

SUMMARY OF FINANCIAL RESULTS (REIT) For the 15th Fiscal Period Ended August 31, 2019

< Under Japanese GAAP >

October 16, 2019

Name of REIT Issuer: GLP J-REIT Stock Exchange Listing: TSE
 Securities Code: 3281 URL <https://www.glpjreit.com/>
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Scheduled date to file securities report: November 28, 2019

Scheduled date to commence distribution payments: November 18, 2019

Supplementary materials for financial results: Yes • No (Japanese / English)

Holding of financial results briefing session: Yes • No (For institutional investors and analysts, in both Japanese and English)

(Amounts are rounded down to the nearest million yen)

1. Financial Results for the Fiscal Period Ended August 31, 2019 (From March 1, 2019 to August 31, 2019)

(1) Operating Results

[Percentages indicate period-on-period changes]

	Operating revenues		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Period ended								
August 31, 2019	19,891	6.4	10,852	6.5	9,575	7.0	9,612	6.2
February 28, 2019	18,691	10.6	10,185	11.9	8,946	12.6	9,052	13.9

	Net income per unit	Return on unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenues
	Yen	%	%	%
Period ended				
August 31, 2019	2,507	3.0	1.6	48.1
February 28, 2019	2,365	3.1	1.6	47.9

(2) Distributions

	Distributions (excluding OPD*)		Optimal payable distribution (OPD)		Distributions (including OPD)		Payout ratio	Distributions to net assets
	Per Unit	Total	Per Unit	Total	Per Unit	Total		
Period ended	Yen	Million yen	Yen	Million yen	Yen	Million yen	%	%
August 31, 2019	2,508	9,614	294	1,127	2,802	10,741	100.0	3.0
February 28, 2019	2,361	9,050	296	1,134	2,657	10,185	99.9	2.9

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

(Note 1) For the period ended February 28, 2019, payout ratio was calculated as follows since new investment units were issued during the period:

$$\text{Payout ratio} = \text{Total distributions (excluding OPD)} / \text{Net income} \times 100$$

Payout ratio is rounded down to the first decimal place.

(Note 2) Payout ratio and distributions to net assets ratio were calculated on the basis of excluding OPD.

(Note 3) All of the amounts of OPD for the periods ended August 31, 2019 and February 28, 2019 were the refund of investment categorized as a distribution from in unitholders' capital for tax purposes.

(Note 4) Retained earnings decreased at a rate of 0.004 for each period ended August 31, 2019 and February 28, 2019, respectively, due to OPD (a refund of investment categorized as a distribution from unitholders' capital for tax purposes).

These rates were calculated based on Article 23, Paragraph 1, Item 4 of the Order for Enforcement of the Corporation Tax Act.

(3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
Period ended	Million yen	Million yen	%	Yen
August 31, 2019	610,494	318,114	52.1	82,984
February 28, 2019	610,861	318,687	52.2	83,134

(4) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the period
Period ended	Million yen	Million yen	Million yen	Million yen
August 31, 2019	17,290	(497)	(11,737)	21,552
February 28, 2019	14,565	(85,150)	71,503	16,497

2. Earnings Forecast for the Fiscal Periods Ending February 29, 2020 (From September 1, 2019 to February 29, 2020) and August 31, 2020 (From March 1, 2020 to August 31, 2020)

[Percentages indicate period-on-period changes]

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding OPD)	OPD per unit	Distributions per unit (including OPD)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
Period ending											
February 29, 2020	18,789	(5.5)	9,811	(9.6)	8,725	(8.9)	8,723	(9.2)	2,275	295	2,570
August 31, 2020	18,823	0.2	9,944	1.4	8,845	1.4	8,843	1.4	2,306	293	2,599

(Reference) Estimated net income per unit: For the fiscal period ending February 29, 2020 2,275 yen
For the fiscal period ending August 31, 2020 2,306 yen

* Other

(1) Changes in accounting policies, changes in accounting estimates and retroactive restatement

- (a) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (b) Changes in accounting policies due to other reasons: None
- (c) Changes in accounting estimates: None
- (d) Retroactive restatement: None

(2) Number of investment units issued and outstanding

- (a) Number of investment units issued and outstanding, including treasury units:
As of August 31, 2019 3,833,420 Units As of February 28, 2019 3,833,420 Units
- (b) Number of treasury units:
As of August 31, 2019 0 Units As of February 28, 2019 0 Units

(Note) Please refer notes to "Per Unit Information" on page 31 for the number of investment units used as the basis for calculating the net income per unit.

* The financial information on this report is not included in the scope of the external audit.

* Other special matters

The forward-looking statements in this material are based on the information currently available to us and certain assumptions we believe reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, those statements do not guarantee the amounts of future distributions and distributions in excess of earnings. Please refer to “Assumptions Underlying Earnings Forecasts for the 16th Fiscal Period Ending February 29, 2020 (From September 1, 2019 to February 29, 2020) and the 17th Fiscal Period Ending August 31, 2020 (From March 1, 2020 to August 31, 2020)” on page 6 – 8 for assumptions regarding the forward-looking statements.

This is an English language translation of the original Japanese announcement of the financial statements (“*Kessan Tanshin*”). This translation is provided for information purpose only. Should there be any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

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1. Operating Conditions

(1) Operating Conditions

[Overview of the Current Fiscal Period]

(i) Brief Background of GLP J-REIT

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

Having GLP Group (Note) as sponsor and investing in highly functional modern logistics facilities while taking advantage of the wealth of experience and management resources, GLP J-REIT aims to earn stable income and achieve steady growth in assets under management over the medium and long term. Since starting its operation as a listed J-REIT with 30 properties (total acquisition price of 208,731 million yen) in January 2013, GLP J-REIT has been steadily expanding its assets through the continuous acquisition of properties. As of the end of the current fiscal period, GLP J-REIT owns 75 properties (total acquisition price of 607,974 million yen).

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

(ii) Investment Environment and Business Performance

During the current fiscal period, while some weakness remains mainly in exports, corporate profits hold firm at a high level; the Japanese economy continues a mild upswing with a moderate increase in capital investments and improvements in the employment and earnings environments.

In the real estate investment market, investors’ desires have not decreased and transactions remain active on the back of a continuing favorable financing environment. In the logistics real estate market, active demand led to an increase in facilities development projects and liquidity has further improved due to an increase in transactions. As a result, capitalization rates are trending low while real estate prices stay high.

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, although the supply of logistics facilities remains at a record high in 2019, the demand for logistics facilities has also reached record high levels as shown by the pre-leased ratio (Note 1) in the Tokyo metropolitan area and the greater Osaka area as of the end of June 2019, exceeding 80%. Thus, the supply-demand balance of logistics facilities is tight.

Under these conditions, with the aim of improving the operational efficiency of the asset portfolio while maintaining its asset size and the quality/profitability of the asset portfolio, on March 29, 2019, GLP J-REIT sold the real estate trust beneficiary right of GLP Fukuoka (selling price: 2,300 million yen; gain on sale: 786 million yen), which was relatively small in size among existing properties.

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 14 consecutive fiscal periods since GLP J-REIT's listing on the Tokyo Stock Exchange.

As a result of these operations, GLP J-REIT owns 75 properties with a total acquisition price of 607,974 million yen and total leasable area of 2,770,669.34 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 721,011 million yen with an unrealized gain of 136,780 million yen and the unrealized gain ratio (Note 2) of 23.4 %.

(Note 1) "The pre-leased ratio" represents the ratio of lease contracts signed or granted as of each survey date; in other words, the ratio of the total floor area for which it is possible to assume to stop looking for tenants as of each survey date to the total floor area of new logistics facilities constructed and planned to be supplied in each year.

(Note 2) $\text{Unrealized gain ratio} = \frac{\text{Unrealized gain (Appraisal value or research price at the fiscal period end - Book value)}}{\text{Book value}}$.

(iii) 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, on July 8, 2019, GLP J-REIT issued its first Retail Green Bond (GLP J-REIT 13th Unsecured Bonds, total amount issued: 8,000 million yen) with an aim to promote ESG activities and expand financing channels by broadening the investor base, which can include individual investors. In addition, of the existing borrowings with repayment dates on or before January 2020, the amount of 23,540 million yen which includes long-term loans payable with relatively high interest rates were refinanced before their repayment dates and the corresponding interest rate swaps were terminated. (Note 1) These repayments were made by using the cash proceeds received from the sale of assets on March 2019, cash on hand and a part of the cash proceeds from the aforementioned bond issuance. Thus, GLP J-REIT successfully decreased interest costs, improved profitability and lengthened its borrowing periods.

As a result of the above, outstanding interest-bearing liabilities as of the end of the current fiscal period totaled 272,600 million yen (outstanding loans 235,000 million yen, outstanding investment corporation bonds 37,600 million yen) and the ratio of interest-bearing liabilities to total assets (LTV) was 44.7 %.

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 1) The amount of expenses incurred in connection with the termination of interest rate swaps is 61 million yen.

(Note 2) It is the rating for the 2nd to the 13th Investment Corporation Bonds.

(iv) Overview of Financial Results and Cash Distribution

As a result of these management efforts, GLP J-REIT reported total operating revenues of 19,891 million yen, operating income of 10,852 million yen, ordinary income of 9,575 million yen and net income of 9,612 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 9,614,217,360 yen. This cash distribution is eligible for the special tax treatment on investment corporations (Section 67.15 of the Special Taxation Measures Act) and represents the multiple of the number of investment units issued and outstanding (3,833,420 units) from unappropriated retained earnings. Accordingly, distribution per unit for the current fiscal period was 2,508 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 1,127,025,480 yen, an amount almost equivalent to 30% of depreciation (3,769 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 294 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 accounting 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 762 million yen of capital expenditure for the current fiscal period from 3,769 million yen of depreciation expenses for the period is 3,007 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 accounting period immediately before the period in which the distribution is made, unless GLP J-REIT determines that the OPD payment would have a negative impact on its long-term repair and maintenance plan or financial conditions

in light of the estimated amount of capital expenditure for each fiscal period based on the plan.

With respect to all 75 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 647 million yen.

[Outlook of Next Fiscal Period]

(i) 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:

- (A) 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.
- (B) With regard to its external growth strategy, GLP J-REIT will take advantage of 11 properties under Rights-of-First-Look agreement (floor area: approximately 0.57 million m²) (Note 1), which is held by GLP J-REIT as a specific and flexible pipeline, and seek future opportunities to acquire some of the 35 properties (floor area: approximately 3.36 million m²) (the figures include properties under construction or planned for construction) (Note 1) held 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 third-party properties and using the bridge approach through the Optimal Takeout Arrangement (“OTA”) (Note 2).
- (C) As to financial strategy, GLP J-REIT will examine such financing activities as extending debt maturities through refinancing, issuing investment corporation bonds and raising funds through public offerings of units, while closely monitoring the trends in the financing environment. By doing so, GLP J-REIT will work to achieve an optimal balance of financing methods and financing costs.

