

Asset Management Report


Feb 2018 Fiscal Period



<Notice>

We invite you to view the webcast by President Yoji Tatsumi of GLP Japan Advisors Inc. (the asset manager) on the results for the February 2018 fiscal period.

Presentation of results for the fiscal period ended February 2018, hosted by GLP J-REIT

Date and time	7 p.m. to 8 p.m., May 31 (Thu), 2018 (Tokyo time)	QR code 
Presenter	Yoji Tatsumi, President, GLP Japan Advisors Inc.	
How to participate	Please access from the QR code on the right or the "Seminar" page of the top menu of the website of SBI Securities Co., Ltd. (https://www.sbisec.co.jp/).	

* The above-mentioned program will be broadcast in Japanese only.



12th Fiscal Period

(from September 1, 2017 to February 28, 2018)

GLP J-REIT

1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-7134, Japan <http://www.glpjreit.com/english/>

Dividend per unit (Feb 2018 actual)

2,540 yen

(including an optimal payable distribution of 301 yen)

Dividend per unit (Aug 2018 forecast)

2,583 yen

(including an optimal payable distribution of 300 yen)

Total assets (as of Mar 1, 2018)

524.6 bn yen

(Note) Based on acquisition price

Occupancy (as of Feb 28, 2018)

99.9%

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To Our Unitholders

On behalf of GLP J-REIT, I am pleased to present the financial results of the 12th fiscal period ended February 2018.

In terms of operation, GLP J-REIT robustly operated its properties and provided services carefully tailored to meet tenant needs, endeavoring to actively revise rents upward against a backdrop of high demand for modern logistics facilities. As a result, GLP J-REIT maintained or increased rent for all rent contracts that were renewed during the 12th fiscal period for the 11th consecutive period since its listing, while maintaining an average occupancy of as high as 99% or more.

In terms of acquisition and sale of properties during the 12th period, as we informed in the previous asset management report, GLP J-REIT acquired GLP Noda-Yoshiharu, a property in OTA (Note 1) on September 1, 2017, the beginning of the period, thereby replacing assets to improve the quality of the portfolio.

In terms of finance, we re-financed existing bank loans of 24.3 billion yen in January 2018 and 5.5 billion yen in February 2018 while maintaining basically the same loan durations in a favorable interest environment, thereby achieving a substantial reduction in loan interest. GLP J-REIT's average borrowing rate thus improved from 0.81% at the end of the fiscal period ended August 2017 to 0.69% at the end of the fiscal period ended February 2018, helping boost the dividends paid out to unitholders.

As a result, the 12th period ended with operating revenues of 14,181 million yen, ordinary income of 6,388 million yen, and net income of 6,387 million yen. Reflecting the above performance, the total dividend is 2,540 yen per unit, comprising a dividend of 2,239 yen per unit and an optimal payable distribution per unit of 301 yen. This figure is generally on par with the preceding period, as the end of the temporary upturn in dividends stemming from the proceeds of real estate sales in the 11th period being offset against higher rents and other internal growth, greater revenues through newly acquired properties, reduced interest costs, etc. GLP J-REIT's assets at the end of the 12th fiscal period expanded to 442.5 billion yen (Note 2).

In addition, GLP J-REIT raised about 58,178 million yen in funding in March 2018 (the 12th fiscal period ending August 2018) via its fifth public offering since its listing, and used this funding together with new borrowing to acquire six new properties (including four properties that newly became properties in OTA (Note 1) in August 2017) worth 82.0 billion yen from its sponsor GLP Group (Note 3). This brought GLP J-REIT's post-acquisition portfolio to 68 properties valued at 524.6 billion yen (Note 2), representing an asset growth of 151% since listing and constituting one of the highest asset levels for a logistics REIT (Note 4). Revenues from property leasing business are expected to rise as a consequence of having acquired these properties, with operating revenues for the 13th period expected to be 16,736 million yen and the dividend per unit 2,583 yen.

Adjusted DPU (stabilized DPU after adjustment) following the aforementioned public offering and property acquisitions grew 38.0% since its listing, while NAV (Net Asset Value) per unit increased 79.3% from the end of the second fiscal period shortly after listing. GLP J-REIT has thus enhanced our unitholders' value, which is our primary goal.

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

I thank you for your ongoing support.



Yoji Tatsumi

Executive Director, GLP J-REIT

President and CFO, GLP Japan Advisors Inc.

(Note 1) OTA (Optimal Takeout Arrangement) is a bridge financing scheme that enables GLP J-REIT to secure an upper limit on the acquisition price of assets to be acquired by GLP J-REIT by having a third party temporarily own the asset, which GLP J-REIT then acquires with designated timing within the scheduled acquisition period. A "property in OTA" refers to the property which GLP J-REIT plans to acquire through the OTA scheme.

(Note 2) Based on acquisition price.

(Note 3) GLP Pte. Ltd. (hereinafter, "GLP"), the parent company of GLP J-REIT's sponsor, and its Group companies will be hereinafter collectively termed "the GLP Group."

(Note 4) For the purposes of this report, "logistics REIT" refers to an investment corporation listed in Japan for which logistics facilities comprise 95% or more of its holdings in terms of acquisition price and, as of the date of this report, this appellation applies to Japan Logistics Fund, Inc., Nippon Prologis REIT, Inc., LaSalle LOGIPORT REIT, Mitsui Fudosan Logistics Park Inc., Mitsubishi Estate Logistics REIT Investment Corporation, CRE Logistics REIT, and GLP J-REIT; the same applies hereinafter.



Toraki Inoue Yoji Tatsumi **Kota Yamaguchi**
Supervisory Director Executive Director Supervisory Director
GLP J-REIT

Overview of GLP

Investment in Modern Logistics Facilities

1 Top-tier asset size (Note 1)
among logistics J-REITs **524.6** bn yen

2 Industry-leading sponsor
Largest logistics AUM in Japan

3 Largest sponsor pipeline (Note 2)
among logistics J-REITs **3.5** mm sqm
(43 properties)

4 Robust internal growth
Occupancy rate at end of most recent period (Note 3) **99.9%**
Most recent rent increase **3.8%**

5 Financial Soundness
JCR credit rating **AA**
(Stable)

(Note 1) "Asset size" is based on the acquisition price as of March 1, 2018.

(Note 2) "Sponsor pipeline" is the gross floor area (gross floor area on the inspection certificate) as of December 31, 2017.

(Note 3) The "occupancy rate at end of most recent period" is a weighted average (weighted by leasable area) of the portfolio occupancy rates for the end of each month since listing through February 2018, rounded to the first decimal place.

Investment Target

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

Large scale

Gross floor area:
10,000 sqm or more

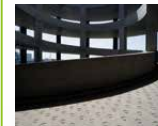
High
functionality

(For more than 50% of the gross floor area)
Floor-to-ceiling height: 5.5 meters or more
Floor load tolerance: 1.5 tons/sqm or more

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

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

Double Rampways



Speedy access to every floor

Solar Panels



Environmentally friendly facility

Drive Way



Accommodation of heavy traffic of trucks with 14 m width drive way

Warehouse Space



Efficient operation with a 5.5 m ceiling height and 10 m-wide column span

Track Berths



Large loading space with roof

Seismic Isolator System



Secure safety for workers and goods

Cafeteria



Amenities for 1,500 current on-site workers

Office



Entrance



Security System



24-hour security

Investment Areas

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

Investment percentage by location (based on acquisition price)

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

Enhancement of Unitholders' Value

With solid support from its sponsor, GLP J-REIT carried out its fifth public offering in March 2018, the largest among J-REITs in FY2017, and newly acquired six quality logistics facilities as well as the rooftop solar energy equipment installed in 13 existing facilities.

Overview of Acquired Assets

Acquisition price	82.0 bn yen	NOI yield (Note 1)	5.1 % (forecast) 4.8 % (appraisal)	WALE (Note 2)	5.9 years	Occupancy (Note 3)	92.0 %	Occupancy (contract basis)	97.8 %
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RoFL Properties (Note 4)

GLP Maishima I

GLP Dev't. (Notes)



Acq. price ¥19,390 mm/NOI yield (Note 1) **4.6** % (appraisal) **4.6** % (forecast)

GLP Misato

GLP Dev't. (Notes)



Acq. price ¥16,939 mm/NOI yield (Note 1) **4.4** % (appraisal) **4.4** % (forecast)

GLP Funabashi II

Acquisition (Notes)



Acq. price ¥7,789 mm/NOI yield (Note 1) **4.7** % (appraisal) **4.5** % (forecast)

GLP Urayasu

GLP Dev't. (Notes)



Acq. price ¥7,440 mm/NOI yield (Note 1) **4.4** % (appraisal) **4.1** % (forecast)

GLP JV Fund Properties

GLP Okayama Soja I

GLP Dev't. (Notes)



Acq. price ¥12,800 mm/NOI yield (Note 1) **5.3** % (appraisal) **5.2** % (forecast)

GLP Okayama Soja II

GLP Dev't. (Notes)



Acq. price ¥12,700 mm/NOI yield (Note 1) **5.4** % (appraisal) **4.8** % (forecast)

13 solar panel installations (in assets already acquired)



Acq. price ¥4,990 mm/NOI yield (Note 1) **5.0** % (appraisal) **13.0** % (forecast)/(Ref.) DCF yield (Note 1) **10.5** %

Acquisition Channel Ratio (Acquisition price basis)



(Note 1) Appraisal NOI yield (bottom and left side) is calculated as appraisal NOI divided by acquisition price (avg. appraisal NOI yield is the weighted average ratio on an acquisition price basis). Adjusted forecast NOI yield (top and right side) is calculated as adjusted forecast NOI divided by acquisition price (avg. expected NOI yield is the weighted average ratio on an acquisition price basis). "DCF yield" is the weighted average, on an acquisition price basis, of the ratio of first fiscal year net operating income (NOI) to acquisition price, wherein NOI for the first fiscal year is determined through evaluation using the discounted cash flow (DCF) method based on survey reports for each solar panel installation (first fiscal year NOI is the difference between the DCF method, of each property installed with solar panels after additional acquisition of solar panels, and (b) first fiscal year NOI, evaluated using the DCF method, of each property not installed with solar panels before additional acquisition of solar panels). DCF yield is rounded to the first decimal place.

(Note 2) WALE is the weighted average of remaining lease periods on a leased area basis as of December 31, 2017, based on leases existing as of the same date for assets other than solar panel installations.

	Before acquisition	After acquisition
No. of properties	62 properties	68 properties
Acquisition price	442.5 bn yen	524.6 bn yen
NOI yield (appraisal) (Note 1)	5.5%	5.4%
NOI yield (forecast) (Note 1)	5.4%	5.4%
WALE (Note 2)	4.4 years	4.6 years
Occupancy	99.9%	99.0%

(Note 3) Occupancy is the proportion of the area leased to tenants as of December 31, 2017 to total leasable area excluding that for solar panel installations as of the same date; occupancy (contract basis) is either the total area leased to tenants as of December 31, 2017 or the area to be leased to tenants as set out in lease contracts to total leasable area.

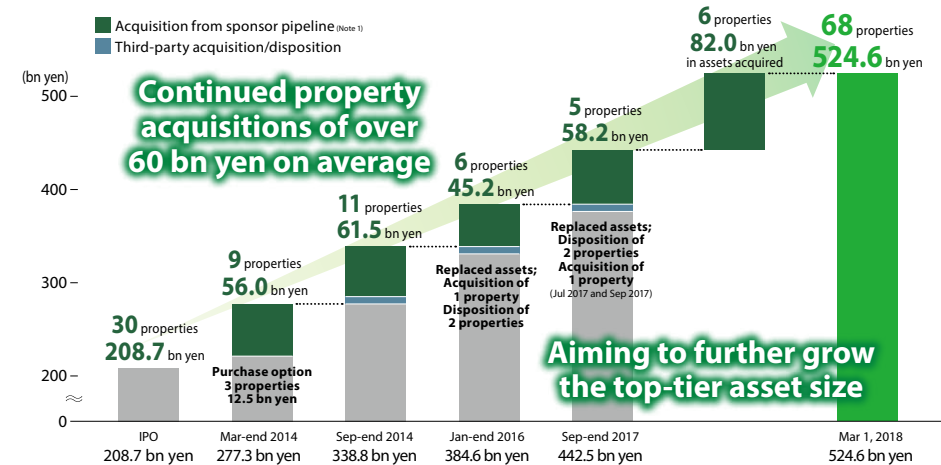
(Note 4) GLP Maishima, GLP Misato, GLP Funabashi II and GLP Urayasu are marked "RoFL" as GLP J-REIT acquired these properties by executing sales agreements for these properties at the same time that the sellers with RoFL acquired these properties.

(Note 5) Properties marked "GLP Dev't" are those developed by GLP Group (incl. those developed by development funds), and properties marked "Acquisition" are those acquired from third parties.

Enhancement of Unitholders' Value

The acquisition of properties in March 2018 successfully brought GLD J-REIT's assets to 524.6 billion yen, further expanding the asset size of what was already one of the largest logistics J-REITs. DPU and NAV both grew, leading again to a premium capital increase that produced greater unitholders' value.

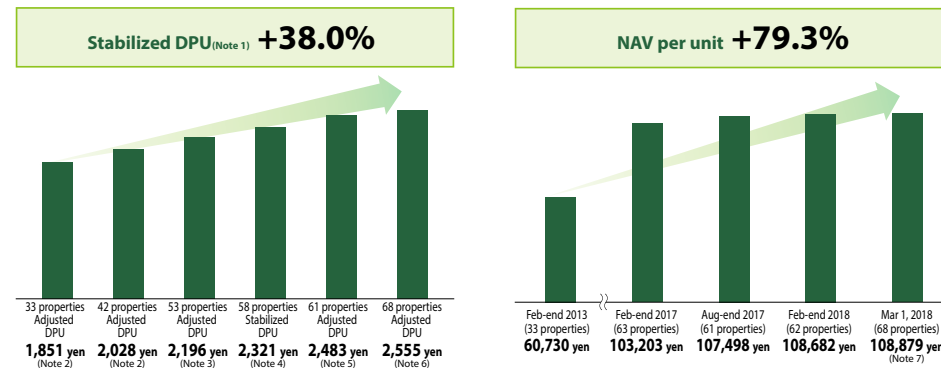
Steady Expansion of the Portfolio



(Note 1) Acquisition from sponsor pipeline means the acquisition from RoFL or GLP fund properties.

(Note 2) All prices are based on acquisition price. Acquisition price includes 4.9 bn yen for 13 solar panels installed on our current properties.

Track Record Since Listing



(Note 1) Includes OPD.

(Note 2) Adjusted DPU described in "Amendment of Forecast for the Fiscal Period Ending February 28, 2014 and Announcement of Forecast for the Fiscal Period Ending August 31, 2014" dated September 3, 2013.

(Note 3) Adjusted DPU described in "Announcement of Amendment of Forecast Concerning Operating Status and Distribution for the Fiscal Period Ending February 29, 2016 and Forecast for the Fiscal Period Ending August 31, 2016" dated August 10, 2015.

(Note 4) Actual DPU for the Aug 2016 fiscal period described in "Summary of Financial Results (REIT) for the 9th Fiscal Period Ended August 31, 2016" dated October 13, 2016.

(Note 5) Actual DPU for the Aug 2017 fiscal period described in "Summary of Financial Results (REIT) for the 11th Fiscal Period Ended August 31, 2017" dated October 13, 2017 excluding the Asset Disposal Effect.

(Note 6) Adjusted DPU described in "Announcement of Amendment of Forecast Concerning Operating Status and Distribution for the Fiscal Period Ending February 28, 2019" dated February 5, 2018.

(Note 7) Estimation based on results as of the end of February 2018 plus the addition of the unrealized gain of 6 properties and 13 solar panel installations acquired on March 1, 2018, and also PO/third party allocation of shares conducted in March 2018.

Financial Highlights

Financials

Feb 2018
(from September 1, 2017
to February 28, 2018)

Aug 2018 (forecast)
(from March 1, 2018
to August 31, 2018)

Operating revenue (mm yen)	14,181	16,736
Operating income (mm yen)	7,463	8,945
Ordinary income (mm yen)	6,388	7,770
Net income (mm yen)	6,387	7,770
No. of properties at fiscal end	62	68

Dividend per Unit

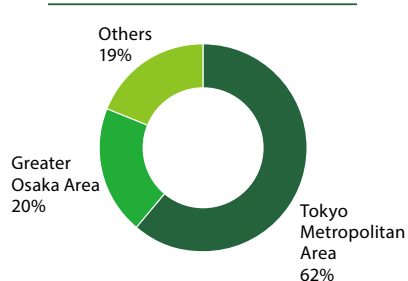
Feb 2018
(from September 1, 2017
to February 28, 2018)

Aug 2018 (forecast)
(from March 1, 2018
to August 31, 2018)

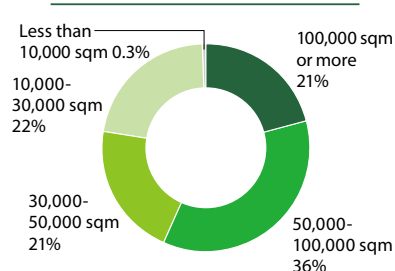
Dividend per unit (total) (yen)	2,540	2,583
Dividend per unit (excl. OPD) (yen)	2,239	2,283
Optimal payable distribution per unit (yen)	301	300

Portfolio Data (Note 1)

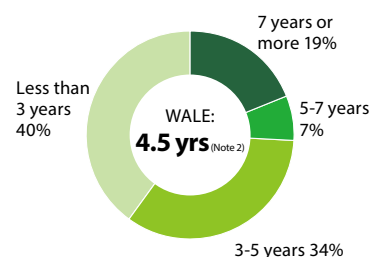
Location



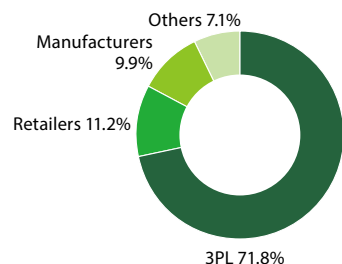
Building scale



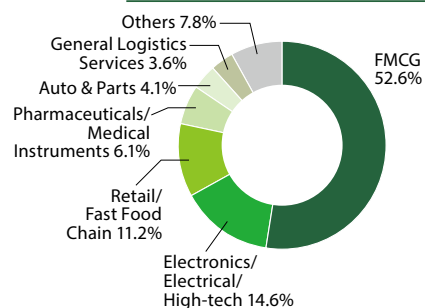
Lease expiry



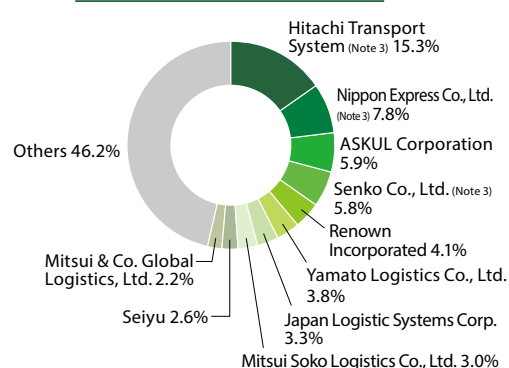
Tenant industry



End-user industry



Top 10 tenants



(Note 1) The above data is as of March 1, 2018 (based on 68 properties). Data for location and building scale is based on acquisition price. Other data is based on leased area excluding vacant area.

