434	2,601
Optimal payable distribution per unit (yen)	397	286

Portfolio Data (Note 1)



(Note 1) The above data is current as of August 31, 2020 (based on 78 properties). Data for location and building scale is based on acquisition price. Other data is based on leased area excluding vacant area.

(Note 2) WALE (weighted average leasing expiry) indicates the remaining lease period of each lease agreement weighted averaged on a leased area basis.

(Note 3) Hitachi Transport System, Nippon Express, and Senko include group companies.

(Note 4) We have not obtained permission to disclose the name of the tenant group, an international courier and third-party logistics provider.

Introduction of Major Portfolio Properties

Tokyo Metropolitan Area



1 GLP Tokyo Ota, Tokyo



21 GLP Tokyo II Koto, Tokyo



29 GLP Atsugi II Aiko, Kanagawa



9 GLP Sugito II Kita-katsushika, Saitama



28 GLP-MFLP Ichikawa Shiohama Ichikawa, Chiba



40 GLP Higashi-Ogishima II Kawasaki, Kanagawa

Acquired in 17th period



39 GLP Funabashi IV Funabashi, Chiba

Acquired in 17th period



37 GLP Yokohama Yokohama, Kanagawa

Acquired in 17th period



38 GLP Kawajima Kawajima, Hiki, Saitama

Acquired in 17th period

Greater Osaka Area



16 GLP Maishima I Osaka, Osaka



17 GLP Osaka Osaka, Osaka



3 GLP Maishima II Osaka, Osaka



6 GLP Amagasaki Amagasaki, Hyogo



14 GLP Kobe-Nishi Kobe, Hyogo



20 GLP Shiga Kusatsu, Shiga



21 GLP Neyagawa Neyagawa, Osaka

Other Area



19 GLP Tosu I Tosu, Saga



20 GLP Tomiya IV Tomiya, Miyagi



21 GLP Soja I

22 GLP Soja II Soja, Okayama

ASSET MANAGEMENT REPORT

[Overview of Asset Management]

1. Trends in Key Indicators

		13th Period	14th Period	15th Period	16th Period	17th Period
		Mar. 1, 2018 to Aug. 31, 2018	Sept. 1, 2018 to Feb. 28, 2019	Mar. 1, 2019 to Aug. 31, 2019	Sept. 1, 2019 to Feb. 29, 2020	Mar. 1, 2020 to Aug. 31, 2020
Operating revenues	Million yen	16,896	18,691	19,891	18,841	19,893
Of which, Property-related revenues	Million yen	16,896	18,691	19,105	18,841	19,400
Operating expenses	Million yen	7,796	8,506	9,039	8,920	9,011
Of which, Property-related expenses	Million yen	5,936	6,389	6,765	6,747	6,739
Operating income	Million yen	9,100	10,185	10,852	9,920	10,881
Ordinary income	Million yen	7,944	8,946	9,575	8,841	9,693
Net income	Million yen	7,944	9,052	9,612	8,875	9,695
Total assets	Million yen	528,614	610,861	610,494	606,486	639,895
[Period-on-period changes]	%	[19.6]	[15.6]	[(0.1)]	[(0.7)]	[5.5]
Total net assets	Million yen	273,931	318,687	318,114	316,248	336,643
[Period-on-period changes]	%	[27.4]	[16.3]	[(0.2)]	[(0.6)]	[6.4]
Unitholders' capital, net (Note 3)	Million yen	265,985	309,633	308,499	307,372	326,945
Number of investment units issued and outstanding	Unit	3,402,681	3,833,420	3,833,420	3,833,420	3,982,980
Net assets per unit	Yen	80,504	83,134	82,984	82,497	84,520
Distributions	Million yen	8,962	10,185	10,741	10,001	11,275
Of which, Distributions of earnings	Million yen	7,945	9,050	9,614	8,874	9,694
Of which, Distributions in excess of retained earnings	Million yen	1,017	1,134	1,127	1,127	1,581
Distributions per unit	Yen	2,634	2,657	2,802	2,609	2,831
Of which, Distributions of earnings per unit	Yen	2,335	2,361	2,508	2,315	2,434
Of which, Distributions in excess of retained earnings per unit	Yen	299	296	294	294	397
Ordinary income to total assets (Note 4)	%	1.6	1.6	1.6	1.5	1.6
[Annualized ordinary income to total assets]	%	[3.2]	[3.2]	[3.1]	[2.9]	[3.1]
Return on unitholders' equity (Note 4)	%	3.2	3.1	3.0	2.8	3.0
[Annualized return on unitholders' equity]	%	[6.4]	[6.2]	[6.0]	[5.6]	[5.9]
Unitholders' equity to total assets (Note 4)	%	51.8	52.2	52.1	52.1	52.6
[Period-on-period changes]	%	[3.2]	[0.3]	[(0.1)]	[0.0]	[0.5]
Payout ratio (Note 4)	%	100.0	99.9	100.0	100.0	99.9
【Other Information】						
Number of operating days		184	181	184	182	184
Number of investment properties		68	76	75	75	78
Occupancy ratio	%	99.4	99.2	99.9	99.4	99.9
Depreciation expenses	Million yen	3,400	3,788	3,769	3,766	3,769
Capital expenditures	Million yen	658	962	762	804	712
Rental NOI (Net Operating Income) (Note 4)	Million yen	14,360	16,090	16,109	15,872	16,429
FFO (Funds From Operation) (Note 4)	Million yen	11,345	12,840	12,595	12,654	12,972
FFO per unit (Note 4)	Yen	3,334	3,349	3,285	3,301	3,256
Total distributions / FFO ratio (Note 4)	%	79.0	79.3	85.3	79.0	86.9
Debt service coverage ratio (Note 4)		10.6	11.1	11.9	12.1	13.2
The ratio of interest bearing liabilities to total assets	%	45.1	44.9	44.7	44.6	44.4

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

(Note 2) Any fraction is rounded down for monetary amounts unless otherwise stated. Ratios are rounded to the first decimal places. As to "Occupancy ratio," however, when it may result in 100.0% after rounding, the figure is rounded down to the first decimal place and shown as 99.9%.

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

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

Ordinary income to total assets	$\text{Ordinary income} / [(\text{Total assets at beginning of period} + \text{Total assets at end of period}) / 2] \times 100$
Return on unitholders' equity	$\text{Net income} / [(\text{Net assets at beginning of period} + \text{Net assets at end of period}) / 2] \times 100$
Unitholders' equity to total assets	$\text{Net assets at end of period} / \text{Total assets at end of period} \times 100$
Payout ratio	Distributions per unit (excluding OPD**) / Net income per unit x 100 (Any fraction is rounded down to the first decimal place.) For the 13th, 14th and 17th Periods, the following formula is used due to the issuance of new units during the period. $\text{Total distributions (excluding OPD**)} / \text{Net income} \times 100$
Rental NOI (Net Operating Income)	Property-related revenues – Property-related expenses + Depreciation expenses + Loss on retirement of noncurrent assets
FFO (Funds From Operation)	Net income + Depreciation expenses + Loss on retirement of noncurrent assets – Gain on sales of property and equipment
FFO per unit	$\text{FFO} / \text{Number of investment units issued and outstanding}$
Total distributions / FFO ratio	$\text{Total distributions (including OPD**)} / \text{FFO} \times 100$
Debt service coverage ratio	$(\text{Net income} + \text{Interest expenses} + \text{Interest expenses on investment corporation bonds}) / (\text{Interest expenses} + \text{Interest expenses on investment corporation bonds})$

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

2. Performance Review for the 17th Period

(1) Brief Background of GLP J-REIT

GLP J-REIT is a real estate investment corporation (“J-REIT”) specializing in logistics facilities, and it primarily invests in modern logistics facilities. GLP J-REIT was founded in accordance with the Act on Investment Trusts and Investment Corporations (hereinafter the “Investment Trust Act”) with GLP Japan Advisors Inc. as the founder. It had its units listed on the Real Estate Investment Trust Market of the Tokyo Stock Exchange on December 21, 2012 (securities code: 3281).

Having the GLP Group (Note) as the sponsor group and investing in highly functional modern logistics facilities while taking advantage of the wealth of experience and management resources, GLP J-REIT aims to earn stable income and achieve steady growth in assets under management over the medium and long term. Since starting its operation as a listed J-REIT with 30 properties (total acquisition price of 208,731 million yen) in January 2013, GLP J-REIT has been steadily expanding its assets through the continuous acquisition of properties. As of the end of the current fiscal period, GLP J-REIT owns 78 properties (total acquisition price of 644,878 million yen).

(Note) The GLP Group consists of GLP Holdings Limited, the holding company of the Sponsor of GLP J-REIT, and its group companies.

(2) Investment Environment and Business Performance

During the current fiscal period, the outlook for the Japanese economy remains uncertain, with a downturn in economic activity due to the impact of the global economic slowdown caused by the COVID-19 pandemic. On the other hand, the logistics facilities leasing market remains strong, with a ravenous demand for modern logistics facilities that can help to solve the logistics industry’s business issues, such as labor shortage and supply chain optimization. In addition, there is a trend of new expansion, consolidation and integration of logistics facilities among e-commerce service and third-party logistics (3PL) companies. This strong demand is expected to continue increasing into the future. While it is necessary to closely monitor the macroeconomic impact of the COVID-19 pandemic on an ongoing basis, we believe the demand for modern logistics facilities remains strong since the further expansion of e-commerce business due to change in consumer trends and the build-up of inventories by shippers to prepare for unforeseen circumstances are expected. Under these conditions, the vacancy rate of large multi-tenant logistics facilities in the Tokyo metropolitan area hit an all-time low of 0.6% (Note 1) as of the end of June 2020. In addition, the pre-leased ratio (Note 2) for large multi-tenant logistics facilities planned to be supplied in 2020 reached 85% in the Tokyo metropolitan area and 80% for the greater Osaka area as of the end of June 2020. Thus, the balance of supply and demand for modern logistics facilities remains stable.

In the logistics real estate market, backed by a favorable financing environment, steady demand for properties and the prospect of stable rental income, institutional investors such as pension funds and insurance companies remain highly interested in the market, and their funds continue to flow in. As a result, capitalization rates are trending low while real estate prices stay high.

Under these conditions, aiming to enhance both the profitability and quality of its portfolio through acquisition of new properties, GLP J-REIT issued, for the first time in J-REIT history, new investment units by way of an international offering through an accelerated book building process (“ABB”). This allows the determination of the terms and conditions, etc. of the issuance in a short period after the announcement of the issuance of new investment units. Using the funds from the issuance and new borrowings, GLP J-REIT acquired four properties on July 1, 2020: two properties developed by the GLP Group (GLP

Yokohama and GLP Kawajima) under the Right-of-First-Look agreement and two properties developed by third-parties (GLP Funabashi IV and GLP Higashi-Ogishima II).

With the strong demand for logistics properties, GLP sold its trust beneficiary right of GLP Seishin on July 30, 2020, with the aim of returning to unitholders an amount equivalent to the gain on sales of the property and equipment as dividends. (Sales price: 1,931 million yen, Amount equivalent to the gain: 492 million yen (Note 3))

As to internal growth, in collaboration with the in-house leasing team of the GLP Group, the sponsor group, GLP J-REIT has achieved rent increases for 16 consecutive fiscal periods since its listing on the TSE, backed by solid demand for modern logistics facilities.

As a result of the above initiatives and its proper management and operation of the portfolio with strong support from the GLP Group, which provides modern logistics facilities on a global basis, GLP J-REIT operates 78 properties (total acquisition price of 644,878 million yen) while maintaining the portfolio occupancy rate at a favorable level of 99.9% as of August 31, 2020. The total appraisal value is 768,707 million yen with total unrealized gain of 153,157 million yen and an unrealized gain ratio of 24.9% (Note 4) as of August 31, 2020.

(Note 1) Source: CBRE K.K.

(Note 2) “The pre-leased ratio” represents the ratio of lease contracts signed or granted as of each survey date; in other words, the ratio of the total floor area for which it is possible to assume no further need to seek tenants as of each survey date to the total floor area of each new logistics facility constructed and planned to be supplied in each year.

(Note 3) The amount is calculated by deducting selling expenses from the difference between the sales price and the book value.

(Note 4) $\text{Unrealized gain ratio} = \frac{\text{Unrealized gain (Appraisal value or research price at the fiscal period end} - \text{Book value)}}{\text{Book value}}$

(3) Overview of Financing

GLP J-REIT operates by pursuing the optimal balance between financial stability and the enhancement of investor value. With strong relationships with financial institutions, GLP J-REIT delivers cost efficiency by lengthening debt maturities, proactively using or converting to fixed interest rates and diversifying repayment dates, and maintains an appropriate level of Loan-To-Value ratio (hereinafter “LTV”).

In the current fiscal period, as stated in above “(ii) Investment Environment and Business Performance,” GLP J-REIT newly borrowed 15,800 million yen to cover part of the acquisition cost of four properties on July 1, 2020 and their related costs. In addition, on May 29, 2020, by conducting early refinancing of 27,450 million yen of existing debts (excluding investment corporation bonds) with repayment dates on or before February 28, 2021, GLP J-REIT has successfully decreased financing costs and lengthened the borrowing periods.

As a result of the above, outstanding interest-bearing liabilities as of the end of the current fiscal period totaled 283,900 million yen (outstanding loans 248,200 million yen, outstanding investment corporation bonds 35,700 million yen) and the ratio of interest-bearing liabilities to total assets (LTV) was 44.4 %.

GLP J-REIT was assigned the following credit ratings as of the end of the current fiscal period.

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

(Note) It is the rating for the 2nd to the 6th and the 8th to the 14th Investment Corporation Bonds.

(4) Overview of Financial Results and Cash Distributions

As a result of these management efforts, GLP J-REIT reported total operating revenues of 19,893 million yen, operating income of 10,881 million yen, ordinary income of 9,693 million yen and net income of 9,695 million yen for the current fiscal period.

As for a 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 9,694,573,320 yen. This cash distribution is eligible for the special tax treatment on investment corporations (Section 67.15 of the Special Taxation Measures Act) and represents the multiple of the number of investment units issued and outstanding (3,982,980 units) from unappropriated retained earnings. Accordingly, the distribution per unit for the current fiscal period was 2,434 yen.

In addition, GLP J-REIT intends to distribute funds in excess of the amount of retained earnings (OPD) for each fiscal period on a continuous basis (hereinafter, “continuous OPD”), in accordance with the distribution policy set forth in the Articles of Incorporation (Note). Furthermore, when it is anticipated that the amount of a distribution per unit would temporarily decrease to certain level as a result of the issuance of new investment units, the issuance of investment corporation bonds, financing through borrowings, disposal of buildings and facilities, major repairs or other matters, the distribution policy allows GLP J-REIT to make a temporary cash distribution in excess of retained earnings (hereinafter, “temporary OPD”), in addition to a continuous OPD, for the purposes of maintaining a stable level of distributions.

Based on this, GLP J-REIT decided to distribute 1,127,183,340 yen as a continuous OPD, a refund of investment categorized as a distribution from unitholders’ capital for tax purposes, in an amount almost equivalent to 30% of the depreciation (3,769 million yen) for the current fiscal period; and 454,059,720 yen as a temporary OPD since the issuance of new investment units and financing through borrowings in the current fiscal period resulted in a temporary decrease in the amount of the distribution per unit. Thus, the total amount of OPD per unit is 397 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 712 million yen of capital expenditure for the current fiscal period from 3,769 million yen of depreciation expenses for the period is 3,056 million yen.

