



Semi-Annual Report

Feb 2013 Fiscal Period



2nd Fiscal Period

(from July 1, 2012 to February 28, 2013)

GLP J-REIT

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

Dividend per unit
(Feb 2013 actual)

531 yen

(including optimal payable distribution
of 84 yen)

Dividend per unit
(Aug 2013 forecast)

2,160 yen

(including optimal payable distribution
of 260 yen)

Total asset size

221.3 bn yen

Occupancy

99.9 %

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To Our Valued Investors

Thanks to your support and that of our business partners, GLP J-REIT (“GLP J-REIT”) was listed on the Tokyo Stock Exchange on December 21, 2012, as a real estate investment corporation specializing in logistics facilities—the largest of its kind in Japan.

Cooperating with Global Logistic Properties Limited (“GLP”) as its sponsor—one of the world’s largest providers of modern logistics facilities—GLP J-REIT aims to earn stable income and achieve steady growth in its asset size over the medium and long term. It aims to do this by investing in large-scale, highly functional modern logistics facilities that are expected to be in high demand due to the scarcity of these facilities in Japan.

I hereby report the results of the second fiscal term (ended February 2013), which is the first fiscal term end since our IPO. GLP J-REIT acquired its assets and started its asset management on January 4, 2013, and has managed these assets for about two months (irregular fiscal term). As a result, the second period ended with operating revenues of 2,236 million yen, ordinary income of 910 million yen, and net income of 907 million yen. The total dividend is now 531 yen per unit, including a dividend of 447 yen per unit and optimal payable distribution per unit of 84 yen.

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

I respectfully ask for your continued support and encouragement in the years to come.



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

Masato Miki



Topics

Acquired 30 properties for its initial portfolio on January 4, 2013 (acquisition price:

- 208.7 bn yen) and 3 properties on February 1, 2013 (acquisition price: 12.5 bn yen) by exercising a purchase option earlier than initially scheduled

- Enjoyed a smooth launch, with a stable portfolio (33 properties with 99.9% occupancy), and achieved upward revisions in rent

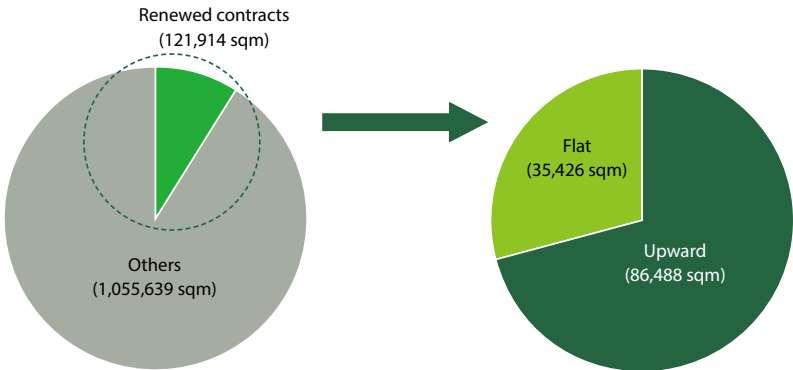
- Built up a solid bank formation with major Japanese banks, and realized low-cost borrowing and maturity diversification

- Established a market presence by being included in indices and winning deal awards

- Achieved a 100% retention rate after June 30, 2012¹, and realized 0.4% rental growth (Portfolio basis)

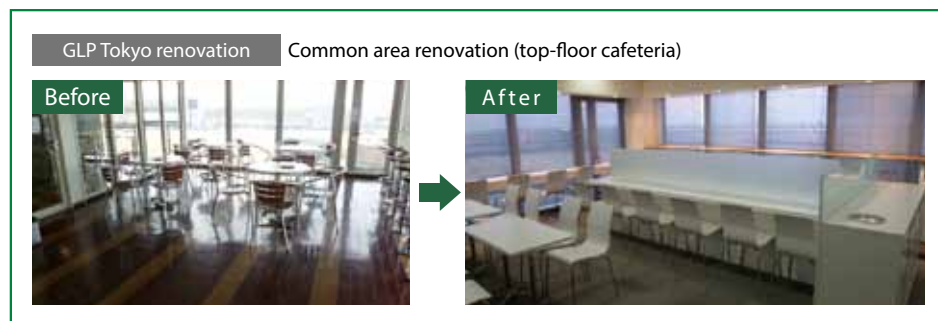
100% retention

Upward revision



1. Data in Offering Circular

■ Keep strengthening tenant satisfaction



■ Inclusion in indices

Included in a number of indices that are widely used as a benchmark

Index	Date of inclusion
TSE REIT Index	1/31/2013
FTSE EPRA / NA-REIT Global Real Estate Index	3/18/2013
S&P Global BMI Index	3/18/2013
UBS Global Real Estate Index	3/22/2013
Russell Global Index	3/29/2013

■ Deal awards

Equity Division “IPO of the Year,” “Innovative Equity Deal of the Year”

Reason for winning the award:

(IPO of the Year) Listed as a foreign-capital fund that specializes in logistics facilities, sponsored by SWF. Through its excellent portfolio and the introduction of Japan's first incentive reward to the management of the managing company, it was viewed as a sign of the reinvigoration not only of J-REIT but the entire IPO.

(Innovative Equity Deal of the Year) Introduced Japan's first optimal payable distribution. Utilizing the characteristic of a logistics facility fund that does not incur repair costs as much as office buildings, it has decided to distribute approx. 30% of depreciation cost generated during the calculation period. It offered sufficient explanation to domestic investors, which led to high penetration of the fund.

Real Estate Investment Trust Division “Special Award”

Reason for winning the award:

It has made various endeavors to create a “second generation of REIT.” At the top of the list is the introduction of REIT's first optimal payable distribution system. It is an innovative deal that takes advantage of a logistics REIT. Being a new listing before the market gained momentum, it carefully prepared measures for the deal to succeed and also devised purchase options and other measures.

Financial Highlights

■ Financials results

February 2013 (mm yen)

Feb 2013

(from July 1, 2012 to February 28, 2013)

Aug 2013 (forecast)

(from March 1, 2013 to August 31, 2013)

Operating revenue	2,236	7,233
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Operating income	1,328	4,264
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Ordinary income	910	3,494
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Net income	907	3,493
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■ Dividend per unit (yen)

Feb 2013

(from July 1, 2012 to February 28, 2013)

Aug 2013 (forecast)

(from March 1, 2013 to August 31, 2013)

Dividend per unit (total)	531	2,160
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Dividend per unit	447	1,900
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Dividend per unit (excl. OPD)	84	260
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Portfolio Data

Portfolio Data

Acquisition price

221,311 mm yen

No. of properties

33 assets

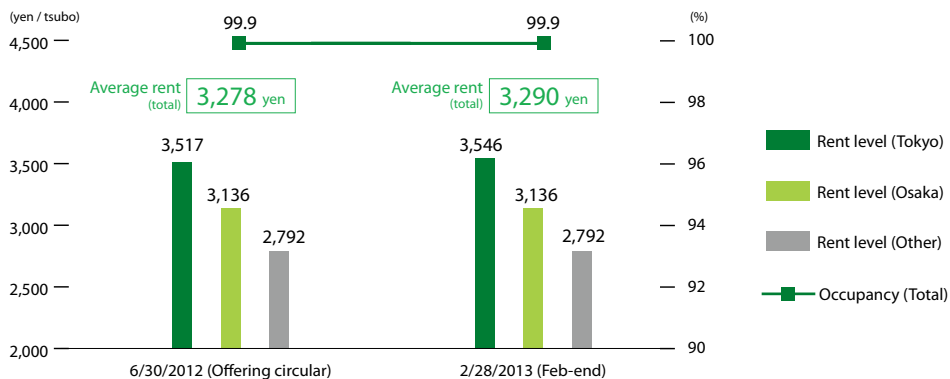
Occupancy

99.9 %

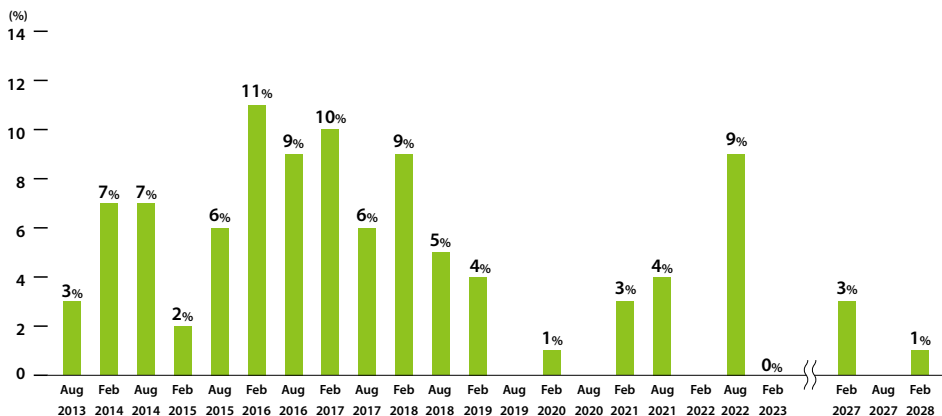
Average monthly rent

3,290 yen / tsubo

Occupancy and rent level by area (33 asset base)

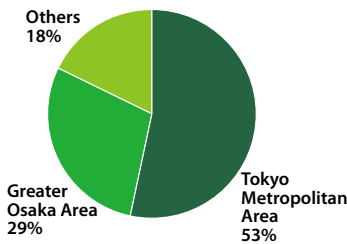


Lease expiry profile

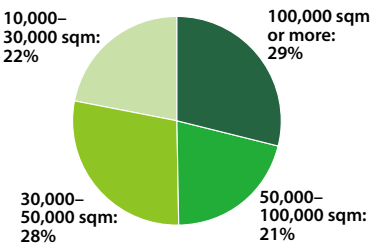


Portfolio Data

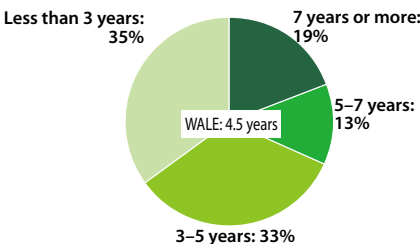
Location



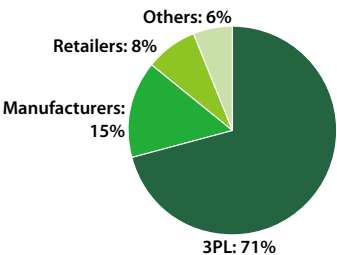
Building scale



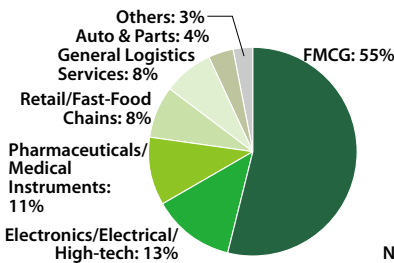
Lease expiry



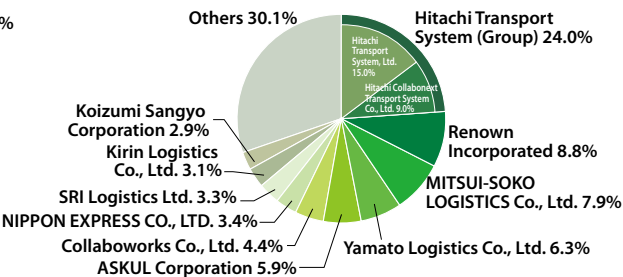
Tenant industry



End-user industry



Top 10 tenants



1. As of February 28, 2013. Location and building scale are based on gross floor area. Lease expiry and Weighted Average Lease Expiry (WALE) are based on the leased area, excluding vacant area.

Debt Information

■ Loan details

Average interest rate¹

0.93 %

LTV (Total Loan/Total Assets)

49.4 %

Average remaining period

3.8 years

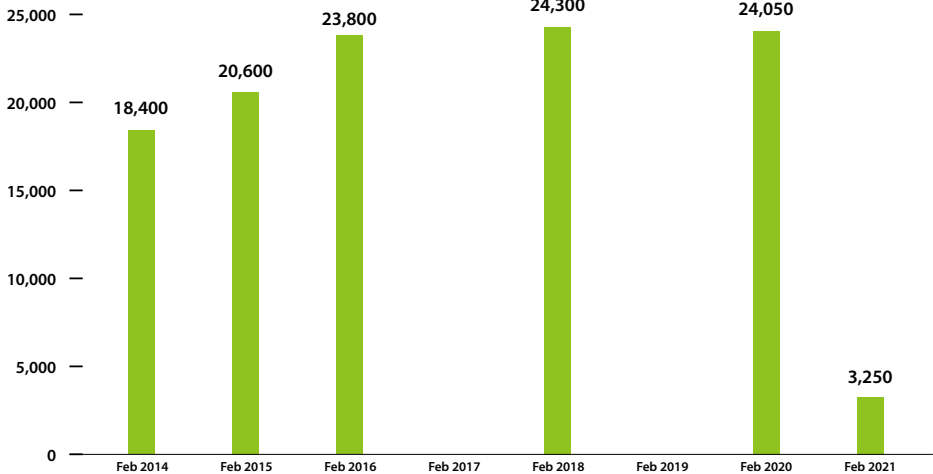
Long-term loan ratio

83.9 %

1. Interest paid only (excludes amortization of loan-related costs)

■ Debt maturity ladder

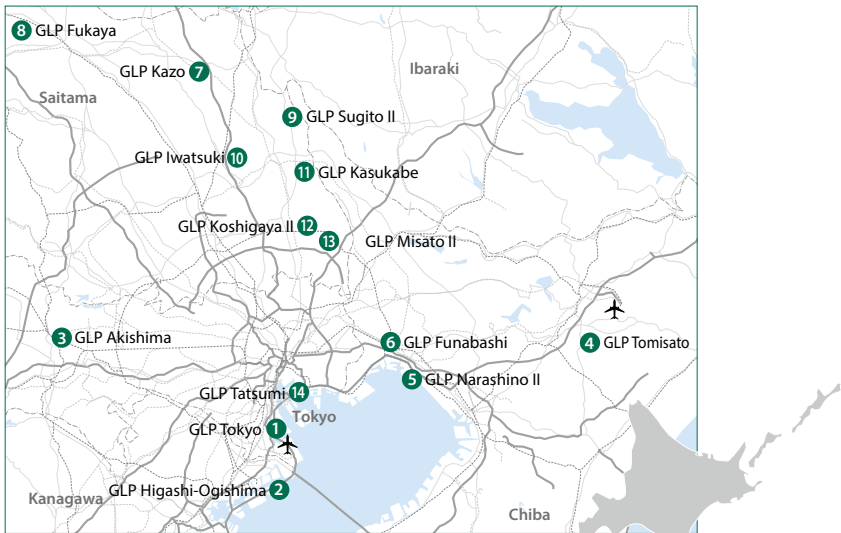
(mm yen)