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

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

Sustainability Practices

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

GLP Group's CSR Activities

Japan	Overseas (China)
Work experience programs Provides working experience such as in warehouse-related work to primary/middle school children in cooperation with Patagonia (Japan branch) and Nippon Logistech Corporation	Founded GLP Hope Schools and provided educational opportunities to around 10,000 students Since its inception in 2006, GLP has funded 14 schools benefitting approx. 10,000 students
Sports events children for foster homes Hosted bubble soccer events for children in foster homes	Delivering picture books to children in developing countries Delivered Japanese picture books with translation stickers to children in developing countries

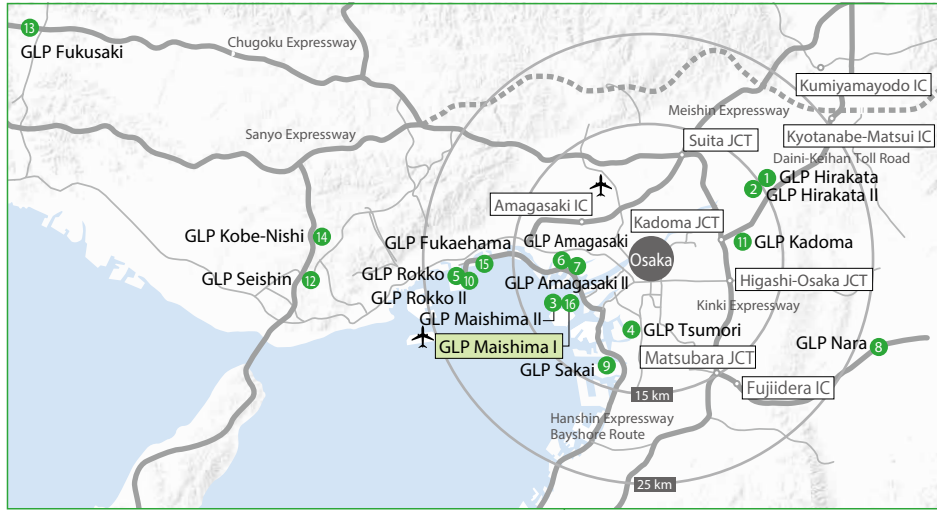
Initiatives Taken by GLP J-REIT at Its Facilities

Environmental-friendly buildings	Promote reduction of environmental impact	Safety measures	Amenities for tenants	Service to the surrounding environment/community
 Solar panels	 Energy-saving guidebook	 Seismic isolation structure	 Cafeterias	 Planting trees
 LED lighting	 Trash separation	 24-hour security	 Universal design washrooms	 Photocatalyst pavement

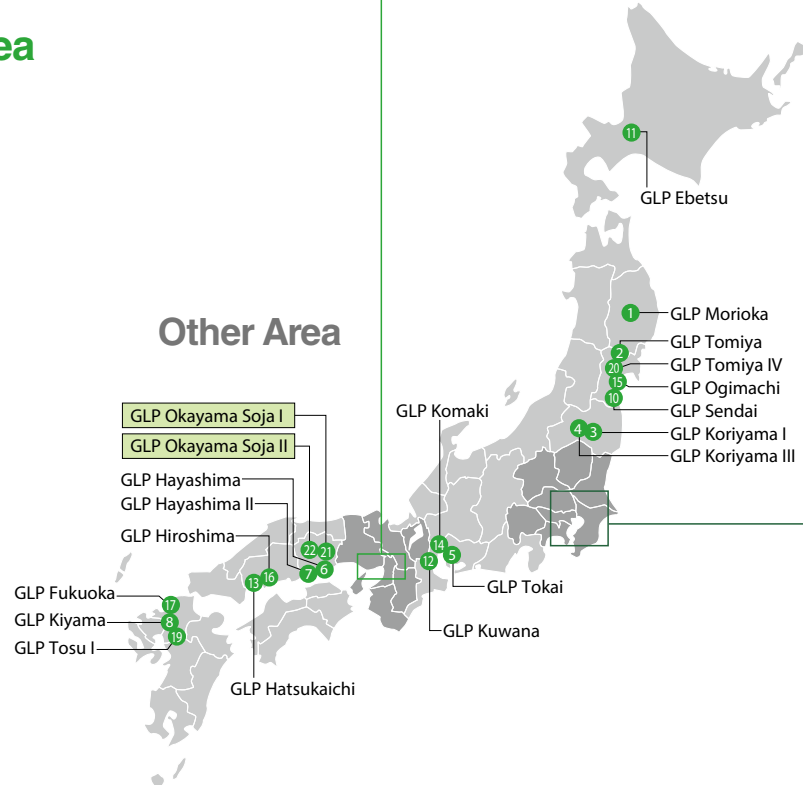
Properties that Have Received Sustainability or Environmental Certificates

►GRESB Real Estate Assessment	►CASBEE
GLP J-REIT achieved a "Green Star" rating in the 2017 Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment for 3 consecutive years, and a "Four Star" rating for 2 consecutive years.	GLP J-REIT achieved S ratings and A ratings for 8 and 2 of its properties, respectively (February 2018).
►DBJ Green Building Certification Five stars : GLP Tokyo II, GLP Amagasaki, GLP Tokyo, GL Misato II Four stars : GLP Sugito II, GLP Maishima II, GLP Komaki, GLP Sendai, GLP Koriyama III	S rating : GLP Koshigaya II, GLP Sodegaura, GLP Urayasu III, GLP Sugito, GLP/MFLP Ichikawa Shiohama, GLP Yoshimi, GLP Kobe-Nishi, GLP Tosu I A rating : GLP Kazo, GLP Hamura
►BELS Assessment Certification level ★★★★★ : GLP Kobe-Nishi, GLP Atsugi II, GLP Yoshimi Certification level ★★★★★ : GLP Iwatsuki, GLP Koriyama I, GLP Misato II, GLP Sugito, GLP Tosu I Certification level ★★★★★ : GLP Komaki, GLP Tokyo II	 GLP Koshigaya II GLP Kazo

Portfolio Map



Greater Osaka Area



Tokyo Metropolitan Area



- : Properties owned by GLP J-REIT (62 properties)
- : Properties acquired on March 1, 2018 (6 properties)

Overview of Portfolio in Tokyo Metropolitan Area



1 GLP Tokyo Ota, Tokyo



21 GLP Tokyo II Koto, Tokyo



2 GLP Higashi-Ogishima Kawasaki, Kanagawa



3 GLP Akishima Akishima, Tokyo



4 GLP Tomisato Tomisato, Chiba



5 GLP Narashino II Narashino, Chiba



26 GLP Sugito Kita-Katsushika, Saitama



9 GLP Sugito II Kita-katsushika, Saitama

Overview of Portfolio in Tokyo Metropolitan Area



10 GLP Iwatsuki Saitama, Saitama



6 GLP Funabashi Funabashi, Chiba



33 GLP Funabashi II Funabashi, Chiba

Acquired as of
March 1, 2018



7 GLP Kazo Kazo, Saitama



11 GLP Kasukabe Kasukabe, Saitama



16 GLP Funabashi III Funabashi, Chiba



17 GLP Sodegaura Sodegaura, Chiba



12 GLP Koshigaya II Koshigaya, Saitama



23 GLP Shinkiba Koto, Tokyo

Overview of Portfolio in Tokyo Metropolitan Area



Acquired as of
March 1, 2018

34 GLP Misato Misato, Saitama



13 GLP Misato II Misato, Saitama



8 GLP Fukaya Fukaya, Saitama



14 GLP Tatsumi Koto, Tokyo



19 GLP Tatsumi Ila Koto, Tokyo



15 GLP Hamura Hamura, Tokyo



22 GLP Okegawa Okegawa, Saitama



30 GLP Yoshimi Hiki, Saitama



24 GLP Narashino Narashino, Chiba



29 GLP Atsugi II Aiko, Kanagawa

Overview of Portfolio in Tokyo Metropolitan Area



28 GLP-MFLP Ichikawa Shiohama Ichikawa, Chiba



Acquired as of
March 1, 2018

32 GLP Urayasu Urayasu, Chiba



18 GLP Urayasu III Urayasu, Chiba



31 GLP Noda-Yoshiharu Noda, Chiba



27 GLP Matsudo Matsudo, Chiba

Overview of Portfolio in Greater Osaka Area



1 GLP Hirakata Hirakata, Osaka



2 GLP Hirakata II Hirakata, Osaka

Acquired as of
March 1, 2018



16 GLP Maishima I Osaka, Osaka



3 GLP Maishima II Osaka, Osaka

Overview of Portfolio in Greater **Osaka** Area



6 GLP Amagasaki Amagasaki, Hyogo



15 GLP Fukaehama Kobe, Hyogo



7 GLP Amagasaki II Amagasaki, Hyogo



4 GLP Tsumori Osaka, Osaka



8 GLP Nara Yamato koriyama, Nara



5 GLP Rokko Kobe, Hyogo



12 GLP Seishin Kobe, Hyogo



9 GLP Sakai Sakai, Osaka



14 GLP Kobe-Nishi Kobe, Hyogo



10 GLP Rokko II Kobe, Hyogo



13 GLP Fukusaki Kanzaki, Hyogo



11 GLP Kadoma Kadoma, Osaka

Overview of Portfolio in Other Area



① GLP Morioka Shiwa, Iwate



③ GLP Koriyama I Koriyama, Fukushima



④ GLP Koriyama III Koriyama, Fukushima



② GLP Tomiya Tomiya, Miyagi



⑬ GLP Hatsukaichi Hatsukaichi, Hiroshima



⑭ GLP Fukuoka Fukuoka, Fukuoka



⑤ GLP Tokai Tokai, Aichi



⑧ GLP Kiyama Miyaki, Saga



⑳ GLP Tomiya IV Tomiya, Miyagi



⑭ GLP Komaki Komaki, Aichi

Overview of Portfolio in Other Area



10 GLP Sendai Sendai, Miyagi



19 GLP Tosu I Tosu, Saga



6 GLP Hayashima Tsukubo, Okayama



11 GLP Ebetsu Ebetsu, Hokkaido



12 GLP Kuwana Kuwana, Mie



13 GLP Ogimachi Sendai, Miyagi



7 GLP Hayashima II Tsukubo, Okayama



21 GLP Okayama Soja I Soja, Okayama

22 GLP Okayama Soja II Soja, Okayama



16 GLP Hiroshima Hiroshima, Hiroshima

ASSET MANAGEMENT REPORT

[Overview of Asset Management]

1. Trends in Key Indicators

		8th Period	9th Period	10th Period	11th Period	12th Period
		Sept. 1, 2015 to Feb. 29, 2016	Mar. 1, 2016 to Aug. 31, 2016	Sept. 1, 2016 to Feb. 28, 2017	Mar. 1, 2017 to Aug. 31, 2017	Sept. 1, 2017 to Feb. 28, 2018
Operating revenues	Million yen	12,332	12,278	14,065	14,505	14,181
Of which, Property-related revenues	Million yen	12,252	12,278	14,065	14,181	14,181
Operating expenses	Million yen	5,821	5,949	6,593	6,811	6,718
Of which, Property-related expenses	Million yen	4,474	4,605	5,067	5,187	5,125
Operating income	Million yen	6,510	6,328	7,471	7,694	7,463
Ordinary income	Million yen	5,360	5,252	6,298	6,391	6,388
Net income	Million yen	5,360	5,250	6,297	6,390	6,387
Total assets	Million yen	390,197	387,848	446,849	442,537	441,944
[Period-on-period changes]	%	[10.5]	[(0.6)]	[15.2]	[(1.0)]	[(0.1)]
Total net assets	Million yen	187,382	186,494	216,693	215,920	215,055
[Period-on-period changes]	%	[13.6]	[(0.5)]	[16.2]	[(0.4)]	[(0.4)]
Unitholders' capital, net (Note 3)	Million yen	182,020	181,242	210,393	209,526	208,665
Number of investment units issued and outstanding	Unit	2,593,784	2,593,784	2,853,078	2,853,078	2,853,078
Net assets per unit	Yen	72,243	71,900	75,950	75,679	75,376
Distributions	Million yen	6,139	6,020	7,164	7,252	7,246
Of which, Distributions of earnings	Million yen	5,361	5,249	6,296	6,390	6,388
Of which, Distributions in excess of retained earnings	Million yen	778	770	867	861	858
Distributions per unit	Yen	2,367	2,321	2,511	2,542	2,540
Of which, Distributions of earnings per unit	Yen	2,067	2,024	2,207	2,240	2,239
Of which, Distributions in excess of retained earnings per unit	Yen	300	297	304	302	301
Ordinary income to total assets (Note 4)	%	1.4	1.4	1.5	1.4	1.4
[Annualized ordinary income to total assets]	%	[2.9]	[2.7]	[3.0]	[2.9]	[2.9]
Return on unitholders' equity (Note 4)	%	3.0	2.8	3.1	3.0	3.0
[Annualized return on unitholders' equity]	%	[6.1]	[5.6]	[6.3]	[5.9]	[6.0]
Unitholders' equity to total assets (Note 4)	%	48.0	48.1	48.5	48.8	48.7
[Period-on-period changes]	%	[1.3]	[0.1]	[0.4]	[0.3]	[(0.1)]
Payout ratio (Note 4)	%	100.0	100.0	99.9	100.0	100.0
【Other Information】						
Number of operating days		182	184	181	184	181
Number of investment properties		58	58	63	61	62
Occupancy ratio	%	99.1	99.2	99.8	99.9	99.9
Depreciation expenses	Million yen	2,601	2,572	2,898	2,875	2,864
Capital expenditures	Million yen	557	569	635	446	675
Rental NOI (Net Operating Income) (Note 4)	Million yen	10,379	10,245	11,896	11,869	11,920
FFO (Funds From Operation) (Note 4)	Million yen	7,882	7,823	9,195	8,941	9,252
FFO per unit (Note 4)	Yen	3,038	3,016	3,223	3,134	3,243
Total distributions / FFO ratio (Note 4)	%	77.9	76.9	77.9	81.1	78.3
Debt service coverage ratio (Note 4)		7.4	7.3	8.2	8.2	8.8
The ratio of interest bearing liabilities to total assets	%	49.0	48.7	48.7	48.0	48.4

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

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

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

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

Ordinary income to total assets	$\text{Ordinary income} / [(\text{Total assets at beginning of period} + \text{Total assets at end of period}) / 2] \times 100$
Return on unitholders’ equity	$\text{Net income} / [(\text{Net assets at beginning of period} + \text{Net assets at end of period}) / 2] \times 100$
Unitholders’ equity to total assets	$\text{Net assets at end of period} / \text{Total assets at end of period} \times 100$
Payout ratio	Distributions per unit (excluding OPD**) / Net income per unit x 100 (Any fraction is rounded down to the first decimal place.) For the 8th and 10th Periods, the following formula is used due to the issuance of new units during the period. $\text{Total distributions (excluding OPD**)} / \text{Net income} \times 100$
Rental NOI (Net Operating Income)	Property-related revenues – Property-related expenses + Depreciation expenses + Loss on disposal of property and equipment
FFO (Funds From Operation)	Net income + Depreciation expenses + Loss on disposal of property and equipment – Gain on sale of properties
FFO per unit	$\text{FFO} / \text{Number of investment units issued and outstanding}$
Total distributions / FFO ratio	$\text{Total distributions (including OPD**)} / \text{FFO} \times 100$
Debt service coverage ratio	$(\text{Net income} + \text{Interest expenses} + \text{Interest expenses on investment corporation bonds}) / (\text{Interest expenses} + \text{Interest expenses on investment corporation bonds})$

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

2. Performance Review for the 12th Period

(1) Brief Background of GLP J-REIT

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

Since starting its operation as a listed J-REIT with 30 properties (total acquisition price of 208,731 million yen) as at January 2013, GLP J-REIT has been steadily expanding its assets through continuous acquisition of properties. As of the end of the current fiscal period, GLP J-REIT owns 62 properties (total acquisition price of 442,594 million yen).

(2) Investment Environment and Business Performance

During the current fiscal period, consumer spending continues to recover moderately, supported by steady improvement of employment and personal income. Corporate profit has also been improving while capital investment remains strong and exports are on an upward trend backed by the growth of overseas economies, mainly in the U.S. Thus, the Japanese economy as a whole is recovering at a moderate pace.

In the real estate investment market, investors including J-REIT remain active in acquiring properties within a continuously favorable financing environment. As shown in the recent initial listings by several logistics REITs, the competition to acquire properties remains intense due to an increase of new investors; thus, the market capitalization rate remains on a moderately downward trend.

In the logistics facilities leasing market, in addition to the new expansion of internet shopping and the business expansion of third party logistics (3PL), the importance of employment and customers’ growing needs for value-added services including security have led to greater demand for modern logistics facilities with such functions. In this market environment, the vacancy rate temporarily increased due to the fact that supply slightly exceeded demand in certain areas where the new supply of logistics facilities is concentrated. On the other hand, the vacancy rate of properties held by logistics REITs or logistics properties built more than one year ago remains low. Thus, it is deemed that the supply-demand balance of current logistics properties continues to be stable due to the record-high levels of demand for logistics properties.

Under these conditions, GLP J-REIT acquired GLP Noda-Yoshiharu, the OTA Asset (Note 1), for which the purchase contract was entered on July 14, 2015 with the effective date of September 1, 2017, using cash on hand and proceeds from bank loans.

In addition, at the Board of Directors’ Meeting held on February 5, 2018, GLP J-REIT decided to issue new investment units through the 5th public offering (“the public offering”) and to purchase six logistics properties and 13 solar panels installed at 13 of GLP J-REIT’s current properties (total acquisition price of 82 billion yen) using funds from the public offering and new borrowings. Thus, GLP J-REIT proceeded the strategic plan for further expansion of asset size and improvement of stability and quality of its asset portfolio.

Regarding rental operations, while providing services to satisfy the needs of existing tenants, GLP J-REIT has actively made efforts to increase rents in an environment of steady demand for modern logistics facilities. Thus, all lease agreements, including

(i) lease agreements newly entered into on the day following the last day of the previous lease period or (ii) lease agreements modified for rent during lease periods (excluding automatic rent increases based on the provision of rent revisions), have been concluded with equal or higher rents for the 11 consecutive fiscal periods since GLP J-REIT's listing on the Tokyo Stock Exchange.