(Note 1) The figures as of October 15, 2019 are stated, including one sponsor-owned properties under the Rights-of-First-Look agreement, eight OTA Assets acquired or planned to be acquired by Bridge SPCs for which the private equity placement was arranged by Mizuho Securities Co., Ltd. and two OTA Assets acquired by another bridge scheme (undisclosed). For properties under construction or planned for construction as of October 15, 2019, the floor area is calculated based on planned floor area of construction at that time.

(Note 2) Optimal Takeout Arrangement (“OTA”) refers to the arrangement under which GLP J-REIT

acquires an asset at the timing designated by GLP J-REIT within the scheduled acquisition period, and with the acquisition price which may be reduced to some degree depending on the timing of acquisition.

(ii) Significant Subsequent Events

None to report.

(iii) Earnings Forecast

GLP J-REIT has made the following earnings forecasts for the fiscal period ending February 29, 2020 (From September 1, 2019 to February 29, 2020) and the fiscal period ending August 31, 2020 (From March 1, 2020 to August 31, 2020). Please refer the forecast assumptions to “Assumptions Underlying Earnings Forecasts for the 16th Fiscal Period Ending February 29, 2020 (From September 1, 2019 to February 29, 2020) and the 17th Fiscal Period Ending August 31, 2020 (From March 1, 2020 to August 31, 2020)” below.

[Percentages indicate period-on-period changes]

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding OPD)	OPD per unit	Distributions per unit (including OPD)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
Period ending											
February 29, 2020	18,789	(5.5)	9,811	(9.6)	8,725	(8.9)	8,723	(9.2)	2,275	295	2,570
August 31, 2020	18,823	0.2	9,944	1.4	8,845	1.4	8,843	1.4	2,306	293	2,599

(Note) The forecast figures are the current figures calculated based on certain assumptions, and the actual net income, distribution per unit, OPD per unit and other figures may vary due to changes in circumstances surrounding GLP J-REIT. In addition, the forecasts are not a guarantee of the amount of distributions or OPD.

Assumptions Underlying Earnings Forecasts for:

The 16th Fiscal Period Ending February 29, 2020 (From September 1, 2019 to February 29, 2020) and the 17th Fiscal Period Ending August 31, 2020 (From March 1, 2020 to August 31, 2020)

Item	Assumption
Accounting period	The 16th Fiscal Period: From September 1, 2019 to February 29, 2020 (182 days) The 17th Fiscal Period: From March 1, 2020 to August 31, 2020 (184 days)
Portfolio assets	<ul style="list-style-type: none"> It is assumed that the portfolio assets will consist of the trust beneficiary rights of 75 properties held as of the end of the 15th Fiscal Period. The forecasts also assume that there will be no changes to the portfolio assets (acquisition of new assets, disposal of portfolio assets, etc.) until the end of the 17th Fiscal Period. In practice, however, changes in aforementioned assets due to the acquisition or disposal of assets may occur.
Number of investment units issued and outstanding	<ul style="list-style-type: none"> It is assumed to be 3,833,420 units, which is the number of investment units issued and outstanding as of the date of this report.
Interest-bearing liabilities	<ul style="list-style-type: none"> The outstanding interest-bearing liabilities of GLP J-REIT as of the date of this report are 272,600 million yen. It is assumed that 6,900 million yen of investment corporation bonds with the redemption date of November 28, 2019 will be refinanced with investment corporation bonds or borrowings on the redemption date. It is assumed that 2,000 million yen of loans payable will be repaid before its repayment date by using cash on hand in the 16th Fiscal Period.

Item	Assumption
	<ul style="list-style-type: none"> • It is assumed that 3,250 million yen of loans payable with the repayment date of January 31, 2020 will be refinanced with borrowings on the repayment date. • It is assumed that 2,000 million yen of loans payable will be repaid before its repayment date by using cash on hand in the 17th Fiscal Period. • It is assumed that LTV as of February 29, 2020 (the 16th Fiscal Period) will be 44.7% and LTV as of August 31, 2020 (the 17th Fiscal Period) will be 44.6 %. The following formula is used to compute LTV. $LTV = (\text{Balance of interest-bearing liabilities} / \text{Total assets}) \times 100$
Operating revenues	<ul style="list-style-type: none"> • The forecasts assume seasonal effects on rent revenues since solar panels attached to properties are leased under variable-rent leases. Rental income from solar panel leasing is assumed to be 344 million yen for the 16th Fiscal Period and 545 million yen for the 17th Fiscal Period. • Concerning operating revenues, the forecasts assume that there is no delinquent rent payment by tenants.
Operating expenses	<ul style="list-style-type: none"> • With respect to taxes on property and equipment (fixed asset tax, city planning tax and depreciable asset tax on real estate, etc. hereinafter “property-related taxes”) held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant accounting period are recognized as rental expenses. However, if property and equipment is newly acquired and adjusted amounts of property-related taxes for the year under the same accounting period (the “amounts equivalent to property-related taxes”) arise between GLP J-REIT and the transferor, the relevant adjusted amounts are capitalized as part of the acquisition cost of the relevant property. • Taxes and dues are expected to be 1,576 million yen for the 16th Fiscal Period and 1,576 million yen for the 17th Fiscal Period. • Repair and maintenance expenses are expected to be 78 million yen for the 16th Fiscal Period and 68 million yen for the 17th Fiscal Period. • Property and facility management fees are expected to be 673 million yen for the 16th Fiscal Period and 674 million yen for the 17th Fiscal Period. • Depreciation is expected to be 3,779 million yen for the 16th Fiscal Period and 3,754 million yen for the 17th Fiscal Period. • Of rental expenses that are the main operating expenses, expenses other than depreciation are estimated based on the historical experiences and fluctuation factors. • Please be aware that actual amount of repair and maintenance expenses of each accounting period may be significantly different from the estimated amount due to the following reasons: repair and maintenance (1) may emergently arise due to property damages occurred by unpredictable incidents; (2) generally varies in amount from period to period and (3) may not arise regularly. • Depreciation is estimated using the straight-line method based on acquisition costs including incidental expenses assumed and additional capital expenditure in the future.
NOI (Net Operating Income)	<ul style="list-style-type: none"> • NOI (the amount calculated by deducting rental expenses, excluding depreciation, from operating revenues) is expected to be 15,755 million yen for the 16th Fiscal Period and 15,876 million yen for the 17th Fiscal Period.
Non-operating expenses	<ul style="list-style-type: none"> • The total amount of interest expenses on loans, interest expenses on investment corporation bonds, amortization of investment corporation bonds issuance expenses and other finance-related expenses are expected to be 1,054 million yen for the 16th Fiscal Period and 1,068 million yen for the 17th Fiscal Period. Investment corporation bonds issuance expenses are amortized monthly for the period from issuance to redemption. • Investment unit issuance expenses are amortized monthly for three years from occurrence, and amortization expenses are expected to be 31 million yen for the 16th Fiscal Period and 31 million yen for the 17th Fiscal Period.

Item	Assumption
Distributions per unit (excluding OPD)	<ul style="list-style-type: none"> • Distribution per unit is calculated in accordance with the distribution policy set forth in the Articles of Incorporation of GLP J-REIT. • Distributions per unit (excluding OPD) may change due to various factors including changes in portfolio assets, changes in rental revenues in connection with changes in tenants, unexpected repair, changes in interest rates and additional issuance of investment units.
Optimal payable distribution (OPD) per unit	<ul style="list-style-type: none"> • The forecasts assume that all of the amounts of OPD for the 16th Period and the 17th Period will be the refund of its investment categorized as a distribution from unitholders' capital for tax purposes. • OPD per unit is calculated in accordance with the policy on cash distributions in excess of retained earnings provided in the Management Guidelines, the internal policy of the Asset Manager. It is calculated by assuming distribution of approximately 30% of respective depreciation arising in the 16th Fiscal Period and the 17th Fiscal Period. • Depreciation may vary from the current expected amount due to change in portfolio assets, the amount of incidental expenses incurred and the amount of capital expenditure. Therefore, the total amount of OPD calculated on the basis of depreciation may also vary due to these and other various factors. In addition, in order to maintain the value of assets held by GLP J-REIT, in the event that GLP J-REIT is to pay out OPD, GLP J-REIT sets the maximum as the amount of depreciation less capital expenditure incurred in the accounting period in which the concerned depreciation was recognized. Therefore, when urgent capital expenditure arises from unforeseen factors causing building damage and other, the amount of OPD per unit may decrease. Moreover, when the appraisal LTV provided below exceeds 60%, GLP J-REIT will not pay out OPD. • Appraisal LTV (%) = $A/B \times 100$ (%) A= Interest-bearing liabilities balance (including investment corporation bonds balance and short-term investment corporation bonds balance) at the end of the period + Deposit release amount at the end of the period B= Total amount of appraisal value or research price of portfolio assets at the end of the period + Cash and deposits balance at the end of the period – Scheduled total amount of distributions of earnings – Scheduled total amount of OPD The scheduled total amount of distributions of earnings and scheduled total amount of OPD are assumed to be the same as the actual figures of the most recent fiscal period.
Other	<ul style="list-style-type: none"> • The forecasts assume that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations of the Tokyo Stock Exchange, Inc., rules of the Investment Trusts Association, Japan, (“JITA”), etc. that will impact the forecast figures above. • The forecasts assume that there will be no unforeseen material change in general economic trends and real estate market conditions, etc.

2. Financial Statements

(1) Balance Sheets

	(Unit: Thousand yen)	
	Prior Period As of February 28, 2019	Current Period As of August 31, 2019
Assets		
Current assets		
Cash and deposits	7,113,336	12,317,691
Cash and deposits in trust	9,383,835	9,234,471
Operating accounts receivable	1,909,626	2,081,143
Prepaid expenses	546,037	484,484
Consumption taxes receivable	1,146,043	—
Other current assets	2,293	1,445
Total current assets	20,101,172	24,119,236
Noncurrent assets		
Property and equipment		
Vehicles	1,016	1,016
Accumulated depreciation	(635)	(762)
Vehicles, net	381	254
Buildings in trust	252,204,846	252,215,936
Accumulated depreciation	(29,355,567)	(32,812,305)
Buildings in trust, net	222,849,278	219,403,631
Structures in trust	6,201,724	6,322,840
Accumulated depreciation	(1,741,238)	(1,913,775)
Structures in trust, net	4,460,486	4,409,065
Machinery and equipment in trust	57,873	58,088
Accumulated depreciation	(51,431)	(51,842)
Machinery and equipment in trust, net	6,442	6,246
Tools, furniture and fixtures in trust	266,845	269,295
Accumulated depreciation	(122,835)	(135,149)
Tools, furniture and fixtures in trust, net	144,009	134,145
Land in trust	361,239,986	360,276,976
Total property and equipment, net	588,700,584	584,230,318
Investments and other assets		
Investment securities	1,600	1,600
Long-term prepaid expenses	1,781,707	1,873,649
Deferred tax assets	62	—
Security deposits	10,000	10,000
Other	1,400	1,400
Total investments and other assets	1,794,770	1,886,649
Total noncurrent assets	590,495,354	586,116,968
Deferred assets		
Investment unit issuance expenses	157,006	110,855
Investment corporation bond issuance costs	108,168	147,804
Total deferred assets	265,174	258,659
Total Assets	610,861,701	610,494,864