■ Credit Ratings

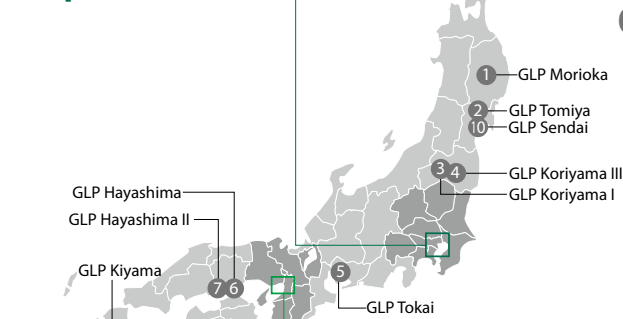
Credit Rating Agency	Subject	Rating	Outlook
JCR (Japan Credit Rating Agency, Ltd.)	Long-term issuer rating	AA-	Stable

Portfolio Map

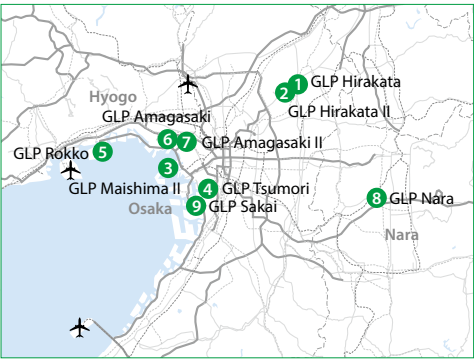


Tokyo Metropolitan Area

Other Area



Greater Osaka Area



Overview of Portfolio in **Tokyo** Metropolitan Area



1 GLP Tokyo Ota, Tokyo



2 GLP Higashi-Ogishima Kawasaki, Kanagawa



4 GLP Tomisato Tomisato, Chiba



3 GLP Akishima Akishima, Tokyo



5 GLP Narashino II Narashino, Chiba

Overview of Portfolio in Tokyo Metropolitan Area



6 GLP Funabashi Funabashi, Chiba



7 GLP Kazo Kazo, Saitama



9 GLP Sugito II Kita-Katsushika, Saitama



12 GLP Koshigaya II Koshigaya, Saitama

13 GLP Misato II Misato, Saitama



8 GLP Fukaya Fukaya, Saitama



10 GLP Iwatsuki Saitama, Saitama



11 GLP Kasukabe Kasukabe, Saitama



14 GLP Tatsumi Koto, Tokyo

Overview of Portfolio in Greater **Osaka** Area



1 GLP Hirakata Hirakata, Osaka



2 GLP Hirakata II Hirakata, Osaka



3 GLP Maishima II Osaka, Osaka



4 GLP Tsumori Osaka, Osaka



8 GLP Nara Yamatokoriyama, Nara



7 GLP Amagasaki II
Amagasaki, Hyogo



5 GLP Rokko Kobe, Hyogo



9 GLP Sakai Sakai, Osaka

6 GLP Amagasaki Amagasaki, Hyogo



Overview of Portfolio in Other Area



1 GLP Morioka Shiwa, Iwate



2 GLP Tomiya Kurokawa, Miyagi



3 GLP Koriyama I Koriyama, Fukushima



5 GLP Tokai Tokai, Aichi



4 GLP Koriyama III Koriyama, Fukushima



6 GLP Hayashima Tsukubo, Okayama



7 GLP Hayashima II Tsukubo, Okayama



8 GLP Kiyama Miyaki, Saga



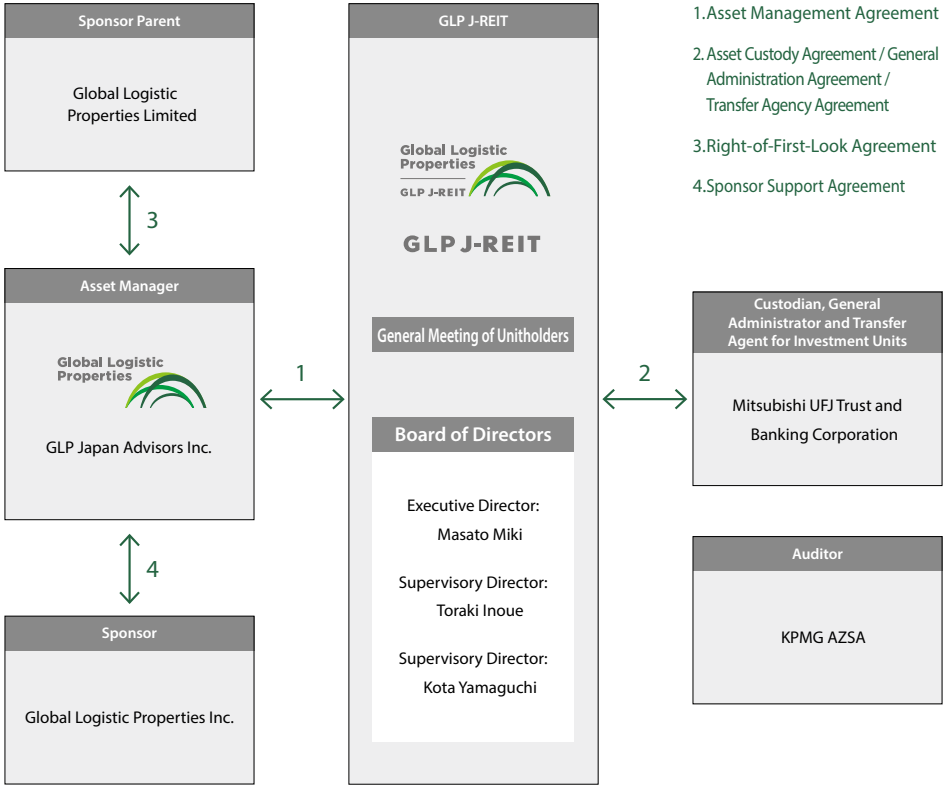
9 GLP Tosu III Tosu, Saga



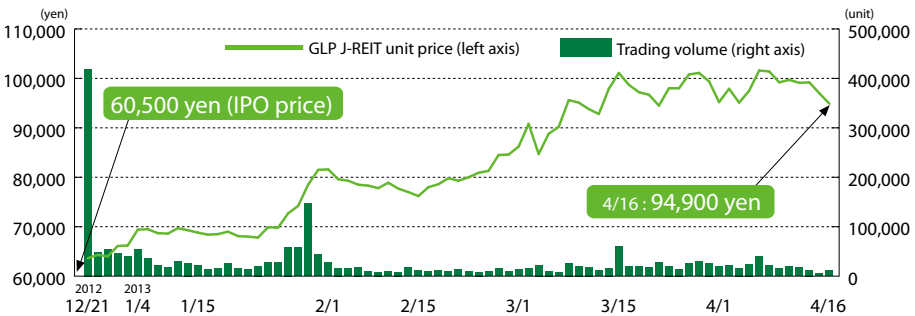
10 GLP Sendai Sendai, Miyagi

Overview GLP J-REIT

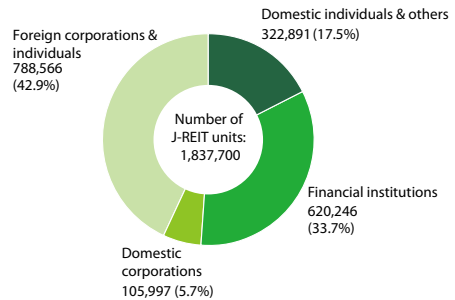
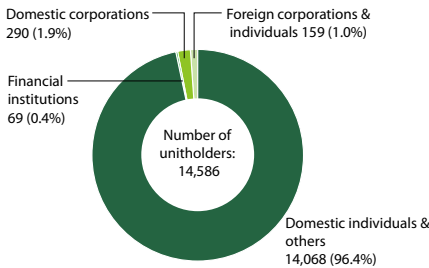
Structure of GLP J-REIT



Historical investment unit price (closing price)



Unitholder composition



ASSET MANAGEMENT REPORT

[Overview of Asset Management]

1. Trends in Key Indicators

		1st Period	2nd Period
		From September 16, 2011 to June 30, 2012	From July 1, 2012 to February 28, 2013
Operating revenues	Million yen	—	2,236
Of which, Property-related revenues	Million yen	—	2,236
Operating expenses	Million yen	8	908
Of which, Property-related expenses	Million yen	—	665
Operating income (loss)	Million yen	(8)	1,328
Ordinary income (loss)	Million yen	(85)	910
Net income (loss)	Million yen	(85)	907
Total assets	Million yen	456	231,353
[Period-on-period changes]	%	[—]	[—]
Total net assets	Million yen	114	108,323
[Period-on-period changes]	%	[—]	[—]
Unitholders' capital	Million yen	200	107,501
Number of investment units issued and outstanding	Unit	400	1,837,700
Net assets per unit (Note 4)	Yen	35,705	58,945
Distributions	Million yen	—	975
Of which, Distributions of earnings	Million yen	—	821
Of which, Distributions in excess of retained earnings	Million yen	—	154
Distributions per unit	Yen	—	531
Of which, Distributions of earnings per unit	Yen	—	447
Of which, Distributions in excess of retained earnings per unit	Yen	—	84
Ordinary income to total assets (Note 5)	%	(37.4)	0.8
[Annualized ordinary income to total assets]	%	[(47.3)]	[1.2]
Return on unitholders' equity (Note 5)	%	(150.1)	1.7
[Annualized return on unitholders' equity]	%	[(189.6)]	[2.5]
Unitholders' equity to total assets (Note 5)	%	25.0	46.8
[Period-on-period changes]	%	[—]	[21.8]
Payout ratio (Note 5)	%	—	90.5
【Other Information】			
Number of operating days (Note 6)		—	56
Number of investment properties		—	33
Occupancy ratio	%	—	99.9
Depreciation expenses	Million yen	—	515
Capital expenditures	Million yen	—	59
Rental NOI (Net Operating Income) (Note 5)	Million yen	—	2,086
FFO (Funds from Operation) (Note 5)	Million yen	—	1,422
FFO per unit (Note 5)	Yen	—	774
Total distributions / FFO ratio (Note 5)	%	—	68.6
Debt service coverage ratio (Note 5)		—	6.8
The ratio of interest bearing liabilities to total assets	%	—	49.4

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

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

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

(Note 4) GLP J-REIT executed an 8-for-1 unit split on October 31, 2012. Net assets per unit are calculated as if the unit split was executed on September 16, 2011.

(Note 5) The following formula is used for the calculation.

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

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

(Note 6) "Number of operating days" represents the number of actual days to conduct management operation of properties and properties in trust. For the 2nd fiscal period, the actual operating days were from January 4, 2013 to February 28, 2013.

2. Performance Review for the 2nd Period

(1) Brief Background of GLP J-REIT

GLP J-REIT is Japan's largest real estate investment corporation (J-REIT) specializing in logistics facilities, primarily investing in modern logistics facilities. GLP J-REIT was founded on September 16, 2011 in accordance with the Act on Investment Trusts and Investment Corporations (hereinafter the "Investment Trust Act") with GLP Japan Advisors Inc. as the founder and initial capital of 100 million yen (200 investment units). Registration to the Kanto Local Finance Bureau under Article 187 of the Investment Trust Act was completed on October 3, 2011.

Subsequently, GLP J-REIT made the issuance of new investment units through a third-party allocation of 20 units on December 14, 2011 and 180 units on June 22, 2012, and issued 2,800 units through a unit split on October 31, 2012. Moreover, GLP J-REIT conducted the issuance of new investment units through a public offering for 1,747,100 units, with proceeds paid in by December 20, 2012 as the payment date, and had its units listed on the Real Estate Investment Trust Market of the Tokyo Stock Exchange on December 21, 2012 (securities code: 3281). With the issuance of 87,400 new investment units through a third-party allocation conducted on January 21, 2013, the number of investment units issued and outstanding as of the end of the current fiscal period totaled 1,837,700 units.

(2) Investment Environment and Business Performance

During the current fiscal period, the Japanese economy started to show signs of picking up. This was triggered by the change of government as a result of the House of Representatives election that took place in December 2012 and exemplified by the rapid rise in stock market prices due to expectations for the Abe Administration that predominantly focuses on economic measures.

The J-REIT market was also active, with the TSE REIT Index rising significantly backed by continued capital inflow, and the current financing environment has remained favorable for J-REITs.

In the leasing market for logistics facilities, demand for large-scale logistics facilities remained solid and strong against the backdrop of the expansion of the third-party logistics (3PL) business and the e-commerce market, with the vacancy rate continuing to stay at a low level nationwide.

Under these conditions, GLP J-REIT acquired 30 properties (total acquisition price: 208,731 million yen) on January 4, 2013 using proceeds from the issuance of new investment units through public offering as well as borrowings, and started actual asset management. Moreover, GLP J-REIT acquired three properties (total acquisition price: 12,580 million yen) on February 1, 2013 using funds procured through a third-party allocation of units and additional borrowings.

As a result, GLP J-REIT owns 33 properties (total acquisition price: 221,311 million yen) as of the end of the current fiscal period, with total leasable area of 1,178,461.83m². The occupancy rate of the entire portfolio remained stable at a high level of 99.9% as of the end of the current fiscal period.

(3) Overview of Financing

GLP J-REIT procured 102,189 million yen through the public offering conducted on December 20, 2012 as the payment date and 5,112 million yen through the third-party allocation conducted on January 21, 2013 as the payment date. As a result, total

unitholders' equity stood at 107,501 million yen as of the end of the current fiscal period.

In addition, GLP J-REIT procured 18,400 million yen in short-term loans and 89,500 million yen in long-term loans on January 4, 2013, and borrowed 6,500 million yen in long-term loans on February 1, 2013. Accordingly, outstanding loans as of the end of the fiscal period totaled 114,400 million yen, with the ratio of interest-bearing liabilities to total assets (LTV) at 49.4%.

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

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

(4) Overview of Financial Results and Cash Distribution

As a result of these management efforts, GLP J-REIT posted operating revenues of 2,236 million yen, operating income of 1,328 million yen, ordinary income of 910 million yen and net income of 907 million yen for the current fiscal period. Unappropriated retained earnings stood at 822 million yen, after deducting 85 million yen of deficit carried forward.

As for cash distribution for the fiscal period, in accordance with the distribution policy set forth in the Articles of Incorporation of GLP J-REIT determined to distribute 821,451,900 yen, which represents the integral multiples of the number of investment units issued and outstanding (1,837,700 units), from unappropriated retained earnings to be eligible for the special tax treatment on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). Accordingly, distribution per unit for the fiscal period was 447 yen.

In addition, GLP J-REIT intends to distribute funds in excess of the amount of retained earnings (Optimal Payable Distribution (hereinafter "OPD") each fiscal period on a continuous basis, in accordance with the distribution policy set forth in the Articles of Incorporation (Note). Based on this, GLP J-REIT decided to distribute 154,366,800 yen, an amount almost equivalent to 30% of depreciation (515 million yen) for the fiscal period, as a refund of investment. As a result, the amount of OPD per unit was 84 yen.

(Note) Please refer to "4. Distributions" for details of distributions in excess of retained earnings.