As a result of these operations, GLP J-REIT owns 62 properties with a total acquisition price of 442,594 million yen and total leasable area of 2,153,199.01 m² as of the end of the current fiscal period. The occupancy rate across the entire portfolio remained stable at the high level of 99.9% as of the end of the current fiscal period. Furthermore, the total appraisal value of the entire portfolio reached 528,628 million yen with an unrealized gain of 102,270 million yen and the unrealized gain ratio (Note 2) of 24.0 %.

(Note 1) Please refer to (Note 5) on page 41, "[Status on Investment Properties] 3. Summary of Portfolio Properties" for the Optimal Takeout Arrangement ("OTA").

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

(3) Overview of Financing

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

In the current fiscal period, GLP J-REIT newly borrowed 1,450 million yen to cover the acquisition price and related costs of "GLP Noda-Yoshiharu" (acquisition price: 4,496 million yen) which was acquired on September 1, 2017, as stated "(ii) Investment Environment and Business Performance" above. In addition, the existing borrowings of 24,300 million yen and 5,500 million yen, with repayment dates of January 4, 2018 and February 28, 2018, respectively, were refinanced by new borrowings of 24,300 million yen and 5,500 million yen. Thus, GLP J-REIT improved its profitability by decreasing the average interest rates while keeping the terms of maturities.

As a result of the above, outstanding interest-bearing liabilities as of the end of the current fiscal period totaled 213,890 million yen (outstanding loans 186,390 million yen, outstanding investment corporation bonds 27,500 million yen) and the ratio of interest-bearing liabilities to total assets (LTV) was 48.4 %.

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

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

(Note) It is the rating for the 1st to the 9th Unsecured Investment Corporation Bonds.

(4) Overview of Financial Results and Cash Distribution

As a result of these management efforts, GLP J-REIT reported total operating revenues of 14,181 million yen, operating

income of 7,463 million yen, ordinary income of 6,388 million yen and net income of 6,387 million yen for the current fiscal period.

As for cash distribution for the current fiscal period, in accordance with the distribution policy set forth in its Articles of Incorporation, GLP J-REIT decided to distribute 6,388,041,642 yen. This cash distribution is eligible for the special tax treatment on investment corporations (Section 67.15 of the Special Taxation Measures Act) and represents the multiple of the number of investment units issued and outstanding (2,853,078 units) from unappropriated retained earnings. Accordingly, distribution per unit for the current fiscal period was 2,239 yen.

In addition, GLP J-REIT intends to distribute funds in excess of the amount of retained earnings (OPD) for each fiscal period on a continuous basis, in accordance with the distribution policy set forth in the Articles of Incorporation (Note). Based on this, GLP J-REIT decided to distribute 858,776,478 yen, an amount almost equivalent to 30% of depreciation (2,864 million yen) for the current fiscal period, as a refund of investment categorized as a distribution from unitholders' capital for tax purposes. As a result, the amount of OPD per unit was 301 yen.

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 675 million yen of capital expenditure for the current fiscal period from 2,864 million yen of depreciation expenses for the period is 2,189 million yen.

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

With respect to all 62 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 492 million yen.

3. Changes in Number of Investment Units Issued and Outstanding

Changes in number of investment units issued and outstanding and net unitholders' capital for the last five years are as follows:

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Unitholders' capital, net (Note 1) (Million yen)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
May 22, 2013	Distributions in excess of retained earnings (a refund of investment)	—	1,837,700	(154)	107,347	(Note 2)
September 26, 2013	Public offering	249,955	2,087,655	22,179	129,527	(Note 3)
October 16, 2013	Issuance of new units through allocation to a third party	10,045	2,097,700	891	130,418	(Note 4)
November 19, 2013	Distributions in excess of retained earnings (a refund of investment)	—	2,097,700	(475)	129,942	(Note 5)
May 19, 2014	Distributions in excess of retained earnings (a refund of investment)	—	2,097,700	(526)	129,415	(Note 6)

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Unitholders' capital, net (Note 1) (Million yen)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
September 1, 2014	Public offering	281,709	2,379,409	30,973	160,389	(Note 7)
September 24, 2014	Issuance of new units through allocation to a third party	11,322	2,390,731	1,244	161,633	(Note 8)
November 19, 2014	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(593)	161,040	(Note 9)
May 19, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(698)	160,342	(Note 10)
September 1, 2015	Public offering	197,594	2,588,325	21,784	182,126	(Note 11)
September 25, 2015	Issuance of new units through allocation to a third party	5,459	2,593,784	601	182,728	(Note 12)
November 17, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(707)	182,020	(Note 13)
May 17, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(778)	181,242	(Note 14)
September 1, 2016	Public offering	247,507	2,841,291	28,561	209,804	(Note 15)
September 27, 2016	Issuance of new units through allocation to a third party	11,787	2,853,078	1,360	211,164	(Note 16)
November 16, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(770)	210,393	(Note 17)
May 16, 2017	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(867)	209,526	(Note 18)
November 14, 2017	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(861)	208,665	(Note 19)

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

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

(Note 3) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 88,735 yen or the offer price of 91,942 yen per unit.

(Note 4) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 88,735 yen.

(Note 5) At the Board of Directors’ Meeting held on October 16, 2013, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 259 yen per unit for the 3rd Fiscal Period (the period ended August 31, 2013). The payment of distributions was commenced on November 19, 2013.

(Note 6) At the Board of Directors’ Meeting held on April 15, 2014, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 251 yen per unit for the 4th Fiscal Period (the period ended February 28, 2014). The payment of distributions was commenced on May 19, 2014.

(Note 7) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 109,947 yen or the offer price of 113,827 yen per unit.

- (Note 8) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 109,947 yen.
- (Note 9) At the Board of Directors' Meeting held on October 15, 2014, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 283 yen per unit for the 5th Fiscal Period (the period ended August 31, 2014). The payment of distributions was commenced on November 19, 2014.
- (Note 10) At the Board of Directors' Meeting held on April 14, 2015, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 292 yen per unit for the 6th Fiscal Period (the period ended February 28, 2015). The payment of distributions was commenced on May 19, 2015.
- (Note 11) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 110,247 yen or the offer price of 114,174 yen per unit.
- (Note 12) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 110,247 yen.
- (Note 13) At the Board of Directors' Meeting held on October 14, 2015, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 296 yen per unit for the 7th Fiscal Period (the period ended August 31, 2015). The payment of distributions was commenced on November 17, 2015.
- (Note 14) At the Board of Directors' Meeting held on April 13, 2016, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 300 yen per unit for the 8th Fiscal Period (the period ended February 29, 2016). The payment of distributions was commenced on May 17, 2016.
- (Note 15) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 115,398 yen or the offer price of 119,357 yen per unit.
- (Note 16) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 115,398 yen.
- (Note 17) At the Board of Directors' Meeting held on October 13, 2016, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 297 yen per unit for the 9th Fiscal Period (the period ended August 31, 2016). The payment of distributions was commenced on November 16, 2016.
- (Note 18) At the Board of Directors' Meeting held on April 13, 2017, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 304 yen per unit for the 10th Fiscal Period (the period ended February 28, 2017). The payment of distributions was commenced on May 16, 2017.
- (Note 19) At the Board of Directors' Meeting held on October 13, 2017, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 302 yen per unit for the 11th Fiscal Period (the period ended August 31, 2017). The payment of distributions was commenced on November 14, 2017.

[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	8th Period	9th Period	10th Period	11th Period	12th Period
For the period ended	February 29, 2016	August 31, 2016	February 28, 2017	August 31, 2017	February 28, 2018
Highest	124,800	133,000	135,500	129,700	128,400
Lowest	103,300	120,500	122,500	114,700	111,500

4. Distributions

Actual amount of distributions is as follows:

(Unit: Thousand yen, unless otherwise stated)

	8th Period Sept. 1, 2015 to Feb. 29, 2016	9th Period Mar. 1, 2016 to Aug. 31, 2016	10th Period Sept. 1, 2016 to Feb. 28, 2017	11th Period Mar. 1, 2017 to Aug. 31, 2017	12th Period Sept. 1, 2017 to Feb. 28, 2018
Unappropriated retained earnings	5,362,512	5,251,989	6,299,307	6,393,445	6,390,448
Retained earnings carried forward	1,160	2,170	2,564	2,551	2,406
Total distributions	6,139,486	6,020,172	7,164,078	7,252,524	7,246,818
[Distributions per unit]	[2,367 yen]	[2,321 yen]	[2,511 yen]	[2,542 yen]	[2,540 yen]
Of which, distributions of earnings	5,361,351	5,249,818	6,296,743	6,390,894	6,388,041
[Distributions of earnings per unit]	[2,067 yen]	[2,024 yen]	[2,207 yen]	[2,240 yen]	[2,239 yen]
Of which, total refund of investments	778,135	770,353	867,335	861,629	858,776
[Total refund of investments per unit]	[300 yen]	[297 yen]	[304 yen]	[302 yen]	[301 yen]
Of total refund of investments, total distributions from reserve for temporary difference adjustments	—	—	—	—	—
[Of total refund of investments per unit, distributions from reserve for temporary difference adjustments per unit]	[— yen]	[— yen]	[— yen]	[— yen]	[— yen]
Of total refund of investments, total distributions from the unitholders' capital for tax purposes	778,135	770,353	867,335	861,629	858,776
[Of total refund of investments per unit, total distributions from the unitholders' capital for tax purposes per unit]	[300 yen]	[297 yen]	[304 yen]	[302 yen]	[301 yen]

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 675 million yen of capital expenditure for the current fiscal period from 2,864 million yen of depreciation expenses for the period is 2,189 million yen.

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

With respect to all 62 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 492 million yen.

5. Future Management Policy and Matters to be Addressed

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

- (1) In terms of its internal growth strategy, while enjoying the stable cash flows that characterize its portfolio of assets, GLP J-REIT will aim to keep high occupancy rate of facilities regardless the fluctuation of vacancy rate in the market as a whole, and negotiate for higher rents for lease agreements subject to renewal upon the expirations of lease periods with consideration of market rents. At the same time, GLP J-REIT will seek to enhance the value of existing assets through appropriate maintenance of such assets and capital expenditures.
- (2) With regard to its external growth strategy, GLP J-REIT will take advantage of 12 RoFL properties (floor area: approximately 630 thousand m²) (Note) held by GLP Group as a specific and flexible pipeline, and seek future opportunities to acquire some of the 31 properties (floor area: approximately 2,910 thousand m²) (the figures include properties under construction or planned for construction) (Note) held by itself or by a joint venture formed by GLP Group with a third party. Furthermore, GLP J-REIT will pursue further expansion of its portfolio by continuously collecting information about prospective properties and considering using the bridge approach through the OTA.
- (3) As to financial strategy, GLP J-REIT will examine such financing activities as extending debt maturities through refinancing, issuing investment corporate bonds and raising funds through public offerings of units, while closely monitoring the trends in the financing environment. By doing so, GLP J-REIT will work to achieve an optimal balance of financing methods and financing costs.

(Note) Figures as of December 31, 2017 are stated. (The figures exclude those of properties already sold.) For properties under construction or planned for construction as of December 31, 2017, figures are calculated based on planned floor area and the scheduled completion date of construction at that time.

6. Significant Subsequent Events

- (1) Issuance of new investment units

At the Board of Directors' Meetings held on February 5, 2018 and February 14, 2018, GLP J-REIT resolved to issue the following new investment units. The proceeds from new investment units through a public offering were fully collected on March 1, 2018 while the proceeds from new investment units through a third-party allocation were fully collected on March 20, 2018.

[Issuance of new investment units through a public offering]

Number of new investment units to be issued:	529,922 units (262,402 units for domestic market, 267,520 units for international market)
Issue price (offer price):	109,372 yen per unit
Total amount issued (total offering amount):	57,958,628,984 yen
Amount to be paid in (issue amount):	105,856 yen per unit
Total amount to be paid in (total issue amount):	56,095,423,232 yen
Payment date:	March 1, 2018
Initial date of distribution calculation:	March 1, 2018

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

Number of new investment units issued:	19,681 units
Amount to be paid in (issue amount):	105,856 yen per unit

Total amount to be paid in (total issue amount):	2,083,351,936 yen
Payment date:	March 20, 2018
Initial date of distribution calculation:	March 1, 2018
Underwriter:	Nomura Securities Co., Ltd.

[Purpose of funding]

The funds raised through the public offering were appropriated for the acquisition of beneficiary rights of real estate in trust and beneficiary rights of solar panels in trust stated below in “(2) Acquisition of assets.” All amount of funds raised through the third-party allocation were appropriated to repay a short-term loan on March 30, 2018 before its original repayment date of February 28, 2019.

(2) Acquisition of assets

GLP J-REIT acquired the beneficiary rights of real estate in trust of properties described below. The acquisition price (the purchase price stated in the Sales and Purchase Contract of Beneficiary Rights of Real Estate in Trust or the Price Agreement associated to the Contract) does not include other acquisition related costs such as direct expenses for acquisition, property-related taxes and consumption taxes.

Property name	Acquisition date	Location	Seller	Acquisition price (Million yen)
GLP Urayasu	March 1, 2018	Urayasu, Chiba	Sumitomo Mitsui Finance and Leasing Company, Limited	7,440
GLP Funabashi II		Funabashi, Chiba		7,789
GLP Misato		Misato, Saitama		16,939
GLP Maishima I		Osaka, Osaka		19,390
GLP Soja I		Soja, Okayama	Soja Logistics Special Purpose Company	12,800
GLP Soja II		Soja, Okayama	Soja Two Logistics Special Purpose Company	12,700
Total	—	—	—	77,060

In addition, GLP J-REIT acquired the beneficiary rights of solar panels in trust of properties described below. The acquisition price (the purchase price stated in the Sales and Purchase Contract of Beneficiary Rights of Solar Panels in Trust) does not include other acquisition related costs such as direct expenses for acquisition, property-related taxes and consumption taxes.

Property name	Acquisition date	Location	Seller	Acquisition price (Million yen)
GLP Akishima	March 1, 2018	Akishima, Tokyo	GLP Solar Special Purpose Company	395
GLP Misato II		Misato, Saitama		268
GLP Urayasu III		Urayasu, Chiba		560
GLP Tokyo II		Koto, Tokyo		273
GLP Sugito		Kita-Katsushika, Saitama		171
GLP Maishima II		Osaka, Osaka		318
GLP Amagasaki		Amagasaki, Hyogo		463
GLP Fukusaki		Kanzaki, Hyogo		288
GLP Fukaehama		Kobe, Hyogo		328

Property name	Acquisition date	Location	Seller	Acquisition price (Million yen)
GLP Tomiya	March 1, 2018	Tomiya, Miyagi	GLP Solar Special Purpose Company	282
GLP Kiyama		Miyaki, Saga		518
GLP Komaki		Komaki, Aichi		448
GLP Tosu I		Tosu, Saga		678
Total	—	—	—	4,990

(3) Additional borrowings

GLP J-REIT obtained bank loans to acquire specified asset and related costs as stated in “(2) Acquisition of assets” above and to refinance bank loans.

Lender	Loan amount (Million yen)	Interest rate	Loan execution date	Repayment date	Repayment method	Collateral
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Notes 1 and 2), Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation (Note 2), Citibank, N.A., Tokyo Branch, Development Bank of Japan Inc., The Norinchukin Bank, Resona Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, and Shinsei Bank, Limited	1,140	JBA yen 1month TIBOR + 0.15%	March 1, 2018	February 28, 2019 (Note 3)	Lump-sum repayment on repayment date	Unsecured not guaranteed
	3,170	JBA yen 3month TIBOR + 0.175% (Note 4)		September 1, 2021		
	10,130	JBA yen 3month TIBOR + 0.195% (Note 5)		February 28, 2023		
	6,000	JBA yen 3month TIBOR + 0.205% (Note 6)		February 29, 2024		
	3,170	JBA yen 3month TIBOR + 0.25% (Note 7)		February 27, 2026		
	3,160	JBA yen 3month TIBOR + 0.375% (Note 8)		February 29, 2028		
Total	26,770	—	—	—	—	—

(Note 1) On April 1, 2018, the entity name has changed from “The Bank of Tokyo-Mitsubishi UFJ, Ltd.” to “MUFG Bank, Ltd.” (The same shall apply hereinafter.)

(Note 2) Due to an absorption-type corporate split executed with Mitsubishi UFJ Trust and Banking Corporation as a splitting company and MUFG Bank, Ltd. as a successor company, the roles of Mitsubishi UFJ Trust and Banking Corporation as a lender and Administrator for Investment Corporation Bonds have been taken over by MUFG Bank, Ltd. on April 16, 2018. (The same shall apply hereinafter.)

(Note 3) This loan was fully repaid on March 30, 2018 before its original repayment date using funds raised through a third-party allocation.

(Note 4) GLP J-REIT entered into an interest rate swap agreement on February 26, 2018 and the interest rate has been substantially fixed at 0.2932%.

(Note 5) GLP J-REIT entered into an interest rate swap agreement on February 26, 2018 and the interest rate has been substantially fixed at 0.34245%.

(Note 6) GLP J-REIT entered into an interest rate swap agreement on February 26, 2018 and the interest rate has been substantially fixed at 0.383%.

(Note 7) GLP J-REIT entered into an interest rate swap agreement on February 26, 2018 and the interest rate has been substantially fixed at 0.4984%.

(Note 8) GLP J-REIT entered into an interest rate swap agreement on February 26, 2018 and the interest rate has been substantially fixed at 0.71%.

[Profile of GLP J-REIT]

1. Status of Unitholders' Capital

	8th Period As of February 29, 2016	9th Period As of August 31, 2016	10th Period As of February 28, 2017	11th Period As of August 31, 2017	12th Period As of February 28, 2018
Number of investment units authorized (Units)	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Number of investment units issued and outstanding (Units)	2,593,784	2,593,784	2,853,078	2,853,078	2,853,078
Unitholders' capital, net (Million yen) (Note)	182,020	181,242	210,393	209,526	208,665
Number of unitholders	15,914	14,313	14,521	14,588	14,310

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

2. Matters Concerning Investment Units

The following is a list of major unitholders as of February 28, 2018.