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

With respect to all 78 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 685 million yen.

3. Changes in Number of Investment Units Issued and Outstanding

Changes in number of investment units issued and outstanding and net unitholders' capital for the last five years 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 1, 2015	Public offering	197,594	2,588,325	21,784	182,126	(Note 2)
September 25, 2015	Issuance of new units through allocation to a third party	5,459	2,593,784	601	182,728	(Note 3)
November 17, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(707)	182,020	(Note 4)
May 17, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(778)	181,242	(Note 5)
September 1, 2016	Public offering	247,507	2,841,291	28,561	209,804	(Note 6)
September 27, 2016	Issuance of new units through allocation to a third party	11,787	2,853,078	1,360	211,164	(Note 7)
November 16, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(770)	210,393	(Note 8)
May 16, 2017	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(867)	209,526	(Note 9)
November 14, 2017	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(861)	208,665	(Note 10)
March 1, 2018	Public offering	529,922	3,383,000	56,095	264,760	(Note 11)
March 20, 2018	Issuance of new units through allocation to a third party	19,681	3,402,681	2,083	266,843	(Note 12)
May 15, 2018	Distributions in excess of retained earnings (a refund of investment)	—	3,402,681	(858)	265,985	(Note 13)
September 3, 2018	Public offering	411,013	3,813,694	42,620	308,605	(Note 14)
September 26, 2018	Issuance of new units through allocation to a third party	19,726	3,833,420	2,045	310,651	(Note 15)
November 14, 2018	Distributions in excess of retained earnings (a refund of investment)	—	3,833,420	(1,017)	309,633	(Note 16)
May 21, 2019	Distributions in excess of retained earnings (a refund of investment)	—	3,833,420	(1,134)	308,499	(Note 17)
November 18, 2019	Distributions in excess of retained earnings (a refund of investment)	—	3,833,420	(1,127)	307,372	(Note 18)
May 19, 2020	Distributions in excess of retained earnings (a refund of investment)	—	3,833,420	(1,127)	306,245	(Note 19)
June 29, 2020	Public offering	149,560	3,982,980	20,700	326,945	(Note 20)

(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) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 110,247 yen or the offer price of 114,174 yen per unit.
- (Note 3) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 110,247 yen.
- (Note 4) At the Board of Directors' Meeting held on October 14, 2015, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 296 yen per unit for the 7th Fiscal Period (the period ended August 31, 2015). The payment of distributions was commenced on November 17, 2015.
- (Note 5) At the Board of Directors' Meeting held on April 13, 2016, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 300 yen per unit for the 8th Fiscal Period (the period ended February 29, 2016). The payment of distributions was commenced on May 17, 2016.
- (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 115,398 yen or the offer price of 119,357 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 115,398 yen.
- (Note 8) At the Board of Directors' Meeting held on October 13, 2016, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 297 yen per unit for the 9th Fiscal Period (the period ended August 31, 2016). The payment of distributions was commenced on November 16, 2016.
- (Note 9) At the Board of Directors' Meeting held on April 13, 2017, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 304 yen per unit for the 10th Fiscal Period (the period ended February 28, 2017). The payment of distributions was commenced on May 16, 2017.
- (Note 10) At the Board of Directors' Meeting held on October 13, 2017, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 302 yen per unit for the 11th Fiscal Period (the period ended August 31, 2017). The payment of distributions was commenced on November 14, 2017.
- (Note 11) 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 105,856 yen or the offer price of 109,372 yen per unit.
- (Note 12) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 105,856 yen.
- (Note 13) At the Board of Directors' Meeting held on April 13, 2018, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 301 yen per unit for the 12th Fiscal Period (the period ended February 28, 2018). The payment of distributions was commenced on May 15, 2018.
- (Note 14) 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 103,697 yen or the offer price of 107,130 yen per unit.
- (Note 15) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 103,697 yen.
- (Note 16) At the Board of Directors' Meeting held on October 15, 2018, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 299 yen per unit for the 13th Fiscal Period (the period ended August 31, 2018). The payment of distributions was commenced on November 14, 2018.
- (Note 17) At the Board of Directors' Meeting held on April 15, 2019, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 296 yen per unit for the 14th Fiscal Period (the period ended February 28, 2019). The payment of distributions was commenced on May 21, 2019.
- (Note 18) At the Board of Directors' Meeting held on October 16, 2019, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 294 yen per unit for the 15th Fiscal Period (the period ended August 31, 2019). The

payment of distributions was commenced on November 18, 2019.

(Note 19) At the Board of Directors' Meeting held on April 15, 2020, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 294 yen per unit for the 16th Fiscal Period (the period ended February 29, 2020). The payment of distributions was commenced on May 19, 2020.

(Note 20) 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 138,407 yen or the offer price of 142,956 yen per unit.

[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	13th Period	14th Period	15th Period	16th Period	17th Period
For the period ended	August 31, 2018	February 28, 2019	August 31, 2019	February 29, 2020	August 31, 2020
Highest	122,600	120,500	137,400	153,800	178,600
Lowest	110,800	107,100	115,600	131,400	80,600

4. Distributions

Actual amount of distributions is as follows:

(Unit: Thousand yen, unless otherwise stated)

	13th Period Mar. 1, 2018 to Aug. 31, 2018	14th Period Sept. 1, 2018 to Feb. 28, 2019	15th Period Mar. 1, 2019 to Aug. 31, 2019	16th Period Sept. 1, 2019 to Feb. 29, 2020	17th Period Mar. 1, 2020 to Aug. 31, 2020
Unappropriated retained earnings	7,946,714	9,053,764	9,615,220	8,876,762	9,698,370
Retained earnings carried forward	1,454	3,059	1,003	2,395	3,797
Total distributions	8,962,661	10,185,396	10,741,242	10,001,392	11,275,816
[Distributions per unit]	[2,634 yen]	[2,657 yen]	[2,802 yen]	[2,609 yen]	[2,831 yen]
Of which, distributions of earnings	7,945,260	9,050,704	9,614,217	8,874,367	9,694,573
[Distributions of earnings per unit]	[2,335 yen]	[2,361 yen]	[2,508 yen]	[2,315 yen]	[2,434 yen]
Of which, total refund of investments	1,017,401	1,134,692	1,127,025	1,127,025	1,581,243
[Total refund of investments per unit]	[299 yen]	[296 yen]	[294 yen]	[294 yen]	[397 yen]
Of total refund of investments, total distributions from reserve for temporary difference adjustments	—	—	—	—	—
[Of total refund of investments per unit, distributions from reserve for temporary difference adjustments per unit]	[— yen]	[— yen]	[— yen]	[— yen]	[— yen]
Of total refund of investments, total distributions from the unitholders' capital for tax purposes	1,017,401	1,134,692	1,127,025	1,127,025	1,581,243
[Of total refund of investments per unit, total distributions from the unitholders' capital for tax purposes per unit]	[299 yen]	[296 yen]	[294 yen]	[294 yen]	[397 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 712 million yen of capital expenditure for the current fiscal period from 3,769 million yen of depreciation expenses for the period is 3,056 million yen.

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

With respect to all 78 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 685 million yen.

Furthermore, when it is anticipated that the amount of a distribution per unit would temporarily decrease to certain level as a result of the issuance of new investment units, the issuance of investment corporation bonds, financing through borrowings, disposal of buildings and facilities, major repairs or other matters, the distribution policy allows GLP J-REIT to make a temporary cash distribution in excess of retained earnings ("temporary OPD"), in addition to a continuous OPD, for the purposes of maintaining a stable level of distributions.

For the current period, GLP J-REIT declared a temporary OPD of 454,059,720 yen, since the amount of a distribution per unit was estimated to temporarily decrease to 114 yen as a result of the issuance of new investment units and financing through borrowings.

5. Future Management Policy and Matters to be Addressed

GLP J-REIT is committed to implementing the following measures to advance growth over the medium to long term:

- (1) In terms of its internal growth strategy, while enjoying the stable cash flows that characterize its portfolio of assets, GLP J-REIT will aim to keep both the profitability and high occupancy rate of its facilities. In particular, when renewing leases upon expirations of lease periods, GLP J-REIT will collaborate with the in-house leasing team of the GLP Group, the sponsor group, with consideration of the market rents and market trends of modern logistics facilities. At the same time, GLP J-REIT will seek to enhance the value of existing assets through appropriate maintenance of such assets and capital expenditures.
- (2) With regard to its external growth strategy, while utilizing the bridge approach through the Optimal Takeout Arrangement (“OTA”) (Note 1), GLP J-REIT will pursue further expansion of its portfolio focusing on both the improvement of profitability and portfolio quality by acquiring properties developed by the GLP Group as well as third-party properties. Specifically, GLP J-REIT will take advantage of 11 properties under the Rights-of-First-Look agreement (floor area: approximately 0.52 million m²) (Note 2), which are held by GLP J-REIT as a specific and flexible pipeline, and seek future opportunities to acquire some of the 25 properties (figures include properties under construction or planned for construction) (Note 2) held by a joint venture partnership formed by the GLP Group with a third party. GLP J-REIT will sell properties with the best timing and at the highest prices possible after comprehensively considering factors such as property size, specifications, status of lease contracts and locations; and thus, GLP J-REIT will return to unitholders an amount equivalent to the gain on sales of property and equipment as dividends on an ongoing basis.
- (3) As to financial strategy, GLP J-REIT will examine such financing activities as extending debt maturities through refinancing, issuing investment corporation bonds and raising funds through public offerings of units, while closely monitoring the trends in the financing environment. By doing so, GLP J-REIT will work to achieve an optimal balance of financing methods and financing costs.

(Note 1) Optimal Takeout Arrangement (“OTA”) refers to the arrangement under which GLP J-REIT acquires an asset at the timing designated by GLP J-REIT within the scheduled acquisition period, and with the acquisition price which may be reduced to some degree depending on the timing of acquisition.

(Note 2) Figures as of September 30, 2020 are stated.

6. Significant Subsequent Events

Sale of assets

GLP J-REIT sold the asset as described below.

GLP Hatsukaichi

• Type of specified asset	Beneficiary right of real estate in trust
• Contract date	October 9, 2020
• Closing date	October 9, 2020
• Sales price	2,930 million yen (Note 1)
• Buyer	Flying Fifteen G.K. (Note 2)

(Note 1) “Sales price” excludes asset transfer costs, property taxes, city planning taxes, consumption taxes and local consumption taxes.

(Note 2) As of today, there is no capital, personnel or transactional relationship to be disclosed between the Buyer and GLP J-REIT or its Asset Manager. In addition, the Buyer is not a related party of GLP J-REIT or its Asset Manager.

From this transaction, GLP J-REIT will recognize approximately 1,078 million yen of gain on sales of property and equipment for the fiscal period ending February 28, 2021 (from September 1, 2020 to February 28, 2021).

[Profile of GLP J-REIT]

1. Status of Unitholders' Capital

	13th Period As of August 31, 2018	14th Period As of February 28, 2019	15th Period As of August 31, 2019	16th Period As of February 29, 2020	17th Period As of August 31, 2020
Number of investment units authorized (Units)	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Number of investment units issued and outstanding (Units)	3,402,681	3,833,420	3,833,420	3,833,420	3,982,980
Unitholders' capital, net (Million yen) (Note)	265,985	309,633	308,499	307,372	326,945
Number of unitholders	17,820	18,961	17,779	16,031	15,980

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

2. Matters Concerning Investment Units

The following is a list of major unitholders as of August 31, 2020.

Name	Location	Number of units held (Units)	Ratio to total number of units issued and outstanding (%) (Note)
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	726,885	18.24
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	637,833	16.01

Name	Location	Number of units held (Units)	Ratio to total number of units issued and outstanding (%) (Note)
STICHTING PGGM DEPOSITARY PGGM LISTED REAL ESTATE PF FUND Standing proxy: Citibank, N.A., Tokyo Branch, Securities Service Department	6-27-30, Shinjuku, Shinjuku-ku, Tokyo	224,920	5.64
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	205,836	5.16
GLP CAPITAL JAPAN 2 PRIVATE LIMITED Standing proxy: Mizuho Securities Co., Ltd., Retail Operations Department (Note 2)	Otemachi First Square, 1-5-1, Otemachi, Chiyoda-ku, Tokyo	132,240	3.32
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	123,843	3.10
SSBTC CLIENT OMNIBUS ACCOUNT Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Department	3-11-1, Nihonbashi, Chuo-ku, Tokyo	72,836	1.82
STATE STREET BANK WEST CLIENT – TREATY 505234 Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department	Building A, Shinagawa Intercity, 2-15-1, Konan, Minato-ku, Tokyo	62,332	1.56
STATE STREET BANK AND TRUST COMPANY 505103 Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department	Building A, Shinagawa Intercity, 2-15-1, Konan, Minato-ku, Tokyo	39,947	1.00
JAPAN SECURITIES FINANCE CO., LTD.	1-2-10 Nihonbashi-Kayabacho, Chuo-ku, Tokyo	37,905	0.95
Total		2,264,577	56.85

(Note 1) “Ratio to total number of units issued and outstanding” is rounded down to the second decimal place.

(Note 2) GLP CAPITAL JAPAN 2 PRIVATE LIMITED is a group company of GLP, the Sponsor of GLP J-REIT, and holds 34,000 units in addition to the above. Thus, GLP CAPITAL JAPAN 2 PRIVATE LIMITED holds 166,240 units in total (ratio to total number of units issued and outstanding as of August 31, 2020: 4.17%).

3. Matters Concerning Directors and Auditors

(1) 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)	Yoshiyuki Miura (Note 3)	President, GLP Japan Advisors Inc.)	—
Supervisory Director (Note 2)	Toraki Inoue	Representative CPA, Toraki Inoue CPA Firm President, Accounting Advisory Co., Ltd.	1,980
	Kota Yamaguchi	Partner, Kimura Takushima & Yamaguchi Law Firm Outside Director, Heiwa Corporation	1,980
Independent Auditor (Note 3)	KPMG AZSA LLC	—	31,300

(Note 1) Yoshiyuki Miura does not own investment units of GLP J-REIT under his own name nor the name of another person.

(Note 2) Executive Directors and Supervisory Directors may be an officer of entities other than the above; however, any of

such entities including the above has no interest with GLP J-REIT.

(Note 3) The amount of fees paid to Independent Auditor includes the fees for the preparation of a comfort letter (Total 17,800 thousand yen).

(2) Policy on dismissal and non-reappointment of Independent Auditor

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

4. Asset Management Company, Custodian and General Administrators

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

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

[Status on Investment Properties]

1. Investment Status

Type of asset	Use of asset	Area (Note 1)	16th Period As of February 29, 2020		17th Period As of August 31, 2020	
			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	334,250	55.1	371,573	58.1
		Greater Osaka area	154,778	25.5	152,416	23.8
		Other	92,227	15.2	91,560	14.3
Subtotal			581,256	95.8	615,549	96.2
Deposits and other assets			25,230	4.2	24,346	3.8
Total assets (Note 5)			606,486 [581,256]	100.0 [95.8]	639,895 [615,549]	100.0 [96.2]

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

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

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

(Note 4) The amount of "Property and equipment in trust" does not include the amount of construction in progress and

construction in progress in trust. The amount of “Property and equipment in trust” in the Tokyo metropolitan area includes the book value of vehicles.

(Note 5) The total assets above are stated at the book value. In addition, the figures in square brackets represent the holding properties portion to total assets.