3. Changes in Number of Investment Units Issued and Outstanding

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

Date	Type of issuance	Number of investment units issued and outstanding (Unit)		Unitholders' capital (Million yen)		Remark
		Increase (decrease)	Total	Increase (decrease)	Total	
September 16, 2011	Establishment through private placement	200	200	100	100	(Note 1)
December 14, 2011	Issuance of new units through allocation to a third party	20	220	10	110	(Note 2)
June 22, 2012	Issuance of new units through allocation to a third party	180	400	90	200	(Note 3)
October 31, 2012	Unit split	2,800	3,200	—	200	(Note 4)
December 20, 2012	Public offering	1,747,100	1,750,300	102,189	102,389	(Note 5)
January 21, 2013	Issuance of new units through allocation to a third party	87,400	1,837,700	5,112	107,501	(Note 6)

(Note 1) At establishment of GLP J-REIT, new units were issued at the issue price of 500,000 yen per unit.

(Note 2) In order to obtain necessary operating funds, GLP J-REIT issued new investment units through a third party allocation at 500,000 yen per unit.

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

(Note 4) GLP J-REIT executed an 8-for-1 unit split.

(Note 5) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through public offering at the issue price of 60,500 yen or the offer price of 58,491 yen per unit.

(Note 6) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the offer price of 58,491 yen.

[Changes in Unit Price at TSE]

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

(Unit: Yen)

Fiscal Period	1st Period	2nd Period
For the period ended	June 30, 2012	February 28, 2013
Highest	—	84,600
Lowest	—	63,600

4. Distributions

Actual amounts of distributions for the 1st and 2nd fiscal periods are as follows:

	1st Period	2nd Period
	From September 16, 2011 to June 30, 2012	From July 1, 2012 to February 28, 2013
Unappropriated retained earnings or accumulated deficit	(85,743) thousand yen	822,090 thousand yen
Retained earnings (deficit) carried forward	(85,743) thousand yen	638 thousand yen
Total distributions (Distributions per unit)	— thousand yen (— yen)	975,818 thousand yen (531 yen)
Of which, distributions of earnings (Distributions of earnings per unit)	— thousand yen (— yen)	821,451 thousand yen (447 yen)
Of which, Distributions in excess of retained earnings (Distributions in excess of retained earnings per unit)	— thousand yen (— yen)	154,366 thousand yen (84 yen)

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings, which do not exceed the amount obtained by deducting an amount of capital expenditures for the calculation 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 59 million yen of capital expenditures for the current fiscal period from 515 million yen of depreciation expense for the period is 455 million yen.

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

With respect to all 33 properties held as of February 28, 2013, the six-month period average of total amount of the short-term emergency repair costs and the medium- to long-term repair costs, which are set out in the Engineering Report dated September 19, 2012 for each property prepared by Property Risk Solution Corporation, is 306 million yen. Additional acquisitions of properties have been completed and GLP J-REIT has ownership of all 33 properties effective February 1, 2013. Since then, the actual amount accounted for as depreciation expense with respect to all properties held (33 properties) for a month is 264 million yen, thus, the amount for the six-month period is estimated to be 1,586 million yen.

In addition, the amount of OPD is deducted from unitholders' capital upon its payment.

5. Outlook of the Next Fiscal Period (3rd Period)

(1) Operational Environment in the Next Fiscal Period

The Japanese economy is expected to stay on the ongoing recovery trend, partly owing to the emergency economic measures by the government proving effective.

As for transactions of leasable logistics facilities, proactive deals are continuing to take place, including participation of new players, due to the growing interest among investors. However, as the supply of such facilities is scarce compared with other asset types, securing sources of acquisition has become a vital issue. In the leasing market, the sense of scarcity for modern logistics facilities has continued to cause the vacancy rate to drop, while rents appear to keep an increasing trend along with the higher demand for lease.

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

(2) Future Management Policy and Issues To Be Addressed

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

In its internal growth strategy, while enjoying stable cash flows that characterize its portfolio of assets, GLP J-REIT will work on upward revision of rents upon the renewal of lease contracts in connection with the expiration of lease period, with consideration given to market rents.

As for external growth strategy, the Asset Manager of GLP J-REIT has entered into a right-of-first-look agreement with Global Logistics Properties Limited, which is the sponsor, and its group companies (hereinafter “GLP Group”), allowing GLP J-REIT to preferentially obtain information regarding the sale of logistics facilities with regard to the 35 properties wholly owned by the GLP Group (as of the date of this document). GLP J-REIT will take advantage of this agreement as a valuable pipeline, as well as investigate acquisitions from third parties, as it pursues further expansion of its portfolio size.

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

6. Significant Subsequent Events

None

[Profile of GLP J-REIT]

1. Status of Unitholders' Capital

	1st Period As of June 30, 2012	2nd Period As of February 28, 2013
Number of investment units authorized	2,000,000 units	16,000,000 units
Number of investment units issued and outstanding	400 units	1,837,700 units
Total unitholders' capital	200 million yen	107,501 million yen
Number of unitholders	1	14,585

2. Matters Concerning Investment Units

The following is a list of major unitholders as of February 28, 2013.

Name	Location	Number of units held (Units)	Ratio to total units issued and outstanding (%) (Note)
GLP Capital Japan 2 Private Limited	Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo	272,455	14.82
Japan Trustee Services Bank (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	234,467	12.75
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Tower Z, Harumi Triton Square, Harumi 1-8-12, Chuo-ku, Tokyo	105,932	5.76
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	95,300	5.18
The Nomura Trust and Banking Co., Ltd. (Trust Account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	85,432	4.64
Nomura Bank Luxembourg SA	1-2-3, Otemachi, Chiyoda-ku, Tokyo Standing proxy: Sumitomo Mitsui Banking Corporation	57,080	3.10
JP Morgan Chase Bank 380055	4-16-13, Tsukishima, Chuo-ku, Tokyo Standing proxy: Mizuho Corporate Bank, Ltd. (Settlement & Clearing Services Division)	56,714	3.08
State Street Bank and Trust Company	3-11-1, Nihonbashi, Chuo-ku, Tokyo Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited (Tokyo Branch)	49,457	2.69
Deutsche Bank AG London-PB Non-Treaty Clients 613	Sanno Park Tower, 2-11-1, Nagatacho, Chiyoda-ku, Tokyo Standing proxy: Deutsche Securities Inc.	25,326	1.37
Mellon Bank, N.A. as Agent for its Client Melon Omnibus US Pension	4-16-13, Tsukishima, Chuo-ku, Tokyo Standing proxy: Mizuho Corporate Bank, Ltd. (Settlement & Clearing Services Division)	20,368	1.10
Total		1,002,531	54.55

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

3. Matters Concerning Directors and Auditors

Names of Directors and Independent Auditor for the period ended February 28, 2013

Title	Name	Other concurrent title	Total amount of fees paid during the Period (Thousand yen)
Executive Director (Notes 1 and 2)	Masato Miki	President and CEO, GLP Japan Advisors Inc.	—
Supervisory Director (Note 2)	Toraki Inoue	Representative CPA, Toraki Inoue CPA Firm President, Account Advisory Co., Ltd. Outside Corporate Auditor, Pioneer Co., Ltd.	1,330
	Kota Yamaguchi	Partner, Kimura Takushima & Yamaguchi Law Firm	1,330
Independent Auditor (Note 3)	KPMG AZSA	—	45,000

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

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

(Note 3) The amount of fees paid to Independent Audit includes 25,000 thousand yen of fees for agreed-upon procedures and preparation of a comfort letter in connection with the issuance of new investment units.

Policy on dismissal and non-reappointment of Independent Auditor

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

4. Asset Management Company, Custodian and General Administrator

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

[Status on Investment Properties]

1. Composition of GLP J-REIT's Assets

Type of asset	Area (Note 1)	1st Period As of June 30, 2012		2nd Period As of February 28, 2013	
		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	Tokyo metropolitan area	—	—	130,751	56.5
	Greater Osaka area	—	—	60,116	26.0
	Other	—	—	31,556	13.6
Sub Total		—	—	222,424	96.1
Deposits and other assets		456	100.0	8,929	3.9
Total assets (Note 4)		456 [—]	100.0 [—]	231,353 [222,424]	100.0 [96.1]

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

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

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

(Note 4) “Total assets” represents the total asset balance shown on the balance sheet as of the period end. In addition, the figures in square brackets represent the holding properties portion to total assets.

2. Major Properties Owned

The major components of assets (the 10 largest properties by book value) as of February 28, 2013 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 (%)	Primary use
GLP Amagasaki	24,608	110,314.00	110,314.00	100.0	11.2	Logistics facility
GLP Tokyo	22,784	56,105.95	56,105.95	100.0	9.8	Logistics facility
GLP Sugito II	19,060	101,262.00	100,354.73	99.1	9.2	Logistics facility
GLP Narashino II	15,299	104,543.59	104,543.59	100.0	(Note 4)	Logistics facility
GLP Misato II	14,644	59,208.59	59,208.59	100.0	(Note 4)	Logistics facility
GLP Kazo	11,528	76,532.71	76,532.71	100.0	(Note 4)	Logistics facility
GLP Koshigaya II	9,812	43,537.47	43,537.47	100.0	(Note 4)	Logistics facility
GLP Maishima II	9,007	56,511.10	56,511.10	100.0	(Note 4)	Logistics facility
GLP Hirakata II	8,000	43,283.01	43,283.01	100.0	(Note 4)	Logistics facility
GLP Akishima	7,205	27,356.63	27,356.63	100.0	(Note 4)	Logistics facility
Total	141,951	678,655.05	677,747.78	99.9	63.5	

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

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

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

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

3. Summary of Portfolio Properties

The following table summarizes the investment properties held by GLP J-REIT as of February 28, 2013.

The following table summarizes the investment properties held by GLP J-REIT as of February 28, 2015.					
Name of property	Location	Type of ownership	Leasable area (m ²) (Note 1)	Appraisal value (Million yen)	Book value (Million yen)
GLP Tokyo	2-1-2, Tokai, Ota-ku, Tokyo	Beneficiary right in trust	56,105.95	22,800	22,784
GLP Higashi-Ogishima	23-9, Higashi-Ogishima, Kawasaki-ku, Kawasaki, Kanagawa		34,582.00	5,150	5,037
GLP Akishima	4-13-41, Mihori-cho, Akishima, Tokyo 4-13-42, Mihori-cho, Akishima, Tokyo		27,356.63	7,180	7,205
GLP Tomisato	3-1, Misawa, Tomisato, Chiba		27,042.59	4,990	5,011
GLP Narashino II	3-6-3, Akanehama, Narashino, Chiba		104,543.59	17,900	15,299
GLP Funabashi	1-1389-2, Kaijincho-minami, Funabashi, Chiba		12,017.00	1,780	1,741
GLP Kazo	1-5-1, Minamishinozaki, Kazo, Saitama		76,532.71	12,100	11,528
GLP Fukaya	1900-2, Mizugahara, Orinokuchi, Fukaya, Saitama		19,706.00	2,490	2,413
GLP Sugito II	398-2, Fuwaka, Sugito-machi, Kita-Katsushika, Saitama		101,262.00	19,100	19,060
GLP Iwatsuki	2-9-10, Kokaba, Iwatsuki-ku, Saitama, Saitama		31,839.99	6,960	6,977
GLP Kasukabe	1155, Anzai, Suikaku, Kasukabe, Saitama		18,460.72	4,240	4,250
GLP Koshigaya II	2-2-1, Ryutsu-Danchi, Koshigaya, Saitama		43,537.47	9,800	9,812
GLP Misato II	3-2-1, Lala-city, Shinmisato, Misato, Saitama		59,208.59	14,700	14,644
GLP Tatsumi	3-11-10, Tatsumi, Koto-ku, Tokyo		12,925.58	4,980	4,983
GLP Hirakata	3-2-27, Minami-nakaburi, Hirakata, Osaka 3-2-7, Minami-nakaburi, Hirakata, Osaka		29,829.56	4,890	4,792
GLP Hirakata II	3-3-1, Minami-nakaburi, Hirakata, Osaka		43,283.01	7,940	8,000
GLP Maishima II	2-1-92, Hokukoryokuchi, Konohana-ku, Osaka, Osaka		56,511.10	9,640	9,007
GLP Tsumori	2-1-30, Minami-tsumori, Nishinari-ku, Osaka, Osaka		16,080.14	2,060	2,020
GLP Rokko	3-10, Koyochō-higashi, Higashinada-ku, Kobe, Hyogo		39,339.00	5,320	5,198
GLP Amagasaki	231-2, Nishimukojima-cho, Amagasaki, Hyogo		110,314.00	24,500	24,608
GLP Amagasaki II	16, Nishitakasū-cho, Amagasaki, Hyogo		12,342.95	2,050	2,055
GLP Nara	6-4, Imago-cho, Yamatokoriyama, Nara		19,545.35	2,560	2,415
GLP Sakai	1-63, Chikkouyawatamachi, Sakai-ku, Sakai, Osaka		10,372.10	2,020	2,018
GLP Morioka	59, Urata, Sakuramachi, Shiwa-cho, Shiwa, Iwate		10,253.80	833	823
GLP Tomiya	9-1-2, Narita, Tomiyama-machi, Kurokawa, Miyagi		20,466.98	2,820	2,831
GLP Koriyama I	3-2-2, Oroshi, Kikuta-cho, Koriyama, Fukushima		24,335.96	4,110	4,109
GLP Koriyama III	5-12, Mukaihara, Horinouchi, Kikuta-machi, Koriyama, Fukushima		27,671.50	2,630	2,647
GLP Tokai	2-47, Asayama, Tokai, Aichi		32,343.30	6,240	6,238
GLP Hayashima	823, Yao, Hayashima-cho, Tsukubo, Okayama		13,574.58	1,240	1,207
GLP Hayashima II	4507-40, Hayashima, Hayashima-cho, Tsukubo, Okayama		14,447.48	2,460	2,470
GLP Kiyama	2950-1, Urata, Sonobe, Kiyama-cho, Miyaki, Saga		23,455.96	4,760	4,770
GLP Tosu III	1-2, Wakasa, Fujinokimachi, Tosu, Saga		11,918.00	818	820
GLP Sendai	12-1, Niinuma, Nakano, Miyagino-ku, Sendai, Miyagi		37,256.23	5,620	5,637
Total			1,178,461.83	226,681	222,424

(Note 1) "Location" represents the indication of residential address. If no indication of residential address exists, the location of the building (one of those if there are multiple buildings) shown on the registry is stated.

(Note 2) "Leasable area" is the area of property or property in trust that is available for lease in accordance with the relevant lease agreement or architectural drawing, and rounded down to the second decimal place.

(Note 3) "Appraisal value" represents the appraisal value or research price as set forth on the relevant study reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trust Association.

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

Name of property	1st Period				2nd Period			
	From September 16, 2011 To June 30, 2012				From July 1, 2012 To February 28, 2013			
	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 revenues (%) (Note 2)
	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)			Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)		
GLP Tokyo	—	—	—	—	5	100.0	219	9.8
GLP Higashi-Ogishima	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Akishima	—	—	—	—	3	100.0	(Note 3)	(Note 3)
GLP Tomisato	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Narashino II	—	—	—	—	2	100.0	(Note 3)	(Note 3)
GLP Funabashi	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Kazo	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Fukaya	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Sugito II	—	—	—	—	4	99.1	206	9.2
GLP Iwatsuki	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Kasukabe	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Koshigaya II	—	—	—	—	2	100.0	(Note 3)	(Note 3)
GLP Misato II	—	—	—	—	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Hirakata	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Hirakata II	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Maishima II	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Tsumori	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Rokko	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Amagasaki	—	—	—	—	6	100.0	250	11.2
GLP Amagasaki II	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Nara	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Sakai	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Morioka	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Tomiya	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Koriyama I	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Koriyama III	—	—	—	—	4	100.0	41	1.9
GLP Tokai	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Hayashima	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Hayashima II	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Kiyama	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Tosu III	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Sendai	—	—	—	—	1	100.0	(Note 3)	(Note 3)
Total	—	—	—	—	53	99.9	2,236	100.0

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

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

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

4. Specified Transaction

As of February 28, 2013, 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	72,150	72,150	(625)
Total		72,150	72,150	(625)

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

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

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

5. Investments and Other Assets

(1) Investment securities – Equity securities

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

(Note 1) The book value is used as its fair value of the unlisted equity securities.