Name	Location	Number of units held (Units)	Ratio to total number of units issued and outstanding (%) (Note)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	440,950	15.45
GLP Capital Japan 2 Private Limited	Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo	386,240	13.53
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	381,023	13.35
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Office Tower Z, Harumi Island Triton Square, 1-8-12, Harumi, Chuo-ku, Tokyo	128,975	4.52
Nomura Bank (Luxembourg) S.A.	1-3-2, Marunouchi, Chiyoda-ku, Tokyo Standing proxy: Sumitomo Mitsui Banking Corporation	94,999	3.32
JP Morgan Chase Bank 385628	Building A, Shinagawa Intercity, 2-15-1, Konan, Minato-ku, Tokyo Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department	93,080	3.26
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	85,351	2.99
Nomura Securities Co., Ltd.	1-9-1, Nihonbashi, Chuo-ku, Tokyo	45,024	1.57
State Street Bank and Trust Company 505012	3-11-1, Nihonbashi, Chuo-ku, Tokyo Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Department	33,914	1.18

Name	Location	Number of units held (Units)	Ratio to total number of units issued and outstanding (%) (Note)
State Street Bank West Client –Treaty 505234	Building A, Shinagawa Intercity, 2-15-1, Konan, Minato-ku, Tokyo Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department	30,692	1.07
Total		1,720,248	60.29

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

3. Matters Concerning Directors and Auditors

Names of Directors and Independent Auditor for the current period

Title	Name	Other concurrent title	Total amount of fees paid during the Period (Thousand yen)
Executive Director (Notes 1 and 2)	Yoji Tatsumi	President and CFO, GLP Japan Advisors Inc.	—
Supervisory Director (Note 2)	Toraki Inoue	Representative CPA, Toraki Inoue CPA Firm President, Accounting Advisory Co., Ltd.	1,980
	Kota Yamaguchi	Partner, Kimura Takushima & Yamaguchi Law Firm Outside Director, Heiwa Corporation	1,980
Independent Auditor	KPMG AZSA LLC	—	13,000

(Note 1) Yoji Tatsumi owns 82 investment units of GLP J-REIT under his own name.

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

Policy on dismissal and non-reappointment of Independent Auditor

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

4. Asset Management Company, Custodian and General Administrators

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

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

[Status on Investment Properties]

1. Investment Status

Type of asset	Use of asset	Area (Note 1)	11th Period As of August 31, 2017		12th Period As of February 28, 2018	
			Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)	Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)
Property and equipment in trust (Note 4)	Logistics facility	Tokyo Metropolitan area	278,247	62.9	281,587	63.7
		Greater Osaka area	78,578	17.8	78,088	17.7
		Other	67,126	15.2	66,681	15.1
Subtotal			423,952	95.8	426,357	96.5
Deposits and other assets			18,584	4.2	15,587	3.5
Total assets (Note 5)			442,537 [423,952]	100.0 [95.8]	441,944 [426,357]	100.0 [96.5]

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

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

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

(Note 4) The amount of “Property and equipment in trust” does not include the amount of construction in progress and construction in progress in trust. The amount of “Property and equipment in trust” in Tokyo Metropolitan area includes the book value of vehicles.

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

2. Major Properties Owned

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

Name of properties	Book value (Million yen)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy ratio (%) (Note 3)	Ratio to total rental revenues (%) (Note 3)	Primary use
GLP Tokyo II	35,185	79,073.21	79,073.21	100.0	7.6	Logistics facility
GLP Amagasaki	23,134	110,224.41	110,224.41	100.0	5.9	Logistics facility
GLP Tokyo	21,778	56,105.95	56,105.95	100.0	5.0	Logistics facility
GLP Atsugi II	20,853	74,176.27	74,176.27	100.0	(Note 4)	Logistics facility
GLP Sugito II	17,745	101,272.40	100,345.84	99.1	4.8	Logistics facility
GLP Urayasu III	17,627	64,198.11	64,198.11	100.0	(Note 4)	Logistics facility
GLP-MFLP Ichikawa Shiohama (Note 5)	15,402	50,813.07	50,813.07	100.0	3.3	Logistics facility
GLP Narashino II	14,623	101,623.59	101,623.59	100.0	(Note 4)	Logistics facility
GLP Misato II	14,000	59,208.59	59,208.59	100.0	(Note 4)	Logistics facility
GLP Shinkiba	11,546	18,341.73	18,341.73	100.0	(Note 4)	Logistics facility
Total	191,899	715,037.33	714,110.77	99.9	43.4	

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

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

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

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

(Note 5) GLP-MFLP Ichikawa Shiohama is a property under joint co-ownership which GLP J-REIT holds 50% beneficiary right of real estate in trust. “Leasable area” and “Leased area” stated above are computed by multiplying 50% of the joint co-ownership ratio.

3. Summary of Portfolio Properties

The following table summarizes the investment properties and OTA Assets (Note 5) held by GLP J-REIT as of the current period end.

Name of property	Location (Note 1)	Type of ownership	Leasable area (m ²) (Note 2)	Appraisal value (Million yen) (Note 3)	Book value (Million yen)
GLP Tokyo	2-1-2, Tokai, Ota-ku, Tokyo	Beneficiary right of real estate in trust	56,105.95	28,900	21,778
GLP Higashi-Ogishima	23-9, Higashi-Ogishima, Kawasaki-ku, Kawasaki, Kanagawa		34,582.00	6,930	4,937
GLP Akishima	4-13-41, Mihori-cho, Akishima, Tokyo 4-13-42, Mihori-cho, Akishima, Tokyo		27,356.63	9,110	6,998
GLP Tomisato	3-1, Misawa, Tomisato, Chiba		27,042.59	5,900	4,633
GLP Narashino II	3-6-3, Akanehama, Narashino, Chiba		101,623.59	20,100	14,623
GLP Funabashi	1-1389-2, Kaijincho-Minami, Funabashi, Chiba		10,465.03	2,060	1,904
GLP Kazo	1-5-1, Minami-shinozaki, Kazo, Saitama		76,532.71	14,100	10,653
GLP Fukaya	1900-2, Mizugahara, Orinokuchi, Fukaya, Saitama		19,706.00	2,890	2,232
GLP Sugito II	398-2, Fukawa, Sugito-machi, Kita-Katsushika, Saitama		101,272.40	24,400	17,745
GLP Iwatsuki	2-9-10, Kokaba, Iwatsuki-ku, Saitama, Saitama		31,839.99	8,660	6,544
GLP Kasukabe	1155, Anzai, Suikaku, Kasukabe, Saitama		18,460.73	5,150	3,908
GLP Koshigaya II	2-2-1, Ryutsu-Danchi, Koshigaya, Saitama		43,533.28	13,200	9,327
GLP Misato II	3-2-1, Lala-city, Shinmisato, Misato, Saitama		59,208.59	19,200	14,000
GLP Tatsumi	3-11-10, Tatsumi, Koto-ku, Tokyo		12,925.58	6,430	4,837
GLP Hamura	4-9-8, Shinmeidai, Hamura, Tokyo		40,277.93	9,420	7,431
GLP Funabashi III	2-15-1, Nishiura, Funabashi, Chiba		18,281.84	4,130	3,018
GLP Sodegaura	385-18, Shiinomori, Sodegaura, Chiba		45,582.06	7,940	5,825
GLP Urayasu III	15-27, Chidori, Urayasu, Chiba		64,198.11	21,200	17,627
GLP Tatsumi Ila	3-8-10, Tatsumi, Koto-ku, Tokyo		17,108.52	8,300	6,640
GLP Tokyo II	3-4-11 Shinsuna, Koto-ku, Tokyo		79,073.21	41,200	35,185
GLP Okegawa	2-6 Akabori, Okegawa, Saitama		17,062.92	2,740	2,374
GLP Shinkiba	1-10-9, Shinkiba, Koto-ku, Tokyo		18,341.73	12,800	11,546
GLP Narashino	2-6-6, Shibazono, Narashino, Chiba		23,548.03	5,560	5,300
GLP Sugito	398-13, Fukawa, Sugito-machi, Kita-Katsushika, Saitama		58,918.12	9,910	8,205
GLP Matsudo	520-1, Kamihongo, Matsudo, Chiba		14,904.60	2,840	2,432
GLP-MFLP Ichikawa Shiohama (Note 4)	1-6-3, Shiohama, Ichikawa, Chiba		50,813.07	16,750	15,402
GLP Atsugi II	4022-2, Sakuradai, Nakatsu, Aikawa-machi, Aiko, Kanagawa		74,176.27	23,200	20,853
GLP Yoshimi	603-1, Nishi-Yoshimi, Yoshimi-machi, Hiki, Saitama		62,362.89	11,600	11,050
GLP Noda-Yoshiharu	722-2, Aza Tameshita, Yoshiharu, Noda, Chiba		26,631.40	5,260	4,563
GLP Hirakata	3-2-27, Minami-Nakaburi, Hirakata, Osaka 3-2-7, Minami-Nakaburi, Hirakata, Osaka		29,829.56	6,250	4,602
GLP Hirakata II	3-3-1, Minami-Nakaburi, Hirakata, Osaka		43,283.01	9,210	7,517
GLP Maishima II	2-1-92, Hokukoryokuchi, Konohana-ku, Osaka, Osaka		56,511.10	11,600	8,096
GLP Tsumori	2-1-30, Minami-Tsumori, Nishinari-ku, Osaka, Osaka		16,080.14	2,330	1,999
GLP Rokko	3-10, Koyochi-Higashi, Higashinada-ku, Kobe, Hyogo		39,339.00	5,980	5,050
GLP Amagasaki	231-2, Nishi-Mukojima-cho, Amagasaki, Hyogo		110,224.41	28,600	23,134
GLP Amagasaki II	16, Nishi-Takasu-cho, Amagasaki, Hyogo		12,342.95	2,290	1,964
GLP Nara	6-4, Imago-cho, Yamatokoriyama, Nara		19,545.35	2,940	2,132
GLP Sakai	1-63, Chikkoyawatamachi, Sakai-ku, Sakai, Osaka		10,372.10	2,230	1,852

Name of property	Location (Note 1)	Type of ownership	Leasable area (m2) (Note 2)	Appraisal value (Million yen) (Note 3)	Book value (Million yen)
GLP Rokko II	4-15-1, Koyocho-Higashi, Higashinada-ku, Kobe, Hyogo	Beneficiary right of real estate in trust	20,407.30	4,300	3,208
GLP Kadoma	4-2-1, Shinomiya, Kadoma, Osaka		12,211.73	3,170	2,434
GLP Seishin	2-5-1, Yasakadai, Suma-ku, Kobe, Hyogo		9,533.88	1,640	1,438
GLP Fukusaki	1714-14, Saiji, Fukusaki-cho, Kanzaki, Hyogo		24,167.83	4,170	3,386
GLP Kobe-Nishi	7-1-1, Mitsugaoka, Nishi-ku, Kobe, Hyogo		35,417.31	7,620	6,856
GLP Fukaehama	34-1, Fukaehama-cho, Higashinada-ku, Kobe, Hyogo		19,386.00	4,580	4,413
GLP Morioka	59, Urata, Sakuramachi, Shiwa-cho, Shiwa, Iwate		10,253.80	878	775
GLP Tomiya	9-1-2, Narita, Tomiya, Miyagi		20,466.98	3,310	2,705
GLP Koriyama I	3-2-2, Oroshi, Kikuta-machi, Koriyama, Fukushima		24,335.96	4,580	3,724
GLP Koriyama III	5-12, Mukaihara, Horinouchi, Kikuta-machi, Koriyama, Fukushima		27,671.51	2,760	2,645
GLP Tokai	2-47, Asayama, Tokai, Aichi		32,343.31	7,740	5,893
GLP Hayashima	823, Yao, Hayashima-cho, Tsukubo, Okayama		13,574.58	1,350	1,203
GLP Hayashima II	4507-40, Hayashima, Hayashima-cho, Tsukubo, Okayama		14,447.48	2,870	2,232
GLP Kiyama	2950-1, Urata, Sonobe, Kiyama-cho, Miyaki, Saga		23,455.96	5,500	4,228
GLP Sendai	2-5-2, Sendaikou Kita, Miyagino-ku, Sendai, Miyagi		37,256.23	6,690	5,332
GLP Ebetsu	69-3, Kakuyama, Ebetsu, Hokkaido		18,489.25	2,220	1,454
GLP Kuwana	3646-1, Kanegaya, Mizono, Tado-cho, Kuwana, Mie		20,402.12	4,420	3,409
GLP Hatsukaichi	14-2, Mokuzaiko-Kita, Hatsukaichi, Hiroshima		10,981.89	2,440	1,866
GLP Komaki	1-31, Shinkoki, Komaki, Aichi		52,709.97	12,700	9,892
GLP Ogimachi	1-8-5, Ogimachi, Miyagino-ku, Sendai, Miyagi		13,155.28	1,620	1,465
GLP Hiroshima	2-7-11, Kusatsukou, Nishi-ku, Hiroshima, Hiroshima		21,003.04	4,170	3,630
	2-7-4, Kusatsukou, Nishi-ku, Hiroshima, Hiroshima				
GLP Fukuoka	1-10-1, Itaduke, Hakata-ku, Fukuoka, Fukuoka		14,641.22	1,720	1,475
GLP Tosu I	1715, Hirata, Hatazaki-machi, Tosu, Saga	74,860.38	10,500	8,880	
GLP Tomiya IV	9-7-3, Narita, Tomiya, Miyagi	32,562.60	6,370	5,865	
	9-7-7, Narita, Tomiya, Miyagi				
Total			2,153,199.01	528,628	426,357

OTA Assets (Note 5) (Note 6)					
GLP Urayasu	76-4, Minato, Urayasu, Chiba	Beneficiary right of real estate in trust	25,839.60	7,540	—
GLP Funabashi II	6-1, Shiomi-cho, Funabashi, Chiba		34,699.09	8,130	—
GLP Misato	3-1-3, Izumi, Misato, Saitama		46,892.00	17,700	—
GLP Maishima I	2-1-66, Hokusokyo, Konohana-ku, Osaka, Osaka		72,948.78	19,400	—

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

(Note 2) “Leasable area” is the area of property or property in trust that is available for lease in accordance with relevant lease agreements or architectural drawings. The figures are rounded down to the second decimal place. The leasable area may be changed upon renewal of lease agreements.

(Note 3) “Appraisal value” represents the appraisal value or research price as set forth on the relevant study reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trusts Association, Japan. For OTA Assets, the appraisal values as of August 20, 2017 are stated.

(Note 4) GLP-MFLP Ichikawa Shiohama is a property under joint co-ownership which GLP J-REIT holds 50% beneficiary right of real estate in trust. “Leasable area” stated above is computed by multiplying 50% of the joint co-ownership

ratio.

- (Note 5) On August 29, 2017, GLP J-REIT entered into the sale and purchase agreement with Sumitomo Mitsui Finance and Leasing Company, Limited (“SMFL”) to acquire the following assets, which SMFL acquired from GLP Group on the same date: GLP Urayasu, GLP Funabashi II, GLP Misato and GLP Maishima I (“the Assets”). These assets were the RoFL properties held and managed by GLP Group. This agreement allows GLP J-REIT to acquire the Assets at the timing designated by GLP J-REIT within the scheduled acquisition period (after March 1, 2018 to February 28, 2023). The acquisition price is to be reduced in proportion to the seller’s holding period when the acquisition is made after March 1, 2018. GLP J-REIT refers to the arrangement as “Optimal Takeout Arrangement (OTA)” and assets subject to the OTA as “OTA Assets.” GLP J-REIT acquired the Assets all at once on March 1, 2018.
- (Note 6) On February 5, 2018, the acquisition prices of GLP Urayasu, GLP Funabashi II, GLP Misato and GLP Maishima I were determined to be 7,440 million yen, 7,789 million yen, 16,939 million yen and 19,390 million yen, respectively.

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

Name of property	11th Period From March 1, 2017 To August 31, 2017				12th Period From September 1, 2017 To February 28, 2018			
	At Period End		Rental revenues (Million yen)	Ratio to total rental revenues (%) (Note 2)	At Period End		Rental revenues (Million yen)	Ratio to total rental revenue (%) (Note 2)
	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)			Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)		
GLP Tokyo	5	100.0	704	5.0	5	100.0	702	5.0
GLP Higashi-Ogishima	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Akishima	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
GLP Tomisato	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Narashino II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Funabashi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kazo	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukaya	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sugito II	5	99.1	680	4.8	5	99.1	682	4.8
GLP Iwatsuki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kasukabe	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koshigaya II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Misato II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hamura	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Funabashi III	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sodegaura	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Urayasu III	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi Iia	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tatsumi Iib (Note 4)	—	—	(Note 3)	(Note 3)	—	—	—	—
GLP Tokyo II	6	100.0	1,040	7.3	6	100.0	1,075	7.6
GLP Okegawa	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Shinkiba	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Narashino	3	100.0	162	1.1	3	100.0	167	1.2
GLP Narita II (Note 4)	—	—	93	0.7	—	—	—	—
GLP Sugito	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Matsudo	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP-MFLP Ichikawa Shiohama	5	100.0	484	3.4	5	100.0	472	3.3
GLP Atsugi II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Yoshimi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Noda-Yoshiharu	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Hirakata	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hirakata II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Maishima II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tsumori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Rokko	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Amagasaki	7	100.0	835	5.9	7	100.0	832	5.9
GLP Amagasaki II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Nara	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sakai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)

Name of property	11th Period From March 1, 2017 To August 31, 2017				12th Period From September 1, 2017 To February 28, 2018			
	At Period End		Rental revenues (Million yen)	Ratio to total rental revenues (%) (Note 2)	At Period End		Rental revenues (Million yen)	Ratio to total rental revenue (%) (Note 2)
	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)			Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)		
GLP Rokko II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kadoma	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Seishin	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukusaki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kobe-Nishi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukaehama	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Morioka	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tomiya	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koriyama I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koriyama III	4	100.0	124	0.9	4	100.0	128	0.9
GLP Tokai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hayashima	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hayashima II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kiyama	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sendai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Ebetsu	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kuwana	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hatsukaichi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Komaki	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Ogimachi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hiroshima	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Fukuoka	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tosu I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tomiya IV	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Total	98	99.9	14,181	100.0	99	99.9	14,181	100.0

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

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

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

(Note 4) On July 14, 2017, GLP J-REIT sold GLP Tatsumi IIb and GLP Narita II to a third party.

4. Specified Transaction

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

	Type	Contract amount (Million yen) (Note 1)		Fair value (Million yen) (Note 2)
			Due after one year	
OTC	Interest rate swaps: Receive floating/ Pay fix	147,860	130,260	(1,516)
Total		147,860	130,260	(1,516)

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

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

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

5. Investments and Other Assets

(1) Investment securities – Equity securities

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

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

(2) Details of other specified assets

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

[Capital Expenditure for Properties Owned]

1. Future Plan for Capital Expenditure

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

Property name	Location	Purpose	Planned period	Estimated construction cost (Million yen)		
				Total amount	Amount paid during the period	Total amount paid
GLP Narashino II	Narashino, Chiba	Renewal of water chiller/heater, Phase I	From May 2018 to November 2018	150	—	—
GLP Sendai	Sendai, Miyagi	Renovation of East-side exterior walls	From April 2018 to August 2018	59	—	—
GLP Sugito II	Kita-Katsushika, Saitama	FRP waterproofing work on roofs, Phase I	From October 2018 to November 2018	38	—	—
GLP Tokyo	Ota, Tokyo	FRP waterproofing work on roofs, Phase I	From July 2018 to August 2018	25	—	—
GLP Kasukabe	Kasukabe, Saitama	Roadbed improvement work in the facility yard	From August 2018 to August 2018	22	—	—
GLP Narashino	Narashino, Chiba	Renovation of steel-frame of eaves	From June 2018 to August 2018	22	—	—
GLP Morioka	Shiwa, Iwate	Renewal of vertical conveyor	From July 2018 to August 2018	9	—	—

2. Capital Expenditure Incurred for the Period

The following table summarizes the major constructions to holding properties that resulted in capital expenditure for the current period. Capital expenditure for the current period was 675 million yen. The total construction cost amounted to 753 million yen, including repair and maintenance of 78 million yen that was accounted for as expenses.