2. Major Properties Owned

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

Name of properties	Book value (Million yen)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy ratio (%) (Note 3)	Ratio to total rental revenues (%) (Note 3)	Primary use
GLP Osaka	35,435	128,504.34	127,642.38	99.3	4.8	Logistics facility
GLP Tokyo II	34,625	79,073.21	79,073.21	100.0	5.8	Logistics facility
GLP Amagasaki	22,923	110,224.41	110,224.41	100.0	4.6	Logistics facility
GLP Tokyo	21,366	56,757.92	56,757.92	100.0	3.7	Logistics facility
GLP Atsugi II	20,296	74,176.27	74,176.27	100.0	(Note4)	Logistics facility
GLP Maishima I	18,845	72,948.78	72,948.78	100.0	(Note4)	Logistics facility
GLP Shinsuna	18,279	44,355.46	44,355.46	100.0	2.4	Logistics facility
GLP Urayasu III	17,772	64,198.11	64,198.11	100.0	(Note4)	Logistics facility
GLP Sugito II	17,226	101,272.40	100,345.84	99.1	3.6	Logistics facility
GLP Misato	16,769	46,892.00	46,892.00	100.0	(Note4)	Logistics facility
Total	223,541	778,402.90	776,614.38	99.8	35.5	

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

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

(Note 3) “Occupancy ratio” and “Ratio to total rental revenues” are rounded to the first decimal place. As to “Occupancy ratio,” however, when it may result in 100.0% after rounding, the figure is rounded down to the first decimal place and shown as 99.9%.

(Note 4) Not disclosed because the tenants’ consent is not obtained.

3. Summary of Portfolio Properties

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

Name of property	Location (Note 1)	Type of ownership	Leasable area (m ²) (Note 2)	Appraisal value (Million yen) (Note 3)	Book value (Million yen)
GLP Tokyo	2-1-2, Tokai, Ota-ku, Tokyo	Beneficiary right of real estate in trust	56,757.92	31,300	21,366
GLP Higashi-Ogishima	23-9, Higashi-Ogishima, Kawasaki-ku, Kawasaki, Kanagawa		34,582.00	6,830	4,842
GLP Akishima	4-13-41, Mihori-cho, Akishima, Tokyo 4-13-42, Mihori-cho, Akishima, Tokyo		27,356.63	9,910	7,330
GLP Tomisato	3-1, Misawa, Tomisato, Chiba		27,042.59	6,080	4,461
GLP Narashino II	3-6-3, Akanehama, Narashino, Chiba		101,623.59	20,100	14,195
GLP Funabashi	1-1389-2, Kaijincho-Minami, Funabashi, Chiba		10,465.03	2,110	1,884
GLP Kazo	1-5-1, Minami-shinozaki, Kazo, Saitama		76,532.71	14,400	10,319
GLP Fukaya	1900-2, Mizugahara, Orinokuchi, Fukaya, Saitama		19,706.00	2,890	2,179
GLP Sugito II	398-2, Fukawa, Sugito-machi, Kita-Katsushika, Saitama		101,272.40	26,200	17,226
GLP Iwatsuki	2-9-10, Kokaba, Iwatsuki-ku, Saitama, Saitama		31,839.99	9,990	6,388
GLP Kasukabe	1155, Anzai, Suikaku, Kasukabe, Saitama		18,460.73	5,390	3,819
GLP Koshigaya II	2-2-1, Ryutsu-Danchi, Koshigaya, Saitama		43,533.28	14,600	9,126
GLP Misato II	3-2-1, Lala-city, Shinmisato, Misato, Saitama		59,208.59	22,000	13,934
GLP Tatsumi	3-11-10, Tatsumi, Koto-ku, Tokyo		12,925.58	6,770	4,794
GLP Hamura	4-9-8, Shinmeidai, Hamura, Tokyo		40,277.93	10,000	7,244
GLP Funabashi III	2-15-1, Nishiura, Funabashi, Chiba		18,281.84	4,340	2,950
GLP Sodegaura	385-18, Shiinomori, Sodegaura, Chiba		45,582.06	8,060	5,621
GLP Urayasu III	15-27, Chidori, Urayasu, Chiba		64,198.11	22,800	17,772
GLP Tatsumi Ila	3-8-10, Tatsumi, Koto-ku, Tokyo		17,108.52	8,580	6,579
GLP Tokyo II	3-4-11 Shinsuna, Koto-ku, Tokyo		79,073.21	47,800	34,625
GLP Okegawa	2-6 Akabori, Okegawa, Saitama		17,062.92	3,140	2,333
GLP Shinkiba	1-10-9, Shinkiba, Koto-ku, Tokyo		18,341.73	12,800	11,406
GLP Narashino	2-6-6, Shibazono, Narashino, Chiba		23,548.03	5,570	5,268
GLP Sugito	398-13, Fukawa, Sugito-machi, Kita-Katsushika, Saitama		58,918.12	10,400	8,193
GLP Matsudo	520-1, Kamihongo, Matsudo, Chiba		14,904.60	3,270	2,399
GLP-MFLP Ichikawa Shiohama (Note 4)	1-6-3, Shiohama, Ichikawa, Chiba		50,813.07	17,950	15,099
GLP Atsugi II	4022-2, Sakurada, Nakatsu, Aikawa-machi, Aiko, Kanagawa		74,176.27	24,200	20,296
GLP Yoshimi	603-1, Nishi-Yoshimi, Yoshimi-machi, Hiki, Saitama		62,362.89	11,800	10,685
GLP Noda-Yoshiharu	722-2, Aza Tameshita, Yoshiharu, Noda, Chiba		26,631.40	5,370	4,412
GLP Urayasu	76-4, Minato, Urayasu, Chiba		25,839.60	7,910	7,442
GLP Funabashi II	6-1, Shiomi-cho, Funabashi, Chiba		34,699.09	8,480	7,733
GLP Misato	3-1-3, Izumi, Misato, Saitama		46,892.00	19,000	16,769
GLP Shinsuna	2-5-20, Shinsuna, Koto-ku, Tokyo		44,355.46	18,900	18,279
GLP Shonan	16, Kiriara-cho, Fujisawa, Kanagawa		23,832.60	6,200	5,868
GLP Yokohama (Note 5)	2-2-26, Namamugi, Tsurumi-ku, Yokohama, Kanagawa		38,124.96	17,000	16,261
GLP Kawajima	3001, Mishima, Kamiigusa, Kawajima-machi, Hiki, Saitama		42,187.92	12,400	12,220
GLP Funabashi IV	3-3-2, Hamacho, Funabashi, Chiba		31,576.60	8,270	7,773
GLP Higashi-Ogishima II	29-5, Higashi-Ogishima, Kawasaki-ku, Kawasaki, Kanagawa		11,362.32	2,510	2,465
GLP Hirakata	3-2-27, Minami-Nakaburi, Hirakata, Osaka 3-2-7, Minami-Nakaburi, Hirakata, Osaka		29,829.56	6,390	4,513

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 Hirakata II	3-3-1, Minami-Nakaburi, Hirakata, Osaka		43,283.01	9,410	7,398
GLP Maishima II	2-1-92, Hokuokoryokuchi, Konohana-ku, Osaka, Osaka		56,511.10	12,200	7,938
GLP Tsumori	2-1-30, Minami-Tsumori, Nishinari-ku, Osaka, Osaka		16,080.14	2,790	2,019
GLP Rokko	3-10, Koyochi-Higashi, Higashinada-ku, Kobe, Hyogo		39,339.00	6,130	4,950
GLP Amagasaki	231-2, Nishi-Mukojima-cho, Amagasaki, Hyogo		110,224.41	30,500	22,923
GLP Amagasaki II	16, Nishi-Takasu-cho, Amagasaki, Hyogo		12,342.95	2,590	1,919
GLP Nara	6-4, Imago-cho, Yamatokoriyama, Nara		19,545.35	2,990	2,014
GLP Sakai	1-63, Chikkoyawatamachi, Sakai-ku, Sakai, Osaka		10,372.10	2,260	1,776
GLP Rokko II	4-15-1, Koyochi-Higashi, Higashinada-ku, Kobe, Hyogo		20,407.30	4,350	3,071
GLP Kadoma	4-2-1, Shinomiya, Kadoma, Osaka		12,211.73	3,270	2,415
GLP Fukusaki	1714-14, Saiji, Fukusaki-cho, Kanzaki, Hyogo		24,167.83	4,850	3,484
GLP Kobe-Nishi	7-1-1, Mitsugaoka, Nishi-ku, Kobe, Hyogo		35,417.31	7,620	6,564
GLP Fukaehama	34-1, Fukaehama-cho, Higashinada-ku, Kobe, Hyogo		19,386.00	4,870	4,561
GLP Maishima I	2-1-66, Hokuokoryokuchi, Konohana-ku, Osaka, Osaka		72,948.78	19,400	18,845
GLP Osaka	2-4-43, Nanko Minami, Suminoe, Osaka, Osaka		128,504.34	37,200	35,435
GLP Settsu	2-1-62, Torikainaka, Settsu, Osaka		38,997.24	7,630	7,329
GLP Nishinomiya	1-52, Hanshin Ryutsu Center, Yamaguchi-cho, Nishinomiya, Hyogo		19,766.00	2,810	2,719
GLP Shiga	2-6-56, Noji Higashi, Kusatsu, Shiga 2-6-50, Noji Higashi, Kusatsu, Shiga 2-6-55, Noji Higashi, Kusatsu, Shiga 2-2349-24, Azakamegaya, Noji Higashi, Kusatsu, Shiga		29,848.70	4,720	4,565
GLP Neyagawa	10-10, Shoji Minami-machi, Neyagawa, Osaka		26,938.02	8,670	7,969
GLP Morioka	59, Urata, Sakuramachi, Shiwa-cho, Shiwa, Iwate		10,253.80	867	724
GLP Tomiya	9-1-2, Narita, Tomiya, Miyagi		20,466.98	3,890	2,868
GLP Koriyama I	3-2-2, Oroshi, Kikuta-machi, Koriyama, Fukushima		24,335.96	4,590	3,605
GLP Koriyama III	5-12, Mukaihara, Horinouchi, Kikuta-machi, Koriyama, Fukushima		27,671.51	2,800	2,586
GLP Tokai	2-47, Asayama, Tokai, Aichi		32,343.31	8,360	5,814
GLP Hayashima	823, Yao, Hayashima-cho, Tsukubo, Okayama		13,527.76	1,690	1,191
GLP Hayashima II	4507-40, Hayashima, Hayashima-cho, Tsukubo, Okayama		14,447.48	2,880	2,119
GLP Kiyama	2950-1, Urata, Sonobe, Kiyama-cho, Miyaki, Saga		23,455.96	5,910	4,455
GLP Sendai	2-5-2, Sendaikou Kita, Miyagino-ku, Sendai, Miyagi		37,256.23	6,940	5,173
GLP Ebetsu	69-3, Kakuyama, Ebetsu, Hokkaido		18,489.25	2,380	1,415
GLP Kuwana	3646-1, Kanegaya, Mizono, Tado-cho, Kuwana, Mie		20,402.12	4,310	3,261
GLP Hatsukaichi	14-2, Mokuzaiko-Kita, Hatsukaichi, Hiroshima		10,981.89	2,360	1,793
GLP Komaki	1-31, Shinkoki, Komaki, Aichi		52,709.97	14,300	9,997
GLP Ogimachi	1-8-5, Ogimachi, Miyagino-ku, Sendai, Miyagi		13,155.28	1,660	1,395
GLP Hiroshima	2-7-11, Kusatsukou, Nishi-ku, Hiroshima, Hiroshima 2-7-4, Kusatsukou, Nishi-ku, Hiroshima, Hiroshima		21,003.04	4,390	3,528
GLP Tosu I	1715, Hirata, Hatazaki-machi, Tosu, Saga		74,860.38	11,000	9,118
GLP Tomiya IV	9-7-3, Narita, Tomiya, Miyagi 9-7-7, Narita, Tomiya, Miyagi		32,562.60	6,480	5,681
GLP Soja I	4-10, Nagara, Soja, Okayama		63,015.53	13,100	12,478
GLP Soja II	4-1, Nagara, Soja, Okayama		63,234.92	12,800	12,364
GLP Fujimae	2-201-8, Fujimae, Minato, Nagoya, Aichi		12,609.00	2,030	1,986
Total			2,884,362.15	768,707	615,549

- (Note 1) “Location” represents the indication of residential address. If no indication of residential address exists, the location of the building (one of those if there are multiple buildings) shown on the registry is stated.
- (Note 2) “Leasable area” is the area of property or property in trust that is available for lease in accordance with relevant lease agreements or architectural drawings. The figures are rounded down to the second decimal place. The leasable area may be changed upon renewal of lease agreements.
- (Note 3) “Appraisal value” represents the appraisal value or research price as set forth on the relevant study reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trusts Association, Japan.
- (Note 4) GLP-MFLP Ichikawa Shiohama is a property under joint co-ownership which GLP J-REIT holds 50% beneficiary right of real estate in trust. “Leasable area” stated above is computed by multiplying 50% of the joint co-ownership ratio.
- (Note 5) GLP Yokohama is a property under joint co-ownership which GLP J-REIT holds 40% beneficiary right of real estate in trust. “Leasable area” stated above is computed by multiplying 40% of the joint co-ownership ratio.

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

Name of property	16th Period From September 1, 2019 To February 29, 2020				17th Period From March 1, 2020 To August 31, 2020			
	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	3	100.0	716	3.8	3	100.0	720	3.7
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	5	99.1	686	3.6	5	99.1	690	3.6
GLP Iwatsuki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kasukabe	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koshigaya II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Misato II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hamura	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Funabashi III	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sodegaura	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Urayasu III	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi IIa	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tokyo II	6	100.0	1,105	5.9	6	100.0	1,122	5.8
GLP Okegawa	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Shinkiba	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Narashino	3	100.0	171	0.9	3	100.0	172	0.9
GLP Sugito	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Matsudo	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP-MFLP Ichikawa Shiohama	5	87.6	426	2.3	5	100.0	470	2.4
GLP Atsugi II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Yoshimi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Noda-Yoshiharu	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Urayasu	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Funabashi II	1	99.0	(Note 3)	(Note 3)	1	99.0	(Note 3)	(Note 3)
GLP Misato	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Shinsuna	5	100.0	469	2.5	5	100.0	471	2.4
GLP Shonan	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Yokohama	—	—	—	—	5	100.0	123	0.6
GLP Kawajima	—	—	—	—	4	100.0	109	0.6
GLP Funabashi IV	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Higashi-Ogishima	—	—	—	—	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)

Name of property	16th Period From September 1, 2019 To February 29, 2020				17th Period From March 1, 2020 To August 31, 2020			
	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 Maishima II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tsumori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Rokko	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Amagasaki	7	100.0	861	4.6	7	100.0	886	4.6
GLP Amagasaki II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Nara	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sakai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Rokko II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kadoma	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Seishin (Note 4)	1	100.0	(Note 3)	(Note 3)	—	—	(Note 3)	(Note 3)
GLP Fukusaki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kobe-Nishi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukachama	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Maishima I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Osaka	12	99.3	925	4.9	12	99.3	925	4.8
GLP Settsu	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Nishinomiya	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Shiga	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Neyagawa	1	100.0	(Note 3)	(Note 3)	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	126	0.7	4	100.0	124	0.6
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 Sendai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Ebetsu	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kuwana	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hatsukaichi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Komaki	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Ogimachi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hiroshima	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Tosu I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tomiya IV	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Soja I	7	88.8	422	2.2	6	99.0	415	2.1
GLP Soja II	6	99.6	386	2.1	5	99.6	401	2.1
GLP Fujimae	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Total	136	99.4	18,841	100.0	144	99.9	19,400	100.0

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

(Note 2) “Occupancy ratio” and “Ratio to total rental revenues” are rounded to the first decimal place. As to “Occupancy ratio,” however, when it may result in 100.0% after rounding, the figure is rounded down to the first decimal place and shown as 99.9%.