(2) Details of other specified assets

Beneficiary rights of property in trust held by GLP J-REIT are disclosed in aforementioned “3. Summary of Portfolio Properties”

GLP J-REIT has no other specified assets.

[Capital Expenditures for Properties Owned]

1. Future Plan of Capital Expenditures

The following table summarizes the major capital expenditure plan in connection with scheduled renovation and others for properties owned as of February 28, 2013. Estimated construction cost includes the amounts to be expensed for accounting purpose.

Name of property	Location	Purpose	Planned period	Estimated construction cost (Million yen)		
				Total amount	Paid during the period	Total amount paid
GLP Narashino II	Narashino, Chiba	Renewal of central monitor system	From June 2013 to December 2013	300	—	—
GLP Narashino II	Narashino, Chiba	Exterior wall waterproofing	From May 2013 to August 2013	35	—	—
GLP Narashino II	Narashino, Chiba	Renewal of fire extinguishing system	From June 2013 to July 2013	22	—	—

2. Capital Expenditures During the 2nd Period

The following table summarizes the major constructions to holding properties that resulted in capital expenditures for the current period. Capital expenditures for the current period was 59 million yen. The total construction cost amounted to 62 million yen, including repair and maintenance of 3 million yen that was accounted for as expenses.

Name of property	Location	Purpose	Period	Construction cost (Million yen)
GLP Tosu III	Tosu, Saga	Renewal of air conditioning system	From February 2013 to February 2013	8
GLP Amagasaki	Amagasaki, Hyogo	Renewal of emergency exit signs	From January 2013 to February 2013	8
GLP Morioka	Shiwa-gun, Iwate	Repair of air conditioning system	From February 2013 to February 2013	7
Other	—	—	—	34
Total				59

3. Funds Reserved for Long-Term Repair Plans

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

(Unit: Million yen)

Operating period	1st Period	2nd Period
	From September 16, 2011 To June 30, 2012	From July 1, 2012 To February 28, 2013
Balance brought forward from the previous period	—	—
Amount reserved during the period	—	—
Amount used during the period	—	—
Balance brought forward to the next period	—	—

(Note 1) GLP J-REIT intends not to account for reserves if the estimated amount of capital expenditures of the following period does not exceed the amount equivalent to 70% of the estimated depreciation expenses for the same period. GLP J-REIT estimates the amount of capital expenditures for the 3rd period (for the period ending August 2013) to be 236 million yen, which does not exceed 1,114 million yen, the amount equivalent to 70% of 1,592 million yen that is the estimated depreciation expenses for the same period.

(Note 2) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings, which do not exceed the amount obtained by deducting an amount of capital expenditures for the calculation 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 59 million yen of capital expenditures for the current fiscal period from 515 million yen of depreciation expense for the period is 455 million yen.

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

With respect to all 33 properties held as of February 28, 2013, the six-month period average of total amount of the short-term emergency repair costs and the medium- to long-term repair costs, which are set out in the Engineering Report dated September 19, 2012 for each property prepared by Property Risk Solution Corporation, is 306 million yen. Please refer to the “Summary of Engineering Due Diligence Report” below for short-term emergency repair costs and mid-to-long term repair costs for each asset. Additional acquisitions of properties have been completed and GLP J-REIT has ownership of all 33 properties effective February 1, 2013. Since then, the actual amount accounted for as depreciation expense with respect to all properties held (33 properties) for a month is 264 million yen, thus, the amount for the six-month period is estimated to be 1,586 million yen.

In addition, the amount of OPD is deducted from unitholders' capital upon its payment.

(Reference) Summary of Engineering Due Diligence Report

Property number	Name of property	Engineering due diligence company	Date of report	Short-term emergency repair costs (Thousand yen) (Note 1)	Mid-to-Long term repair costs (Thousand yen) (Note 2)
Tokyo-1	GLP Tokyo	Property Risk Solution Corporation	September 19, 2012	—	219,100
Tokyo-2	GLP Higashi-Ogishima			—	561,650
Tokyo-3	GLP Akishima			—	168,950
Tokyo-4	GLP Tomisato			—	75,700
Tokyo-5	GLP Narashino II			—	1,292,600
Tokyo-6	GLP Funabashi			—	240,050
Tokyo-7	GLP Kazo			—	303,800
Tokyo-8	GLP Fukaya			—	410,950
Tokyo-9	GLP Sugito II			—	365,100
Tokyo-10	GLP Iwatsuki			—	50,120
Tokyo-11	GLP Kasukabe			—	170,650
Tokyo-12	GLP Koshigaya II			—	136,530
Tokyo-13	GLP Misato II			—	78,600
Tokyo-14	GLP Tatsumi			—	43,100
Osaka-1	GLP Hirakata			—	315,300
Osaka-2	GLP Hirakata II			—	305,900
Osaka-3	GLP Maishima II			—	152,100
Osaka-4	GLP Tsumori			—	142,750
Osaka-5	GLP Rokko			—	476,400
Osaka-6	GLP Amagasaki			—	307,700
Osaka-7	GLP Amagasaki II			—	142,500
Osaka-8	GLP Nara			—	102,910
Osaka-9	GLP Sakai			—	42,200
Other-1	GLP Morioka			—	59,600
Other-2	GLP Tomiya			—	61,800

Other-3	GLP Koriyama I		—	28,650
Other-4	GLP Koriyama III		—	350,300
Other-5	GLP Tokai		—	123,880
Other-6	GLP Hayashima		—	126,880
Other-7	GLP Hayashima II		—	33,150
Other-8	GLP Kiyama		—	95,190
Other-9	GLP Tosu III		—	201,000
Other-10	GLP Sendai		—	159,450
Total			—	7,344,560

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

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

[Expenses and Liabilities]

1. Status of Expenses related to Asset Management

(Unit: Thousand yen)

	1st Period From September 16, 2011 To June 30, 2012	2nd Period From July 1, 2012 To February 28, 2013
Asset management fee	—	209,385
Asset custody fee	446	1,121
Administrative service fees	904	3,910
Directors' remuneration	1,200	2,660
Audit fee	1,500	14,100
Taxes and dues	3,423	208
Other operating expenses	594	11,851
Total	8,068	243,236

2. Status of Borrowings

The following summarizes the outstanding loans payable by financial institutions as of February 28, 2013.

	Category	Date of borrowing	As of June 30, 2012 (Million yen)	As of February 28, 2013 (Million yen)	Average rate (Note 1)	Due date (Note 2)	Repayment	Use	Remarks
	Name of financial institution								
Short-term loans payable	Sumitomo Mitsui Banking Corporation	January 4, 2013	—	4,000	0.49%	January 4, 2014	Lump-sum	(Note 4)	Unsecured
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	4,000					
	Mizuho Corporate Bank, Ltd.		—	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		—	1,800					
	Citibank Japan Ltd.		—	1,300					
	The Bank of Fukuoka, Ltd.		—	1,300					
	The Norinchukin Bank		—	1,000					
	Resona Bank, Limited.		—	1,000					
	Subtotal		—	18,400					
Long-term loans payable	Sumitomo Mitsui Banking Corporation	January 4, 2013	—	5,400	0.59%	January 4, 2015	Lump-sum	(Note 4)	Unsecured
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	4,500					
	Mizuho Corporate Bank, Ltd.		—	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		—	1,800					
	Citibank Japan Ltd.		—	1,800					
	The Bank of Fukuoka, Ltd.		—	1,300					
	The Norinchukin Bank		—	900					
	Resona Bank, Limited.		—	900					
	Sumitomo Mitsui Banking Corporation	January 4, 2013	—	6,300	0.85% (Note 3)	January 4, 2016	Lump-sum	(Note 4)	Unsecured
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	5,900					
	Mizuho Corporate Bank, Ltd.		—	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		—	1,800					
	Citibank Japan Ltd.		—	1,800					
	The Bank of Fukuoka, Ltd.		—	1,400					
	The Norinchukin Bank		—	1,300					
	Resona Bank, Limited.		—	1,300					
	Sumitomo Mitsui Banking Corporation	January 4, 2013	—	6,400	1.13% (Note 3)	January 4, 2018	Lump-sum	(Note 4)	Unsecured
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	5,900					
	Mizuho Corporate Bank, Ltd.		—	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		—	1,800					
	Citibank Japan Ltd.		—	1,800					
	The Bank of Fukuoka, Ltd.		—	1,800					
	The Norinchukin Bank		—	1,300					
	Resona Bank, Limited.		—	1,300					
	Sumitomo Mitsui Banking Corporation	January 4, 2013	—	5,000	1.41% (Note 3)	January 4, 2020	Lump-sum	(Note 4)	Unsecured
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	4,600					
	Mizuho Corporate Bank, Ltd.		—	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		—	1,800					
	The Bank of Fukuoka, Ltd.		—	900					
	Development Bank of Japan Inc.		—	4,500					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 1, 2013	—	3,250	1.03%	January 31, 2020	Lump-sum	(Note 4)	Unsecured
	Sumitomo Mitsui Banking Corporation	February 1, 2013	—	3,250	1.30% (Note 3)	February 1, 2021	Lump-sum	(Note 4)	Unsecured
	Subtotal		—	96,000					
	Total		—	114,400					

(Note 1) "Average rate" represents the weighted average interest rate during the fiscal period and is rounded off to the second decimal place.

(Note 2) When the due date falls on a day other than a business day, it shall be the next business day.

(Note 3) 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 4) The fund procurement was made for the purpose of acquiring properties or beneficiary rights of real estate in trust.

3. Status of Investment Corporation Bonds

None

4. Status of Short-Term Investment Corporation Bonds

None

[Acquisition and Disposition]

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

Type of asset	Name of property	Acquisition	
		Date	Acquisition price (Million yen) (Note)
Beneficiary right in trust	GLP Tokyo	January 4, 2013	22,700
Beneficiary right in trust	GLP Higashi-Ogishima	January 4, 2013	4,980
Beneficiary right in trust	GLP Akishima	January 4, 2013	7,160
Beneficiary right in trust	GLP Tomisato	January 4, 2013	4,990
Beneficiary right in trust	GLP Narashino II	January 4, 2013	15,220
Beneficiary right in trust	GLP Funabashi	January 4, 2013	1,720
Beneficiary right in trust	GLP Kazo	January 4, 2013	11,500
Beneficiary right in trust	GLP Fukaya	January 4, 2013	2,380
Beneficiary right in trust	GLP Sugito II	January 4, 2013	19,000
Beneficiary right in trust	GLP Iwatsuki	January 4, 2013	6,940
Beneficiary right in trust	GLP Kasukabe	January 4, 2013	4,240
Beneficiary right in trust	GLP Koshigaya II	January 4, 2013	9,780
Beneficiary right in trust	GLP Misato II	January 4, 2013	14,600
Beneficiary right in trust	GLP Tatsumi	February 1, 2013	4,960
Beneficiary right in trust	GLP Hirakata	January 4, 2013	4,750
Beneficiary right in trust	GLP Hirakata II	January 4, 2013	7,940
Beneficiary right in trust	GLP Maishima II	January 4, 2013	8,970
Beneficiary right in trust	GLP Tsumori	January 4, 2013	1,990
Beneficiary right in trust	GLP Rokko	January 4, 2013	5,160
Beneficiary right in trust	GLP Amagasaki	January 4, 2013	24,500
Beneficiary right in trust	GLP Amagasaki II	January 4, 2013	2,040
Beneficiary right in trust	GLP Nara	January 4, 2013	2,410
Beneficiary right in trust	GLP Sakai	February 1, 2013	2,000
Beneficiary right in trust	GLP Morioka	January 4, 2013	808
Beneficiary right in trust	GLP Tomiya	January 4, 2013	2,820
Beneficiary right in trust	GLP Koriyama I	January 4, 2013	4,100
Beneficiary right in trust	GLP Koriyama III	January 4, 2013	2,620
Beneficiary right in trust	GLP Tokai	January 4, 2013	6,210
Beneficiary right in trust	GLP Hayashima	January 4, 2013	1,190
Beneficiary right in trust	GLP Hayashima II	January 4, 2013	2,460
Beneficiary right in trust	GLP Kiyama	January 4, 2013	4,760
Beneficiary right in trust	GLP Tosu III	January 4, 2013	793
Beneficiary right in trust	GLP Sendai	February 1, 2013	5,620
Total			221,311

(Note) “Acquisition price” represents the purchase price (excluding incidental costs and consumption taxes) of each property or beneficiary right in trust stated in the purchase agreement.

2. Acquisition and Disposition of Investments and Other Assets

Type of asset	Acquisition		Balance as of February 28, 2013	
	No. of shares	Amount	No. of shares	Amount
Stock	16 shares	1,600 thousand yen	16 shares	1,600 thousand yen
Total	16 shares	1,600 thousand yen	16 shares	1,600 thousand yen

(Note 1) “Amount” represents the settlement amount excluding interests and various costs such as sales commissions.

(Note 2) Other assets besides the above are mostly bank deposits or bank deposits in trust.

3. Appraisal Values of Specific Assets

(1) Real Estate Properties

Acquisition or disposition	Name of properties	Acquisition date	Acquisition price (Million yen) (Note 1)	Appraisal Value (Million yen)	Appraiser	Appraisal date
Acquisition	GLP Tokyo	January 4, 2013	22,700	22,700	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Higashi-Ogishima	January 4, 2013	4,980	5,130	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Akishima	January 4, 2013	7,160	7,160	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Tomisato	January 4, 2013	4,990	4,990	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Narashino II	January 4, 2013	15,220	17,900	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Funabashi	January 4, 2013	1,720	1,770	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Kazo	January 4, 2013	11,500	12,100	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Fukaya	January 4, 2013	2,380	2,450	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Sugito II	January 4, 2013	19,000	19,000	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Iwatsuki	January 4, 2013	6,940	6,940	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Kasukabe	January 4, 2013	4,240	4,240	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Koshigaya II	January 4, 2013	9,780	9,780	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Misato II	January 4, 2013	14,600	14,600	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Tatsumi	February 1, 2013	4,960	4,960	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Hirakata	January 4, 2013	4,750	4,890	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Hirakata II	January 4, 2013	7,940	7,940	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Maishima II	January 4, 2013	8,970	9,640	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Tsumori	January 4, 2013	1,990	2,050	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Rokko	January 4, 2013	5,160	5,310	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Amagasaki	January 4, 2013	24,500	24,500	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Amagasaki II	January 4, 2013	2,040	2,040	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Nara	January 4, 2013	2,410	2,560	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Sakai	February 1, 2013	2,000	2,000	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Morioka	January 4, 2013	808	832	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Tomiya	January 4, 2013	2,820	2,820	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Koriyama I	January 4, 2013	4,100	4,100	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Koriyama III	January 4, 2013	2,620	2,620	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Tokai	January 4, 2013	6,210	6,210	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Hayashima	January 4, 2013	1,190	1,220	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Hayashima II	January 4, 2013	2,460	2,460	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Kiyama	January 4, 2013	4,760	4,760	Japan Real Estate Institute	August 31, 2012

Acquisition or disposition	Name of properties	Acquisition date	Acquisition price (Million yen) (Note 1)	Appraisal Value (Million yen)	Appraiser	Appraisal date
Acquisition	GLP Tosu III	January 4, 2013	793	793	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Sendai	February 1, 2013	5,620	5,620	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012

(Note 1) “Acquisition price” represents the purchase price (excluding incidental costs and consumption taxes) of each property or beneficial right of property in trust stated on the purchase agreement.