Property name	Location	Purpose	Period	Construction cost (Million yen)
GLP Sendai	Sendai, Miyagi	Installation of emergency power generation under slope	From October 2017 to January 2018	48
GLP Rokko	Kobe, Hyogo	Installation of heat source equipment, Phase II	From October 2017 to November 2017	47
GLP Sugito	Kita-Katsushika, Saitama	LED installation work	From January 2018 to February 2018	44
GLP Kazo	Kazo, Saitama	Renewal of South-side exterior wall sealing for panels	From October 2017 to February 2018	36
GLP Tokyo II	Koto, Tokyo	Construction of new working space	From August 2017 to October 2017	30
GLP Tokyo	Ota, Tokyo	Replacement of high-efficiency lightning equipment	From September 2017 to December 2017	20
Other	—	—	—	448
Total				675

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	8th Period Sept. 1, 2015 to Feb. 29, 2016	9th Period Mar. 1, 2016 to Aug. 31, 2016	10th Period Sept. 1, 2016 to Feb. 28, 2017	11th Period Mar. 1, 2017 to Aug. 31, 2017	12th Period Sept. 1, 2017 to Feb. 28, 2018
Balance brought forward from the previous period	—	—	—	—	—
Amount reserved during the period	—	—	—	—	—
Amount used during the period	—	—	—	—	—
Balance to be carried forward to the next period	—	—	—	—	—

(Note 1) GLP J-REIT intends not to account for reserves if the estimated amount of capital expenditure of the following period does not exceed the amount equivalent to 70% of the estimated depreciation expenses for the same period. GLP J-REIT estimates the amount of capital expenditure for the 13th period (for the period ending August 31, 2018) to be 686 million yen, which does not exceed 2,383 million yen, the amount equivalent to 70% of 3,405 million yen, which is the estimated depreciation expenses for the same period.

(Note 2) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 675 million yen of capital expenditure for the current fiscal period from 2,864 million yen of depreciation expenses for the period is 2,189 million yen.

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

With respect to all 62 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 492 million yen. Please refer to the "Summary of Engineering Due Diligence Report" below for the emergency repair and maintenance expenses and the mid-to-long term repair and maintenance expenses for each asset.

(Reference) Summary of Engineering Due Diligence Report

Property number	Name of property	Engineering due diligence company	Date of report	Emergency repair and maintenance expenses (Thousand yen) (Note 1)	Mid-to-Long term repair and maintenance expenses (Thousand yen) (Note2)
Tokyo-1	GLP Tokyo	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 31, 2017	—	446,000
Tokyo-2	GLP Higashi-Ogishima			—	337,520
Tokyo-3	GLP Akishima			—	171,400
Tokyo-4	GLP Tomisato			—	90,060
Tokyo-5	GLP Narashino II			—	1,117,350
Tokyo-6	GLP Funabashi			—	167,750
Tokyo-7	GLP Kazo			—	392,050
Tokyo-8	GLP Fukaya			—	307,300
Tokyo-9	GLP Sugito II			—	406,640
Tokyo-10	GLP Iwatsuki			—	71,950
Tokyo-11	GLP Kasukabe			—	167,980
Tokyo-12	GLP Koshigaya II			—	139,890
Tokyo-13	GLP Misato II			—	145,920
Tokyo-14	GLP Tatsumi			—	54,520
Tokyo-15	GLP Hamura		August 20, 2013	—	55,940
Tokyo-16	GLP Funabashi III			—	125,360
Tokyo-17	GLP Sodegaura			—	60,000
Tokyo-18	GLP Urayasu III			—	289,550
Tokyo-19	GLP Tatsumi Ila		March 20, 2014	—	86,120
Tokyo-21	GLP Tokyo II		July 25, 2014	—	333,550
Tokyo-22	GLP Okegawa		July 27, 2015	—	209,530
Tokyo-23	GLP Shinkiba			—	243,980
Tokyo-24	GLP Narashino		July 27, 2015	—	230,950
Tokyo-26	GLP Sugito			—	266,119
Tokyo-27	GLP Matsudo	Tokio Marine & Nichido Risk Consulting Co., Ltd.	December 14, 2015	—	142,870
Tokyo-28	GLP-MFLP Ichikawa Shiohama (Note 3)		April 12, 2016	—	220,644
Tokyo-29	GLP Atsugi II		August 3, 2016	—	180,143
Tokyo-30	GLP Yoshimi			—	142,536
Tokyo-31	GLP Noda-Yoshiharu	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	July 1, 2015	—	62,226
Osaka-1	GLP Hirakata		August 31, 2017	—	376,400
Osaka-2	GLP Hirakata II			—	236,350
Osaka-3	GLP Maishima II			—	247,200
Osaka-4	GLP Tsumori			—	143,330
Osaka-5	GLP Rokko			—	406,840
Osaka-6	GLP Amagasaki			—	170,060
Osaka-7	GLP Amagasaki II			—	136,600
Osaka-8	GLP Nara			—	146,790
Osaka-9	GLP Sakai			—	39,800
Osaka-10	GLP Rokko II		August 20, 2013	—	296,150
Osaka-11	GLP Kadoma		July 25, 2014	—	114,160
Osaka-12	GLP Seishin			—	186,900
Osaka-13	GLP Fukusaki		January 28, 2015	—	137,800
Osaka-14	GLP Kobe-Nishi			—	57,340
Osaka-15	GLP Fukaehama	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 3, 2016	—	203,863

Property number	Name of property	Engineering due diligence company	Date of report	Emergency repair and maintenance expenses (Thousand yen) (Note 1)	Mid-to-Long term repair and maintenance expenses (Thousand yen) (Note2)
Other-1	GLP Morioka	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 31, 2017	—	52,660
Other-2	GLP Tomiya			—	61,720
Other-3	GLP Koriyama I			—	56,400
Other-4	GLP Koriyama III			—	315,200
Other-5	GLP Tokai			—	151,530
Other-6	GLP Hayashima			—	144,200
Other-7	GLP Hayashima II			—	51,550
Other-8	GLP Kiyama			—	201,170
Other-10	GLP Sendai			—	134,980
Other-11	GLP Ebetsu		August 20, 2013	—	47,690
Other-12	GLP Kuwana			—	51,170
Other-13	GLP Hatsukaichi			—	33,980
Other-14	GLP Komaki			—	115,500
Other-15	GLP Ogimachi			—	110,170
Other-16	GLP Hiroshima		July 25, 2014	—	198,660
Other-17	GLP Fukuoka			—	134,110
Other-19	GLP Tosu I		Tokio Marine & Nichido Risk Consulting Co., Ltd.	July 27, 2015	—
Other-20	GLP Tomiya IV	August 3, 2016		—	233,500
Total				—	11,825,316

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

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

(Note 3) GLP-MFLP Ichikawa Shiohama is a property under joint co-ownership which GLP J-REIT holds 50% beneficiary right of real estate in trust. “Emergency repair and maintenance expenses” and “Mid-to-Long term repair and maintenance expenses” stated above are computed by multiplying 50% of the joint co-ownership ratio.

[Expenses and Liabilities]

1. Status of Expenses related to Asset Management

(Unit: Thousand yen)

	11th Period From March 1, 2017 To August 31, 2017	12th Period From September 1, 2017 To February 28, 2018
Asset management fee	1,491,376	1,478,272
Asset custody fee	6,692	6,643
Administrative service fees	20,625	20,527
Directors' remuneration	3,960	3,960
Audit fee	13,000	13,000
Taxes and dues	12,271	146
Other operating expenses	76,202	70,584
Total	1,624,128	1,593,133

(Note) In addition to the amount shown, the amount of asset management fee included in the calculation of gain on sale of properties was 25,350 thousand yen for the 11th Period. The amount of asset management fee capitalized as part of acquisition cost was 22,483 thousand yen for the 12th Period.

2. Status of Borrowings

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

Category	Name of financial institution	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
Short-term loans payable	Sumitomo Mitsui Banking Corporation	February 28, 2017	1,351	—	0.19%	February 28, 2018	Lump-sum	(Note 5)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,144	—					
	Sumitomo Mitsui Trust Bank, Limited		621	—					
	The Norinchukin Bank		503	—					
	Citibank, N.A., Tokyo Branch		374	—					
	Development Bank of Japan Inc.		345	—					
	Mizuho Bank, Ltd.		315	—					
	Mitsubishi UFJ Trust and Banking Corporation		315	—					
	The Bank of Fukuoka, Ltd.		236	—					
	Resona Bank, Limited		158	—					
	Shinsei Bank, Limited		69	—					
	The 77 Bank, Ltd.		69	—					
	Sumitomo Mitsui Banking Corporation	February 28, 2018	—	1,351	0.21%	February 28, 2019	Lump-sum	(Note 5)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	1,144					
	Mizuho Bank, Ltd.		—	315					
	Mitsubishi UFJ Trust and Banking Corporation		—	315					
	Citibank, N.A., Tokyo Branch		—	374					
	The Bank of Fukuoka, Ltd.		—	236					
	Development Bank of Japan Inc.		—	345					
	The Norinchukin Bank		—	503					
	Resona Bank, Limited		—	158					
	Sumitomo Mitsui Trust Bank, Limited		—	621					
	Shinsei Bank, Limited		—	69					
	The 77 Bank, Ltd.		—	69					
	Subtotal		5,500	5,500					
Long-term loans payable	Sumitomo Mitsui Banking Corporation	January 4, 2013	6,400	—	1.13% (Note 4)	January 4, 2018	Lump-sum	(Note 6)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		5,900	—					
	Mizuho Bank, Ltd.		4,000	—					
	Mitsubishi UFJ Trust and Banking Corporation		1,800	—					
	Citibank, N.A., Tokyo Branch		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	5,000	1.41% (Note 4)	January 4, 2020	Lump-sum	(Note 6)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		4,600	4,600					
	Mizuho Bank, Ltd.		4,000	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		1,800	1,800					
	The Bank of Fukuoka, Ltd.		900	900					
	Development Bank of Japan Inc.		4,500	4,500					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 1, 2013	3,250	3,250	1.03%	January 31, 2020	Lump-sum	(Note 6)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	February 1, 2013	3,250	3,250	1.30% (Note 4)	February 1, 2021	Lump-sum	(Note 6)	Unsecured not guaranteed

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	March 3, 2014	3,720	3,720	0.76% (Note 4)	February 28, 2019	Lump-sum	(Note 6)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		3,230	3,230					
	Mizuho Bank, Ltd.		2,550	2,550					
	Mitsubishi UFJ Trust and Banking Corporation		500	500					
	Citibank, N.A., Tokyo Branch		700	700					
	The Bank of Fukuoka, Ltd.		700	700					
	The Norinchukin Bank		450	450					
	Resona Bank, Limited		450	450					
	Sumitomo Mitsui Banking Corporation	March 3, 2014	2,000	2,000	1.09% (Note 4)	February 26, 2021	Lump-sum	(Note 6)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,900	1,900					
	Mizuho Bank, Ltd.		1,250	1,250					
	Mitsubishi UFJ Trust and Banking Corporation		500	500					
	Development Bank of Japan Inc.		450	450					
	Sumitomo Mitsui Banking Corporation	March 3, 2014	1,470	1,470	1.56% (Note 4)	February 29, 2024	Lump-sum	(Note 6)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,170	1,170					
	Development Bank of Japan Inc.		500	500					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 3, 2014	3,800	3,800	0.92%	February 26, 2021	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	June 30, 2014	500	500	1.48% (Note 4)	June 30, 2026	Lump-sum	(Note 5)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		500	500					
	Sumitomo Mitsui Banking Corporation	September 2, 2014	3,890	3,890	0.86% (Note 4)	September 2, 2022	Lump-sum	(Note 6)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		3,470	3,470					
	Mizuho Bank, Ltd.		2,830	2,830					
	Mitsubishi UFJ Trust and Banking Corporation		970	970					
	The Bank of Fukuoka, Ltd.		610	610					
	Development Bank of Japan Inc.		650	650					
	The Norinchukin Bank		350	350					
	Resona Bank, Limited		270	270					
	Sumitomo Mitsui Trust Bank, Limited		560	560					
	Sumitomo Mitsui Banking Corporation	September 2, 2014	1,530	1,530	1.85% (Note 4)	September 2, 2027	Lump-sum	(Note 6)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,170	1,170					
	Development Bank of Japan Inc.	January 5, 2015	1,250	1,250	0.31%	December 20, 2018	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,250	1,250					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	May 1, 2015	800	800	0.29%	February 28, 2019	Lump-sum	(Note 6)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	May 1, 2015	2,700	2,700	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 6)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	May 1, 2015	700	700	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 6)	Unsecured not guaranteed
	The Norinchukin Bank	May 1, 2015	400	400	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 6)	Unsecured not guaranteed

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	September 1, 2015	2,922	2,922	0.61% (Note 4)	February 28, 2022	Lump-sum	(Note 6)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,348	2,348					
	Mizuho Bank, Ltd.		1,640	1,640					
	Mitsubishi UFJ Trust and Banking Corporation		680	680					
	Citibank, N.A., Tokyo Branch		320	320					
	The Bank of Fukuoka, Ltd.		480	480					
	Development Bank of Japan Inc.		320	320					
	The Norinchukin Bank		320	320					
	Resona Bank, Limited		320	320					
	Sumitomo Mitsui Trust Bank, Limited		440	440					
	Shinsei Bank, Limited		130	130					
	The 77 Bank, Ltd.		130	130					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		September 1, 2015	1,300					
	Mizuho Bank, Ltd.	January 4, 2016	3,000	3,000	(0.01)% (Note 4)	February 28, 2019	Lump-sum	(Note 5)	Unsecured not guaranteed
	Citibank, N.A., Tokyo Branch		500	500					
	The Bank of Fukuoka, Ltd.		1,800	1,800					
	The Bank of Fukuoka, Ltd.	January 4, 2016	1,400	1,400	0.35% (Note 4)	February 26, 2021	Lump-sum	(Note 5)	Unsecured not guaranteed
	The Norinchukin Bank		1,400	1,400					
	Mitsubishi UFJ Trust and Banking Corporation	January 4, 2016	1,900	1,900	0.61% (Note 4)	February 29, 2024	Lump-sum	(Note 5)	Unsecured not guaranteed
	Resona Bank, Limited		1,400	1,400					
	Mizuho Bank, Ltd.	January 4, 2016	1,500	1,500	0.93% (Note 4)	February 27, 2026	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	January 4, 2016	5,600	5,600	1.22% (Note 4)	December 21, 2026	Lump-sum	(Note 5)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		5,100	5,100					
	Sumitomo Mitsui Banking Corporation	January 4, 2016	500	500	1.31% (Note 4)	December 20, 2027	Lump-sum	(Note 5)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation	January 4, 2016	600	600	1.57% (Note 4)	December 20, 2028	Lump-sum	(Note 5)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation	January 15, 2016	980	980	0.42% (Note 4)	January 14, 2022	Lump-sum	(Note 6)	Unsecured not guaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	January 15, 2016	850	850	0.42%	January 14, 2022	Lump-sum	(Note 6)	Unsecured not guaranteed	
Mitsubishi UFJ Trust and Banking Corporation	January 15, 2016	610	610	0.42% (Note 4)	January 14, 2022	Lump-sum	(Note 6)	Unsecured not guaranteed	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 1, 2016	3,780	3,780	0.29%	September 1, 2023	Lump-sum	(Note 6)	Unsecured not guaranteed	
Sumitomo Mitsui Banking Corporation	September 1, 2016	4,100	4,100	0.32%	September 1, 2024	Lump-sum	(Note 6)	Unsecured not guaranteed	

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 1, 2016	530	530	0.24%	September 2, 2019	Lump-sum	(Notes 5 and 6)	Unsecured not guaranteed
	Mizuho Bank, Ltd.		510	510					
	Citibank, N.A., Tokyo Branch		310	310					
	The Bank of Fukuoka, Ltd.		290	290					
	The 77 Bank, Ltd.		300	300					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 1, 2016	950	950	0.25%	September 1, 2020	Lump-sum	(Notes 5 and 6)	Unsecured not guaranteed
	Mizuho Bank, Ltd.		1,570	1,570					
	Mitsubishi UFJ Trust and Banking Corporation		300	300					
	Citibank, N.A., Tokyo Branch		270	270					
	The 77 Bank, Ltd.		60	60					
	Sumitomo Mitsui Banking Corporation	September 1, 2016	790	790	0.44%	March 1, 2024	Lump-sum	(Notes 5 and 6)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,170	1,170					
	Mizuho Bank, Ltd.		1,280	1,280					
	Mitsubishi UFJ Trust and Banking Corporation		830	830					
	Citibank, N.A., Tokyo Branch		780	780					
	The Bank of Fukuoka, Ltd.		500	500					
	Development Bank of Japan Inc.		230	230					
	The Norinchukin Bank		1,060	1,060					
	Resona Bank, Limited		490	490					
	Aozora Bank, Ltd.		180	180					
	Shinsei Bank, Limited		180	180					
	Sumitomo Mitsui Trust Bank, Limited		480	480					
	The 77 Bank, Ltd.		180	180					
	Sumitomo Mitsui Banking Corporation	September 1, 2016	2,170	2,170	0.57%	March 3, 2025	Lump-sum	(Notes 5 and 6)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,390	1,390					
	Mizuho Bank, Ltd.		1,110	1,110					
	Mitsubishi UFJ Trust and Banking Corporation		920	920					
	The Bank of Fukuoka, Ltd.		740	740					
	Development Bank of Japan Inc.		550	550					
	Resona Bank, Limited		650	650					
	Aozora Bank, Ltd.		370	370					
	Shinsei Bank, Limited		370	370					
	Sumitomo Mitsui Trust Bank, Limited		920	920					
	Mizuho Bank, Ltd.	December 20, 2016	1,150	1,150	0.23%	December 21, 2020	Lump-sum	(Note 5)	Unsecured not guaranteed
	The Bank of Fukuoka, Ltd.	December 20, 2016	500	500	0.53%	December 20, 2022	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 20, 2016	1,150	1,150	0.56%	December 20, 2023	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	December 20, 2016	5,700	5,700	0.79%	September 1, 2025	Lump-sum	(Note 5)	Unsecured not guaranteed

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	September 1, 2017	—	870	0.46%	September 1, 2023	Lump-sum	(Note 6)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 1, 2017	—	580	0.46%	September 1, 2023	Lump-sum	(Note 6)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	January 4, 2018	—	1,500	0.18%	December 21, 2020	Lump-sum	(Note 5)	Unsecured not guaranteed
	Mitsubishi UFJ Trust and Banking Corporation		—	800					
	Citibank, N.A., Tokyo Branch		—	1,800					
	The Bank of Fukuoka, Ltd.		—	1,800					
	The Norinchukin Bank		—	1,300					
	Sumitomo Mitsui Banking Corporation	January 4, 2018	—	5,100	0.28% (Note 4)	December 20, 2021	Lump-sum	(Note 5)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	3,600					
	Mizuho Bank, Ltd.		—	500					
	Resona Bank, Limited	January 4, 2018	—	1,300	0.48% (Note 4)	December 22, 2025	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	January 4, 2018	—	2,300	0.60% (Note 4)	October 30, 2026	Lump-sum	(Note 5)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	2,300					
	Mizuho Bank, Ltd.		—	2,000					
	Subtotal		179,440	180,890					
	Total		184,940	186,390					

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

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

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

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

(Note 5) The fund was used to make repayments of bank borrowing.