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

(Note 4) GLP Seishin was sold to a third party on July 30, 2020.

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	197,530	193,730	(1,807)
Total		197,530	193,730	(1,807)

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

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

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

5. Investments and Other Assets

(1) Investment securities – Equity securities

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

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

(2) Details of other specified assets

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

[Capital Expenditure for Properties Owned]

1. Future Plan for Capital Expenditure

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

Property name	Location	Purpose	Planned period	Estimated construction cost (Million yen)		
				Total amount	Amount paid during the period	Total amount paid
GLP Amagasaki	Amagasaki, Hyogo	Redundancy of EHPF-12 air conditioner systems in floor 1 (South), KIRIN office	From October 2020 to December 2020	55	—	—
GLP Tokyo II	Koto, Tokyo	Renewal of LED lightning equipment	From November 2020 to February 2021	41	—	—
GLP Amagasaki II	Amagasaki, Hyogo	Renewal of elevators	From January 2021 to February 2021	28	—	—
GLP Tokyo	Ota, Tokyo	Replacement of LED lightning in common areas	From November 2020 to January 2021	26	—	—
GLP Settsu	Settsu, Osaka	Asphalt repaving work in the facility yard	From January 2021 to February 2021	25	—	—
GLP Settsu	Settsu, Osaka	Renewal of freight elevators, Building No.4	From November 2020 to January 2021	23	—	—
GLP Osaka	Osaka, Osaka	Replacement of LED lightning in common areas	From November 2020 to January 2021	23	—	—
GLP Tokyo	Ota, Tokyo	FRP waterproofing work on roofs (Phase III)	From November 2020 to January 2021	20	—	—
GLP Hirakata II	Hirakata, Osaka	Renewal of vertical conveyors	From November 2020 to February 2021	20	—	—
GLP Tokai	Tokai, Aichi	Renovation of West-side exterior walls	From October 2020 to December 2020	20	—	—

2. Capital Expenditure Incurred for the Period

The following table summarizes the major constructions to holding properties that resulted in capital expenditure for the current period. Capital expenditure for the current period was 712 million yen. The total construction cost amounted to 783 million yen, including repair and maintenance of 71 million yen that was accounted for as expenses.

Property name	Location	Purpose	Period	Construction cost (Million yen)
GLP Shiga	Kusatsu, Shiga	Renewal of fire alarm receivers	From May 2020 to August 2020	37
GLP Sugito II	Kita-Katsushika, Saitama	Installation work for LED lightning equipment	From April 2020 to May 2020	24
GLP Koshigaya II	Koshigaya, Saitama	Installation work for LED lightning equipment	From June 2020 to August 2020	23
GLP Ebetsu	Ebetsu, Hokkaido	Installation work for LED lightning equipment	From February 2020 to March 2020	20
Other	—	—	—	605
Total				712

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	13th Period Mar. 1, 2018 to Aug. 31, 2018	14th Period Sept. 1, 2018 to Feb 28, 2019	15th Period Mar. 1, 2019 to Aug. 31 2019	16th Period Sept. 1, 2019 to Feb 29, 2020	17th Period Mar. 1, 2020 to Aug. 31, 2020
Balance brought forward from the previous period	—	—	—	—	—
Amount reserved during the period	—	—	—	—	—
Amount used during the period	—	—	—	—	—
Balance to be carried forward to the next period	—	—	—	—	—

(Note 1) GLP J-REIT intends not to account for reserves if the estimated amount of capital expenditure of the following period does not exceed the amount equivalent to 70% of the estimated depreciation expenses for the same period. GLP J-REIT estimates the amount of capital expenditure for the 18th period (for the period ending February 28, 2021) to be 1,237 million yen, which does not exceed 2,666 million yen, the amount equivalent to 70% of 3,809 million yen, which is the estimated depreciation expenses for the same period.

(Note 2) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 712 million yen of capital expenditure for the current fiscal period from 3,769 million yen of depreciation expenses for the period is 3,056 million yen.

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

With respect to all 78 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 685 million yen. Please refer to the "Summary of Engineering Due Diligence Report" below for the emergency repair and maintenance expenses and the mid-to-long term repair and maintenance expenses for each asset.

(Reference) Summary of Engineering Due Diligence Report

Property number	Name of property	Engineering due diligence company	Date of report	Emergency repair and maintenance expenses (Thousand yen) (Note 1)	Mid-to-Long term repair and maintenance expenses (Thousand yen) (Note2)
Tokyo-1	GLP Tokyo	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 31, 2017	—	446,000
Tokyo-2	GLP Higashi-Ogishima			—	337,520
Tokyo-3	GLP Akishima (Note 3)			—	206,370
Tokyo-4	GLP Tomisato			—	90,060
Tokyo-5	GLP Narashino II			—	1,117,350
Tokyo-6	GLP Funabashi			—	167,750
Tokyo-7	GLP Kazo			—	392,050
Tokyo-8	GLP Fukaya			—	307,300
Tokyo-9	GLP Sugito II			—	406,640
Tokyo-10	GLP Iwatsuki			—	71,950
Tokyo-11	GLP Kasukabe			—	167,980
Tokyo-12	GLP Koshigaya II			—	139,890
Tokyo-13	GLP Misato II (Note 3)			—	168,620
Tokyo-14	GLP Tatsumi			—	54,520
Tokyo-15	GLP Hamura			—	61,540
Tokyo-16	GLP Funabashi III		August 31, 2018	—	127,980
Tokyo-17	GLP Sodegaura			—	63,000
Tokyo-18	GLP Urayasu III			—	296,600
Tokyo-19	GLP Tatsumi Ila		January 31, 2020	—	145,790
Tokyo-21	GLP Tokyo II (Note 3)			—	343,710
Tokyo-22	GLP Okegawa			—	208,380
Tokyo-23	GLP Shinkiba		July 27, 2015	—	243,980
Tokyo-24	GLP Narashino			—	230,950
Tokyo-26	GLP Sugito (Note 3)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	July 27, 2015	—	276,775
Tokyo-27	GLP Matsudo		December 14, 2015	—	142,870
Tokyo-28	GLP-MFLP Ichikawa Shiohama (Note 4)		April 12, 2016	—	220,644
Tokyo-29	GLP Atsugi II		August 3, 2016	—	180,143
Tokyo-30	GLP Yoshimi			—	142,536
Tokyo-31	GLP Noda-Yoshiharu	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	July 1, 2015	—	62,226
Tokyo-32	GLP Urayasu	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 18, 2017	—	82,849
Tokyo-33	GLP Funabashi II			—	262,847
Tokyo-34	GLP Misato			—	211,734
Tokyo-35	GLP Shinsuna		July 30, 2018	—	298,639
Tokyo-36	GLP Shonan			—	142,715
Tokyo-37	GLP Yokohama (Note 5)		February 29, 2020	—	339,900
Tokyo-38	GLP Kawajima			—	154,288
Tokyo-39	GLP Funabashi IV			—	376,392
Tokyo-40	GLP Higashi-Ogishima II			—	205,239
Osaka-1	GLP Hirakata	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 31, 2017	—	376,400
Osaka-2	GLP Hirakata II			—	236,350
Osaka-3	GLP Maishima II (Note 3)			—	271,900
Osaka-4	GLP Tsumori			—	143,330
Osaka-5	GLP Rokko			—	406,840
Osaka-6	GLP Amagasaki (Note 3)			—	204,430
Osaka-7	GLP Amagasaki II			—	136,600
Osaka-8	GLP Nara			—	146,790

Property number	Name of property	Engineering due diligence company	Date of report	Emergency repair and maintenance expenses (Thousand yen) (Note 1)	Mid-to-Long term repair and maintenance expenses (Thousand yen) (Note2)
Osaka-9	GLP Sakai	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 31, 2017	—	39,800
Osaka-10	GLP Rokko II		August 31, 2018	—	353,530
Osaka-11	GLP Kadoma		July 10, 2020	—	111,490
Osaka-13	GLP Fukusaki (Note 3)			—	144,190
Osaka-14	GLP Kobe-Nishi		January 28, 2015	—	57,340
Osaka-15	GLP Fukaehama (Note 3)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 3, 2016	—	219,979
Osaka-16	GLP Maishima I		August 18, 2017	—	407,302
Osaka-17	GLP Osaka		July 30, 2018	—	459,059
Osaka-18	GLP Settsu			—	413,785
Osaka-19	GLP Nishinomiya			—	227,195
Osaka-20	GLP Shiga			—	215,421
Osaka-21	GLP Neyagawa			—	63,718
Other-1	GLP Morioka	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 31, 2017	—	52,660
Other-2	GLP Tomiya (Note 3)			—	84,040
Other-3	GLP Koriyama I			—	56,400
Other-4	GLP Koriyama III			—	315,200
Other-5	GLP Tokai			—	151,530
Other-6	GLP Hayashima			—	144,200
Other-7	GLP Hayashima II			—	51,550
Other-8	GLP Kiyama (Note 3)			—	233,920
Other-10	GLP Sendai			—	134,980
Other-11	GLP Ebetsu		August 31, 2018	—	74,540
Other-12	GLP Kuwana			—	126,470
Other-13	GLP Hatsukaichi			—	83,530
Other-14	GLP Komaki			—	227,250
Other-15	GLP Ogimachi	July 10, 2020	—	101,303	
Other-16	GLP Hiroshima		—	198,710	
Other-19	GLP Tosu I (Note 3)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	July 27, 2015	—	187,234
Other-20	GLP Tomiya IV		August 3, 2016	—	233,500
Other-21	GLP Soja I		January 15, 2018	—	161,102
Other-22	GLP Soja II			—	161,224
Other-23	GLP Fujimae		July 30, 2018	—	143,851
Total				—	16,454,370

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

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

(Note 3) The amounts include repair and maintenance expenses reported in “Engineering Due Diligence Report (Solar Panels)” on January 15, 2018.

(Note 4) GLP-MFLP Ichikawa Shiohama is a property under joint co-ownership which GLP J-REIT holds 50% beneficiary right of real estate in trust. “Emergency repair and maintenance expenses” and “Mid-to-Long term repair and maintenance expenses” stated above are computed by multiplying 50% of the joint co-ownership ratio.

(Note 5) GLP Yokohama is a property under joint co-ownership which GLP J-REIT holds 40% beneficiary right of real estate in trust. “Emergency repair and maintenance expenses” and “Mid-to-Long term repair and maintenance expenses” stated above are computed by multiplying 40% of the joint co-ownership ratio.

[Expenses and Liabilities]

1. Status of Expenses related to Asset Management

(Unit: Thousand yen)

	16th Period From September 1, 2019 To February 29, 2020	17th Period From March 1, 2020 To August 31, 2020
Asset management fee	2,034,963	2,122,123
Asset custody fee	8,284	8,248
Administrative service fees	26,783	26,137
Directors' remuneration	3,960	3,960
Audit fee	13,000	13,500
Taxes and dues	137	21,078
Other operating expenses	85,423	76,645
Total	2,172,553	2,271,692

(Note) In addition to above, the amount of asset management fee capitalized as part of the book value of each property acquired was 191,866 thousand yen and asset management fee included in the calculation of gain on sales of property and equipment was 9,655 thousand yen for the 17th Period.

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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)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Short-term loans payable	Sumitomo Mitsui Banking Corporation	July 1, 2020	—	8,000	0.22%	July 1, 2021	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.	July 1, 2020	—	6,000	0.22%	July 1, 2021	Lump-sum	(Note 13)	Unsecured not guaranteed
	Citibank, N.A., Tokyo Branch	July 1, 2020	—	1,800	0.22%	July 1, 2021	Lump-sum	(Note 13)	Unsecured not guaranteed
	Subtotal		—	15,800					
Long-term loans payable	Sumitomo Mitsui Banking Corporation	February 1, 2013	3,250	—	1.30% (Note 4)	February 1, 2021 (Note 5)	Lump-sum	(Note 13)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	March 3, 2014	2,000	—	1.09% (Note 4)	February 26, 2021 (Note 6)	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,400	—					
	Mizuho Bank, Ltd.		1,250	—					
	Development Bank of Japan Inc.		450	—					
	Sumitomo Mitsui Banking Corporation	March 3, 2014	1,470	1,470	1.56% (Note 4)	February 29, 2024	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,170	1,170					
	Development Bank of Japan Inc.		500	500					
	MUFG Bank, Ltd.	March 3, 2014	3,800	—	0.92%	February 26, 2021 (Note 7)	Lump-sum	(Note 12)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	June 30, 2014	500	500	1.48% (Note 4)	June 30, 2026	Lump-sum	(Note 12)	Unsecured not guaranteed
	MUFG Bank, Ltd.		500	500					
	Sumitomo Mitsui Banking Corporation	September 2, 2014	3,890	3,890	0.86% (Note 4)	September 2, 2022	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		4,440	4,440					
	Mizuho Bank, Ltd.		2,830	2,830					
	The Bank of Fukuoka, Ltd.		610	610					
	Development Bank of Japan Inc.		650	650					
	The Norinchukin Bank		350	350					
	Resona Bank, Limited.		270	270					
	Sumitomo Mitsui Trust Bank, Limited		560	560					
	Sumitomo Mitsui Banking Corporation	September 2, 2014	1,530	1,530	1.85% (Note 4)	September 2, 2027	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,170	1,170					
	Sumitomo Mitsui Banking Corporation	May 1, 2015	2,700	2,700	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 13)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	May 1, 2015	700	700	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 13)	Unsecured not guaranteed
	The Norinchukin Bank	May 1, 2015	400	400	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 13)	Unsecured not guaranteed