(Note 2) The “Real Estate Appraisal Standard, Chapter 3, Appraisal on Value of Real Estate Subject to Securitization” is applied for the above appraisal of the specific assets.

(2)Securities transactions

Acquisition or disposition	Transaction date	Type	Name of security	Quantity	Amount (Thousand yen)	Appraisal values of specific assets (Thousand yen)
Acquisition	January 4, 2013	Stocks	Okayama General Distribution Center Co., Ltd.	16 shares	1,600	1,600

(3) Other

The examination of value is required for GLP J-REIT’s certain transactions based on the regulation stipulated in Article 201 of Act on Investment Trusts and Investment Corporations. GLP J-REIT entrusts such examination to KPMG AZSA except for the items stated above “(1) Real Estate Properties.” For the fiscal period from July 1, 2012 to February 28, 2013, GLP J-REIT entered into four interest rate swap transactions subject to the examination, in addition to the transactions stated above “(2) Securities.”

For these interest rate swap transactions, GLP J-REIT obtained the examination report from KPMG AZSA, which includes the name of counterparties, contract amounts, maturities and other terms and conditions.

4. Transactions with Interested Parties and Major Shareholders

(1) Transactions

(Unit: Thousand yen)

	Transaction price	
	Purchases	Sales
Total	221,311,000	—
	Of which total amount purchased from interested parties and major shareholders	Of which total amount sold to interested parties and major shareholders
	221,311,000 (100.0%)	— (—%)
Name of interested parties and major shareholders and the amounts of transactions		
Tokyo Logistic Special Purpose Company	22,700,000 (10.3%)	— (—%)
Cosmos Special Purpose Company	13,313,000 (6.0%)	— (—%)
Akishima Logistic Special Purpose Company	7,160,000 (3.2%)	— (—%)
Tomisato Logistic Special Purpose Company	4,990,000 (2.3%)	— (—%)
Narashino 2 Logistic Special Purpose Company	15,220,000 (6.9%)	— (—%)
Funabashi Logistic Special Purpose Company	1,720,000 (0.8%)	— (—%)
Kazo Logistic Special Purpose Company	11,500,000 (5.2%)	— (—%)
Sugito 2 Logistic Special Purpose Company	19,000,000 (8.6%)	— (—%)
Iwatsuki Logistic Special Purpose Company	6,940,000 (3.1%)	— (—%)
Kasukabe Logistic Special Purpose Company	4,240,000 (1.9%)	— (—%)
Koshigaya 2 Logistic Special Purpose Company	9,780,000 (4.4%)	— (—%)
Misato 2 Logistic Special Purpose Company	14,600,000 (6.6%)	— (—%)
Tatsumi Logistic Special Purpose Company	4,960,000 (2.2%)	— (—%)
Hirakata Logistic Special Purpose Company	4,750,000 (2.1%)	— (—%)
Hirakata 2 Logistic Special Purpose Company	7,940,000 (3.6%)	— (—%)
Maishima 2 Logistic Special Purpose Company	8,970,000 (4.1%)	— (—%)
Tsumori Logistic Special Purpose Company	1,990,000 (0.9%)	— (—%)
Amagasaki Logistic Special Purpose Company	24,500,000 (11.1%)	— (—%)
Amagasaki 2 Logistic Special Purpose Company	2,040,000 (0.9%)	— (—%)
Azalea Special Purpose Company	5,838,000 (2.6%)	— (—%)
Sakai Logistic Special Purpose Company	2,000,000 (0.9%)	— (—%)
Tomiya Logistic Special Purpose Company	2,820,000 (1.3%)	— (—%)
Koriyama1 Logistic Special Purpose Company	4,100,000 (1.9%)	— (—%)
Tokai Logistic Special Purpose Company	6,210,000 (2.8%)	— (—%)
Hayashima Logistic Special Purpose Company	1,190,000 (0.5%)	— (—%)
Hayashima 2 Logistic Special Purpose Company	2,460,000 (1.1%)	— (—%)
Kiyama Logistic Special Purpose Company	4,760,000 (2.2%)	— (—%)
Sendai Logistic Special Purpose Company	5,620,000 (2.5%)	— (—%)
Total	221,311,000 (100.0%)	— (—%)

(2) Amounts of fees paid

	Total fees (A) (Thousand yen)	Name of interested parties and major shareholders and the amounts of transactions		(B)/(A) (%)
		Paid to	Amount paid (B) (Thousand yen)	
Property management fee	45,073	Global Logistic Properties Inc. (Note 1)	45,073	100.0
Royalty fee	2,900	Global Logistic Properties Inc. (Note 1)	2,900	100.0

(Note 1) Effective April 1, 2013, Global Logistic Properties Inc. has changed its Japanese trade name from GL Properties KK to Global Logistic Properties KK.

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

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

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

[Accounting]

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

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

2. Change in Calculation of Depreciation

None

3. Change in Valuation of Real Estate Properties

None

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

None

[Other information]

1. Notice

The Board of Directors of GLP J-REIT has approved the following conclusions and modifications of major contracts during the period ended February 28, 2013.

Date of approval	Title	Summary
October 30, 2012	Conclusion on the trademark license agreement	It has been approved to conclude the trademark license agreement with Global Logistic Properties Holdings Limited and Global Logistic Properties Inc.(Note) effective November 13, 2012.
November 14, 2012	Underwriting agreement of new investment units	<p>It has been approved to conclude the following contracts regarding the underwriting of new investment units effective December 12, 2012.</p> <p>(1) Underwriting Agreement among the following parties regarding issuance of new investment units through domestic public offering in Japan: GLP Japan Advisors Inc., Nomura Securities Co., Ltd., Citigroup Global Markets Japan, Inc., The Goldman Sachs Group, Inc., SMBC Nikko Securities Inc., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Mizuho Securities Co., Ltd.</p> <p>(2) Memorandum signed with Nomura Securities Co., Ltd. regarding the issuance of new investment units through a third party allotment in connection with domestic public offering.</p> <p>(3) International Purchase Agreement among GLP Japan Advisors Inc., Goldman Sachs International, Citigroup Global Markets Limited, Nomura International plc, J.P. Morgan Securities plc and UBS Limited regarding public offering outside Japan.</p>

(Note) Effective April 1, 2013, Global Logistic Properties Inc. has changed its Japanese trade name from GL Properties KK to Global Logistic Properties KK.

2. Other

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

SUPPLEMENTAL INFORMATION

Diversification of Portfolio

The following summarizes the diversification of properties in trust.

a. By Geographical Area

Area	Total floor space (m ²) (Note 1)	Ratio (%) (Note 2)	Acquisition cost (Million yen)	Ratio (%) (Note 2)
Tokyo metropolitan area	685,222.11	53.4	130,170	58.8
Greater Osaka area	371,503.18	29.0	59,760	27.0
Other	225,272.22	17.6	31,381	14.2
Total	1,281,997.51	100.0	221,311	100.0

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

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

b. By Building Age

Building age (Note 1)	Number of properties	Total floor space (m ²) (Note 2)	Ratio (%) (Note 3)	Acquisition cost (Million yen)	Ratio (%) (Note 3)
20 years or more	13	365,655.76	28.5	46,061	20.8
15 years or more but less than 20 years	-	-	-	-	-
10 years or more but less than 15 years	2	75,777.44	5.9	15,100	6.8
5 years or more but less than 10 years	14	696,625.66	54.3	129,750	58.6
Less than 5 years	4	143,938.65	11.2	30,400	13.7
Total	33	1,281,997.51	100.0	221,311	100.0

(Note 1) As a general rules, “Building age” shows the period of years from a completion date of new construction of major building stated on real estate register to February 28, 2013.

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

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

c. By Total Floor Space

Total floor space (m ²) (Note 1)	Number of properties	Total floor space (m ²) (Note 1)	Ratio (%) (Note 2)	Acquisition cost (Million yen)	Ratio (%) (Note 2)
100,000 m ² or more	3	370,672.10	28.9	58,720	26.5
50,000 m ² or more but less than 100,000 m ²	4	268,723.28	21.0	57,770	26.1
30,000 m ² or more but less than 50,000 m ²	10	362,846.63	28.3	58,990	26.7
10,000 m ² or more but less than 30,000 m ²	16	279,755.50	21.8	45,831	20.7
Less than 10,000 m ²	-	-	-	-	-
Total	33	1,281,997.51	100.0	221,311	100.0

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

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

d. By Remaining Lease Period

Lease period (Remaining period) (Note 1)	Leased area (m ²) (Note 2)	Ratio (%) (Note 3)	Annual contracted rent (Million yen) (Note 4)	Ratio (%) (Note 3)
7 years or more	228,325.73	19.4	2,516	17.9
5 years or more but less than 7 years	147,360.54	12.5	2,076	14.8
3 years or more but less than 5 years	391,610.93	33.3	4,790	34.1
1 year or more but less than 3 years	321,163.39	27.3	3,577	25.4
Less than 1 year	89,093.96	7.6	1,101	7.8
Total	1,177,554.56	100.0	14,063	100.0

(Note 1) “Lease period” represents the remaining lease period subsequent to February 28, 2013 based on the lease agreement of each property in trust.

(Note 2) “Leased area” represents the total leased area by remaining lease period, based on the relevant lease agreement of each property or property in trust as of February 28, 2013, and is rounded off to the second decimal place.

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

(Note 4) “Annual contracted rent” represents the total of annualized individual rent and classified by remaining lease period. It is calculated by multiplying the monthly contracted rent for building (including CAM but excluding consumption taxes. If the property or property in trust has multiple tenants, the total of all monthly rents.) indicated in the relevant lease agreement(s) of each property or property in trust as of February 28, 2013 by 12, rounded down to the nearest one million yen.

Summary of Portfolio Properties

Area	Property number	Name of property	Location	Construction date (Note 1)	Annual contracted rent (Million yen) (Note 2)	Tenant leasehold and security deposit (Million yen) (Note 3)	Land area (m ²)
Tokyo	Tokyo-1	GLP Tokyo	Ota-ku, Tokyo	November 17, 2003	1,280	267	14,879.68
	Tokyo-2	GLP Higashi-Ogishima	Kawasaki, Kanagawa	August 27, 1987	(Note 4)	(Note 4)	25,313.64
	Tokyo-3	GLP Akishima	Akishima, Tokyo	February 10, 2001	(Note 4)	(Note 4)	30,939.95
	Tokyo-4	GLP Tomisato	Tomisato, Chiba	July 3, 2007	(Note 4)	(Note 4)	39,398.15
	Tokyo-5	GLP Narashino II	Narashino, Chiba	August 26, 1991	(Note 4)	(Note 4)	55,185.00
	Tokyo-6	GLP Funabashi	Funabashi, Chiba	April 14, 1990	(Note 4)	(Note 4)	5,804.04
	Tokyo-7	GLP Kazo	Kazo, Saitama	March 11, 2005	(Note 4)	(Note 4)	38,278.86
	Tokyo-8	GLP Fukaya	Fukaya, Saitama	January 23, 1991	(Note 4)	(Note 4)	31,666.62
	Tokyo-9	GLP Sugito II	Kitakatsushika-gun, Saitama	January 18, 2007	1,211	390	53,792.06
	Tokyo-10	GLP Iwatsuki	Saitama, Saitama	August 5, 2008	(Note 4)	(Note 4)	17,277.60
	Tokyo-11	GLP Kasukabe	Kasukabe, Saitama	July 15, 2004	(Note 4)	(Note 4)	18,269.08
	Tokyo-12	GLP Koshigaya II	Koshigaya, Saitama	July 28, 2006	(Note 4)	(Note 4)	16,056.14
	Tokyo-13	GLP Misato II	Misato, Saitama	September 19, 2008	(Note 4)	(Note 4)	30,614.09
	Tokyo-14	GLP Tatsumi	Koto-ku, Tokyo	September 8, 2003	(Note 4)	(Note 4)	6,500.01
	Tokyo metropolitan area, total					8,033	3,122
Osaka	Osaka-1	GLP Hirakata	Hirakata, Osaka	September 20, 1985	(Note 4)	(Note 4)	25,290.30
	Osaka-2	GLP Hirakata II	Hirakata, Osaka	December 11, 2000	(Note 4)	(Note 4)	31,131.17
	Osaka-3	GLP Maishima II	Osaka, Osaka	October 15, 2006	(Note 4)	(Note 4)	24,783.06
	Osaka-4	GLP Tsumori	Osaka, Osaka	October 14, 1981	(Note 4)	(Note 4)	9,021.75
	Osaka-5	GLP Rokko	Kobe, Hyogo	March 4, 1991	(Note 4)	(Note 4)	24,969.30
	Osaka-6	GLP Amagasaki	Amagasaki, Hyogo	December 8, 2006	1,477	554	59,078.60
	Osaka-7	GLP Amagasaki II	Amagasaki, Hyogo	February 12, 1992	(Note 4)	(Note 4)	4,310.06
	Osaka-8	GLP Nara	Yamatokoriyama, Nara	November 22, 1969	(Note 4)	(Note 4)	13,420.77
	Osaka-9	GLP Sakai	Sakai, Osaka	September 18, 2007	(Note 4)	(Note 4)	10,000.03
Greater Osaka area, total					3,843	1,500	202,005.04
Other	Other-1	GLP Morioka	Shiwa-gun, Iwate	August 27, 1980	(Note 4)	(Note 4)	10,244.70
	Other-2	GLP Tomigaya	Kurokawa-gun, Miyagi	April 5, 2006	(Note 4)	(Note 4)	19,525.08
	Other-3	GLP Koriyama I	Koriyama, Fukushima	August 21, 2008	(Note 4)	(Note 4)	18,626.32
	Other-4	GLP Koriyama III	Koriyama, Fukushima	February 17, 1993	244	30	22,862.07
	Other-5	GLP Tokai	Tokai, Aichi	July 14, 2004	(Note 4)	(Note 4)	18,987.22
	Other-6	GLP Hayashima	Tsukubo-gun, Okayama	November 28, 1989	(Note 4)	(Note 4)	12,808.41
	Other-7	GLP Hayashima II	Tsukubo-gun, Okayama	December 7, 2007	(Note 4)	(Note 4)	14,675.59
	Other-8	GLP Kiyama	Miyaki-gun, Saga	November 5, 2008	(Note 4)	(Note 4)	73,225.00
	Other-9	GLP Tosu III	Tosu, Saga	September 30, 1982	(Note 4)	(Note 4)	26,187.51
	Other-10	GLP Sendai	Sendai, Miyagi	January 4, 2007	(Note 4)	(Note 4)	19,273.00
Other, total					2,186	821	236,414.90
Total portfolio					14,063	5,444	822,394.86

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

(Note 2) “Annual contracted rent” represents the amount annualized by multiplying the monthly contracted rent (including CAM but excluding consumption taxes, if the property or property in trust has multiple tenants, the total of all monthly rents) as indicated in the relevant lease agreement(s) of each property or property in trust as of February 28, 2013 by 12. Any fraction less than one million yen is rounded down. Accordingly, the sum of annual contracted rent of each property or property in trust may not equal to each subtotal or total of portfolio.