(Note 6) The fund was used to acquire properties or beneficiary rights of real estate in trust.

3. Status of Investment Corporation Bonds

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

Description	Issued date	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Interest rate (Note 1)	Maturity date	Maturity method	Use	Remarks
GLP J-REIT 1st Unsecured Bonds	February 27, 2014	6,000	6,000	0.47%	February 27, 2019	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 2nd Unsecured Bonds	July 30, 2014	2,000	2,000	0.98%	July 30, 2024	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 3rd Unsecured Bonds	December 26, 2014	4,500	4,500	0.51%	December 25, 2020	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 4th Unsecured Bonds	December 26, 2014	1,500	1,500	0.68%	December 26, 2022	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 5th Unsecured Bonds	December 26, 2014	3,000	3,000	1.17%	December 25, 2026	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 6th Unsecured Bonds	June 30, 2015	1,500	1,500	0.89%	June 30, 2025	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 7th Unsecured Bonds	November 28, 2016	6,900	6,900	0.01%	November 28, 2019	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 8th Unsecured Bonds	November 28, 2016	1,100	1,100	0.45%	November 27, 2026	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 9th Unsecured Bonds	February 27, 2017	1,000	1,000	0.47%	February 26, 2027	Lump-sum	(Note 2)	(Note 3)
Total		27,500	27,500					

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

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

(Note 3) The bond is subject to the special pari passu clause among specified investment corporation bonds.

4. Status of Short-Term Investment Corporation Bonds

None

5. Status of Subscription Rights to New Investment Units

None

[Acquisition and Disposition]

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

Type of asset	Name of property	Acquisition	
		Date	Price (Million yen) (Note)
Beneficiary right of real estate in trust	GLP Noda-Yoshiharu	September 1, 2017	4,496
Total			4,496

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

2. Acquisition and Disposition of Other Assets

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

3. Appraisal Values of Specific Assets

(1) Real estate properties

Acquisition or disposition	Name of property	Acquisition date	Acquisition price (Million yen) (Note 1)	Appraisal value (Million yen) (Note 2)	Name of appraiser	Date of appraisal
Acquisition	GLP Noda-Yoshiharu	September 1, 2017	4,496	5,260	The Tanizawa Sōgō Appraisal Co., Ltd.	June 30, 2017

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

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

(2) Other

With regard to transactions and contracts entered by GLP J-REIT whose values shall be investigated based on the Article 201 of the Act on Investment Trusts and Investment Corporations, KPMG AZSA LLC performs an investigation of transactions other than those stated in “(1) Real estate properties” above. For the period from September 1, 2017 to February 28, 2018, the transactions subject to such investigation were eight interest rate swap transactions, for which GLP J-REIT received a report from KPMG AZSA LLC. The investigation of the interest rate swaps included the names of its counterparties, values, contract periods and other details in relation to the interest rate swap transactions.

4. Transactions with Interested Parties

(1) Transactions

None

(2) Amounts of fees paid

	Total fees (A) (Thousand yen)	Name of interested parties and major shareholders and the amount of transactions		(B)/(A) (%)
		Paid to	Amount paid (B) (Thousand yen)	
Property management fee	260,730	GLP Japan Inc. (Note 1)	260,730	100.0
Royalty fee	7,500	GLP Japan Inc.	7,500	100.0
Leasing commission	52,427	GLP Japan Inc.	52,427	100.0

(Note 1) On January 22, 2018, the entity name has changed from “Global Logistic Properties Inc.” to “GLP Japan Inc.” (The same shall apply hereinafter.)

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

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

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

[Accounting]

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

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

2. Change in Calculation of Depreciation

None

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

None

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

None

[Other Information]

1. Notice

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

Date of approval	Item	Summary
February 5, 2018	Conclusion of Underwriting Agreement and other with regard to new investment units	<p>With regard to the issuance of new investment units, it was approved to conclude the following agreements and other with effective date of February 14, 2018.</p> <p>(1) Underwriting Agreement, relating to the issuance of new investment units through a domestic public offering, concluded among GLP Japan Advisors Inc., Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc., Citigroup Global Markets Japan Inc. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p> <p>(2) Memorandum concluded with Nomura Securities Co., Ltd., relating to the issuance of new investment units through a third party allotment in connection with the domestic public offering.</p> <p>(3) International Purchase Agreement, relating to an international public offering, concluded among GLP Japan Advisors Inc., Nomura International plc, Citigroup Global Markets Limited, Mizuho International plc and SMBC Nikko Capital Markets Limited.</p>

2. Other

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

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

None

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

None

Balance Sheets

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2017	Current Period As of February 28, 2018
Assets		
Current assets		
Cash and deposits	8,389,333	5,523,591
Cash and deposits in trust	6,688,825	6,483,790
Operating accounts receivable	1,613,137	1,616,473
Prepaid expenses	364,700	401,255
Deferred tax assets	12	10
Consumption taxes receivable	—	120,748
Other current assets	3,073	2,325
Total current assets	17,059,082	14,148,193
Noncurrent assets		
Property and equipment		
Vehicles	1,016	1,016
Accumulated depreciation	(254)	(381)
Vehicles, net	762	635
Buildings in trust	178,053,983	181,095,607
Accumulated depreciation	(19,868,296)	(22,554,528)
Buildings in trust, net	158,185,687	158,541,078
Structures in trust	4,585,081	4,717,225
Accumulated depreciation	(1,223,403)	(1,385,958)
Structures in trust, net	3,361,677	3,331,266
Machinery and equipment in trust	56,347	56,594
Accumulated depreciation	(39,578)	(43,946)
Machinery and equipment in trust, net	16,769	12,648
Tools, furniture and fixtures in trust	227,880	236,200
Accumulated depreciation	(86,444)	(97,885)
Tools, furniture and fixtures in trust, net	141,435	138,314
Land in trust	262,246,281	264,333,398
Construction in progress in trust	—	12,800
Construction in progress	76,341	26,203
Total property and equipment, net	424,028,954	426,396,344
Investments and other assets		
Investment securities	1,600	1,600
Long-term prepaid expenses	1,247,226	1,241,267
Security deposits	10,000	10,000
Other	1,400	1,400
Total investments and other assets	1,260,226	1,254,267
Total noncurrent assets	425,289,181	427,650,612
Deferred assets		
Investment unit issuance expenses	87,559	58,092
Investment corporation bond issuance costs	101,208	87,625
Total deferred assets	188,768	145,718
Total Assets	442,537,031	441,944,524

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2017	Current Period As of February 28, 2018
Liabilities		
Current liabilities		
Operating accounts payable	298,756	178,386
Short-term loans payable	5,500,000	5,500,000
Current portion of investment corporation bonds	—	6,000,000
Current portion of long-term loans payable	24,300,000	20,900,000
Accounts payable	1,689,643	1,704,711
Accrued expenses	26,744	39,686
Income taxes payable	859	807
Consumption taxes payable	1,157,247	—
Advances received	2,447,923	2,413,701
Current portion of tenant leasehold and security deposits	39,500	24,272
Total current liabilities	35,460,675	36,761,567
Noncurrent liabilities		
Investment corporation bonds	27,500,000	21,500,000
Long-term loans payable	155,140,000	159,990,000
Tenant leasehold and security deposits	8,338,257	8,459,485
Tenant leasehold and security deposits in trust	178,019	178,019
Total noncurrent liabilities	191,156,276	190,127,504
Total Liabilities	226,616,951	226,889,071
Net Assets		
Unitholders' equity		
Unitholders' capital	215,098,711	215,098,711
Deduction from unitholders' capital	(5,572,077)	(6,433,707)
Unitholders' capital, net	209,526,634	208,665,004
Retained earnings		
Unappropriated retained earnings	6,393,445	6,390,448
Total retained earnings	6,393,445	6,390,448
Total unitholders' equity	215,920,080	215,055,453
Total Net Assets *2	215,920,080	215,055,453
Total Liabilities and Net Assets	442,537,031	441,944,524

Statements of Income

(Unit: Thousand yen)

	Prior Period (Reference)	Current Period
	From March 1, 2017	From September 1, 2017
	To August 31, 2017	To February 28, 2018
Operating revenues		
Rental revenues *1	13,516,432	13,581,262
Other rental revenues *1	665,155	600,315
Gain on sales of property and equipment *2	324,182	—
Total operating revenues	14,505,770	14,181,577
Operating expenses		
Rental expenses *1	5,187,274	5,125,343
Asset management fee	1,491,376	1,478,272
Asset custody fee	6,692	6,643
Administrative service fees	20,625	20,527
Directors' remuneration	3,960	3,960
Audit fee	13,000	13,000
Taxes and dues	12,271	146
Other operating expenses	76,202	70,584
Total operating expenses	6,811,402	6,718,477
Operating income	7,694,367	7,463,100
Non-operating income		
Interest income	71	53
Reversal of distributions payable	781	627
Interest on refund of consumption taxes and other	3,286	—
Total non-operating income	4,140	680
Non-operating expenses		
Interest expense	817,832	754,987
Interest expenses on investment corporation bonds	70,612	68,804
Amortization of investment corporation bond issuance costs	13,582	13,582
Borrowing related expenses	242,243	205,741
Amortization of investment unit issuance expenses	46,460	29,467
Offering costs associated with the issuance of investment units	—	1,152
Others, net	116,014	1,329
Total non-operating expenses	1,306,747	1,075,064
Ordinary income	6,391,760	6,388,716
Income before income taxes	6,391,760	6,388,716
Income taxes-current	870	816
Income taxes-deferred	8	2
Total income taxes	879	818
Net income	6,390,881	6,387,897
Accumulated earnings brought forward	2,564	2,551
Unappropriated retained earnings	6,393,445	6,390,448

Statements of Changes in Net Assets

Prior period (From March 1, 2017 to August 31, 2017) (Reference)

(Unit: Thousand yen)

	Unitholders' equity						Total Net Assets
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Retained earnings		Total unitholders' equity	
				Unappropriated retained earnings	Total retained earnings		
Balance at the beginning of the period	215,098,711	(4,704,741)	210,393,970	6,299,307	6,299,307	216,693,277	216,693,277
Changes of items during the period							
Distributions in excess of retained earnings		(867,335)	(867,335)			(867,335)	(867,335)
Distributions of earnings				(6,296,743)	(6,296,743)	(6,296,743)	(6,296,743)
Net income				6,390,881	6,390,881	6,390,881	6,390,881
Total changes of items during the period	—	(867,335)	(867,335)	94,138	94,138	(773,197)	(773,197)
Balance at the end of the period *1	215,098,711	(5,572,077)	209,526,634	6,393,445	6,393,445	215,920,080	215,920,080

Current period (From September 1, 2017 to February 28, 2018)

(Unit: Thousand yen)

	Unitholders' equity						Total Net Assets
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Retained earnings		Total unitholders' equity	
				Unappropriated retained earnings	Total retained earnings		
Balance at the beginning of the period	215,098,711	(5,572,077)	209,526,634	6,393,445	6,393,445	215,920,080	215,920,080
Changes of items during the period							
Distributions in excess of retained earnings		(861,629)	(861,629)			(861,629)	(861,629)
Distributions of earnings				(6,390,894)	(6,390,894)	(6,390,894)	(6,390,894)
Net income				6,387,897	6,387,897	6,387,897	6,387,897
Total changes of items during the period	—	(861,629)	(861,629)	(2,997)	(2,997)	(864,626)	(864,626)
Balance at the end of the period *1	215,098,711	(6,433,707)	208,665,004	6,390,448	6,390,448	215,055,453	215,055,453

Notes to Financial Statements

(Notes Concerning Significant Accounting Policies)

By period Item	Prior Period (Reference) From March 1, 2017 To August 31, 2017	Current Period From September 1, 2017 To February 28, 2018
1. Basis and method of valuation of assets	Securities Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.	Securities Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.
2. Depreciation of noncurrent assets	Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: Buildings 2 to 77 years Structures 2 to 59 years Machinery and equipment 6 to 12 years Vehicles 4 years Tools, furniture and fixtures 2 to 18 years	Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: Buildings 2 to 77 years Structures 2 to 59 years Machinery and equipment 6 to 12 years Vehicles 4 years Tools, furniture and fixtures 2 to 18 years
3. Accounting treatment for deferred assets	(1) Investment unit issuance expenses are amortized over three years using the straight-line method. (2) Investment corporation bond issuance costs are amortized over the remaining life of the bonds using the straight-line method.	(1) Investment unit issuance expenses are amortized over three years using the straight-line method. (2) Investment corporation bond issuance costs are amortized over the remaining life of the bonds using the straight-line method.
4. Revenue and expense recognition	Taxes on property and equipment With respect to taxes on property and equipment held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant operating period are accounted for as rental expenses. Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses.	Taxes on property and equipment With respect to taxes on property and equipment held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant operating period are accounted for as rental expenses. Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 9,575 thousand yen for the period.

By period Item	Prior Period (Reference) From March 1, 2017 To August 31, 2017	Current Period From September 1, 2017 To February 28, 2018
5. Hedge accounting	<p>GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on floating rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense.</p> <p>The hedge effectiveness test for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment as permitted under the Japanese GAAP.</p>	<p>GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on floating rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense.</p> <p>The hedge effectiveness test for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment as permitted under the Japanese GAAP.</p>
6. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment of beneficiary right of real estate in trust As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust (c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes Consumption taxes withheld and paid are not included in the accompanying statements of income.</p>	<p>(1) Accounting treatment of beneficiary right of real estate in trust As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust (c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes Consumption taxes withheld and paid are not included in the accompanying statements of income.</p>

(Notes to Balance Sheets)

1. Commitment line agreements

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

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2017	Current Period As of February 28, 2018
Total amount of commitment line agreement	6,000,000	6,000,000
Balance executed as loans	—	—
Unused line of credit	6,000,000	6,000,000

Prior Period (Reference) As of August 31, 2017	Current Period As of February 28, 2018
*2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.	*2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.

(Notes to Statements of Income)

Prior Period (Reference) From March 1, 2017 To August 31, 2017	Current Period From September 1, 2017 To February 28, 2018																																																																
<p>*1. Breakdown of operating income from property leasing are as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>A. Property-related revenues</p> <p>Rental revenues:</p> <table> <tr> <td>Rental revenues</td><td>13,073,022</td></tr> <tr> <td>Common area charges</td><td>443,409</td></tr> <tr> <td>Total</td><td>13,516,432</td></tr> </table> <p>Other revenues related to property leasing</p> <table> <tr> <td>Utility charges</td><td>397,323</td></tr> <tr> <td>Parking lots</td><td>50,571</td></tr> <tr> <td>Solar panel leasing</td><td>121,820</td></tr> <tr> <td>Others</td><td>95,439</td></tr> <tr> <td>Total</td><td>665,155</td></tr> </table> <p>Total property-related revenues 14,181,587</p> <p>B. Property-related expenses</p> <p>Rental expenses:</p> <table> <tr> <td>Taxes and dues</td><td>1,220,167</td></tr> <tr> <td>Property and facility management fees</td><td>506,155</td></tr> <tr> <td>Utilities</td><td>383,772</td></tr> <tr> <td>Repairs and maintenance</td><td>71,729</td></tr> <tr> <td>Casualty insurance</td><td>26,000</td></tr> <tr> <td>Depreciation</td><td>2,875,223</td></tr> <tr> <td>Others</td><td>104,224</td></tr> <tr> <td>Total property-related expenses</td><td>5,187,274</td></tr> </table> <p>C. Operating income from property leasing (A – B) 8,994,313</p>	Rental revenues	13,073,022	Common area charges	443,409	Total	13,516,432	Utility charges	397,323	Parking lots	50,571	Solar panel leasing	121,820	Others	95,439	Total	665,155	Taxes and dues	1,220,167	Property and facility management fees	506,155	Utilities	383,772	Repairs and maintenance	71,729	Casualty insurance	26,000	Depreciation	2,875,223	Others	104,224	Total property-related expenses	5,187,274	<p>*1. Breakdown of operating income from property leasing are as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>A. Property-related revenues</p> <p>Rental revenues:</p> <table> <tr> <td>Rental revenues</td><td>13,143,400</td></tr> <tr> <td>Common area charges</td><td>437,861</td></tr> <tr> <td>Total</td><td>13,581,262</td></tr> </table> <p>Other revenues related to property leasing</p> <table> <tr> <td>Utility charges</td><td>380,839</td></tr> <tr> <td>Parking lots</td><td>50,277</td></tr> <tr> <td>Solar panel leasing</td><td>73,114</td></tr> <tr> <td>Others</td><td>96,083</td></tr> <tr> <td>Total</td><td>600,315</td></tr> </table> <p>Total property-related revenues 14,181,577</p> <p>B. Property-related expenses</p> <p>Rental expenses:</p> <table> <tr> <td>Taxes and dues</td><td>1,212,173</td></tr> <tr> <td>Property and facility management fees</td><td>503,114</td></tr> <tr> <td>Utilities</td><td>352,792</td></tr> <tr> <td>Repairs and maintenance</td><td>78,274</td></tr> <tr> <td>Casualty insurance</td><td>26,236</td></tr> <tr> <td>Depreciation</td><td>2,864,723</td></tr> <tr> <td>Others</td><td>88,028</td></tr> <tr> <td>Total property-related expenses</td><td>5,125,343</td></tr> </table> <p>C. Operating income from property leasing (A – B) 9,056,234</p>	Rental revenues	13,143,400	Common area charges	437,861	Total	13,581,262	Utility charges	380,839	Parking lots	50,277	Solar panel leasing	73,114	Others	96,083	Total	600,315	Taxes and dues	1,212,173	Property and facility management fees	503,114	Utilities	352,792	Repairs and maintenance	78,274	Casualty insurance	26,236	Depreciation	2,864,723	Others	88,028	Total property-related expenses	5,125,343
Rental revenues	13,073,022																																																																
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Others	88,028																																																																
Total property-related expenses	5,125,343																																																																
<p>*2. Breakdown of gain on sales of property and equipment are as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>GLP Tatsumi IIb and GLP Narita II</p> <table> <tr> <td>Sales proceed</td><td>5,070,000</td></tr> <tr> <td>Book value of properties sold</td><td>4,700,872</td></tr> <tr> <td>Other sales expenses</td><td>44,944</td></tr> <tr> <td>Gain on sales of property and equipment</td><td>324,182</td></tr> </table> <p>Sales price of each property is not disclosed since the counter party's consent is not obtained.</p>	Sales proceed	5,070,000	Book value of properties sold	4,700,872	Other sales expenses	44,944	Gain on sales of property and equipment	324,182																																																									
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Book value of properties sold	4,700,872																																																																
Other sales expenses	44,944																																																																
Gain on sales of property and equipment	324,182																																																																