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	September 1, 2015	2,922	2,922	0.61% (Note 4)	February 28, 2022	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		3,028	3,028					
	Mizuho Bank, Ltd.		1,640	1,640					
	Citibank, N.A., Tokyo Branch		320	320					
	The Bank of Fukuoka, Ltd.		480	480					
	Development Bank of Japan Inc.		320	320					
	The Norinchukin Bank		320	320					
	Resona Bank, Limited.		320	320					
	Sumitomo Mitsui Trust Bank, Limited		440	440					
	Shinsei Bank, Limited		130	130					
	The 77 Bank, Ltd.		130	130					
	MUFG Bank, Ltd.	September 1, 2015	1,300	1,300	0.96% (Note 4)	September 1, 2025	Lump-sum	(Note 13)	Unsecured not guaranteed
	The Bank of Fukuoka, Ltd.	January 4, 2016	1,400	—	0.35% (Note 4)	February 26, 2021 (Note 8)	Lump-sum	(Note 12)	Unsecured not guaranteed
	The Norinchukin Bank		1,400	—					
	MUFG Bank, Ltd.	January 4, 2016	1,900	1,900	0.61% (Note 4)	February 29, 2024	Lump-sum	(Note 12)	Unsecured not guaranteed
	Resona Bank, Limited.		1,400	1,400					
	Mizuho Bank, Ltd.	January 4, 2016	1,500	1,500	0.93% (Note 4)	February 27, 2026	Lump-sum	(Note 12)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	January 4, 2016	5,600	5,600	1.22% (Note 4)	December 21, 2026	Lump-sum	(Note 12)	Unsecured not guaranteed
	MUFG Bank, Ltd.		5,100	5,100					
	Sumitomo Mitsui Banking Corporation	January 4, 2016	500	500	1.31% (Note 4)	December 20, 2027	Lump-sum	(Note 12)	Unsecured not guaranteed
	MUFG Bank, Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation	January 4, 2016	600	600	1.57% (Note 4)	December 20, 2028	Lump-sum	(Note 12)	Unsecured not guaranteed
	MUFG Bank, Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation	January 15, 2016	980	980	0.42% (Note 4)	January 14, 2022	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.	January 15, 2016	850	850	0.42%	January 14, 2022	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.	January 15, 2016	610	610	0.42% (Note 4)	January 14, 2022	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.	September 1, 2016	3,780	3,780	0.29%	September 1, 2023	Lump-sum	(Note 13)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	September 1, 2016	4,100	4,100	0.32%	September 1, 2024	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.	September 1, 2016	1,250	—	0.26%	September 1, 2020 (Note 9)	Lump-sum	(Notes 12 and 13)	Unsecured not guaranteed
	Mizuho Bank, Ltd.		1,570	—					
	Citibank, N.A., Tokyo Branch		270	—					
	The 77 Bank, Ltd.		60	—					

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	September 1, 2016	790	790	0.44%	March 1, 2024	Lump-sum	(Notes 12 and 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,000	2,000					
	Mizuho Bank, Ltd.		1,280	1,280					
	Citibank, N.A., Tokyo Branch		780	780					
	The Bank of Fukuoka, Ltd.		500	500					
	Development Bank of Japan Inc.		230	230					
	The Norinchukin Bank		1,060	1,060					
	Resona Bank, Limited.		490	490					
	Aozora Bank, Ltd.		180	180					
	Shinsei Bank, Limited		180	180					
	Sumitomo Mitsui Trust Bank, Limited		480	480					
	The 77 Bank, Ltd.		180	180					
	Sumitomo Mitsui Banking Corporation	September 1, 2016	2,170	2,170	0.57%	March 3, 2025	Lump-sum	(Notes 12 and 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,310	2,310					
	Mizuho Bank, Ltd.		1,110	1,110					
	The Bank of Fukuoka, Ltd.		740	740					
	Development Bank of Japan Inc.		550	550					
	Resona Bank, Limited.		650	650					
	Aozora Bank, Ltd.		370	370					
	Shinsei Bank, Limited		370	370					
	Sumitomo Mitsui Trust Bank, Limited		920	920					
	Mizuho Bank, Ltd.	December 20, 2016	1,150	—	0.27%	December 21, 2020 (Note 10)	Lump-sum	(Note 12)	Unsecured not guaranteed
	The Bank of Fukuoka, Ltd.	December 20, 2016	500	500	0.53%	December 20, 2022	Lump-sum	(Note 12)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 20, 2016	1,150	1,150	0.56%	December 20, 2023	Lump-sum	(Note 12)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	December 20, 2016	5,700	5,700	0.79%	September 1, 2025	Lump-sum	(Note 12)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	September 1, 2017	870	870	0.46%	September 1, 2023	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.	September 1, 2017	580	580	0.46%	September 1, 2023	Lump-sum	(Note 13)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	January 4, 2018	1,500	—	0.19%	December 21, 2020 (Note 11)	Lump-sum	(Note 12)	Unsecured not guaranteed
	MUFG Bank, Ltd.		800	—					
	Citibank, N.A., Tokyo Branch		1,800	—					
	The Bank of Fukuoka, Ltd.		1,800	—					
	The Norinchukin Bank		1,300	—					
	Sumitomo Mitsui Banking Corporation	January 4, 2018	5,100	5,100	0.28% (Note 4)	December 20, 2021	Lump-sum	(Note 12)	Unsecured not guaranteed
	MUFG Bank, Ltd.		3,600	3,600					
	Mizuho Bank, Ltd.		500	500					
	Resona Bank, Limited.	January 4, 2018	1,300	1,300	0.48% (Note 4)	December 22, 2025	Lump-sum	(Note 12)	Unsecured not guaranteed

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	January 4, 2018	2,300	2,300	0.60% (Note 4)	October 30, 2026	Lump-sum	(Note 12)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,300	2,300					
	Mizuho Bank, Ltd.		2,000	2,000					
	Sumitomo Mitsui Banking Corporation	March 1, 2018	540	540	0.29% (Note 4)	September 1, 2021	Lump-sum	(Notes 12 and 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		700	700					
	Mizuho Bank, Ltd.		930	930					
	Citibank, N.A., Tokyo Branch		140	140					
	The Norinchukin Bank		190	190					
	Resona Bank, Limited.		130	130					
	Sumitomo Mitsui Trust Bank, Limited		340	340					
	Shinsei Bank, Limited		200	200					
	Sumitomo Mitsui Banking Corporation	March 1, 2018	2,850	2,850	0.34% (Note 4)	February 28, 2023	Lump-sum	(Notes 12 and 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,600	2,600					
	Mizuho Bank, Ltd.		1,900	1,900					
	Citibank, N.A., Tokyo Branch		470	470					
	Development Bank of Japan Inc.		580	580					
	The Norinchukin Bank		530	530					
	Resona Bank, Limited.		260	260					
	Sumitomo Mitsui Trust Bank, Limited		440	440					
	Shinsei Bank, Limited		500	500					
	Sumitomo Mitsui Banking Corporation	March 1, 2018	1,900	1,900	0.38% (Note 4)	February 29, 2024	Lump-sum	(Notes 12 and 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,900	1,900					
	Mizuho Bank, Ltd.		1,140	1,140					
	Development Bank of Japan Inc.		270	270					
	The Norinchukin Bank		220	220					
	Resona Bank, Limited.		60	60					
	Sumitomo Mitsui Trust Bank, Limited		220	220					
	Shinsei Bank, Limited		290	290					
	Sumitomo Mitsui Banking Corporation	March 1, 2018	1,130	1,130	0.50% (Note 4)	February 27, 2026	Lump-sum	(Notes 12 and 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		830	830					
	Mizuho Bank, Ltd.		820	820					
	Resona Bank, Limited.		390	390					
	Sumitomo Mitsui Banking Corporation	March 1, 2018	1,420	1,420	0.71% (Note 4)	February 29, 2028	Lump-sum	(Notes 12 and 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,110	1,110					
	Mizuho Bank, Ltd.		630	630					

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	September 3, 2018	1,690	1,690	0.36% (Note 4)	September 2, 2022	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,280	1,280					
	Mizuho Bank, Ltd.		2,530	2,530					
	Citibank, N.A., Tokyo Branch		1,200	1,200					
	The Norinchukin Bank		980	980					
	Resona Bank, Limited.		120	120					
	Sumitomo Mitsui Trust Bank, Limited		940	940					
	Shinsei Bank, Limited		1,230	1,230					
	Sumitomo Mitsui Banking Corporation	September 3, 2018	4,920	4,920	0.45% (Note 4)	September 1, 2024	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		4,770	4,770					
	Mizuho Bank, Ltd.		2,610	2,610					
	Development Bank of Japan Inc.		530	530					
	The Norinchukin Bank		600	600					
	Resona Bank, Limited.		540	540					
	Sumitomo Mitsui Trust Bank, Limited		540	540					
	Sumitomo Mitsui Banking Corporation	September 3, 2018	3,160	3,160	0.70% (Note 4)	September 2, 2027	Lump-sum	(Note 13)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,840	2,840					
	Mizuho Bank, Ltd.		1,770	1,770					
	Development Bank of Japan Inc.		530	530					
	Resona Bank, Limited.		540	540					
	Development Bank of Japan Inc.	December 20, 2018	1,250	1,250	0.31% (Note 4)	December 20, 2023	Lump-sum	(Note 12)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 20, 2018	1,250	1,250	0.31% (Note 4)	December 20, 2023	Lump-sum	(Note 12)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	February 28, 2019	557	557	0.21% (Note 4)	February 28, 2022	Lump-sum	(Note 12)	Unsecured not guaranteed
	MUFG Bank, Ltd.		703	703					
	Mizuho Bank, Ltd.		1,125	1,125					
	Citibank, N.A., Tokyo Branch		1,091	1,091					
	The Bank of Fukuoka, Ltd.		639	639					
	The Norinchukin Bank		139	139					
	Resona Bank, Limited.		100	100					
	Sumitomo Mitsui Trust Bank, Limited		131	131					
	Shinsei Bank, Limited		14	14					
	The Gunma Bank, Ltd.		500	500					
	Sumitomo Mitsui Banking Corporation	February 28, 2019	350	350	0.37% (Note 4)	February 27, 2026	Lump-sum	(Note 12)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,034	1,034					
	Mizuho Bank, Ltd.		2,007	2,007					
	The Bank of Fukuoka, Ltd.		1,223	1,223					
	Development Bank of Japan Inc.		73	73					
	The Norinchukin Bank		296	296					
	Resona Bank, Limited.		262	262					
	Shinsei Bank, Limited		14	14					

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	February 28, 2019	2,100	2,100	0.63% (Note 4)	February 28, 2029	Lump-sum	(Note 12)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,100	2,100					
	Mizuho Bank, Ltd.		1,800	1,800					
	Sumitomo Mitsui Banking Corporation	July 23, 2019	1,350	1,350	0.19% (Note 4)	July 31, 2023	Lump-sum	(Note 12)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,930	1,930					
	Mizuho Bank, Ltd.		1,261	1,261					
	Citibank, N.A., Tokyo Branch		310	310					
	The Bank of Fukuoka, Ltd.		613	613					
	Development Bank of Japan Inc.		2,236	2,236					
	The 77 Bank, Ltd.		300	300					
	Sumitomo Mitsui Banking Corporation	July 23, 2019	3,000	3,000	0.44% (Note 4)	July 31, 2028	Lump-sum	(Note 12)	Unsecured not guaranteed
	MUFG Bank, Ltd.		4,170	4,170					
	Mizuho Bank, Ltd.		2,730	2,730					
	The Bank of Fukuoka, Ltd.		460	460					
	Development Bank of Japan Inc.		1,680	1,680					
	MUFG Bank, Ltd.	January 31, 2020	3,250	3,250	0.32% (Note 4)	January 29, 2027	Lump-sum	(Note 12)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	May 29, 2020	—	650	0.26% (Note 4)	May 29, 2025	Lump-sum	(Note 12)	Unsecured not guaranteed
	Citibank, N.A., Tokyo Branch		—	1,870					
	MUFG Bank, Ltd.	May 29, 2020	—	4,150	0.33% (Note 4)	May 28, 2027	Lump-sum	(Note 12)	Unsecured not guaranteed
	Mizuho Bank, Ltd.		—	3,230					
	The Bank of Fukuoka, Ltd.		—	2,900					
	The Norinchukin Bank		—	2,440					
	Sumitomo Mitsui Banking Corporation	May 29, 2020	—	4,100	0.44% (Note 4)	May 29, 2029	Lump-sum	(Note 12)	Unsecured not guaranteed
	MUFG Bank, Ltd.		—	3,320					
	Mizuho Bank, Ltd.		—	1,720					
	THE NISHI-NIPPON CITY BANK, LTD.		—	270					
	Development Bank of Japan Inc.		—	200					
	Subtotal		235,000	232,400					
	Total		235,000	248,200					

(Note 1) “Long-term loans payable” includes the current portion of long-term loans payable as of each period end.

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

(Note 3) When the repayment 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) Of outstanding loan balance of 3,250 million yen at beginning of the period, 3,250 million yen was repaid on May 29, 2020 before its contractual repayment date.

(Note 6) Of outstanding loan balance of 6,100 million yen at beginning of the period, 6,100 million yen was repaid on May 29, 2020 before its contractual repayment date.

(Note 7) Of outstanding loan balance of 3,800 million yen at beginning of the period, 3,800 million yen was repaid on May 29, 2020 before its contractual repayment date.

(Note 8) Of outstanding loan balance of 2,800 million yen at beginning of the period, 2,800 million yen was repaid on May 29, 2020 before its contractual repayment date.

(Note 9) Of outstanding loan balance of 3,150 million yen at beginning of the period, 3,150 million yen was repaid on May 29, 2020 before its contractual repayment date.

(Note 10) Of outstanding loan balance of 1,150 million yen at beginning of the period, 1,150 million yen was repaid on May 29, 2020 before its contractual repayment date.

(Note 11) Of outstanding loan balance of 7,200 million yen at beginning of the period, 7,200 million yen was repaid on May 29, 2020 before its contractual repayment date.

(Note 12) The fund was used to make repayments of bank borrowing.

(Note 13) The fund was used to acquire properties or beneficiary rights of real estate in trust.

3. Status of Investment Corporation Bonds

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

Description	Issued date	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Interest rate (Note 1)	Maturity date	Maturity method	Use	Remarks
GLP J-REIT 2nd Unsecured Bonds	July 30, 2014	2,000	2,000	0.98%	July 30, 2024	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 3rd Unsecured Bonds	December 26, 2014	4,500	4,500	0.51%	December 25, 2020	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 4th Unsecured Bonds	December 26, 2014	1,500	1,500	0.68%	December 26, 2022	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 5th Unsecured Bonds	December 26, 2014	3,000	3,000	1.17%	December 25, 2026	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 6th Unsecured Bonds	June 30, 2015	1,500	1,500	0.89%	June 30, 2025	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 8th Unsecured Bonds	November 28, 2016	1,100	1,100	0.45%	November 27, 2026	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 9th Unsecured Bonds	February 27, 2017	1,000	1,000	0.47%	February 26, 2027	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 10th Unsecured Bonds	July 9, 2018	2,000	2,000	0.23%	July 7, 2023	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 11th Unsecured Bonds	July 9, 2018	1,000	1,000	0.56%	July 7, 2028	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 12th Unsecured Bonds (Green Bonds)	December 20, 2018	5,100	5,100	0.68%	December 20, 2028	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 13th Unsecured Bonds (Green Bonds)	July 8, 2019	8,000	8,000	0.61%	July 6, 2029	Lump-sum	(Note 2)	(Note 5)
GLP J-REIT 14th Unsecured Bonds (Green Bonds)	November 27, 2019	5,000	5,000	0.55%	November 27, 2029	Lump-sum	(Note 3)	(Note 4)
Total		35,700	35,700					

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

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

(Note 3) The fund was used to redeem the investment corporation bonds.

(Note 4) The bond is subject to the special pari passu clause among specified investment corporation bonds.

(Note 5) The bond is subject to the special pari passu clause among investment corporation bonds.

4. Status of Short-Term Investment Corporation Bonds

None

5. Status of Subscription Rights to New Investment Units

None

[Acquisition and Disposition]

1. Acquisition and Disposition of Real Estate Properties & Asset-Backed Securities and Infrastructure & Infrastructure Related Assets

Type of asset	Name of property	Acquisition		Disposition			
		Acquisition date	Acquisition price (Million yen) (Note)	Disposition date	Disposition price (Million yen) (Note)	Book value (Million yen)	Gain / Loss (Million yen)
Beneficiary right of real estate in trust	GLP Yokohama	July 1, 2020	16,148	—	—	—	—
	GLP Kawajima		12,150	—	—	—	—
	GLP Funabashi IV		7,710	—	—	—	—
	GLP Higashi-Ogishima II		2,365	—	—	—	—
	GLP Seishin	—	—	July 30, 2020	1,931	1,395	492
Total			38,373		1,931	1,395	492

(Note) “Acquisition price” or “Disposition price” represents the purchase/sales amount of beneficiary right of real estate in trust as stated in the Purchase and Sales Contract of Beneficiary Rights of Real Estate in Trust. The amounts exclude acquisition/disposition costs and consumption taxes.