(Note 3) “Tenant leasehold and security deposit” represents total balance of leasehold and security deposit amount stated on the lease agreement of each property or property in trust as of February 28, 2013, rounded down to the nearest million yen. Accordingly, the sum of leasehold and security deposit of each property or property in trust may not equal to each subtotal or total of portfolio.

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

Valuation and Appraisal

Property number	Name of property	Appraiser	Date of valuation	Appraisal value (Million yen) (Note 1)	Indicated value				
					Direct Capitalization method		Discount Cash Flow method		
					Value (Million yen)	Cap rate (%)	Value (Million yen)	Discount rate (%)	Yield (%)
Tokyo-1	GLP Tokyo	Morii Appraisal & Investment Consulting, Inc.	February 28, 2013	22,800	23,100	4.8	22,400	4.6	5.0
Tokyo-2	GLP Higashi-Ogishima	Morii Appraisal & Investment Consulting, Inc.	February 28, 2013	5,150	5,230	5.3	5,070	5.0	5.6
Tokyo-3	GLP Akishima	Morii Appraisal & Investment Consulting, Inc.	February 28, 2013	7,180	7,280	5.3	7,070	5.0	5.6
Tokyo-4	GLP Tomisato	The Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2013	4,990	5,070	5.4	4,950	5.5/5.6	5.7
Tokyo-5	GLP Narashino II	The Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2013	17,900	18,900	5.4	17,500	5.2/5.4	5.5
Tokyo-6	GLP Funabashi	The Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2013	1,780	1,770	5.1	1,780	5.1/5.3	5.4
Tokyo-7	GLP Kazo	The Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2013	12,100	12,700	5.4	11,900	5.5/5.6	5.7
Tokyo-8	GLP Fukaya	The Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2013	2,490	2,590	5.4	2,450	5.4/5.5/5.6	5.7
Tokyo-9	GLP Sugito II	Morii Appraisal & Investment Consulting, Inc.	February 28, 2013	19,100	19,500	5.3	18,600	5.0	5.6
Tokyo-10	GLP Iwatsuki	Morii Appraisal & Investment Consulting, Inc.	February 28, 2013	6,960	7,070	5.3	6,850	5.0	5.6
Tokyo-11	GLP Kasukabe	Morii Appraisal & Investment Consulting, Inc.	February 28, 2013	4,240	4,300	5.5	4,180	5.2	5.8
Tokyo-12	GLP Koshigaya II	Morii Appraisal & Investment Consulting, Inc.	February 28, 2013	9,800	9,950	5.2	9,650	4.9	5.5
Tokyo-13	GLP Misato II	Morii Appraisal & Investment Consulting, Inc.	February 28, 2013	14,700	14,900	5.2	14,400	4.9	5.5
Tokyo-14	GLP Tatsumi	Morii Appraisal & Investment Consulting, Inc.	February 28, 2013	4,980	5,030	5.0	4,920	4.7	5.2
Osaka-1	GLP Hirakata	Japan Real Estate Institute	February 28, 2013	4,890	4,920	5.6	4,860	5.1	5.9
Osaka-2	GLP Hirakata II	Japan Real Estate Institute	February 28, 2013	7,940	7,990	5.3	7,890	5.0	5.5
Osaka-3	GLP Maishima II	Japan Real Estate Institute	February 28, 2013	9,640	9,660	5.6	9,620	4.9	5.7
Osaka-4	GLP Tsumori	Japan Real Estate Institute	February 28, 2013	2,060	2,080	5.9	2,030	5.6	6.2
Osaka-5	GLP Rokko	Japan Real Estate Institute	February 28, 2013	5,320	5,380	5.6	5,250	5.2	6.0
Osaka-6	GLP Amagasaki	Japan Real Estate Institute	February 28, 2013	24,500	24,700	5.0	24,200	4.8	5.2
Osaka-7	GLP Amagasaki II	Japan Real Estate Institute	February 28, 2013	2,050	2,070	5.7	2,020	5.4	6.1
Osaka-8	GLP Nara	Morii Appraisal & Investment Consulting, Inc.	February 28, 2013	2,560	2,580	6.2	2,530	5.9	6.5
Osaka-9	GLP Sakai	Japan Real Estate Institute	February 28, 2013	2,020	2,040	5.7	1,990	5.5	6.0
Other-1	GLP Morioka	The Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2013	833	860	6.5	822	6.4	6.8
Other-2	GLP Tomigaya	The Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2013	2,820	2,870	6.0	2,800	5.8/6.0	6.3
Other-3	GLP Koriyama I	The Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2013	4,110	4,170	6.1	4,080	6.0/6.1	6.4
Other-4	GLP Koriyama III	The Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2013	2,630	2,650	6.0	2,620	5.8/5.9/6.0	6.3
Other-5	GLP Tokai	Morii Appraisal & Investment Consulting, Inc.	February 28, 2013	6,240	6,330	5.5	6,150	5.2	5.8
Other-6	GLP Hayashima	Japan Real Estate Institute	February 28, 2013	1,240	1,250	6.3	1,220	6.1	6.5
Other-7	GLP Hayashima II	Japan Real Estate Institute	February 28, 2013	2,460	2,490	5.8	2,420	5.6	6.1
Other-8	GLP Kiyama	Japan Real Estate Institute	February 28, 2013	4,760	4,780	5.7	4,730	5.1	6.1
Other-9	GLP Tosu III	Japan Real Estate Institute	February 28, 2013	818	823	6.0	813	5.6	6.3
Other-10	GLP Sendai	The Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2013	5,620	5,640	5.9	5,610	5.7/5.9	6.2

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

Summary of Engineering Reviews and Seismic Risk Assessment

Property number	Name of property	Engineering due diligence company	Date of report	Short-term emergency repair costs (Thousand yen) (Note 1 and 2)	Mid-to-Long term repair costs (Thousand yen) (Note 1 and 3)	PML (%) (Note 1)		
Tokyo-1	GLP Tokyo	Property Risk Solution Corporation	September 19, 2012	-	219,100	7.8		
Tokyo-2	GLP Higashi-Ogishima			-	561,650	10.4		
Tokyo-3	GLP Akishima			-	168,950	10.7		
Tokyo-4	GLP Tomisato			-	75,700	7.0		
Tokyo-5	GLP Narashino II			-	1,292,600	10.5		
Tokyo-6	GLP Funabashi			-	240,050	12.5		
Tokyo-7	GLP Kazo			-	303,800	11.6		
Tokyo-8	GLP Fukaya			-	410,950	4.3		
Tokyo-9	GLP Sugito II			-	365,100	8.4		
Tokyo-10	GLP Iwatsuki			-	50,120	13.3		
Tokyo-11	GLP Kasukabe			-	170,650	14.8		
Tokyo-12	GLP Koshigaya II			-	136,530	7.9		
Tokyo-13	GLP MisatoII			-	78,600	10.4		
Tokyo-14	GLP Tatsumi			-	43,100	14.3		
Osaka-1	GLP Hirakata			-	315,300	9.9		
Osaka-2	GLP Hirakata II			-	305,900	14.8		
Osaka-3	GLP Maishima II			-	152,100	10.7		
Osaka-4	GLP Tsumori			-	142,750	16.8		
Osaka-5	GLP Rokko			-	476,400	10.5		
Osaka-6	GLP Amagasaki			-	307,700	13.1		
Osaka-7	GLP Amagasaki II			-	142,500	10.9		
Osaka-8	GLP Nara			-	102,910	26.6		
Osaka-9	GLP Sakai			-	42,200	13.1		
Other-1	GLP Morioka			-	59,600	13.5		
Other-2	GLP Tomigaya			-	61,800	10.4		
Other-3	GLP Koriyama I			-	28,650	9.7		
Other-4	GLP Koriyama III			-	350,300	9.0		
Other-5	GLP Tokai			-	123,880	14.5		
Other-6	GLP Hayashima			-	126,880	8.8		
Other-7	GLP Hayashima II			-	33,150	6.6		
Other-8	GLP Kiyama			-	95,190	7.8		
Other-9	GLP Tosu III			-	201,000	8.9		
Other-10	GLP Sendai					-	159,450	9.9
Total (Note 4)						2.6		

(Note 1) “Short-term emergency repair costs,” “Mid-to-Long term repair costs” and “PML” per property are based on “Engineering Due Diligence Report.” The effect of the Great East Japan Earthquake is not taken into account for the calculation of PML.

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

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

(Note 4) Probable Maximum Loss (“PML”) of the entire portfolio is 2.6, rounded up to the first decimal place, based on the “Portfolio Seismic Risk Assessment Review” dated on January 23, 2013. The effect of the Great East Japan Earthquake is not taken into account for the calculation of PML.

Information on Major Properties

The following is the major property accounting for 10% or more of total property-related revenues for the period ended February 28, 2013.

Name of property	GLP Amagasaki	
Property-related revenues (Million yen)	250	
Ratio to total property-related revenues (%)	11.2	
Occupancy trend in recent 5 years	February 28, 2013	100.0

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

Information on Major Tenants

The following is the major tenant to whom GLP J-REIT leases 10% or more of total leased area of the entire portfolio as of February 28, 2013.

Name of major tenant	Industry	Name of property	Annual contracted rent (Million yen) (Note 1)	Ratio to total rent (%) (Note 2)	Leased area (m ²) (Note 3)	Ratio to total leased area (%) (Note 4)
Hitachi Transport System, Ltd. (Note 5)	3PL	GLP Kazo	(Note 6)	(Note 6)	76,532.71	6.5
		GLP Tomigaya			20,466.98	1.7
		GLP Maishima II			56,511.10	4.8
		GLP Kiyama			23,455.96	2.0
Subtotal			1,749	12.4	176,966.75	15.0

The entire portfolio	14,063	100.0	1,177,554.56	100.0
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(Note 1) “Annual contracted rent” represents the amount annualized by multiplying the monthly contracted rent (including CAM but excluding consumption taxes) as indicated in the relevant lease agreement(s) of each property or property in trust as of February 28, 2013 by 12. Any fraction less than one million yen is rounded down. Accordingly, the sum of annual contracted rent of each property or property in trust may not equal to each subtotal or total of portfolio.

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

(Note 3) “Leased area” is the leased area as indicated in the relevant lease agreement for each property or property in trust as of February 28, 2013.

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

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

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

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

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

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

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

Short-Term and Long-Term Loans Payable

(Thousand yen)						
Name of financial institutions	As of June 30, 2012	Increase	Decrease	As of February 28, 2013	Average rate (*1)	Due date (*2)
Short-term loans payable:						
Sumitomo Mitsui Banking Corporation	-	4,000,000	-	4,000,000	0.49%	January 4, 2014
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	4,000,000	-	4,000,000		
Mizuho Corporate Bank, Ltd.	-	4,000,000	-	4,000,000		
Mitsubishi UFJ Trust and Banking Corporation	-	1,800,000	-	1,800,000		
Citibank Japan Ltd.	-	1,300,000	-	1,300,000		
The Bank of Fukuoka, Ltd.	-	1,300,000	-	1,300,000		
The Norinchukin Bank	-	1,000,000	-	1,000,000		
Resona Bank, Limited.	-	1,000,000	-	1,000,000		
Total short-term loans payable	-	18,400,000	-	18,400,000		
Long-term loans payable:						
Sumitomo Mitsui Banking Corporation	-	5,400,000	-	5,400,000	0.59%	January 4, 2015
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	4,500,000	-	4,500,000		
Mizuho Corporate Bank, Ltd.	-	4,000,000	-	4,000,000		
Mitsubishi UFJ Trust and Banking Corporation	-	1,800,000	-	1,800,000		
Citibank Japan Ltd.	-	1,800,000	-	1,800,000		
The Bank of Fukuoka, Ltd.	-	1,300,000	-	1,300,000		
The Norinchukin Bank	-	900,000	-	900,000		
Resona Bank, Limited.	-	900,000	-	900,000		
Sumitomo Mitsui Banking Corporation	-	6,300,000	-	6,300,000	0.85% (*3)	January 4, 2016
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	5,900,000	-	5,900,000		
Mizuho Corporate Bank, Ltd.	-	4,000,000	-	4,000,000		
Mitsubishi UFJ Trust and Banking Corporation	-	1,800,000	-	1,800,000		
Citibank Japan Ltd.	-	1,800,000	-	1,800,000		
The Bank of Fukuoka, Ltd.	-	1,400,000	-	1,400,000		
The Norinchukin Bank	-	1,300,000	-	1,300,000		
Resona Bank, Limited.	-	1,300,000	-	1,300,000		
Sumitomo Mitsui Banking Corporation	-	6,400,000	-	6,400,000	1.13% (*3)	January 4, 2018
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	5,900,000	-	5,900,000		
Mizuho Corporate Bank, Ltd.	-	4,000,000	-	4,000,000		
Mitsubishi UFJ Trust and Banking Corporation	-	1,800,000	-	1,800,000		
Citibank Japan Ltd.	-	1,800,000	-	1,800,000		
The Bank of Fukuoka, Ltd.	-	1,800,000	-	1,800,000		
The Norinchukin Bank	-	1,300,000	-	1,300,000		
Resona Bank, Limited.	-	1,300,000	-	1,300,000		
Sumitomo Mitsui Banking Corporation	-	5,000,000	-	5,000,000	1.41% (*3)	January 4, 2020
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	4,600,000	-	4,600,000		
Mizuho Corporate Bank, Ltd.	-	4,000,000	-	4,000,000		
Mitsubishi UFJ Trust and Banking Corporation	-	1,800,000	-	1,800,000		
The Bank of Fukuoka, Ltd.	-	900,000	-	900,000		
Development Bank of Japan Inc.	-	4,500,000	-	4,500,000		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	3,250,000	-	3,250,000	1.03%	January 31, 2020
Sumitomo Mitsui Banking Corporation	-	3,250,000	-	3,250,000	1.30% (*3)	February 1, 2021
Total long-term loans payable	-	96,000,000	-	96,000,000		
Total	-	114,400,000	-	114,400,000		

(*1) "Average rate" means the weighted average interest rate during the period ended February 28, 2013 and is rounded off to the second decimal place.

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

(*3) 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.

All of these fund procurements were made for the purpose of acquiring beneficiary rights of real estate in trust. None of these loans payable was secured by collateral or guarantee.