(Notes to Statements of Changes in Net Assets)

Prior Period (Reference) From March 1, 2017 To August 31, 2017		Current Period From September 1, 2017 To February 28, 2018	
*1. Number of investment units authorized and number of investment units issued and outstanding		*1. Number of investment units authorized and number of investment units issued and outstanding	
Number of investment units authorized	16,000,000 units	Number of investment units authorized	16,000,000 units
Number of investment units issued and outstanding	2,853,078 units	Number of investment units issued and outstanding	2,853,078 units

(Deferred Tax Accounting)

Prior Period (Reference) From March 1, 2017 To August 31, 2017		Current Period From September 1, 2017 To February 28, 2018	
1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen)		1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen)	
(Deferred tax assets)		(Deferred tax assets)	
Enterprise tax payable	12	Enterprise tax payable	10
Total	12	Total	10
Net deferred tax assets	12	Net deferred tax assets	10
2. Reconciliation between Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of income for each period is as follows. (Unit: %)		2. Reconciliation between Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of income for each period is as follows. (Unit: %)	
Statutory effective tax rate	31.74	Statutory effective tax rate	31.74
(Adjustments)		(Adjustments)	
Distributions deductible for tax purposes	(31.74)	Distributions deductible for tax purposes	(31.74)
Other	0.01	Other	0.01
Actual tax rate	0.01	Actual tax rate	0.01

(Property and Equipment under Capital Lease)

Prior Period (Reference) From March 1, 2017 To August 31, 2017	Current Period From September 1, 2017 To February 28, 2018
—	—

(Financial Instruments)

Prior Period (From March 1, 2017 to August 31, 2017) (Reference)

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

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

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

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

Book value, fair value and differences between the values as of August 31, 2017 are as stated below. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (See Note 2 below).

(Unit: Thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	8,389,333	8,389,333	—
(2) Cash and deposits in trust	6,688,825	6,688,825	—
Total assets	15,078,158	15,078,158	—
(1) Short-term loans payable	5,500,000	5,500,000	—
(2) Current portion of long-term loans payable	24,300,000	24,335,127	35,127
(3) Investment corporation bonds	27,500,000	27,894,400	394,400
(4) Long-term loans payable	155,140,000	157,362,976	2,222,976
Total liabilities	212,440,000	215,092,504	2,652,504
Derivative transactions	—	—	—

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

Assets:

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

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

Liabilities:

(1) Short-term loans payable

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

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

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

(3) Investment corporation bonds

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

Derivative transactions:

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

None

(2) Derivative transactions for which hedge accounting is applied

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

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/ Pay fix	Long-term loans payable	129,430,000	105,130,000	*1	*2

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

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

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

(Unit: Thousand yen)

Account name	Amount on the balance sheet
Tenant leasehold and security deposits	8,338,257
Tenant leasehold and security deposits in trust	178,019
Total	8,516,276

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

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

(Unit: Thousand yen)

	Due within one year
Cash and deposits	8,389,333
Cash and deposits in trust	6,688,825
Total	15,078,158

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

(Unit: Thousand yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds	—	6,000,000	6,900,000	4,500,000	—	10,100,000
Long-term loans payable	24,300,000	20,900,000	25,990,000	24,050,000	12,490,000	71,710,000
Total	24,300,000	26,900,000	32,890,000	28,550,000	12,490,000	81,810,000

Current Period (From September 1, 2017 to February 28, 2018)

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

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

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

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

Book value, fair value and differences between the values as of February 28, 2018 are as stated below. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (See Note 2 below).

(Unit: Thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	5,523,591	5,523,591	—
(2) Cash and deposits in trust	6,483,790	6,483,790	—
Total assets	12,007,381	12,007,381	—
(1) Short-term loans payable	5,500,000	5,500,000	—
(2) Current portion of investment corporation bonds	6,000,000	6,021,600	21,600
(3) Current portion of long-term loans payable	20,900,000	20,925,886	25,886
(4) Investment corporation bonds	21,500,000	21,817,930	317,930
(5) Long-term loans payable	159,990,000	161,702,476	1,712,476
Total liabilities	213,890,000	215,967,892	2,077,892
Derivative transactions	—	(21,329)	(21,329)

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

Assets:

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

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

Liabilities:

(1) Short-term loans payable

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

(2) Current portion of investment corporation bonds and (4) Investment corporation bonds

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

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

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

Derivative transactions:

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

None

(2) Derivative transactions for which hedge accounting is applied

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

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/ Pay fix	Long-term loans payable	147,860,000 *1	130,260,000 *1	(21,329) *2	*3

*1 The amount includes 25,630 million yen of an interest rate swap entered on February 26, 2018. The start date of the loan subject to the interest rate swap is March 1, 2018.

*2 At February 28, 2018, the interest rate swap entered on February 26, 2018 is not deemed as an integral component of long-term loan payable under the special accounting treatment since the corresponding loan designated as a hedged item has not yet started. Thus, the amount presents the fair value of the aforementioned interest rate swap as of February 28, 2018. Interest rate swaps under the special accounting treatment are accounted for as an integral component of long-term loans payable designated as hedged items. Thus, their fair value is included in that of long-term loans payable disclosed in aforementioned “Liabilities” (3) and (5).

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

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

(Unit: Thousand yen)

Account name	Amount on the balance sheet
Tenant leasehold and security deposits	8,459,485
Tenant leasehold and security deposits in trust	178,019
Total	8,637,504

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

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

(Unit: Thousand yen)

	Due within one year
Cash and deposits	5,523,591
Cash and deposits in trust	6,483,790
Total	12,007,381

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

(Unit: Thousand yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds	6,000,000	6,900,000	4,500,000	—	1,500,000	8,600,000
Long-term loans payable	20,900,000	25,990,000	27,450,000	25,490,000	14,100,000	66,960,000
Total	26,900,000	32,890,000	31,950,000	25,490,000	15,600,000	75,560,000

(Investment and Rental Properties)

Prior Period (From March 1, 2017 to August 31, 2017) (Reference)

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

(Unit: Thousand yen)

Book value			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
431,065,733	(7,113,119)	423,952,613	521,988,000

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

(Note 2) Of the change in book value during the period, the major increase was primarily due to capital expenditure, whereas the major decrease was due to the sales of two properties (GLP Tatsumi IIB and GLP Narita II) in the total amount of 4,700,872 thousand yen and depreciation of 2,875,223 thousand yen.

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

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

Current Period (From September 1, 2017 to February 28, 2018)

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

(Unit: Thousand yen)

Book value			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
423,952,613	2,404,727	426,357,341	528,628,000

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

(Note 2) Of the change in book value during the period, the major increase was primarily due to the acquisition of one property (GLP Noda-Yoshiharu) in the amount of 4,593,739 thousand yen, whereas the major decrease was due to depreciation of 2,864,723 thousand yen.

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

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

(Restriction on Asset Management)

Prior Period (From March 1, 2017 to August 31, 2017) (Reference)

None

Current Period (From September 1, 2017 to February 28, 2018)

None

(Related Party Transactions)

Prior Period (From March 1, 2017 to August 31, 2017) (Reference)

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Interested party	Global Logistic Properties Inc.	Investment advisory/ agency	—	Property management fee	260,008	Operating accounts payable	45,809
				Royalty fee (Note 2)	7,500	—	—
				Leasing commission	48,280	—	—
Interested party	GLP Solar Special Purpose Company	Equipment leasing	—	Rental income from rooftop leasing (Note 2)	41,549	Advances received	7,056
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	3,822	Advances received	688
Interested party	GLP J-REIT Solar GK	Equipment leasing	—	Rental income from solar panel leasing	92,678	Operating accounts receivable	16,684
Interested party	Ichikawashiohama Godo Kaisha	Equipment leasing	—	Rental income from solar panel leasing	29,141	Operating accounts receivable	3,040
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Borrowing as short-term loans payable	—	Short-term loans payable	315,000
				Repayment of long-term loans payable	800,000	Current portion of long-term loans payable	1,800,000
						Long-term loans payable	9,010,000
				Interest expense	45,296	Accrued expenses	234
				Trust fee	9,237	Operating accounts payable	3,261
				Administrative service fee	20,625	Accounts payable	9,466

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

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

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

Current Period (From September 1, 2017 to February 28, 2018)

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Interested party	GLP Japan Inc.	Investment advisory/ agency	—	Property management fee	260,730	Operating accounts payable	60,619
				Leasing commission	52,427		
				Royalty fee (Note 2)	7,500	—	—
Interested party	GLP Solar Special Purpose Company	Equipment leasing	—	Rental income from rooftop leasing (Note 2)	39,204	—	—
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	3,822	Advances received	688
Interested party	GLP J-REIT Master Lease Godo Kaisha	Real estate	—	Rental income from solar panel leasing	55,653	Operating accounts receivable	12,058
Interested party	Ichikawashiohama Godo Kaisha	Equipment leasing	—	Rental income from solar panel leasing	17,461	Operating accounts receivable	5,826
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Borrowing as short-term loans payable	315,000	Short-term loans payable	315,000
				Repayment of short-term loans payable	315,000		
				Borrowing as long-term loans payable	800,000	Current portion of long-term loans payable	500,000
				Repayment of long-term loans payable	1,800,000	Long-term loans payable	9,310,000
				Interest expense	40,701	Accrued expenses	425
				Borrowing related fee	1,920	—	—
				Trust fee	9,180	Operating accounts payable	3,304
				Administrative service fee	20,527	Accounts payable	9,396

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

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

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

(Per Unit Information)

Prior Period (Reference) From March 1, 2017 To August 31, 2017		Current Period From September 1, 2017 To February 28, 2018	
Net assets per unit	75,679 yen	Net assets per unit	75,376 yen
Net income per unit	2,239 yen	Net income per unit	2,238 yen
Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as no dilutive securities were outstanding.		Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as no dilutive securities were outstanding.	

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

	Prior Period (Reference) From March 1, 2017 To August 31, 2017	Current Period From September 1, 2017 To February 28, 2018
Net income	6,390,881 thousand yen	6,387,897 thousand yen
Amount not attributable to ordinary unitholders	— thousand yen	— thousand yen
Net income attributable to ordinary unitholders	6,390,881 thousand yen	6,387,897 thousand yen
Average number of investment units outstanding	2,853,078 units	2,853,078 units

(Significant Subsequent Events)

Prior Period (From March 1, 2017 to August 31, 2017) (Reference)

1. Acquisition of assets

GLP J-REIT acquired the beneficiary right of real estate in trust described below. The acquisition price (the purchase price under the Sales and Purchase Agreement of Beneficiary Right of Real Estate in Trust) does not include other acquisition related costs such as direct expenses for acquisition, property-related taxes and consumption taxes.

Property name	Acquisition date	Location	Seller	Acquisition price (Million yen)
GLP Noda-Yoshiharu	September 1, 2017	Noda, Chiba	MUL Property Co., Ltd.	4,496

2. Additional borrowings

GLP J-REIT obtained bank loans to acquire specified asset and related costs as stated in “1. Acquisition of assets” above.

Lender	Loan amount (Million yen)	Interest rate	Loan execution date	Repayment date	Repayment method	Collateral
Sumitomo Mitsui Banking Corporation	870	0.45681%	September 1, 2017	September 1, 2023	Lump-sum repayment on repayment date	Unsecured not guaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	580	0.45681%				
Total	1,450	—	—	—	—	—

Current Period (From September 1, 2017 to February 28, 2018)

1. Issuance of new investment units

At the Board of Directors' Meetings held on February 5, 2018 and February 14, 2018, GLP J-REIT resolved to issue the following new investment units. The proceeds from new investment units through a public offering were fully collected on March 1, 2018 while the proceeds from new investment units through a third-party allocation were fully collected on March 20, 2018.

[Issuance of new investment units through a public offering]

Number of new investment units to be issued:	529,922 units (262,402 units for domestic market, 267,520 units for international market)
Issue price (offer price):	109,372 yen per unit
Total amount issued (total offering amount):	57,958,628,984 yen
Amount to be paid in (issue amount):	105,856 yen per unit
Total amount to be paid in (total issue amount):	56,095,423,232 yen
Payment date:	March 1, 2018
Initial date of distribution calculation:	March 1, 2018

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

Number of new investment units issued:	19,681 units
Amount to be paid in (issue amount):	105,856 yen per unit
Total amount to be paid in (total issue amount):	2,083,351,936 yen
Payment date:	March 20, 2018
Initial date of distribution calculation:	March 1, 2018
Underwriter:	Nomura Securities Co., Ltd.

[Purpose of funding]

The funds raised through the public offering were appropriated for the acquisition of beneficiary rights of real estate in trust and beneficiary rights of solar panels in trust stated below in “2. Acquisition of assets.” All amount of funds raised through the third-party allocation were appropriated to repay a short-term loan on March 30, 2018 before its original repayment date of February 28, 2019.

2. Acquisition of assets

GLP J-REIT acquired the beneficiary rights of real estate in trust of properties described below. The acquisition price (the purchase price stated in the Sales and Purchase Contract of Beneficiary Rights of Real Estate in Trust or the Price Agreement associated to the Contract) does not include other acquisition related costs such as direct expenses for acquisition, property-related taxes and consumption taxes.

Property name	Acquisition date	Location	Seller	Acquisition price (Million yen)
GLP Urayasu	March 1, 2018	Urayasu, Chiba	Sumitomo Mitsui Finance and Leasing Company, Limited	7,440
GLP Funabashi II		Funabashi, Chiba		7,789
GLP Misato		Misato, Saitama		16,939
GLP Maishima I		Osaka, Osaka		19,390
GLP Soja I		Soja, Okayama	Soja Logistics Special Purpose Company	12,800
GLP Soja II		Soja, Okayama	Soja Two Logistics Special Purpose Company	12,700
Total	—	—	—	77,060

In addition, GLP J-REIT acquired the beneficiary rights of solar panels in trust of properties described below. The acquisition price (the purchase price stated in the Sales and Purchase Contract of Beneficiary Rights of Solar Panels in Trust) does not include other acquisition related costs such as direct expenses for acquisition, property-related taxes and consumption taxes.

Property name	Acquisition date	Location	Seller	Acquisition price (Million yen)
GLP Akishima	March 1, 2018	Akishima, Tokyo	GLP Solar Special Purpose Company	395
GLP Misato II		Misato, Saitama		268
GLP Urayasu III		Urayasu, Chiba		560
GLP Tokyo II		Koto, Tokyo		273
GLP Sugito		Kita-Katsushika, Saitama		171
GLP Maishima II		Osaka, Osaka		318
GLP Amagasaki		Amagasaki, Hyogo		463
GLP Fukusaki		Kanzaki, Hyogo		288
GLP Fukaehama		Kobe, Hyogo		328
GLP Tomiya		Tomiya, Miyagi		282
GLP Kiyama		Miyaki, Saga		518
GLP Komaki		Komaki, Aichi		448
GLP Tosu I		Tosu, Saga		678
Total	—	—	—	4,990

3. Additional borrowings

GLP J-REIT obtained bank loans to acquire specified asset and related costs as stated in “2. Acquisition of assets” above and to refinance bank loans.

Lender	Loan amount (Million yen)	Interest rate	Loan execution date	Repayment date	Repayment method	Collateral
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Citibank, N.A., Tokyo Branch, Development Bank of Japan Inc., The Norinchukin Bank, Resona Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, and Shinsei Bank, Limited	1,140	JBA yen 1month TIBOR + 0.15%	March 1, 2018	February 28, 2019 (Note 1)	Lump-sum repayment on repayment date	Unsecured not guaranteed
	3,170	JBA yen 3month TIBOR + 0.175% (Note 2)		September 1, 2021		
	10,130	JBA yen 3month TIBOR + 0.195% (Note 3)		February 28, 2023		
	6,000	JBA yen 3month TIBOR + 0.205% (Note 4)		February 29, 2024		
	3,170	JBA yen 3month TIBOR + 0.25% (Note 5)		February 27, 2026		
	3,160	JBA yen 3month TIBOR + 0.375% (Note 6)		February 29, 2028		
Total	26,770	—	—	—	—	—

(Note 1) This loan was fully repaid on March 30, 2018 before its original repayment date using funds raised through a third-party allocation.

(Note 2) GLP J-REIT entered into an interest rate swap agreement on February 26, 2018 and the interest rate has been substantially fixed at 0.2932%.

(Note 3) GLP J-REIT entered into an interest rate swap agreement on February 26, 2018 and the interest rate has been substantially fixed at 0.34245%.

(Note 4) GLP J-REIT entered into an interest rate swap agreement on February 26, 2018 and the interest rate has been substantially fixed at 0.383%.

(Note 5) GLP J-REIT entered into an interest rate swap agreement on February 26, 2018 and the interest rate has been substantially fixed at 0.4984%.

(Note 6) GLP J-REIT entered into an interest rate swap agreement on February 26, 2018 and the interest rate has been substantially fixed at 0.71%.

Statements of Distributions

(Unit: Yen)

	Prior Period (Reference) From March 1, 2017 To August 31, 2017	Current Period From September 1, 2017 To February 28, 2018
I Unappropriated retained earnings	6,393,445,723	6,390,448,479
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	861,629,556	858,776,478
III Distributions	7,252,524,276	7,246,818,120
[Distributions per unit]	[2,542]	[2,540]
Of which, distributions of earnings	6,390,894,720	6,388,041,642
[Of which, distributions of earnings per unit]	[2,240]	[2,239]
Of which, distributions in excess of retained earnings	861,629,556	858,776,478
[Of which, distributions in excess of retained earnings per unit]	[302]	[301]
IV Retained earnings carried forward	2,551,003	2,406,837

Calculation method of distribution amount

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

Accordingly, GLP J-REIT declared a distribution amount of 6,390,894,720 yen, which was the amount equivalent to the maximum integral multiples of the number of investment units issued and outstanding as of the end of the period.