2. Acquisition and Disposition of Other Assets

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

3. Appraisal Values of Specified Assets

(1) Real estate properties

Acquisition or disposition	Name of property	Acquisition or disposition date	Acquisition or disposition price (Million yen) (Note 1)	Appraisal value (Million yen) (Note 2)	Name of appraiser	Date of appraisal
Acquisition	GLP Yokohama	July 1, 2020	16,148	17,000	JLL Morii Valuation & Advisory K.K.	April 30, 2020
Acquisition	GLP Kawajima	July 1, 2020	12,150	12,400	The Tanizawa Sōgō Appraisal Co., Ltd.	April 30, 2020
Acquisition	GLP Funabashi IV	July 1, 2020	7,710	8,240	Japan Real Estate Institute	April 30, 2020
Acquisition	GLP Higashi-Ogishima II	July 1, 2020	2,365	2,510	JLL Morii Valuation & Advisory K.K.	April 30, 2020
Disposition	GLP Seishin	July 30, 2020	1,931	1,640	Japan Real Estate Institute	February 29, 2020

(Note 1) “Acquisition price” or “Disposition price” represents the purchase/sales amount of beneficiary right of real estate in trust as stated in the Purchase and Sales Contract of Beneficiary Rights of Real Estate in Trust. The amounts exclude acquisition/disposition costs and consumption taxes.

(Note 2) “Appraisal value” of specified assets above was determined in accordance with the “Real Estate Appraisal Standards, Specific Standards Chapter 3, Appraisal of Securitized Properties” or the “General Guideline for Real Estate Appraisers on Determination of Purpose and Scope of Valuation and Contents of Report” issued by Ministry of Land,

(2) Other

(a) Name of the party who performed the investigation

KPMG AZSA LLC

(b) Overview of the method and results of the investigation

The transaction subject to the investigation for the period from March 1, 2020 to August 31, 2020 is three interest rate swap transactions. For the transaction, GLP J-REIT entrusted KPMG AZSA LLC to perform the investigation of comparable price, name of its counterparty, contract amount, duration of transaction etc. based on the Article 201-2 of the Act on Investment Trusts and Investment Corporations, and obtained the report on agreed-upon procedures based on Professional Practice Guidelines 4460, the “Practical Guidelines on Agreed-Upon Procedures for the Investigation of Values, etc. of Specified Assets held by Investment Trusts or Investment Corporations” issued by the Japanese Institute of Certified Public Accountants.

This investigation is neither a part of the financial audit nor an attestation engagement on the reasonableness of values or the internal control system.

4. Transactions with Interested Parties

(1) Transactions

None to report.

(2) Amounts of fees paid

	Total fees (A) (Thousand yen)	Name of interested parties and major shareholders and the amount of transactions		(B)/(A) (%)
		Paid to	Amount paid (B) (Thousand yen)	
Property management fee	365,105	GLP Japan Inc.	365,105	100.0
Royalty fee	7,500	GLP Japan Inc.	7,500	100.0
Leasing commission	58,628	GLP Japan Inc.	58,628	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, Paragraph 1, Item 27 of the Regulations Concerning Investment Reports of Investment Trusts and Investment Corporations issued by The Investment Trust Association, Japan.

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

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

[Accounting]

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

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

2. Change in Calculation of Depreciation

None

3. Change in Valuation of Real Estate Properties and Infrastructure Assets

None

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

None

[Other Information]

1. Notice

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

Date of approval	Item	Summary
June 23, 2020	Conclusion of Underwriting Agreement and other with regard to new investment units	With regard to the issuance of new investment units, it was approved to conclude the International Purchase Agreement, relating to an international public offering, among GLP Japan Advisors Inc., SMBC Nikko Capital Markets Limited and Citigroup Global Markets Limited.
August 31, 2020	Approval of entrustment of business affairs related to the issuance of investment corporation bonds	<p>The followings were approved with regard to the issuance of investment corporation bonds:</p> <ul style="list-style-type: none">• To nominate SMBC Nikko Securities Inc., Daiwa Securities Co., Ltd. and Mizuho Securities Co., Ltd. as candidates for entrustment of business affairs related to the solicitation of persons to subscribe for investment corporation bonds;• To nominate MUFG Bank, Ltd. as a candidate for entrustment of (a) preparation and keeping of the investment corporation bonds registry and other affairs related to the investment corporation bonds registry, (b) business affairs related to the issuance of investment corporation bonds and business affairs during the fiscal periods, (c) business affairs related to the interest or redemption payments to creditors of investment corporation bonds (including affairs of an issuing agent and a payment agent in accordance with the operational rules prescribed in Japan Securities Depository Center, Incorporated), and (d) business affairs related to the receipt of requests from creditors of investment corporation bonds and business affairs related to a financial agent of investment corporation bonds; and• To leave all decisions, as to the scope, conditions and other matters of business affairs to be entrusted, to the Executive Director.

2. Other

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

[Disclosure regarding Investments in Real Estate Holding Companies in Foreign Countries]

None

[Disclosure regarding Properties Held by above Mentioned Real Estate Holding Companies in Foreign Countries]

None

Balance Sheets

(Unit: Thousand yen)

	Prior Period (Reference) As of February 29, 2020	Current Period As of August 31, 2020
Assets		
Current assets		
Cash and deposits	11,170,208	9,465,907
Cash and deposits in trust	9,485,699	9,858,845
Operating accounts receivable	2,047,146	1,943,815
Prepaid expenses	592,847	533,444
Consumption taxes receivable	—	404,242
Other current assets	2,293	5,122
Total current assets	23,298,196	22,211,376
Noncurrent assets		
Property and equipment		
Vehicles	1,016	1,016
Accumulated depreciation	(889)	(1,016)
Vehicles, net	127	—
Buildings in trust	252,916,081	262,818,619
Accumulated depreciation	(36,383,602)	(39,828,541)
Buildings in trust, net	216,532,479	222,990,077
Structures in trust	6,409,038	6,510,131
Accumulated depreciation	(2,094,058)	(2,272,175)
Structures in trust, net	4,314,980	4,237,955
Machinery and equipment in trust	58,088	58,088
Accumulated depreciation	(52,254)	(52,667)
Machinery and equipment in trust, net	5,833	5,420
Tools, furniture and fixtures in trust	273,672	277,231
Accumulated depreciation	(147,991)	(159,268)
Tools, furniture and fixtures in trust, net	125,681	117,963
Land in trust	360,276,976	388,198,044
Total property and equipment, net	581,256,077	615,549,462
Investments and other assets		
Investment securities	1,600	1,600
Long-term prepaid expenses	1,677,531	1,822,570
Deferred tax assets	54	50
Security deposits	10,000	10,000
Other	1,400	1,400
Total investments and other assets	1,690,586	1,835,620
Total noncurrent assets	582,946,664	617,385,083
Deferred assets		
Investment unit issuance expenses	79,016	149,860
Investment corporation bond issuance costs	162,417	149,505
Total deferred assets	241,434	299,365
Total Assets	606,486,294	639,895,825

(Unit: Thousand yen)

	Prior Period (Reference) As of February 29, 2020	Current Period As of August 31, 2020
Liabilities		
Current liabilities		
Operating accounts payable	212,021	396,755
Short-term loans payable	—	15,800,000
Current portion of investment corporation bonds	4,500,000	4,500,000
Current portion of long-term loans payable	27,450,000	3,800,000
Accounts payable	2,739,732	2,537,439
Accrued expenses	102,100	124,080
Income taxes payable	1,588	1,527
Consumption taxes payable	733,135	—
Advances received	3,279,884	3,445,784
Deposits received	—	70,054
Current portion of tenant leasehold and security deposits	400,030	131,713
Total current liabilities	39,418,493	30,807,355
Noncurrent liabilities		
Investment corporation bonds	31,200,000	31,200,000
Long-term loans payable	207,550,000	228,600,000
Tenant leasehold and security deposits	11,916,251	12,492,187
Tenant leasehold and security deposits in trust	152,560	152,560
Total noncurrent liabilities	250,818,812	272,444,747
Total Liabilities	290,237,305	303,252,103
Net Assets		
Unitholders' equity		
Unitholders' capital	317,943,829	338,643,980
Deduction from unitholders' capital	(10,571,602)	(11,698,628)
Unitholders' capital, net	307,372,226	326,945,351
Retained earnings		
Unappropriated retained earnings	8,876,762	9,698,370
Total retained earnings	8,876,762	9,698,370
Total unitholders' equity	316,248,989	336,643,722
Total Net Assets *1	316,248,989	336,643,722
Total Liabilities and Net Assets	606,486,294	639,895,825

Statements of Income

(Unit: Thousand yen)

	Prior Period (Reference) From September 1, 2019 To February 29, 2020	Current Period From March 1, 2020 To August 31, 2020
Operating revenues		
Rental revenues *1	17,793,652	18,119,052
Other rental revenues *1	1,047,389	1,281,447
Gain on sales of property and equipment *2	—	492,677
Total operating revenues	18,841,042	19,893,176
Operating expenses		
Rental expenses *1	6,747,701	6,739,874
Asset management fee	2,034,963	2,122,123
Asset custody fee	8,284	8,248
Administrative service fees	26,783	26,137
Directors' remuneration	3,960	3,960
Audit fee	13,000	13,500
Taxes and dues	137	21,078
Other operating expenses	85,423	76,645
Total operating expenses	8,920,254	9,011,566
Operating income	9,920,787	10,881,610
Non-operating income		
Interest income	93	89
Reversal of distributions payable	468	766
Total non-operating income	561	855
Non-operating expenses		
Interest expense	693,415	674,513
Interest expenses on investment corporation bonds	108,372	117,010
Amortization of investment corporation bond issuance costs	13,994	12,912
Borrowing related expenses	229,644	276,863
Amortization of investment unit issuance expenses	31,838	37,878
Offering costs associated with the issuance of investment units	—	20,249
Others	2,143	49,806
Total non-operating expenses	1,079,409	1,189,234
Ordinary income	8,841,939	9,693,232
Extraordinary income		
Insurance income *3	422,093	21,111
Total extraordinary income	422,093	21,111
Extraordinary losses		
Loss on disaster *4	386,725	16,823
Total extraordinary losses	386,725	16,823
Income before income taxes	8,877,307	9,697,520
Income taxes-current	1,602	1,540
Income taxes-deferred	(54)	4
Total income taxes	1,547	1,545
Net income	8,875,759	9,695,975
Accumulated earnings brought forward	1,003	2,395
Unappropriated retained earnings	8,876,762	9,698,370

Statements of Changes in Net Assets

Prior period (From September 1, 2019 to February 29, 2020) (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	317,943,829	(9,444,577)	308,499,251	9,615,220	9,615,220	318,114,472	318,114,472
Changes of items during the period							
Distributions in excess of retained earnings		(1,127,025)	(1,127,025)			(1,127,025)	(1,127,025)
Distributions of earnings				(9,614,217)	(9,614,217)	(9,614,217)	(9,614,217)
Net income				8,875,759	8,875,759	8,875,759	8,875,759
Total changes of items during the period	—	(1,127,025)	(1,127,025)	(738,457)	(738,457)	(1,865,482)	(1,865,482)
Balance at the end of the period *1	317,943,829	(10,571,602)	307,372,226	8,876,762	8,876,762	316,248,989	316,248,989

Current period (From March 1 2020 to August 31, 2020)

(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	317,943,829	(10,571,602)	307,372,226	8,876,762	8,876,762	316,248,989	316,248,989
Changes of items during the period							
Issuance of investment units	20,700,150		20,700,150			20,700,150	20,700,150
Distributions in excess of retained earnings		(1,127,025)	(1,127,025)			(1,127,025)	(1,127,025)
Distributions of earnings				(8,874,367)	(8,874,367)	(8,874,367)	(8,874,367)
Net income				9,695,975	9,695,975	9,695,975	9,695,975
Total changes of items during the period	20,700,150	(1,127,025)	19,573,125	821,607	821,607	20,394,733	20,394,733
Balance at the end of the period *1	338,643,980	(11,698,628)	326,945,351	9,698,370	9,698,370	336,643,722	336,643,722

Notes to Financial Statements

(Notes Concerning Significant Accounting Policies)

By period Item	Prior Period (Reference) From September 1, 2019 To February 29, 2020	Current Period From March 1, 2020 To August 31, 2020
1. Basis and method of valuation of assets	Securities Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.	Securities Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.
2. Depreciation of noncurrent assets	Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: Buildings 2 to 77 years Structures 2 to 60 years Machinery and equipment 6 to 12 years Vehicles 4 years Tools, furniture and fixtures 2 to 18 years	Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: Buildings 2 to 77 years Structures 2 to 60 years Machinery and equipment 6 to 12 years Vehicles 4 years Tools, furniture and fixtures 2 to 18 years
3. Accounting treatment for deferred assets	(1) Investment unit issuance expenses are amortized over three years using the straight-line method. (2) Investment corporation bond issuance costs are amortized over the respective terms of the bonds using the straight-line method.	(1) Investment unit issuance expenses are amortized over three years using the straight-line method. (2) Investment corporation bond issuance costs are amortized over the respective terms 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 operating period are accounted for as rental expenses. Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses.	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 operating period are accounted for as rental expenses. Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 80,686 thousand yen for the period.