Property and Equipment

(Unit: Thousand yen)

Class of assets		Balance as of June 30, 2012	Increase	Decrease	Balance as of February 28, 2013	Accumulated depreciation		Book value	Note (*)
							Depreciation for the period		
Property and equipment									
	Buildings in trust	—	90,360,351	—	90,360,351	(482,557)	(482,557)	89,877,794	Acquisition of property
	Structures in trust	—	1,929,388	—	1,929,388	(29,128)	(29,128)	1,900,260	Acquisition of property
	Machinery and equipment in trust	—	51,909	—	51,909	(1,368)	(1,368)	50,541	Acquisition of property
	Tools, furniture and fixtures in trust	—	72,595	—	72,595	(1,949)	(1,949)	70,646	Acquisition of property
	Land in trust	—	130,525,023	—	130,525,023	—	—	130,525,023	Acquisition of property
	Construction in progress	151,117	—	(151,117)	—	—	—	—	Adjustment due to acquisition of property
	Sub total	151,117	222,939,268	(151,117)	222,939,268	(515,002)	(515,002)	222,424,265	
	Total	151,117	222,939,268	(151,117)	222,939,268	(515,002)	(515,002)	222,424,265	

(*) Amounts of "Increase" consist of the acquisition of the following 33 properties, totaling 222,879,564 thousand yen: GLP Tokyo, GLP Higashi-Ogishima, GLP Akishima, GLP Tomisato, GLP Narashino II, GLP Funabashi, GLP Kazo, GLP Fukaya, GLP Sugito II, GLP Iwatuki, GLP Kasukabe, GLP Koshigaya II, GLP Misato II, GLP Tatsumi, GLP Hirakata, GLP Hirakata II, GLP Maishima II, GLP Tsumori, GLP Rokko, GLP Amagasaki, GLP Amagasaki II, GLP Nara, GLP Sakai, GLP Morioka, GLP Tomiya, GLP Koriyama I, GLP Koriyama III, GLP Tokai, GLP Hayashima, GLP Hayashima II, GLP Kiyama, GLP Tosu III, GLP Sendai.



Independent Auditor's Report

To the Board of Directors of
GLP J-REIT:

We have audited the accompanying financial statements of GLP J-REIT (a Japanese Real Estate Investment Trust), which comprise the balance sheets as at February 28, 2013 and June 30, 2012, and the statements of operations and retained earnings(accumulated deficit), statements of changes in net assets and statements of cash flows for each of the periods from July 1, 2012 to February 28, 2013 and from September 16, 2011 (date of inception) to June 30, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of GLP J-REIT as at February 28, 2013 and June 30, 2012, and their financial performance and cash flows for each of the periods from July 1, 2012 to February 28, 2013 and from September 16, 2011(date of inception) to June 30, 2012 in accordance with accounting principles generally accepted in Japan.

KPMG AZSA LLC

May 30, 2013
Tokyo, Japan

GLP J-REIT
Balance Sheets
As of February 28, 2013 and June 30, 2012

	<i>Thousands of yen</i>	
	As of February 28, 2013	As of June 30, 2012
Assets		
Current assets:		
Cash and cash equivalents (Notes 2 and 3)	¥ 2,760,397	¥ 22,374
Operating accounts receivable	29,582	—
Prepaid expenses	354,239	5,250
Deferred tax assets (Note 11)	143	—
Consumption taxes receivable	4,606,628	4,459
Other current assets (Note 8)	—	263,608
Total current assets	7,750,992	295,692
Property and equipment, net (Note 5):		
Land in trust	130,525,023	—
Buildings in trust	90,360,351	—
Structures in trust	1,929,388	—
Machinery and equipment in trust	51,909	—
Tools, furniture and fixtures in trust	72,595	—
Construction in progress	—	151,117
	222,939,268	151,117
Accumulated depreciation	(515,002)	—
Total property and equipment, net	222,424,265	151,117
Investments and other assets:		
Investment securities	1,600	—
Long-term prepaid expenses	871,156	—
Security deposit	10,000	10,000
Investment unit issuance expenses	295,637	—
Total investments and other assets	1,178,394	10,000
Total Assets	¥231,353,652	¥456,810

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

		<i>Thousands of yen</i>	
		As of February 28, 2013	As of June 30, 2012
Liabilities			
Current liabilities:			
Operating accounts payable	¥	102,595	¥ —
Short-term loans payable (Notes 3 and 10)		18,400,000	—
Accounts payable (Note 3)		533,675	342,192
Accrued expenses		5,400	144
Income taxes payable		2,701	217
Advances received		1,237,595	—
Deposits received		1,302,913	—
Total current liabilities		21,584,882	342,553
Noncurrent liabilities:			
Long-term loans payable (Notes 3, 4 and 10)		96,000,000	—
Tenant leasehold and security deposits (Note 3)		5,266,920	—
Tenant leasehold and security deposits in trust (Note 3)		178,019	—
Total noncurrent liabilities		101,444,939	—
Total Liabilities		123,029,822	342,553
Net Assets (Note 9)			
Unitholders' equity:			
Unitholders' capital-		107,501,739	200,000
Units authorized:			
2,000,000 units as of February 28, 2013 and June 30, 2012			
Units issued and outstanding:			
1,837,700 units as of February 28, 2013 and 400 units as of June 30, 2012			
Unappropriated retained earnings (accumulated deficit)		822,090	(85,743)
Total unitholders' equity		108,323,829	114,256
Total Net Assets		108,323,829	114,256
Total Liabilities and Net Assets		¥231,353,652	¥456,810

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

GLP J-REIT

Statements of Operations and Retained Earnings (Accumulated Deficit)

**For the period from July 1, 2012 to February 28, 2013 and
for the period from September 16, 2011 (date of inception) to June 30, 2012**

	<i>Thousands of yen</i>	
	For the period from July 1, 2012 to February 28, 2013	For the period from September 16, 2011 to June 30, 2012
Operating revenues:		
Rental revenues (Note 6)	¥2,170,336	¥ —
Other rental revenues	66,620	—
Total operating revenues	2,236,957	—
Operating expenses:		
Rental expenses (Notes 5 and 6)	665,590	—
Asset management fee	209,385	—
Asset custody fee	1,121	446
Administrative service fees	3,910	904
Directors' remuneration	2,660	1,200
Audit fee	14,100	1,500
Taxes and dues	208	3,423
Other operating expenses	11,851	594
Total operating expenses	908,827	8,068
Operating income (loss)	1,328,129	(8,068)
Non-operating income (expenses):		
Interest income	2,230	7
Interest expense	(156,177)	—
Borrowing related expenses	(66,510)	—
Organization costs (Note 2)	—	(50,000)
Amortization of investment unit issuance expenses	(26,876)	—
Offering costs associated with the issuance of investment units	(168,482)	(27,224)
Others - net	(1,468)	(240)
Total non-operating expenses, net	(417,285)	(77,457)
Income (loss) before income taxes	910,844	(85,525)
Income taxes (Note 11):		
-Current	3,154	217
-Deferred	(143)	—
Total income taxes	3,010	217
Net income (loss)	¥ 907,833	¥ (85,743)
Accumulated deficit brought forward	(85,743)	—
Unappropriated retained earnings (accumulated deficit)	¥ 822,090	¥ (85,743)

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

GLP J-REIT

Statements of Changes in Net Assets

For the period from July 1, 2012 to February 28, 2013 and
for the period from September 16, 2011 (date of inception) to June 30, 2012

	<i>Thousands of yen</i>			
	Number of units	Unitholders' capital	Retained earnings (Accumulated deficit)	Total net assets
Balance as of September 16, 2011	—	¥ —	¥ —	¥ —
Issuance of new units for establishment as of September 16, 2011	200	100,000	—	100,000
Issuance of new units on December 14, 2011	20	10,000	—	10,000
Issuance of new units on June 22, 2012	180	90,000	—	90,000
Net loss	—	—	(85,743)	(85,743)
Balance as of June 30, 2012	400	200,000	(85,743)	114,256
An 8-for-1 unit split on October 31, 2012	2,800	—	—	—
Issuance of new units on December 20, 2012	1,747,100	102,189,626	—	102,189,626
Issuance of new units on January 21, 2013	87,400	5,112,113	—	5,112,113
Net income	—	—	907,833	907,833
Balance as of February 28, 2013 (Note 9)	1,837,700	¥107,501,739	¥822,090	¥108,323,829

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

GLP J-REIT

Statements of Cash Flows

For the period from July 1, 2012 to February 28, 2013 and
for the period from September 16, 2011 (date of inception) to June 30, 2012

	<i>Thousands of yen</i>	
	For the period from July 1, 2012 to February 28, 2013	For the period from September 16, 2011 to June 30, 2012
Operating activities:		
Income (loss) before income taxes	¥ 910,844	¥ (85,525)
Depreciation (Notes 5 and 9)	515,002	—
Amortization of investment unit issuance expenses	26,876	—
Interest income	(2,230)	(7)
Interest expense	156,177	—
Decrease (increase) in operating accounts receivable	(29,582)	—
Decrease (increase) in prepaid expenses	(348,989)	(5,250)
Decrease (increase) in consumption taxes receivable	(4,602,169)	(4,459)
Decrease (increase) in other current assets	1	(1)
Decrease (increase) in long-term prepaid expenses	(871,156)	—
Increase (decrease) in operating accounts payable	102,595	—
Increase (decrease) in other accounts payable	308,323	16,656
Increase (decrease) in accrued expenses	(144)	144
Increase (decrease) in advances received	1,237,595	—
Increase (decrease) in deposits received	1,302,913	—
Subtotal	(1,293,940)	(78,443)
Interest received	2,230	7
Interest paid	(150,777)	—
Income taxes paid	(670)	—
Net cash provided by (used in) operating activities	(1,443,158)	(78,436)
Investing activities:		
Purchase of property and equipment	—	(89,188)
Purchase of property and equipment in trust	(222,790,376)	—
Payments for security deposit	—	(10,000)
Proceeds from tenant leasehold and security deposits	5,269,585	—
Proceeds from tenant leasehold and security deposits in trust	178,019	—
Repayments of tenant leasehold and security deposits	(2,664)	—
Purchase of investment securities	(1,600)	—
Net cash provided by (used in) investing activities	(217,347,036)	(99,188)
Financing activities:		
Increase in short-term loans payable	18,400,000	—
Proceeds from long-term loans payable	96,000,000	—
Proceeds from issuance of investment units	107,128,217	200,000
Net cash provided by (used in) financing activities	221,528,217	200,000
Net increase (decrease) in cash and cash equivalents	2,738,023	22,374
Cash and cash equivalents at beginning of period	22,374	—
Cash and cash equivalents at end of period (Note 2)	¥ 2,760,397	¥ 22,374

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

GLP J-REIT
Notes to Financial Statements
For the period from July 1, 2012 to February 28, 2013 and
for the period from September 16, 2011 (date of inception) to June 30, 2012

1. Organization and Basis of Presentation

1) Organization

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

On December 20, 2012, GLP J-REIT issued 1,747,100 new units through public offering and raised approximately 102,189 million yen. Those units are listed on the J-REIT section of the Tokyo Stock Exchange. In addition, GLP J-REIT issued 87,400 new units through allocation to a third party on January 21, 2013 and raised approximately 5,112 million yen.

As of February 28, 2013, GLP J-REIT held beneficiary rights of real estate in trust with respect to 33 properties located in the Tokyo metropolitan area, the greater Osaka area and other areas. Total leasable space was 1,178,461.83m², of which 1,177,544.56 m² was leased to 53 tenants, and the aggregate occupancy ratio was 99.9%.

2) Basis of presentation

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

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

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

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

necessarily agree with the sums of the individual amounts.

The fiscal period of GLP J-REIT is six-month accounting periods: each period is from March 1 to August 31, or, from September 1 to February 28/29 of the following year. The first fiscal period end after the date of inception was judgmentally determined to be June 30, 2012. Accordingly, for the accompanying financial statements, the fiscal period ended June 30, 2012 covers the period from September 16, 2011 (the date of inception) to June 30, 2012 and the fiscal period ended February 28, 2013 covers the period from July 1, 2012 to February 28, 2013.

2. Summary of Significant Accounting Policies

1) Cash and cash equivalents

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

The balance of cash and cash equivalents as of February 28, 2013 included 2,049,745 thousand yen of cash and deposits in trust.

2) Property and equipment

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

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

3) Taxes on property and equipment

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

Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to fixed asset tax are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 1,287,785 thousand yen for the period ended February 28, 2013.

4) Investment securities

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

5) Investment unit issuance expenses

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

6) Hedge accounting

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

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

7) Organization costs

All organization costs were expensed when incurred for the period ended from September 16, 2011 to June 30, 2012.

8) Beneficiary rights of real estate in trust

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

9) Consumption taxes

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

3. Financial Instruments

1) Status of financial instruments

(a) Policy for financial instruments

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

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

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

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

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

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

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

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

(c) Supplemental explanation regarding fair values of financial instruments

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

2) Estimated fair value of financial instruments

Book value, fair value and differences between the values as of February 28, 2013 and June 30, 2012 are as follows. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (see Note 2 below).

	<i>Thousands of yen</i>		
	As of February 28, 2013		
	Book value	Fair value	Difference
(1) Cash and cash equivalents:			
Cash and deposits	¥ 710,652	¥ 710,652	¥ —
Cash and deposits in trust	2,049,745	2,049,745	—
Total assets	¥ 2,760,397	¥ 2,760,397	¥ —
(1) Short-term loans payable	18,400,000	18,400,000	—
(2) Long-term loans payable	96,000,000	96,657,739	657,739
Total liabilities	¥114,400,000	¥115,057,739	¥ 657,739
Derivative transactions	¥ —	¥ —	¥ —

<i>Thousands of yen</i>			
As of June 30, 2012			
	Book value	Fair value	Difference
(1) Cash and cash equivalents:			
Cash and deposits	¥ 22,374	¥ 22,374	¥—
Total assets	¥ 22,374	¥ 22,374	¥—
(3) Accounts payable	342,192	342,192	—
Total liabilities	¥342,192	¥ 342,192	¥—

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

Assets:

(1) Cash and cash equivalents

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

Liabilities:

(1) Short-term loans payable and (3) Accounts payable

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

(2) Long-term loans payable

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

Derivative transactions:

Please refer to Note 4, “Derivative Transactions.”

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

<i>Thousands of yen</i>		
	As of February 28, 2013	As of June 30, 2012
Tenant leasehold and security deposits	¥5,266,920	¥—
Tenant leasehold and security deposits in trust	178,019	—
Total	¥5,444,939	¥—

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 assumed. Thus, it is impracticable to reasonably estimate their future cash flows and very difficult to estimate their fair value. Therefore, their fair values are not disclosed.

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

(As of February 28, 2013)

	<i>Thousands of yen</i>					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and cash equivalents:						
Cash and deposits	¥ 710,652	¥—	¥—	¥—	¥—	¥—
Cash and deposits in trust	2,049,745	—	—	—	—	—
Total	¥2,760,397	¥—	¥—	¥—	¥—	¥—

(As of June 30, 2012)

	<i>Thousands of yen</i>					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and cash equivalents:						
Cash and deposits	¥22,374	¥—	¥—	¥—	¥—	¥—
Total	¥22,374	¥—	¥—	¥—	¥—	¥—

(Note 4) Redemption schedule for long-term loans payable is as follows:

(As of February 28, 2013)

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

(As of June 30, 2012)

None

4. Derivative Transactions

For the period ended February 28, 2013, GLP J-REIT only utilized interest rate swaps which qualified for hedge accounting and met the special matching criteria, as described below. There were no derivative transactions for the period ended June 30, 2012.