(Unit: Thousand yen)

	Prior Period As of February 28, 2019	Current Period As of August 31, 2019
Liabilities		
Current liabilities		
Operating accounts payable	218,617	378,322
Short-term loans payable	800,000	—
Current portion of investment corporation bonds	6,900,000	6,900,000
Current portion of long-term loans payable	31,990,000	3,250,000
Accounts payable	2,452,715	2,610,195
Accrued expenses	78,233	102,949
Income taxes payable	1,706	605
Consumption taxes payable	—	1,226,772
Advances received	3,160,598	3,219,459
Current portion of tenant leasehold and security deposits	43,687	494,842
Total current liabilities	45,645,559	18,183,145
Noncurrent liabilities		
Investment corporation bonds	22,700,000	30,700,000
Long-term loans payable	211,710,000	231,750,000
Tenant leasehold and security deposits	11,893,873	11,522,686
Tenant leasehold and security deposits in trust	224,560	224,560
Total noncurrent liabilities	246,528,434	274,197,246
Total Liabilities	292,173,993	292,380,392
Net Assets		
Unitholders' equity		
Unitholders' capital	317,943,829	317,943,829
Deduction from unitholders' capital	(8,309,885)	(9,444,577)
Unitholders' capital, net	309,633,944	308,499,251
Retained earnings		
Unappropriated retained earnings	9,053,764	9,615,220
Total retained earnings	9,053,764	9,615,220
Total unitholders' equity	318,687,708	318,114,472
Total Net Assets *1	318,687,708	318,114,472
Total Liabilities and Net Assets	610,861,701	610,494,864

(2) Statements of Income

	(Unit: Thousand yen)	
	Prior Period	Current Period
	From September 1, 2018 To February 28, 2019	From March 1, 2019 To August 31, 2019
Operating revenues		
Rental revenues *1	17,642,441	17,800,716
Other rental revenues *1	1,049,058	1,304,806
Gain on sales of property and equipment *2	—	786,436
Total operating revenues	18,691,499	19,891,959
Operating expenses		
Rental expenses *1	6,389,098	6,765,071
Asset management fee	1,994,088	2,140,433
Asset custody fee	7,547	8,287
Administrative service fees	24,474	25,481
Directors' remuneration	3,960	3,960
Audit fee	13,500	13,000
Taxes and dues	103	11,589
Other operating expenses	73,302	71,967
Total operating expenses	8,506,074	9,039,791
Operating income	10,185,424	10,852,167
Non-operating income		
Interest income	67	90
Reversal of distributions payable	1,954	1,294
Interest on refund of consumption taxes and other	3,645	452
Others	0	—
Total non-operating income	5,668	1,837
Non-operating expenses		
Interest expense	817,637	796,463
Interest expenses on investment corporation bonds	80,371	86,386
Amortization of investment corporation bond issuance costs	15,440	14,360
Borrowing related expenses	239,726	271,295
Amortization of investment unit issuance expenses	46,150	46,151
Offering costs associated with the issuance of investment units	41,496	—
Others	3,756	63,430
Total non-operating expenses	1,244,580	1,278,087
Ordinary income	8,946,512	9,575,916
Extraordinary income		
Insurance income *3	554,024	231,558
Total extraordinary income	554,024	231,558
Extraordinary losses		
Loss on disaster *4	446,573	194,647
Total extraordinary losses	446,573	194,647
Income before income taxes	9,053,963	9,612,828
Income taxes-current	1,716	605
Income taxes-deferred	(62)	62
Total income taxes	1,653	667
Net income	9,052,310	9,612,160
Accumulated earnings brought forward	1,454	3,059
Unappropriated retained earnings	9,053,764	9,615,220

(3) Statements of Changes in Net Assets

Prior period (From September 1, 2018 to February 28, 2019)

(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	273,277,487	(7,292,483)	265,985,003	7,946,714	7,946,714	273,931,717	273,931,717
Changes of items during the period							
Issuance of new investment units	44,666,342		44,666,342			44,666,342	44,666,342
Distributions in excess of retained earnings		(1,017,401)	(1,017,401)			(1,017,401)	(1,017,401)
Distributions of earnings				(7,945,260)	(7,945,260)	(7,945,260)	(7,945,260)
Net income				9,052,310	9,052,310	9,052,310	9,052,310
Total changes of items during the period	44,666,342	(1,017,401)	43,648,940	1,107,050	1,107,050	44,755,990	44,755,990
Balance at the end of the period *1	317,943,829	(8,309,885)	309,633,944	9,053,764	9,053,764	318,687,708	318,687,708

Current period (From March 1, 2019 to August 31, 2019)

(Unit: Thousand yen)

	Unitholders' equity						Total Net Assets
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Retained earnings		Total unitholders' equity	
				Unappropriated retained earnings	Total retained earnings		
Balance at the beginning of the period	317,943,829	(8,309,885)	309,633,944	9,053,764	9,053,764	318,687,708	318,687,708
Changes of items during the period							
Distributions in excess of retained earnings		(1,134,692)	(1,134,692)			(1,134,692)	(1,134,692)
Distributions of earnings				(9,050,704)	(9,050,704)	(9,050,704)	(9,050,704)
Net income				9,612,160	9,612,160	9,612,160	9,612,160
Total changes of items during the period	—	(1,134,692)	(1,134,692)	561,456	561,456	(573,236)	(573,236)
Balance at the end of the period *1	317,943,829	(9,444,577)	308,499,251	9,615,220	9,615,220	318,114,472	318,114,472

(4) Statements of Distributions

(Unit: Yen)		
	Prior Period From September 1, 2018 To February 28, 2019	Current Period From March 1, 2019 To August 31, 2019
I Unappropriated retained earnings	9,053,764,437	9,615,220,439
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	1,134,692,320	1,127,025,480
III Distributions	10,185,396,940	10,741,242,840
[Distributions per unit]	[2,657]	[2,802]
Of which, distributions of earnings	9,050,704,620	9,614,217,360
[Of which, distributions of earnings per unit]	[2,361]	[2,508]
Of which, distributions in excess of retained earnings	1,134,692,320	1,127,025,480
[Of which, distributions in excess of retained earnings per unit]	[296]	[294]
IV Retained earnings carried forward	3,059,817	1,003,079

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 9,050,704,620 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.

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 9,614,217,360 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.

(Continued)

(Continued)

(Continued)

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.

Thus, GLP J-REIT declared an OPD (a refund of investment categorized as a distribution from unitholders’ capital for tax purposes) amounting to 1,134,692,320 yen, which was determined as follows: (1) the amount not exceeding the upper limit of 2,826,093,522 yen calculated by deducting capital expenditure of 962,005,439 yen from depreciation expense of 3,788,098,961 yen, and (2) approximately 30% of the depreciation expense of 3,788,098,961 yen for the period.

(Continued)

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.

Thus, GLP J-REIT declared an OPD (a refund of investment categorized as a distribution from unitholders’ capital for tax purposes) amounting to 1,127,025,480 yen, which was determined as follows: (1) the amount not exceeding the upper limit of 3,007,311,929 yen calculated by deducting capital expenditure of 762,108,194 yen from depreciation expense of 3,769,420,123 yen, and (2) approximately 30% of the depreciation expense of 3,769,420,123 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 accounting period immediately before the period in which the distribution is made, unless GLP J-REIT determines that the OPD payment would have a negative impact on its long-term repair and maintenance plan or financial conditions in light of the estimated amount of capital expenditure for each fiscal period based on the plan.

(5) Statements of Cash Flows

	Prior Period From September 1, 2018 To February 28, 2019	Current Period From March 1, 2019 To August 31, 2019
(Unit: Thousand yen)		
Operating activities:		
Income before income taxes	9,053,963	9,612,828
Depreciation	3,788,098	3,769,420
Amortization of investment corporation bond issuance costs	15,440	14,360
Amortization of investment unit issuance expenses	46,150	46,151
Interest income	(67)	(90)
Reversal of distributions payable	(1,954)	(1,294)
Interest expense	898,008	882,850
Insurance income	(554,024)	(231,558)
Loss on disaster	446,573	194,647
Decrease (increase) in operating accounts receivable	(138,908)	(171,517)
Decrease (increase) in prepaid expenses	(103,401)	61,552
Decrease (increase) in consumption taxes receivable	1,839,898	1,146,043
Decrease (increase) in other current assets	7	847
Decrease (increase) in long-term prepaid expenses	(415,801)	(91,942)
Increase (decrease) in operating accounts payable	(123,559)	159,704
Increase (decrease) in accounts payable	214,487	129,984
Increase (decrease) in consumption taxes payable	—	1,226,772
Increase (decrease) in advances received	360,685	58,860
Increase (decrease) in deposits received	(143,855)	—
Decrease in property and equipment in trust due to sales	—	1,462,953
Subtotal	15,181,741	18,270,573
Interest received	67	90
Interest paid	(880,335)	(858,134)
Income taxes paid	(615)	(1,706)
Proceeds from insurance income	554,024	231,558
Payments for loss on disaster	(288,891)	(352,329)
Net cash provided by (used in) operating activities	14,565,991	17,290,052
Investing activities:		
Purchase of property and equipment	(1,785)	—
Purchase of property and equipment in trust	(86,322,082)	(577,460)
Proceeds from tenant leasehold and security deposits	1,468,426	156,099
Repayments of tenant leasehold and security deposits	(294,699)	(76,132)
Net cash provided by (used in) investing activities	(85,150,140)	(497,492)
Financing activities:		
Proceeds from short-term loans payable	8,000,000	—
Repayments of short-term loans payable	(8,360,000)	(800,000)
Proceeds from long-term loans payable	58,080,000	20,040,000
Repayments of long-term loans payable	(20,900,000)	(28,740,000)
Proceeds from issuance of investment corporation bonds	5,100,000	8,000,000
Redemption of investment corporation bonds	(6,000,000)	—
Payments of investment corporation bond issuance costs	(29,286)	(53,996)
Proceeds from issuance of investment units	44,574,468	—
Payment of distributions of earnings	(7,944,769)	(9,049,332)
Payment of distributions in excess of retained earnings	(1,016,978)	(1,134,240)
Net cash provided by (used in) financing activities	71,503,434	(11,737,568)
Net increase (decrease) in cash and cash equivalents	919,284	5,054,990

Cash and cash equivalents at beginning of period	<u>15,577,887</u>	<u>16,497,172</u>
Cash and cash equivalents at end of period *1	<u>16,497,172</u>	<u>21,552,162</u>