Furthermore, based on the distribution policy as defined in Section 34.2 of its bylaws, GLP J-REIT will make an Optimal Payable Distribution (the "OPD"), which represents a distribution of funds in excess of retained earnings in each fiscal period on a continuing basis.

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

Accordingly, GLP J-REIT declared a distribution amount of 6,388,041,642 yen, which was the amount equivalent to the maximum integral multiples of the number of investment units issued and outstanding as of the end of the period.

Furthermore, based on the distribution policy as defined in Section 34.2 of its bylaws, GLP J-REIT will make an Optimal Payable Distribution (the "OPD"), which represents a distribution of funds in excess of retained earnings in each fiscal period on a continuing basis.

(Continued)

(Continued)

(Continued)

Thus, GLP J-REIT declared an OPD (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) amounting to 861,629,556 yen, which was determined as follows: (1) the amount not exceeding the upper limit of 2,428,451,069 yen calculated by deducting capital expenditure of 446,772,496 yen from depreciation expense of 2,875,223,565 yen, and (2) approximately 30% of the depreciation expense of 2,875,223,565 yen for the period.

(Continued)

Thus, GLP J-REIT declared an OPD (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) amounting to 858,776,478 yen, which was determined as follows: (1) the amount not exceeding the upper limit of 2,189,011,530 yen calculated by deducting capital expenditure of 675,711,581 yen from depreciation expense of 2,864,723,111 yen, and (2) approximately 30% of the depreciation expense of 2,864,723,111 yen for the period.

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

Statements of Cash Flows (Reference information)

	(Unit: Thousand yen)	
	Prior Period (Reference)	Current Period
	From March 1, 2017 To August 31, 2017	From September 1, 2017 To February 28, 2018
Operating activities:		
Income before income taxes	6,391,760	6,388,716
Depreciation	2,875,223	2,864,723
Amortization of investment corporation bond issuance costs	13,582	13,582
Amortization of investment unit issuance expenses	46,460	29,467
Interest income	(71)	(53)
Reversal of distributions payable	(781)	(627)
Interest expense	888,445	823,791
Decrease (increase) in operating accounts receivable	14,308	(3,335)
Decrease (increase) in prepaid expenses	71,702	(36,555)
Decrease (increase) in consumption taxes receivable	2,011,826	(120,748)
Decrease (increase) in other current assets	(1,641)	748
Decrease (increase) in long-term prepaid expenses	182,935	5,958
Increase (decrease) in operating accounts payable	126,419	(120,369)
Increase (decrease) in accounts payable	102,945	(25,705)
Increase (decrease) in consumption taxes payable	1,157,247	(1,157,247)
Increase (decrease) in advances received	65,778	(34,222)
Decrease in property and equipment in trust due to sales	4,700,872	—
Sub total	18,647,014	8,628,122
Interest received	71	53
Interest paid	(888,102)	(810,849)
Income taxes paid	(1,051)	(867)
Net cash provided by (used in) operating activities	17,757,932	7,816,458
Investing activities:		
Purchase of property and equipment	(1,834)	(10,246)
Purchase of property and equipment in trust	(363,848)	(5,181,146)
Proceeds from tenant leasehold and security deposits	83,740	227,697
Repayments of tenant leasehold and security deposits	(182,666)	(121,697)
Net cash provided by (used in) investing activities	(464,609)	(5,085,391)
Financing activities:		
Proceeds from short-term loans payable	—	5,500,000
Repayments of short-term loans payable	—	(5,500,000)
Proceeds from long-term loans payable	—	25,750,000
Repayments of long-term loans payable	(5,000,000)	(24,300,000)
Payments of investment corporation bond issuance costs	(1,780)	—
Payments of distributions of earnings	(6,296,822)	(6,390,486)
Payments of distributions in excess of retained earnings	(867,040)	(861,356)
Net cash provided by (used in) financing activities	(12,165,642)	(5,801,843)
Net increase (decrease) in cash and cash equivalents	5,127,679	(3,070,777)
Cash and cash equivalents at beginning of period	9,950,478	15,078,158
Cash and cash equivalents at end of period *1	15,078,158	12,007,381

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

(Notes Concerning Significant Accounting Policies)

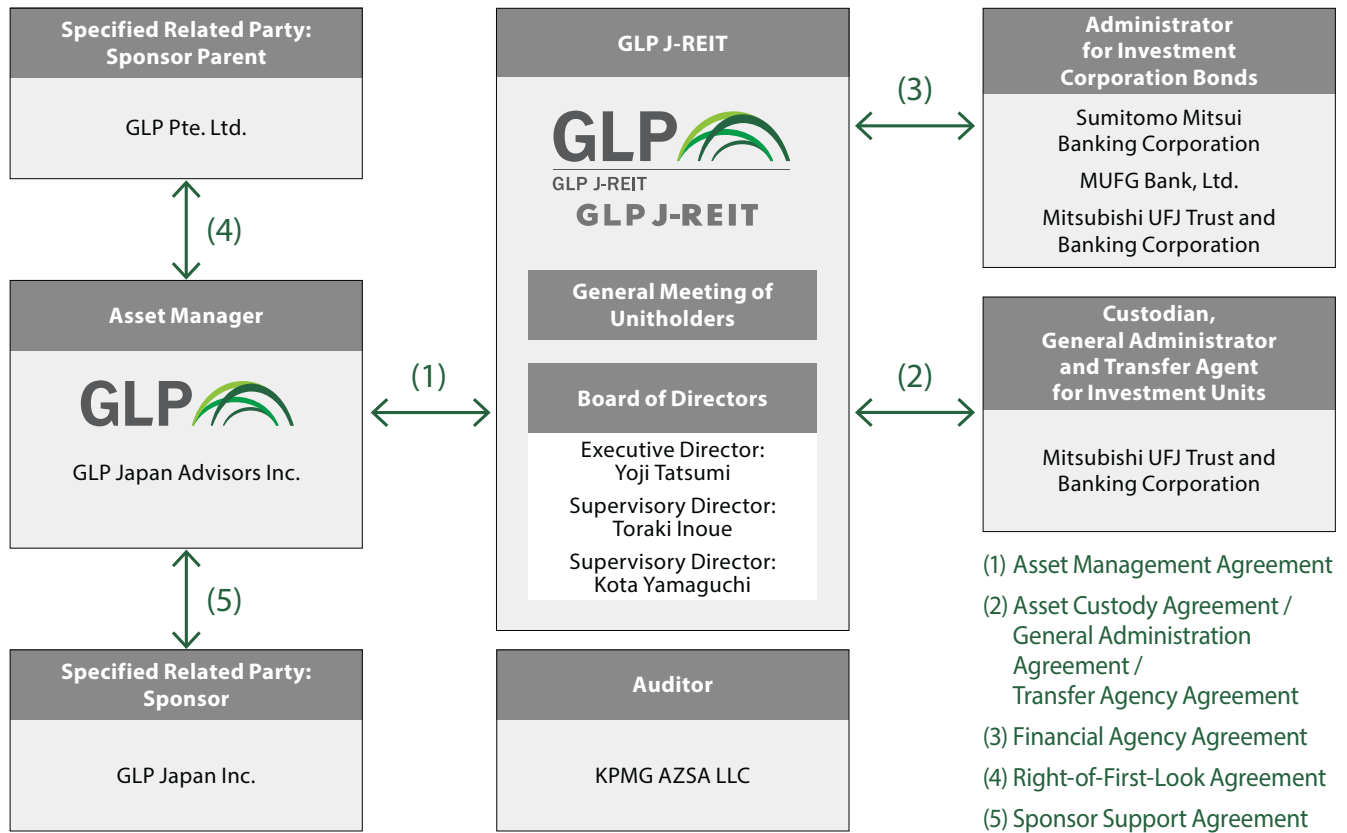
	Prior Period (Reference) From March 1, 2017 To August 31, 2017	Current Period From September 1, 2017 To February 28, 2018
Cash and cash equivalents as stated in the Statements of Cash Flows	Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are liquid and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.	Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are liquid and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.

(Notes to Statements of Cash Flows)

Prior Period (Reference) From March 1, 2017 To August 31, 2017	Current Period From September 1, 2017 To February 28, 2018												
<p>*1. Reconciliation of cash and cash equivalents in the Statement of Cash Flows to accounts and amounts in the accompanying balance sheet (As of August 31, 2017)</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <table> <tr> <td>Cash and deposits</td><td style="text-align: right;">8,389,333</td></tr> <tr> <td>Cash and deposits in trust</td><td style="text-align: right;">6,688,825</td></tr> <tr> <td>Cash and cash equivalents</td><td style="text-align: right;"><u>15,078,158</u></td></tr> </table>	Cash and deposits	8,389,333	Cash and deposits in trust	6,688,825	Cash and cash equivalents	<u>15,078,158</u>	<p>*1. Reconciliation of cash and cash equivalents in the Statement of Cash Flows to accounts and amounts in the accompanying balance sheet (As of February 28, 2018)</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <table> <tr> <td>Cash and deposits</td><td style="text-align: right;">5,523,591</td></tr> <tr> <td>Cash and deposits in trust</td><td style="text-align: right;">6,483,790</td></tr> <tr> <td>Cash and cash equivalents</td><td style="text-align: right;"><u>12,007,381</u></td></tr> </table>	Cash and deposits	5,523,591	Cash and deposits in trust	6,483,790	Cash and cash equivalents	<u>12,007,381</u>
Cash and deposits	8,389,333												
Cash and deposits in trust	6,688,825												
Cash and cash equivalents	<u>15,078,158</u>												
Cash and deposits	5,523,591												
Cash and deposits in trust	6,483,790												
Cash and cash equivalents	<u>12,007,381</u>												

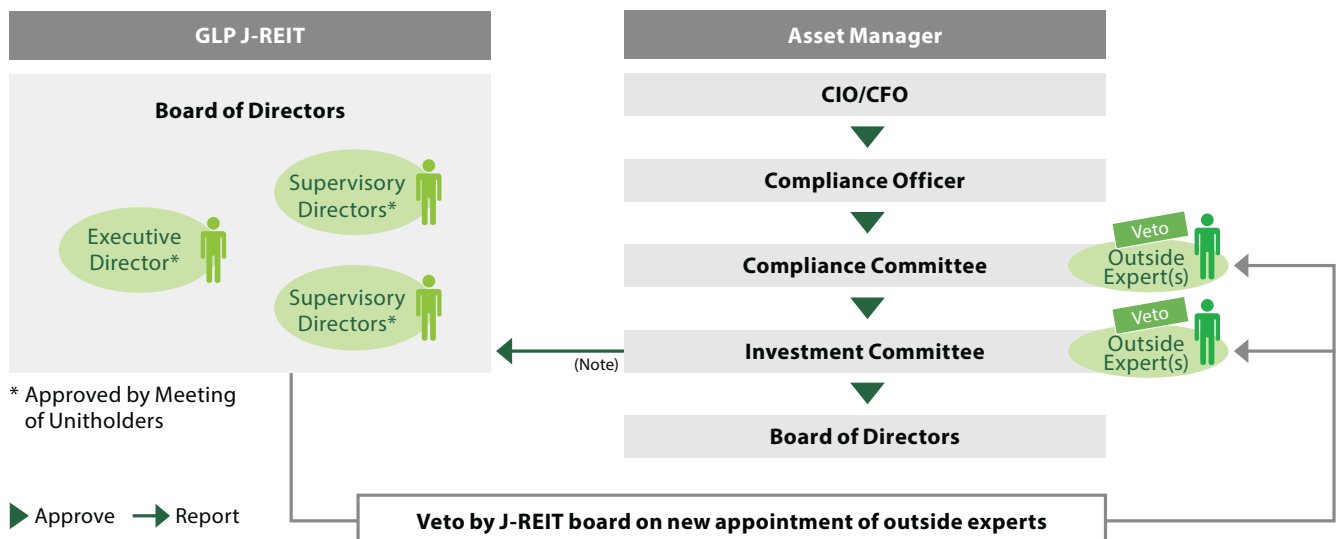
Overview GLP J-REIT

Structure of GLP J-REIT



(Note) Each of the following companies indirectly holds GLP Japan Advisors Inc. and is therefore regarded as a "Specified Related Party" as defined in the Financial Instruments and Exchange Act (the Act): GLP Holdings Limited, GLP Holdings, L.P., GLP Topco Limited, GLP Midco Limited, GLP Bidco Limited, Global Logistics Properties Holdings Limited and GLP Singapore Pte. Ltd. GLP J-REIT Master Lease Godo Kaisha is also regarded as a "Specified Related Party" as defined in the Act since the company is conducting or has conducted transactions specified under Article 29-3 Paragraph 3, Item 4 (Real Estate Lending Transactions) of Order for Enforcement of the Act (Cabinet Order No. 321 of 1965) and thus is considered as an "interested party" of GLP Japan Advisors Inc.

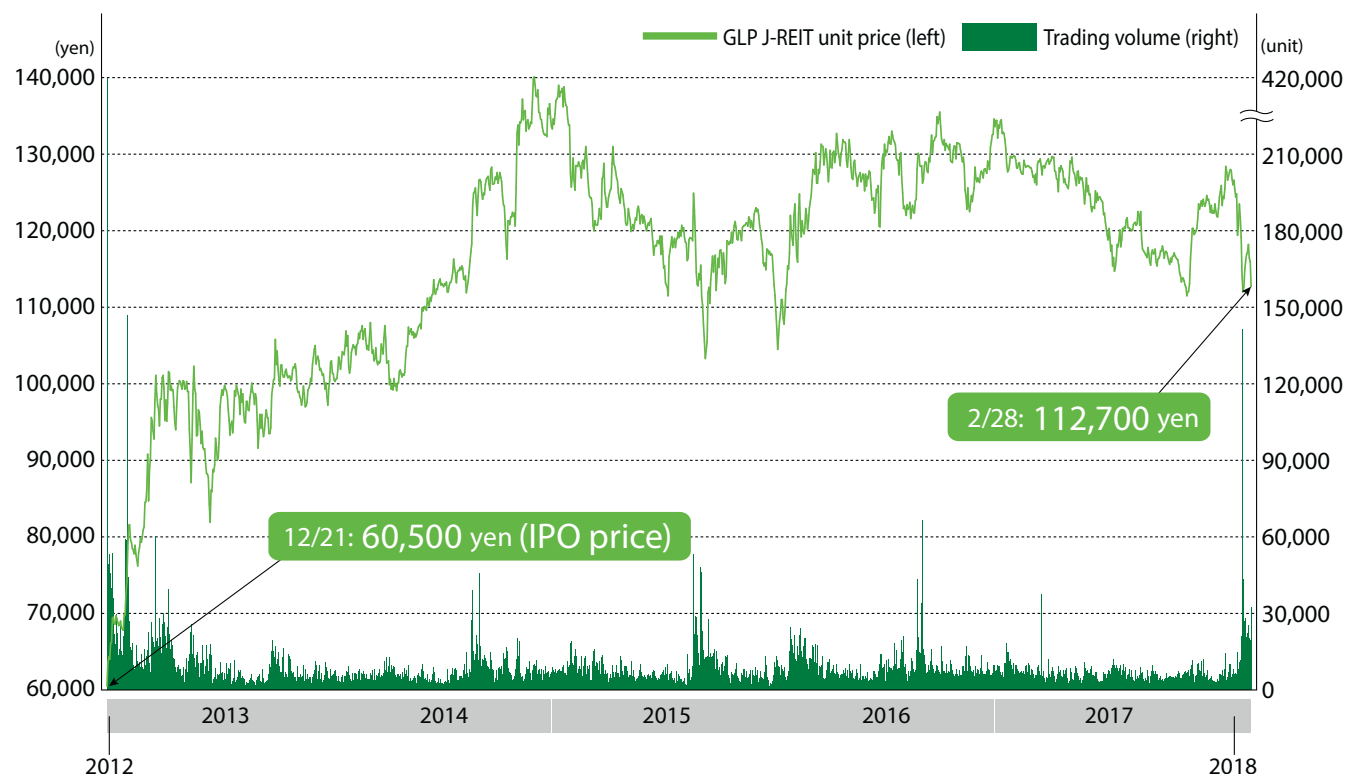
Governance Structure for Related Party Transactions



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

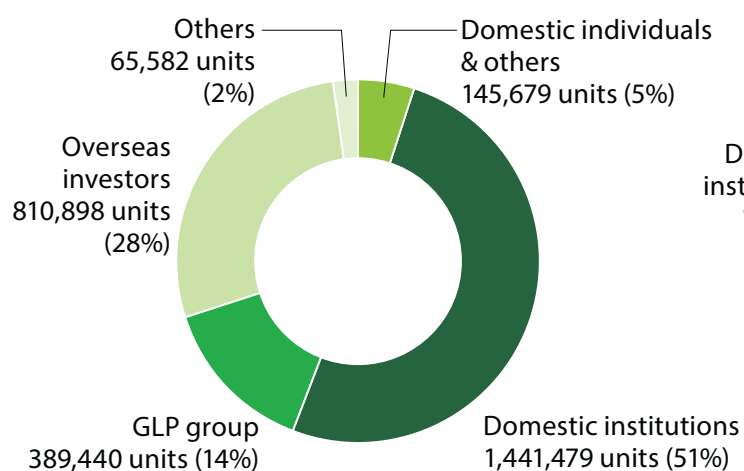
Investor's Information

Historical Investment Unit Price (closing price)



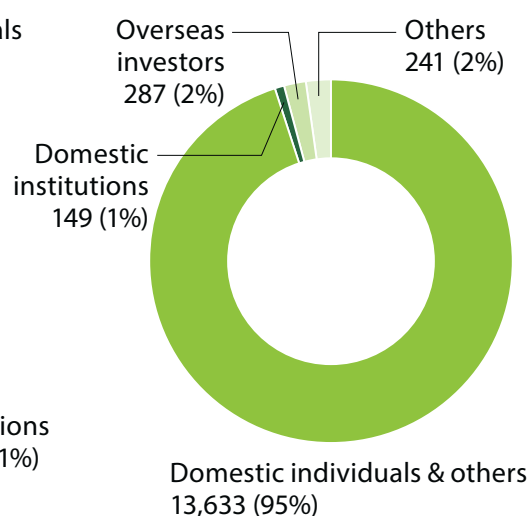
Unitholder Composition (as of the end of Feb 2018)

Number of units held by unitholders



Total number of issued units: 2,853,078

Number of unitholders



Total number of unitholders: 14,310