Hedge accounting method	Type of derivative transaction	Primary hedged item	Thousands of yen		Fair value	Fair value measurement
			Contract amount			
			Total	Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/ pay fix	Long-term loans payable	¥72,150,000	72,150,000	(*)	(*)

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

5. Investment and Rental Properties

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

	Thousands of yen	
	For the period from July 1, 2012 to February 28, 2013	For the period from September 16, 2011 to June 30, 2012
Book value		
Balance at the beginning of the period	¥ —	¥—
Change during the period	222,424,265	—
Balance at the end of the period	222,424,265	—
Fair value at the end of the period	¥226,681,000	¥—

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

The increase for the period ended February 28, 2013 was primarily due to the acquisition of the following 33 properties in the total amount of 222,879,564 thousand yen: GLP Tokyo, GLP Higashi-Ogishima, GLP Akishima, GLP Tomisato, GLP Narashino II, GLP Funabashi, GLP Kazo, GLP Fukaya, GLP Sugito II, GLP Iwatsuki, GLP Kasukabe, GLP Koshigaya II, GLP Misato II, GLP Tatsumi, GLP Hirakata, GLP Hirakata II, GLP Maishima II, GLP Tsumori, GLP Rokko, GLP Amagasaki, GLP Amagasaki II, GLP Nara, GLP Sakai, GLP Morioka, GLP Tomiya, GLP Koriyama I, GLP Koriyama III, GLP Tokai, GLP Hayashima, GLP Hayashima II, GLP Kiyama, GLP Tosu III and GLP Sendai.

6. Property-related Revenues and Expenses

The following table summarizes the revenues and expenses generated from the property leasing activities for the periods ended February 28, 2013 and June 30, 2012.

	<i>Thousands of yen</i>	
	For the period from July 1, 2012 to February 28, 2013	For the period from September 16, 2011 to June 30, 2012
A. Property-related revenues		
Rental revenues:		
Rental revenues	¥2,102,434	¥—
Common area charges	67,902	—
Total	2,170,336	—
Other revenues related to property leasing		
Utility charges	51,519	—
Parking lots	7,797	—
Others	7,303	—
Total	66,620	—
Total property-related revenues	¥2,236,957	¥—
B. Property-related expenses		
Rental expenses:		
Property and facility management fees	¥ 84,929	¥—
Utilities	52,489	—
Repairs and maintenance	3,004	—
Casualty insurance	4,189	—
Depreciation	515,002	—
Others	5,974	—
Total property-related expenses	¥ 665,590	¥—
C. Operating income from property leasing (A — B)	¥1,571,366	¥—

7. Leases

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

	<i>Thousands of yen</i>	
	February 28, 2013	June 30, 2012
Due within one year	¥12,877,715	¥—
Due after one year	48,412,197	—
Total	¥61,289,912	¥—

8. Other Current Assets

As of June 30, 2012, other current assets included costs incurred in the amount of 260,510 thousand yen relating to the issuance of new units.

9. Net Assets

1) Stated capital

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

2) Distributions

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

<i>Yen</i>				
	For the period from July 1, 2012 to February 28, 2013		For the period from September 16, 2011 to June 30, 2012	
	Total	Per unit	Total	Per unit
I Unappropriated retained earnings (accumulated deficit)	¥822,090,380		¥(85,743,458)	
II Distributions in excess of retained earnings				
Deduction from unitholders' capital	154,366,800		—	
	976,457,180		(85,743,458)	
III Distributions				
Distributions of earnings	821,451,900	¥447	—	¥—
Distributions in excess of retained earnings	154,366,800	84	—	—
Total Distributions	975,818,700	¥531	—	¥—
IV Retained earnings (accumulated deficit) carried forward	¥ 638,480		¥(85,743,458)	

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

Accordingly, GLP J-REIT declared a distribution amount of 821,451,900 yen, which was the amount equivalent to the maximum integral multiples of the number of investment units issued and outstanding as of February 28, 2013. No distributions were made for the period ended June 30, 2012 due to its accumulated deficit.

Furthermore, based on the distribution policy as defined in Section 34.2 of its bylaws, GLP J-REIT will make an Optimal Payable Distribution (the "OPD"), which represents a distribution of funds in excess of retained earnings, as a refund of its investment, in each fiscal period on a continuing basis. Accordingly, GLP J-REIT intends to distribute funds in excess of retained earnings, which do not exceed the amount obtained by deducting the amount of capital

expenditures for the accounting period immediately preceding the period in which the OPD is made from the amount equal to the depreciation expense for the corresponding period. For the period ended February 28, 2013, the amount of capital expenditures was 59 million yen and the depreciation expense was 515 million yen. Thus, the maximum amount available for the OPD amounted to 455 million yen.

Thus, GLP J-REIT declared an OPD amounting to 154,366,800 yen as refund of its investment, which approximated 30% of the depreciation expense of 515,002,884 yen for the period ended February 28, 2013.

Thus, the ratio of net asset value attributable to a reduction in capital, which was calculated based on Article 23.1 (3) of the Order for Enforcement of the Corporation Tax Act, resulted in 0.002.

10. Short-Term and Long-Term Loans Payable

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

	<i>Thousands of yen</i>	
	As of February 28, 2013	As of June 30, 2012
0.49 % unsecured short-term loans	¥18,400,000	¥—
Total short-term loans payable	¥18,400,000	¥—
0.59% unsecured long-term loans due 2015	¥ 20,600,000	¥—
0.85% unsecured long-term loans due 2016 (*)	23,800,000	—
1.13% unsecured long-term loans due 2018 (*)	24,300,000	—
1.41% unsecured long-term loans due 2020 (*)	20,800,000	—
1.03% unsecured long-term loans due 2020	3,250,000	—
1.30% unsecured long-term loans due 2021 (*)	3,250,000	—
Total long-term loans payable	¥ 96,000,000	¥—

The stated interest rate is the weighted average interest rate during the period ended February 28, 2013 and is rounded to the second decimal place. For certain loans (*) which GLP J-REIT uses interest rate swaps to hedge their interest rate risk exposure, the effective interest rate which includes the effect of the interest rate swap is stated.

The redemption schedule for long-term loans payable subsequent to February 28, 2013 is disclosed in Note 3, “Financial Instruments.”

11. Income Taxes

GLP J-REIT is subject to Japanese corporate income taxes on its taxable income. The tax effect of temporary differences that give rise to a significant portion of the deferred tax assets and liabilities as of February 28, 2013 and June 30, 2012 were as follows.

	<i>Thousands of yen</i>	
	As of February 28, 2013	As of June 30, 2012
Deferred tax assets		
Enterprise tax payable	¥143	¥ —
Tax loss carry-forwards	—	26,305
Accounts payable	—	4,549
Subtotal	143	30,854
Less valuation allowance	—	(30,854)
Total	143	—
Net deferred tax assets	¥143	¥ —

Reconciliation between the Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of operations for the period ended February 28, 2013 is as follows.

	%
	For the period from July 1, 2012 to February 28, 2013
Statutory effective tax rate	36.59
(Adjustments)	
Distributions deductible for tax purposes	(33.00)
Valuation allowance	(3.39)
Other	0.13
Actual tax rate	0.33

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

The tax reconciliation for the period ended June 30, 2012 is not shown as GLP J-REIT recorded a loss before income taxes.

Income taxes amounting to 217 thousand yen in the statement of operations for the period ended June 30, 2012 represents the per-capita taxes which are levied in regards to inhabitant tax and regardless of if an entity recognizes a tax gain or loss.

12. Per Unit Information

The following table summarizes per unit information for the periods ended and as of February 28, 2013 and June 30, 2012.

	For the period from July 1, 2012 to February 28, 2013	For the period from September 16, 2011 to June 30, 2012
Net income (loss) per unit:		
Basic net income (loss) per unit	1,720 yen	(48,856) yen
Weighted average number of units outstanding	527,696 units	1,755 units
	As of February 28, 2013	As of June 30, 2012
Net assets per unit	58,945 yen	35,705 yen

Basic net income (loss) per unit is based on the weighted average number of units issued and outstanding during the period. GLP J-REIT executed an 8-for-1 unit split on October 31, 2012. Net assets per unit and net income (loss) per unit are calculated based on the assumption that the unit split was executed on September 16, 2011.

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

13. Transactions with Related Parties

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

(For the period ended February 28, 2013)

None

(For the period ended June 30, 2012)

Classification	Name of the company	Location	Stated capital (Thousands of yen)	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousands of yen)	Account title	Balance at the end of the period (Thousands of yen)
Parent	GLP Capital GK	Minato-ku, Tokyo	1,000	Holding company	100.0%	Issuance of units through allocation to a third party (Note 1)	90,000	—	—

Notes:

*1 Issue price per unit was 500,000 yen.

*2 Consumption taxes are not included in the transaction amounts but included in the related balance at the end of the period.

2) Transactions and account balances with affiliates

(For the period ended February 28, 2013)

None

(For the period ended June 30, 2012)

None

3) Transactions and account balances with companies under common control

(For the period ended February 28, 2013)

None

(For the period ended June 30, 2012)

Classification	Name of the company	Location	Stated capital (Thousands of yen)	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousands of yen)	Account title	Balance at the end of the period (Thousands of yen)
Subsidiary of the same parent company	GLP Japan Advisors Inc.	Minato-ku, Tokyo	100,000	Investment management	—	Fees for establishment of GLP J-REIT (Note 1)	50,000	—	—
Subsidiary of the same parent company	Global Logistics Properties Inc.	Minato-ku, Tokyo	100,000	Investment advisory/agency	—	Issuance of units at establishment through a private placement (Note 2)	100,000	—	—
						Issuance of units through allocation to a third party (Note 3)	10,000	—	—

Notes:

*1 Transaction was determined based on market conditions at the time of issuance.

*2 Issue price per unit was 500,000 yen.

*3 Issue price per unit was 500,000 yen.

*4 Consumption taxes are not included in the transaction amounts but included in the related balance at the end of the period.

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

(For the period ended February 28, 2013)

Classification	Name	Location	Stated capital (Thousands of yen)	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousands of yen)	Account title	Balance at the end of the period (Thousands of yen)
Director and his/her relatives	Masato Miki	—	—	Executive Director of GLP J-REIT and President & CEO of GLP Japan Advisors Inc.	Direct 0.0%	Payment of asset management fees to GLP Japan Advisors Inc.	209,385	Accounts payable	219,854

Notes:

*1 Masato Miki executed the transaction as a Representative of a third-party company, GLP Japan Advisors Inc. The fee was determined in accordance with the rules prescribed in the Articles of Incorporation of GLP J-REIT.

*2 Consumption taxes are not included in the transaction amount but included in the related balance at the end of the period.

*3 Percentage (%) of voting rights is rounded down to the first decimal place.

(For the period ended June 30, 2012)

None

14. Segment and Related Information

Segment Information

1) Overview of reportable segments

GLP J-REIT defined reportable segments as a component of GLP J-REIT for which separate financial information is available and whose operating results are regularly evaluated by the Board of Directors to make decisions about how resources are allocated among the portfolios and assess their performance.

As a general rule of GLP J-REIT, a property with multiple tenants is defined as a “Multi-tenant Property”, whereas a build-to-suit (“BTS”) property developed for a single tenant or a property with a single tenant is defined as a “BTS Property.” When a property has no common space, it is classified as a BTS Property even if it might have multiple tenants.

Since GLP J-REIT’s portfolio consists of Multi-tenant Properties and BTS Properties, it identifies two reportable segments: “Multi-tenant rental business” and “BTS rental business.”

As of February 28, 2013, GLP J-REIT’s properties were classified into each segment as follows:

Multi-tenant Property:	GLP Tokyo, GLP Sugito II, GLP Koshigaya II, GLP Misato II, GLP Amagasaki and GLP Koriyama III
BTS Property:	GLP Higashi-Ogishima, GLP Akishima, GLP Tomisato, GLP Narashino II, GLP Funabashi, GLP Kazo, GLP Fukaya, GLP Iwatsuki, GLP Kasukabe, GLP Tatsumi, GLP Hirakata, GLP Hirakata II, GLP Maishima II, GLP Tsumori, GLP Rokko, GLP Amagasaki II, GLP Nara, GLP Sakai, GLP Morioka, GLP Tomiya, GLP Koriyama I, GLP Tokai, GLP Hayashima, GLP Hayashima II, GLP Kiyama, GLP Tosu III and GLP Sendai

GLP J-REIT did not have any properties or revenue as of and for the period ended June 30, 2012.

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

The accounting policies of each reportable segment are consistent to those disclosed in Note 2, “Summary of Significant Accounting Policies.” Segment income is measured on the basis of operating income.

3) Information about segment income, segment assets and other items for the period ended February 28, 2013 is as described in the following table. Information for the period ended June 30, 2012 is omitted since GLP J-REIT did not have any operating segments during the period.

	<i>Thousands of yen</i>			
	Multi-tenant rental business	BTS rental business	Adjustments (*2)	Amount on financial statements
Operating revenues (*1)	¥ 962,286	¥ 1,274,670	¥ —	¥ 2,236,957
Segment income	654,790	916,576	(243,236)	1,328,129
Segment assets	94,568,743	129,959,203	6,825,706	231,353,652
Other items:				
Depreciation	192,431	322,570	—	515,002
Increase in property and equipment	¥93,750,840	¥129,188,428	¥ —	¥222,939,268

Notes:

*1 Operating revenues are exclusively earned from external parties.

*2 Adjustments to segment income of 243,236 thousand yen include corporate expenses of 243,236 thousand yen that were not allocated to each reportable segment. Corporate expenses represent mainly asset

management fee, asset custody fee, administrative service fees, directors' remuneration and other expenses. Adjustments to segment assets in the amount of 6,825,706 thousand yen include current assets of 5,648,912 thousand yen, investments and other assets of 881,156 thousand yen, and deferred assets of 295,637 thousand yen.

Related Information

(For the period ended February 28, 2013)

1) Revenue information by product and service

The reportable segments of GLP J-REIT consist of business segments defined by product and service. The information has been disclosed as a part of above segment information.

2) Information by geographic area

(a) Operating revenues

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

(b) Property and equipment

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

3) Information on major tenants

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

Name of customer	Operating revenues	Relevant segment
Hitachi Transport System, Ltd.	277,420 thousand yen	BTS rental business

(For the period ended June 30, 2012)

1) Revenue information by product and service

Disclosure of this information has been omitted as GLP J-REIT did not recognize any revenue.

2) Information by geographic area

(a) Operating revenues

Disclosure of this information has been omitted as GLP J-REIT did not recognize any revenue.

(b) Property and equipment

Disclosure of this information has been omitted as all property and equipment were located in Japan.

3) Information on major tenants

Disclosure of this information has been omitted as GLP J-REIT did not recognize any revenue.

15. Subsequent Events

None