(6) Notes Concerning Going Concern Assumption

None

(7) Notes Concerning Significant Accounting Policies

1. Basis and method of valuation of assets	<p>Securities</p> <p>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.</p>										
2. Depreciation of noncurrent assets	<p>Property and equipment including trust assets</p> <p>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:</p> <table style="margin-left: 40px;"> <tr> <td>Buildings</td> <td style="text-align: right;">2 to 77 years</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">2 to 60 years</td> </tr> <tr> <td>Machinery and equipment</td> <td style="text-align: right;">6 to 12 years</td> </tr> <tr> <td>Vehicles</td> <td style="text-align: right;">4 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">2 to 18 years</td> </tr> </table>	Buildings	2 to 77 years	Structures	2 to 60 years	Machinery and equipment	6 to 12 years	Vehicles	4 years	Tools, furniture and fixtures	2 to 18 years
Buildings	2 to 77 years										
Structures	2 to 60 years										
Machinery and equipment	6 to 12 years										
Vehicles	4 years										
Tools, furniture and fixtures	2 to 18 years										
3. Accounting treatment for deferred assets	<p>(1) Investment unit issuance expenses are amortized over three years using the straight-line method.</p> <p>(2) Investment corporation bond issuance costs are amortized over the respective terms of the bonds using the straight-line method.</p>										
4. Revenue and expense recognition	<p>Taxes on property and equipment</p> <p>With respect to taxes on property and equipment held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant accounting period are accounted for as rental expenses.</p> <p>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 114,332 thousand yen for the prior period and none for the current period.</p>										

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>
6. Cash and cash equivalents as stated in the Statements of Cash Flows	<p>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.</p>
7. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment of beneficiary right of real estate in trust</p> <p>As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts.</p> <p>The following significant trust assets are shown separately on the balance sheets.</p> <ul style="list-style-type: none"> (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>(2) Accounting treatment for consumption taxes</p> <p>Consumption taxes withheld and paid are not included in the accompanying statements of income.</p>

(8) Notes to Financial Statements

(Notes to Balance Sheets)

*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations:
(Unit: Thousand yen)

Prior Period	Current Period
As of February 28, 2019	As of August 31, 2019
50,000	50,000

(Notes to Statements of Income)

*1. Revenues and expenses generated from property leasing activities:

	(Unit: Thousand yen)	
	Prior Period From September 1, 2018 To February 28, 2019	Current Period From March 1, 2019 To August 31, 2019
A. Property-related revenues		
Rental revenues:		
Rental revenues	17,049,111	17,195,612
Common area charges	593,329	605,103
Total	17,642,441	17,800,716
Other revenues related to property leasing		
Utility charges	513,379	549,928
Parking lots	74,618	80,738
Solar panel leasing	363,025	597,964
Others	98,035	76,174
Total	1,049,058	1,304,806
Total property-related revenues	18,691,499	19,105,522
B. Property-related expenses		
Rental expenses:		
Taxes and dues	1,223,515	1,577,503
Property and facility management fees	680,351	683,378
Utilities	417,040	449,456
Repairs and maintenance	82,105	110,554
Casualty insurance	38,001	45,004
Depreciation	3,788,098	3,769,420
Others	159,985	129,754
Total property-related expenses	6,389,098	6,765,071
C. Operating income from property leasing (A – B)	12,302,400	12,340,451

*2. Gain on sales of property and equipment:

Prior Period (From September 1, 2018 to February 28, 2019)

None

Current Period (From March 1, 2019 to August 31, 2019)

	(Unit: Thousand yen)
GLP Fukuoka:	
Sales proceeds	2,300,000
Costs of property and equipment sold	1,462,953
Other selling expenses	50,610
Gain on sales of property and equipment	786,436

*3. Extraordinary income:

Prior Period From September 1, 2018 To February 28, 2019	Current Period From March 1, 2019 To August 31, 2019
GLP J-REIT received insurance proceeds of 554,024 thousand yen for damage to properties sustained during Typhoon Jebi (No.21) and Typhoon Trami (No.24) in 2018, and recognized the amount as insurance income.	GLP J-REIT received insurance proceeds of 231,558 thousand yen for damage to properties sustained during Typhoon Jebi (No.21) and Typhoon Trami (No.24) in 2018, and recognized the amount as insurance income.

*4. Extraordinary loss:

Prior Period From September 1, 2018 To February 28, 2019	Current Period From March 1, 2019 To August 31, 2019
GLP J-REIT recognized a loss on disaster of 446,573 thousand yen for the restoration of property damage sustained during Typhoon Jebi (No.21) and Typhoon Trami (No.24) in 2018.	GLP J-REIT recognized a loss on disaster of 194,647 thousand yen for the restoration of property damage sustained during Typhoon Jebi (No.21) and Typhoon Trami (No.24) in 2018.

(Notes to Statements of Changes in Net Assets)

*1. Number of investment units authorized and number of investment units issued and outstanding

	Prior Period From September 1, 2018 To February 28, 2019	Current Period From March 1, 2019 To August 31, 2019
Number of investment units authorized	16,000,000 units	16,000,000 units
Number of investment units issued and outstanding	3,833,420 units	3,833,420 units

(Notes to Statements of Cash Flows)

*1. Reconciliation of cash and cash equivalents in the Statements of Cash Flows to accounts and amounts in the accompanying balance sheets

	(Unit: Thousand yen)	
	Prior Period From September 1, 2018 To February 28, 2019	Current Period From March 1, 2019 To August 31, 2019
Cash and deposits	7,113,336	12,317,691
Cash and deposits in trust	9,383,835	9,234,471
Cash and cash equivalents	16,497,172	21,552,162

(Leases)

Operating lease transactions (As Lessor)

Future minimum rental revenues

(Unit: Thousand yen)

	Prior Period As of February 28, 2019	Current Period As of August 31, 2019
Due within one year	33,593,879	33,489,922
Due after one year	90,013,364	87,050,328
Total	123,607,244	120,540,250

(Financial Instruments)

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

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

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

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

Prior Period (As of February 28, 2019)

Book value, fair value and differences between the values as of February 28, 2019 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	7,113,336	7,113,336	—
(2) Cash and deposits in trust	9,383,835	9,383,835	—
Total assets	16,497,172	16,497,172	—
(1) Short-term loans payable	800,000	800,000	—
(2) Current portion of investment corporation bonds	6,900,000	6,895,860	(4,140)
(3) Current portion of long-term loans payable	31,990,000	32,106,328	116,328
(4) Investment corporation bonds	22,700,000	22,999,350	299,350
(5) Long-term loans payable	211,710,000	214,143,893	2,433,893
Total liabilities	274,100,000	276,945,432	2,845,432
Derivative transactions	—	—	—

Current Period (As of August 31, 2019)

Book value, fair value and differences between the values as of August 31, 2019 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	12,317,691	12,317,691	—
(2) Cash and deposits in trust	9,234,471	9,234,471	—
Total assets	21,552,162	21,552,162	—
(2) Current portion of investment corporation bonds	6,900,000	6,898,620	(1,380)
(3) Current portion of long-term loans payable	3,250,000	3,266,875	16,875
(4) Investment corporation bonds	30,700,000	31,292,440	592,440
(5) Long-term loans payable	231,750,000	235,209,667	3,459,667
Total liabilities	272,600,000	276,667,602	4,067,602
Derivative transactions	—	—	—

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

Assets:

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

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

Liabilities:

(1) Short-term loans payable

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

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

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

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

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

Derivative transactions:

Please refer to “(Derivative Transactions)” described below.

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

(Unit: Thousand yen)

Account name	Prior Period As of February 28, 2019	Current Period As of August 31, 2019
Tenant leasehold and security deposits	11,893,873	11,522,686
Tenant leasehold and security deposits in trust	224,560	224,560
Total	12,118,434	11,747,246

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 schedules for monetary claims are as follows:

Prior Period (As of February 28, 2019)

(Unit: Thousand yen)

	Due within one year
Cash and deposits	7,113,336
Cash and deposits in trust	9,383,835
Total	16,497,172

Current Period (As of August 31, 2019)

(Unit: Thousand yen)

	Due within one year
Cash and deposits	12,317,691
Cash and deposits in trust	9,234,471
Total	21,552,162

(Note 4) Redemption schedules for investment corporation bonds and long-term loans payable
Prior Period (As of February 28, 2019)

(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	6,900,000	4,500,000	—	1,500,000	2,000,000	14,700,000
Long-term loans payable	31,990,000	27,450,000	33,660,000	34,200,000	21,320,000	95,080,000
Total	38,890,000	31,950,000	33,660,000	35,700,000	23,320,000	109,780,000

Current Period (As of August 31, 2019)

(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	6,900,000	4,500,000	—	3,500,000	2,000,000	20,700,000
Long-term loans payable	3,250,000	31,250,000	29,860,000	42,200,000	29,470,000	98,970,000
Total	10,150,000	35,750,000	29,860,000	45,700,000	31,470,000	119,670,000

(Investment Securities)

Prior Period (As of February 28, 2019) and Current Period (As of August 31, 2019)

None

(Derivative Transactions)

1. Derivative transactions for which hedge accounting is not applied

Prior Period (As of February 28, 2019) and Current Period (As of August 31, 2019)

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:

Prior Period (As of February 28, 2019)

(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	182,340,000	161,540,000	(Note 1)	(Note 2)

(Note 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 “(Financial Instruments), 2. Estimated fair value of financial instruments, (3) Current portion of long-term loans payable and (5) Long-term loans payable.”

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

Current Period (As of August 31, 2019)

(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	181,580,000	181,580,000	(Note 1)	(Note 2)

(Note 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 “(Financial Instruments), 2. Estimated fair value of financial instruments, (3) Current portion of long-term loans payable and (5) Long-term loans payable.”

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

(Retirement Benefit Plans)

Prior Period (As of February 28, 2019) and Current Period (As of August 31, 2019)

None

(Equity in Income)

Prior Period (As of February 28, 2019) and Current Period (As of August 31, 2019)

No affiliate exists, thus, none to report.

(Asset Retirement Obligation)

Prior Period (As of February 28, 2019) and Current Period (As of August 31, 2019)

None

(Deferred Tax Accounting)

1. Significant components of deferred tax assets and liabilities

(Unit: Thousand yen)

	Prior Period As of February 28, 2019	Current Period As of August 31, 2019
Deferred tax assets		
Enterprise tax payable	62	—
Total	62	—
Net deferred tax assets	62	—

2. Reconciliation between Japanese statutory tax rate and the effective income tax rate with respect to pre-tax income reflected in the accompanying statement of income for each period is as follows.