By period Item	Prior Period (Reference) From September 1, 2019 To February 29, 2020	Current Period From March 1, 2020 To August 31, 2020
5. Hedge accounting	<p>GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on floating rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense.</p> <p>The hedge effectiveness test for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment as permitted under the Japanese GAAP.</p>	<p>GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on floating rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense.</p> <p>The hedge effectiveness test for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment as permitted under the Japanese GAAP.</p>
6. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment of beneficiary right of real estate in trust As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust (c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes Consumption taxes withheld and paid are not included in the accompanying statements of income.</p>	<p>(1) Accounting treatment of beneficiary right of real estate in trust As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust (c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes Consumption taxes withheld and paid are not included in the accompanying statements of income.</p>

(Notes to Balance Sheets)

Prior Period (Reference) As of February 29, 2020	Current Period As of August 31, 2020
*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 Income)

Prior Period (Reference) From September 1, 2019 To February 29, 2020	Current Period From March 1, 2020 To August 31, 2020																																																																
<p>*1. The breakdown of operating income from property leasing is as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>A. Property-related revenues</p> <p>Rental revenues:</p> <table> <tr> <td>Rental revenues</td><td>17,190,203</td></tr> <tr> <td>Common area charges</td><td>603,449</td></tr> <tr> <td>Total</td><td><u>17,793,652</u></td></tr> </table> <p>Other revenues related to property leasing</p> <table> <tr> <td>Utility charges</td><td>518,605</td></tr> <tr> <td>Parking lots</td><td>81,250</td></tr> <tr> <td>Solar panel leasing</td><td>383,761</td></tr> <tr> <td>Others</td><td>63,771</td></tr> <tr> <td>Total</td><td><u>1,047,389</u></td></tr> </table> <p>Total property-related revenues <u>18,841,042</u></p> <p>B. Property-related expenses</p> <p>Rental expenses:</p> <table> <tr> <td>Taxes and dues</td><td>1,576,300</td></tr> <tr> <td>Property and facility management fees</td><td>675,979</td></tr> <tr> <td>Utilities</td><td>409,433</td></tr> <tr> <td>Repairs and maintenance</td><td>88,031</td></tr> <tr> <td>Casualty insurance</td><td>56,728</td></tr> <tr> <td>Depreciation</td><td>3,766,094</td></tr> <tr> <td>Others</td><td>175,133</td></tr> <tr> <td>Total property-related expenses</td><td><u>6,747,701</u></td></tr> </table> <p>C. Operating income from property leasing <u>12,093,340</u> (A – B)</p>	Rental revenues	17,190,203	Common area charges	603,449	Total	<u>17,793,652</u>	Utility charges	518,605	Parking lots	81,250	Solar panel leasing	383,761	Others	63,771	Total	<u>1,047,389</u>	Taxes and dues	1,576,300	Property and facility management fees	675,979	Utilities	409,433	Repairs and maintenance	88,031	Casualty insurance	56,728	Depreciation	3,766,094	Others	175,133	Total property-related expenses	<u>6,747,701</u>	<p>*1. The breakdown of operating income from property leasing is as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>A. Property-related revenues</p> <p>Rental revenues:</p> <table> <tr> <td>Rental revenues</td><td>17,500,499</td></tr> <tr> <td>Common area charges</td><td>618,553</td></tr> <tr> <td>Total</td><td><u>18,119,052</u></td></tr> </table> <p>Other revenues related to property leasing</p> <table> <tr> <td>Utility charges</td><td>540,771</td></tr> <tr> <td>Parking lots</td><td>83,027</td></tr> <tr> <td>Solar panel leasing</td><td>582,996</td></tr> <tr> <td>Others</td><td>74,651</td></tr> <tr> <td>Total</td><td><u>1,281,447</u></td></tr> </table> <p>Total property-related revenues <u>19,400,499</u></p> <p>B. Property-related expenses</p> <p>Rental expenses:</p> <table> <tr> <td>Taxes and dues</td><td>1,575,695</td></tr> <tr> <td>Property and facility management fees</td><td>695,402</td></tr> <tr> <td>Utilities</td><td>420,368</td></tr> <tr> <td>Repairs and maintenance</td><td>71,028</td></tr> <tr> <td>Casualty insurance</td><td>83,353</td></tr> <tr> <td>Depreciation</td><td>3,769,118</td></tr> <tr> <td>Others</td><td>124,905</td></tr> <tr> <td>Total property-related expenses</td><td><u>6,739,874</u></td></tr> </table> <p>C. Operating income from property leasing <u>12,660,625</u> (A – B)</p>	Rental revenues	17,500,499	Common area charges	618,553	Total	<u>18,119,052</u>	Utility charges	540,771	Parking lots	83,027	Solar panel leasing	582,996	Others	74,651	Total	<u>1,281,447</u>	Taxes and dues	1,575,695	Property and facility management fees	695,402	Utilities	420,368	Repairs and maintenance	71,028	Casualty insurance	83,353	Depreciation	3,769,118	Others	124,905	Total property-related expenses	<u>6,739,874</u>
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Others	124,905																																																																
Total property-related expenses	<u>6,739,874</u>																																																																
<p>—</p>	<p>*2. The breakdown of gain on sales of property and equipment is as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>GLP Seishin</p> <table> <tr> <td>Sales proceed</td><td>1,931,000</td></tr> <tr> <td>Costs of property and equipment sold</td><td>1,395,877</td></tr> <tr> <td>Other selling expenses</td><td>42,445</td></tr> <tr> <td>Gain on sales of property and equipment</td><td><u>492,677</u></td></tr> </table>	Sales proceed	1,931,000	Costs of property and equipment sold	1,395,877	Other selling expenses	42,445	Gain on sales of property and equipment	<u>492,677</u>																																																								
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Gain on sales of property and equipment	<u>492,677</u>																																																																
<p>*3 Details of extraordinary income</p> <p>GLP J-REIT received insurance proceeds of 422,093 thousand yen for damage to properties sustained during Typhoon Faxai (No.15) and Typhoon Hagibis (No.19) in 2019, and recognized the amount as insurance income.</p>	<p>*3 Details of extraordinary income</p> <p>GLP J-REIT received insurance proceeds of 21,111 thousand yen for damage to properties sustained during Typhoon Faxai (No.15) and Typhoon Hagibis (No.19) in 2019, and recognized the amount as insurance income.</p>																																																																
<p>*4 Details of loss on disaster</p> <p>GLP J-REIT recognized a loss on disaster of 386,725 thousand yen for the restoration of property damage sustained during Typhoon Faxai (No.15) and Typhoon Hagibis (No.19) in 2019.</p>	<p>*4 Details of loss on disaster</p> <p>GLP J-REIT recognized a loss on disaster of 16,823 thousand yen for the restoration of property damage and other sustained during Typhoon Faxai (No.15) and Typhoon Hagibis (No.19) in 2019.</p>																																																																

(Notes to Statements of Changes in Net Assets)

Prior Period (Reference) From September 1, 2019 To February 29, 2020		Current Period From March 1, 2020 To August 31, 2020	
*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	3,833,420 units	Number of investment units issued and outstanding	3,982,980 units

(Deferred Tax Accounting)

Prior Period (Reference) From September 1, 2019 To February 29, 2020		Current Period From March 1, 2020 To August 31, 2020	
1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen)		1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen)	
(Deferred tax assets)		(Deferred tax assets)	
Enterprise tax payable	54	Enterprise tax payable	50
Total	54	Total	50
Net deferred tax assets	54	Net deferred tax assets	50
2. Reconciliation between Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of income for each period is as follows. (Unit: %)		2. Reconciliation between Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of income for each period is as follows. (Unit: %)	
Statutory effective tax rate	31.51	Statutory effective tax rate	31.46
(Adjustments)		(Adjustments)	
Distributions deductible for tax purposes	(31.50)	Distributions deductible for tax purposes	(31.45)
Other	0.01	Other	0.01
Actual tax rate	0.02	Actual tax rate	0.02

(Property and Equipment under Capital Lease)

Prior Period (Reference) From September 1, 2019 To February 29, 2020	Current Period From March 1, 2020 To August 31, 2020
—	—

(Financial Instruments)

Prior Period (September 1, 2019 to February 29, 2020) (Reference)

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

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

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

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

Book value, fair value and differences between the values as of February 29, 2020 are as stated below. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (See Note 2 below).

(Unit: Thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	11,170,208	11,170,208	—
(2) Cash and deposits in trust	9,485,699	9,485,699	—
Total assets	20,655,908	20,655,908	—
(1) Current portion of investment corporation bonds	4,500,000	4,512,150	12,150
(2) Current portion of long-term loans payable	27,450,000	27,530,613	80,613
(3) Investment corporation bonds	31,200,000	31,481,490	281,490
(4) Long-term loans payable	207,550,000	211,117,511	3,567,511
Total liabilities	270,700,000	274,641,764	3,941,764
Derivative transactions	—	—	—

(Note 1) Methods to estimate fair value of financial instruments and matters regarding derivative transactions

Assets:

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

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

Liabilities:

- (1) Current portion of investment corporation bonds and (3) Investment corporation bonds

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

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

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

Derivative transactions:

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

None

- (2) Derivative transactions for which hedge accounting is applied

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

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/ Pay fix	Long-term loans payable	184,830,000	172,680,000	*1	*2

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

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

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

(Unit: Thousand yen)

Account name	Amount on the balance sheet
Tenant leasehold and security deposits	11,916,251
Tenant leasehold and security deposits in trust	152,560
Total	12,068,812

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

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

(Unit: Thousand yen)

	Due within one year
Cash and deposits	11,170,208
Cash and deposits in trust	9,485,699
Total	20,655,908

(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	4,500,000	—	1,500,000	2,000,000	2,000,000	25,700,000
Long-term loans payable	27,450,000	33,660,000	34,200,000	29,320,000	26,760,000	83,610,000
Total	31,950,000	33,660,000	35,700,000	31,320,000	28,760,000	109,310,000

Current Period (From March 1, 2020 to August 31, 2020)

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

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

Certain loans are floating rate and exposed to the risk of rising interest rates. GLP J-REIT mitigates such risk by maintaining a prudent loan-to-value ratio and stabilizing its financial costs with the use of derivative transactions (interest rate swaps) as a hedge.

All interest rate swaps meet the specific matching criteria to qualify for the special accounting treatment, thus the hedge

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

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

Book value, fair value and differences between the values as of August 31, 2020 are as stated below. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (See Note 2 below).

(Unit: Thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	9,465,907	9,465,907	—
(2) Cash and deposits in trust	9,858,845	9,858,845	—
Total assets	19,324,752	19,324,752	—
(1) Short-term loans payable	15,800,000	15,800,000	—
(2) Current portion of investment corporation bonds	4,500,000	4,502,700	2,700
(3) Current portion of long-term loans payable	3,800,000	3,807,696	7,696
(4) Investment corporation bonds	31,200,000	30,917,770	(282,230)
(5) Long-term loans payable	228,600,000	230,706,050	2,106,050
Total liabilities	283,900,000	285,734,216	1,834,216
Derivative transactions	—	—	—

(Note 1) Methods to estimate fair value of financial instruments and matters regarding derivative transactions

Assets:

(1) Cash and deposits and (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 investment corporation bonds and (4) Investment corporation bonds

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

(3) Current portion of long-term loans payable and (5) Long-term loans payable

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

Derivative transactions:

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

None

(2) Derivative transactions for which hedge accounting is applied

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

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/ Pay fix	Long-term loans payable	197,530,000	193,730,000	*1	*2

*1 Interest rate swaps under the special accounting treatment are accounted for as an integral component of long-term loans payable designated as hedged items. Thus, their fair value is included in that of long-term loans payable disclosed in aforementioned “Liabilities” (3) and (5).

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

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

(Unit: Thousand yen)

Account name	Amount on the balance sheet
Tenant leasehold and security deposits	12,492,187
Tenant leasehold and security deposits in trust	152,560
Total	12,644,747

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

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

(Unit: Thousand yen)

	Due within one year
Cash and deposits	9,465,907
Cash and deposits in trust	9,858,845
Total	19,324,752

(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	4,500,000	—	3,500,000	2,000,000	1,500,000	24,200,000
Long-term loans payable	3,800,000	29,860,000	42,200,000	29,470,000	30,320,000	96,750,000
Total	8,300,000	29,860,000	45,700,000	31,470,000	31,820,000	120,950,000

(Investment and Rental Properties)

Prior Period (From September 1, 2019 to February 29, 2020) (Reference)

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

(Unit: Thousand yen)

Book value			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
584,230,318	(2,974,241)	581,256,077	728,987,000

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

(Note 2) Of the change in book value during the period, the major increase was primarily due to capital expenditure, whereas the major decrease was due to depreciation of 3,766,094 thousand yen.

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

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

Current Period (From March 1 2020 to August 31, 2020)

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

(Unit: Thousand yen)

Book value			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
581,256,077	34,293,385	615,549,462	768,707,000

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

(Note 2) Of the change in book value during the period, the major increase was primarily due to the acquisition of four properties (GLP Yokohama, GLP Kawajima, GLP Funabashi IV and GLP Higashi-Ogishima II) in the amount of 38,746,191 thousand yen, whereas the major decrease was due to the sale of a property (GLP Seishin) in the amount of 1,395,877 thousand yen and depreciation of 3,769,118 thousand yen.

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

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

(Restriction on Asset Management)

Prior Period (Reference) From September 1, 2019 To February 29, 2020	Current Period From March 1, 2020 To August 31, 2020
—	—

(Related Party Transactions)

Prior Period (From September 1, 2019 to February 29, 2020) (Reference)

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Interested party	GLP Japan Inc.	Investment advisory/ agency	—	Property management fee	351,139	Operating accounts payable	72,033
				Leasing commission	113,455		
				Royalty fee (Note 2)	7,500		
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	3,822	Advances received	700
Interested party	GLP J-REIT Master Lease GK	Real estate	—	Rental income from solar panel leasing	157,711	Operating accounts receivable	44,163
Interested party	Ichikawashiohama Godo Kaisha	Equipment leasing	—	Rental income from solar panel leasing	17,207	Operating accounts receivable	5,719
Interested party	GLP Tosu One GK	Equipment leasing	—	Rental income from solar panel leasing	36,409	Operating accounts receivable	10,083
Interested party	GLP Sugito Y.K.	Equipment leasing	—	Rental income from solar panel leasing	9,668	Operating accounts receivable	3,311
Interested party	GLP Urayasu Three Y.K.	Equipment leasing	—	Rental income from solar panel leasing	28,794	Operating accounts receivable	9,743
Interested party	GLP Tokyo Two Y.K.	Equipment leasing	—	Rental income from solar panel leasing	11,604	Operating accounts receivable	4,446
Interested party	GLP Komaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	23,405	Operating accounts receivable	6,987
Interested party	GLP Fukusaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	15,625	Operating accounts receivable	4,766
Interested party	GLP Amagasaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	24,234	Operating accounts receivable	7,441
Interested party	GLP Misato Two GK	Equipment leasing	—	Rental income from solar panel leasing	16,029	Operating accounts receivable	5,584
Interested party	GLP Maishima Two Y.K.	Equipment leasing	—	Rental income from solar panel leasing	16,858	Operating accounts receivable	5,229
Interested party	GLP Kiyama GK	Equipment leasing	—	Rental income from solar panel leasing	26,212	Operating accounts receivable	7,389
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Trust fee	11,445	Operating accounts payable	4,196
				Administrative service fee	26,783	Accounts payable	11,826

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

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

- The royalty fee was mutually agreed after negotiation between both parties, based on the initial formula proposed by GLP Japan Inc.
- The rental income from rooftop leasing was mutually agreed after negotiation between both parties, based on the initial formula proposed by Light Year Special Purpose Company.
- Other transactions are determined based on market conditions.

Current Period (From March 1 2020 to August 31, 2020)

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Interested party	GLP Japan Inc.	Investment advisory/ agency	—	Property management fee	365,105	Operating accounts payable	71,230
				Leasing commission	58,628		
				Royalty fee (Note 2)	7,500	—	—
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	3,822	Advances received	700
Interested party	GLP J-REIT Master Lease GK	Real estate	—	Rental income from solar panel leasing	240,568	Operating accounts receivable	60,947
Interested party	Ichikawashiohama Godo Kaisha	Equipment leasing	—	Rental income from solar panel leasing	27,335	Operating accounts receivable	4,835
Interested party	GLP Tosu One GK	Equipment leasing	—	Rental income from solar panel leasing	49,141	Operating accounts receivable	11,919
Interested party	GLP Sugito Y.K.	Equipment leasing	—	Rental income from solar panel leasing	14,596	Operating accounts receivable	3,284
Interested party	GLP Urayasu Three Y.K.	Equipment leasing	—	Rental income from solar panel leasing	44,260	Operating accounts receivable	10,369
Interested party	GLP Tokyo Two Y.K.	Equipment leasing	—	Rental income from solar panel leasing	21,275	Operating accounts receivable	4,870
Interested party	GLP Komaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	35,918	Operating accounts receivable	7,533
Interested party	GLP Fukusaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	23,602	Operating accounts receivable	5,016
Interested party	GLP Amagasaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	39,108	Operating accounts receivable	8,449
Interested party	GLP Misato Two GK	Equipment leasing	—	Rental income from solar panel leasing	23,957	Operating accounts receivable	5,500
Interested party	GLP Maishima Two Y.K.	Equipment leasing	—	Rental income from solar panel leasing	26,699	Operating accounts receivable	5,781
Interested party	GLP Kiyama GK	Equipment leasing	—	Rental income from solar panel leasing	36,533	Operating accounts receivable	8,883
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Trust fee	11,906	Operating accounts payable	4,203
				Administrative service fee	26,137	Accounts payable	11,833

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

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

- (a) The royalty fee was mutually agreed after negotiation between both parties, based on the initial formula proposed by GLP Japan Inc.
- (b) The rental income from rooftop leasing was mutually agreed after negotiation between both parties, based on the initial formula proposed by Light Year Special Purpose Company.
- (c) Other transactions are determined based on market conditions.