(Unit: %)

	Prior Period As of February 28, 2019	Current Period As of August 31, 2019
Statutory effective tax rate	31.51	31.51
(Adjustments)		
Distributions deductible for tax purposes	(31.50)	(31.51)
Other	0.01	0.01
Actual tax rate	0.02	0.01

(Related Party Transactions)

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

Prior Period (From September 1, 2018 to February 28, 2019) and Current Period (From March 1, 2019 to August 31, 2019)
None

2. Transactions and account balances with affiliates

Prior Period (From September 1, 2018 to February 28, 2019) and Current Period (From March 1, 2019 to August 31, 2019)
None

3. Transactions and account balances with companies under common control

Prior Period (From September 1, 2018 to February 28, 2019)

Classification	Name of the company	Location	Stated capital (Thousand yen)	Type of business	% of voting rights (owned)	Business relationship	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Subsidiary of major unitholder	GLP Japan Inc.	Minato-ku, Tokyo	100,000	Investment advisory/agency	—	Entrustment of property management Patent license	Property management fee	354,879	Operating accounts payable	66,277
							Leasing commission	108,702		
							Royalty fee (Note 2)	7,500		
	GLP Japan Advisors Inc.	Minato-ku, Tokyo	110,000	Asset management	—	Concurrently serving directors Entrustment of asset management	Asset management fee (Notes 2 and 3)	2,248,638	Accounts payable	1,897,412

Classification	Name of the company	Location	Stated capital (Thousand yen)	Type of business	% of voting rights (owned)	Business relationship	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Subsidiary of major unitholder	GLP J-REIT Master Lease GK	Minato-ku, Tokyo	1,000	Real estate	—	Solar panel leasing	Rental income from solar panel leasing	146,421	Operating accounts receivable	27,648
	Ichikawashiohama Godo Kaisha	Minato-ku, Tokyo	1,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	15,911	Operating accounts receivable	5,236
	GLP Tosu One GK	Minato-ku, Tokyo	2,200	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	35,685	Operating accounts receivable	5,629
	GLP Sugito Y.K.	Minato-ku, Tokyo	4,300	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	9,512	Operating accounts receivable	1,694
	GLP Urayasu Three Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	27,323	Operating accounts receivable	4,399
	GLP Tokyo Two Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	13,255	Operating accounts receivable	2,183
	GLP Komaki Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	22,299	Operating accounts receivable	3,905
	GLP Fukusaki Y.K.	Minato-ku, Tokyo	3,500	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	14,119	Operating accounts receivable	2,376
	GLP Amagasaki Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	21,363	Operating accounts receivable	3,666
	GLP Misato Two GK	Minato-ku, Tokyo	2,200	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	15,665	Operating accounts receivable	2,710
	GLP Maishima Two Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	15,050	Operating accounts receivable	2,553
	GLP Kiyama GK	Minato-ku, Tokyo	2,200	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	26,417	Operating accounts receivable	4,348
	Shinsuna Logistic Special Purpose Company	Minato-ku, Tokyo	3,517,000	Real estate	—	—	Purchase of beneficiary right of real estate in trust	18,300,000	—	—
							Receipt of deposits	27,614	—	—
							Acceptance of security deposits	203,578	—	—
	Azalea Two Special Purpose Company	Minato-ku, Tokyo	100,100	Real estate	—	—	Purchase of beneficiary right of real estate in trust	17,720,000	—	—
							Receipt of deposits	17,598	—	—
							Acceptance of security deposits	215,318	—	—
	Osaka Logistic Special Purpose Company	Minato-ku, Tokyo	25,250	Real estate	—	—	Purchase of beneficiary right of real estate in trust	36,000,000	—	—
							Receipt of deposits	25,515	—	—
Acceptance of security deposits							369,907	—	—	
Cosmos Special Purpose Company	Minato-ku, Tokyo	681,100	Real estate	—	—	Purchase of beneficiary right of real estate in trust	4,730,000	—	—	
						Acceptance of security deposits	72,042	—	—	
Neyagawa Logistic Special Purpose Company	Minato-ku, Tokyo	419,800	Real estate	—	—	Purchase of beneficiary right of real estate in trust	8,100,000	—	—	
						Acceptance of security deposits	150,560	—	—	

(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 asset management fee was determined in accordance with the rules prescribed in the Articles of Incorporation of GLP J-REIT.
- (b) The royalty fee was mutually agreed after negotiation between both parties, based on the initial formula proposed by GLP Japan Inc.
- (c) Other transactions are determined based on market conditions.

(Note 3) The Asset management fee above includes management fees of 254,550 thousand yen capitalized as part of acquisition costs of properties.

Current Period (From March 1, 2019 to August 31, 2019)

Classification	Name of the company	Location	Stated capital (Thousand yen)	Type of business	% of voting rights (owned)	Business relationship	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Subsidiary of major unitholder (Note 3)	GLP Japan Inc.	Minato-ku, Tokyo	100,000	Investment advisory/ agency	—	Entrustment of property management Patent license	Property management fee	295,651	—	—
							Leasing commission	52,904		
							Royalty fee (Note 2)	6,250		
	GLP J-REIT Master Lease GK	Minato-ku, Tokyo	1,000	Real estate	—	Solar panel leasing	Rental income from solar panel leasing	201,908	—	—
	Ichikawashiohama Godo Kaisha	Minato-ku, Tokyo	1,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	23,897	—	—
	GLP Tosu One GK	Minato-ku, Tokyo	2,200	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	45,816	—	—
	GLP Sugito Y.K.	Minato-ku, Tokyo	4,300	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	12,376	—	—
	GLP Urayasu Three Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	37,402	—	—
	GLP Tokyo Two Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	17,137	—	—
	GLP Komaki Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	30,985	—	—
	GLP Fukusaki Y.K.	Minato-ku, Tokyo	3,500	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	20,374	—	—
	GLP Amagasaki Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	32,664	—	—
	GLP Misato Two GK	Minato-ku, Tokyo	2,200	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	21,197	—	—
GLP Maishima Two Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	22,665	—	—	
GLP Kiyama GK	Minato-ku, Tokyo	2,200	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	33,792	—	—	

(Note 1) Consumption taxes are not included in the transaction amount.

(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) Other transactions are determined based on market conditions.

(Note 3) On July 25, 2019, GLP CAPITAL JAPAN 2 PRIVATE LIMITED sold a part of GLP J-REIT's investment units and accordingly, GLP Holdings Limited, its parent company, became no longer a major unitholder. Thus, GLP Japan Inc., GLP J-REIT Master Lease GK, Ichikawashiohama Godo Kaisha, GLP Tosu One GK, GLP Sugito Y.K., GLP Urayasu Three Y.K., GLP Tokyo Two Y.K., GLP Komaki Y.K., GLP Fukusaki Y.K., GLP Amagasaki Y.K., GLP Misato Two GK, GLP Maishima Two Y.K. and GLP Kiyama GK do not fall under the classification of subsidiary of major unitholder as of August 31, 2019. Transaction amounts stated above are the amounts recognized for the period when they were subsidiaries of major unitholders.

Transactions with GLP Japan Advisors Inc., the Asset Manager of GLP J-REIT, are stated in "4. Transactions and account balances with directors and major individual unitholders" below. See transactions with Yoji Tatsumi.

4. Transactions and account balances with directors and major individual unitholders

Prior Period (From September 1, 2018 to February 28, 2019)

None

Current Period (From March 1, 2019 to August 31, 2019)

Classification	Name	Location	Stated capital (Thousand yen)	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Director and his/her relatives	Yoji Tatsumi	—	—	Executive Director of GLP J-REIT and President & CEO of GLP Japan Advisors Inc.	0.0	Payment of asset management fee to GLP Japan Advisors Inc. (Note 2)	2,151,933	Accounts payable	2,012,349

(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) It is the arm's length transaction executed by Yoji Tatsumi as the President of GLP Japan Advisors Inc. The asset management fee was determined in accordance with the rules prescribed in the Articles of Incorporation of GLP J-REIT. The asset management fee includes 11,500 thousand yen of the management fee for a property sold, which was included in gain on sales of property and equipment.

(Investment and Rental Properties)

Property and equipment consists of leasable logistics 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)

	Prior Period From September 1, 2018 To February 28, 2019	Current Period From March 1, 2019 To August 31, 2019
Book value		
Balance at the beginning of the period	506,227,480	588,700,584
Change during the period	82,473,104	(4,470,265)
Balance at the end of the period	588,700,584	584,230,318
Fair value at the end of the period	714,180,000	721,011,000

(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 each period, the major increase for the prior period was primarily due to the acquisition of eight properties (GLP Shinsuna, GLP Shonan, GLP Osaka, GLP Settsu, GLP Nishinomiya, GLP Shiga, GLP Neyagawa and GLP Fujimae) in the amount of 85,285,354 thousand yen, whereas the major decrease was due to depreciation of 3,788,098 thousand yen. The major increase for the current period was primarily due to capital expenditure, whereas the major decrease was due to the sales of a property (GLP Fukuoka) in the amount of 1,462,953 thousand yen and depreciation of 3,769,420 thousand yen.

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

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

(Segment and Related Information)

(Segment Information)

1. Overview of operating and reportable segments

Operating segments are a component of GLP J-REIT for which separate financial information is available and whose operating results are regularly evaluated by the Board of Directors to make decisions about how resources are allocated and assess their performance. Consequently, each property is considered an operating segment. However, when properties share similar economic characteristic and meet other specific conditions, they may be aggregated for purposes of reporting segment information. Therefore, properties with multiple tenants have been aggregated and presented as the “Multi-tenant Property” reportable segment, whereas build-to-suit (“BTS”) properties developed for a single tenant or properties with a single tenant have been aggregated and presented as the “BTS Property” reportable segment.

GLP J-REIT’s properties were classified into each reportable segment as follows:

Multi-tenant property: GLP Tokyo, GLP Sugito II, GLP Koshigaya II, GLP Misato II, GLP Amagasaki, GLP Koriyama III, GLP Urayasu III, GLP Komaki, GLP Tokyo II, GLP Narashino, GLP-MFLP Ichikawa Shiohama, GLP Atsugi II, GLP Soja I, GLP Soja II, GLP Shinsuna and GLP Osaka

BTS property: GLP Higashi-Ogishima, GLP Akishima, GLP Tomisato, GLP Narashino II, GLP Funabashi, GLP Kazo, GLP Fukaya, GLP Iwatsuki, GLP Kasukabe, GLP Tatsumi, GLP Hirakata, GLP Hirakata II, GLP Maishima II, GLP Tsumori, GLP Rokko, GLP Amagasaki II, GLP Nara, GLP Sakai, GLP Morioka, GLP Tomiya, GLP Koriyama I, GLP Tokai, GLP Hayashima, GLP Hayashima II, GLP Kiyama, GLP Sendai, GLP Hamura, GLP Funabashi III, GLP Sodegaura, GLP Rokko II, GLP Ebetsu, GLP Kuwana, GLP Hatsukaichi, GLP Tatsumi Iia, GLP Okegawa, GLP Kadoma, GLP Seishin, GLP Fukusaki, GLP Ogimachi, GLP Hiroshima, GLP Kobe-Nishi, GLP Shinkiba, GLP Sugito, GLP Matsudo, GLP Tosu I, GLP Yoshimi, GLP Fukaehama, GLP Tomiya IV, GLP Noda-Yoshiharu, GLP Urayasu, GLP Funabashi II, GLP Misato, GLP Maishima I, GLP Shonan, GLP Settsu, GLP Nishinomiya, GLP Shiga, GLP Neyagawa and GLP Fujimae

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

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

3. Information about segment income, segment assets and other items

Prior Period (February 28, 2019)

(Unit: Thousand yen)

	Multi-tenant rental business	BTS rental business	Reconciling items	Amount on financial statements
Operating revenues (Note 1)	8,558,828	10,132,670	—	18,691,499
Segment income	5,440,378	6,862,021	(2,116,975)	10,185,424
Segment assets	277,930,868	322,153,375	10,777,457	610,861,701
Other items				
Depreciation	1,556,477	2,231,621	—	3,788,098
Increase in property and equipment	54,851,693	31,409,509	(23,484)	86,237,718

(Note 1) Operating revenues are exclusively earned from external parties.

(Note 2) Reconciling items to segment income in the negative amount of 2,116,975 thousand yen consist of corporate expenses that are not allocated to each reportable segment. Corporate expenses present mainly asset management fee, asset custody fee, administrative service fees, directors' remuneration and other expenses.

Reconciling items to segment assets in the amount of 10,777,457 thousand yen include current assets of 8,728,229 thousand yen, investments and other assets of 1,784,053 thousand yen and deferred assets of 265,174 thousand yen.

Reconciling items to increase in property and equipment under other items in the negative amount of 23,484 thousand yen consist of corporate assets which do not belong to reportable segments. Such corporate assets represent a decrease in construction in progress of 23,484 thousand yen.

Current Period (August 31, 2019)

(Unit: Thousand yen)

	Multi-tenant rental business	BTS rental business	Reconciling items	Amount on financial statements
Operating revenues (Note 1)	8,863,385	10,242,136	786,436	19,891,959
Segment income	5,588,058	6,752,392	(1,488,283)	10,852,167
Segment assets	276,923,399	318,666,530	14,904,935	610,494,864
Other items				
Depreciation	1,547,306	2,222,113	—	3,769,420
Increase in property and equipment	221,758	540,349	—	762,108

(Note 1) Operating revenues are exclusively earned from external parties.

(Note 2) Reconciling items to operating revenues in the amount of 786,436 thousand yen consist of gain on sales of property and equipment that is not attributable to each reportable segment.

Reconciling items to segment income in the negative amount of 1,488,283 thousand yen consist of corporate expenses that are not allocated to each reportable segment. Corporate expenses present mainly asset management fee, asset custody fee, administrative service fees, directors' remuneration and other expenses.

Reconciling items to segment assets in the amount of 14,904,935 thousand yen include current assets of 12,769,398 thousand yen, investments and other assets of 1,876,877 thousand yen and deferred assets of 258,659 thousand yen.

(Related Information)

Prior Period (From September 1, 2018 to February 28, 2019)

1. Revenue information by product and service

Substantially all of the operating revenue is earned from external customers in Japan.

2. Information by geographic area

(1) Operating revenues

Substantially all property and equipment are located in Japan.

(2) Property and equipment

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

3. Information on major tenants

Disclosure of this information has been omitted as no customer accounting for 10% or more of total operating revenues existed.

Current Period (From March 1, 2019 to August 31, 2019)

1. Revenue information by product and service

Substantially all of the operating revenue is earned from external customers in Japan.

2. Information by geographic area

(1) Operating revenues

Substantially all property and equipment are located in Japan.

(2) Property and equipment

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

3. Information on major tenants

Disclosure of this information has been omitted as no customer accounting for 10% or more of total operating revenues existed.

(Per Unit Information)

	Prior Period From September 1, 2018 To February 28, 2019	Current Period From March 1, 2019 To August 31, 2019
Net assets per unit	83,134 yen	82,984 yen
Net income per unit	2,365 yen	2,507 yen

(Note 1) 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 2) The basis for calculating the net income per unit is as follows:

	Prior Period From September 1, 2018 To February 28, 2019	Current Period From March 1, 2019 To August 31, 2019
Net income	9,052,310 thousand yen	9,612,160 thousand yen
Amount not attributable to ordinary unitholders	— thousand yen	— thousand yen
Net income attributable to ordinary unitholders	9,052,310 thousand yen	9,612,160 thousand yen
Average number of investment units outstanding	3,826,153 units	3,833,420 units

(Significant Subsequent Events)

None to report.

(9) Changes in Number of Investment Units Issued and Outstanding

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

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Unitholders' capital, net (Note 1) (Million yen)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
September 1, 2014	Public offering	281,709	2,379,409	30,973	160,389	(Note 2)
September 24, 2014	Issuance of new units through allocation to a third party	11,322	2,390,731	1,244	161,633	(Note 3)
November 19, 2014	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(593)	161,040	(Note 4)
May 19, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(698)	160,342	(Note 5)
September 1, 2015	Public offering	197,594	2,588,325	21,784	182,126	(Note 6)
September 25, 2015	Issuance of new units through allocation to a third party	5,459	2,593,784	601	182,728	(Note 7)
November 17, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(707)	182,020	(Note 8)
May 17, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(778)	181,242	(Note 9)
September 1, 2016	Public offering	247,507	2,841,291	28,561	209,804	(Note 10)
September 27, 2016	Issuance of new units through allocation to a third party	11,787	2,853,078	1,360	211,164	(Note 11)
November 16, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(770)	210,393	(Note 12)
May 16, 2017	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(867)	209,526	(Note 13)
November 14, 2017	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(861)	208,665	(Note 14)
March 1, 2018	Public offering	529,922	3,383,000	56,095	264,760	(Note 15)
March 20, 2018	Issuance of new units through allocation to a third party	19,681	3,402,681	2,083	266,843	(Note 16)
May 15, 2018	Distributions in excess of retained earnings (a refund of investment)	—	3,402,681	(858)	265,985	(Note 17)

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 3, 2018	Public offering	411,013	3,813,694	42,620	308,605	(Note 18)
September 26, 2018	Issuance of new units through allocation to a third party	19,726	3,833,420	2,045	310,651	(Note 19)
November 14, 2018	Distributions in excess of retained earnings (a refund of investment)	—	3,833,420	(1,017)	309,633	(Note 20)
May 21, 2019	Distributions in excess of retained earnings (a refund of investment)	—	3,833,420	(1,134)	308,499	(Note 21)

- (Note 1) “Unitholders’ capital, net” represents the amount of unitholders’ capital, net of distributions in excess of retained earnings deducted from total unitholders’ capital.
- (Note 2) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 109,947 yen or the offer price of 113,827 yen per unit.
- (Note 3) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 109,947 yen.
- (Note 4) 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 5) 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 6) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 110,247 yen or the offer price of 114,174 yen per unit.
- (Note 7) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 110,247 yen.
- (Note 8) 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 9) 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 10) 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 11) 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 12) 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 13) 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 14) At the Board of Directors' Meeting held on October 13, 2017, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 302 yen per unit for the 11th Fiscal Period (the period ended August 31, 2017). The payment of distributions was commenced on November 14, 2017.

(Note 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 105,856 yen or the offer price of 109,372 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 105,856 yen.

(Note 17) At the Board of Directors' Meeting held on April 13, 2018, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 301 yen per unit for the 12th Fiscal Period (the period ended February 28, 2018). The payment of distributions was commenced on May 15, 2018.

(Note 18) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 103,697 yen or the offer price of 107,130 yen per unit.

(Note 19) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 103,697 yen.

(Note 20) At the Board of Directors' Meeting held on October 15, 2018, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 299 yen per unit for the 13th Fiscal Period (the period ended August 31, 2018). The payment of distributions was commenced on November 14, 2018.

(Note 21) At the Board of Directors' Meeting held on April 15, 2019, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 296 yen per unit for the 14th Fiscal Period (the period ended February 28, 2019). The payment of distributions was commenced on May 21, 2019.

3. Reference Information

(1) Price Information on Investment Assets

(i) Investment Status

Type of asset	Area (Note 1)	Prior Period February 28, 2019		Current Period August 31, 2019	
		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)	Tokyo metropolitan area	337,191	55.2	335,729	55.0
	Greater Osaka area	156,542	25.6	155,648	25.5
	Other	94,966	15.5	92,852	15.2
Sub Total		588,700	96.4	584,230	95.7
Deposits and other assets		22,161	3.6	26,264	4.3
Total assets (Notes 5 and 6)		610,861 [588,700]	100.0 [96.4]	610,494 [584,230]	100.0 [95.7]

	Amount (Million yen)	As a ratio to total assets (%) (Note 3)	Amount (Million yen)	As a ratio to total assets (%) (Note 3)
Total liabilities (Note 5)	292,173	47.8	292,380	47.9
Total net assets (Note 5)	318,687	52.2	318,114	52.1

(Note 1) “Tokyo metropolitan area” includes Tokyo, Kanagawa, Saitama, Chiba, Ibaraki, Tochigi, Gunma and Yamanashi prefectures. “Greater Osaka area” includes Osaka, Hyogo, Kyoto, Shiga, Nara and Wakayama prefectures. “Other” includes areas other than 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 book value is stated for “total assets”, “total liabilities” and “total net assets”.

(Note 6) The figures in square brackets represent the holding properties portion to total assets.

(ii) Portfolio Overview

The following table summarizes the beneficiary rights of real estate in trust or the real estate properties in trust held by GLP J-REIT at the fiscal period end. Each figure in this table is the information as of August 31, 2019 unless otherwise stated.

Property number	Property name	Acquisition price (Million yen) (Note 1)	Book value (Million yen)	Appraisal value (Million yen) (Note 2)	Share (%) (Note 3)	Leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Occupancy ratio (%) (Note 6)	Number of tenants (Note 7)
Tokyo-1	GLP Tokyo	22,700	21,519	30,500	3.7	56,757.92	56,757.92	100.0	3
Tokyo-2	GLP Higashi-Ogishima	4,980	4,887	6,850	0.8	34,582.00	34,582.00	100.0	1
Tokyo-3	GLP Akishima	7,555	7,349	9,930	1.2	27,356.63	27,356.63	100.0	3
Tokyo-4	GLP Tomisato	4,990	4,528	6,080	0.8	27,042.59	27,042.59	100.0	1
Tokyo-5	GLP Narashino II	15,220	14,390	20,100	2.5	101,623.59	101,623.59	100.0	2
Tokyo-6	GLP Funabashi	1,720	1,904	2,090	0.3	10,465.03	10,465.03	100.0	1
Tokyo-7	GLP Kazo	11,500	10,456	14,400	1.9	76,532.71	76,532.71	100.0	1
Tokyo-8	GLP Fukaya	2,380	2,177	2,890	0.4	19,706.00	19,706.00	100.0	1
Tokyo-9	GLP Sugito II	19,000	17,428	25,400	3.1	101,272.40	100,345.84	99.1	5
Tokyo-10	GLP Iwatsuki	6,940	6,447	9,750	1.1	31,839.99	31,839.99	100.0	1
Tokyo-11	GLP Kasukabe	4,240	3,866	5,280	0.7	18,460.73	18,460.73	100.0	1
Tokyo-12	GLP Koshigaya II	9,780	9,187	13,800	1.6	43,533.28	43,533.28	100.0	2
Tokyo-13	GLP Misato II	14,868	14,079	21,500	2.4	59,208.59	59,208.59	100.0	2
Tokyo-14	GLP Tatsumi	4,960	4,813	6,590	0.8	12,925.58	12,925.58	100.0	1
Tokyo-15	GLP Hamura	7,660	7,321	10,000	1.3	40,277.93	40,277.93	100.0	1
Tokyo-16	GLP Funabashi III	3,050	2,978	4,340	0.5	18,281.84	18,281.84	100.0	1
Tokyo-17	GLP Sodegaura	6,150	5,703	8,090	1.0	45,582.06	45,582.06	100.0	1
Tokyo-18	GLP Urayasu III	18,760	17,962	22,800	3.1	64,198.11	64,198.11	100.0	2
Tokyo-19	GLP Tatsumi Iia	6,694	6,595	8,500	1.1	17,108.52	17,108.52	100.0	1
Tokyo-21	GLP Tokyo II	36,373	34,953	46,000	6.0	79,073.21	79,073.21	100.0	6
Tokyo-22	GLP Okegawa	2,420	2,374	3,100	0.4	17,062.92	17,062.92	100.0	1
Tokyo-23	GLP Shinkiba	11,540	11,460	12,800	1.9	18,341.73	18,341.73	100.0	1
Tokyo-24	GLP Narashino	5,320	5,291	5,570	0.9	23,548.03	23,548.03	100.0	3
Tokyo-26	GLP Sugito	8,481	8,257	10,700	1.4	58,918.12	58,918.12	100.0	1
Tokyo-27	GLP Matsudo	2,356	2,407	2,890	0.4	14,904.60	14,904.60	100.0	1
Tokyo-28	GLP-MFLP Ichikawa Shiohama (Note 8)	15,500	15,215	17,400	2.5	50,813.07	50,813.07	100.0	5
Tokyo-29	GLP Atsugi II	21,100	20,528	24,200	3.5	74,176.27	74,176.27	100.0	2
Tokyo-30	GLP Yoshimi	11,200	10,832	11,800	1.8	62,362.89	62,362.89	100.0	1
Tokyo-31	GLP Noda-Yoshiharu	4,496	4,472	5,370	0.7	26,631.40	26,631.40	100.0	1
Tokyo-32	GLP Urayasu	7,440	7,444	7,910	1.2	25,839.60	25,839.60	100.0	1
Tokyo-33	GLP Funabashi II	7,789	7,767	8,300	1.3	34,699.09	34,349.01	99.0	1
Tokyo-34	GLP Misato	16,939	16,882	18,600	2.8	46,892.00	46,892.00	100.0	1