(Per Unit Information)

Prior Period (Reference) From September 1, 2019 To February 29, 2020		Current Period From March 1, 2020 To August 31, 2020	
Net assets per unit	82,497 yen	Net assets per unit	84,520 yen
Net income per unit	2,315 yen	Net income per unit	2,495 yen
Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as no dilutive securities were outstanding.		Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as no dilutive securities were outstanding.	

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

	Prior Period (Reference) From September 1, 2019 To February 29, 2020	Current Period From March 1, 2020 To August 31, 2020
Net income	8,875,759 thousand yen	9,695,975 thousand yen
Amount not attributable to ordinary unitholders	— thousand yen	— thousand yen
Net income attributable to ordinary unitholders	8,875,759 thousand yen	9,695,975 thousand yen
Average number of investment units outstanding	3,833,420 units	3,885,440 units

(Significant Subsequent Events)

Prior Period (From September 1, 2019 to February 29, 2020)

None to report.

Current Period (From March 1 2020 to August 31, 2020)

1. Sale of assets

GLP J-REIT sold the asset as described below.

GLP Hatsukaichi

• Type of specified asset	Beneficiary right of real estate in trust
• Contract date	October 9, 2020
• Closing date	October 9, 2020
• Sales price	2,930 million yen (Note 1)
• Buyer	Flying Fifteen G.K. (Note 2)

(Note 1) “Sales price” excludes asset transfer costs, property taxes, city planning taxes, consumption taxes and local consumption taxes.

(Note 2) As of today, there is no capital, personnel or transactional relationship to be disclosed between the Buyer and GLP J-REIT or its Asset Manager. In addition, the Buyer is not a related party of GLP J-REIT or its Asset Manager.

From this transaction, GLP J-REIT will recognize approximately 1,078 million yen of gain on sales of property and equipment for the fiscal period ending February 28, 2021 (from September 1, 2020 to February 28, 2021).

Statements of Distributions

(Unit: Yen)

	Prior Period (Reference) From September 1, 2019 To February 29, 2020	Current Period From March 1, 2020 To August 31, 2020
I Unappropriated retained earnings	8,876,762,993	9,698,370,839
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	1,127,025,480	1,581,243,060
III Distributions	10,001,392,780	11,275,816,380
[Distributions per unit]	[2,609]	[2,831]
Of which, distributions of earnings	8,874,367,300	9,694,573,320
[Of which, distributions of earnings per unit]	[2,315]	[2,434]
Of which, distributions in excess of retained earnings	1,127,025,480	1,581,243,060
[Of which, distributions in excess of retained earnings per unit]	[294]	[397]
IV Retained earnings carried forward	2,395,693	3,797,519

Calculation method of distribution amount

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

Accordingly, GLP J-REIT declared a distribution amount of 8,874,367,300 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 Article of Incorporation, GLP J-REIT will make an Optimal Payable Distribution (the "OPD"), which represents a distribution of funds in excess of retained earnings in each fiscal period on a continuous basis.

(Continued)

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

Accordingly, GLP J-REIT declared a distribution amount of 9,694,573,320 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 Article of Incorporation, GLP J-REIT will make an Optimal Payable Distribution (the "OPD"), which represents a distribution of funds in excess of retained earnings in each fiscal period on a continuous basis ("continuous OPD")

(Continued)

(Continued)

Thus, GLP J-REIT declared an OPD (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) amounting to 1,127,025,480 yen, which was determined as follows: (1) the amount not exceeding the upper limit of 2,961,230,742 yen calculated by deducting capital expenditure of 804,863,712 yen from depreciation expense of 3,766,094,454 yen, and (2) approximately 30% of the depreciation expense of 3,766,094,454 yen for the period.

(Continued)

In addition, when the amount of a distribution per unit temporarily decreases to certain level, the distribution policy allows GLP J-REIT to make a temporary distribution of funds in excess of retained earnings ("temporary OPD") for the purpose of maintaining a stable level of distributions.

Thus, GLP J-REIT declared an continuous OPD (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) amounting to 1,127,183,340 yen, which was determined as follows: (1) the amount not exceeding the upper limit of 3,056,928,913 yen calculated by deducting capital expenditure of 712,189,833 yen from depreciation expense of 3,769,118,746 yen, and (2) approximately 30% of the depreciation expense of 3,769,118,746 yen for the period. In addition, for the current period, GLP J-REIT declared a temporary OPD (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 454,059,720 yen, since the amount of a distribution per unit was estimated to temporarily decrease to 114 yen as a result of the issuance of new investment units and financing through borrowings.

(Note) For the time being, GLP J-REIT intends to make an OPD distribution (a refund of its investment categorized as a distribution from unitholders' capital for tax purposes) in the amount equal to approximately 30% of the depreciation expenses for the operating period immediately before the period in which the distribution is made, unless GLP J-REIT determines that the OPD payment would have a negative impact on its long-term repair and maintenance plan or financial conditions in light of the estimated amount of capital expenditure for each fiscal period based on the plan ("continuous OPD").

Furthermore, when it is anticipated that the amount of a distribution per unit would temporarily decrease to certain level as a result of the issuance of new investment units, the issuance of investment corporation bonds, financing through borrowings, disposal of buildings and facilities, major repairs or other matters, the distribution policy allows GLP J-REIT to make a temporary cash distribution in excess of retained earnings ("temporary OPD"), in addition to a continuous OPD, for the purposes of maintaining a stable level of distributions.

Statements of Cash Flows (Reference information)

	(Unit: Thousand yen)	
	Prior Period (Reference) From September 1, 2019 To February 29, 2020	Current Period From March 1, 2020 To August 31, 2020
Operating activities:		
Income before income taxes	8,877,307	9,697,520
Depreciation	3,766,094	3,769,118
Loss on retirement of noncurrent assets	13,010	—
Amortization of investment corporation bond issuance costs	13,994	12,912
Amortization of investment unit issuance expenses	31,838	37,878
Interest income	(93)	(89)
Reversal of distributions payable	(468)	(766)
Interest expense	801,787	791,524
Insurance income	(422,093)	(21,111)
Loss on disaster	386,725	16,823
Decrease (increase) in operating accounts receivable	56,696	80,631
Decrease (increase) in prepaid expenses	(108,362)	59,403
Decrease (increase) in consumption taxes receivable	—	(404,242)
Decrease (increase) in other current assets	(847)	(2,829)
Decrease (increase) in long-term prepaid expenses	196,118	(145,038)
Increase (decrease) in operating accounts payable	(166,301)	184,734
Increase (decrease) in accounts payable	(48,810)	53,213
Increase (decrease) in consumption taxes payable	(493,636)	(733,135)
Increase (decrease) in advances received	60,425	165,900
Increase (decrease) in deposits received	—	70,054
Decrease in property and equipment in trust due to sales	—	1,395,877
Subtotal	12,963,385	15,028,378
Interest received	93	89
Interest paid	(802,636)	(769,544)
Income taxes paid	(619)	(1,601)
Proceeds from insurance income	399,393	43,811
Payments for loss on disaster	(113,208)	(290,340)
Net cash provided by (used in) operating activities	12,446,408	14,010,793
Investing activities:		
Purchase of property and equipment in trust	(901,866)	(39,476,605)
Proceeds from tenant leasehold and security deposits	458,083	618,554
Repayments of tenant leasehold and security deposits	(231,329)	(310,935)
Net cash provided by (used in) investing activities	(675,113)	(39,168,986)
Financing activities:		
Proceeds from short-term loans payable	—	15,800,000
Proceeds from long-term loans payable	3,250,000	24,850,000
Repayments of long-term loans payable	(3,250,000)	(27,450,000)
Proceeds from issuance of investment corporation bonds	5,000,000	—
Redemption of investment corporation bonds	(6,900,000)	—
Payments of investment corporation bond issuance costs	(28,608)	—
Proceeds from issuance of investment units	—	20,629,737
Payment of distributions of earnings	(9,612,366)	(8,875,628)
Payment of distributions in excess of retained earnings	(1,126,575)	(1,127,071)
Net cash provided by (used in) financing activities	(12,667,550)	23,827,037
Net increase (decrease) in cash and cash equivalents	(896,254)	(1,331,156)
Cash and cash equivalents at beginning of period	21,552,162	20,655,908
Cash and cash equivalents at end of period *1	20,655,908	19,324,752

(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)

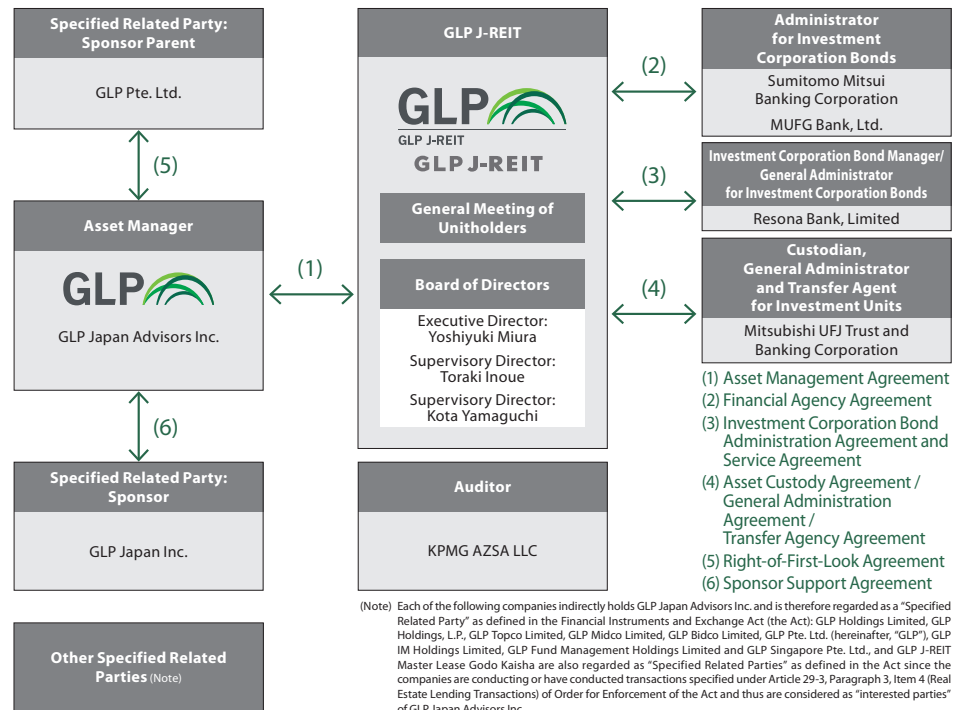
	Prior Period (Reference) From September 1, 2019 To February 29, 2020	Current Period From March 1, 2020 To August 31, 2020
Cash and cash equivalents as stated in the Statements of Cash Flows	Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are liquid and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.	Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are liquid and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.

(Notes to Statements of Cash Flows)

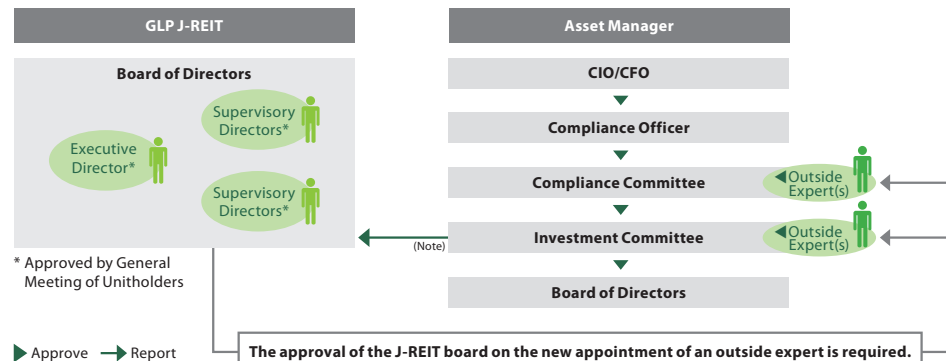
Prior Period (Reference) From September 1, 2019 To February 29, 2020	Current Period From March 1, 2020 To August 31, 2020
*1. Reconciliation of cash and cash equivalents in the Statement of Cash Flows to accounts and amounts in the accompanying balance sheet (As of February 29, 2020) <div style="text-align: right;">(Unit: Thousand yen)</div> Cash and deposits 11,170,208 Cash and deposits in trust 9,485,699 Cash and cash equivalents <u>20,655,908</u>	*1. Reconciliation of cash and cash equivalents in the Statement of Cash Flows to accounts and amounts in the accompanying balance sheet (As of August 31, 2020) <div style="text-align: right;">(Unit: Thousand yen)</div> Cash and deposits 9,465,907 Cash and deposits in trust 9,858,845 Cash and cash equivalents <u>19,324,752</u>

Overview of GLP J-REIT

Structure of GLP J-REIT



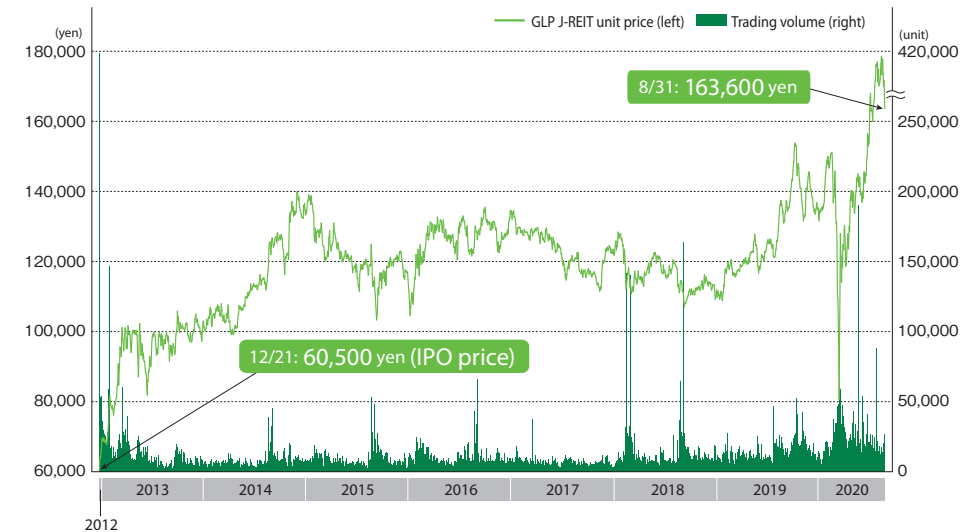
Governance Structure for Related Party Transactions



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

Investment Units

Historical Investment Unit Price (closing price)



Unitholder Composition (as of the end of August 2020)