Property number	Property name	Acquisition price (Million yen) (Note 1)	Book value (Million yen)	Appraisal value (Million yen) (Note 2)	Share (%) (Note 3)	Leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Occupancy ratio (%) (Note 6)	Number of tenants (Note 7)
Tokyo-35	GLP Shinsuna	18,300	18,331	18,900	3.0	44,355.46	44,355.46	100.0	5
Tokyo-36	GLP Shonan	5,870	5,910	6,190	1.0	23,832.60	23,832.60	100.0	1
Osaka-1	GLP Hirakata	4,750	4,550	6,400	0.8	29,829.56	29,829.56	100.0	1
Osaka-2	GLP Hirakata II	7,940	7,452	9,430	1.3	43,283.01	43,283.01	100.0	1
Osaka-3	GLP Maishima II	9,288	8,133	12,200	1.5	56,511.10	56,511.10	100.0	1
Osaka-4	GLP Tsumori	1,990	2,032	2,750	0.3	16,080.14	16,080.14	100.0	1
Osaka-5	GLP Rokko	5,160	4,999	6,130	0.8	39,339.00	39,339.00	100.0	1
Osaka-6	GLP Amagasaki	24,963	23,225	29,500	4.1	110,224.41	110,224.41	100.0	7
Osaka-7	GLP Amagasaki II	2,040	1,934	2,340	0.3	12,342.95	12,342.95	100.0	1
Osaka-8	GLP Nara	2,410	2,062	3,000	0.4	19,545.35	19,545.35	100.0	1
Osaka-9	GLP Sakai	2,000	1,806	2,260	0.3	10,372.10	10,372.10	100.0	1
Osaka-10	GLP Rokko II	3,430	3,125	4,350	0.6	20,407.30	20,407.30	100.0	1
Osaka-11	GLP Kadoma	2,430	2,418	3,250	0.4	12,211.73	12,211.73	100.0	1
Osaka-12	GLP Seishin	1,470	1,415	1,640	0.2	9,533.88	9,533.88	100.0	1
Osaka-13	GLP Fukusaki	3,928	3,557	4,890	0.6	24,167.83	24,167.83	100.0	1
Osaka-14	GLP Kobe-Nishi	7,150	6,680	7,630	1.2	35,417.31	35,417.31	100.0	1
Osaka-15	GLP Fukaehama	4,798	4,635	4,900	0.8	19,386.00	19,386.00	100.0	1
Osaka-16	GLP Maishima I	19,390	19,110	19,400	3.2	72,948.78	72,948.78	100.0	1
Osaka-17	GLP Osaka	36,000	35,813	36,200	5.9	128,504.34	127,642.38	99.3	13
Osaka-18	GLP Settsu	7,300	7,342	7,640	1.2	38,997.24	38,997.24	100.0	1
Osaka-19	GLP Nishinomiya	2,750	2,745	2,820	0.5	19,766.00	19,766.00	100.0	1
Osaka-20	GLP Shiga	4,550	4,545	4,740	0.7	29,848.70	29,848.70	100.0	1
Osaka-21	GLP Neyagawa	8,100	8,060	8,470	1.3	26,938.02	26,938.02	100.0	1
Other-1	GLP Morioka	808	747	871	0.1	10,253.80	10,253.80	100.0	1
Other-2	GLP Tomiya	3,102	2,921	3,890	0.5	20,466.98	20,466.98	100.0	1
Other-3	GLP Koriyama I	4,100	3,648	4,590	0.7	24,335.96	24,335.96	100.0	1
Other-4	GLP Koriyama III	2,620	2,622	2,780	0.4	27,671.51	27,671.51	100.0	4
Other-5	GLP Tokai	6,210	5,840	8,190	1.0	32,343.31	32,343.31	100.0	1
Other-6	GLP Hayashima	1,190	1,186	1,690	0.2	13,574.58	13,574.58	100.0	1
Other-7	GLP Hayashima II	2,460	2,163	2,880	0.4	14,447.48	14,447.48	100.0	1
Other-8	GLP Kiyama	5,278	4,570	5,990	0.9	23,455.96	23,455.96	100.0	1
Other-10	GLP Sendai	5,620	5,260	6,940	0.9	37,256.23	37,256.23	100.0	1
Other-11	GLP Ebetsu	1,580	1,417	2,220	0.3	18,489.25	18,489.25	100.0	1
Other-12	GLP Kuwana	3,650	3,320	4,300	0.6	20,402.12	20,402.12	100.0	1
Other-13	GLP Hatsukaichi	1,980	1,822	2,360	0.3	10,981.89	10,981.89	100.0	1
Other-14	GLP Komaki	10,748	10,136	14,000	1.8	52,709.97	52,709.97	100.0	2
Other-15	GLP Ogimachi	1,460	1,424	1,660	0.2	13,155.28	13,155.28	100.0	1
Other-16	GLP Hiroshima	3,740	3,571	4,350	0.6	21,003.04	21,003.04	100.0	2

Property number	Property name	Acquisition price (Million yen) (Note 1)	Book value (Million yen)	Appraisal value (Million yen) (Note 2)	Share (%) (Note 3)	Leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Occupancy ratio (%) (Note 6)	Number of tenants (Note 7)
Other-19	GLP Tosu I	9,898	9,278	11,100	1.6	74,860.38	74,860.38	100.0	1
Other-20	GLP Tomiya IV	5,940	5,765	6,500	1.0	32,562.60	32,562.60	100.0	1
Other-21	GLP Soja I	12,800	12,618	13,100	2.1	63,015.53	63,015.53	100.0	5
Other-22	GLP Soja II	12,700	12,532	13,000	2.1	63,213.22	62,965.09	99.6	7
Other-23	GLP Fujimae	1,980	2,001	2,040	0.3	12,609.00	12,609.00	100.0	1
Total portfolio		607,974	584,230	721,011	100.0	2,770,669.34	2,768,282.61	99.9	136

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

(Note 2) "Appraisal value" represents the appraisal value or research price as set forth on the relevant study reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trusts Association, Japan.

(Note 3) "Share" is the ratio of the acquisition price of each property or property in trust to total acquisition price, and rounded to the first decimal place.

(Note 4) "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 5) "Leased area" is the total area leased to building tenants in accordance with the relevant lease agreement of each property or property in trust. The figures are rounded down to the second decimal place. When the property or property in trust is leased through a master lease agreement, the leased area represents the total space actually leased based on the lease agreement concluded with end-tenants.

(Note 6) "Occupancy ratio" is rounded to the first decimal place. 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 7) "Number of tenants" represents the total number of building tenants stated on the lease agreement of each property or property in trust.

(Note 8) 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.

(iii) Overview of Property Leasing and Status of Operating Income

The 15th Fiscal Period (From March 1, 2019 to August 31, 2019)

(Unit in amount: Thousand yen)

Property number	Tokyo-1	Tokyo-2	Tokyo-3	Tokyo-4	Tokyo-5	Tokyo-6	Tokyo-7
Property name	GLP Tokyo	GLP Higashi-Ogishima	GLP Akishima	GLP Tomisato	GLP Narashino II	GLP Funabashi	GLP Kazo
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	717,033	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(2) Property-related expenses	141,405						
Taxes and dues	56,830						
Property and facility management fees	38,975						
Utilities	36,586						
Repair and maintenance	6,041						
Casualty insurance	1,010						
Others	1,960						
(3) NOI((1)-(2))	575,627	155,980	225,875	140,925	396,069	49,885	328,495
(4) Depreciation	97,992	41,608	28,930	34,330	134,813	16,787	96,396
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	477,635	114,372	196,945	106,595	261,256	33,097	232,099
(7) Capital expenditure	27,611	22,188	8,082	2,220	37,388	12,584	48,039
(8) NCF((3)-(7))	548,016	133,792	217,793	138,705	358,681	37,301	280,456

Property number	Tokyo-8	Tokyo-9	Tokyo-10	Tokyo-11	Tokyo-12	Tokyo-13	Tokyo-14
Property name	GLP Fukaya	GLP Sugito II	GLP Iwatsuki	GLP Kasukabe	GLP Koshigaya II	GLP Misato II	GLP Tatsumi
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note 1)	688,428	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(2) Property-related expenses		135,816					
Taxes and dues		50,521					
Property and facility management fees		42,751					
Utilities		37,639					
Repair and maintenance		154					
Casualty insurance		1,617					
Others	3,132						
(3) NOI((1)-(2))	78,059	552,611	194,903	115,604	270,346	436,792	120,135
(4) Depreciation	29,743	132,234	39,794	38,258	53,672	84,959	13,980
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	48,316	420,377	155,108	77,345	216,673	351,832	106,155
(7) Capital expenditure	5,081	8,645	18,049	41,092	7,570	12,576	4,850
(8) NCF((3)-(7))	72,978	543,966	176,854	74,512	262,776	424,216	115,285

Property number	Tokyo-15	Tokyo-16	Tokyo-17	Tokyo-18	Tokyo-19	Tokyo-21	Tokyo-22
Property name	GLP Hamura	GLP Funabashi III	GLP Sodegaura	GLP Urayasu III	GLP Tatsumi Iia	GLP Tokyo II	GLP Okegawa
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	1,115,797	(Note 1)
(2) Property-related expenses						253,950	
Taxes and dues						85,842	
Property and facility management fees						63,956	
Utilities						95,506	
Repair and maintenance						3,437	
Casualty insurance						1,451	
Others						3,756	
(3) NOI((1)-(2))	219,715	90,483	189,462	478,216	161,826	861,846	62,210
(4) Depreciation	39,285	21,338	41,312	111,774	20,598	181,128	25,072
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	180,430	69,145	148,150	366,441	141,227	680,717	37,138
(7) Capital expenditure	2,050	5,939	1,715	17,655	636	13,250	5,252
(8) NCF((3)-(7))	217,665	84,544	187,747	460,561	161,190	848,596	56,958

Property number	Tokyo-23	Tokyo-24	Tokyo-26	Tokyo-27	Tokyo-28	Tokyo-29	Tokyo-30
Property name	GLP Shinkiba	GLP Narashino	GLP Sugito	GLP Matsudo	GLP-MFLP Ichikawa Shiohama	GLP Atsugi II	GLP Yoshimi
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note 1)	172,131	(Note 1)	(Note 1)	486,707	(Note 1)	(Note 1)
(2) Property-related expenses		28,176					
Taxes and dues		8,731					
Property and facility management fees		8,832					
Utilities		8,525					
Repair and maintenance		438					
Casualty insurance		288					
Others		1,360					
(3) NOI((1)-(2))	260,651	143,954	222,215	66,931	398,140	493,131	291,905
(4) Depreciation	35,490	23,849	48,229	12,262	64,256	115,354	74,185
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	225,160	120,105	173,985	54,668	333,883	377,777	217,720
(7) Capital expenditure	5,567	11,590	9,708	6,049	2,262	20,500	3,500
(8) NCF((3)-(7))	255,084	132,364	212,507	60,882	395,877	472,631	288,405

Property number	Tokyo-31	Tokyo-32	Tokyo-33	Tokyo-34	Tokyo-35	Tokyo-36	Osaka-1
Property name	GLP Noda-Yoshiharu	GLP Urayasu	GLP Funabashi II	GLP Misato	GLP Shinsuna	GLP Shonan	GLP Hirakata
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	460,971	(Note 1)	(Note 1)
(2) Property-related expenses					80,621		
Taxes and dues					33,004		
Property and facility management fees					18,069		
Utilities					14,067		
Repair and maintenance					1,956		
Casualty insurance					715		
Others					12,808		
(3) NOI((1)-(2))	118,688	162,854	175,971	370,325	380,349	141,280	162,268
(4) Depreciation	30,388	36,562	34,667	62,546	37,436	24,059	22,643
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	88,300	126,291	141,303	307,778	342,913	117,220	139,625
(7) Capital expenditure	-	13,438	21,468	8,580	7,579	8,868	2,921
(8) NCF((3)-(7))	118,688	149,416	154,503	361,745	372,770	132,412	159,347

Property number	Osaka-2	Osaka-3	Osaka-4	Osaka-5	Osaka-6	Osaka-7	Osaka-8
Property name	GLP Hirakata II	GLP Maishima II	GLP Tsumori	GLP Rokko	GLP Amagasaki	GLP Amagasaki II	GLP Nara
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	879,672	(Note 1)	(Note 1)
(2) Property-related expenses					196,188		
Taxes and dues					71,674		
Property and facility management fees					48,263		
Utilities					53,199		
Repair and maintenance					17,031		
Casualty insurance					1,758		
Others					4,262		
(3) NOI((1)-(2))	223,310	283,478	76,314	170,764	683,484	64,048	86,846
(4) Depreciation	37,599	97,611	9,016	31,667	168,480	11,858	26,924
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	185,711	185,867	67,298	139,096	515,003	52,190	59,922
(7) Capital expenditure	26,908	1,363	1,357	3,307	30,306	2,040	6,028
(8) NCF((3)-(7))	196,402	282,115	74,957	167,457	653,178	62,008	80,818

Property number	Osaka-9	Osaka-10	Osaka-11	Osaka-12	Osaka-13	Osaka-14	Osaka-15
Property name	GLP Sakai	GLP Rokko II	GLP Kadoma	GLP Seishin	GLP Fukusaki	GLP Kobe-Nishi	GLP Fukachama
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues							
(2) Property-related expenses							
Taxes and dues							
Property and facility management fees	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities							
Repair and maintenance							
Casualty insurance							
Others							
(3) NOI((1)-(2))	58,482	117,288	76,842	45,072	131,174	193,943	134,469
(4) Depreciation	14,782	27,442	12,374	11,871	45,067	58,715	37,732
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	43,699	89,846	64,467	33,201	86,107	135,227	96,736
(7) Capital expenditure	-	-	18,900	3,567	13,877	-	810
(8) NCF((3)-(7))	58,482	117,288	57,942	41,505	117,297	193,943	133,659

Property number	Osaka-16	Osaka-17	Osaka-18	Osaka-19	Osaka-20	Osaka-21	Other-1
Property name	GLP Maishima I	GLP Osaka	GLP Settsu	GLP Nishinomiya	GLP Shiga	GLP Neyagawa	GLP Morioka
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues		917,493					
(2) Property-related expenses		188,287					
Taxes and dues		74,648					
Property and facility management fees	(Note 1)	49,989	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities		40,704					
Repair and maintenance		2,892					
Casualty insurance		2,255					
Others		17,797					
(3) NOI((1)-(2))	442,002	729,205	190,504	68,885	120,036	161,946	28,369
(4) Depreciation	144,416	204,013	16,880	21,561	24,180	45,450	13,964
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	297,585	525,192	173,623	47,323	95,855	116,495	14,405
(7) Capital expenditure	2,970	32,337	22,884	2,820	3,806	-	10,919
(8) NCF((3)-(7))	439,032	696,868	167,620	66,065	116,230	161,946	17,450

Property number	Other-2	Other-3	Other-4	Other-5	Other-6	Other-7	Other-8
Property name	GLP Tomiya	GLP Koriyama I	GLP Koriyama III	GLP Tokai	GLP Hayashima	GLP Hayashima II	GLP Kiyama
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues			125,372				
(2) Property-related expenses			33,281				
Taxes and dues			15,335				
Property and facility management fees	(Note 1)	(Note 1)	6,965	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities			7,544				
Repair and maintenance			1,677				
Casualty insurance			376				
Others			1,381				
(3) NOI((1)-(2))	92,848	122,335	92,090	172,838	44,062	76,784	175,975
(4) Depreciation	31,790	43,433	27,875	35,569	7,986	23,068	64,334
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	61,057	78,901	64,214	137,268	36,075	53,715	111,640
(7) Capital expenditure	15,184	12,268	26,547	38,093	863	850	6,785
(8) NCF((3)-(7))	77,664	110,067	65,543	134,745	43,199	75,934	169,190

Property number	Other-10	Other-11	Other-12	Other-13	Other-14	Other-15	Other-16
Property name	GLP Sendai	GLP Ebetsu	GLP Kuwana	GLP Hatsukaichi	GLP Komaki	GLP Ogimachi	GLP Hiroshima
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues							
(2) Property-related expenses							
Taxes and dues							
Property and facility management fees	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities							
Repair and maintenance							
Casualty insurance							
Others							
(3) NOI((1)-(2))	178,057	58,178	122,523	67,235	331,960	40,814	123,025
(4) Depreciation	48,909	19,910	29,502	14,911	72,497	19,669	27,453
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	129,147	38,267	93,021	52,324	259,463	21,145	95,572
(7) Capital expenditure	8,317	7,030	-	-	2,930	15,718	1,200
(8) NCF((3)-(7))	169,740	51,148	122,523	67,235	329,030	25,096	121,825

Property number	Other-17	Other-19	Other-20	Other-21	Other-22	Other-23
Property name	GLP Fukuoka	GLP Tosu I	GLP Tomiya IV	GLP Soja I	GLP Soja II	GLP Fujimae
Operating dates	28 (Note 2)	184	184	184	184	184
(1) Property-related revenues	(Note 1)	(Note 1)	(Note 1)	445,023	407,007	(Note 1)
(2) Property-related expenses				76,592	67,831	
Taxes and dues				18,981	21,424	
Property and facility management fees				27,160	24,358	
Utilities				22,145	18,527	
Repair and maintenance				2,156	246	
Casualty insurance				1,095	1,093	
Others				5,053	2,180	
(3) NOI((1)-(2))	1,920	293,974	171,671	368,430	339,176	55,753
(4) Depreciation	2,286	101,552	46,714	87,429	84,351	12,613
(5) Loss on disposal of property and equipment	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	(366)	192,422	124,956	281,000	254,825	43,140
(7) Capital expenditure	613	12,600	4,008	200	200	-
(8) NCF((3)-(7))	1,307	281,374	167,663	368,230	338,976	55,753

(Note 1) Disclosure is omitted as the tenants' consents have not been obtained.

(Note 2) GLP Fukuoka was sold to a third party on March 29, 2019.

(2) Status of Capital Expenditure

(i) 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 Tokai	Tokai, Aichi	Renovation of East-side exterior walls	From November 2019 to December 2019	30	—	—
GLP Urayasu	Urayasu, Chiba	Renovation of North-side track berth	From November 2019 to November 2019	27	—	—
GLP Sugito II	Kita-Katsushika, Saitama	FRP waterproofing work on roofs	From November 2019 to January 2020	24	—	—
GLP Settsu	Settsu, Osaka	Renewal of No. C Omni Lifter, Building No.4	From November 2019 to January 2020	22	—	—
GLP Urayasu	Urayasu, Chiba	Renovation of North-side exterior walls and eave soffits	From January 2020 to February 2020	21	—	—
GLP Kadoma	Kadoma, Osaka	Reinforcement of concrete-block walls	From October 2019 to December 2019	20	—	—
GLP Higashi-Ogishima	Kawasaki, Kanagawa	Installation of AC drain pipes	From December 2019 to February 2020	20	—	—
GLP Fukaya	Fukaya, Saitama	Installation of AC drain pipes	From December 2019 to February 2020	20	—	—
GLP Koriyama I	Koriyama, Fukushima	Replacement of foam fire extinguishing facility (deluge valves)	From October 2019 to February 2020	20	—	—

(ii) 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 762 million yen. The total construction cost amounted to 872 million yen, including repair and maintenance of 110 million yen that was accounted for as expenses.

Property name	Location	Purpose	Period	Construction cost (Million yen)
GLP Tokai	Tokai, Aichi	Renovation of South-side exterior walls	From June 2019 to August 2019	33
GLP Kasukabe	Kasukabe, Saitama	Roadbed improvement work in the facility yard (South-side)	From July 2019 to August 2019	29
GLP Atsugi II	Aiko, Kanagawa	Construction of surface water storage structures in North-side parking lot	From August 2019 to August 2019	20
GLP Tokyo	Ota, Tokyo	FRP waterproofing work on roofs	From August 2019 to August 2019	20
GLP Morioka	Shiwa, Iwate	Partial renovation of vertical conveyor systems	From August 2019 to August 2019	9
Other	—	—	—	650
Total				762